

# ANNUAL REPORT 2014

ANNUAL REPORT | 2014



Industrial and Infrastructure  
Development Finance Company Limited

**IIDFC**



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



# CONTENTS

IIDFC Commitments	04
Notice of the 14 <sup>th</sup> Annual General Meeting	06
Milestone Events	07
Corporate Information	10
Our Bankers	11
Shareholding Structure	12
Board of Directors	14
Brief Profile of the Directors	15-21
Audit Committee of the Board	23
Committees of IIDFC	24
Senior Management Team (SMT)	25
IIDFC Staff Members	26-31
Products & Services	32
34 Carbon Finance : Caring Nature and Environment	
36 Ratings of IIDFC	
37-39 Financial Highlights	
40 Sector-wise Exposure	
41 Sources of Fund	
42-45 Directors' Report	
46 Foreword	
48-117 Auditors' Report to the Shareholders of IIDFC Limited	
118-135 Auditors' Report to the Shareholders of IIDFC Capital Limited	
136-156 Auditors' Report to the Shareholders of IIDFC Securities Limited	
158-170 Photographs from IIDFC's Album	
171-174 Notes	
175 Proxy Form	



## IIDFC Commitments

### Our Commitments to the Nation

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

### Our Commitment to the Shareholders

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

# IIDFC Commitments



## Our Commitments to Clients

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

## Our Commitments to Employees

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



## Notice of the 14<sup>th</sup> Annual General Meeting

Notice is hereby given to all shareholders of the Company that the 14<sup>th</sup> Annual General Meeting of Industrial and Infrastructure Development Finance Company Limited will be held on Tuesday, July 28, 2015 at 11.00 a.m. at Chamber Building (6<sup>th</sup> floor), 122-124 Motijheel C/A, Dhaka-1000, Bangladesh to discuss the following businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2014 and Auditors' Report & Directors' Report thereon;
2. To declare dividend for the year 2014 as recommended by the Board of Directors;
3. To election/re-election of Directors of the Company;
4. To appoint auditors for the year 2015 and fix their remuneration; and
5. To transact any other business with the permission of the Chair.

Dated, Dhaka  
July 07, 2015

By order of the Board

**Md. Shamim Ahamed, FCA**  
Company Secretary

### NOTES:

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

## Milestone Events



2000	Dec 19:	<ul style="list-style-type: none"> <li>Incorporated with RJSC, Bangladesh.</li> </ul>
2001	Jan 23:	<ul style="list-style-type: none"> <li>Bangladesh Bank issues license.</li> </ul>
	Jan 25:	<ul style="list-style-type: none"> <li>1st meeting of the Board of Directors.</li> </ul>
	Apr 01:	<ul style="list-style-type: none"> <li>Commercial operation starts.</li> </ul>
	Aug 22:	<ul style="list-style-type: none"> <li>1st Lease Finance Agreement.</li> </ul>
	Oct 15:	<ul style="list-style-type: none"> <li>1st Direct Finance Agreement.</li> </ul>
2003		<ul style="list-style-type: none"> <li>First Ever Zero Coupon Bonds launched by IIDFC.</li> </ul>
2004		<ul style="list-style-type: none"> <li>Syndication of 1st commercial loan for BRAC for BDT 100 crore.</li> </ul>
2006		<ul style="list-style-type: none"> <li>Term Loan Syndication for Warid Telecom International Ltd. [BDT 300 Crore] signed in Abu Dhabi.</li> </ul>
		<ul style="list-style-type: none"> <li>Sanctioning of 1st SME Loan.</li> </ul>
2008		<ul style="list-style-type: none"> <li>Term Loan Syndication for SUMMIT Uttaranchol &amp; Purbanchol Power Company Ltd. (BDT 395 Crore).</li> </ul>
		<ul style="list-style-type: none"> <li>Opening of 1st Branch in Chittagong.</li> </ul>
2009		<ul style="list-style-type: none"> <li>Commencing operation of Brokerage Services.</li> </ul>
		<ul style="list-style-type: none"> <li>Working Capital Loan Syndication for BSRM Iron &amp; Steel Co. Ltd. (BDT 178.80 Crore)</li> </ul>
		<ul style="list-style-type: none"> <li>Sales agreement with the World Bank &amp; Govt. of Denmark for 250,000 tons of Carbon Emission Reduction (CER) to be delivered by Brick Manufacturing Industries using HHK technology.</li> </ul>
		<ul style="list-style-type: none"> <li>Acquisition of South Asia Capital Limited, a merchant banking company and formation of IIDFC Capital Limited.</li> </ul>
		<ul style="list-style-type: none"> <li>The Carbon emission from the air-flights of the delegates attending 15<sup>th</sup> Conference of the Parties in Copenhagen, Denmark, was mitigated by a CDM brick kiln project of IIDFC. A video on the CDM project of IIDFC was shown during the inaugural session of the Conference which was attended by 20,000 delegates from 180 countries on December 07, 2009.</li> </ul>
		<ul style="list-style-type: none"> <li>Introduction of first ever ACI Convertible Zero Coupon Bond in Bangladesh (BDT 100 Crore).</li> </ul>



## Milestone Events

2010		<ul style="list-style-type: none"> <li>IIDFC was awarded "HSBC-Daily Star Climate Change Mitigation Award-2010" for developing the best climate change mitigation project in the Country- December 01, 2010.</li> </ul>
		<ul style="list-style-type: none"> <li>First ever conversion of term loan of BDT 3,122.20 million into redeemable cumulative preference shares of Summit Group's Summit Uttaranchal Power Company Ltd. (SUPCL), and Summit Purbanchal Power Company Ltd. (SPPCL) in September 2010.</li> </ul>
		<ul style="list-style-type: none"> <li>Syndication of Sinha Power Generation Company Ltd. , a 50 MW rental power plant for BDT 2,348.50 million-December 2010.</li> </ul>
		<ul style="list-style-type: none"> <li>NSIC Signing Ceremony: An agreement of mutual cooperation was signed between IIDFC Ltd. and National Small Industries Corporation Ltd. (NSIC), India for the development of small industries in Bangladesh.</li> </ul>
2011		<ul style="list-style-type: none"> <li>UNFCCC accorded registration of the first ever CDM Project in the brick sector of Bangladesh, HHK (bundle-1), on August 18, 2011 with IIDFC acting as the bundling agent.</li> </ul>
		<ul style="list-style-type: none"> <li>A 9 day SME Technology Fair -2011 organized by IIDFC and NSIC, India held on October 9-16, 2011.</li> </ul>
2012		<ul style="list-style-type: none"> <li>The CDM project HHK (bundle-2) has been registered with UNFCCC on July 31, 2012.</li> </ul>
		<ul style="list-style-type: none"> <li>Signing of a US\$ 6 million loan facility with the Asian Development Bank on November 15, 2012 to improve energy efficiency of energy intensive industries of Bangladesh.</li> </ul>
2013		<ul style="list-style-type: none"> <li>Mandated as the lead arranger to raise syndicated facilities of Term Loan Facility of BDT 583.00 million and Working Capital Facilities of BDT 210.00 million for Infinity Data and Power Ltd.</li> </ul>
		<ul style="list-style-type: none"> <li>Arranged Syndicated Term Loan of BDT 2180 Million for Sinha Peoples Energy Limited for establishing a 52.5 MW HFO based power generation facility at Katpotti, Munshiganj.</li> </ul>
2014		<ul style="list-style-type: none"> <li>Arranged syndicated Term Loan Facility of BDT 1000.4 million and USD 6.35 million for Fiber @ Home; which is First ever World Bank Financing in IT sector through IPFF cell of Bangladesh Bank.</li> </ul>
		<ul style="list-style-type: none"> <li>Arranged syndicated Term Loan of BDT 435 million for Infinity Data and Power Limited (IDPL) for setting up a cable manufacturing facility in Kazipara, Union: Mohajompur, PS: Sonargaon, Dist: Narayanganj.</li> </ul>





## Corporate Information

### Registered Head Office

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

### Subsidiaries

**IIDFC Securities Ltd.**  
Eunoos Trade Centre (Level-7),  
52-53 Dilkusha C/A,  
Dhaka -1000, Bangladesh  
Phone: 9560526  
Fax: 9570756

### IIDFC Capital Limited

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

### Chittagong Office

C & F Tower (4<sup>th</sup> floor), 1222,  
Sk. Mujib Road, Agrabad C/A,  
Chittagong, Bangladesh  
Telephone: 031-2516693  
Fax: 031-2516694

### Auditors

**S. F. Ahmed & Co.**  
Chartered Accountants  
House # 51 (2<sup>nd</sup> Floor)  
Road # 09, Block # F  
Banani, Dhaka # 1213

### Business Hours

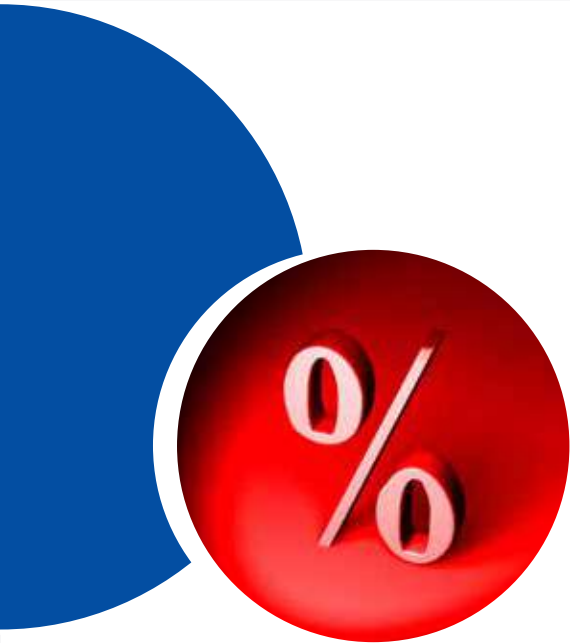
Unless Otherwise  
advised by Bangladesh Bank  
10.00 a.m. to 6.00 p.m  
From Sunday to Thursday



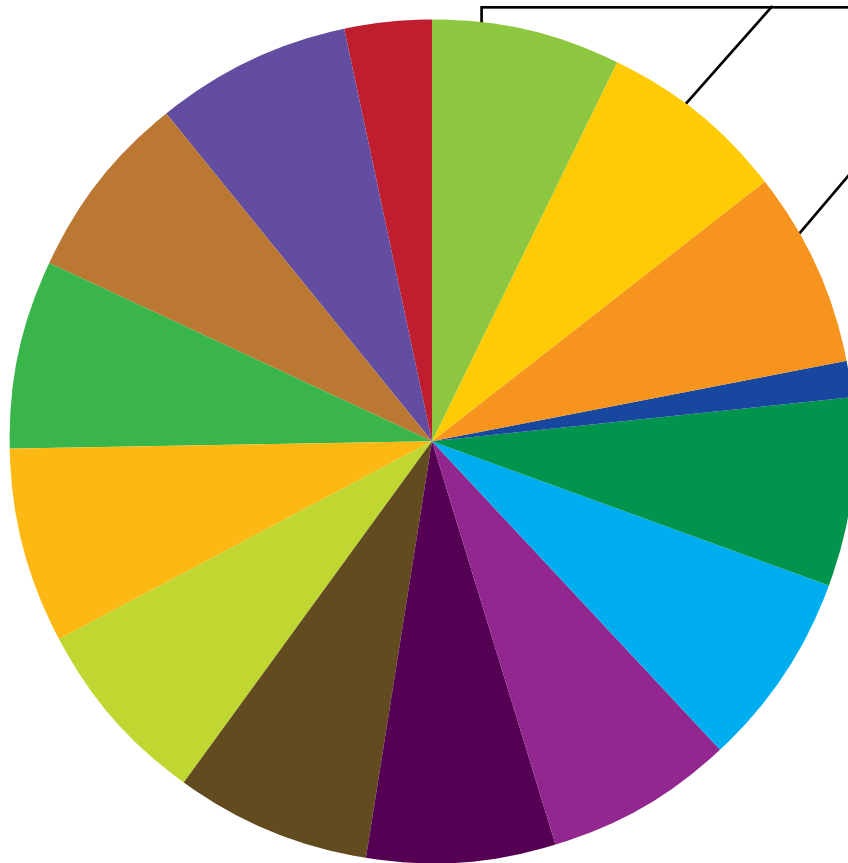
## Our Bankers



BRAC Bank Limited	Head Office
IFIC Bank Limited	Federation Branch, Nayapaltan Branch
Pubali Bank Limited	Principal Branch
Shahjalal Islami Bank Limited	Foreign Exchange, Motijheel Branch
Trust Bank Limited	Dhanmondi Branch
Mercantile Bank Limited	Main Branch
Bank Asia Limited	Shantinagar Branch, Principal Branch
Uttara Bank Limited	Local Office
Prime Bank Limited	Foreign Exchange Branch
Bank Alfalah Limited	Gulshan Branch
NCC Bank Limited	Foreign Exchange Branch
Mutual Trust Bank Limited	Principal Branch
Social Islami Bank Limited	Principal Branch
Commercial Bank of Ceylon PLC	Motijheel Office
Dhaka Bank Limited	Islamic Banking Branch
United Commercial Bank Limited	Foreign Exchange, Bashundhra Branch
BASIC Bank Limited	Main Branch
The Premier Bank Limited	Elephant Road Branch
Bangladesh Commerce Bank Limited	Green Road Branch
Dutch-Bangla Bank Limited	Dhanmondi Branch
Standard Bank Limited	Principal Branch
Southeast Bank Limited	Donia Branch
Jamuna Bank Limited	Dilkusha Branch



## Shareholding Structure



## Public Sector

■ Sonali Bank Ltd.	7.33%
■ Janata Bank Ltd.	7.33%
■ Investment Corporation of Bangladesh	7.33%
<b>Total</b>	<b>21.99%</b>

## Private Sector

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



## Board of Directors

Chairman	Mr. Md. Matiul Islam, FCA
Directors	Mr. Asoke Das Gupta Vice-Chairman, ONE Bank Limited
	Mr. Md. Abdus Salam CEO & Managing Director, Janata Bank Limited
	Mr. Pradip Kumar Dutta Managing Director & CEO, Sonali Bank Limited
	Mr. Anis A. Khan Managing Director & CEO, Mutual Trust Bank Limited
	Mr. Syed Mahbubur Rahman Managing Director & CEO, BRAC Bank Limited.
	Mr. Sohail R K Hussain Managing Director & CEO, The City Bank Limited
	Mr. Md. Mehmood Husain President & Managing Director, Bank Asia Limited
	Mr. Shamsul Huda Khan Managing Director, National Bank Limited
	Mr. Md. Fayekuzzaman Managing Director, Investment Corporation of Bangladesh
	Mr. Morshed Alam Chairman, National Life Insurance Co. Limited
	Mr. Ghulam Rahman Executive Vice Chairman, Eastland Insurance Company Limited
	Mr. Md. Manirul Islam, ABIA Managing Director & CEO, Pragati Insurance Limited
Managing Director	Mr. Md. Asaduzzaman Khan
Representatives of other Promoters	Mr. Shamim Ahmed Choudhury President & Managing Director, AB Bank Limited
	Mr. Shahid Hossain Managing Director, Southeast Bank Limited
Company Secretary	Mr. Md. Shamim Ahamed, FCA

## Brief Profile of the Directors



**Mr. Md. Matiul Islam, FCA**  
Chairman

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



**Mr. Asoke Das Gupta**  
Director

Mr. Asoke Das Gupta is the Vice Chairman of ONE Bank Ltd. He is a reputed businessman of the Country. He is the Chief Executive of IMTrex and the Managing Director of Uniroyal Trade Ltd. He is also Chairman of Uniroyal Securities Limited & Ocunova Eye Hospital. Mr. Gupta, a Graduate under Dhaka University, successfully participated in many short courses on Personnel Management & Industrial Relations, Psychology in Administration and Marketing, Planning Analysis & Control from IBA, BMDC & ILO. He traveled UK, USA, China, South Korea, Hong Kong, Singapore, Thailand, India, Pakistan and many other countries for business purposes.



## Brief Profile of the Directors



**Mr. Md. Abdus Salam, FCA**  
Director

Mr. Md. Abdus Salam joined as the CEO & Managing Director of Janata Bank Limited on 28th October, 2014. Before joining Janata Bank, he served as the Managing Director of Bangladesh Krishi Bank. He was born on 1st December, 1956 in a respectable family. His father's name is late Ahmed Ali & mother's name is Mrs. Rabeya Ahmed. Mr. Salam studied at Dhaka College, Dhaka for his higher secondary education, followed by his graduation and postgraduation studies at the Department of Accounting of the University of Dhaka where he obtained his B.Com. (Hons.) and M.Com. (Accounting) degrees. He is also a Fellow of the Chartered Accountant (FCA) from the Institute of Chartered Accountants of Bangladesh (ICAB).

Mr. Md. Abdus Salam, FCA started his banking career in 1983 as Principal Officer of Bangladesh Krishi Bank. Before adorning the position of CEO & MD of Janata Bank Limited, he served as Deputy Managing Director in Agrani Bank Limited & Janata Bank Limited and as General Manager in Sonali Bank Limited & Karmasangsthan Bank.

On his initiative Bangladesh Krishi Bank, for the first time, acted as 'Banker to the Issue' and also introduced Mobile Banking and On-line Banking in the same Bank. His notable and luminous works were – preparation of the Asset Liability Management Manual, Risk Management Manual and implementation of Automated Foreign Remittance Distribution System in Sonali Bank Limited. He also contributed to the introduction of On-Line Banking in Agrani Bank Limited. He developed an Accounting System for Bangladesh Computer Council in 1990 while he was on deputation. He attended various workshops, seminars and received different trainings in home and abroad. He travelled a number of countries including USA, France, Germany, UAE, KSA and India.



**Mr. Pradip Kumar Dutta**  
Director

Mr. Pradip Kumar Dutta was born in a respectable family in Mymensingh on 26<sup>th</sup> November, 1953. He is the son of Late Jitendra Dutta and Late Amio Bala Dutta. Mr. Dutta did his Masters of Science from Dhaka University in 1974. He started his career with Sonali Bank in 1977 as a Senior Officer. He has served in various positions in Sonali Bank which include Branch Manager, Principal Office Head, General Manager's Office Head and Head of different Operational Divisions at Bank's Head Office. On getting promotion as General Manager he was posted to Bangladesh Krishi Bank (BKB). He served there for a period of one and a half year from September 2003 to March 2005. Then he was again transferred and posted in Sonali Bank where he worked as a General Manager and Deputy Managing Director till he was promoted and posted as Managing Director of Rajshahi Krishi Unnayan Bank (RAKUB) on 18<sup>th</sup> July, 2010. He worked there till 14<sup>th</sup> June, 2012 with a break of less than 2 months period. He has been appointed as the Managing Director and CEO of Sonali Bank Ltd. and has been working since 17<sup>th</sup> June, 2012. In his 38 years banking career he gained expertise in all types of banking activities having vast practical exposure. He is widely acknowledged for his cooperative attitude and amicable disposition in the banking industry. The Managing Director and CEO of Sonali Bank Limited Mr. Dutta is a man with pleasant personality. During his career as a banker, he attended many trainings, seminars and workshops in home and abroad; visited Japan, UK, USA and many other countries in the world. Presently, he is holding various positions (Ex-Officio) of the other Institutions viz- Director, Sonali Exchange Inc., New York, USA, Sonali Bank (UK) Ltd. London, UK; Primary Dealers Bangladesh Ltd.(PDBL); Investment Corporation of Bangladesh (ICB); Sonali Investment Ltd.(SIL); Bangladesh Commerce Bank Ltd. (BCBL); Central Depository Bangladesh Ltd. (CDBL); Industrial and Infrastructure Development Finance Company Ltd. (IIDFC). He is member, Governing Board, Bangladesh Institute of Bank Management (BIBM) and executive committee, Bangladesh Foreign Exchange Dealers Association (BAFEDA). He is also the Vice-Chairman of the Institute of Bankers Bangladesh (IBB).

## Brief Profile of the Directors



**Mr. Anis A. Khan**  
Director

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

AAK received on the job exposure and training on banking, management and leadership practices including corporate banking, international trade, retail banking, investment and merchant banking, stock brokerage services, leasing, factoring, operations, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and upgradation of information technology platforms in Bangladesh, India, UAE, UK, Australia and South Africa. He also attended an Executive Program in Corporate Governance and Strategic Management at the Haas Business School of the University of California, Berkeley.

Anis currently serves, beside others, as Director of IIDFC, Director of BD Ventures Limited, Chairman of Primary Dealers Bangladesh Limited (PDBL), Chairperson of SWIFT Member & User Group of Bangladesh, Vice Chairman, Board of Governors of the Association of Bankers, Bangladesh (ABB), Vice President MCCI, and Chairman of its Commercial Legislation Sub-Committee and Member of the Board of Governors of BIBM

AAK frequently delivers lectures and presentations on investment in Bangladesh, corporate governance, banking, leasing, factoring and the capital market, both at home and abroad. A keen collector of art, Anis is a member of the Board of Governors of the Society for Promotion of Bangladesh Art (SPBA).



**Mr. Syed Mahbubur Rahman**  
Director

Mr. Syed Mahbubur Rahman, Managing Director & CEO of BRAC Bank Limited has been in this position since June 2010. Before that he served as Deputy Managing Director of the Bank. Prior to joining BRAC Bank, he served with Prime Bank as the Deputy Managing Director. He also worked with IDLC Finance, Standard Chartered Bank, ANZ Grindlays Bank and Citibank in different capacities. He started his career with Saudi Bangladesh Agricultural and Industrial Investment Co. (SABINCO). Besides being the Managing Director & CEO of BRAC Bank Limited, he is also the Director of BRAC-EPL Investments, BRAC-EPL Stock Brokerage, BRAC Saajan Exchange (FSA, UK), bKash (mobile financial service), BRAC IT Services Ltd. (biTS), Industrial and Infrastructure Development Finance Company (IIDFC) Limited and The Bangladesh Rating Agency Limited (credit rating agency). He has over 26 years of experience in Banking & Financial Institutions. During his banking career, he attended numerous trainings, seminars and workshops on different aspects of banking held in the country and abroad. Mr. Syed Mahbubur Rahman obtained MBA from the Institute of Business Administration, University of Dhaka. He received 'The Asian Banker Leadership Achievement Award 2011-2013' – arguably the most prestigious accolade for banking leaders in the Asia Pacific region – in recognition of his outstanding and futuristic leadership at BRAC Bank.



## Brief Profile of the Directors



**Mr. Sohail R. K. Hussain**  
Director

Mr. Sohail Reza Khaled Hussain is the Managing Director and Chief Executive Officer of The City Bank Ltd. (CBL), a first generation private commercial bank of the country. He joined CBL in 2007 as a Deputy Managing Director and Head of Business, overseeing the various business divisions of the bank namely Corporate banking, Retail Banking, Treasury & Capital Markets and SME Banking. He was promoted to Additional Managing Director in February 2011. As Additional Managing Director his functional designation was Chief Business Officer of the bank. Before joining The City Bank, he looked after corporate banking, Small and Medium Enterprise (SME) and treasury businesses of Eastern bank Limited (EBL). He joined the EBL in 2001 as a member of EBL's restructuring team and successfully established the bank's corporate banking division. After completing MBA from the Institute of Business Administration (IBA) of the University of Dhaka, Mr. Hussain joined ANZ Grindlays Bank (subsequently Standard Chartered Grindlays Bank) in 1990 as a Management Trainee and continued till 2001. He served as Head of Large Local Corporate Unit of the combined ANZ & Standard Chartered Bank in his last assignment in the organization. Mr. Hussain also represents The City Bank Ltd. in the Board of IIDFCL, City Bank Capital Resources Ltd and City Brokerage. Mr. Hussain is also a member of the Board of Governors of ABB, Council of IBB and Trustee Board of CSR Center.



**Mr. Md. Mehmood Husain**  
Director

Mr. Md. Mehmood Husain joined Bank Asia as President & Managing Director in August, 2011. Prior to this, he was the Additional Managing Director of Prime Bank. Mr. Mehmood, an ex-cadet and a post graduate in Economics from the University of Dhaka, started his banking career in 1984 with National Bank as Probationary Officer. He brings with him 32 years of long and diversified banking experience. While in Prime Bank, he held many important and responsible positions and contributed greatly to the growth of the bank. Mr. Mehmood attended a number of professional workshops and seminars at home and abroad. He is the Member of Association of Bankers Bangladesh and life member of Bangladesh Economic Association. He is associated with various social organizations. Mr. Mehmood is a widely travelled person.

## Brief Profile of the Directors



**Mr. Shamsul Huda Khan**  
Director

Mr. Shamsul Huda Khan currently Managing Director and CEO of National Bank Limited is a self motivated, performance-driven and enthusiastic banker with diversified exposures in different aspects of banking operations. Prior to his joining as the Managing Director and CEO, on 30th December, 2014, he was serving the Bank as the Additional Managing Director. He has about 35 years experience in banking.

Mr. Khan commenced his banking career in Pubali Bank Limited as Probationary officer in 1980. He was promoted as Senior Executive Vice President in 2008 and became Deputy Managing Director of the Bank in 2010. He served as Deputy Managing Director & Head of International Division, Treasury Operation, Overseas Operations, General Banking Division & Anti Money Laundering Department/CAMLCO of National Bank Ltd. He was a member of different Committees of the bank including Management Committee, Credit Committee, ALCO Committee, AML Committee, Promotion Committee, Recruitment Committee, Website Development Committee, Online Banking Development Committee etc.

Mr. Khan led Overseas Operations of the Bank as the Head of International Division of Pubali Bank. He contributed a lot to open the Bank's own exchange houses & establishment of drawing arrangements with different exchange companies in mobilization of wage earners' remittances from Bangladeshi expertise living in the different parts of the Globe. As the Head of International Division, he played a key role in establishing fully owned overseas subsidiary exchange companies of Bank in Singapore, Malaysia, Maldives, Greece and USA.

A Master of Commerce in Finance from the University of Dhaka, Mr. Khan has enriched his career by attending many training courses and workshops at home and abroad. He also holds a Diploma in Banking from the Institute of Bankers, Bangladesh. He has visited many countries in Europe, Middle East, South Asia, South East Asia & Far East. Mr. Khan was born on February 28, 1954 in a respectable Muslim family and blessed with 2(two) sons.



**Mr. Md. Fayekuzzaman**  
Director

Mr. Md. Fayekuzzaman is the Managing Director of the Investment Corporation of Bangladesh (ICB) and Chairman, ICB Capital Management Limited. He is also the Member, Board of Directors of Bangladesh Institute of Capital Market (BICM), Standard Bank Limited, Bangladesh Development Bank Ltd. (BDBL), British American Tobacco Bangladesh Ltd. (BATB), Linde Bangladesh Ltd., GlaxoSmithKline Bangladesh Ltd., Renata Limited, ACI Limited, National Tea Company Ltd., Central Depository Bangladesh Ltd. (CDBL), The Institute of Bankers, Bangladesh; Credit Rating Agencies of Bangladesh Ltd. (CRAB), Credit Rating Information and Services Ltd. (CRISL), Apex Tannery Ltd. and Apex Footware Ltd. Born in Gopalganj in 1953, Mr. Zaman obtained B. Com Hons. and M. Com degrees in Management. He completed his Post Graduation studies in Investment Planning, Appraisal and Management of Development Finance Institutions from Bradford University, United Kingdom. He also attended Cambridge Leadership Program organized by the University of Cambridge, United Kingdom and Leadership Essential Program arranged by the Columbia University, USA. Mr. Zaman has experience of about 30 (thirty) years in Commercial and Investment Banking. Prior to the present position, he was the Deputy Managing Director of Agrani Bank Ltd. from 2007 to 2010. Before that he was the General Manager of ICB.



## Brief Profile of the Directors



**Mr. Morshed Alam**  
Director

Mr. Morshed Alam entered in business arena in the year 1969. He is the founder Chairman of Bengal Group of Industries which is made up of a number of different diversified industries like plastic processing, chemicals, food processing and trading. The Group holds strong leadership position in the plastic sector of the Country, the largest manufacturer and exporter of plastic extruded & injection molded products. Mr. Alam was declared as Commercially Important Person (CIP) by the Government of Bangladesh for his remarkable contribution to the economy. Mr. Alam is the Chairman of National Life Insurance Company Ltd. and National Television Ltd. (RTV). He is the Director of Mercantile Bank Ltd., National Housing Finance and Investments Ltd., Desh General Insurance Co. Ltd., United Hospital Ltd., People's University of Bangladesh, and Bengal Television Ltd. (Channel-52). With his dynamic leadership, the Bengal Group received the Export Trophy both Gold and Silver for several times from the Prime Minister of Bangladesh for its outstanding contribution in export. Mr. Alam is also the founder of many social organizations all over the Country.



**Mr. Ghulam Rahman**  
Director

Mr. Ghulam Rahman is a veteran banker who started his banking career in the then United Bank Limited in 1961. During his 34 years long banking career, he worked in various banks i.e. United Bank, Janata Bank, National Bank and National Credit and Commerce Bank, in senior positions.

He resigned from the services of National Credit and Commerce Bank Ltd. in the year 1994 and joined Eastland Insurance Company Limited as Director Planning. Mr. Rahman has been co-opted as Executive Vice Chairman of the Company by the Board of Directors since September, 2013.

Mr. Rahman is a widely traveled person and underwent lots of training programmes at home and abroad. He is a Commerce Graduate.

## Brief Profile of the Directors



**Mr. Md. Manirul Islam**  
Director

Mr. Md. Manirul Islam is working with Pragati Insurance Limited as Managing Director and CEO since 1st October, 2012. He obtained B.Com (Hon's), M.Com (Accounting) from Dhaka University in 1976 and also obtained BIA Diploma from Bangladesh Insurance Academy in the year 1985. He joined Sadharan Bima Corporation in May 1981 as a Trainee Officer and after successful completion of the probation period he was absorbed as 'Deputy Manager'. He retired voluntarily from Sadharan Bima Corporation on 30th September, 2012 as General Manager. During his service in Sadharan Bima Corporation he worked in various Departments like Underwriting, Claims, Accounts, Re-insurance, Finance & Investment etc. and gathered vast knowledge and experience. He attended insurance, re-insurance and finance related many seminars, symposiums and workshops. He participated in various professional training courses at home and abroad. Mr. Islam is associated with various social organizations. He is a councilor of Bangladesh Football Federation (BFF). He was also a Councilor and Member of the Finance Committee of Bangladesh Cricket Board (BCB).



**Mr. Md. Asaduzzaman Khan**  
Director (Ex Officio)

Mr. Md. Asaduzzaman Khan, a career central banker, joined IIDFC as Managing Director in July 2008. Prior to his joining, he was the Executive Director of Bangladesh Bank where he served more than 32 years and worked in important departments including Banking Regulations and Policy Department (BRPD), Foreign Exchange Policy Department (FEPD), and Bank Supervision Departments. Mr. Khan was appointed as Administrator of the taken over problem-ridden Oriental Bank Ltd. (now ICB Islamic Bank Ltd.) and successfully helped smooth transition of the ownership and management of the Bank with new owners and new management under central bank's reconstitution scheme within a period of only 18 months. A Diplomaed Associate of the Institute of Bankers, Bangladesh (DAIBB), Mr. Khan completed his B.A. (Hons) and M.A. in Economics from the University of Dhaka and also did M.A. in Banking and Finance from the University of Wales, UK. Mr. Khan is also the Member Representative and Director of IIDFC Securities Ltd., a Director of IIDFC Capital Ltd. and a Director of ICB Capital Management Ltd.



## Audit Committee of the Board

Mr. Md. Abdus Salam  
CEO & Managing Director, Janata Bank Ltd.  
Chairman

Mr. Asoke Das Gupta  
Vice Chairman, ONE Bank Limited  
Member

Mr. Pradip Kumar Dutta  
Managing Director & CEO, Sonali Bank Ltd.  
Member

Mr. Md. Fayekuzzaman  
Managing Director, ICB  
Member

Mr. Shamsul Huda Khan  
Managing Director, National Bank Ltd.  
Member



## Committees of IIDFC

### SME Credit Committee

1. Mr. Md. Matiul Islam, Chairman
2. Mr. Md. Asaduzzaman Khan, Managing Director
3. Mr. S.M. Anisuzzaman, SEVP
3. Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary
4. Mr. Refaet Ullah, AVP-Head of SME Department

### Asset Liability Management Committee (ALCO)

1. Mr. Md. Asaduzzaman Khan, Managing Director
2. Mr. S.M. Anisuzzaman, SEVP
3. Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary
4. Ms. Shahnaj Sultana, AVP-Treasury
5. Mr. Refaet Ullah, AVP-Head of SME Department
6. Mr. Md. Noor-ul-Alam, ACA, AVP-ICC
7. Mr. Mohammad Jayed Hossain-Senior Manager, Treasury
8. Mr. Sifat Monzur, Deputy Manager-RMU

### Credit Risk Management Committee

1. Mr. Md. Asaduzzaman Khan, Managing Director
2. Mr. S.M. Anisuzzaman, SEVP
3. Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary
4. Mr. Sami Huda, SVP- Corporate Finance
5. Mr. Refaet Ullah, AVP-Head of SME Department
6. Mr. Md. Arifur Rahman, AVP-SME

### Credit Committee

1. Mr. S.M. Anisuzzaman, SEVP
2. Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary
3. Mr. Sami Huda, SVP- Corporate Finance
4. Ms. Shahnaj Sultana, AVP-Treasury
5. Mr. Refaet Ullah, AVP-Head of SME Department
6. Mr. Md. Arifur Rahman, AVP-SME
7. Mr. Tapan Dey, Manager-CAD

### Central Compliance Unit

1. Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary
2. Mr. Sami Huda, SVP- Corporate Finance
3. Mr. Refaet Ullah, AVP-Head of SME Department
4. Mr. Mohammad Jayed Hossain-Senior Manager, Treasury
5. Mr. Tapan Dey, Manager-CAD
6. Mr. Sifat Monzur, Deputy Manager-RMU

### Risk Management Forum

1. Mr. Md. Asaduzzaman Khan, Managing Director
2. Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary
3. Mr. Sami Huda, SVP- Corporate Finance
4. Mr. Ahmmed Ashique Mahmud, SVP-Structured Finance
5. Mr. Syed Abed Hasan, Vice President-Finance & Accounts
6. Mr. Md. Noor-ul-Alam, ACA, AVP-ICC
7. Ms. Shahnaj Sultana, AVP-Treasury

# Senior Management Team (SMT)

## IIDFC Ltd.

Mr. Md. Asaduzzaman Khan, Managing Director  
 Mr. S.M. Anisuzzaman, SEVP  
 Mr. Md. Shamim Ahamed, FCA, SVP-CFO & Company Secretary  
 Mr. Sami Huda, SVP-Corporate Finance  
 Mr. Ahmmed Ashique Mahmud, SVP-Structured Finance  
 Mr. Syed Abed Hasan, VP-Finance & Accounts  
 Mr. Md. Nizam Uddin Chowdhury, VP & Head of Chittagong Branch  
 Mr. Shahanur Rashid, VP-Structured Finance  
 Ms. Shahnaj Sultana, AVP-Treasury  
 Mr. Md. Noor-ul-Alam, ACA, AVP-ICC  
 Mr. Refaet Ullah, AVP-SME  
 Mr. Md. Junnur Rahman, Head of Monitoring & Legal Affairs  
 Mr. Md. Arifur Rahman, AVP-SME  
 Ms. Nandita Ayesha Zaman, AVP-Corporate Finance  
 Mr. Samiur Rahman, AVP-Corporate Finance  
 Ms. Kanij Fatema, AVP-Corporate Finance  
 Ms. Taniza Mazed, AVP-Structured Finance

## IIDFC Securities Ltd.

Mr. A.T.M. Nasir Uddin, Chief Executive Officer  
 Mrs. Ashrafun Nessa, Chief Operating Officer  
 Mr. Mia Mohammad Abdullah, Assistant Vice President

## IIDFC Capital Ltd.

Mr. Md. Saleh Ahmed, Chief Executive Officer



## SENIOR MANAGEMENT TEAM



**Sitting (L-R):** Mr. Sami Huda, Mrs. Ashrafun Nessa, Mr. A.T.M. Nasir Uddin, Mr. Md. Asaduzzaman Khan, Mr. S.M. Anisuzzaman, Mr. Md. Shamim Ahamed, **Standing (L-R):** Ms. Kanij Fatema, Ms. Shahnaj Sultana, Ms. Taniza Mazed, Mr. Md. Junnur Rahman, Mr. Arifur Rahman, Mr. Shahanur Rashid, Mr. Md. Saleh Ahmed, Mr. Ahmmed Ashique Mahmud, Mr. Syed Abed Hasan, Mr. Refaet Ullah, Mr. Md. Noor-ul-Alam, Mr. Samiur Rahman, **Not in the Picture:** Mr. Mohammad Nizam Uddin Chowdhury, Ms. Nandita Ayesha Zaman



## **IIDFC Staff Members**



**Corporate Finance Department**



**SME Finance Department**

## IIDFC Staff Members



**Structured Finance Department**



**Finance & Accounts Department**



## IIDFC Staff Members



**Legal and Monitoring Department**



**Treasury Department**

## IIDFC Staff Members



**Human Resources Department**



**Share Market Investment Cell & Carbon Finance Unit**



**Administration Staff**



## IIDFC Staff Members



**IT Department**



**ICC & Risk Management Department**



**Chittagong Office**

## IIDFC Staff Members



**Deposit Mobilization Team**



**IIDFC Securities Limited**



**IIDFC Capital Limited**

# Products & Services



## Lease Finance

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

## Term Lending

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

## Structured Finance

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

## SME Finance

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

## Factoring and Work Order Finance

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

## Home Loan

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

## Equity Financing

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

## Advisory Service

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

## Deposit Schemes

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

## CDM Project Development

The following Services are provided :

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

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

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

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

# Products & Services



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

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

### Ongoing Projects:

1. Improving Kiln efficiency in the brick making industry in Bangladesh
2. Improving Kiln efficiency in the brick making industry in Bangladesh (Bundle-2)

### CDM Projects in the Pipeline:

Improving Kiln efficiency in the brick making industry in Bangladesh (Bundle-3)

## Financing Mitigation Projects

### 1. CDM Project:

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

### 2. Energy Efficiency Improvement Project:

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

## Carbon Finance: Caring Nature and Environment...



Brick Kiln owners at CER revenue distribution ceremony at IIDFC

### CDM Brick Kiln Project:

Uncontrolled industrialization, inefficient burning of fossil fuels and consumption of energy have endangered the Global environment Environment as well as the entire human species. The effects of climate change include an upward trend in global mean temperature, rise in the sea level and a probable increase in the frequency of some extreme weather events such as drought, changing rain pattern, flood etc. IPCC, in its Annual report on Climate Change has already identified Bangladesh as one of the most vulnerable countries to Climate Change.

To combat with climate change IIDFC has introduced & developed "Carbon Finance" which is a market based mechanism to encourage Climate Change Mitigation. Under such scheme, IIDFC has taken up a Clean Development Mechanism (CDM) project titled as "Improving Kiln Efficiency in the Brick Making Industry in Bangladesh", an [Hybrid Homan Kiln (HHK) Project] to construct 16 new energy efficient brick kilns in two bundles to significantly reduce emission of Carbon dioxide (CO<sub>2</sub>) gas and other local pollutants that are generated by the traditional brick kilns of the country.

IIDFCL, being the first local Financial Institute, entered into Carbon Trading through signing Certified Emission Reduction Purchase Agreement (CERPA) with the World Bank & the Government of Denmark on 25th August, 2009 to sell a total of 249,000 tons of Certified Emissions Reductions (CER) to be generated from these 16 kilns. But due to some constraints which become visible while implementing these projects, a total of 125,000 tons of CERs are now to be expected to be generated up to December 2015. Being a modified Chinese version of the original German technology, Hybrid Hoffman Kilns were difficult to set up and operate smoothly in the geographical condition of Bangladesh. The initially built kilns in of this project faced various difficulties with the design & size of the dryer, nature of the local soil and scarcity of skilled firemen. But these issues have now been successfully addressed and many local entrepreneurs are coming forward to invest in this technology. This initiative of IIDFC not only helped to reduce Green House Gas (GHG) emissions but also helped to establish a new greener and sustainable technology in the country. It can be mentioned that, every single sized HHK replaces 7 to 8 environment polluting and energy inefficient Fixed Chimney Kilns (FCK).

Apart from the environmental issues the projects implemented under this CDM has been playing a great role in improving the workers' Social and Occupational Health & Safety issues. All of these projects provide necessary Safety Gears, safety signs & barriers with adequate fire-fighting equipment in the workplace. Proper sanitation facilities have been built separately for both male & female workers along with washing areas. Male & female workers have separate resting cum dining areas inside the factories. To check the health condition of the workers, a physician visits the kilns every 15 days and provides them with free consultation with some medicines. These measures have improved the working conditions of the factory which is otherwise absent in the traditional Brick kilns.

All these hard works yielded in the issuance of CERs by United Nations Framework Convention on Climate Change (UNFCCC) on 21st February, 2014. IBRD, as the trustee of the project transferred CER revenues worth USD 240,000 for the first monitoring period of the this project. IIDFC, as the Project Entity, successfully distributed the achieved

revenue among the participating HHK owners. Another 52,000 tons of CERs worth around USD 790,000 are now awaiting issuance.

### Energy Efficiency Finance Program:

IIDFC has been involved in an Energy Efficiency Improvement project namely "Bangladesh Industrial Energy Efficiency Improvement Finance Program (BIEEFP)". As the Executing Agency of the program, IIDFC arranged and completed Energy Audits in 120 industries from 06 different sectors. The audit concluded that, a total of USD 140 million investments in these industries to improve Energy Efficiency can result in annual savings of USD 43 million with a payback period of 03 years. This project has created scope for investment in energy savings in the energy savvy scarce industrial sector of our country. IIDFC is also working with other development organizations in the Energy Efficiency Financing Sector.



*Production in progress at Kapita HHK Technology based brick kiln*

# RATINGS OF IIDFC



**National Credit Ratings Limited**

Ratings are based on Audited Financial Statement up to 31<sup>st</sup> December 2014 along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration.

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

Website: [www.ncrbd.com](http://www.ncrbd.com)

**NBFI**

## INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED (IIDFC)

SURVEILLANCE ENTITY RATING – 2015		
Date of Rating Declaration	Long Term	Short Term
30.06.2015	AA (Double A)	ST-2
Outlook	Stable	
SURVEILLANCE ENTITY RATING - 2014		
Date of Rating Declaration	Long Term	Short Term
25.05.2014	AA (Double A)	ST-2

Ratings are valid for one year from the date of declaration

### RATING RATIONALE

The ratings reflect IIDFC's established track record, experienced and qualified Board and Management team. The ratings favorably consider the improved net interest margin (NIM) and enhanced spread. The ratings also draw strength from improved profitability indicators along with the maintenance of proper provisioning against nonperforming loans. The ratings are, however, constrained by decline in yield on asset, moderate liquidity position indicated by negative liquidity gap under 3-12 months maturity bucket, increase in non-performing loan implying decrease in assets quality and loss of market value against the investment made in securities. NCR, in the view of the company's recent operational performance & economic position, considers the outlook of the company as "stable" which indicates that the existing fundamentals may be sustained in the foreseeable future.

### ASSESSMENT

- The total capital was recorded TK 1,667.21 million where Core Capital (Tier-I) is TK 1,553.77 million and Supplementary Capital (Tier-II) is TK 113.44 million during 2014, representing a capital surplus of TK 499.64 million. Finally the CAR was posted 14.28% which is composed of 13.31% Core Capital (Tier-I) and 0.97% Supplementary Capital (Tier-II).
- The gross lease and advances of the IIDFC and its subsidiaries has increased to TK 12,218.86 million in 2014 from TK 10,767.37 million in 2013, registering a growth of 13.48%. The Non-Performing lease and advances of IIDFC was recorded TK 526.92 million in 2014 from TK 511.31 million in 2013, recording a growth of 3.05%, implies the quality of lease assets has slightly deteriorated in 2014. IIDFC has maintained provision of TK 386.29 million against required provision TK 386.15 million, showing excess provisions of TK 0.14 million (TK 1.11 million in 2013) during 2014. The gross NPL coverage was recorded 70.07% in 2014 against 69.59% in 2013.
- The Net Interest Income increased to TK 403.14 million in 2014 from TK 286.28 million in 2013, showing a growth of 40.82%. Besides, other operating income also increased by 73.77% and stood to TK 158.10 million in 2014 from TK 90.98 million in 2013 IIDFC evidenced Net Profit of TK 175.70 million in 2014 against TK 102.96 million in 2013. ROA increased to 1.29% in 2014 from 0.79% in 2013 and ROE also increased to 12.41% in 2014 from 8.08% in 2013.
- The intermediation efficiency has improved during the year 2014, as the net interest margins (NIM) increased to 3.20% in 2014 from 2.41% in 2013. Although the Yield on Assets decreased to 13.43% in 2014 from 14.94% in 2013 but due to decrease in Cost of Funds to 12.41% in 2014 against 14.79% in 2013, the spreads improved to 1.74% in 2014 from 0.15% in 2013.
- IIDFC held TK 163.19 million of CRR against required CRR of TK 121.07 million in 2014 with surplus amount of TK 42.12 million. On the other hand, required SLR was TK 264.22 million and the company maintained TK 301.14 million in 2014 having a surplus amount of TK 36.92 million. The deposit has increased to TK 7,090.86 million in 2014 from TK 5,624.72 million in 2013, registering a growth of 26.07%. The borrowing decreased to TK 3,496.39 million in 2014 from TK 3,706.87 million in 2013.

### PROFILE

- Industrial and Infrastructure Development Finance Company Limited (hereinafter called as 'IIDFC' or 'The Company') was incorporated on December 19, 2000 as a Public Limited Company and commenced commercial operation on April 1, 2001. IIDFC offers various products and services namely Finance and Investment product, Deposit Schemes, Advisory Services, Carbon Finance, Brokerage Services and Merchant Banking.
- The Registered and Corporate Head Office is located at Chamber Building (6th & 7th floor), 122-124 Motijheel C/A, Dhaka - 1000. IIDFC operates with one Branch located at Chittagong.

### DISCLAIMER

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

### FINANCIAL DATA (TK IN MILLION)

	2014	2013
Total Assets	14,426.86	12,817.01
Risk weighted Assets (RWA)	11,675.69	11,329.36
Required Capital (10% of RWA)	1,167.57	1,132.94
Tier I Capital	1,553.77	1,421.52
Tier II Capital	113.44	114.83
Gross Finance	12,218.86	10,767.37
Non Performing Loan (NPL)	526.92	511.31
Provision Required against NPL	386.15	311.39
Provision Maintained against NPL	386.29	312.50
Excess Provision Maintained	0.14	1.11
Total Net Revenue	561.24	377.26
Net Income	175.70	102.96
CAR	14.28	13.56
NPL/Gross Advances (%)	4.31	4.75
ROE (%)	12.41	8.08
ROA (%)	1.29	0.79
NIM (%)	3.20	2.41
Asset Yield	13.43	14.94
Cost of Fund	12.41	14.79
Spread	1.74	0.63
Finance / Deposit (%)	172.32	191.43

### ANALYSTS:

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+88-02-9359878  
[labiba@ncrbd.com](mailto:labiba@ncrbd.com)

**Lemon Das**  
+88-02-9359878  
[lemon@ncrbd.com](mailto:lemon@ncrbd.com)

# FINANCIAL HIGHLIGHTS

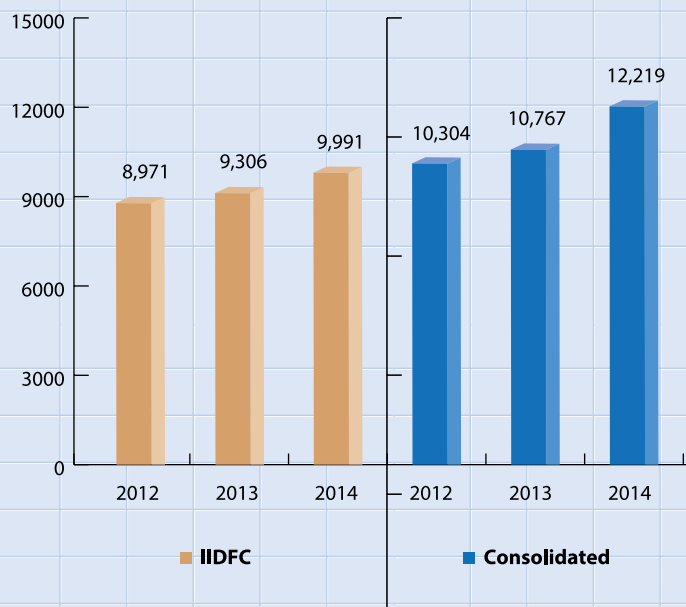
BDT in Million

Particulars/Year	2014		2013		2012	
	Consolidated	IIDFCL	Consolidated	IIDFCL	Consolidated	IIDFCL
<b>Profit and Loss Account</b>						
Operational Revenue	1,797.49	1,595.22	1,811.60	1,667.14	1,601.25	1,588.80
Operational Expenses	1,489.78	1,366.38	1,669.42	1,574.61	1,628.24	1,511.16
Operating Profit	307.72	228.84	142.18	92.53	(26.99)	77.64
Profit after Tax	175.70	132.25	102.96	74.53	(106.66)	22.22
<b>Balance Sheet</b>						
Total Leases, Loans & Advances	12,218.86	9,991.42	10,767.37	9,306.07	10,304.07	8,970.98
Provision for Investments	484.18	386.29	410.54	312.50	394.07	295.50
Leased Finance/Advances	2,524.03	2,524.03	2,600.90	2,600.90	2,496.81	2,766.40
Direct/Term finance	6,476.32	7,467.38	5,155.35	6,705.18	5,052.33	6,474.17
Margin loan	3,218.50	-	3,011.12	-	2,754.93	-
Investment in Shares	430.00	251.83	363.13	193.08	343.55	204.29
Shareholders' Equity	1,502.95	1,553.77	1,327.26	1,421.52	1,221.70	1,321.99
Reserve & Surplus	502.95	553.77	327.26	421.52	221.62	321.99
Paid up Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total nos. of Shares (in quantity)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
<b>Ratios</b>						
Book Value Per Share (BDT)	15.03	15.54	13.27	14.22	12.22	13.22
Earnings Per Share (BDT)	1.76	1.32	1.03	0.75	(1.07)	0.22
Dividend Per Share (BDT)	-	1.50	-	-	-	6.50
Return on Average Equity (%)	12.41	8.89	8.08	5.43	(8.41)	1.73

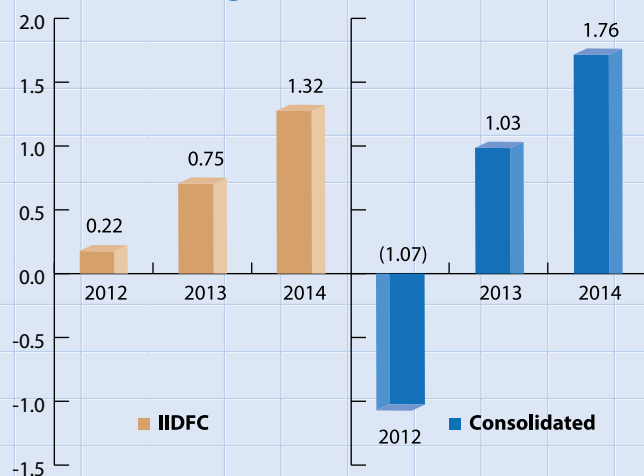
\* Due to change in denomination of face value of share from BDT 100 to BDT 10 the figures are restated, where applicable.

# FINANCIAL HIGHLIGHTS

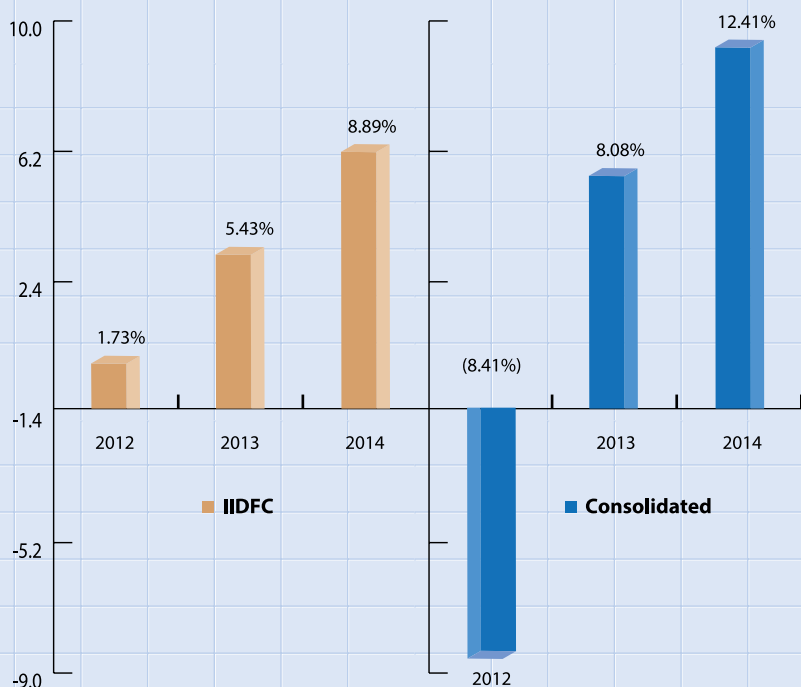
## Investment Growth (BDT in Million) (Loans and Leases)



## Earning Per Share (BDT)

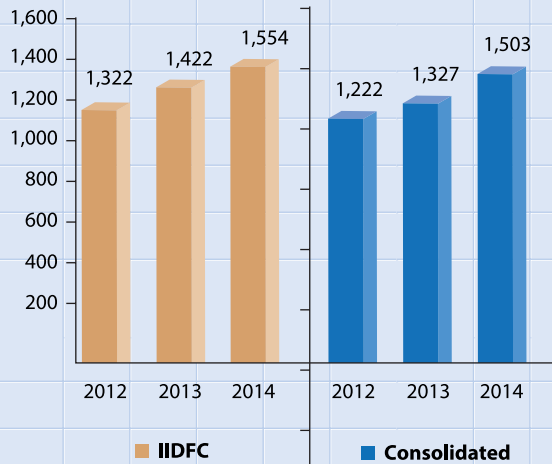


## Return on Average Equity (%)

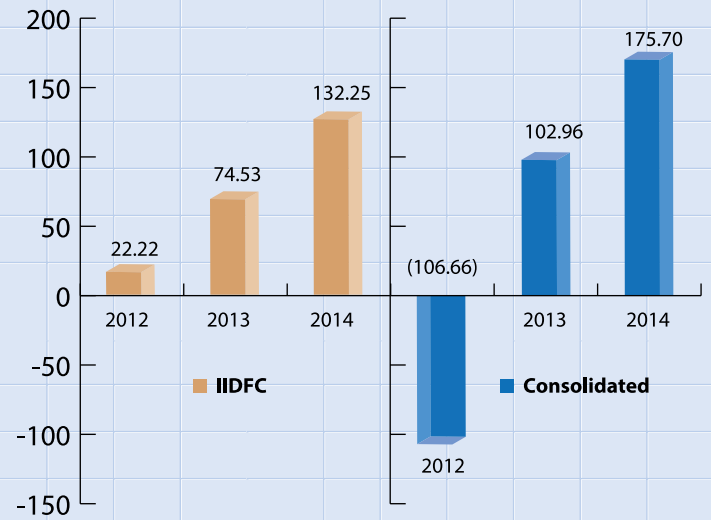


## FINANCIAL HIGHLIGHTS

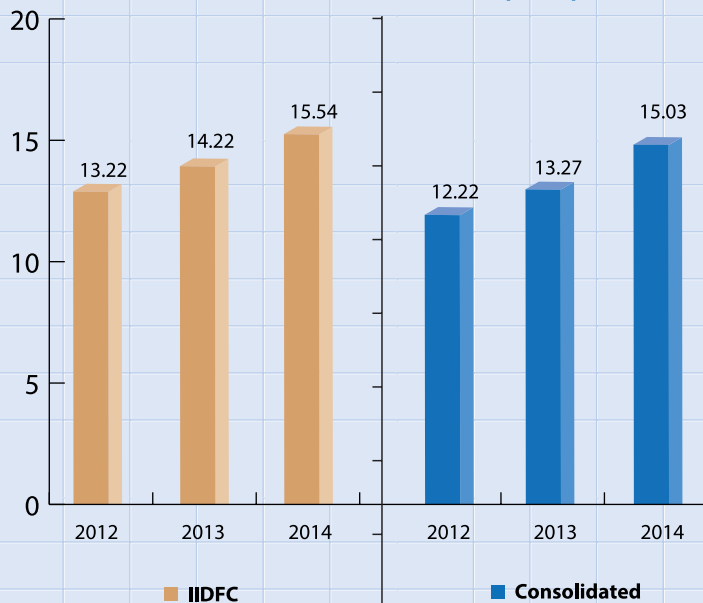
### Equity Growth (BDT in million)



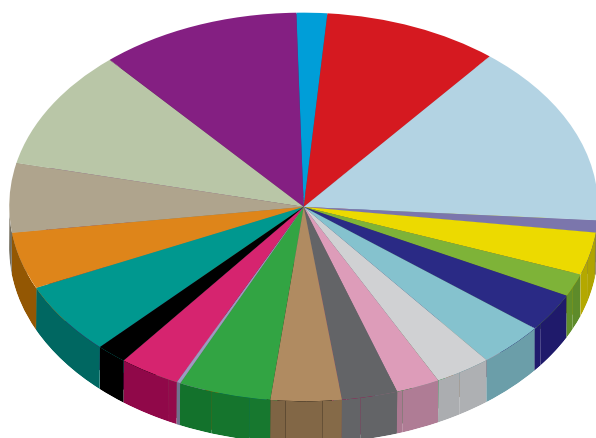
### Profit After Tax (BDT in Million)



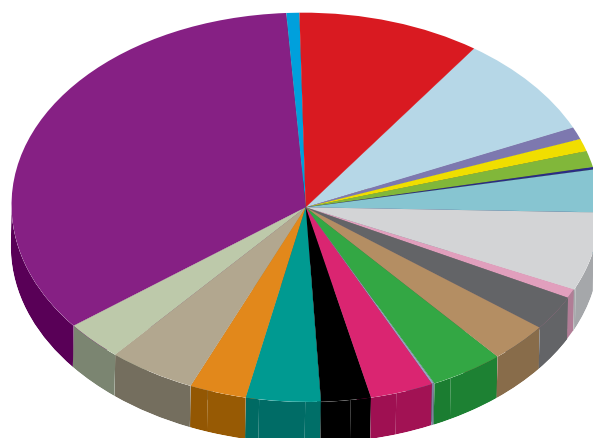
### Book Value Per Share (BDT)



## SECTOR-WISE EXPOSURE



**Year 2014**



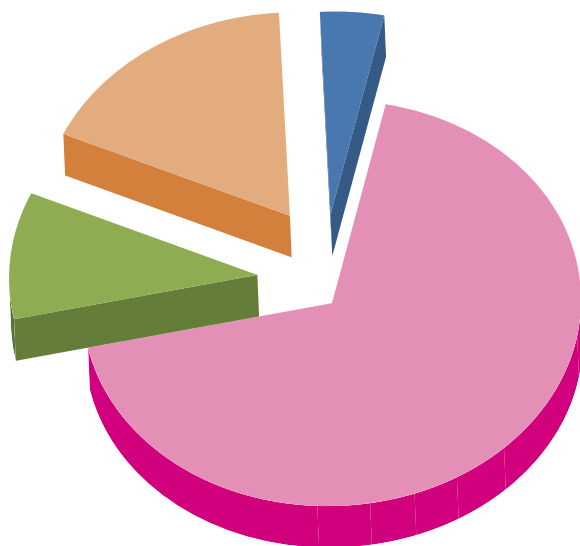
**Year 2013**

**Amount in Taka**

### Sector-wise Loans & Advances:

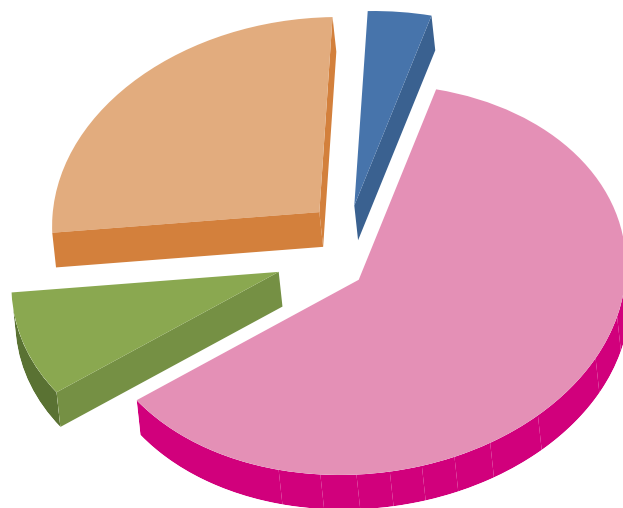
	Year 2014		Year 2013	
■ Agriculture Sector	168,823,842	1.69%	65,971,566	0.71%
□ Industrial Sector :				
■ Textiles	955,795,300	9.57%	931,531,519	10.01%
■ Garments	1,516,340,475	15.18%	785,940,129	8.45%
■ Jutes & Jute Related Goods	100,283,099	1.00%	94,604,021	1.02%
■ Food Items Producer/Processing Industries	354,110,414	3.54%	96,588,678	1.04%
■ Plastic Industries	187,964,551	1.88%	125,526,331	1.35%
■ Lather & Lather Goods	318,407,976	3.19%	17,636,128	0.19%
■ Iron, Steel and Engeneering	369,218,163	3.70%	330,170,086	3.55%
■ Chemical and Pharmaceuticals	309,743,394	3.10%	605,413,685	6.51%
■ Cement/Clinker and Allied Industries	242,094,993	2.42%	70,408,725	0.76%
■ Service Sector (Hotel, Hospital, Clinic, Tourism,etc)	306,419,914	3.07%	269,353,094	2.89%
■ Paper, Printing & Packaging	387,317,645	3.88%	308,030,866	3.31%
■ Telecommunication and IT Industries	507,235,829	5.08%	380,752,455	4.09%
■ Glass and Ceramic Industries	19,894,865	0.20%	12,342,186	0.13%
■ Shipping and Building Industries	336,655,274	3.37%	326,536,814	3.51%
■ Electronics and Electrical Goods	167,999,187	1.68%	253,253,844	2.72%
■ Power, Gas, Water and Sanitary	596,028,015	5.97%	380,010,940	4.08%
■ Transport and Communication	468,740,896	4.69%	290,874,159	3.13%
■ Real Estate and Housing	575,432,065	5.76%	447,209,136	4.81%
■ Merchant Banking	999,744,932	10.01%	301,674,028	3.24%
■ Others	1,103,166,852	11.04%	3,212,246,057	34.52%
<b>Total</b>	<b>9,991,417,681</b>	<b>100.00</b>	<b>9,306,074,447</b>	<b>100.00%</b>

## SOURCES OF FUND



**Year 2014**

Refinance from Bangladesh Bank : 4.00% ■  
 Deposits : 68.00% ■  
 Overdrafts : 10.00% ■  
 Long Term Loan : 17.00% ■



**Year 2013**

Refinance from Bangladesh Bank : 4.00% ■  
 Deposits : 61.00% ■  
 Overdrafts : 9.00% ■  
 Long Term Loan : 26.00% ■

## EARNING SPREAD

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



## Directors' Report

### Dear Shareholders,

#### Introduction

1. I have the honour to present to you the audited financial statements of the Company for the year ended December 31, 2014; the Auditor's Report alongwith financial performance of IIDFC, the parent Company, as well as its two subsidiaries, namely IIDFC Securities and IIDFC Capital Ltd. during FY 2014 covering the period from January 01 to December 31, 2014.

#### Economic and financial scenario

2. The year 2014 started on an inauspicious note for Bangladesh. The general election on January 05 was preceded by street violence, arsons, destruction of properties, work stoppage, road and rail blockades, which took a heavy toll on human lives and brought the economy almost to a standstill. However, due to admirable resilience of the Bangladesh economy to external and internal shocks, the growth in 2014 is estimated to a satisfactory level of around 6.00%.
3. In the financial sector, due to adverse investment and business climate, the demand for money in 2014 remained sluggish. As compared to 16.00% growth programmed by Bangladesh Bank Broad Money (M2) grew at a slower pace of 13.40% by the end of the year. The credit to private sector also grew at a slower pace of 13.50% as against the programmed growth of 14.00%. However, the overall private sector credit including credits extended by banks, non-banks and micro-finance institutions grew by 14.00% compared to 12.00% a year ago in 2013.

# DIRECTORS' REPORT

- Sectoral performance

4. The ratio of gross NPL to total outstanding loans and advances continued to rise since 2013. It increased to 11.60% in September 2014, but then sharply fell to 9.70% in December 2014 mainly due to allowing rescheduling facilities by the Central Bank to banks and financial institutions without the required down payment for institutions affected by political disturbances. Nevertheless, the banking and non-banking sectors continued to experience low level of profitability. Return on Assets (ROA) in the banking sector declined from 0.88% at the end of December 2013 to 0.64% at the end of December 2014.
- Capital Market

5. The capital market of Bangladesh behaved more consistently in 2014 than in 2013. The uptrend of Price Index started at the beginning of the calendar year after the parliamentary election held in January 2014. From 4286.05 on January 01, 2014 the share index went up to 4864.5 on December 31, 2014. This increase, however, had no impact on the negative equity which continued to grow.
- Performance of IIDFC Limited

6. Despite the above dismal economic scenario, IIDFC succeeded in improving its after-tax profit from Tk. 7.45 crore of 2013 to Tk. 13.22 crore this year reflecting an increase of 77.45% over the past year. The corresponding increment of Operating Profit from Tk. 9.25 crore of 2013 to Tk. 22.88 crore in 2014 was also encouraging. The consolidated earnings per share of the Company increased from Tk. 1.03 to Tk. 1.76 despite Tk. 2.60 crore of additional provision made against classified loan under qualitative judgment of Bangladesh Bank's Inspection Team, provision of Tk. 1.91 crore for diminution in the value of investments and the failure of the two subsidiaries to contribute anything against investment of Tk. 160.00 crore by the parent company.
- Performance of Corporate Finance Department

7. The total disbursement during the year was Tk. 294.00 crore as against Tk. 120.00 crore of 2013. The focus this year was on short term investment for which matching funds were arranged at low interest rates. The department earned an operating profit of Tk. 8.47 crore before provisioning and a pre-tax profit of Tk. 6.50 crore as against Tk. 4.78 crore and Tk.3.49 crore respectively in 2013. The corporate portfolio, which is the most important instrument of generating Company's profit, increased to Tk. 759.10 crore at the end of 2014 denoting an increase of 7.73% from Tk. 704.63 crore of the preceding year.
- Performance of SME Finance Department

8. Up to the end of the year 2014, the SME Department had the total portfolio of Tk. 216.48 crore on account of SME Loan, Work Order, Factoring Finance as well as Home Loan. The operational profit of the department was only Tk. 7.32 crore and the pre-tax profit was a meager Tk. 3.87 crore.
- Performance of Structured Finance Department

9. The performance of the Structured Finance Department this year was far better than that of the previous year. The earnings by the department this year stood at Tk. 3.23 crore (mostly from fee base income of BDT 3.15 crore), from only Tk. 1.08 crore of 2013. This year the department successfully closed 3 out of a total of 8 syndication deals closed by the banks and the financial institutions of the country. For the first time, IIDFC was able to procure funds of Tk. 23.10 crore from Bangladesh Bank's IPFF cell for one of its clients.
- Performance of Treasury Department

10. Treasury Department's performance improved in 2014. The department succeeded in mobilizing funds at a lower cost resulting in lowering the cost of funds. The fund arranged by the department during the year was Tk. 1,037.35 crore which ensured timely disbursement against approved projects and proposals. The department also earned a revenue of around Tk. 0.99 crore by placing surplus low-cost borrowed funds in short term deposits at higher rates with banks. The focus was also shifted from banks to retail depositors with a view to cut costs and reduce dependence on bank borrowings. By the end of the year 47.00% of funds was collected from retail customers and 53.00% from banks. In 2013 the ratios were 39.00% and 61.00% respectively.
- Carbon Revenue

11. For the first time, carbon revenue was generated from delivery of CER to the World Bank and the Danish Government by HHK technology brick manufacturing units. During the monitoring period from September 2011 to August 2012 total CER delivered was 15,857 tons, generating total revenue of USD 241,026.40. After cost reduction of USD 40,000.00 by the Trustees, the carbon revenue

# DIRECTORS' REPORT

remitted to IIDFC was USD 201,026.40. After disbursement of USD 120,513.20 to the sub projects and allocation of USD 35,000.00 to the Consultant, the net revenue of IIDFC was USD 45,500.00 which is equal to Tk. 3,511,154.00.

## Performance of IIDFC Securities Limited 12.

The Company's subsidiary IIDFC Securities Limited earned a net profit of Tk. 4.20 crore after (i) providing for 54.29% of the negative equity of margin loans, (ii) adjustment of Tk. 1.74 crore reflecting diminution in the value of investments in capital market and (iii) providing for Tk. 1.31 crore on account of corporate tax. The retained earnings of the Company stood at Tk. 6.37 crore as against Tk. 2.17 crore of previous year. However, as the Company did not maintain 100% provision against the negative equity, no dividend could be declared for the year 2014 as per BSEC Guidelines.

## Performance of IIDFC Capital Limited 13.

The other subsidiary, IIDFC Capital Limited, earned a net profit of only Tk. 0.14 crore in 2014. It too had to make a provision of 73.40% of the negative equity against margin loans. The accumulated loss of the Company came slightly down from Tk. 13.29 crore to Tk. 13.15 crore by the end of the year. The subsidiary company suffered losses on account of high negative equity on margin loans and unrealized interest income.

## Human Resources 14.

In December 2014, the number of employees of the company was 80 as against 82 a year ago. Despite new recruitment of about 12 employees in various positions, the number of employees decreased due to resignation of 14 executives from Corporate Finance, ICC, Carbon Finance, Structured Finance, SME, Monitoring, Administration, Accounts & Finance Division. Apart from following a comprehensive recruitment process for identifying the best among the available candidates, we allow our employees to participate in training programmes offered by Bangladesh Bank, BBTA, BIBM, INTIMATE, BLFCA etc. During 2014, as many as 22 staff members participated in the various training programmes to upgrade their professional skill and knowledge.

## Shareholders' Equity 15.

The Shareholders' Equity, which was Tk. 142.15 crore on December 31, 2013, stood at Tk. 155.38 crore as on December 31, 2014. The profit before provisioning increased from Tk. 9.25 crore in FY 2013 to Tk. 22.88 crore in 2014.

## Comparative Financial Performance 16.

The summary of the key financials of the company as on December 31, 2014 as against those of December 31, 2013 is as follows:

Figures in Taka		
Particulars	2014	2013
Profit before provision & tax	228,841,720	92,528,642
<b>Less:</b> Provision for Loans and Advances	73,789,163	17,000,001
<b>Less:</b> Provision for tax	22,802,729	1,000,000
<b>Profit after provision &amp; tax</b>	<b>132,249,828</b>	<b>74,528,641</b>
<b>Add:</b> Retained earnings brought forward	149,612,326	90,289,413
<b>Profit available for appropriation</b>	<b>281,862,154</b>	<b>164,818,054</b>
<b>Less:</b> Appropriations:		
Statutory Reserve	26,449,966	14,905,728
General Reserve	1,000,000	300,000
<b>Total Appropriations</b>	<b>27,449,966</b>	<b>15,205,728</b>
<b>Retained earnings, carried forward</b>	<b>254,412,188</b>	<b>149,612,326</b>
Non-divisible Profit	65,000,000	65,000,000
<b>Profit available for dividend distribution</b>	<b>189,412,188</b>	<b>84,612,326</b>
Proposed Dividend	150,000,000	-

## Proposed dividend 17.

The Directors recommend 15.00% dividend out of which 10.00% as cash and 5.00% as fully paid up bonus shares (i.e. Tk. 100.00 million as cash dividend 5,000,000 number of shares @ Tk. 10.00 each as fully Paid-up Bonus Shares) for the year 2014.

## DIRECTORS' REPORT

### Retirement and Re-election of Directors'

18. By operation of Article 99 of the Company's Articles of Association, the representative Directors of the following Companies shall stand retired from office at this 14<sup>th</sup> Annual General Meeting:

Serial	Name	Nominated by
01	Mr. Md. Matiul Islam	Self
02	Mr. Md. Mehmood Husain	Bank Asia Limited
03	Mr. Ghulam Rahman	Eastland Insurance Company Limited
04	Mr. Morshed Alam	National Life Insurance Company Limited

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

### Appointment of Auditors'

20. In its 13<sup>th</sup> Annual General Meeting, the Shareholders appointed M/s. S.F. Ahmed & Co., Chartered Accountants, as the Auditors of the Company for the year 2014 until the conclusion of 14<sup>th</sup> Annual General Meeting. Being eligible for reappointment, the existing Auditors, M/s. S.F. Ahmed & Co., Chartered Accountants offered themselves for reappointment. The Board recommended M/s. S.F. Ahmed & Co., Chartered Accountants, as the Auditors of the Company until completion of the next Annual General Meeting at a remuneration of Tk. 200,000/-.

### Appreciation

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

Thank you,

On behalf of Board of Directors

  
**Md. Matiul Islam**  
 Chairman



## Foreword

The year 2014 witnessed one of the most challenging years for the economy. Political discords that triggered unprecedented street violence, arsons and destructions brought the economy almost to a standstill during the major part of the first quarter of the calendar year. Although the mayhem eased in the second quarter, the possibility of renewal of violence continued to cast a gloomy shadow on the investment climate and demand for money. The fallout from the violence reverberated across the entire financial sector and manifested itself in terms of suppressed demand for local funds and intensified competition amongst banks and financial institutions. The gloomy picture was exacerbated by downturn in the capital market and collapse of the real estate business. Faced with business losses, the customers pressed for reduction of interest rate with the threat to switchover to mainstream banks that were ready to cut the rates to the rock bottom level.

Healthy portfolio growth, which is the key to success for banks and financial institutions, was severely impaired by the preference of the creditworthy entrepreneurs for foreign funds available at a much cheaper rate. If the present trend continues for a longer period, financial institutions, especially non-bank financial institutions,

will find their outlets for lending to creditworthy customers drying up pretty soon.

Despite these gloomy pictures, we are happy to say that IIDFC rode out the storms in the financial sector with courage and fortitude. The success is evident in almost all the aspects of the company's business. Our investment portfolio grew from BDT 930.61 crore to BDT 999.14 crore registering a 7.36% increase. The operating profit jumped from BDT 9.25 crore to BDT 22.88 crore reflecting an increase by a hefty 147.35%. After tax profit also made a big jump of 77.45%-from BDT 7.45 of 2013 crore to BDT 13.22 crore in 2014.

The most redeeming feature of our performance in 2014 that would be pleasing for the company's shareholders is the increase of earning per share from BDT 0.75 to BDT 1.32- a 76% growth over the preceding year. Shareholder's equity also recorded an increase by 9.30%-from BDT 142.15 crore to BDT 155.38 crore.

The spectacular performance of the company is the result of excellent team effort by every staff members under the guidance and supervision of the Board of Directors. Our success story can be attributed to increased market presence, product diversification, consistent effort in

attaining cost efficiency in all relevant sectors, higher interest income, lower administrative and operating expenses, improvement in the quality of loans disbursed, increased recovery of classified loans etc.

Our Corporate Department deserves kudos for a sizeable improvement of interest income despite the heavy odds faced by them like other NBFIs. Persistent demand for lowering interest rate and large scale pay-offs through take-over by banks made the job of our main earning engine extremely difficult. In some cases the spread had to be reduced to less than 2%. The company addressed the problem by changing its strategy from long term lending to comparatively shorter term lending. This provided some relief in terms of retention of quality customers at a reduced rate of interest. Similar problems were also faced by our SME Department, but they also succeeded in registering considerable interest income during the year.

The Structured Finance Department, a strong earning wing of IIDFC, having tremendous market reputation in arranging syndicated financing as the lead arranger, performed well during the year. Their fee earnings jumped from a mere BDT 99 lakh in 2013 to BDT 3.15 crore in 2014 registering an increase of 218.18%. Last year as many as 8 syndication deals were closed by banks and financial institutions of which 3 were bagged by IIDFC. This has been a laudable achievement of the Department. The 3 deals closed were Sinha Power Generation Project, Fiber@Home (an IT project), and Infinity Data and Cables. The outlook for 2015 looks even better as the Structured Finance Department has lined up a number of new projects for execution during 2015.

Our Carbon Finance Department, a small wing with a big vision, has succeeded in generating for the first time US\$ 2.41 million carbon revenues by selling 15,857 tons of CER (Certified Emission Reduction) to the World Bank and the Danish Government. \$1.20 million of the revenue was distributed amongst the sub project entities i.e., Brick Kiln owners using HHK technology. The amount retained by the IIDFC was small, but this paved the way for a newer avenue of foreign exchange earnings for the company for working with Green technology by way of carbon emission reductions in the brick manufacturing activities. The existing CDM contract with the World Bank and the Danish Government shall expire on December 31, 2015, but a new CDM project with the ADB has already been signed which will extend efforts of IIDFC to contribute to the development of environment friendly brick kilns for a further period of 4 years. The entire project is carefully crafted and judiciously being handled by the company's learned Chairman Mr. M. Matiu Islam with the support of the department.

Accounts and Finance, Internal Control and Compliance, Treasury, Monitoring and Legal Affairs Department and our Chittagong branch all did perform better during the year. Recently, regulatory requirement for furnishing various data and information has increased manifold. The Accounts and

Finance Department has proved their mettle for compliance with the regulatory requirement. Treasury Department has worked hard and successfully and timely provided finance to the Corporate and SME Departments as and when required; side by side, they also made some contributions to the income account through active participation in the money market through arbitrage operations. Chittagong Branch has played a crucial role in making a significant contribution to the company's interest income as well as adding new and prospective names to our clients' list. Legal and Monitoring Department also performed well, but a little more was expected of them.

IIDFC Securities Limited (ISL) and IIDFC Capital Limited (ICL), the two subsidiaries of IIDFC have been able to make some good improvement during the year. IIDFC Securities made BDT 4.20 crore after tax profit during 2014 against BDT 2.75 crore of the previous year. The company's brokerage commission which was BDT 3.02 crore in 2013 also registered an increase to BDT 4.44 crore during the year. IIDFC Capital also registered some improvement during the year. Its net after tax profit was BDT 14.08 lac as against BDT 8.94 lac of 2013. But both the companies still continue to bear the brunt of the stock market crash of 2010; full provision coverage against the loss sustained by the companies due to loss of value of securities shall take a long time. However, both the companies under direct support of the mother company are working hard to make a comeback within the shortest possible time.

As I always mention, IIDFC's main strength is its Board of Directors which is constituted with CEOs of the country's major banks and financial institutions with rich and diversified experience in banking business under chairmanship of Mr. M. Matiu Islam, whose creativity and selfless dedication have infused vibrancy and dynamism in running the company. I thank and express my deep gratitude to all of the members of the Board of Directors for giving us all out support and guidance in our effort to successfully running the company.

Finally, I deeply appreciate my colleagues for giving me the desired support and cooperation to achieve the cherished goal of the company. Their unstinted support, loyalty, dedication, positive attitude and positive commitment were the key to the success of IIDFC during 2014. My sincere thanks and gratitude go to our valued clients and depositors for their trust in us and for their valuable suggestions and guidance which helped us to formulate appropriate business strategy and decisions for ensuring customer's satisfaction as well as company's growth. I convey my thanks and gratitude to the Bangladesh Bank, Bangladesh Securities and Exchange Commission, the Government and other stakeholders for their strong and continuous support and cooperation.



**(Md. Asaduzzaman Khan)**  
Managing Director



Auditors' Report to the  
Shareholders of  
**IIDFC Limited**

# **AUDITORS' REPORT TO THE SHAREHOLDERS OF INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED**

## **Report on the Consolidated and Separate Financial Statements**

We have audited the accompanying consolidated financial statements of Industrial and Infrastructure Development Finance Company (IIDFC) Limited and its subsidiaries, ('the Group'), as well as the separate financial statements of Industrial and Infrastructure Development Finance Company (IIDFC) Limited ('the Company') which comprise the consolidated and the separate statement of financial position (Balance Sheet) as at 31 December 2014 and the consolidated and the separate statement of comprehensive income (Profit & Loss Account), statements of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Management is responsible for the preparation and fair presentation of these consolidated financial statements of the group and the separate financial statements of the company in accordance with Bangladesh Financial Reporting Standards (BFRS), Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations. This responsibility includes designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of these consolidated financial statements of the group and separate financial statement of the company that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## **Auditors' Responsibility**

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

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

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

## **Opinion:**

In our opinion, the consolidated financial statements of the group and the separate financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the Consolidated Financial Position of the group and separate financial position of the company as at 31 December 2014 and of the results of its Consolidated and Separate financial performance and consolidated and separate statement of cash flows for the year then ended and comply with the Financial Institutions Act 1993, The Companies Act 1994, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

## Report on Other Legal and Regulatory Requirements:

In accordance with companies Act 1994, Securities and Exchange Rules 1987, the Financial Institutions Act 1993 as amended in 2013 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by IIDFC Limited Group and the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branch not visited by us;
- (iii) the IIDFCL's consolidated and separate statement of financial position (Balance Sheet) and statement of comprehensive income (Profit and Loss Account) together with the annexed notes 1 to 43 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the IIDFCL's business;
- (v) the financial position of IIDFC Limited as at 31 December 2014 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vi) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (viii) the information and explanations required by us have been received and found satisfactory;
- (ix) the IIDFC Limited has no overseas branches;
- (x) 80% of the risk-weighted assets have been audited;
- (xi) We have spent approximately 795 man hours for the audit of books & accounts of IIDFC.

Dated, Dhaka;  
June 04, 2015

**S.F. Ahmed & Co.**

*S. F. Ahmed*

Chartered Accountants

# BALANCE SHEET

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51( c )

## Industrial and Infrastructure Development Finance Company Limited Statement of Financial Position (Balance Sheet)

As at 31 December, 2014

Ref.		Notes	Amount in Taka	
			31-Dec-2014	31-Dec-2013
IAS 1. (38&39)	<b>PROPERTY &amp; ASSETS</b>			
IAS 1.54, IAS 7.7	<b>Cash</b>	3		
	In Hand (including foreign currencies)		21,908	26,370
	Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		163,194,960	171,085,452
			<b>163,216,868</b>	<b>171,111,822</b>
IAS 1.54(d)	<b>Balance with other Banks and Financial Institutions</b>	4		
	Inside Bangladesh		741,976,469	561,137,574
	Outside Bangladesh		-	-
			<b>741,976,469</b>	<b>561,137,574</b>
IAS 1.54(i)	<b>Money at Call and Short Notice</b>	5	-	-
IAS 1.54(b)	<b>Investments</b>	6		
	Government		-	-
	Others		251,834,240	193,078,230
			<b>251,834,240</b>	<b>193,078,230</b>
IAS 1.54(b)	<b>Loans &amp; Advances</b>	7		
	Lease Receivables		2,463,981,286	2,522,895,245
	Advance for Lease Finance		60,051,877	78,000,001
	Direct/ Term Finance		7,314,526,239	6,512,902,942
	Secured Overdraft		71,556,061	102,653,620
	Bills Discounted and Purchased		81,302,218	89,622,639
			<b>9,991,417,681</b>	<b>9,306,074,447</b>
IAS 1.54(a)	<b>Property, Plant &amp; Equipment</b>	8	16,221,045	19,625,392
IAS 1.54(c)	<b>Intangible Asset</b>	8.1	2,362,945	411,757
IAS 1.55& 1.57(a)	<b>Other Assets</b>	9	2,096,218,827	1,681,019,391
IAS 1.55& 1.57(a)	<b>Non-Banking Assets</b>		-	-
	<b>Total Assets</b>		<b>13,263,248,075</b>	<b>11,932,458,613</b>
	<b>LIABILITIES &amp; CAPITAL</b>			
IAS 1.54(k)	<b>Borrowings from Other Banks, Financial Institutions &amp; Agents</b>	10	3,289,648,155	3,609,594,009
IAS 1.54(m)	<b>Deposits &amp; Other Accounts</b>	11		
	Current deposits & Other Accounts, etc		-	-
	Bills Payable		-	-
	Savings Bank Deposits		-	-
	Term Deposits		7,075,456,291	5,609,726,850
	Bearer Certificate of Deposits		-	-
	Other Deposits		8,413,758	8,413,758
			<b>7,083,870,049</b>	<b>5,618,140,608</b>
IAS 1.55,1.57(a)	<b>Other Liabilities</b>	12	1,335,961,989	1,283,205,942
	<b>Total Liabilities</b>		<b>11,709,480,193</b>	<b>10,510,940,559</b>
	<b>Capital/ Shareholders' Equity</b>			
IAS 1.54(r),1.78(e)	Paid-up Capital	13	1,000,000,000	1,000,000,000
IAS 1.54(r),1.78(e)	Statutory Reserve	14	253,555,694	227,105,728
IAS 1.54(r),1.78(e)	General Reserve	15	45,800,000	44,800,000
IAS 1.54(r),1.78(e)	Other Reserve	16	-	-
IAS 1.54(r),1.78(e)	Stock Dividend	17	-	-
IAS 1.54(r),1.78(e)	Retained Earnings	18	254,412,188	149,612,326
	<b>Total Shareholders' Equity</b>		<b>1,553,767,882</b>	<b>1,421,518,054</b>
	<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>13,263,248,075</b>	<b>11,932,458,613</b>

## BALANCE SHEET

IAS 1.55 **OFF-BALANCE SHEET ITEMS**

IAS 37.28, 37.86

### Contingent liabilities

Letters of guarantee  
Letters of credit  
Irrevocable letter of credit  
Bills for collection  
Other contingent liabilities

### Others commitments:

Money at call and short notice  
Forward assets purchased and forward deposits placed  
Undrawn note issuance and revolving underwriting facilities  
Undrawn formal standby facilities, credit lines and other commitments

### Total off-balance sheet items including contingent liabilities

Notes	Amount in Taka	
	31-Dec-2014	31-Dec-2013
19		
	117,411,680	566,911,680
	-	-
	-	-
	-	-
	-	-
	117,411,680	566,911,680
	-	-
	-	-
	-	-
	-	-
	117,411,680	566,911,680

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



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Managing Director



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 04, 2015



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

# PROFIT & LOSS ACCOUNT

Ref:

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

## Industrial and Infrastructure Development Finance Company Limited Statement of Comprehensive Income (Profit & Loss Account)

For the year ended 31 December, 2014

IAS 1.(38 & 39)

IAS 1.(38 & 39)		Notes	Amount in Taka	
			31-Dec-2014	31-Dec-2013
	<b>A. OPERATING INCOME</b>			
IFRS 7.20(b)	Interest income	20	1,534,516,890	1,637,723,012
IFRS 7.20(b)	Interest paid on deposits, borrowings etc.	21	(1,214,766,064)	(1,417,202,678)
IAS 1.85	<b>Net interest income</b>		<b>319,750,826</b>	<b>220,520,334</b>
IFRS 7.20(9b)	Income from investment	22	19,273,281	16,014,284
IFRS 7.20(c)	Commission, exchange and brokerage	23	-	-
IAS 1.85	Other operating income	24	41,430,785	13,402,501
IAS 1.85	<b>Total operating income</b>		<b>380,454,891</b>	<b>249,937,119</b>
	<b>B. OPERATING EXPENSES</b>			
IAS 1.104	Salaries & allowances	25	81,692,754	95,664,771
IAS 1.97	Rent, taxes, insurance, electricity etc.	26	17,439,358	19,151,017
IAS 1.97	Legal expenses	27	4,672,531	2,553,209
IAS 1.97	Postage, stamp, telecommunications etc.	28	1,925,503	2,161,460
IAS 1.97	Stationery, printing, advertisement etc.	29	5,301,137	3,324,906
IAS 1.97	Managing director's salary and fees	30	8,089,687	7,263,537
IAS 1.97	Directors' fees	31	525,000	335,000
IAS 1.97	Auditor's fees	32	610,000	582,250
IAS 1.98 (d)	Loans & advances written-off	33	-	-
IAS 1.104	Repair, depreciation and amortization of company's assets	34	10,169,647	7,664,464
IAS 1.97	Other expenses	35	21,187,555	18,707,863
IAS 1.85	<b>Total operating expenses</b>		<b>151,613,172</b>	<b>157,408,477</b>
IAS 1.85	<b>C. Profit before provision (A-B)</b>		<b>228,841,720</b>	<b>92,528,642</b>
IAS 1.97	<b>D. Provision for loans &amp; advances</b>	36		
	Specific provision		53,546,280	20,664,162
	General provision		1,147,677	(8,107,406)
	Provision for diminution in value of investments	12.1	19,095,206	4,443,245
	Other provision		-	-
	<b>Total provision</b>		<b>73,789,163</b>	<b>17,000,001</b>
IAS 1.85	<b>E. Profit before taxes (C-D)</b>		<b>155,052,557</b>	<b>75,528,641</b>
IAS 1.82(d)	<b>F. Provision for tax</b>			
	Current tax	37	31,400,000	1,000,000
	Deferred tax	37.2	(8,597,271)	-
	<b>Total provision</b>		<b>22,802,729</b>	<b>1,000,000</b>
IAS 1.85	<b>Profit after tax</b>		<b>132,249,828</b>	<b>74,528,641</b>
	Less: Appropriations			
	Statutory reserve		26,449,966	14,905,728
	General reserve		1,000,000	300,000
			27,449,966	15,205,728
IAS 1.85	<b>Retained surplus</b>		<b>104,799,862</b>	<b>59,322,913</b>
IAS 33.66	<b>Earnings per share (EPS)</b>	38	1.32	0.75

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

**Md. Matiul Islam**  
Chairman

**Md. Asaduzzaman Khan**  
Managing Director

**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 04, 2015

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

# STATEMENT OF CASH FLOWS

Ref.  
IAS1.51(a)  
IAS 1.10(d)  
IAS 1.51(c)

## Industrial and Infrastructure Development Finance Company Limited Statement of Cash Flows For the year ended 31 December, 2014

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
IAS 1.(38&39)	<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
IAS 7.10	Interest receipts in cash	1,562,946,554	1,677,373,607
IAS 7.31	Interest payments in cash	(1,236,341,778)	(1,407,150,516)
IAS 7.31	Dividend receipts in cash	8,466,623	7,173,688
IAS 7.14(d)	Cash payments to employees	(89,782,441)	(95,170,519)
IAS 7.14(c)	Cash payments to suppliers	(7,226,640)	(12,068,293)
IAS 7.35	Income taxes paid	(13,311,685)	(10,587,419)
IAS 7.14(b)	Receipts from other operating activities	41,430,785	14,995,556
IAS 7.14(c)	Payments for other operating activities	(50,640,240)	(30,424,620)
	<b>Cash generated from operating activities</b>	<b>215,541,178</b>	<b>144,141,484</b>
IAS 7.19(b)	<b>Increase/(decrease) in operating assets and liabilities</b>		
	<b>Statutory deposits</b>		
	Loans and advances to other banks	(3,837,101)	(3,702,796)
	Loans and advances to other customers	(681,506,133)	(331,388,704)
	Other assets	(206,425,179)	163,048,072
	Borrowings from Bank	(319,945,854)	(1,126,660,382)
	Deposits from other Banks/Borrowings	707,632,973	663,262,891
	Deposits from customers	758,096,468	(149,874,052)
	Other liabilities	(21,411,606)	(95,303,288)
		<b>232,603,569</b>	<b>(880,618,259)</b>
	<b>Net Cash from Operating Activities</b>	<b>448,144,747</b>	<b>(736,476,775)</b>
IAS 7.10	<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
IAS 7.16(d)	Investments In Subsidiary	(215,000,000)	-
IAS 7.23(b)	Proceeds from sale of securities	10,868,520	7,247,541
IAS 7.16(a)	Investment in securities	(58,756,010)	11,215,939
IAS 7.16(a)	Purchase of property, plant and equipment	(7,271,058)	(487,179)
IAS 7.16(a)	Payment against lease obligation	(5,285,315)	(1,835,475)
IAS 7.16(b)	Proceeds from sale of property, plant and equipment	243,056	5,799,519
	<b>Net cash used in investing activities</b>	<b>(275,200,807)</b>	<b>21,940,345</b>
IAS 7.10	<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
IAS 7.31	Dividend paid	-	-
	Issuance of shares	-	-
	<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
	<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>172,943,941</b>	<b>(714,536,430)</b>
IAS 7.18	<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>732,249,396</b>	<b>1,446,785,826</b>
IAS 7.45	<b>G Cash and cash equivalents at end of the year (D+E+F)</b>	<b>905,193,337</b>	<b>732,249,396</b>
	<b>Cash and cash equivalents at end of the year</b>		
	Cash in hand	21,908	26,370
	Balance with Bangladesh Bank and its agents bank(s)	163,194,960	171,085,452
	Balance with other banks and financial institutions	741,976,469	561,137,574
	Money at call and short notice	-	-
		<b>905,193,337</b>	<b>732,249,396</b>

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

  
**Md. Matiul Islam**  
Chairman

  
**Md. Asaduzzaman Khan**  
Managing Director

  
**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 04, 2015

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

# STATEMENT OF CHANGES IN EQUITY

Ref.

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

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


For the Year ended 31 December, 2014

	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Total
IAS 1.106(b)	Balance as on 1 January, 2014	1,000,000,000	227,105,728	44,800,000	149,612,326	1,421,518,054
	Changes in accounting policy	-	-	-	-	-
IAS 1.106	Restated balance	1,000,000,000	227,105,728	44,800,000	149,612,326	1,421,518,054
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-
IFRIC 1.6(a)	Currency translation differences	-	-	-	-	-
IFRIC 1.6(a)	Net gains and losses not recognized in income statement	-	-	-	-	-
IAS 1.106(a)	Net profit for the year	-	-	-	132,249,828	132,249,828
IAS 1.106(d)	Dividend (bonus shares)	-	-	-	-	-
IAS 1.106(d)	Appropriations made during the year	-	26,449,966	1,000,000	(27,449,966)	-
	<b>Balance as at 31 December, 2014</b>	<b>1,000,000,000</b>	<b>253,555,694</b>	<b>45,800,000</b>	<b>254,412,188</b>	<b>1,553,767,882</b>

  
**Md. Matul Islam**  
Chairman

Dated, Dhaka;  
June 04, 2015

  
**Md. Asaduzzaman Khan**  
Managing Director

  
**Md. Shamim Ahamed FCA**  
Company Secretary

# LIQUIDITY STATEMENT

Ref.  
IAS 1.51(a)  
IAS 1.65  
IAS 1.51(c)

## Industrial and Infrastructure Development Finance Company Limited Liquidity Statement

As at 31 December, 2014

Amount in Taka

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
<b>ASSETS:</b>						
Cash	21,908	-	-	-	-	21,908
Balances with Bangladesh Bank	163,194,960	-	-	-	-	163,194,960
Balances with other Banks	74,705,040	305,078,251	152,609,127	209,584,051	-	741,976,469
Money at Call and on Short Notice	-	-	-	-	-	-
Investments	13,502,482	104,119,136	108,519,945	25,692,677	-	251,834,240
Loans and Advances	1,377,498,762	2,042,339,488	2,279,625,404	2,753,096,838	1,538,857,188	9,991,417,680
Property, Plant & Equipment	1,827,010	2,175,012	4,823,982	7,395,041	-	16,221,045
Intangible Asset (Computer Software)	272,990	324,988	527,973	1,236,994	-	2,362,945
Other Assets	111,197,263	134,530,826	241,051,776	303,353,383	1,306,085,580	2,096,218,828
<b>Total assets</b>	<b>1,742,220,415</b>	<b>2,588,567,701</b>	<b>2,787,158,207</b>	<b>3,300,358,984</b>	<b>2,844,942,767</b>	<b>13,263,248,074</b>
<b>LIABILITIES:</b>						
Borrowing from other banks, Fin. Ins. & Agents	364,912,345	469,998,921	588,585,184	1,151,165,184	714,986,521	3,289,648,155
Deposit and other accounts	1,003,110,512	1,487,353,634	2,109,345,045	1,507,610,421	976,450,437	7,083,870,049
Provision and other liabilities	63,155,661	182,973,448	265,578,221	608,713,772	215,540,887	1,335,961,989
<b>Total liabilities</b>	<b>1,431,178,518</b>	<b>2,140,326,003</b>	<b>2,963,508,449</b>	<b>3,267,489,377</b>	<b>1,906,977,845</b>	<b>11,709,480,192</b>
<b>Net liquidity gap</b>	<b>311,041,897</b>	<b>448,241,698</b>	<b>(176,350,242)</b>	<b>32,869,607</b>	<b>937,964,922</b>	<b>1,553,767,882</b>

**Md. Matul Islam**  
Chairman

Dated, Dhaka;  
June 04, 2015

**Md. Asaduzzaman Khan**  
Managing Director

**Md. Shamim Ahamed FCA**  
Company Secretary

# CONSOLIDATED BALANCE SHEET

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

## Industrial and Infrastructure Development Finance Company Limited Consolidated Statement of Financial Position (Balance Sheet)

As at 31 December, 2014

Ref.		Notes	Amount in Taka	
			31-Dec-2014	31-Dec-2013
IAS 1. (38&39)	<b>PROPERTY &amp; ASSETS</b>			
IAS 1.54, IAS 7.7	<b>Cash</b>	3.a		
	In Hand (including foreign currencies)		41,598	50,998
	Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		163,194,960	171,085,452
			<b>163,236,558</b>	<b>171,136,450</b>
IAS 1.54(d)	<b>Balance with Other Banks and Financial Institutions</b>	4.a		
	Inside Bangladesh		801,297,299	623,651,271
	Outside Bangladesh		-	-
			<b>801,297,299</b>	<b>623,651,271</b>
IAS 1.54(i)	<b>Money at Call and Short Notice</b>	5	-	-
IAS 1.54(b)	<b>Investments</b>	6.a		
	Government		-	-
	Others		429,998,083	363,128,664
			<b>429,998,083</b>	<b>363,128,664</b>
IAS 1.54(b)	<b>Loans &amp; Advances</b>	7.a		
	Lease Receivables		2,463,981,286	2,522,895,245
	Advance for Lease Finance		60,051,877	78,000,001
	Direct/ Term Finance		6,323,460,694	4,963,071,244
	Secured Overdraft		71,556,061	102,653,620
	Bills Discounted and Purchased		81,302,218	89,622,639
	Margin Loans		3,218,504,791	3,011,123,729
			<b>12,218,856,927</b>	<b>10,767,366,478</b>
IAS 1.54(a)	<b>Property, Plant &amp; Equipment</b>	8.a	35,004,710	45,080,417
IAS 1.54(c)	<b>Intangible Asset</b>	8.1.a	3,437,753	1,708,270
IAS 1.55& 1.57(a)	<b>Other Assets</b>	9.a	775,031,850	844,935,828
IAS 1.55& 1.57(a)	<b>Non-banking assets</b>		-	-
	<b>Total Assets</b>		<b>14,426,863,180</b>	<b>12,817,007,378</b>
	<b>LIABILITIES &amp; CAPITAL</b>			
IAS 1.54(k)	<b>Borrowings from Other Banks, Financial Institutions &amp; Agents</b>	10.a	3,496,386,920	3,706,865,305
IAS 1.54(m)	<b>Deposits &amp; Other Accounts</b>	11.a		
	Current Deposits & Other Accounts, etc		-	-
	Bills Payable		-	-
	Savings Bank Deposits		-	-
	Term Deposits		7,082,451,058	5,616,305,341
	Bearer Certificate of Deposits		-	-
	Other Deposits		8,413,758	8,413,758
			<b>7,090,864,816</b>	<b>5,624,719,099</b>
IAS 1.55,1.57(a)	<b>Other Liabilities</b>	12.a	2,336,524,172	2,158,077,264
	<b>Total Liabilities</b>		<b>12,923,775,908</b>	<b>11,489,661,668</b>
	<b>Capital/ Shareholders' Equity</b>			
IAS 1.54(r),1.78(e)	Paid up Capital	13	1,000,000,000	1,000,000,000
IAS 1.54(r),1.78(e)	Statutory Reserve	14	253,555,694	227,105,728
IAS 1.54(r),1.78(e)	General Reserve	15.a	62,797,874	61,797,874
IAS 1.54(r),1.78(e)	Other Reserve	16	-	-
IAS 1.54(r),1.78(e)	Stock Dividend	17.a	-	-
IAS 1.54(r),1.78(e)	Retained Earnings	18.a	186,592,881	38,353,702
	Total Equity attributable to Shareholder of the Company		<b>1,502,946,449</b>	<b>1,327,257,304</b>
IAS 27.6, 27.26	<b>Non-controlling Interest</b>	18.a.3	140,823	88,406
	<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>14,426,863,180</b>	<b>12,817,007,378</b>

# CONSOLIDATED BALANCE SHEET

IAS 1.55 **OFF-BALANCE SHEET ITEMS**

IAS 37.28, 37.86

## **Contingent liabilities**

Letters of guarantee

Letters of credit

Irrevocable letter of credit

Bills for collection

Other contingent liabilities

## **Others commitments:**

Money at call and short notice

Forward assets purchased and forward deposits placed

Undrawn note issuance and revolving underwriting facilities

Undrawn formal standby facilities, credit lines and other commitments

## **Total off-balance sheet items including contingent liabilities**

Notes	Amount in Taka	
	31-Dec-2014	31-Dec-2013
19		
	117,411,680	566,911,680
	-	-
	-	-
	-	-
	-	-
	<b>117,411,680</b>	<b>566,911,680</b>
	-	-
	-	-
	-	-
	-	-
	<b>117,411,680</b>	<b>566,911,680</b>

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



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Managing Director



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 04, 2015



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

# CONSOLIDATED PROFIT & LOSS ACCOUNT

Ref.

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

IAS 1.(38&39)

## Industrial and Infrastructure Development Finance Company Limited Consolidated Statement of Comprehensive Income (Profit & Loss Account)

For the year ended 31 December, 2014

	Notes	Amount in Taka	
		31-Dec-2014	31-Dec-2013
<b>A. OPERATING INCOME</b>			
IFRS 7.20(b) Interest income	20.a	1,639,394,688	1,720,619,042
IFRS 7.20(b) Interest paid on deposits, borrowings etc.	21.a	(1,236,253,105)	(1,434,337,488)
IAS 1.85 <b>Net interest income</b>		<b>403,141,583</b>	<b>286,281,554</b>
IFRS 7.20(b) Income from investment	22.a	61,895,826	34,691,345
IFRS 7.20(c) Commission, exchange and brokerage	23.a	53,976,824	38,250,659
IAS 1.85 Other operating income	24.a	42,224,137	18,039,876
IAS 1.85 <b>Total operating income</b>		<b>561,238,369</b>	<b>377,263,434</b>
<b>B. OPERATING EXPENSES</b>			
IAS 1.104 Salaries & allowances	25.a	113,670,063	129,757,408
IAS 1.97 Rent, taxes, insurance, electricity etc.	26.a	41,256,692	44,716,082
IAS 1.97 Legal expenses	27.a	5,007,988	2,912,935
IAS 1.97 Postage, stamp, telecommunications etc.	28.a	4,049,648	4,117,896
IAS 1.97 Stationery, printing, advertisement etc.	29.a	5,872,846	3,889,258
IAS 1.97 Managing director's salary and fees	30	8,089,687	7,263,537
IAS 1.97 Directors' fees	31.a	603,200	437,355
IAS 1.97 Auditor's fees	32.a	780,833	748,362
IAS 1.98 (d) Loans & advances written-off	33.a	27,441,842	1,657,565
IAS 1.104 Repair, depreciation and amortization of company's assets	34.a	17,862,305	15,481,061
IAS 1.97 Other expenses	35.a	28,887,635	24,099,607
IAS 1.85 <b>Total operating expenses</b>		<b>253,522,739</b>	<b>235,081,066</b>
IAS 1.85 <b>C. Profit/(Loss) before provision (A-B)</b>		<b>307,715,631</b>	<b>142,182,368</b>
IAS 1.97 <b>D. Provision for loans &amp; advances</b>	36.a		
Specific provision		56,642,982	20,664,162
General provision		1,147,677	(8,107,406)
Provision for diminution in value of investments		36,451,072	15,950,254
Other provision		-	-
IAS 1.85 <b>Total provision</b>		<b>94,241,731</b>	<b>28,507,010</b>
IAS 1.85 <b>E. Profit/(Loss) before taxes (C-D)</b>		<b>213,473,900</b>	<b>113,675,358</b>
IAS 1.82(d) <b>F. Provision for tax:</b>	37.a		
Current tax		47,089,286	11,315,690
Deferred tax		(9,310,417)	(602,267)
IAS 1.82(f) <b>Total provision</b>		<b>37,778,869</b>	<b>10,713,423</b>
<b>G. Profit/(Loss) after taxes (E-F)</b>		<b>175,695,031</b>	<b>102,961,935</b>
<b>Attributable to:</b>			
Shareholders of the company		175,689,729	102,959,152
IAS 27.6, 27.26 Non-controlling interest		5,302	2,783
		<b>175,695,031</b>	<b>102,961,935</b>
Less: Appropriations			
Statutory reserve		26,449,966	14,905,728
General reserve		1,000,000	300,000
IAS 1.85 <b>Retained surplus</b>		<b>148,239,763</b>	<b>87,753,424</b>
IAS 33.66 <b>Earnings per share (EPS)</b>	38.a	1.76	1.03

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



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Managing Director



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 04, 2015



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

# CONSOLIDATED STATEMENT OF CASH FLOWS

Ref.

IAS 1.51(a)

IAS 1.10(d)

IAS 1.51(c)

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

For the year ended 31 December, 2014

IAS 1.(38&39)

IAS 7.10

IAS 7.31

IAS 7.31

IAS 7.31

IAS 7.14(b)

IAS 7.14(d) Cash payments to employees

IAS 7.14(c) Cash payments to suppliers

IAS 7.35

IAS 7.14(b)

IAS 7.14(c) Payments for other operating activities

IAS 7.19(b)

### A CASH FLOW FROM OPERATING ACTIVITIES

Interest receipts in cash

Interest payments in cash

Dividend receipts in cash

Fees and commission 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 to other banks

Loans and advances to other customers

Other assets

Borrowings from bank

Deposits from other banks/FI

Deposits from customers

Other liabilities

**Net cash from operating activities**

IAS 7.10

IAS 7.16(d)

IAS 7.23(b)

IAS 7.16(a)

IAS 7.16(a)

IAS 7.16(b)

### 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**

IAS 7.10

IAS 7.31

### C CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid

Issuance of shares

**Net cash from financing activities**

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

IAS 7.18

**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)**

IAS 7.45

**Cash and cash equivalents at end of the year**

Cash in hand

Balance with Bangladesh Bank and its agents bank(s)

Balance with other banks and financial institutions

Money at call and short notice

Amount in Taka	
31-Dec-2014	31-Dec-2013
1,665,801,710	1,761,255,748
(1,310,546,796)	(1,399,003,056)
31,626,892	24,907,929
53,976,824	38,250,659
(111,259,750)	(130,261,594)
(9,922,494)	(14,407,547)
(66,387,923)	(19,700,492)
42,215,802	19,632,931
(64,954,520)	(79,151,386)
<b>230,549,745</b>	<b>201,523,192</b>
(3,837,101)	(3,702,796)
(1,447,653,348)	(459,595,555)
104,388,555	236,823,620
(210,478,385)	(1,254,804,179)
707,632,973	663,262,891
758,512,744	(145,140,453)
79,063,347	95,722,407
<b>(12,371,215)</b>	<b>(867,434,065)</b>
<b>218,178,530</b>	<b>(665,910,874)</b>
30,330,796	8,190,361
(66,869,419)	(62,866,521)
(7,731,443)	(860,797)
(5,285,315)	(1,835,475)
1,122,987	8,753,390
<b>(48,432,394)</b>	<b>(48,619,042)</b>
-	-
-	-
-	-
169,746,136	(714,529,916)
-	-
794,787,721	1,509,317,637
<b>964,533,857</b>	<b>794,787,721</b>
41,598	50,998
163,194,960	171,085,452
801,297,299	623,651,271
-	-
<b>964,533,857</b>	<b>794,787,721</b>

**Md. Matiul Islam**  
Chairman

**Md. Asaduzzaman Khan**  
Managing Director

**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 04, 2015

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

For the year ended 31 December, 2014

Amount in Taka

Ref.

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Stock Dividend	Retained Earnings	Non-controlling Interest	Total
IAS 1.106(b)	Balance as on 1 January, 2014	1,000,000,000	227,105,728	61,800,000	-	38,353,702	88,406	1,327,347,836
IAS 1.106	Changes in accounting policy	-	-	(2,126)	-	-	-	(2,126)
IAS 1.106	Restated balance	1,000,000,000	227,105,728	61,797,874	-	38,353,702	88,406	1,327,345,710
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
IFRIC 1.6(a)	Currency translation differences	-	-	-	-	-	-	-
IFRIC 1.6(a)	Net gains and losses not recognized in income statement	-	-	-	-	-	-	-
IAS 1.106(a)	Net profit for the year	-	-	-	-	175,695,031	-	175,695,031
IAS 1.106(a)	Transfer to Minority Interest	-	-	-	-	(5,885)	52,417	46,531
IAS 1.106(d)	Appropriations made during the year	-	26,449,966	1,000,000	-	(27,449,966)	-	-
	<b>Balance as at 31 December, 2014</b>	<b>1,000,000,000</b>	<b>253,555,694</b>	<b>62,797,874</b>	<b>-</b>	<b>186,592,881</b>	<b>140,823</b>	<b>1,503,087,272</b>

**Md. Matiul Islam**  
Chairman

Dated, Dhaka;  
June 04, 2015

**Md. Asaduzzaman Khan**  
Managing Director

**Md. Shamim Ahamed FCA**  
Company Secretary

IAS 1.51(a)  
IAS 1.10(e)  
IAS 1.51 (c)

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

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

**For the year ended December 31, 2014**

IAS 1.138(a)

#### **1.0 Reporting entity**

##### **1.01 Company's profile**

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

IAS 1.138(b)

##### **1.02 Nature of business of the company**

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

IAS 1.138(b)

##### **1.03 Information regarding Subsidiaries**

###### **IIDFC Securities Limited**

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

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

###### **IIDFC Capital Limited**

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

The principal activities of the Company for which it was established include the business of issue management, portfolio management, corporate counseling, investment counseling, capital structuring, etc.

IAS 1.112(a)

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

IAS 1.117

##### **2.01 Basis of preparation**

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

IAS 1.16

##### **Statement of compliance**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2.01.01 Investments in shares and securities

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.02 Provision on loans and advances

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.03 Financial instruments - presentation and disclosure

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

## 2.01.04 Financial guarantees

### BFRS:

As per BAS 39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognised initially at their fair value, and the initial fair value is amortised over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortised 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 December 23, 2009, financial guarantees such as L/C, L/G will be treated as off balance sheet items. No liability is recognised for the guarantee except the cash margin.

## 2.01.05 Cash and cash equivalents

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.06 Non-Banking assets

### BFRS:

No indication of non-banking assets is found in any BFRSs.

### Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated December 23, 2009, there must exist a face item named non-banking asset.

## 2.01.07 Statement of cash flows

# NOTES TO THE FINANCIAL STATEMENTS

## **BFRS:**

Statement of Cash flows can be prepared either in direct method or in 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 December 23, 2009, statement of cash flows is a mixture of direct and indirect method.

### **2.01.08 Balance with Bangladesh Bank (CRR)**

## **BFRS:**

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

## **Bangladesh Bank:**

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

### **2.01.09 Off-balance sheet items**

## **BFRS:**

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

## **Bangladesh Bank:**

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

### **2.01.10 Disclosure of appropriation of profit**

## **BFRS:**

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

## **Bangladesh Bank:**

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

### **2.01.11 Other comprehensive income**

## **BFRS:**

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

## **Bangladesh Bank:**

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

### **2.01.12 Loans and advance net of provision**

## **BFRS:**

Loans and advances should be presented as net of provisions.

## **Bangladesh Bank:**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

IAS 27.12	<b>2.02 Basis of consolidation</b>	<p>The financial statements of the company and its subsidiaries have been consolidated in accordance with Bangladesh Financial Reporting Standards 10 'Consolidated Financial Statements'.</p>
IAS 27.20	<b>All intra-group balances, transactions, income and expenses are eliminated in full.</b>	<p>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.</p> <p>The total profits of the company and its subsidiaries are shown in the consolidated Profit and Loss Account with the proportion of profit after taxation pertaining to minority shareholders being deducted as Minority Interest.</p> <p>All Assets and Liabilities of the company and its subsidiaries are shown in the consolidated Balance Sheet. The interest of non-controlling shareholder of the subsidiaries are shown separately in the consolidated Balance Sheet under the heading Minority Interest.</p>
IAS 27.24 IAS 27.26 IAS 27.28		
IAS 1.8	<b>2.03 Integral components of financial statements</b>	<p>The Financial Statements of the Company include the following components:</p> <ol style="list-style-type: none"> <li>1. Statement of financial position (Balance Sheet) as at 31 December, 2014.</li> <li>2. Statement of comprehensive income (Profit and Loss A/C) for the year ended 31 December, 2014.</li> <li>3. Statement of Cash Flows for the year ended 31 December, 2014.</li> <li>4. Statement of Changes in Equity for the year ended 31 December, 2014.</li> <li>5. Liquidity Statement as at 31 December, 2014.</li> <li>6. Notes to the Financial Statements.</li> </ol>
IAS 1.122	<b>2.04 Use of estimate &amp; judgments</b>	<p>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.</p> <p>Provisions and accrued expenses are recognized in the Financial Statements in line with the Bangladesh Accounting Standard (BAS) No. 37 'Provisions, Contingent Liabilities and Contingent Assets' when:</p> <ol style="list-style-type: none"> <li>a) the company has a present obligation, legal or constructive result of a past event,</li> <li>b) it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and</li> <li>c) a reliable estimate can be made of the amount of the obligation.</li> </ol> <p>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.</p>
IAS 1.111	<b>2.05 Statement of cash flows</b>	<p>The statement of cash flows has been prepared using the Direct Method as mention in line with Bangladesh Accounting Standard 7 'Statement of cash flows'.</p>
IAS 1.27	<b>2.06 Consistency</b>	<p>In accordance with the IFRS framework for the presentation of Financial Statements together with Bangladesh Accounting Standard 1 'Presentation of Financial Statements' and Bangladesh Accounting Standard 8 'Accounting Policies, Changes in Accounting Estimates and Errors', IIDFC Ltd. applies the accounting disclosure principles consistently from one period to the next.</p>
IAS 1.36	<b>2.07 Reporting period</b>	<p>These Financial Statements cover one calendar year from January 01 to December 31, 2014.</p>
IAS 1.51(d) (e)	<b>2.08 Presentation currencies</b>	

# NOTES TO THE FINANCIAL STATEMENTS

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

The Company has 1 (one) branch so far as on 31 December, 2014. Books of Accounts of the branch have been maintained at the Head Office of the Company.

IAS 1.119

## 2.10 Assets and basis of their valuation

IAS 7.45

### 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.

IAS 1.54

### 2.10.02 Investment in securities

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Full provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 30 December, 2014).

### 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 realised 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 issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are given below:

#### c) Rate of provision

Particulars	All loan/lease
Standard-other than SME	1%
Standard-SME	0.25%
Special mention account(SMA)	5%
Sub-standard (SS)	20%
Doubtful (DF)	50%
Bad/loss (BL)	100%

#### d) 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.

#### e) Write off loans and advances

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

## NOTES TO THE FINANCIAL STATEMENTS

meticulously maintained and followed up.

### f) **Securities against loan**

Working capital and trading loan: Goods are taken as security in the form of pledge and also goods are taken as security in the form of hypothecation along with land and building as mortgage (value not less than 1.50 times covering the loan amount) in the form of collateral security.

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

Overdraft: FDRs are taken in pledge. The balance in DPS/JBSPS/SDPS A/C's is taken in "lien".

Public sector loan: In most cases Govt. Guarantee is taken and no security is taken for government loan and Crops loans in agriculture sector.

IAS 16.73

### **2.10.04 Property, plant and equipment**

#### **2.10.04.01 Owned assets**

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

#### **2.10.04.02 Leased assets**

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

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

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

IAS 16.13 (b & c)

#### **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. No.	Category of Fixed assets	Rate of Depreciation
01	Motor vehicles	20%
02	Furniture & fixtures	10%
03	Office equipments	18%

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

#### **2.10.04.05 Intangible assets**

IAS 38.24

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

IAS 38.21

An intangible asset is recognised 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.

IAS 38.24

IAS 38.33

IAS 38.74

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 amortisation and any accumulated impairment losses.

IAS 38.88

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation 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 amortisation 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).

IAS 8.118(b)

IAS 38.104

IAS 39.118(a)

Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

# NOTES TO THE FINANCIAL STATEMENTS

Computer software

5.6 years

## 2.10.04.06 Other assets

Other assets include all other financial assets and fees and unrealised income receivable, advance for operating and capital expenditure and stocks of stationery and stamp. Details are shown in Note-9. Receivables are recognised 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.

IAS 1.119

## 2.11 Basis for valuation of liabilities and provisions

IAS 37.85

### 2.11.01 Provision for tax

IAS 12.46

#### a. Current tax

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

IAS 12. (47&15)

#### b. Deferred tax

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

IAS 19.120

### 2.11.02 Employees' benefit obligation

#### Defined contribution plan

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

#### Defined benefit plan

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

#### Other benefit program for employees

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

### 2.12 Write-off

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

## 2.13 Capital and shareholders' equity

### 2.13.01 Capital management

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

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the company. The company's finance and risk

## NOTES TO THE FINANCIAL STATEMENTS

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 shareholder capital that has been paid in full by the Government of Bangladesh i.e. ordinary shareholder. In the event of winding-up of the company ordinary shareholder(s) rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation.

### 2.13.03 Statutory reserve

As per the Financial Institution Regulations 1994 it is required for the company to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.

### 2.13.04 Dividends on ordinary shares

Dividends on ordinary shares are recognised 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 recognised 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 recognised but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

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

## 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.

IAS 1.119

## 2.16 Revenue recognition

### 2.16.01 Income from lease finance

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

### 2.16.02 Income from direct finance

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

### 2.16.03 Income from structured finance

Income from structured finance is recognized as and when received.

### 2.16.04 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

# NOTES TO THE FINANCIAL STATEMENTS

## 2.16.05 Income from margin loan

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

## 2.16.06 Dividend income

IAS 18.30(c) Revenue is recognised when the company right to receive the payment is established, which is generally when the shareholders approve the dividend.

## 2.16.07 Other Operational income

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

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

## IAS 1.117(b) 2.17 Interest on company loans

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

## IAS 1.117(b) 2.18 Earnings per share

Earnings per shares is calculated by dividing the profit or loss attributable to ordinary shares of the IIDFC by the weighted average number of ordinary shares outstanding during the year. IIDFC calculates EPS in accordance with Bangladesh Accounting Standard 33 'Earnings per Share' which has been shown in the profit and loss and computation is stated in Note no. 38.

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

## IFRS 8.2 2.19 Presentation of operating segments

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

## IAS 37 2.20 Contingent assets & liabilities

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

## IAS 1.65-26 2.21 Liquidity statements

IAS 10.14-16

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

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

## 2.22 Events after the reporting period

Events after the reporting period that provide additional information about the company's position at the statement of financial position date are reflected in the financial statements in Note no. 42.05 as per Bangladesh Accounting Standards BAS-10: 'Events after the reporting period'.

## NOTES TO THE FINANCIAL STATEMENTS

### 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.

IAS 1.114(a)

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

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

Sl. No.	Name of the BAS	BAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Statement of Cash Flows	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Reporting Period	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Property, Plant and Equipment	16	Applied
09	Leases	17	Applied
10	Revenue	18	Applied
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable
14	Borrowing Costs	23	Not Applicable
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Applied
17	Separate Financial Statements	27	Applied
18	Investments in Associates and Joint Ventures	28	Not Applicable
19	Financial Instruments: Presentation	32	Applied
20	Earnings per Share	33	Applied
21	Interim Financial Reporting	34	Applied
22	Impairment of Assets	36	Not Applied
23	Provision, Contingent Liabilities and Contingent Assets	37	Applied
24	Intangible Assets	38	Applied
25	Financial Instruments: Recognition and Measurement	39	Applied
26	Investment Property	40	Not Applicable
27	Agriculture	41	Not Applicable

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

Sl. No.	Name of the BFRS	BFRS No	Status
01	First Time adoption of IFRS	1	Not Applicable
02	Share Based Payment	2	Not Applicable
03	Business Combinations	3	Not Applicable
04	Insurance Contracts	4	Not Applicable
05	Non-current Assets held for sales and discontinued operations	5	Not Applicable
06	Exploration for and Evaluation of Mineral Resources	6	Not Applicable
07	Financial Instruments: Disclosures	7	Applied
08	Operating Segments	8	Not Applicable
09	Financial Instruments	9	Partly Applied
10	Consolidated financial statements	10	Applied
11	Joint Arrangements	11	Not Applicable
12	Discloser of interest in other entities	12	Applied
13	Fair value measurement	13	Applied

# NOTES TO THE FINANCIAL STATEMENTS

## 2.25 Address of head office & branch office

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

## 2.26 Capital adequacy and market discipline

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

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

### Pillar – I: Minimum capital requirement

#### Credit Risk

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

#### Market risk

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

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

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

#### Operational risk

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

## 2.27 Stress testing

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

			Amount in Taka	
			31-Dec-2014	31-Dec-2013
Ref.				
IAS 7.45	<b>3</b>	<b>Cash</b>		
IAS 1.77		Cash in hand (Note 3.1)	21,908	26,370
		Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	163,194,960	171,085,452
		<b>Total</b>	<b>163,216,868</b>	<b>171,111,822</b>
IAS 1.77	<b>3.1</b>	<b>Cash in hand</b>		
		Cash in hand represents the amount under impress system of petty cash to meet petty cash expenses both for head office as well as branch offices.		
IAS 1.77	<b>3.2</b>	<b>Balance with Bangladesh Bank</b>		
		Balance with Bangladesh Bank is non-interest bearing and maintained 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 Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
IAS 1.77	<b>3.3</b>	<b>Cash Reserve Requirement (CRR)</b>		
		CRR has been calculated at the rate of 2.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
		Required reserve	121,076,081	104,607,016
		Actual reserve held	163,194,960	171,085,452
		<b>Surplus / (Deficit)</b>	<b>42,118,879</b>	<b>66,478,436</b>
IAS 1.77	<b>3.4</b>	<b>Statutory Liquidity Reserve (SLR)</b>		
		SLR has been calculated at the rate of 5% of total liabilities, including CRR of 2.5% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, Investment at Call, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
		Required reserve	264,224,128	242,515,399
		Actual reserve held (note-3.4.1)	301,139,172	304,834,598
		<b>Surplus / (Deficit)</b>	<b>36,915,044</b>	<b>62,319,199</b>
IAS 1.77	<b>3.4.1</b>	<b>Actual Reserve held for SLR (note-3.4.1)</b>		
		Cash in hand	21,908	26,370
		Balance with Bangladesh Bank and its agent bank(s)	163,194,960	171,085,452
		Balance with other banks and financial institutions (3.4.1.1)	137,922,304	133,722,776
			<b>301,139,172</b>	<b>304,834,598</b>
IAS 1.77	<b>3.4.1.1</b>	<b>Balance with other banks and financial institutions for SLR</b>		
		Mutual Trust Bank Limited	19,893,509	18,164,049
		Bank Alfalah Ltd.	118,028,795	115,558,727
		<b>Total</b>	<b>137,922,304</b>	<b>133,722,776</b>
IAS 1.77	<b>3.a</b>	<b>Consolidated cash</b>		
		IIDFCL	21,908	26,370
		IIDFC Securities Limited	14,669	22,994
		IIDFC Capital Limited	5,021	1,634
		<b>Sub-Total</b>	<b>41,598</b>	<b>50,998</b>
		Balance with Bangladesh Bank and its agent bank(s) (Note 3)	163,194,960	171,085,452
		<b>Total</b>	<b>163,236,558</b>	<b>171,136,450</b>

# NOTES TO THE FINANCIAL STATEMENTS

IAS 1.77

4

## Balance with other Banks and Financial Institutions in Bangladesh

### Current Accounts:

National Credit & Commerce Bank Ltd.
Southeast Bank Ltd.
Social Islami Bank Ltd.
Agrani Bank Ltd.
BRAC Bank Ltd.
Dutch Bangla Bank Ltd
IFIC Bank Ltd.
Bank Asia Ltd.
Bangladesh Development Bank
Trust Bank Ltd.
United Commercial Bank Ltd.
Uttara Bank Ltd.

### Sub-Total

### Short-term Deposit Accounts:

Southeast Bank Ltd.
Mercentail Bank Bank Ltd.
Bank Asia Ltd.
AB Bank Ltd.
Bank Alfalah Ltd.
The City Bank Ltd.
Janata Bank Ltd.
Jamuna Bank Ltd
Islami Bank Ltd
Mutual Trust Bank Ltd.
National Bank Ltd.
ONE Bank Ltd.
Prime Bank Ltd.
NRB Commercial Bank Ltd.
Farmers Bank Limited
Sonali Bank Ltd.

### Sub-Total

### Fixed Deposits Receipts (FDR):

Midland Bank Ltd
Commercial Bank of Ceylon Plc
Southeast Bank Ltd.
Bank Alfalah Ltd.
Mutual Trust Bank Ltd.
FAS Finance & Investment Limited
NRB Commercial Bank Ltd.
Standard Bank Ltd.
Union Bank Limited
South Bangla Agriculture & Commerce Bank

### Sub-Total

### Grand Total

Amount in Taka	
31-Dec-2014	31-Dec-2013
1,403	26,053
5,276	551,316
135,973	138,823
4,595	5,745
-	471
-	9,425
3,660	4,235
2,768,175	49,339
8,391	8,791
145	2,515
5,900	1,950
2,897	4,047
<b>2,936,415</b>	<b>802,710</b>
357,112	1,043,448
7,810	-
49,669,259	98,574,733
2,776	2,730
94,158	94,968
9,659	1,568,274
6,207	7,179
-	86
258,000	253,517
1,663	4,113
137,041	132,930
18,908	19,356
578,392	601,087
4,800	5,010
4,641	-
70,331	67,414
<b>51,220,757</b>	<b>102,374,845</b>
-	30,000,000
-	65,154,043
32,343,354	30,000,000
229,845,814	204,641,927
19,893,509	18,164,049
200,000,000	-
31,342,819	10,000,000
-	100,000,000
154,393,801	-
20,000,000	-
<b>687,819,297</b>	<b>457,960,019</b>
<b>741,976,469</b>	<b>561,137,574</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
4.1	<b>Maturity grouping of Balance with other Banks and Financial Institutions</b>		
	On demand	74,705,040	103,177,555
	Less than 3 months	305,078,251	133,722,776
	More than 3 months but less than 1 year	152,609,127	324,237,243
	More than 1 year but less than 5 years	209,584,051	-
	Above 5 years	-	-
	<b>Total</b>	<b>741,976,469</b>	<b>561,137,574</b>
IAS 1.77	<b>4.a Consolidated Balance with other Banks and Financial Institutions</b>		
	IIDFCL	741,976,469	561,137,574
	IIDFC Securities Limited (4.a.1)	56,588,184	57,852,712
	IIDFC Capital Limited (4.a.2)	2,732,646	4,660,985
	<b>Total</b>	<b>801,297,299</b>	<b>623,651,271</b>
IAS 1.77	<b>4.a.1 Bank Balance of IIDFC Securities Limited</b>		
	Southeast Bank Ltd.	14,570,050	10,017,420
	Standard Bank Ltd.	1,127,743	3,197,149
	Bank Asia Ltd.	689,990	4,860,632
	One Bank Ltd.	40,198,192	39,775,802
	Standard Chartered Bank	2,209	1,709
	<b>Total</b>	<b>56,588,184</b>	<b>57,852,712</b>
IAS 1.77	<b>4.a.2 Bank Balance of IIDFC Capital Limited</b>		
	Southeast Bank Ltd.	384,193	476,099
	ONE Bank Ltd.	2,275,521	4,112,119
	Bangladesh Commerce Bank Ltd.	72,932	72,767
	<b>Total</b>	<b>2,732,646</b>	<b>4,660,985</b>
IAS 1.77	<b>5 Money at Call and Short Notice</b>		
	Banking Companies	-	-
	Non-Banking Financial Institutions	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
IAS 1.77	<b>6 Investments</b>		
	<b>A. 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>
	<b>B. Other Investments</b>		
	Preference Shares (Note 6.1)	28,530,801.00	45,648,601
	Debenture and Bond (Zero Coupon Bond issued by Bank Asia Ltd.)	10,379,479.00	14,378,341
	Other investments (Note 6.2)	212,923,960.00	133,051,288
	Gold etc.	-	-
	<b>Sub Total</b>	<b>251,834,240</b>	<b>193,078,230</b>
	<b>Total investments (A+B)</b>	<b>251,834,240</b>	<b>193,078,230</b>
6.1	<b>Preference Shares</b>		

A term loan of Tk. 114,040,807.81 has been converted into Redeemable Cumulative Preference Shares for which the Issuers (Summit Uttaranchol Power Co. Ltd. and Summit Purbanchol Power Co. Ltd.) had issued 1,141,198 units of preference shares in favor of IIDFC Ltd. Dividend on those preference shares are being paid semi annually on 30th June and 31st December and principal will be repaid through 7 (seven) installments annually on 31st December in each English calendar year. The tenure of redemption of those shares to be expired on 30th September, 2016. The original term loan amount was 100,000,000.00, which was provided at 12 November, 2007.

## NOTES TO THE FINANCIAL STATEMENTS

Opening Balance
Add: Addition/ adjustment during the year
Less: Redemption during the year
Closing Balance

Amount in Taka	
31-Dec-2014	31-Dec-2013
45,648,601	62,687,408
-	78,993
17,117,800	17,117,800
<b>28,530,801</b>	<b>45,648,601</b>

### 6.2 Other Investments

#### Quoted:

1JANATAMF
AB Bank
Aftab Auto
ACTIVEFINE
ACI Limited
ACIFORMULA
Agrani Insurance
Al-Arafah Bank
AMCL (Pran)
Aamra Technologies
Atlas BD
Agni Systems
Aftab Auto
Bata Shoe
BD Com Online
APOLOISPAT
Asialns
Bay Leasing
BD. Finance
BDBuilding
BDTHAI
BEDL
BGIC
BSC
Bank Asia Ltd.
BEXIMCO Ltd.
BXPHARMA
BXSYNTH
BRAC Bank
CENTRALPHL
City General Insurance
City Bank
Continental Insurance
Dhaka Bank
Delta Life Insurance
DESHBANDHU
DBH 1st Mutual Fund
Dhaka Insurance
Dulamia Cotton

568,394	-
562,436	-
11,198,125	-
727,538	-
3,853,592	-
153,807	-
26,496	-
62,640	-
1,402,853	191,006
10,735	774,778
-	675,652
-	20,508
-	3,600,528
-	154,740
-	13,016
4,074	-
998	-
464,264	-
32,804	-
165,096	-
6,157	-
140,331	-
71,861	-
243,508	1,657,447
2,587,065	1,639,595
3,987,057	1,231,796
3,525,506	-
1,186,295	-
368,669	-
33,005	-
803,563	-
1,663,820	3,054,699
-	638,025
38,797	1,613,140
4,743,418	818,299
13,637	-
3,469,611	1,997,969
-	151,278
30,936	-

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2014	31-Dec-2013
Eastern Housing	6,373	-
EBL 1st Mutual Fund	4,131,309	3,567,493
EBL	2,719	7,581,568
EBLNRBMF (IIDFC own)	-	6,518,519
Fareast Islami Life	-	2,065,023
EBLNRBMF	6,207,914	-
Envoy Textiles Ltd.	605,592	-
EXIM Bank	529,318	-
First Lease Intern	355,164	-
First Security Bangladesh	16,770	-
Fu-Wang Ceramic	907,696	-
Fu-Wang Food	85,718	-
GBB POWER	234	-
Global Insurance	5,409	-
Golden Son	480,632	-
Grameen MF One	2,571,529	-
Hiedleberg Cement Ltd.	-	2,159,517
ICB	-	1,804,247
ICBEPMF1st	8,026,545	2,306,946
ICB AMCL 3rd NRB M	573,751	652,520
ICB Second NRB MF	3,999,404	627,377
IDLC	6,023,237	-
IFIC Bank	68,403	-
International Leasing	6,360,435	4,055,245
Islami Bank	-	1,451,450
IFILISLMF1	551,925	-
Jamuna Bank	160	-
Karnafuli Insurance	2,719,726	4,195,393
Keya Cosmetics	64,109	-
KPCL	2,199	-
Lafarge Cement	-	5,932,687
Lanka Bangla	7,835,060	4,258,457
Mercantile bank	1,135,282	-
Mercantile Insurance	3,899,902	-
Megna Petroleum	14,992	1,169,098
Meghna Cement	598,909	-
Meghna Life Insurance	-	1,242,265
Maksons Spining	25,181	-
MALEKSPIN	2,670,454	-
Mercantile Bank	-	2,309,374
Midas Finance	17,882	-
MICEMENT	551,932	-
MTBL	15,856	15,856
National Bank	5,411,686	3,129,793
National Housimg Finace	673,516	-
National Tubes	651,091	-
NCC Bank	2,723,243	2,722,953
NLI1STMF	10,000,000	10,000,000
One Bank	7,791,766	2,903,869
Orion Pharma Ltd.	10,843,477	6,899,271
Orion Infution Ltd.	152,287	-
Olympic	766,097	1,211,260
Padma Oil	744	-
Peoples Leasing	1,399,083	-

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2014	31-Dec-2013
PENINSULA	955,940	-
Prime Islami Life	2,336,120	-
Prime Bank	4,616	-
Prime Finance	220,573	-
Pioneer Insurance	2,406,443	3,727,431
Popular Life	-	1,742,842
Progoti Insurance Ltd.	-	168,207
Prime Islami Life	-	1,978,304
Premier Cement Mills Ltd.	-	663,334
Power Grid	548,915	-
Phoenix Finance	111,792	-
PHP1STMF	504,872	-
Pubali Bank	1,156	-
Quasem Drycell	40,938	-
Republic Insurance	2,544,453	-
Rangpur Foundry	97,239	-
R N Spinins	1,414,380	-
RAK Ceramics Ltd.	1,769,419	-
Rupali Insurance	-	715,576
Republic Insurance	-	1,006,661
SIBL	6,217,534	-
SEBL 1st MF	10,000,000	-
Saiham Cotton	1,510,419	830,568
SAPORTL	5,746,479	-
Sandhani Life Insurance	-	937,264
Shahjalal Bank	7,928	-
SIBL	-	1,248,069
SEBL 1st MF	-	10,000,000
Sonar Bangla Insurance	-	820,996
Southeast Bank	3,543,583	1,531,894
Standard Bank	4,431,577	1,068
Square Pharma	6,768,260	-
SP Ceramics	21,812	-
Summit Power	401,792	-
The Dacca Dyeing	2,470,384	253,748
Tallu Spinning Ltd.	-	389,559
Titas Gas	5,539,563	2,654,508
Trust Bank	7,514	-
UCBL	1,117,613	785,476
ULC	56,919	-
United Airways	120,981	-
Unique Hotel and Resorts Ltd.	-	451,575
Usmania Glass	-	23,931
Uttara Finance	740,583	-
Uttara Bank	7,307,120	6,107,623
ZAHINTEX	335,244	-
<b>Sub Total</b>	<b>212,923,960</b>	<b>133,051,288</b>
<b>Unquoted</b>	<b>-</b>	<b>-</b>
<b>Total (Quoted and Unquoted)</b>	<b>212,923,960</b>	<b>133,051,288</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Market price of Quoted Investments as on 31st December, 2014:

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
1JANATAMF	568,394	566,411	1,982
AB Bank	562,436	555,692	6,744
Aftab Auto	11,198,125	7,862,400	3,335,725
ACTIVEFINE	727,538	739,000	(11,463)
ACI Limited	3,853,592	3,314,150	539,442
ACIFORMULA	153,807	153,120	687
Agrani Insurance	26,496	26,124	372
Al-Arafah Bank	62,640	62,401	239
AMCL (Pran)	1,402,853	1,176,600	226,253
Aamra Technologies	10,735	9,955	780
APOLOISPAT	4,074	3,980	94
Asialns	998	1,013	(15)
Bay Leasing	464,264	464,198	67
BD. Finance	32,804	33,322	(518)
BDBuilding	165,096	165,600	(504)
BDTHAI	6,157	6,058	99
BEDL	140,331	140,250	81
BGIC	71,861	72,974	(1,113)
BSC	243,508	230,913	12,595
Bank Asia Ltd.	2,587,065	2,088,936	498,129
BEXIMCO Ltd.	3,987,057	3,448,136	538,922
BXPHARMA	3,525,506	2,940,048	585,457
BXSYNTH	1,186,295	1,125,000	61,295
BRAC Bank	368,669	372,000	(3,331)
CENTRALPHL	33,005	32,890	115
City General Insurance	803,563	687,735	115,828
City Bank	1,663,820	1,665,302	(1,482)
Dhaka Bank	38,797	39,089	(292)
Delta Life Insurance	4,743,418	3,897,400	846,018
DESHBANDHU	13,637	13,526	111
DBH 1st Mutual Fund	3,469,611	2,300,000	1,169,611
Dulamia Cotton	30,936	28,000	2,936
Eastern Housing	6,373	6,310	63
EBL 1st Mutual Fund	4,131,309	2,737,302	1,394,008
EBL	2,719	2,720	(1)
EBLNRBMF	6,207,914	3,768,174	2,439,740
Envoy Textiles Ltd.	605,592	516,000	89,592
EXIM Bank	529,318	542,124	(12,806)
First Lease Intern	355,164	353,925	1,239
First Security Bangladesh	16,770	17,135	(365)
Fu-Wang Ceramic	907,696	858,086	49,610
Fu-Wang Food	85,718	75,065	10,653
GBB POWER	234	233	1
Global Insurance	5,409	5,298	111
Golden Son	480,632	486,975	(6,343)
Grameen MF One	2,571,529	2,585,440	(13,911)
ICBEPMF1st	8,026,545	5,917,500	2,109,045
ICB AMCL 3rd NRB M	573,751	473,000	100,751
ICB Second NRB MF	3,999,404	2,858,700	1,140,704
IDLC	6,023,237	5,976,000	47,237
IFIC Bank	68,403	68,173	229
International Leasing	6,360,435	4,725,000	1,635,435
IFILISLMF1	551,925	570,000	(18,075)
Jamuna Bank	160	160	1
Karnafuli Insurance	2,719,726	2,081,040	638,686

## NOTES TO THE FINANCIAL STATEMENTS

Keya Cosmetics	64,109	63,632	477
KPCL	2,199	2,166	33
Lanka Bangla	7,835,060	6,307,400	1,527,660
Mercantile bank	1,135,282	1,196,681	(61,399)
Mercantile Insurance	3,899,902	2,580,000	1,319,902
Megna Petroleum	14,992	15,192	(200)
Meghna Cement	598,909	593,390	5,519
Maksons Spining	25,181	25,093	88
MALEKSPIN	2,670,454	2,021,067	649,388
Midas Finance	17,882	17,930	(48)
MICEMENT	551,932	505,400	46,532
MTBL	15,856	14,612	1,244
National Bank	5,411,686	4,616,430	795,256
National Housing Finance	673,516	557,700	115,816
National Tubes	651,091	579,000	72,091
NCC Bank	2,723,243	1,552,611	1,170,632
NLI1STMF	10,000,000	8,800,000	1,200,000
One Bank	7,791,766	7,152,012	639,753
Orion Pharma Ltd.	10,843,477	8,508,500	2,334,977
Orion Infution Ltd.	152,287	136,000	16,287
Olympic	766,097	767,138	(1,041)
Padma Oil	744	755	(11)
Peoples Leasing	1,399,083	1,282,905	116,179
PENINSULA	955,940	801,000	154,940
Prime Islami Life	2,336,120	1,451,035	885,085
Prime Bank	4,616	4,900	(284)
Prime Finance	220,573	220,848	(275)
Pioneer Insurance	2,406,443	1,780,000	626,443
Power Grid	548,915	404,000	144,915
Phoenix Finance	111,792	109,752	2,040
PHP1STMF	504,872	514,048	(9,176)
Pubali Bank	1,156	1,148	9
Quasem Drycell	40,938	71,800	(30,862)
Republic Insurance	2,544,453	1,532,363	1,012,090
Rangpur Foundry	97,239	98,800	(1,561)
R N Spinins	1,414,380	1,551,500	(137,120)
RAK Ceramics Ltd.	1,769,419	1,493,853	275,566
SIBL	6,217,534	5,453,600	763,934
SEBL 1st MF	10,000,000	8,800,000	1,200,000
Saiham Cotton	1,510,419	1,076,950	433,469
SAPORTL	5,746,479	5,554,300	192,179
Shahjalal Bank	7,928	7,970	(42)
Southeast Bank	3,543,583	3,364,949	178,634
Standard Bank	4,431,577	3,583,127	848,450
Square Pharma	6,768,260	6,856,196	(87,935)
SP Ceramics	21,812	21,888	(76)
Summit Power	401,792	396,635	5,157
The Dacca Dyeing	2,470,384	1,590,480	879,904
Titas Gas	5,539,563	5,561,068	(21,504)
Trust Bank	7,514	7,488	26
UCBL	1,117,613	1,120,901	(3,288)
ULC	56,919	56,341	578
United Airways	120,981	120,559	422
Uttara Finance	740,583	749,000	(8,417)
Uttara Bank	7,307,120	5,726,490	1,580,630
ZAHINTEX	335,244	332,063	3,182
<b>Total:</b>	<b>212,923,960</b>	<b>176,557,244</b>	<b>36,366,716</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6.3 Maturity grouping of Investments

On demand
Less than 3 months
More than 3 months but less than 1 year
More than 1 year but less than 5 years
Above 5 years
<b>Total</b>

Amount in Taka	
31-Dec-2014	31-Dec-2013
13,502,482	24,497,778
104,119,136	23,690,833
108,519,945	13,997,778
25,692,677	97,297,778
-	33,594,063
<b>251,834,240</b>	<b>193,078,230</b>

### 6.a Consolidated Investments

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

251,834,240	193,078,230
178,163,843	170,050,434
-	-
<b>429,998,083</b>	<b>363,128,664</b>

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

#### Quoted :

AB Bank Limited
ACI Formulations Limited
AMCL (Pran)
Argon Denims Limited
Asia Insurance Limited
Bank Asia Limited
Bangladesh Submarine Cable Company Limited
Bangladesh Building Systems Limited
Barakatullah Electro Dynamics Limited
Bengal Windsor Thermoplastics Limited
Bangladesh Export Import Company Limited
Bangladesh General Insurance Company Limited
Beximco Pharmaceuticals Limited
Central Insurance Co. Limited
City Bank Limited
Dhaka Electric Supply Company Limited
Dhaka Bank Limited
Dutch-Bangla Bank Limited
Eastern Insurance Company Limited
Eastland Insurance Company Limited
Emerald Oil Industries Limited
Envoy Textiles Limited
Export Import (Exim) Bank of Bangladesh
Fareast Islami Life Insurance Company Limited
GBB Power Limited
Golden Harvest Agro Industries Limited
Global Heavy Chemicals Limited
Golden Son Limited
Grameenphone Limited
H.R.Textile Mills Limited
ICB AMCL 2nd NRB Mutual Fund
IDLC Finance Limited
IFIC Bank First Mutual Fund
International Leasing & Financial Services Ltd
Islami Insurance Bangladesh Limited
Karnafuli Insurance Co. Ltd
Khulna Power Company Limited
Lafarge Surma Cement Ltd
Meghna Petroleum Limited
Meghna Cement Mills Ltd
Mercantile Bank Limited
MJL Bangladesh Ltd
Mutual Trust Bank Limited
National Bank Limited
NCC Bank Limited
ONE Bank Limited
Paramount Insurance Company Ltd
Peoples Insurance Company Limited
Peoples Leasing & Fin.Services Ltd
Pharma Aids Limited

1,082,961	1,083,805
1,600,170	-
1,600,470	-
1,802,480	-
1,785,484	1,790,950
8,708,596	8,710,114
1,708,793	-
339,611	-
199,000	-
668,453	128,800
1,045	151,820
817,199	818,681
691,650	-
1,192,740	1,192,740
1,360,673	1,012,365
976,100	-
11,690,071	11,691,731
699,444	1,165,740
661,200	661,200
1,766,584	1,767,647
350,150	-
452,736	726,900
209	2,130
12,247,029	14,191,385
1,307,000	-
2,146,770	420,420
2,286,775	-
19,432	-
9,288,716	-
1,059,620	891,600
708,052	708,052
544,208	-
4,608	144,256
300,950	300,950
1,019,140	1,521,345
3,205,460	3,205,460
2,823,552	-
1,824,120	1,058,758
6,527,481	-
1,487,660	-
373,406	3,485,236
2,466,327	7,707
466,856	475,702
4,851,629	4,851,669
3,198,603	3,201,528
12,323,115	12,329,547
63,400	63,400
61,975	1,261,184
525,300	-
616,405	-

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2014	31-Dec-2013
Phoenix Finance & Investment Limited	461,850	76,850
PHP First Mutual Fund	399,130	399,130
Pragati Insurance Limited	675,364	675,364
Pragati Life Insurance Limited.	3,675,185	18,143,638
Premier Bank Limited	540,300	540,300
Premier Leasing & Finance Limited	216,550	216,550
Prime Bank Limited	455,029	337,026
Prime Finance First Mutual Fund	129,500	-
Prime Islami Life Insurance Limited	8,657,544	8,660,382
Pubali Bank Limited	2,330	2,423
Purabi General Insurance Co. Limited	8,090	26,477
RAK Ceramics (Bangladesh) Limited	1,289,500	3,583,910
Reliance Insurance Limited	2,527,055	2,527,055
Ratanpur Steel Re-rolling Mills Limited	271,651	-
Rupali Insurance Company Limited	487,412	708,294
Rupali Life Insurance Company Limited	1,548,405	1,258,785
S. Alam Cold Rolled Steels Ltd.	638,628	229,728
Shahjalal Islami Bank Ltd	4,563	5,055
Social Islami Bank Limited	2,656,320	2,657,791
Square Pharmaceuticals Limited	4,400,905	-
Square Textiles Limited	565,287	690,982
Standard Bank Limited	2,362,278	2,370,546
Summit Power Limited	692,601	677,519
Takaful Islami Insurance Limited	697,501	867,951
Trust Bank Limited	236,600	236,600
Uttara Bank Limited	3,219,637	3,219,637
AFC Agro Biotech Limited	580,800	-
6th ICB Mutual Fund	-	588,720
AIBL 1st Islamic Mutual Fund	-	69,083
Aims First Mutual Fund	-	225,000
BRAC Bank Limited	-	1,463,307
BSRM Steel Mills Limited	-	23,149
Delta Brack Housing Finance Corporation Limited	-	215,600
DBH 1st Mutual Fund	-	46,517
Eastern Bank Limited	-	1,253,360
First Lease Finance and Investment Limited	-	65,200
Grameen Mutual Fund II	-	93,500
Green Delta Insurance Company Limited	-	42,883
IFIL Islami Mutual Fund I	-	83,536
Islami Bank Bangladesh Limited	-	3,755,139
Lanka Bangla Finance Limited	-	20,342
MBL 1st Mutual Fund	-	12,000
Meghna Life Insurance Company Limited	-	394,595
Pioneer Insurance Company Limited	-	1,399,007
Popular Life First Mutual Fund	-	225,250
Summit Alliance Port Limited	-	195,786
Southeast Bank 1st Mutual Fund	-	122,651
Southeast Bank Limited	-	3,760,574
<b>Sub-Total</b>	<b>149,303,423</b>	<b>141,190,014</b>
Un-quoted :		
Dhaka Stock Exchange Limited (40% Un-quoted)	28,860,420	28,860,420
<b>Sub-Total</b>	<b>28,860,420</b>	<b>28,860,420</b>
<b>Total</b>	<b>178,163,843</b>	<b>170,050,434</b>

In pursuance to section 3.1.4 of the scheme of demutualisation of Dhaka Stock Exchange Ltd (DSE), 7,215,106 ordinary shares of BDT 10 each were allotted by DSE in favour of IIDFC Securities Limited. Out of total shares allotted, 2,886,042 ordinary shares of BDT 28,860,920 being 40% of total ordinary shares allotted were issued and credited to BO account of IIDFC Securities Limited for BDT 28,860,920 and value of cost of DSE membership has been adjusted to that extent. The remaining 4,329,064 shares being 60% ordinary shares of BDT 43,290,640 were credited to the "DSE Demutualisation Blocked Account" maintained by DSE. As per that aforesaid scheme, these 60% shares will be off-loaded in the following manner:

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

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

## NOTES TO THE FINANCIAL STATEMENTS

Market price of Investments as on 31 December, 2014:

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
Details of Investment in quoted securities as on 31 December 2013 are as under :			
AB Bank Limited	1,082,961	997,165	85,796
ACI Formulations Limited	1,600,170	1,403,600	196,570
AMCL (Pran)	1,600,470	1,274,650	325,820
Argon Denims Limited	1,802,480	1,433,760	368,720
Asia Insurance Limited	1,785,484	1,057,208	728,276
Bank Asia Limited	8,708,596	6,229,100	2,479,496
Bangladesh Submarine Cable Company Limited	1,708,793	1,061,970	646,823
Bangladesh Building Systems Limited	339,611	276,000	63,611
Barakatullah Electro Dynamics Limited	199,000	165,000	34,000
Bengal Windsor Thermoplastics Limited	668,453	677,160	(8,707)
Bangladesh Export Import Company Limited	1,045	910	135
Bangladesh General Insurance Company Limited	817,199	460,100	357,099
Beximco Pharmaceuticals Limited	691,650	587,000	104,650
Central Insurance Co. Limited	1,192,740	767,491	425,249
City Bank Limited	1,360,673	1,159,084	201,589
Dhaka Electric Supply Company Limited	976,100	903,500	72,600
Dhaka Bank Limited	11,690,071	7,733,580	3,956,491
Dutch-Bangla Bank Limited	699,444	634,800	64,644
Eastern Insurance Company Limited	661,200	489,900	171,300
Eastland Insurance Company Limited	1,766,584	1,139,515	627,069
Emerald Oil Industries Limited	350,150	295,450	54,700
Envoy Textiles Limited	452,736	412,800	39,936
Export Import (Exim) Bank of Bangladesh	209	133	76
Fareast Islami Life Insurance Company Limited	12,247,029	8,185,900	4,061,129
GBB Power Limited	1,307,000	1,071,800	235,200
Golden Harvest Agro Industries Limited	2,146,770	1,534,500	612,270
Global Heavy Chemicals Limited	2,286,775	1,764,000	522,775
Golden Son Limited	19,432	16,987	2,445
Grameenphone Limited	9,288,716	9,590,350	(301,634)
H.R.Textile Mills Limited	1,059,620	786,500	273,120
ICB AMCL 2nd NRB Mutual Fund	708,052	378,300	329,752
IDLC Finance Limited	544,208	560,250	(16,042)
IFIC Bank First Mutual Fund	4,608	3,708	900
International Leasing & Financial Services Ltd	300,950	135,000	165,950
Islami Insurance Bangladesh Limited	1,019,140	752,629	266,511
Karnafuli Insurance Co. Ltd	3,205,460	1,370,250	1,835,210
Khulna Power Company Limited	2,823,552	2,565,000	258,552
Lafarge Surma Cement Ltd	1,824,120	2,319,534	(495,414)
Meghna Petroleum Limited	6,527,481	5,407,930	1,119,551
Meghna Cement Mills Ltd	1,487,660	1,211,000	276,660
Mercantile Bank Limited	373,406	278,809	94,597
MJL Bangladesh Ltd	2,466,327	2,059,840	406,487
Mutual Trust Bank Limited	466,856	376,200	90,656
National Bank Limited	4,851,629	2,763,816	2,087,813
NCC Bank Limited	3,198,603	1,764,078	1,434,525
ONE Bank Limited	12,323,115	8,840,100	3,483,015
Paramount Insurance Company Ltd	63,400	38,577	24,823
Peoples Insurance Company Limited	61,975	41,800	20,175
Peoples Leasing & Fin.Services Ltd	525,300	420,420	104,880
Pharma Aids Limited	616,405	535,330	81,075
Phoenix Finance & Investment Limited	461,850	322,262	139,588
PHP First Mutual Fund	399,130	298,144	100,986
Pragati Insurance Limited	675,364	438,193	237,171
Pragati Life Insurance Limited.	3,675,185	1,863,571	1,811,614
Premier Bank Limited	540,300	335,770	204,530

## NOTES TO THE FINANCIAL STATEMENTS

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
Premier Leasing & Finance Limited	216,550	87,720	128,830
Prime Bank Limited	455,029	294,000	161,029
Prime Finance First Mutual Fund	129,500	82,000	47,500
Prime Islami Life Insurance Limited	8,657,544	5,291,375	3,366,169
Pubali Bank Limited	2,330	1,913	417
Purabi General Insurance Co. Limited	8,090	9,513	(1,423)
RAK Ceramics (Bangladesh) Limited	1,289,500	1,154,000	135,500
Reliance Insurance Limited	2,527,055	2,054,360	472,695
Ratanpur Stell Re-rolling Mills Limited	271,651	233,916	37,735
Rupali Insurance Company Limited	487,412	343,710	143,702
Rupali Life Insurance Company Limited	1,548,405	1,102,851	445,554
S. Alam Cold Rolled Steels Ltd.	638,628	534,750	103,878
Shahjalal Islami Bank Ltd	4,563	3,197	1,366
Social Islami Bank Limited	2,656,320	1,842,800	813,520
Square Pharmaceuticals Limited	4,400,905	4,273,005	127,900
Square Textiles Limited	565,287	501,865	63,422
Standard Bank Limited	2,362,278	1,651,000	711,278
Summit Power Limited	692,601	589,858	102,743
Takaful Islami Insurance Limited	697,501	491,648	205,853
Trust Bank Limited	236,600	216,216	20,384
Uttara Bank Limited	3,219,637	2,099,713	1,119,924
AFC Agro Biotech Limited	580,800	514,500	66,300
<b>Sub-Total</b>	<b>149,303,423</b>	<b>110,564,335</b>	<b>38,739,088</b>
<b>Un-quoted :</b>			
Dhaka Stock Exchange Limited (Un-quoted)	28,860,420	28,860,420	-
	<b>178,163,843</b>	<b>139,424,755</b>	<b>38,739,088</b>

Reserve for margin loan has been made @ 54.29% of negative equity of margin loans as on 31 December 2014. As per BSEC's directive no. SEC/CMRRCD/2009-193/166 dated 12 January 2015, minimum requirement of making such provision is 20% of total required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

said directive as the company has availed this facility.

	Percentage	Amount in Taka	
		31-Dec-2014	31-Dec-2013
<b>Loans &amp; Advances</b>			
<b>Inside Bangladesh:</b>			
Gross Lease Receivables		2,989,719,491	2,869,972,759
Less: Unearned Lease Income		525,738,205	347,077,514
Net Lease Receivables	24.66%	2,463,981,286	2,522,895,245
Advance for Lease Finance	0.60%	60,051,877	78,000,001
Direct/ Term Finance	73.21%	7,314,526,239	6,512,902,942
Secured Overdraft	0.72%	71,556,061	102,653,620
Bills Discounted and Purchased (Note 7.8)	0.81%	81,302,218	89,622,639
<b>Sub Total</b>	<b>100.00%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>
<b>Outside Bangladesh:</b>			
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>Total</b>	<b>100.00%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>

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## NOTES TO THE FINANCIAL STATEMENTS

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

Percentage	Amount in Taka	
	31-Dec-2014	31-Dec-2013
19.02%	1,899,895,633	2,007,879,013
5.65%	564,085,653	593,016,233
<b>24.66%</b>	<b>2,463,981,286</b>	<b>2,600,895,246</b>
1.49%	148,824,251	174,302,760
56.52%	5,647,172,223	4,975,227,384
12.45%	1,244,099,165	1,028,781,529
3.20%	319,855,208	319,195,299
0.81%	81,302,218	89,622,639
0.72%	71,556,061	101,755,417
0.15%	14,627,269	16,294,173
<b>75.34%</b>	<b>7,527,436,395</b>	<b>6,705,179,201</b>
<b>100%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>

IAS 1.61 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

	1,377,498,762	1,005,894,445
	2,042,339,488	2,641,694,445
	2,279,625,404	2,501,994,445
	2,753,096,838	1,808,994,445
	1,538,857,189	1,347,496,667
	<b>9,991,417,681</b>	<b>9,306,074,447</b>

IFRS 8.20 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

1.69%	168,823,842	65,971,566
9.57%	955,795,300	931,531,519
15.18%	1,516,340,475	785,940,129
1.00%	100,283,099	94,604,021
3.54%	354,110,414	96,588,678
1.88%	187,964,551	125,526,331
3.19%	318,407,976	17,636,128
3.70%	369,218,163	330,170,086
3.10%	309,743,394	605,413,685
2.42%	242,094,993	70,408,725
3.07%	306,419,914	269,353,094
3.88%	387,317,645	308,030,866
5.08%	507,235,829	380,752,455
0.20%	19,894,865	12,342,186
3.37%	336,655,274	326,536,814
1.68%	167,999,187	253,253,844
5.97%	596,028,015	380,010,940
4.69%	468,740,896	290,874,159
5.76%	575,432,065	447,209,136
10.01%	999,744,932	301,674,028
11.04%	1,103,166,852	3,212,246,057
<b>100.00%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>

# NOTES TO THE FINANCIAL STATEMENTS

IFRS 8.20 7.4

## Geographical Location-wise Loans & Advances

### Inside Bangladesh

	Percentage	31-Dec-2014	31-Dec-2013
Dhaka Division	75.15%	7,509,004,010	7,225,558,499
Chittagong Division	22.56%	2,254,127,714	1,725,224,766
Barishal Division	1.03%	102,524,534	92,496,876
Rajshahi Division	0.19%	18,943,986	128,408,102
Sylhet Division	0.98%	98,082,783	120,631,848
Khulna Division	0.09%	8,734,654	13,754,356
<b>Sub Total</b>	<b>100.00%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>

### Outside Bangladesh

### Total

-	-	-
<b>100.00%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>

IAS1.77 7.5

## Classification of Loans & advances as per Bangladesh Bank circular

### Unclassified

	31-Dec-2014	31-Dec-2013	31-Dec-2014	31-Dec-2013
Standard	86.45%	84.66%	8,638,048,681	7,878,233,447
Special Mention Account (SMA)	8.27%	9.85%	826,448,000	916,535,000
<b>Sub Total</b>	<b>94.73%</b>	<b>94.51%</b>	<b>9,464,496,681</b>	<b>8,794,768,447</b>

### Classified

Sub-standard (SS)	0.65%	1.84%	64,499,000	170,990,000
Doubtful (DF)	0.96%	1.20%	95,506,000	111,701,000
Bad/ Loss (BL)	3.67%	2.46%	366,916,000	228,615,000
<b>Sub Total</b>	<b>5.27%</b>	<b>5.49%</b>	<b>526,921,000</b>	<b>511,306,000</b>
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>9,991,417,681</b>	<b>9,306,074,447</b>

7.6

## Details of Large Loans & Advances

As per DFIM circular No.-10, dated 5 September, 2011, Outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was Tk 1,553,767,882 as on 31 December, 2014 where as Tk 1,421,518,054 as on 31 December, 2013.

Number of Clients	7	1
Outstanding Amount	1,564,193,035	189,223,723
Classified Amount	-	-
Measures taken for recovery	-	-

IAS 1.77 7.7

## Particulars of Loans & Advances

1. Loans & advances considered good in respect of which the company is fully secured	4,401,219,557	4,879,247,122
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	3,788,435,017	2,366,523,460
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	805,440,328	471,692,720
4. Loans & advances adversely classified for which provision has not been maintained	-	-
5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	-	-
6. Loans & advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	996,322,779	1,588,611,145

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person		-	-
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members		-	-
9. Due from banking companies		-	-
10. Amount of classified loans & advances on which interest has not been charged as follows:			
a. (Decrease)/ increase in provision		73,789,162	17,372,741
b. Amount of loans & advances written off		-	-
c. Amount of collection against written of loans & advances		-	-
d. Interest credited to interest suspense account		16,203,798	32,007,000
11. Loans & advances written off:			
a. Current year		-	-
b. Cumulative to date		88,403,101	88,403,101
c. Amount of written off loans for which law suits have been filed		88,403,101	88,403,101
IFRS 7.8© 7.8	<b>Bills Discounted and Purchased</b>		
Inside Bangladesh		81,302,218	89,622,639
Outside Bangladesh		-	-
<b>Total</b>		<b>81,302,218</b>	<b>89,622,639</b>
IAS 1.61 7.9	<b>Maturity grouping of Bills Discounted and Purchased</b>		
Within 1 month		2,462,752	19,537,714
Over 1 month but within 3 months		38,024,563	12,973,346
Over 3 months but within 6 months		24,546,589	47,675,579
Over 6 months		16,268,314	8,219,691
<b>Total</b>		<b>81,302,218</b>	<b>88,406,330</b>
7.a	<b>Consolidated Loans &amp; Advances</b>		
IIDFCL		9,991,417,681	9,306,074,447
IIDFC Securities Limited (7.a.1)		2,333,522,268	2,224,118,304
IIDFC Capital Limited (7.a.2)		884,982,523	787,005,425
		<b>13,209,922,472</b>	<b>12,317,198,176</b>
Less: Inter Company Loans & Advances			
IIDFC Securities Limited	900,099,910		-
IIDFC Capital Limited	90,965,635	991,065,545	1,549,831,698
<b>Total</b>		<b>12,218,856,927</b>	<b>10,767,366,478</b>

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
7.a.1	<b>Loans &amp; Advance of IIDFC Securities Limited</b>		
	Margin Loan	2,333,522,268	2,224,118,304
7.a.2	<b>Loans &amp; Advance of IIDFC Capital Limited</b>		
	Margin loan	884,982,523	787,005,425
IAS 16.31	<b>8 Property, Plant &amp; Equipment (Details in Annexure-1)</b>		
	<b>Own Finance</b>		
	<b>A. Cost</b>		
	Motor Vehicles	18,374,242	16,098,242
	Furniture & Fixtures	10,822,883	10,804,205
	Office Equipments	29,397,367	27,341,043
	<b>Total</b>	<b>58,594,492</b>	<b>54,243,490</b>
	<b>B. Less: Accumulated Depreciation</b>		
	Motor Vehicles	14,135,982	11,411,658
	Furniture & Fixtures	5,941,321	4,891,236
	Office Equipments	22,296,144	18,315,204
	<b>Total</b>	<b>42,373,447</b>	<b>34,618,098</b>
	<b>C. Written Down Value at the end of the year (A-B)</b>	<b>16,221,045</b>	<b>19,625,392</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 Property, Plant &amp; Equipment (C+F)</b>	<b>16,221,045</b>	<b>19,625,392</b>
8.1	<b>Intangible asset - computer softwares</b>		
	Cost	4,928,026	2,251,026
	Less: Accumulated amortisation	2,565,081	1,839,269
	<b>Net book value at the end of the year</b>	<b>2,362,945</b>	<b>411,757</b>
8.a	<b>Consolidated property, plant &amp; equipment (Details in Annexure-1.a)</b>		
	IIDFCL	16,221,045	19,625,392
	IIDFC Securities Limited (8.a.1)	15,948,912	21,034,522
	IIDFC Capital Limited (8.a.2)	2,834,753	4,420,503
	<b>Total</b>	<b>35,004,710</b>	<b>45,080,417</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
8.a.1	<b>Property, plant &amp; equipment of IIDFC Securities Limited</b>		
	<b>A. Cost</b>		
	Motor vehicles	-	-
	Furniture & fixtures	17,616,182	17,985,456
	Office equipments	17,626,818	17,521,519
	<b>Total</b>	<b>35,243,000</b>	<b>35,506,975</b>
	<b>B. Less: Accumulated depreciation</b>		
	Motor vehicles	-	-
	Furniture & fixtures	6,977,948	5,329,140
	Office equipments	12,316,140	9,143,313
	<b>Total</b>	<b>19,294,088</b>	<b>14,472,453</b>
	<b>C. Written down value at the end of the year (A-B)</b>	<b>15,948,912</b>	<b>21,034,522</b>
8.a.2	<b>Property, plant &amp; equipment of IIDFC Capital Limited</b>		
	<b>A. Cost</b>		
	Motor vehicles	1,250,000	1,250,000
	Furniture & fixtures	3,599,374	4,103,271
	Office equipments	4,947,056	4,947,056
	<b>Total</b>	<b>9,796,430</b>	<b>10,300,327</b>
	<b>B. Less: Accumulated depreciation</b>		
	Motor vehicles	1,249,994	1,249,994
	Furniture & fixtures	1,563,941	1,372,559
	Office equipments	4,147,742	3,257,271
	<b>Total</b>	<b>6,961,677</b>	<b>5,879,824</b>
	<b>C. Written down value at the end of the year (A-B)</b>	<b>2,834,753</b>	<b>4,420,503</b>
8.1.a	<b>Consolidated intangible asset (Details in Annexure-1.a)</b>		
	IIDFCL	2,362,945	411,757
	IIDFC Securities Limited	654,808	606,513
	IIDFC Capital Limited	420,000	690,000
		<b>3,437,753</b>	<b>1,708,270</b>
IAS 1.77	<b>9 Other assets</b>		
	Investment in shares of subsidiary companies:		
	In Bangladesh	1,305,800,000	1,090,800,000
	Outside Bangladesh	-	-
	Stationery, stamps, printing materials etc.	-	-
	Advance rent and advertisement	237,380	237,370
	Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	8,209,302	10,293,807
	Security deposits	28,200	48,200
	Preliminary, formation and organization expenses, renovation/ development and prepaid expenses	2,035,879	1,714,970
	Branch adjustment	-	-
	Suspense account	-	-
	Silver	-	-
	Balance with BO account	14,367	14,367
	Others (Note 9.1)	779,893,699	577,910,677
	<b>Total</b>	<b>2,096,218,827</b>	<b>1,681,019,391</b>

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
IAS 9.1	<b>Others</b>		
1.78(b)	Interest Accrual Receivable	44,335,946	70,742,967
	Advance for syndication purposes	438,000	471,230
	Deferred Tax	8,954,098	-
	Advance for suppliers	6,323,064	9,734,884
	Advance tax	385,809,175	372,497,490
	Expenses receivables	8,540	8,540
	Commission on bank guarantee	324,876	324,876
	Advance interest paid	39,500,000	120,513,694
	Receivables from IIDFC Capital Ltd.	294,200,000	8,000
	Receivables from IIDFC Securities Ltd.	-	3,608,996
	<b>Total</b>	<b>779,893,699</b>	<b>577,910,677</b>
9.a	<b>Consolidated other assets</b>		
	IIDFCL	2,096,218,827	1,681,019,391
	IIDFC Securities Limited (note-9.a.1)	203,090,590	184,716,408
	IIDFC Capital Limited (note-9.a.2)	100,143,720	73,793,172
		<b>2,399,453,137</b>	<b>1,939,528,971</b>
	<b>Less:</b> Inter company assets		
	IIDFC Securities Limited	1,000,088,952	-
	IIDFC Capital Limited	624,332,335	1,094,593,143
	<b>Total</b>	<b>775,031,850</b>	<b>844,935,828</b>
9.a.1	<b>Other assets of IIDFC Securities Limited</b>		
	Cost of TREC holding	124,258,580	124,258,580
	Advance rent	1,520,625	2,100,080
	Stamp in hand	23,594	3,286
	Security deposits	577,820	577,820
	Accrued interest on FDR	-	-
	Advance tax	64,319,439	51,682,649
	Others	12,390,532	6,093,993
	<b>Total</b>	<b>203,090,590</b>	<b>184,716,408</b>
9.a.2	<b>Other assets of IIDFC Capital Limited</b>		
	License fee	30,196,209	30,196,209
	Receivable from brokerage houses	-	1,386,701
	Security deposits	200,000	200,000
	Preliminary, pre-operating expenses and renovation/development	-	-
	Advance tax	40,385,011	40,330,574
	Deferred tax	-	-
	Others	29,362,500	1,679,688
	<b>Total</b>	<b>100,143,720</b>	<b>73,793,172</b>
IFRS 7.7 10	<b>Borrowings from other Banks, Financial Institutions &amp; Agents</b>		
	Inside Bangladesh:		
	Refinance against SME loan from Bangladesh Bank	432,351,159	357,333,183
	From other scheduled Banks (note - 10.1)	2,857,296,996	3,252,260,826
	<b>Sub Total</b>	<b>3,289,648,155</b>	<b>3,609,594,009</b>
	Outside Bangladesh	-	-
	<b>Total</b>	<b>3,289,648,155</b>	<b>3,609,594,009</b>

## NOTES TO THE FINANCIAL STATEMENTS

10.1

### From other scheduled Banks & Financial Institutions

#### Long term loan

Bank Asia Ltd.
Dhaka Bank Ltd.
Prime Bank Ltd.
Trust Bank Ltd.
Uttara Bank Ltd.
Shahjalal Islami Bank Ltd.
Pubali Bank Ltd
Bank Alfalah Ltd
National Credit and Commerce Bank Ltd.
United Commercial Bank Ltd
Commercial Bank of Ceylon Plc
Mutual Trust Bank Ltd.
Premier Bank Ltd.
Social Islami Bank Ltd.
Dutch Bangla Bank Ltd.
Jamuna Bank
Southeast Bank Ltd.
The UAE Bangladesh

#### Sub-Total

#### Overdraft and money at call short notice

Bank Alfalah Ltd
AB Bank Limited
Dhaka Bank Limited
Mercantile Bank Ltd.
ICB Islamic Bank Limited
Mutual Trust Bank Limited
NRB Bank Limited
Commercial Bank of Ceylon Plc
Dutch bangla Bank Ltd
United Commercial Bank Limited
Basic Bank Ltd.
Standard Bank Ltd
Premier Bank
Pubali Bank
Megna Bank Limited
Southeast Bank Ltd.
Jamuna Bank Ltd.

#### Sub-Total

#### Grand Total

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

Secured
Unsecured

#### Total

#### 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

Amount in Taka	
31-Dec-2014	31-Dec-2013
44,993,219	-
-	179,103,155
-	214,820,450
129,019,296	188,676,060
215,463,831	326,342,386
354,943,292	423,400,733
-	134,504,179
45,833,337	-
9,139,262	64,489,830
-	90,086,601
58,254,622	20,000,012
168,106,886	-
219,293,822	106,981,221
142,589,369	200,000,000
374,014,475	300,120,833
-	113,678,611
-	26,041,248
50,000,000	43,829,030
<b>1,811,651,410</b>	<b>2,432,074,349</b>
174,881,344	179,161,442
50,000,000	-
100,000,000	-
76,406	-
60,000,000	-
602,929	-
150,000,000	-
-	50,948,082
-	150,000,000
200,000,000	-
50,000,000	90,000,000
-	50,000,000
-	100,000,000
140,000,000	100,000,000
100,000,000	-
20,000,000	100,000,000
84,907	76,953
<b>1,045,645,586</b>	<b>820,186,477</b>
<b>2,857,296,996</b>	<b>3,252,260,826</b>
-	-
2,699,648,155	3,019,594,009
590,000,000	590,000,000
<b>3,289,648,155</b>	<b>3,609,594,009</b>
263,655,782	590,000,000
101,256,563	230,186,477
569,998,921	1,203,798,921
488,585,184	625,611,052
1,151,165,184	724,065,184
714,986,521	235,932,375
<b>3,289,648,155</b>	<b>3,609,594,009</b>

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
10.a	<b>Consolidated borrowings from other Banks, Financial Institutions &amp; Agents Inside Bangladesh</b>		
	IIDFCL	3,289,648,155	3,609,594,009
	IIDFC Securities Limited (note - 10.a.1)	1,067,723,215	1,289,419,065
	IIDFC Capital Limited (note - 10.a.2)	130,081,095	357,683,929
		<b>4,487,452,465</b>	<b>5,256,697,003</b>
	<b>Less:</b> Inter company borrowings		
	IIDFC Securities Limited	900,099,910	-
	IIDFC Capital Limited	90,965,635	1,549,831,698
	<b>Total</b>	<b>3,496,386,920</b>	<b>3,706,865,305</b>
10.a.1	<b>Borrowings of IIDFC Securities Limited</b>		
	Inside Bangladesh		
	IIDFC Ltd.	900,099,910	1,289,419,065
	Investment Corporation of Bangladesh	167,623,305	-
	<b>Total</b>	<b>1,067,723,215</b>	<b>1,289,419,065</b>
10.a.2	<b>Borrowings of IIDFC Capital Limited</b>		
	IIDFC Ltd.	90,965,635	260,412,633
	Investment Corporation of Bangladesh (ICB)	39,115,460	-
	Standard Bank Ltd.	-	97,271,296
	<b>Total</b>	<b>130,081,095</b>	<b>357,683,929</b>
IFRS 7.7	11 <b>Deposits &amp; other accounts</b>		
	Deposits from banks and financial institutions (note-11.1)	2,245,000,000	1,537,367,027
	Deposits from customers	4,830,456,291	4,072,359,823
	<b>Sub-Total</b>	<b>7,075,456,291</b>	<b>5,609,726,850</b>
	Other deposit	8,413,758	8,413,758
	<b>Grand Total</b>	<b>7,083,870,049</b>	<b>5,618,140,608</b>
11.1	<b>Deposits from banks and financial institutions</b>		
	Duch Bangla Bank Limited	500,000,000	-
	BRAC Bank Limited	350,000,000	200,000,000
	Delta Brac Housing Finance Corporation Ltd	-	2,367,027
	ICB Islamic Bank Limited	300,000,000	100,000,000
	IFIC Bank Limited	150,000,000	150,000,000
	Janata Bank Limited	50,000,000	100,000,000
	Mercantile Bank Limited	20,000,000	20,000,000
	NRB Bank Limited	100,000,000	150,000,000
	NRB Commercial Bank Limited	50,000,000	-
	South Bangla Agriculture and Commerce Bank Ltd.	-	50,000,000
	Shahjalal Islami Bank Limited	165,000,000	160,000,000
	Social Islami Bank Limited	150,000,000	280,000,000
	Midland Bank Limited	200,000,000	-
	Mutual Trust Bank Limited	60,000,000	-
	United Commercial Bank Limited	150,000,000	325,000,000
		<b>2,245,000,000</b>	<b>1,537,367,027</b>
IAS 1.61	11.2 <b>Maturity grouping of deposits &amp; other accounts</b>		
	Payable on demand	-	-
	Up to 1 month	1,003,110,512	702,610,512
	Over 1 month but within 6 months	1,487,353,634	2,859,453,634
	Over 6 months but within 1 year	2,109,345,045	690,645,045
	Over 1 year but within 5 years	1,507,610,421	959,510,421
	Over 5 years but within 10 years	976,450,437	405,920,996
	Over 10 years	-	-
	<b>Total</b>	<b>7,083,870,049</b>	<b>5,618,140,608</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
<b>11.a</b>	<b>Consolidated Deposits &amp; Other Accounts</b>		
	IIDFCL	7,075,456,291	5,609,726,850
	IIDFC Securities Limited	-	-
	IIDFC Capital Limited (note-11.a.1)	6,994,767	6,578,491
	<b>Sub Total</b>	<b>7,082,451,058</b>	<b>5,616,305,341</b>
	Other Deposit	8,413,758	8,413,758
	<b>Total</b>	<b>7,090,864,816</b>	<b>5,624,719,099</b>
<b>11.a.1</b>	<b>Deposits &amp; Other Accounts of IIDFC Capital Limited</b>		
	Deposits from Banks	-	-
	Deposits from Customers	6,994,767	6,578,491
	<b>Total</b>	<b>6,994,767</b>	<b>6,578,491</b>
IAS 1.77	<b>12 Other Liabilities</b>		
	Finance loss reserve (Note 12.1)	386,289,163	312,500,001
	Deferred tax	356,827	41,015,079
	Interest suspense account (Note 12.2)	168,209,798	152,007,000
	Lease rental advance	28,185,705	38,720,000
	Provision for current tax (Note 37)	313,362,079	240,947,000
	Liabilities for financial expenses	320,127,657	341,703,371
	Liabilities for expenses	12,296,863	16,814,173
	Liabilities for other finance	100,967,631	128,047,738
	Obligation under finance lease	6,166,265	11,451,580
	<b>Total</b>	<b>1,335,961,989</b>	<b>1,283,205,942</b>
IAS 37.84	<b>12.1 Finance Loss Reserve</b>		
	<b>Movement of specific provision on Classified Loans &amp; Advances</b>		
	<b>Opening Balance</b>	<b>205,188,119</b>	<b>194,059,815</b>
	Less: Provision fully provided loans & advances written-off during the year	-	-
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: Specific provision provided during the year	53,546,280	11,128,304
	Less: Recoveries & provision no longer required	(22,251,319)	-
	Add: Net charge to profit and loss account	-	-
	<b>Closing balance</b>	<b>236,483,080</b>	<b>205,188,119</b>
	<b>Provision for diminution in value of Investments</b>		
	<b>Opening Balance</b>	<b>17,271,511</b>	<b>12,828,266</b>
	Add: Provision during the year	19,095,206	4,443,245
	<b>Closing Balance</b>	<b>36,366,717</b>	<b>17,271,511</b>
	<b>Movement of general provision on unclassified Loans &amp; Advances</b>		
	Opening balance	90,040,371	88,611,919
	Add: General provision provided during the year	1,147,677	1,428,452
	Add: Provision transferred from spasicif provision	22,251,319	-
	<b>Closing Balance</b>	<b>113,439,366</b>	<b>90,040,371</b>
	<b>Total</b>	<b>386,289,163</b>	<b>312,500,001</b>

# NOTES TO THE FINANCIAL STATEMENTS

Particulars of required provision for Loans and Advances

			Amount in Taka	
			31-Dec-2014	31-Dec-2013
<b>Status of classification</b>	<b>Base for provision</b>	<b>Rate</b>		
Unclassified (General provision)				
Standard - other than SME	7,301,212,482	1.0%	73,012,125	67,125,807
Standard - SME	1,336,836,518	0.25%	3,342,091	2,914,132
Special mention account (SMA)	741,703,000	5.0%	37,085,150	42,251,750
<b>Total</b>	<b>8,042,915,482</b>		<b>113,439,366</b>	<b>112,291,689</b>
<b>Classified (Specific provision)</b>				
Sub-standard (SS)	26,057,000	20.0%	5,211,400	13,000,200
Doubtful (DF)	44,674,000	50.0%	22,337,000	30,299,500
Bad/ loss (BL)	245,164,000	100.0%	245,164,000	155,803,000
<b>Total</b>	<b>315,895,000</b>		<b>272,712,400</b>	<b>199,102,700</b>
<b>Total provision required</b>			<b>386,151,766</b>	<b>311,394,390</b>
<b>Total provision made</b>			<b>386,289,163</b>	<b>312,500,001</b>
<b>Excess provision made</b>			<b>137,397</b>	<b>1,105,611</b>
<b>Interest suspense account</b>				
Opening Balance			152,007,000	120,000,000
Add: Amount transferred to interest suspense account during the year			67,844,684	64,255,647
Less: Amount recovered from interest suspense account during the year			51,641,886	32,248,647
Less: Amount written-off during the year			-	-
<b>Closing Balance</b>			<b>168,209,798</b>	<b>152,007,000</b>
<b>12.a Other Liabilities</b>				
IIDFCL			1,335,961,989	1,283,205,942
IIDFC Securities Limited (note - 12.a.1)			639,548,287	545,307,400
IIDFC Capital Limited (note - 12.a.2)			385,570,213	333,445,565
			<b>2,361,080,489</b>	<b>2,161,958,907</b>
<b>Less: Inter company liabilities</b>				
IIDFC Securities Limited	550,753		-	-
IIDFC Capital Limited	24,005,564		24,556,317	3,881,643
<b>Total</b>			<b>2,336,524,172</b>	<b>2,158,077,264</b>
<b>12.a.1 Other Liabilities of IIDFC Securities Limited</b>				
Provision for loans & advances-margin loan			57,780,643	58,886,152
Provision for current tax			60,395,493	46,947,934
Provision for deferred tax			(226,064)	390,606
Payable to clients			31,522,275	54,068,241
Payable to Southeast Bank Capital Services Ltd.			180,838	575,925
Payable to DSE			2,216,095	756,920
Interest suspense account			443,941,473	354,640,778
Liability for expenses			4,267,714	3,367,312
Reserve for risk fund			516,667	416,667
Provision for diminution in value of investments			38,739,088	21,383,222
Intercompany current account			214,065	3,873,643
<b>Total</b>			<b>639,548,287</b>	<b>545,307,400</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 12.a.2 Other liabilities of IIDFC Capital Limited

Finance loss reserve	40,107,383	39,151,597
Deferred tax	-	-
Interest suspense account	300,504,669	218,306,982
Provision for diminution in value of investment	-	-
Current tax	38,181,884	36,301,035
Liabilities for expenses	1,076,882	945,987
Liability for financial expenses	5,485,413	38,731,964
Payable to IIDFC Limited	-	8,000
Payable to IIDFC Securities Ltd.	213,982	-
<b>Total</b>	<b>385,570,213</b>	<b>333,445,565</b>

## Share Capital

### Authorized Capital

(500,000,000 shares of Tk. 10 each)

5,000,000,000 5,000,000,000

### Subscribed & Paid-up Capital:

(100,000,000 shares of Tk. 10 each)

1,000,000,000 1,000,000,000

## Paidup Share Capital as on 31 December, 2014 comprises the followings

### Public Sector

#### Name of Shareholders

	No. of Shares	Value	Percentage
Sonali Bank Limited	7,329,110	73,291,100	7.33%
Janata Bank Limited	7,329,110	73,291,100	7.33%
Investment corporation of bangladesh	7,329,110	73,291,100	7.33%
	<b>21,987,330</b>	<b>219,873,300</b>	<b>21.99%</b>

### Private sector

AB Bank Ltd.	1,461,300	14,613,000	1.46%
Bank Asia Ltd.	7,329,110	73,291,100	7.33%
BRAC Bank Ltd.	7,329,110	73,291,100	7.33%
City Bank Ltd.	7,329,110	73,291,100	7.33%
Mutual Trust Bank Ltd.	7,329,110	73,291,100	7.33%
National Bank Ltd.	7,329,110	73,291,100	7.33%
ONE Bank Ltd.	7,329,110	73,291,100	7.33%
Southeast Bank Ltd.	7,329,110	73,291,100	7.33%
Eastland Insurance Co. Ltd.	7,329,110	73,291,100	7.33%
National Life Insurance Co. Ltd.	7,329,110	73,291,100	7.33%
Pragati Insurance Ltd.	7,329,110	73,291,100	7.33%
Mr. Md. Matiul Islam	3,260,270	32,602,700	3.26%
	<b>78,012,670</b>	<b>780,126,700</b>	<b>78.01%</b>
	<b>100,000,000</b>	<b>1,000,000,000</b>	<b>100.00%</b>

## Capital adequacy

The company is subject to the regulatory capital requirement as stipulated in DFIM circular no. 05 dated 24 July, 2011 of Bangladesh Bank. The capital requirement for Non- banking financial institution is neither ratio-based nor risk based. The regulatory authority requires a Non- banking Financial Institutions to have minimum paid up capital of Tk 1,000.00 million.

Paid up capital	1,000,000,000	1,000,000,000
Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
Excess/(Shortage) capital	-	-

## Capital adequacy and market discipline

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

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
<b>Tier-1 (Core Capital)</b>			
Fully paid-up capital/ capital lien with BB		1,000,000,000	1,000,000,000
Statutory reserve		253,555,694	227,105,728
Non-repayable share premium account		-	-
General reserve		45,800,000	44,800,000
Retained earnings		254,412,188	149,612,326
Minority interest in subsidiaries		-	-
Non- cumulative irredeemable preference shares		-	-
Dividend equalization account		-	-
Other (if any item approved by Bangladesh Bank)		-	-
<b>Sub-Total</b>		<b>1,553,767,882</b>	<b>1,421,518,054</b>
<b>Deductions from tier-1(Core capital)</b>			
Book value of goodwill and any value of any contingent assets which are shown as assets		-	-
Shortfall in provisions required against classified assets		-	-
Shortfall in provisions required against investment in share		-	-
Remaining deficit on account of revaluation of investments		-	-
in securities after netting off any other surplus on the securities		-	-
Any investment exceeding the approved limit		-	-
Investments in subsidiaries which are not consolidated		-	-
Other (if any)		-	-
<b>Sub-Total</b>		<b>-</b>	<b>-</b>
<b>Total eligible Tier-1 capital</b>		<b>1,553,767,882</b>	<b>1,421,518,054</b>
<b>2. Tier-2 (Supplementary capital)</b>			
General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)		113,439,379	114,827,435
Assets revaluation reserves upto 50%		-	-
Revaluation reserve for securities upto 50%		-	-
All other preference shares		-	-
Other ( if any item approved by Bangladesh Bank)		-	-
<b>Sub-Total</b>		<b>113,439,379</b>	<b>114,827,435</b>
Deductions, if any		-	-
<b>Total eligible Tier-2 capital</b>		<b>113,439,379</b>	<b>114,827,435</b>
<b>A Total capital</b>		<b>1,677,707,261</b>	<b>1,536,345,489</b>
<b>B Total risk weighted asset</b>		<b>11,675,694,544</b>	<b>11,329,357,367</b>
<b>C Required capital</b>		<b>1,167,569,454</b>	<b>1,132,935,737</b>
<b>D Surplus / (Deficit)</b>		<b>449,637,807</b>	<b>403,409,752</b>
Capital adequacy ratio (CAR)		14.28%	13.56%
On core capital (Tier-1)		13.31%	12.55%
On supplementary capital (Tier-2)		0.97%	1.01%

## NOTES TO THE FINANCIAL STATEMENTS

Total risk weighted asset				Amount in Taka	
SL No.	Particulars			31-Dec-2014	31-Dec-2013
A.	Credit risk:				
	On balance sheet (From A.1)			10,848,040,101	10,227,355,805
	Off balance sheet (From A.2)			29,352,920	141,727,920
B.	Market risk (From B.1)			425,847,920	266,102,576
C.	Operational risk (From C.1)			372,453,603	694,171,066
	<b>Total RWA (A+B+C)</b>			<b>11,675,694,544</b>	<b>11,329,357,367</b>

### A.1 Risk weighted asset for credit risk on balance sheet exposurer (As at 31 December, 2014)

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
a	Cash		0.00	21,908	-
b	Claims on Bangladesh Government & BB		0.00	163,194,960	-
c	Claims on other Sovereigns & Central Banks		0.00	-	-
d	Claims on Bank for International settlements		0.00	-	-
	International Monetary Fund and European Central Bank		0.00	-	-
e	Claims on Multilateral Development Banks (MDBs)		0.00	-	-
	i). IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB		0.00	-	-
	EIF, NIB, CDB, IDB, CEDB				
	ii). Other MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
f	Claims on Public Sector Entities (Other than Government) in Bangladesh.	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
g	Claims on NBFIs and Banks				
	i). Original maturity over 3 months	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	-	-
	ii). Original maturity upto 3 months		0.20	741,976,469	148,395,294
h	Claims on Corporate	1	0.20	943,047,118	188,609,424
		2	0.50	2,766,184,746	1,383,092,373
		3,4	1.00	998,715,867	998,715,867
		5,6	1.50	-	-
		Unrated	1.25	2,368,847,904	2,961,059,880
i	Securitization Exposures	1	0.20	-	-
		2	0.50	-	-
		3	1.00	-	-
		4	3.50	-	-

## NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
j	Claims under Credit Risk Mitigation (From Work Sheet 1(a))	PSE	3.50	-	-
		NBFIs & Banks	N/A	-	-
		Corporate	N/A	-	-
		Retail & Small	N/A	-	-
		Consumer finance	N/A	-	-
		Residential Property	N/A	-	-
		Commercial Real Estate	N/A	-	-
k	Claims categorized as retail portfolio & Small Enterprises (Excluding Consumer Loan)		0.75	1,336,836,518	1,002,627,389
l	Consumer finance		1.00	-	-
m	Claims fully secured by residential property		0.50	209,789,475	104,894,738
n	Claim fully secured by commercial real estate		1.00	-	-
o	1. Past Due Claims		0.00	-	-
	(Risk weights are to be assigned net of specific provision)		0.00	-	-
	i). Where specific provisions are less than 20% of the outstanding amount of the past due claim		1.50	772,746,657	1,159,119,986
	ii). Where specific provisions are no less than 20% of the outstanding amount of the past due claim		1.00	44,851,723	44,851,723
	iii). Where specific provisions are more than 50% of the outstanding amount of the past due claim		1.00	425,704,671	425,704,671
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there against is less than 20% of the outstanding amount		1.00	53,700,012	53,700,012
	3. Loans and claims fully secured against residential property that are past due for more than 90 days and/or impaired and specific provision held there-against is more than 20% of outstanding amount.		0.75	56,365,721	42,274,291
p	Capital Market Exposure		1.25	251,834,240	314,792,800
q	Investment in venture capital		1.50	-	-
r	Unlisted equity investments and regulatory capital instruments issued by other Fis (other than those deducted from capital) held in the Banking book.		1.25	1,305,800,000	1,632,250,000
s	Investment in premises, plant and equipment and all other fixed assets		1.00	18,583,990	18,583,990
t	Claims on all fixed assets under operating lease		1.00	-	-
u	All Other Assets			-	-
i)	Claims on GOB & BB (eg. Advanced Income Tax, reimbursement of Patirakkha/Shadharon Shanchoy Patra, etc.)			385,809,175	-
ii	Staff Loan/ Investment			14,627,269	2,925,454
iii)	Cash items in process of collection			47,709,302	9,541,860
iv)	Other Assets (net of specific provision, if any)			356,900,351	356,900,351
	<b>Total</b>			<b>13,263,248,076</b>	<b>10,848,040,101</b>

## NOTES TO THE FINANCIAL STATEMENTS

### A.2 Risk weighted asset for credit risk on off balance sheet exposer (As at 31 December, 2014)

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
a.	Claims on Bangladesh Government & BB		0.00	-	-
b.	Claims on other Sovereigns & Central Banks		0.00	-	-
c.	Claims on Bank for International settlements International Monetary Fund and European Central Bank		0.00	-	-
	Claims on Multilateral Development Banks (MDBs)				
	i). IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB		0.00	-	-
	EIF, NIB, CDB, IDB, CEDB				
	ii). Other MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
d.	Claims on Public sector entities (Other than Government) in Bangladesh.	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
e.	Claims on NBFIs and Banks				
	i). Maturity over 3 months	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	-	-
	ii). Maturity upto 3 months		0.20	-	-
f.	Claims on corporate	1	0.20	-	-
		2	0.50	58,705,840	29,352,920
		3,4	1.00	-	-
		5,6	1.50	-	-
		Unrated	1.25	-	-
	Claims against retail portfolio & Small Enterprise (Excluding consumer loan)		0.75	-	-
h.	Consumer finance		1.00	-	-
i.	Claims fully secured by residential property		0.50	-	-
j.	Claim fully secured by commercial real estate		1.00	-	-
k.	Investment in venture capital		1.50	-	-
l.	All other assets		1.00	-	-
	<b>Total</b>			<b>58,705,840</b>	<b>29,352,920</b>

#### A.2.1 Credit conversion factors off - balance sheet exposures (As at 31 December, 2014)

SL No.	Market Risk	CCF	Notional Amount	Credit Exposure
a).	Direct Credit Substitutes	100%	-	-
b).	Lending of securities or posting of securities as collateral		-	-
c).	Other commitment with certain drawdown			
d).	Performance related contingencies	50%	117,411,680	58,705,840
e).	Commitments with original maturity over one year or less			
f).	Trade related contingencies	20%	-	-
g).	Commitment with original maturity of one year or less			
h).	Other commitments that can be unconditionally cancelled by any time	0%	-	-
i).	Foreign exchange contract		-	-
	<b>Total</b>		<b>117,411,680</b>	<b>58,705,840</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount in Taka	
31-Dec-2014	31-Dec-2013

## B.1 Market risk

SL No.	Market Risk	Total Capital	Total Capital
		Charge	Charge
A.	Interest Rate Related Instruments	-	-
B.	Equities	42,584,792	26,610,258
C.	Foreign Exchange Position (if any)	-	-
D.	Commodities (if any)	-	-
	<b>Total</b>	<b>42,584,792</b>	<b>26,610,258</b>

### B.1.1 Capital charge on equities

SL No.	Particulars	Amount (Market Value)	RW	Capital Charge	Capital Charge
a.	Specific Risk	212,923,960	10%	21,292,396	13,305,129
b.	General Market Risk	212,923,960	10%	21,292,396	13,305,129
	<b>Total</b>	<b>425,847,920</b>		<b>42,584,792</b>	<b>26,610,258</b>

### C.1 Capital charge for operational risk (Basic indicator approach) (As at 31 December, 2014)

SL No.	Operational risk	Year, 2013	Year, 2012	Year, 2011	Capital Charge
		<b>A</b>	<b>B</b>	<b>C</b>	<b>(A+B+C)*15%]/3</b>
a.	Gross income	249,937,119	242,693,573	252,276,514	37,245,360

IAS 1.77 14

#### Statutory reserve

##### Opening balance

Add: Addition during the year

##### Closing balance

227,105,728	212,200,000
26,449,966	14,905,728
<b>253,555,694</b>	<b>227,105,728</b>

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

IAS 1.77 15

#### General reserve

##### Opening Balance

Add: Addition during the year

##### Closing balance

44,800,000	44,500,000
1,000,000	300,000
<b>45,800,000</b>	<b>44,800,000</b>

15.a

#### Consolidated general reserve

IIDFCL

IIDFC Securities Limited

IIDFC Capital Limited

45,800,000	44,800,000
16,997,874	16,997,874
-	-
<b>62,797,874</b>	<b>61,797,874</b>

16

#### Other reserve

##### Opening balance

Add: Addition during the year

##### Closing balance

-	-
-	-
-	-

17

#### Stock dividend

##### Opening balance

Add: Interim stock dividend for the year 2012

Less: Converted into paid up capital

##### Closing balance

-	295,902,000
-	213,707,000
-	(509,609,000)
-	-

17.a

#### Consolidated stock dividend

IIDFC Limited

IIDFC Securities Ltd.

-	-
-	-
-	-

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
IAS 1.77	<b>18 Retained earnings</b>		
	<b>Opening balance</b>	149,612,326	65,289,413
	Add: Non-divisible profit (note-18.1)	-	25,000,000
	Net profit during the year	132,249,828	74,528,641
	Less: Statutory reserve	(26,449,966)	(14,905,728)
	Less: General reserve	(1,000,000)	(300,000)
	<b>Closing balance</b>	<b>254,412,188</b>	<b>149,612,326</b>
<b>18.1</b>	<b>Non-divisible profit</b>		
	Retained earnings include amounting to Tk. 65,000,000 out of which stock dividend from IIDFC Capital Ltd. for the year 2010 was Tk. 40,000,000 and IIDFC Securities Ltd. for the year 2011 was Tk. 25,000,000.		
<b>18.a</b>	<b>Retained earnings carried forward</b>		
	IIDFCL	254,412,188	149,612,326
	IIDFC Securities Limited (note-18.a.1)	63,711,774	21,675,423
	IIDFC Capital Limited (note-18.a.2)	(131,527,413)	(132,936,266)
	<b>Sub-Total</b>	<b>186,596,549</b>	<b>38,351,483</b>
	<b>Less: Non-controlling interest</b>	3,668	(2,219)
	<b>Total</b>	<b>186,592,881</b>	<b>38,353,702</b>
<b>18.a.1</b>	<b>Retained earnings of IIDFC Securities Limited</b>		
	<b>Opening balance</b>	21,675,423	(8,548,583)
	Add: Prior year adjustment	-	2,685,010
	Add: Net profit during the year	42,036,351	27,538,996
	Less: Stock dividend	-	-
	<b>Closing balance</b>	<b>63,711,774</b>	<b>21,675,423</b>
<b>18.a.2</b>	<b>Retained earnings of IIDFC Capital Limited</b>		
	<b>Opening balance</b>	(132,936,266)	(133,830,564)
	Net profit during the year	1,408,853	894,298
	<b>Closing balance</b>	<b>(131,527,413)</b>	<b>(132,936,266)</b>
IAS 27.6, 27.26	<b>18.a.3 Non-controlling interest</b>		
	Share capital	135,030	88,500
	Retained earnings	3,668	(2,219)
	General reserve	2,126	2,126
	<b>Closing balance</b>	<b>140,823</b>	<b>88,406</b>

Name of subsidiary company	Amount of share capital	Right of IIDFC	Share of IIDFC	Non-controlling interest
IIDFC Securities Limited	1,000,000,000	99.9875%	999,874,970	125,030
IIDFC Capital Limited	305,800,000	99.9967%	305,790,000	10,000
	<b>1,305,800,000</b>		<b>1,305,664,970</b>	<b>135,030</b>

### IAS 37.86 **19 Contingent liabilities & capital expenditure commitments**

#### Letter of guarantee:

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

Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	117,411,680	566,911,680
<b>Sub Total</b>	<b>117,411,680</b>	<b>566,911,680</b>

#### Letter of credit:

For import of equipments under lease finance

<b>Sub-Total</b>	-	-
<b>Total</b>	<b>117,411,680</b>	<b>566,911,680</b>

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
19.1	<b>Capital expenditure commitments</b>		
There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2014. There was no capital expenditures authorized by the Board but not contracted as on 31 December, 2014.			
IAS 1.97	<b>20 Interest income</b>		
	Interest income from balance with other banks & financial institutions	1,921,411	1,916,229
	Interest income from lease finance	368,883,561	480,377,611
	Interest income from direct/ term finance	1,049,927,026	1,071,512,436
	Interest income from secured overdraft	94,096,317	65,619,578
	Interest income from bills discounted & purchased	19,688,575	18,297,158
	<b>Total</b>	<b>1,534,516,890</b>	<b>1,637,723,012</b>
	<b>20.a Consolidated interest income</b>		
	IIDFCL	1,534,516,890	1,637,723,012
	IIDFC Securities Limited (note-20.a.1)	250,517,929	275,331,413
	IIDFC Capital Limited (note-20.a.2)	55,733,503	66,110,610
		<b>1,840,768,322</b>	<b>1,979,165,035</b>
	Less: Inter company transaction		
	IIDFC Securities Limited	163,231,138	
	IIDFC Capital Limited	38,142,496	
		201,373,634	258,545,993
	<b>Total</b>	<b>1,639,394,688</b>	<b>1,720,619,042</b>
	<b>20.a.1 Interest income of IIDFC Securities Limited</b>		
	Interest income from margin loan	246,276,382	269,052,947
	Interest income from balance with other banks	4,241,547	6,278,466
	<b>Total</b>	<b>250,517,929</b>	<b>275,331,413</b>
	<b>20.a.2 Interest income of IIDFC Capital Limited</b>		
	Interest income from margin loan	55,563,565	65,967,601
	Interest income from balance with other banks & financial institutions	169,938	143,009
	<b>Total</b>	<b>55,733,503</b>	<b>66,110,610</b>
IFRS 7.20	<b>21 Interest paid on deposits, borrowings etc.</b>		
	<b>Interest on deposits</b>		
	Fixed deposits	568,261,415	704,091,882
	Short-term deposits	255,835,013	133,856,021
	Other deposits	73,714	161,911
		<b>824,170,141</b>	<b>838,109,814</b>
	<b>Interest on borrowings</b>		
	For borrowings from other banks, financial institutions & agent	<b>390,595,923</b>	<b>579,092,864</b>
	Long term loan	313,163,572	518,780,583
	Overdraft facilities	13,770,281	11,976,058
	Money at call and short notice	63,662,070	48,336,223
	<b>Total</b>	<b>1,214,766,064</b>	<b>1,417,202,678</b>
	<b>21.a Consolidated interest paid on deposits, borrowings etc.</b>		
	IIDFCL	1,214,766,064	1,417,202,678
	IIDFC Securities Limited (note-22.a.1)	171,650,744	216,722,666
	IIDFC Capital Limited (note-22.a.2)	51,209,931	58,958,137
		<b>1,437,626,739</b>	<b>1,692,883,481</b>
	Less: Inter company transaction		
	IIDFC Securities Limited	163,231,138	
	IIDFC Capital Limited	38,142,496	
		201,373,634	258,545,993
	<b>Total</b>	<b>1,236,253,105</b>	<b>1,434,337,488</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
IAS 18.35	<b>21.a.1 Interest paid on deposits, borrowings etc. of IIDFC Securities Limited</b>		
	Interest on borrowing from IIDFC Ltd .	163,231,138	216,141,771
	Interest on borrowing from bank & other financial institutions	8,419,606	580,895
	<b>Total</b>	<b>171,650,744</b>	<b>216,722,666</b>
	<b>21.a.2 Interest paid on deposits, borrowings etc. of IIDFC Capital Limited</b>		
	Interest on borrowing from bank & other financial institutions	50,557,288	58,958,137
	Long Term Loan	652,643	-
	<b>Total</b>	<b>51,209,931</b>	<b>58,958,137</b>
IAS 18.35	<b>22 Income from investment</b>		
	Capital gain	10,868,520	7,247,541
	Interest income from bank asia zero coupon bond	(61,862)	1,593,055
	Dividend income	8,466,623	7,173,688
	<b>Total</b>	<b>19,273,281</b>	<b>16,014,284</b>
	<b>22.a Consolidated income from investment</b>		
	IIDFCL	19,273,281	16,014,284
	IIDFC Securities Limited	37,908,173	18,677,061
	IIDFC Capital Limited	4,714,372	-
	<b>Total</b>	<b>61,895,826</b>	<b>34,691,345</b>
	<b>22.a.1 Income from investment of IIDFC Securities Limited</b>		
	Dividend income	23,160,269	17,734,241
	Capital gain on investment in securities	14,747,904	942,820
	<b>Total</b>	<b>37,908,173</b>	<b>18,677,061</b>
	<b>22.a.2 Income from investment of IIDFC Capital Limited</b>		
	Dividend income	-	-
	Capital gain on investment in securities	4,714,372	-
	<b>Total</b>	<b>4,714,372</b>	<b>-</b>
IFRS 7.20©	<b>23 Commission, exchange and brokerage</b>		
	Commission on securities trading	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	<b>23.a Commission, exchange and brokerage</b>		
	IIDFCL	-	-
	IIDFC Securities Limited	44,362,842	30,222,541
	IIDFC Capital Limited	9,613,982	8,028,118
	<b>Total</b>	<b>53,976,824</b>	<b>38,250,659</b>
IAS 1.97	<b>24 Other operating income</b>		
	Syndication fee income	31,518,333	9,901,979
	Bank guarantee income	122,677	298,473
	Income from Crbon Finance	3,511,054	-
	Application & processing fees	1,740,828	1,517,732
	Transfer fees	478,303	303,025
	Notice pay received	827,211	529,410
	Profit from sale of fixed assets	8,335	578,255
	LC commission	-	(58,000)
	Cancellation charges	3,224,044	331,627
	<b>Total</b>	<b>41,430,785</b>	<b>13,402,501</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount in Taka		
	31-Dec-2014	31-Dec-2013
<b>24.a Consolidated other Operating Income</b>		
IIDFCL	41,430,785	13,402,501
IIDFC Securities Limited (note-24.a.1)	511,359	1,933,999
IIDFC Capital Limited (note-24.a.2)	281,993	2,703,376
<b>Total</b>	<b>42,224,137</b>	<b>18,039,876</b>
<b>24.a.1 Other operating income of IIDFC Securities Limited</b>		
BO & trading accounts maintenance income	396,700	1,634,900
Income against CDBL charges	-	-
Notice pay received	96,813	272,667
Cheque dishonour charges	17,000	11,000
Others	846	15,432
<b>Total</b>	<b>511,359</b>	<b>1,933,999</b>
<b>24.a.2 Other operating income of IIDFC Capital Limited</b>		
Non Operating Income	8,133	2,205,376
Underwriting commission	273,527	498,000
Service Change	333	-
<b>Total</b>	<b>281,993</b>	<b>2,703,376</b>
<b>IAS 1.104 25 Salaries &amp; allowances</b>		
Basic salary	33,397,082	39,515,276
Allowances	26,581,552	25,101,591
Festival bonus	6,862,946	6,491,878
Incentive bonus	9,750,000	15,500,000
Company's contribution provident fund	3,578,085	4,436,729
Group insurance	1,423,089	1,426,727
Retirement benefits & gratuity	100,000	3,192,570
<b>Total</b>	<b>81,692,754</b>	<b>95,664,771</b>
<b>25.a Consolidated salaries &amp; allowances</b>		
IIDFCL	81,692,754	95,664,771
IIDFC Securities Limited (note-25.a.1)	26,010,560	27,705,591
IIDFC Capital Limited (note-25.a.2)	5,966,749	6,387,046
<b>Total</b>	<b>113,670,063</b>	<b>129,757,408</b>
<b>25.a.1 Salaries &amp; allowances of IIDFC Securities Limited</b>		
Basic salary	12,361,107	13,419,651
Allowances	9,160,650	8,072,369
Bonus	2,075,626	3,984,045
Company's contribution to provident fund	1,088,647	1,088,807
Group insurance	556,034	632,497
Retirement benefits & gratuity	768,496	508,222
<b>Total</b>	<b>26,010,560</b>	<b>27,705,591</b>
<b>25.a.2 Salaries &amp; allowances of IIDFC Capital Limited</b>		
Basic salary	3,191,578	3,326,815
Allowances	1,641,087	1,978,190
Bonus	791,631	497,721
Employee recreation	-	-
Company's contribution provident fund	249,941	584,320
Group Insurance	92,512	-
Retirement benefits & gratuity	-	-
<b>Total</b>	<b>5,966,749</b>	<b>6,387,046</b>

## NOTES TO THE FINANCIAL STATEMENTS

			Amount in Taka	
			31-Dec-2014	31-Dec-2013
IAS 1.97	<b>26</b>	<b>Rent, taxes, insurance, electricity etc.</b>		
		Rent, rate and taxes	14,420,180	16,052,735
		Insurance	411,379	480,306
		Electricity, gas and water	2,607,799	2,617,976
		<b>Total</b>	<b>17,439,358</b>	<b>19,151,017</b>
	<b>26.a</b>	<b>Consolidated rent, taxes, insurance, electricity etc.</b>		
		IIDFCL	17,439,358	19,151,017
		IIDFC Securities Limited (note-26.a.1)	18,726,621	20,862,198
		IIDFC Capital Limited (note-26.a.2)	5,090,713	4,702,867
		<b>Total</b>	<b>41,256,692</b>	<b>44,716,082</b>
	<b>26.a.1</b>	<b>Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited</b>		
		Rent, rates and taxes	17,009,784	19,311,677
		Insurance	36,996	59,628
		Electricity, gas and water	1,679,841	1,490,893
		<b>Total</b>	<b>18,726,621</b>	<b>20,862,198</b>
	<b>26.a.2</b>	<b>Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited</b>		
		Rent, rates and taxes	4,561,316	3,990,738
		Insurance	140,148	167,442
		Electricity, gas and water	389,249	544,687
		<b>Total</b>	<b>5,090,713</b>	<b>4,702,867</b>
IFRS 7.20©	<b>27</b>	<b>Legal expenses</b>		
		Professional charges	405,416	588,810
		Legal expenses	4,267,115	1,964,399
		<b>Total</b>	<b>4,672,531</b>	<b>2,553,209</b>
	<b>27.a</b>	<b>Consolidated legal expenses</b>		
		IIDFCL	4,672,531	2,553,209
		IIDFC Securities Limited	252,070	232,881
		IIDFC Capital Limited	83,387	126,845
		<b>Total</b>	<b>5,007,988</b>	<b>2,912,935</b>
IAS 1.97	<b>28</b>	<b>Postage, stamp, telecommunications etc.</b>		
		Postage and courier	103,788	114,653
		Phone, fax & internet	1,821,715	2,046,807
		<b>Total</b>	<b>1,925,503</b>	<b>2,161,460</b>
	<b>28.a</b>	<b>Consolidated postage, stamp, telecommunications etc.</b>		
		IIDFCL	1,925,503	2,161,460
		IIDFC Securities Limited	1,893,567	1,702,341
		IIDFC Capital Limited	230,578	254,095
		<b>Total</b>	<b>4,049,648</b>	<b>4,117,896</b>
IAS 1.97	<b>29</b>	<b>Stationery, printing, advertisement etc.</b>		
		Printing & stationery	3,235,003	1,966,774
		Advertisement	2,066,134	1,358,132
		<b>Total</b>	<b>5,301,137</b>	<b>3,324,906</b>
	<b>29.a</b>	<b>Consolidated stationery, printing, advertisement etc.</b>		
		IIDFCL	5,301,137	3,324,906
		IIDFC Securities Limited	505,992	452,565
		IIDFC Capital Limited	65,717	111,787
		<b>Total</b>	<b>5,872,846</b>	<b>3,889,258</b>

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
IAS 1.97	<b>30</b>	<b>Managing director's salary and fees</b>	
		Basic salary	3,000,000
		Festival bonus	500,000
		Incentive bonus	750,000
		House rent allowance	1,500,000
		Medical allowance	150,000
		Entertainment allowance	150,000
		Car allowance	937,735
		Leave fare assistance	250,000
		Group insurance	316,780
		Earned leave	400,000
		Others	135,172
		<b>Total</b>	<b>7,263,537</b>
IAS 1.97	<b>31</b>	<b>Directors' Fees</b>	
		Directors' fees	525,000
		Others Benefits	-
		<b>Total</b>	<b>335,000</b>
		Directors' fees for attending each board meeting are TK. 5,000.00 (Five Thousand) as per Bangladesh Bank Circular. No. 03, dated 24 February, 2010. Directors have not been paid any fees/remuneration for any special services rendered.	
	<b>31.a</b>	<b>Consolidated directors' fees</b>	
		IIDFCL	525,000
		IIDFC Securities Limited	46,000
		IIDFC Capital Limited	32,200
		<b>Total</b>	<b>437,355</b>
IAS 1.97	<b>32</b>	<b>Auditor's fees</b>	<b>582,250</b>
	<b>32.a</b>	<b>Auditor's fees</b>	
		IIDFCL	610,000
		IIDFC Securities Limited	95,833
		IIDFC Capital Limited	75,000
		<b>Total</b>	<b>748,362</b>
	<b>33</b>	<b>Loans &amp; advances written-off</b>	
		Loans & advances written-off	-
		Interest waived	-
		<b>Total</b>	<b>-</b>
	<b>33.a</b>	<b>Consolidated loans &amp; advances written-off</b>	
		IIDFCL	-
		IIDFC Securities Limited	26,292,981
		IIDFC Capital Limited	1,148,861
		<b>Total</b>	<b>1,657,565</b>
IAS 1.104	<b>34</b>	<b>Repair, depreciation and amortizations of company's assets</b>	
		<b>Repair of company's assets:</b>	
		Furniture & fixtures	292,953
		Softwares	534,884
		Office equipments	860,649
		<b>Sub Total</b>	<b>1,206,526</b>
		Depreciation of company's assets	
		Own assets	7,755,349
		<b>Sub Total</b>	<b>6,118,753</b>
		<b>Amortisation of company's assets</b>	
		Computer software	725,812
		<b>Total repair and depreciation of company's assets</b>	<b>7,664,464</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2014	31-Dec-2013
34.a	<b>Consolidated repair, depreciation and amortisation of company's assets</b>		
	<b>Repair of company's assets</b>		
	IIDFCL	1,688,486	1,206,526
	IIDFC Securities Limited	672,059	585,153
	IIDFC Capital Limited	215,326	275,899
		<b>2,575,871</b>	<b>2,067,578</b>
	<b>Depreciation of company's assets</b>		
	IIDFCL	7,755,349	6,118,753
	IIDFC Securities Limited	4,934,446	4,897,419
	IIDFC Capital Limited	1,300,797	1,550,795
		<b>13,990,592</b>	<b>12,566,967</b>
	<b>Amortisation of company's assets</b>		
	IIDFCL	725,812	339,185
	IIDFC Securities Limited	300,030	237,331
	IIDFC Capital Limited	270,000	270,000
		<b>1,295,842</b>	<b>846,516</b>
	<b>Total repair and depreciation of company's assets</b>	<b>17,862,305</b>	<b>15,481,061</b>
IAS 1.97 35	<b>Other expenses</b>		
	Office maintenance	2,362,352	1,797,817
	Traveling & conveyance	8,462,661	7,742,211
	Meeting expenses	2,221,671	1,336,677
	Entertainment	217,332	168,046
	Car running & maintenance expenses	5,285,423	4,094,380
	Bank charge & excise duty	526,082	591,781
	Interest for lease facility	1,080,254	1,835,475
	Training expenses	523,890	72,500
	Membership fees & subscriptions	408,000	378,000
	Books & periodicals	82,965	76,989
	Capital issue expenses	16,925	85,187
	PM relief fund	-	500,000
	Eid tips	-	28,800
	ADB project expenses	-	-
	<b>Total</b>	<b>21,187,555</b>	<b>18,707,863</b>
35.a	<b>Consolidated other expenses</b>		
	IIDFCL	21,187,555	18,707,863
	IIDFC Securities Limited	6,304,423	4,416,929
	IIDFC Capital Limited	1,395,657	974,815
	<b>Total</b>	<b>28,887,635</b>	<b>24,099,607</b>
IAS 37.84 36	<b>Provision for loans &amp; advances</b>		
	Provision for classified loans & advances	53,546,280	20,664,162
	Provision for unclassified loans & advances	1,147,677	(8,107,406)
	Provision for diminution in value of investments	19,095,206	4,443,245
	Provision for off-balance sheet items	-	-
	<b>Total</b>	<b>73,789,163</b>	<b>17,000,001</b>
36.a	<b>Consolidated provision for loans &amp; advances</b>		
	Provision for classified loans & advances	56,642,982	20,664,162
	Provision for unclassified loans & advances	1,147,677	(8,107,406)
	Provision for diminution in value of investments	36,451,072	15,950,254
	Provision for off-balance sheet items	-	-
	<b>Total</b>	<b>94,241,731</b>	<b>28,507,010</b>

# NOTES TO THE FINANCIAL STATEMENTS

Amount in Taka	
31-Dec-2014	31-Dec-2013

IAS 37.84 37

## Provision for tax

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

### Provision for current tax

#### Opening balance

Add: Provision made during the year

Add: Transferred from Deferred tax

Less: Settlement during the year

#### Closing balance

240,947,000	239,947,000
31,400,000	1,000,000
41,015,079	-
-	-
<b>313,362,079</b>	<b>240,947,000</b>

37.1

## Provision for deferred tax

#### Opening balance

Add: Provision made during the year

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

Less: Settlement during the year

#### Closing balance

41,015,079	41,015,079
356,827	-
41,015,079	-
-	-
<b>356,827</b>	<b>41,015,079</b>

37.2

## Deferred tax

Deferred Tax Liability

Deferred Tax Asset

356,827	-
8,954,098	-
<b>(8,597,271)</b>	<b>-</b>

37.a

## Consolidated provision for tax

#### Opening balance

Add: Provision made during the year

Less: Settlement during the year

#### Closing balance

	325,202,612	314,489,189
47,089,286	-	10,713,423
(9,310,417)	37,778,869	-
	<b>362,981,481</b>	<b>325,202,612</b>

IAS 33.70 38

## Earnings per share (EPS)

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

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

#### Basic earnings per share (in Taka)

132,249,828	74,528,641
100,000,000	100,000,000
<b>1.32</b>	<b>0.75</b>

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

38.a

## Consolidated Earnings per share (EPS)

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

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

#### Basic earnings per share (in Taka)

175,689,729	102,959,152
100,000,000	100,000,000
<b>1.76</b>	<b>1.03</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

IAS 24.17 39

### Related party transactions

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entities in the normal course of business that fall within the definition of related party as per Bangladesh Accounting Standards No. 24 'Related Party Disclosure'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credentials and do not involve more than normal risk.

Amount in Taka				
			31-Dec-2014	31-Dec-2013
Name of the parties	Nature of Loan/ Lease	Nature of Transactions	Outstanding Balance Taka	Outstanding Balance Taka
Southeast Bank Ltd.	Sponsor Shareholder	FDR Placement	32,343,352	31,594,764
Southeast Bank Ltd.	Sponsor Shareholder	Call Money Received	20,000,000	-
Bank Asia Ltd .	Sponsor Shareholder	Borrowings	44,993,219	-
Bank Asia Ltd .	Sponsor Shareholder	STD	28,933,346	98,624,072
The City Bank Ltd.	Sponsor Shareholder	STD	4,526	-
Arab Bangladesh Bank Ltd.	Sponsor Shareholder	Call Money Received	50,000,000	-
Mutual Trust Bank Ltd.	Sponsor Shareholder	Borrowings	168,106,886	185,156,554
Mutual Trust Bank Ltd.	Sponsor Shareholder	Term Deposit	60,000,000	-
Mutual Trust Bank Ltd.	Sponsor Shareholder	FDR Placement	19,893,509	18,168,162
Mutual Trust Bank Ltd.	Sponsor Shareholder	Overdraft	602,929	-
BRAC Bank Ltd.	Sponsor Shareholder	Term Deposit	350,000,000	200,000,000
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	50,000,000	100,000,000
			<b>824,877,767</b>	<b>633,543,552</b>

### 40 Board meetings

During the year total 12 board meetings were held.

No. Meeting	Date of Meeting
163rd Meeting	9-Feb-14
164th Meeting	2-Apr-14
165th Meeting	21-Apr-14
166th Meeting	5-May-14
167th Meeting	10-Jun-14
168th Meeting	26-Jun-14
169th Meeting	20-Aug-14
170th Meeting	23-Sep-14
171th Meeting	12-Oct-14
172nd Meeting	18-Nov-14
173th Meeting	15-Dec-14
174th Meeting	30-Dec-14

# NOTES TO THE FINANCIAL STATEMENTS

## 41 Audit committee

### a. Particulars of audit committee

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

Name	Status in the board	Status in the committee	Other engagement
Mr. Abdus Salam	Director	Chairman	Managing Director, Janata Bank Ltd.
Mr. Pradip Kumar Dutta	Director	Member	Managing Director, Sonali Bank Ltd.
Mr. Md. Fayekuzzaman	Director	Member	Managing Director, ICB
Mr. Shamsul Huda Khan	Director	Member	Managing Director, National Bank Ltd.
Mr. Asoke Das Gupta	Director	Member	Vice Chairman, One Bank Limited

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

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

No. Meeting	Date of Meeting
Fourteenth (14th)	9-Feb-14
Fifteenth (15th)	9-Apr-14
Sixteenth (16th)	14-Jul-14
Seventeenth (17th)	24-Dec-14

### c. In the meeting amongst other the committee has discussed the following issues during the year 2014

- The audit committee reviewed the Financial Statements for the year ended December 31, 2013.
- Reviewed and discussed the Management Letter provided by the external auditor S. F. Ahmed & Co. for the year ended December 31, 2013 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 2013 and management's response to the report.
- Reviewed various reports like stress testing, Basel, Risk Management Paper etc. and all reports provided by ICC Department.
- Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
- The status of recovery of classified loan and providing the necessary instruction to the management to reduce NPL.
- Reviewed financial performance of IIDFC all over the year and recommended to take necessary action for improving performance of the company.

## NOTES TO THE FINANCIAL STATEMENTS

### 42 Others

#### 42.1 Suit status as on 31.12.2014

Name of Client	Agreement No.	Nature of Case/ Suit	Suit Value (Lakh Tk.)	Remarks
		Case or Suit Number		
Mitsumaru Bd. Ltd.	LA#018/2003-0	Artha Jari Suit No. 136/13 (corresponds to Artha Rin Suit No.137/10)	108.97	Judgement Passed in favor of IIDFC on 28.01.2013. Exesution Suit filed on 22.06.2013. Last date was 05.06.14 for execution of W/A. Next date yet to receive.
Apparel Color Ltd.	LF#073/2007-1-1	Artha Jari Suit No.215/11	94.01	Last date was 11.06.2014. Stayed u/s-44 of the Artha Rin Adalat Ain, due to interim arrangement with the client. Filling of compromise petition is under process.
		CR Case No.5486/10 [u/s-420, 406 of Penal Code]	66.92	Last date was 22.12.2014 for execution of W/A. Next date is 27.04.2015 for same step. [N.B.: The case will be withdrawn after completion of rescheduling formalities].
Shetu International Ltd.	DF#006/2005 DF#007/2005 DF#069/2005 LA#070/2005	Artha Rin Suit No.122/10	369.68	This suit filed along with Rupali bank, which is expected to be heard soon. Rupali Bank is looking after the suit as lead Bank.
		Artha Rin Suit No.09/11	234.08	Next date is 26.04.2015 for next order.
Cab Bangla Ltd.	LA#003/2003	Artha Jari Suit No.35(Ka)/07 (corresponds to Artha Rin Suit No.39/07)	177.55	Decree was passed on 17.04.2008 for an amount of 17.755 million and six months civil imprisonment of all the five Directors. The Directors are absconding. Last date was 18.08.2014 for Todbir.
M/s. Lagaan	DF#060/2007 DF#054/2008	Artha Jari Suit No. 144/12	66.87	Original suit was decreed in favor of IIDFC. In Execution Case, Court awarded a decree for 6.687 million and six months jail the client. The client has absconded. Stayed u/s-44.
M/s. Swapna Enterprise	DF#053/2008-4	Artha Jari Suit No.293/12	111.82	The Court issued W/A against the client/ proprietor. Last date was 19.03.14 for execution of W/A. Stayed u/s-44 of Artha Rin Adalat Ain. The client has fled to India.
		CR Case No.1673/11	50.75	Next date is 28.04.2015 for execution of W/A.
		CR Case No.79/12 [u/s-420 & 406 of Penal Code]	98.00	Next date is 23.04.2015 for hearing on Police Report.
Swapna Steel Ltd.	DF#010/2009-2 DF#075/2009-1	Artha Jari Suit No.292/12	91.51	Stayed u/s-44 of Artha Rin Adalat Ain. The client has fled to India.
Al Moza Fish & Feeds Ltd.	DF#127/2008	Artha Jari Suit No.219/13 (correponds to Artha Rin Suit No.58/13)	101.49	Next date is 13.01.2015 for filing Written Statement regarding Misc. Case.
		CR Case No.2300/12	25.10	Last date was 10.11.14 for execution of W/A. Next date is 12.03.2015 for same step.
M/s. New Mak World	DF#084/2008	Artha Jari Suit No.248/13 (corresponds to Artha Rin Suit No.63/13)	70.79	On 20.08.2014, Mrs. Rokhsna Sharif & others filed a Misc. Case raising objection against IIDFC. Last date was 01.12.2014 for filing Written Statement regarding that Misc. Case. Next date yet to receive.
		CR Case No.2645/12	76.18	Last date was 24.12.2014 for execution of W/A. Next date is 29.04.2015 for same step. N.B.: The client fled to Canada.
M/s. Taufique Packaging Ind.	LF#115/2007-1	Artha Rin suit No.284/13	20.80	Last date was 19.10.2014 for mediation. Next date is 12.01.2015 for same step.
		Session Case No.7396/12 [arising out of CR Case No.1858/11]	0.78	Next date is 09.06.2015 for P/W.
Shampsi Lamps Ltd.	LA#054/2005-2	Artha Rin Suit No.304/12	239.06	Case has been withdrawn on 21.08.2014 due to settlement of the account.

## NOTES TO THE FINANCIAL STATEMENTS

Name of Client	Agreement No.	Nature of Case/ Suit	Suit Value	Remarks
		Case or Suit Number	(Lakh Tk.)	
		Special Session Case No.70/12 [arising out of CR Case No.4527/10]	9.23	Last date was 23.10.2014 for trial. Next date is 11.03.2015 for submission of Stay Order of the High Court Division as per information of the defense legal counsel.
Southern Techno Promotion Ltd.	LF#092/2008-1	Artha Rin Suit No.266/13	315.46	On 16.10.2014, Exparte hearing held & decreed in favor of IIDFC. Filing of Execution Case is under process.
		Session Case No.69/12. [arising out of CR Case. No.6233/10]	18.00	On 24.09.2014, the case decreed in favor of IIDFC by awarding cheque amount & sentence for 6 months jail of the MD of the Borrower Company, Mr. Kazi Sayeed Ahmed, who was arrested on 28.11.2014.
		Session Case No.68/12 [arising out of CR Case No.789/11]	13.50	On 24.09.2014, the case decreed in favor of IIDFC by awarding cheque amount & sentence for 6 months jail of MD of the Borrower Company, Mr. Kazi Sayeed Ahmed, who was arrested on 28.11.2014.
		CR Case No.2570/12	105.56	Last date was 14.12.2014 for execution of W/A. Next date is 20.04.2015 for same step.
M/s. Rima Engineering	LF#007/2010	Artha Jari Suit No.215/14 (corresponds to Artha Rin Suit No.283/13)	32.44	Execution Case filed in the first week of October, 2014. Next date is 15.01.2015 for submission of paper cutting regarding show-cause notice.
Md. Mozammel Hossain	HL#013/2009	Artha Rin Suit No.474/14	58	Last date was 12.11.2014 for summon. Next date yet to receive.
M/s. Reliant Embroidery	LF#108/2008	CR Case No.966/11	1.30	Parties appeared on 29.09.2014, hence the case has been transferred to the trial court. Next date yet to receive.
M/s. Zaman Eng. Works	DF#021/2007	Session Case No.4732/12	2.20	Last date was 29.09.14 for evidence. Next date is 09.07.2015 for same step.
Chandana Knitting Ind. Ltd.	LF#008/2007-2	CR Case No.1869/11	19.01	Last date was 28.09.14 for execution of W/A. Next date is 02.02.2015 for same.
M/s. Jamil Plastic Ind.	DF#008/2008-1	Session Case No.1556/13 [arising out of CR Case No.181/12]	3.81	Last date was 19.11.2014 for Defense Witness. Next date is 12.02.2015 for same step.
Spirited Associates Ltd.	FAC#001/2007 LF#074/2008	CR Case No.390/12	2.54	Next date is 13.04.2015 for execution of W/A. [Rescheduled]
M/s. Ebne Ayaz	DF#056/2008	Session Case No.282/13 [Arising out of CR Case No.389/12]	25.00	Last date was 31.07.2014 for framing of Charge. On that day, the learned Judge was not present. Date shifted to 09.03.2015 for the same step.
		Session Case No.4384/13	39.40	Last date was 23.09.14 for cross examination of P/W, which was held. Next date is 23.02.15 for Defense Witness (D/W).
M/s. Concord Enterprise	DF#004/2010	CR Case No.582/12	1.29	Next date is 22.01.2015 for execution of W/A.
		CR Case No.2328/14	9.44	Last date was 31.12.2014 for S/R. Summon served. Next date yet to receive.
M/s. D-Track Wood Zone	DF#065/2009-0-1 DF#014/2010-0-1	Session Case No.2564/14 [Arising out of CR Case No.660/12]	4.97	Last date was 12.06.14 for framing of Charge. Next date is 19.03.15 for P/W.
		Session Case No.5770/13 [Arising out of CR Case No.430/13]	5.64	Last date was 23.09.2014 for trial. Next date is 22.03.2015 for evidence.
		CR Case No.392/14	5.79	Last date was 30.11.2014 for Return of Summon. Next date yet to receive.

## NOTES TO THE FINANCIAL STATEMENTS

Name of Client	Agreement No.	Nature of Case/ Suit	Suit Value (Lakh Tk.)	Remarks
		Case or Suit Number		
M/s. M.S. Accessories	DF#029/2009	CR Case No.1420/12	7.81	Last date was 09.09.14 for execution of W/A. Next date is 14.01.2015 for same.
Sai-An Agro Food Ind. Ltd.	LF#034/2011	Session Case No.6688/13 [Arising out of CR Case No.1968/12]	8.37	Last date was 12.10.2014 for framing of Charge and charge has been framed. Next date is 02.04.2015 for trial.
M/s. S2M Marketing	DF#068/2011	Session Case No.2311/14 [Arising out of CR Case No.1969/12]	1.73	Last date was 09.11.14 for evidence. Next date is 11.03.2015 for Argument.
M/s. Maliha Fashion House	DF#139/2010	Session Case No.2128/13 [Arising out of CR Case No.2108/12]	3.93	Last date was 22.09.14 for evidence. Next date is 19.03.15 for same step.
		CR Case No.1030/14	6.87	Next date is 05.01.2015 for Return of Summon (S/R).
Monami Boutique Ltd.	DF#015/2007 DF#055/2007 DF#006/2008	CR Case No.29/13	23.60	Last date was 22.12.2014 for execution of W/PA. Next date is 27.04.2015 for same step.
M/s. Auto Plus Impex	DF#028/2011	Session Case No.4764/13 [arising out of CR Case No.88/13]	100.00	On 13.11.2014, the client submitted a stay order issued by Hon'ble High Court Division upon this case. Next date is 19.03.2015.
Mr. Md. Mahbub Rahman	HL#012/2010	CR Case No.486/13	2.11	Last date was 12.01.2015 for execution of W/PA.
Taurus Knitwears Pvt. Ltd.	LF#069/2007	Session Case No.1476/14 [arising out of CR Case No.1145/13]	7.72	Charge was framed on 07.08.2014. Last date was 08.01.2015 for evidence.
		Session Case No.3702/14 [arising out of CR Case No.208/14]	7.72	On 05.08.2014, the Court by a suo-moto order discharged the Directors except the signatory Director. Next date is 16.02.2015 for trial
Semel Electrical Ind. Ltd.	DF#160/2009	Session Case No.2543/14 [arising out of CR Case No.864/13]	14.59	Last date was 25.11.2014 for Trial. Next date is 11.06.2015 for submission of Stay Order of HCD.
		CR Case No.2495/14	145.91	Filed on 11.12.2014. Next date is 26.01.2015 for Return of Summon.
M/s. Pindhon	DF#136/2010	CR Case No.865/13	0.37	Last date was 23.10.2014 for execution of W/A. Next date is 24.02.2015 for same.
Mr. Md. Babul Hossain	HL#023/2011	CR Case No.1428/13	28.46	Next date is 12.01.2015 for execution of W/PA.
M/s. Kazi Shaheen	DF#184/2010	CR Case No.1614/13	11.62	Last date was 01.10.2014 for execution of W/A. Next date is 05.02.2015 for same step.
M/s. Muslim Bastra Bitan	DF#062/2008-1-2	CR Case No.1797/14	5.77	Next date is 23.02.2015 for execution of W/A.
		<b>Total Suit Value</b>	<b>3,665.93</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### 42.2 Unacknowledged debt

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

### 42.3 Employees' information

A total number of 80 employees were employed in IIDFC as of 31 December, 2014. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2014.

IAS 1.98 (d)

### 42.4 Written-off of accounts

During the year under review, no loans & advances has been written-off whereas Tk. 88,403,101.35 was written-off in the corresponding previous years.

### 42.5 Subsequent events

No subsequent events are occurred after the balance sheet date.

### 42.6 Directors' responsibility statement

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

### 42.7 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its 178<sup>th</sup> meeting held on 4<sup>th</sup> June, 2015.

## 43 General

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

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

## Industrial and Infrastructure Development Finance Company Limited

### Fixed Assets Schedule

As at 31 December, 2014

Ref. Property, plant & equipment - own finance

IAS 16.73

Figures in Taka

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Net book value as at 31 Dec, 2014
		Balance as at 1 Jan, 2014	Additions during the Year	Sale / transfer during the year		Balance as at 1 Jan, 2014	Charged during the year	Adjustment during the year	
1	Motor vehicles	16,098,242	2,276,000	-	20%	11,411,658	2,724,324	-	4,238,260
2	Furniture & fixtures	10,804,205	18,678	-	10%	4,891,236	1,050,085	-	4,881,562
3	Office equipments	27,341,043	2,299,380	243,056	18%	18,315,204	3,980,940	-	7,101,223
<b>As on 31 December, 2014</b>		<b>54,243,490</b>	<b>4,594,058</b>	<b>243,056</b>		<b>34,618,098</b>	<b>7,755,349</b>	<b>-</b>	<b>16,221,045</b>
<b>As on 31 December, 2013</b>		<b>59,555,830</b>	<b>487,179</b>	<b>5,799,519</b>		<b>32,856,265</b>	<b>6,118,753</b>	<b>4,356,920</b>	<b>19,625,392</b>

Ref. Intangible asset - computer softwares

Figures in Taka

Serial No.	Particulars	COST			Rate	AMORTISATION			Net book value as at 31 Dec, 2014
		Balance as at 1 Jan, 2014	Additions during the Year	Adjustment during the year		Balance as at 1 Jan, 2014	Charged during the year	Adjustment during the year	
1	Computer softwares	2,251,026	2,677,000	-	18%	1,839,269	725,812	-	2,362,945
<b>As on 31 December, 2014</b>		<b>2,251,026</b>	<b>2,677,000</b>	<b>-</b>		<b>1,839,269</b>	<b>725,812</b>	<b>-</b>	<b>2,362,945</b>
<b>As on 31 December, 2013</b>		<b>2,251,026</b>	<b>-</b>	<b>-</b>		<b>1,500,084</b>	<b>339,185</b>	<b>-</b>	<b>411,757</b>

# NOTES TO THE FINANCIAL STATEMENTS

Annexure - 1.a

## Industrial and Infrastructure Development Finance Company Limited Consolidated Fixed Assets Schedule As at 31 December, 2014

Ref. Consolidated Property, Plant & Equipment

IAS 16.73

Figures in Taka

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Net book value as at 31 Dec, 2014
		Balance as at 1 Jan, 2014	Additions during the Year	Sale/ transfer during the year		Balance as at 1 Jan, 2014	Charged during the year	Adjustment during the year	
1	Motor vehicles	17,545,942	2,276,000	-	20%	12,859,349	2,724,324	-	4,238,269
2	Furniture & fixtures	32,892,932	25,438	879,931	10%	11,592,935	3,222,031	331,756	17,555,229
3	Office equipments	49,809,616	2,404,680	243,056	18%	30,715,789	8,044,237	-	13,211,214
<b>As on 31 December, 2014</b>		<b>100,248,490</b>	<b>4,706,118</b>	<b>1,122,987</b>		<b>55,168,073</b>	<b>13,990,592</b>	<b>331,756</b>	<b>35,004,712</b>
<b>As on 31 December, 2013</b>		<b>108,061,083</b>	<b>860,797</b>	<b>8,673,390</b>		<b>48,722,218</b>	<b>12,647,174</b>	<b>6,201,319</b>	<b>45,080,417</b>

Ref. Intangible Asset

Figures in Taka

Serial No.	Particulars	COST			Rate	AMORTISATION			Net book value as at 31 Dec, 2014
		Balance as at 1 Jan, 2014	Additions during the Year	Adjustment during the year		Balance as at 1 Jan, 2014	Amortized during the year	Adjustment during the year	
1	Computer softwares	4,788,281	3,025,325	-	18%	3,080,011	1,295,842	-	3,437,753
<b>As on 31 December, 2014</b>		<b>4,788,281</b>	<b>3,025,325</b>	<b>-</b>		<b>3,080,011</b>	<b>1,295,842</b>	<b>-</b>	<b>3,437,753</b>
<b>As on 31 December, 2013</b>		<b>4,868,281</b>	<b>-</b>	<b>80,000</b>		<b>2,262,295</b>	<b>846,516</b>	<b>28,800</b>	<b>1,708,270</b>

# NOTES TO THE FINANCIAL STATEMENTS

Annexure-2

## Industrial and Infrastructure Development Finance Company Limited

### Highlights

Sl.	Particulars	Amount in Taka	
		2014	2013
1	Paid-up capital	1,000,000,000	1,000,000,000
2	Total capital	1,553,767,882	1,421,518,054
3	Capital surplus	553,767,882	421,518,054
4	Total assets	13,263,248,075	11,932,458,613
5	Total deposits	7,083,870,049	5,618,140,608
6	Total leases, loans and advances	9,991,417,681	9,306,074,447
7	Total contingent liabilities and commitments	117,411,680	566,911,680
8	Credit deposit ratio	141.04%	165.64%
9	Percentage of classified loans against total loans and assets	5.27%	5.49%
10	Profit after tax and provision	132,249,828	74,528,641
11	Amount of classified loan during year	526,921,000	511,306,000
12	Provisions kept against classified loans	272,712,400	199,102,700
13	Provision surplus against classified loans	137,397	1,105,611
14	Cost of fund	11.33%	13.92%
15	Interest earnings assets	10,733,394,150	9,867,212,021
16	Non- interest earnings assets	2,529,853,925	2,065,246,592
17	Return on investment (ROI)	7.05%	8.35%
18	Return on assets (ROA)	6.68%	7.28%
19	Income from investment	1,553,790,171	1,653,737,296
20	Earnings per share	1.32	0.75
21	Net Income per share	1.32	0.75
22	Price earnings ratio	N/A	N/A



**Mohammad Saleh Ahmed, Chief Executive Officer**

**IIDFC Capital Limited**



Auditors' Report  
to the Shareholders of  
**IIDFC Capital Limited**

# AUDITORS' REPORT

## IIDFC Capital Limited Auditors' Report to the Shareholders

For the year ended 31 December 2014

We have audited the accompanying financial statements of IIDFC Capital Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2014, statement of comprehensive income (profit and loss account), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

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

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

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

### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Accounting Standards and Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the results its operations and its cash flows for the year then ended and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations.

### We also report that:

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

Dhaka, Bangladesh  
Dated, 07 April 2015



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

# STATEMENT OF FINANCIAL POSITION

## IIDFC Capital Limited Statement of Financial Position (Balance Sheet)

As at 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	2,834,753	4,420,502
Intangible asset	4	420,000	690,000
License fee	5	30,196,209	30,196,209
Deferred tax assets	19	410,991	314,515
<b>Total non-current assets</b>		<b>33,861,953</b>	<b>35,621,226</b>
<b>Current assets</b>			
Margin loans	6	884,982,523	787,005,425
Advances and receivables	7	69,536,520	43,306,188
Cash and cash equivalents	8	2,737,667	4,662,618
<b>Total current assets</b>		<b>957,256,710</b>	<b>834,974,231</b>
<b>Total assets</b>		<b>991,118,663</b>	<b>870,595,457</b>
<b>Equity and Liabilities</b>			
Share capital	9	305,800,000	305,800,000
Share money deposit	10	294,200,000	-
Retained earnings	11	(131,527,413)	(132,936,266)
<b>Shareholders' equity</b>		<b>468,472,587</b>	<b>172,863,734</b>
<b>Non-current liability</b>			
Term loan	12	130,081,095	343,247,577
<b>Total non-current liability</b>		<b>130,081,095</b>	<b>343,247,577</b>
<b>Current liabilities</b>			
Short term loan	13	-	14,436,351
Accruals and provisions	14	6,562,296	39,677,951
Provision for taxation	15	38,181,884	36,301,034
Customers' deposits	16	6,994,767	6,578,492
Payable to broker and others	17	213,982	31,740
Loan loss reserve	18	340,612,052	257,458,578
<b>Total current liabilities</b>		<b>392,564,981</b>	<b>354,484,146</b>
<b>Total liabilities</b>		<b>522,646,076</b>	<b>697,731,723</b>
<b>Total equity and liabilities</b>		<b>991,118,663</b>	<b>870,595,457</b>

These financial statements should be read in conjunction with annexed notes

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Dated, 07 April 2015



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

# STATEMENT OF COMPREHENSIVE INCOME

## IIDFC Capital Limited Statement of Comprehensive Income (Profit and Loss Account)

For the year ended 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>Operating Income</b>			
Interest income	20	55,563,565	65,967,600
Interest expense	21	(51,209,931)	(58,958,137)
<b>Net interest income</b>		<b>4,353,634</b>	<b>7,009,463</b>
Fees and commission income	22	12,997,225	10,310,100
Fees and commission expenses	23	(3,383,243)	(2,281,980)
<b>Net fees and commission income</b>		<b>9,613,982</b>	<b>8,028,120</b>
Other operating income	24	4,988,232	498,000
<b>Total operating income</b>		<b>18,955,848</b>	<b>15,535,582</b>
<b>Operating expenses</b>			
Salaries and allowances	25	5,966,749	6,387,046
Rent, taxes, insurance and electricity	26	5,090,713	4,702,867
Legal expenses	27	83,387	126,845
Postage, stamp and telecommunications	28	230,578	254,095
Stationery, printing and advertisement	29	65,717	111,787
Directors' fees	30	32,200	37,648
Auditors' fee	31	75,000	89,445
Repairs and depreciation of company's assets	32	1,786,123	2,096,693
Other expenses	33	2,544,518	2,509,699
<b>Total operating expenses</b>		<b>15,874,985</b>	<b>16,316,125</b>
<b>Operating profit/ (loss)</b>		<b>3,080,863</b>	<b>(780,543)</b>
Non - operating income	34	178,071	2,348,384
<b>Profit before income tax</b>		<b>3,258,934</b>	<b>1,567,842</b>
<b>Income tax expenses</b>			
Current tax expense	35	1,946,557	900,080
Deferred tax expense/(income)	19	(96,476)	(226,536)
<b>Total comprehensive income for the year</b>		<b>1,850,081</b>	<b>673,544</b>
		<b>1,408,853</b>	<b>894,298</b>

These financial statements should be read in conjunction with annexed notes

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

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Dhaka, Bangladesh  
Dated, 07 April 2015



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

# STATEMENT OF CHANGES IN EQUITY

## IIDFC Capital Limited Statement of Changes in Equity For the year ended 31 December 2014

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
	BDT	BDT	BDT	BDT
<b>Year 2013</b>				
Balance at 01 January 2013	305,800,000	-	(133,830,564)	171,969,436
Net profit/ (loss) for the year	-	-	894,298	894,298
New issue of shares	-	-	-	-
Dividend (bonus shares)	-	-	-	-
<b>Balance at 31 December 2013</b>	<b>305,800,000</b>	<b>-</b>	<b>(132,936,266)</b>	<b>172,863,734</b>
<b>Year 2014</b>				
Balance at 01 January 2014	305,800,000	-	(132,936,266)	172,863,734
Net profit / (loss) for the year	-	-	1,408,853	1,408,853
Share money deposit	-	294,200,000	-	294,200,000
<b>Balance at 31 December 2014</b>	<b>305,800,000</b>	<b>294,200,000</b>	<b>(131,527,413)</b>	<b>468,472,587</b>

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed



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

Dhaka, Bangladesh  
Dated, 07 April 2015

# STATEMENT OF CHANGES IN EQUITY

## IIDFC Capital Limited Statement of Cash Flows For the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>A. Cash flows from operating activities:</b>		
Interest and commission receipts	55,563,565	65,967,600
Fees and commission income	9,613,982	8,028,120
Other operating income	273,860	498,000
Non operating income	169,938	2,348,384
Payment to employees	(5,966,749)	(6,387,046)
Income tax paid	(120,144)	(46,101)
Interest paid	(84,456,483)	(33,675,867)
Payment of operating expenses	(8,206,542)	(8,631,931)
	<b>(33,128,573)</b>	<b>28,101,159</b>
<b>Increase/(Decrease) in operating assets and liabilities</b>		
Margin loans	14,823,624	(37,977,725)
Advances and receivable	(26,175,895)	863,062
Customers' deposits	416,275	4,733,599
Payable to brokerage house	182,242	(2,799,293)
	<b>(40,401,002)</b>	<b>(35,180,357)</b>
<b>Net cash used in operating activities</b>	<b>(73,529,574)</b>	<b>(7,079,198)</b>
<b>B. Cash flows from investing activities</b>		
Gains from sale of quoted securities	4,714,372	-
Acquisition of property, plant and equipment	-	(318,035)
Sale of property, plant and equipment	293,085	3,035,450
<b>Net cash from investing activities</b>	<b>5,007,457</b>	<b>2,717,415</b>
<b>C. Cash flows from financing activities</b>		
Term loan	(213,166,482)	48,040,520
Refund of demand loan	(14,436,351)	(40,000,000)
Share money deposit	294,200,000	-
<b>Net cash from financing activities</b>	<b>66,597,167</b>	<b>8,040,520</b>
<b>Net increase/decrease in cash and cash equivalents (A+B+C)</b>	<b>(1,924,951)</b>	<b>3,678,738</b>
Cash and cash equivalents at beginning of the year	4,662,618	983,881
<b>Cash and cash equivalents at end of the year</b>	<b>2,737,667</b>	<b>4,662,618</b>

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Dated, 07 April 2015



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

# IIDFC Capital Limited

## Notes to financial statements

For the year ended 31 December 2014

### 1. Background

IIDFC Capital Limited (the company) is a private company, limited by shares was incorporated in Bangladesh on 30 November 1995 vide certificate of incorporation no. C-H.C 2097 in the name of South Asia Capital Limited which was acquired by Industrial and Infrastructure Development Finance Company Limited (IIDFC), a non-banking financial institution on 10 December 2009 and renamed as IIDFC Capital Limited. The principal activities of the company for which it was established include the business of issue management, portfolio management, corporate counseling, investment counseling, capital structuring, etc. It obtained license from Bangladesh Securities and Exchange Commission (BSEC) vide its registration certificate no. MB 41/2010 dated 26 April 2010 to carry out its merchant banking operations.

### 2. Significant accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements of the company under reporting have been prepared under historical cost convention in accordance with generally accepted accounting principles. Wherever appropriate, such principles are explained in the succeeding notes.

#### 2.2 Revenue recognition

##### a. Interest income

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

##### b. Fees and commission income

Fees and commission income is recognised when the corresponding service is provided. Fee and commission income presented in the financial statements include the following:

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

##### c. Dividend income

Dividend income is recognised when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities. Dividend income is presented separately in these financial statements.

##### d. Finance income

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

##### e. Other operational income

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

#### 2.3 Components of financial statements

# NOTES TO THE FINANCIAL STATEMENTS

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

## 2.4 Property, plant and equipment

These are stated at cost less accumulated depreciation. Cost includes amounts paid to the vendors along with all incidental expenses to install or construct the items of property, plant and equipment.

### Depreciation

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

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

## 2.5 Statement of cash flows

The cash flows statement is prepared using the direct method as mentioned in BAS - 7 "Statement of Cash Flows".

## 2.6 Intangible assets

This amount included the amount of software and the amount was paid to South Asia Capital Limited for acquiring 100% shares of the that company along with the license issued by BSEC registration certificate no. MB-1.043/98-16 to operate as a full-fledged merchant banker. Subsequently the name of the company was changed to IIDFC Capital Limited as approved by BSEC and issued a new registration certificate no. 41/2010 on 26 April 2010 in the name of IIDFC Capital Limited. The company started its business on 14 January 2010 in the name of IIDFC Capital Limited.

## 2.7 Employees' benefit obligation

Employees' benefit obligation is post employment benefit plan under which the company provides benefits for all of its permanent employees. The recognised Employees' Provident Fund is being considered as Employees' benefit obligations it meets the recognition criteria specified for this purpose. All permanent employees contribute 10.00% of their basic salary to the provident fund and the company also makes equal contribution. this recognized by the National Board of Revenue (NBR), under the First Schedule, Part B of income Tax Ordinance 1984.

The Company recognises contribution to Employees' benefit obligation as an expenses when an employee has rendered required services. The legal and constructive obligation is limited to the amount it agrees to contribute to the fund. Obligation are created when they are due.

The company approved gratuity scheme as per gratuity rules which will also be administered by a Board of Trustees and will be invested separately from the Company's assets.

## 2.8 Consistency

In accordance with the IFRSs framework for the presentation of Financial Statements together with BAS - 1 "Presentation of Financial Statements" and BAS - 8 "Accounting Policies, Changes in Accounting Estimates and Errors", IIDFC Capital Limited applies the accounting disclosure principles consistently from one period to the next.

## NOTES TO THE FINANCIAL STATEMENTS

### 2.9 Use of estimates

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 and liabilities, revenues and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and accrued expenses are recognised in the financial statements in line with the BAS - 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 form the basis of making the judgments about carrying values of assets and liabilities that 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 recognised in the period in which the estimates are revised.

### 2.10 Deferred tax

The company has adopted a policy of recognition of deferred tax in accordance with BAS - 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 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.

### 2.12 Loan loss reserve

As per directive no. SEC/CMRRCD/2009-193/166 dated 12 January 2015, provision should be made on unrealised losses on margin loan @ 20% . The company made a provision on unrealised losses on margin loan @73.4% . However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

### 3. Property, plant and equipment

Motor vehicle  
Furniture and fixtures  
Office equipment

Details are shown in Annex A

### 4. Intangible asset

Software

Details are shown in Annex A

2014 BDT	2013 BDT
6	6
2,035,433	2,730,712
799,314	1,689,784
<b>2,834,753</b>	<b>4,420,502</b>
420,000	690,000
<b>420,000</b>	<b>690,000</b>

# NOTES TO THE FINANCIAL STATEMENTS

Details are shown in Annex A

## 5. License fee

License fee

2014 BDT	2013 BDT
<b>30,196,209</b>	<b>30,196,209</b>

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

## 6. Margin loans

<b>884,982,523</b>	<b>787,005,425</b>
--------------------	--------------------

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

## 7. Advances and receivables

### 7.1 Advances

Income tax  
Advance paid for professional services  
Security deposit to CDBL

40,385,011	40,330,574
405,700	-
200,000	200,000
<b>40,990,711</b>	<b>40,530,574</b>

### 7.2 Receivables

IIDFC Limited.  
Income receivable from segregated account  
IIDFC Securities Limited  
IIDFC Limited investment account- IIDA 01145  
Other receivables

217,852	-
4,088,007	471,368
286,106	505,567
23,573,730	79,158
115,085	550,000
<b>28,280,780</b>	<b>1,606,093</b>

### 7.3 Receivable from brokerage houses

Salta Capital Limited (DSE)  
Total Communication Limited  
Multi Securities and Services Limited  
IIDFC Securities Limited  
BRAC EPL Stock Brokerage Limited

-	2,459
-	2,354
-	1,384
-	1,163,324
265,029	-
<b>265,029</b>	<b>1,169,521</b>
<b>69,536,520</b>	<b>43,306,188</b>

## 8. Cash and cash equivalents

Cash in hand

5,021	1,634
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### Bank balance with

Southeast Bank Limited  
ONE Bank Limited  
Bangladesh Commerce Bank Limited

384,193	476,098
2,275,521	4,112,119
72,932	72,767
2,732,646	4,660,984
<b>2,737,667</b>	<b>4,662,618</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 9. Share capital

#### Authorised

5,000,000 ordinary shares of Taka 100 each

#### Issued, Subscribed and Paid up

3,058,000 ordinary shares of Taka 100 each

Paid up share capital at 31 December 2014 comprises the following:

Name of Shareholder	Number of Shares	Face Value Per Share	% of Share Holding	Amount
IIDFC Limited	3,057,900	100	99.997%	305,790,000
M Matiul Islam	100	100	0.003%	10,000
	<b>3,058,000</b>		<b>100%</b>	<b>305,800,000</b>

### 10. Share money deposit

Term loan and its interest with IIDFC Limited shall be converted into ordinary share capital by issuing new 29,420,000 ordinary share of Taka 10 each at par by way of right issue to the existing share holders of the company. This issue was approved by board meeting held on 26 August 2014. Mr. Matiul islam Chairman of the company presided over the meeting.

### 11. Retained earnings

Opening balance

Add: Net profit/(loss) for the year

Closing balance

(132,936,266)	(133,830,564)
1,408,853	894,298
(131,527,413)	(132,936,266)
<b>(131,527,413)</b>	<b>(132,936,266)</b>

### 12. Term loan

IIDFC Limited (note 12.1)

Standard bank Limited (note 12.2)

Investment Corporation of Bangladesh (note 12.3)

90,965,635	245,976,282
-	97,271,296
39,115,460	-
<b>130,081,095</b>	<b>343,247,578</b>

#### 12.1 IIDFC Limited

##### Opening balance

Add: Addition during the year

Less: Converted to share capital (principal amount)

245,976,282	150,000,000
101,977,604	95,976,282
(256,988,251)	-
90,965,635	245,976,282

The above loan was taken from IIDFC Limited with the interest rates ranging from 16.00% to 17.00% throughout the year. Interest on such loan is being paid quarterly whereas principal amount will be paid at a time.

#### 12.2 Standard Bank Limited

Opening balance

Less: Paid during the year

Closing balance

97,271,296	145,207,058
(97,271,296)	(47,935,762)
-	<b>97,271,296</b>

# NOTES TO THE FINANCIAL STATEMENTS

	2014 BDT	2013 BDT
<b>12.3 Investment Corporation of Bangladesh (ICB)</b>		
Opening balance	-	-
Add: Addition during the year	47,009,102	-
Less: Paid during the year	(7,893,642)	-
Closing balance	39,115,460	-
<b>13. Short term loan</b>		
IIDFC Limited	14,436,351	14,436,351
Less: Paid during the year	(14,436,351)	-
	-	<b>14,436,351</b>
<b>14. Accruals and provisions</b>		
Financial charges	5,485,413	38,731,964
CDBL charges	37,230	25,587
Office rent	619,395	619,391
Withholding VAT	33,408	56,248
Withholding Tax	50,302	53,266
Provident fund	48,296	43,232
Legal and professional fees	48,914	25,000
Utilities	29,693	31,397
Audit fee	75,000	89,445
IIDFC securities Limited (current account)	72,042	-
Others	62,604	2,421
	<b>6,562,296</b>	<b>39,677,951</b>
<b>15. Provision for taxation</b>		
Opening balance	36,301,034	35,400,954
Add: Provision made during the year	1,745,314	900,080
Prior year's adjustment	135,536	-
Closing balance	<b>38,181,884</b>	<b>36,301,034</b>
<b>16. Customers' deposits</b>		
Self Margin Discretionary Account (SMDA)	6,622,905.26	6,256,351
<b>Non Margin Discretionary Account (NMDA)</b>	371,861.40	322,140
	<b>6,994,767</b>	<b>6,578,491</b>
This represents uninvested funds lying with the company's account as at 31 December 2014.		
<b>17. Payable to broker and others</b>		
IIDFC Securities Limited	213,982	23,740
	<b>213,982</b>	<b>23,740</b>
<b>Payable to IIDFC Limited</b>		
<b>Opening balance</b>	8,000	2,831,033
Add: Additions	-	202,284
	8,000	3,033,317
Less: Adjustment made during the year	(8,000)	(3,025,317)
Closing balance	-	8,000
	<b>213,982</b>	<b>31,740</b>
<b>18. Loan loss reserve</b>		
Interest income loss account (note 18.1)	301,460,456	218,306,982
Loan loss account (note 18.2)	39,151,596	39,151,596
	<b>340,612,052</b>	<b>257,458,578</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2014 BDT	2013 BDT
<b>18.1 Interest income loss account</b>		
Opening balance		
<u>Add:</u> Addition during this year	218,306,982	156,018,509
Closing balance	83,153,474	62,288,473
	<b>301,460,456</b>	<b>218,306,982</b>
<b>18.2 Loan loss account</b>		
Opening balance		
<u>Add:</u> Addition during this year	39,151,596	39,578,482
Closing balance	-	(426,886)
	<b>39,151,596</b>	<b>39,151,596</b>
<b>Deferred tax assets</b>		
Opening balance	314,515	87,979
<u>Add:</u> Addition during the year (note 19.1)	96,476	226,536
Closing balance	<b>410,991</b>	<b>314,515</b>
<b>19.1 Deferred tax assets</b>		

### 19.1 Deferred tax assets

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

Particular	Carrying value of assets at 31 Dec 2014 BDT	Tax base BDT	Taxable/ (deductible) temporary difference at 31 Dec 2014 BDT	At 31 Dec 2013 BDT
Property, plant and equipment	3,254,753	4,350,729	1,095,976	604,096
Tax rate	-	-	37.50%	37.50%
			410,991	226,536

## 20. Interest income

Interest on margin loan	55,563,565	65,967,600
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The company charges quarterly interest on margin loan utilised on each portfolio account at the rate of 18% per annum based on the amount of deposit made in each portfolio account. This amount shows net interest income on margin loan after deducting the loss on interest income and loan.

## 21. Interest expense

<b>Term loan</b>	50,557,288	50,001,247
<b>Demand loan</b>	652,643	8,956,890
	51,209,931	58,958,137

## 22. Fees and commission income

Management fees (note 22.1)	5,434,755	5,236,703
Settlement fees (note 22.2)	7,340,970	4,839,897
Documentation fees	12,500	2,000
Yearly account maintenance fees	209,000	231,500
	<b>12,997,225</b>	<b>10,310,100</b>

## 22.1 Management fees

Self-margin discretionary account (SMDA)		
Non-margin discretionary account (NMDA)	4,612,162	4,517,611
	822,593	719,092
	<b>5,434,755</b>	<b>5,236,703</b>

Management fees is charged on SMDA and NMDA accounts for rendering various services i.e receipt and delivery of shares, custody of shares, etc. The fees are charged at various rates as per policy of the company.

## NOTES TO THE FINANCIAL STATEMENTS

### 22.2 Settlement fees

Self-margin discretionary account (SMDA)  
Non-margin discretionary account (NMDA)

2014 BDT	2013 BDT
5,440,186	2,846,356
1,900,784	1,993,541
<b>7,340,970</b>	<b>4,839,897</b>

This represents transaction fees realised by the company on the total trading turnover of portfolio customers ranging from 0.30% to 0.40% depending on agreement with respective brokerage houses where transactions are initiated.

### 23. Fees and commission expenses

Self-margin discretionary account (SMDA)  
Non-margin discretionary account (NMDA)

2,423,174	1,263,535
960,069	1,018,445
<b>3,383,243</b>	<b>2,281,980</b>

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

### 24. Other operating income

Underwriting commission  
Service charge received from IPO processing @ 0.05%  
Gains/losses from sale of quoted securities

273,527	498,000
333	-
4,714,372	-
<b>4,988,232</b>	<b>498,000</b>

### 25. Salaries and allowances

Basic salary  
Allowances  
Festival bonus  
Company's contribution to provident fund  
Group insurance

3,191,578	6,387,046
1,641,087	-
791,631	-
249,941	-
92,512	-
<b>5,966,749</b>	<b>6,387,046</b>

In the year of 2013 employee's salaries and allowances were maintained in one ledger account for which the total amount of salary and allowances is shown under the head of basic salary.

### 26. Rent, taxes, insurance and electricity

Rent, rates and taxes  
Insurance  
Electricity, gas and water

4,561,316	3,990,738
140,148	167,442
389,249	544,687
<b>5,090,713</b>	<b>4,702,867</b>

### 27. Legal expenses

Professional charges

83,387	126,845
<b>83,387</b>	<b>126,845</b>

### 28. Postage, stamp and telecommunications

Postage and courier  
Newspapers, books, magazines etc  
Phone, fax and internet

106,447	122,372
7,549	10,423
116,582	121,300
<b>230,578</b>	<b>254,095</b>

### 29. Stationery, printing and advertisement

Printing and stationery  
Advertisement and business development

65,717	38,818
-	72,969
<b>65,717</b>	<b>111,787</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2014 BDT	2013 BDT
<b>30. Directors' fees</b>		
Directors' fees	32,200	37,648
	<b>32,200</b>	<b>37,648</b>
<b>31. Auditors' fees</b>		
Statutory audit	75,000	89,445
	<b>75,000</b>	<b>89,445</b>
<b>32. Repairs and depreciation of company's assets</b>		
<b>Repairs of company's assets</b>		
Furniture and fixtures	51,420	44,899
Software	61,000	231,000
Vehicles	102,906	-
	<b>215,326</b>	<b>275,899</b>
<b>Depreciation of company's assets</b>		
<b>Motor vehicles</b>		
Furniture and fixtures	-	249,996
Office equipment	410,327	410,327
Software	890,470	890,471
	270,000	270,000
	<b>1,570,797</b>	<b>1,820,794</b>
	<b>1,786,123</b>	<b>2,096,693</b>
<b>33. Other expenses</b>		
Office maintenance	66,094	50,528
Travelling and conveyance	6,846	7,248
Entertainment	55,021	67,268
Car running and maintenance expenses	184,000	163,880
Bank charge and excise duty	27,262	34,809
Bangladesh merchant bankers' association fees	100,000	100,000
Registration and subscriptions	53,818	50,000
Security service expenses	139,489	139,490
CDBL charge and registration fees	549,097	321,989
Uniform and liveries	23,600	24,255
Loss on bad loan	1,148,861	1,534,884
Miscellaneous	190,430	15,348
	<b>2,544,518</b>	<b>2,509,699</b>
<b>34. Non - operating income</b>		
Bank interest:		
ONE Bank Limited	118,225	100,707
Southeast Bank Limited	48,997	39,598
Bangladesh Commerce Bank Limited	2,716	2,704
	<b>169,938</b>	<b>143,009</b>
Other income		
Gains on sale of fixed assets	8,133	2,205,375
	8,133	2,205,375
	<b>178,071</b>	<b>2,348,384</b>
<b>35. Current tax expense</b>		
Income tax provision during the year	1,745,314	900,080
Add: Prior year's adjustment	201,243	-
	<b>1,946,557</b>	<b>900,080</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 36. Related party transactions

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

Name of party	Relationship	Nature of transactions	2014	2013
			BDT	BDT
IIDFC Limited	Parent company	Administrative cost	-	8,000
		Share money deposit	294,200,000	
		Investment in securities	23,573,730	(79,158)
IIDFC Securities Limited	Subsidiary of parent company	Administrative cost	230,020	264,647
		Brokerage service	213,982	240,820

### 37. Others

37.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

37.2 Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.

37.3 Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Dhaka, Bangladesh  
Dated, 07 April 2015

**IIDFC Capital Limited**  
**Details of property, plant and equipment**  
**As at 31 December 2014**

Category of asset	Cost			Rate (%)	Depreciation			Written down value at 31 Dec 2014
	Balance at 01 Jan 2014	Addition during the year	Sale/ disposal		Balance at 31 Dec 2014	Charged for the year	Adjustment during the year	
	BDT	BDT	BDT		BDT	BDT	BDT	BDT
<b>Tangible assets</b>								
Motor vehicle	1,250,000	-	-	20	1,250,000	-	-	1,249,994
Furniture and fixtures	4,103,271	-	(503,897)	10	3,599,374	410,327	(218,945)	1,563,941
Office equipment	4,947,056	-	-	18	4,947,056	890,470	-	4,147,742
Total at 31 December 2014	10,300,327	-	(503,897)		9,796,430	1,300,797	(218,945)	6,961,677
Total at 31 December 2013	12,573,964	318,035	(2,591,672)		10,300,327	1,550,794	(1,761,597)	5,879,825
<b>Intangible assets</b>								
Software	1,500,000	-	-	18	1,500,000	270,000	-	1,080,000
Total at 31 December 2014	1,500,000	-	-		1,500,000	270,000	-	1,080,000
Total at 31 December 2013	1,500,000	-	-		1,500,000	270,000	-	810,000
								690,000

## NOTES TO THE FINANCIAL STATEMENTS



**A.T.M. Nasir Uddin, Chief Executive Officer**



**Ashrafun Nessa, Chief Operating Officer**

# IIDFC Securities Limited



Auditors' Report to the  
Shareholders of  
**IIDFC Securities Limited**

# AUDITORS' REPORT

## IIDFC Securities Limited Auditors' Report to the Shareholders For the year ended 31 December 2014

We have audited the accompanying financial statements of IIDFC Securities Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2014, statement of comprehensive income (profit and loss statement), statement of changes in equity, statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards, the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### Auditors' responsibility

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

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

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

### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards and Bangladesh Accounting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2014 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

### We also report that:

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

Dhaka, Bangladesh  
Dated, 30 April 2015

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

# STATEMENTS OF FINANCIAL POSITION

## IIDFC Securities Limited Statement of Financial Position (Balance Sheet)

As at 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	15,948,912	21,034,522
Intangible assets	5	654,808	606,513
Cost of TREC holding	6	124,258,580	124,258,580
		140,862,300	145,899,615
<b>Current assets</b>			
Investment in securities	7	178,163,843	170,050,434
Loans and advances	8	2,333,522,268	2,224,118,304
Cash and bank balances	9	56,602,853	57,875,706
Advance against corporate income tax	10	64,319,439	51,682,649
Other assets	11	14,512,572	8,775,179
		2,647,120,975	2,512,502,272
<b>Total assets</b>		<b>2,787,983,275</b>	<b>2,658,401,887</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	1,000,000,000	785,000,000
Retained earnings	13	63,711,773	21,675,422
General reserve		17,000,000	17,000,000
<b>Total equity</b>		<b>1,080,711,773</b>	<b>823,675,422</b>
<b>Non-current liabilities</b>			
Long term loan	14	900,099,910	1,289,419,065
Deferred tax liability / (assets)	15	(226,064)	390,606
		899,873,846	1,289,809,671
<b>Current liabilities</b>			
Short-term loan	16	167,623,305	-
Inter-company current account	17	214,065	3,873,643
Payable to clients		31,522,274	54,068,241
Accounts payable	18	2,396,934	1,332,845
Accrued expenses	19	3,295,795	3,338,077
Provision for corporate income tax	20	60,395,493	46,947,934
Loan loss reserve	21	501,722,116	413,526,930
Reserve for diminution in value of investment in securities	7	38,739,088	21,383,222
Other liabilities	22	1,488,586	445,902
		807,397,656	544,916,794
<b>Total liabilities</b>		<b>1,707,271,502</b>	<b>1,834,726,465</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,787,983,275</b>	<b>2,658,401,887</b>

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

  
**Md. Matiu Islam**  
Chairman

  
**Md. Asaduzzaman Khan**  
Director

for IIDFC Securities Limited  
  
**A.T.M. Nasir Uddin**  
Chief Executive Officer

  
**Md. Shamim Ahamed FCA**  
Company Secretary

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

Dhaka, Bangladesh  
Dated, 30 April 2015

# STATEMENTS OF COMPREHENSIVE INCOME

## IIDFC Securities Limited Statement of Comprehensive Income (Profit and Loss Statement) For the year ended 31 December 2014

	Notes	2014 BDT	2013 BDT
<b>Revenue</b>			
Interest income from margin loan		246,276,382	287,269,756
<u>Less:</u> Interest waived on loan to small investors	23	-	18,216,809
<u>Less:</u> Interest expense on borrowed fund		171,650,744	216,722,666
<b>Net interest income</b>		<b>74,625,638</b>	<b>52,330,281</b>
Brokerage commission	24	44,362,843	30,222,541
<u>Less:</u> Direct cost	25	4,300,728	2,574,838
		40,062,115	27,647,703
Capital gains on investment in securities		14,747,904	942,820
Income from bank deposit		4,241,547	6,278,466
Dividend income		23,160,269	17,734,241
Other operating income	26	511,359	1,933,999
		42,661,079	26,889,526
<b>Total operating income</b>		<b>157,348,832</b>	<b>106,867,510</b>
<u>Less:</u> Operating expenses	27	81,733,854	58,781,626
<b>Operating profit</b>		<b>75,614,978</b>	<b>48,085,884</b>
Diminution in value of investment in securities		(17,355,866)	(11,507,009)
Diminution in value of margin loan		(3,096,702)	-
<b>Profit before income tax</b>		<b>55,162,410</b>	<b>36,578,875</b>
<b>Income tax expense</b>			
Current tax expenses		13,742,729	9,415,610
Deferred tax expense/(income)		(616,670)	(375,731)
		13,126,059	9,039,879
<b>Net profit after tax</b>		<b>42,036,351</b>	<b>27,538,996</b>
<b>Earnings Per Share (EPS)</b>	28	<b>0.52</b>	<b>0.35</b>

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

for IIDFC Securities Limited



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



**A.T.M. Nasir Uddin**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Dhaka, Bangladesh  
Dated, 30 April 2015



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

## STATEMENTS OF CHANGES IN EQUITY

### IIDFC Securities Limited Statement of Changes in Equity For the year ended 31 December 2014

Particulars	Share capital	General reserve	Stock dividend	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT
<b>Year 2013</b>					
Balance at 01 January 2013	760,000,000	17,000,000	25,000,000	(8,548,584)	793,451,416
Stock dividend for the year 2012	25,000,000	-	(25,000,000)	-	-
Prior year's adjustment	-	-	-	2,685,010	2,685,010
Net profit for the year	-	-	-	27,538,996	27,538,996
<b>Balance at 31 December 2013</b>	<b>785,000,000</b>	<b>17,000,000</b>	<b>-</b>	<b>21,675,422</b>	<b>823,675,422</b>
<b>Year 2014</b>					
Balance at 01 January 2014	785,000,000	17,000,000	-	21,675,422	823,675,422
Right shares issued during the year	215,000,000	-	-	-	215,000,000
Net profit for the year	-	-	-	42,036,351	42,036,351
<b>Balance at 31 December 2014</b>	<b>1,000,000,000</b>	<b>17,000,000</b>	<b>-</b>	<b>63,711,773</b>	<b>1,080,711,773</b>

for IIDFC Securities Limited



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



**A.T.M. Nasir Uddin**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Dhaka, Bangladesh  
Dated, 30 April 2015



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

# STATEMENTS OF CASH FLOWS

## IIDFC Securities Limited Statement of Cash Flows For the year ended 31 December 2014

	2014 BDT	2013 BDT
<b>A. Cash flows from operating activities</b>		
Receipt of interest	246,276,382	287,269,756
Interest paid on borrowing	(171,650,744)	(234,939,475)
Receipt of brokerage commission	44,362,843	30,222,541
Receipt of dividend	23,160,269	17,734,241
Capital gains on investment in securities	14,747,904	942,820
Payment to employees	(26,010,560)	(27,705,591)
Income tax paid	(13,126,059)	(9,039,879)
Receipts from other operating activities	4,752,906	8,212,465
Payment for other operating activities	(75,242,114)	(40,023,132)
<b>Cash generated from operating activities</b>	<b>47,270,827</b>	<b>32,673,746</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Other assets	(18,374,182)	25,944,416
Inter-company current account	(3,659,578)	(857,091)
Disbursement of loans and advances	(109,403,964)	(159,065,645)
Payable to clients	(22,545,967)	25,770,550
Accounts payable	1,064,089	(5,046,390)
Accrued expenses	(42,282)	1,661,669
Other liabilities	119,424,625	113,962,718
<b>Net increase/ (decrease) in operating assets and liabilities</b>	<b>(33,537,259)</b>	<b>2,370,227</b>
<b>Net cash from operating activities</b>	<b>13,733,568</b>	<b>35,043,973</b>
<b>B. Cash flows from investing activities</b>		
Investment in shares	(8,113,409)	(30,791,820)
Acquisition of property, plant and equipment	(197,162)	275,223
<b>Net cash used in investing activities</b>	<b>(8,310,571)</b>	<b>(30,516,597)</b>
<b>C. Cash flows from financing activities</b>		
Issue of share capital	215,000,000	-
Repayment of term loan	(221,695,850)	(8,199,600)
<b>Net cash from used in financing activities</b>	<b>(6,695,850)</b>	<b>(8,199,600)</b>
<b>D. Net changes in cash and bank balances (A+B+C)</b>	<b>(1,272,853)</b>	<b>(3,672,224)</b>
<b>E. Opening cash and bank balances</b>	<b>57,875,706</b>	<b>61,547,930</b>
<b>F. Closing cash and bank balances</b>	<b>56,602,853</b>	<b>57,875,706</b>

for IIDFC Securities Limited



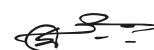
**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



**A.T.M. Nasir Uddin**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary



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

Dhaka, Bangladesh  
Dated, 30 April 2015

# IIDFC Securities Limited

## Notes to financial statements

**For the year ended 31 December 2014**

### 1. Background

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

### 2. Principal activities

The principal activities of the company are to carry out the business of stock dealer, stock broker and depository participant (DP) for dealing of shares and securities, commercial papers, bonds, debentures, debenture stocks, etc.

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

#### 3.1 Accounting estimates

The financial statements of the company are prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles, following Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations. Wherever appropriate, such principles are explained in succeeding notes.

#### 3.2 Revenue recognition

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

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

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

Dividend is recognised as income when it is actually received.

#### 3.3 Presentation of currencies

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

#### 3.4 Property, plant and equipment and depreciation

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

##### Subsequent costs

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

##### Depreciation

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

<b>Category of asset</b>	<b>Rate (%)</b>
Furniture and fixtures	10
Office decoration	10
Office equipment	18

# NOTES TO THE FINANCIAL STATEMENTS

## 3.5 Intangible assets and amortisation of intangible assets

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

## 3.6 Investment in securities

- (a) Investment in marketable ordinary shares has been shown at cost, on an aggregate portfolio basis. Investment in non-marketable shares is also valued at cost.
- (b) Stock dividend (bonus shares) is added with existing shares with no additional value which results decrease in per unit cost price of the existing shares.
- (c) Diminution in value of investment in securities has been made @100% of total requirement. As per BSEC's directive no. SEC/CMRRCD/2009-193/166 dated 12 January 2015, minimum requirement of making such provision is 20% of total required amount at the end of this accounting year.

## 3.7 Provision for margin loan

Diminution in value of margin loan has been made @ 54.29% of negative equity of margin loans as on 31 December 2014. As per BSEC's directive no. SEC/CMRRCD/2009-193/166 dated 12 January 2015, minimum requirement of making such provision is 20% of total required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

## 3.8 Provision for current tax

Provision for taxation for the year has been made on the basis of requirements prevailing income tax laws.

## 3.9 Provision for deferred tax

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

## 3.10 Employees' benefit obligation

### Defined contribution plan

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

### Defined Benefit Plan

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

### Other benefit program for employees

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

## 3.11 Books of account of branch offices

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

## NOTES TO THE FINANCIAL STATEMENTS

### IIDFC Securities Limited Fixed Assets Schedule As at 31 December, 2014

#### 4. Property, plant and equipment

Category of assets	Cost			Rate (%)	Depreciation			Net book value at 31 Dec 2014
	At 01 Jan 2014	Additions	Sale/ disposal		Total at 31 Dec 2014	Charge for the year	Adjustment/ disposal	
	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Furniture and fixtures	4,739,489	6,760	376,034	10	4,370,215	437,022	112,811	2,625,406
Office decoration	13,245,967	-	-	10	13,245,967	1,324,597	-	8,012,828
Office equipment	17,521,518	105,300	-	18	17,626,818	3,172,827	-	5,310,678
<b>Total at 31 Dec 2014</b>	<b>35,506,974</b>	<b>112,060</b>	<b>376,034</b>		<b>35,243,000</b>	<b>4,934,446</b>	<b>112,811</b>	<b>15,948,912</b>
<b>Total at 31 Dec 2013</b>	<b>35,733,591</b>	<b>55,583</b>	<b>282,199</b>		<b>35,506,975</b>	<b>4,977,627</b>	<b>82,800</b>	<b>21,034,522</b>

#### 5. Intangible assets

Category of assets	Cost			Rate (%)	Amortisation			Net book value at 31 Dec 2014
	At 01 Jan 2014	Additions	Sale/ disposal		Total at 31 Dec 2014	Charge for the year	Adjustment/ disposal	
	BDT	BDT	BDT		BDT	BDT	BDT	BDT
Computer software	1,318,506	348,325	-	18	1,666,831	300,030	-	654,808
<b>Total at 31 Dec 2014</b>	<b>1,318,506</b>	<b>348,325</b>	<b>-</b>		<b>1,666,831</b>	<b>300,030</b>	<b>-</b>	<b>654,808</b>
<b>Total at 31 Dec 2013</b>	<b>1,398,506</b>	<b>-</b>	<b>80,000</b>		<b>1,318,506</b>	<b>237,331</b>	<b>28,800</b>	<b>606,513</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. Cost of TREC holding

Opening balance
Less: Transferred to investment in securities
Closing balance

2014 BDT	2013 BDT
124,258,580	153,119,000
-	28,860,420
124,258,580	124,258,580

In pursuance to section 3.1.4 of the scheme of demutualisation of Dhaka Stock Exchange Ltd (DSE), 7,215,106 ordinary shares of BDT 10 each were allotted by DSE in favour of IIDFC Securities Limited. Out of total shares allotted, 2,886,042 ordinary shares of BDT 28,860,920 being 40% of total ordinary shares allotted were issued and credited to BO account of IIDFC Securities Limited for BDT 28,860,920 and value of cost of DSE membership has been adjusted to that extent. The remaining 4,329,064 shares being 60% ordinary shares of BDT 43,290,640 were credited to the "DSE Demutualisation Blocked Account" maintained by DSE. As per that aforesaid scheme, these 60% shares will be off-loaded in the following manner:

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

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

### 7. Investments in securities

Details of investment in securities as on 31 December 2014 are as under :

#### Quoted:

	Cost Price BDT (a)	2014 Market Price BDT (b)	Required Reserve BDT (c=b-a)	2013 Cost Price BDT
AB Bank Limited	1,082,961	997,165	(85,796)	1,083,805
ACI Formulations Limited	1,600,170	1,403,600	(196,570)	-
AMCL (Pran)	1,600,470	1,274,650	(325,820)	-
Argon Denims Limited	1,802,480	1,433,760	(368,720)	-
Asia Insurance Limited	1,785,484	1,057,208	(728,276)	1,790,950
Bank Asia Limited	8,708,596	6,229,100	(2,479,496)	8,710,114
Bangladesh Submarine Cable Company Limited	1,708,793	1,061,970	(646,823)	-
Bangladesh Building Systems Limited	339,611	276,000	(63,611)	-
Barakatullah Electro Dynamics Limited	199,000	165,000	(34,000)	-
Bengal Windsor Thermoplastics Limited	668,453	677,160	8,707	128,800
Bangladesh Export Import Company Limited	1,045	910	(135)	151,820
Bangladesh General Insurance Company Limited	817,199	460,100	(357,099)	818,681
Beximco Pharmaceuticals Limited	691,650	587,000	(104,650)	-
Central Insurance Co Limited	1,192,740	767,491	(425,249)	1,192,740
The City Bank Limited	1,360,673	1,159,084	(201,589)	1,012,365
Dhaka Electric Supply Company Limited	976,100	903,500	(72,600)	-
Dhaka Bank Limited	11,690,071	7,733,580	(3,956,491)	11,691,731
Dutch-Bangla Bank Limited	699,444	634,800	(64,644)	1,165,740
Eastern Insurance Company Limited	661,200	489,900	(171,300)	661,200
Eastland Insurance Company Limited	1,766,584	1,139,515	(627,069)	1,767,647
Emerald Oil Industries Limited	350,150	295,450	(54,700)	-
Envoy Textiles Limited	452,736	412,800	(39,936)	726,900
Export Import (EXIM) Bank of Bangladesh	209	133	(76)	2,130

## NOTES TO THE FINANCIAL STATEMENTS

	Cost Price	2014 Market Price	Required Reserve	2013 Cost Price
	BDT (a)	BDT (b)	BDT (c=b-a)	BDT
Fareast Islami Life Insurance Company Limited	12,247,029	8,185,900	(4,061,129)	14,191,385
GBB Power Limited	1,307,000	1,071,800	(235,200)	-
Golden Harvest Agro Industries Limited	2,146,770	1,534,500	(612,270)	420,420
Global Heavy Chemicals Limited	2,286,775	1,764,000	(522,775)	-
Golden Son Limited	19,432	16,987	(2,445)	-
GrameenPhone Limited	9,288,716	9,590,350	301,634	-
H.R.Textile Mills Limited	1,059,620	786,500	(273,120)	891,600
ICB AMCL 2nd NRB Mutual Fund	708,052	378,300	(329,752)	708,052
IDLC Finance Limited	544,208	560,250	16,042	-
IFIC Bank First Mutual Fund	4,608	3,708	(900)	144,256
International Leasing & Financial Services Ltd	300,950	135,000	(165,950)	300,950
Islami Insurance Bangladesh Limited	1,019,140	752,629	(266,511)	1,521,345
Karnafuli Insurance Co Ltd	3,205,460	1,370,250	(1,835,210)	3,205,460
Khulna Power Company Limited	2,823,552	2,565,000	(258,552)	-
Lafarge Surma Cement Ltd	1,824,120	2,319,534	495,414	1,058,758
Meghna Petroleum Limited	6,527,481	5,407,930	(1,119,551)	-
Meghna Cement Mills Ltd	1,487,660	1,211,000	(276,660)	-
Mercantile Bank Limited	373,406	278,809	(94,597)	3,485,236
MJL Bangladesh Ltd	2,466,327	2,059,840	(406,487)	7,707
Mutual Trust Bank Limited	466,856	376,200	(90,656)	475,702
National Bank Limited	4,851,629	2,763,816	(2,087,813)	4,851,669
NCC Bank Limited	3,198,603	1,764,078	(1,434,525)	3,201,528
ONE Bank Limited	12,323,115	8,840,100	(3,483,015)	12,329,547
Paramount Insurance Company Ltd	63,400	38,577	(24,823)	63,400
People's Insurance Company Limited	61,975	41,800	(20,175)	1,261,184
People's Leasing & Financial Services Ltd	525,300	420,420	(104,880)	-
Pharma Aids Limited	616,405	535,330	(81,075)	-
Phoenix Finance & Investment Limited	461,850	322,262	(139,588)	76,850
PHP First Mutual Fund	399,130	298,144	(100,986)	399,130
Pragati Insurance Limited	675,364	438,193	(237,171)	675,364
Pragati Life Insurance Limited	3,675,185	1,863,571	(1,811,614)	18,143,638
The Premier Bank Limited	540,300	335,770	(204,530)	540,300
Premier Leasing & Finance Limited	216,550	87,720	(128,830)	216,550
Prime Bank Limited	455,029	294,000	(161,029)	337,026
Prime Finance First Mutual Fund	129,500	82,000	(47,500)	-
Prime Islami Life Insurance Limited	8,657,544	5,291,375	(3,366,169)	8,660,382
Pubali Bank Limited	2,330	1,913	(417)	2,423
Purabi General Insurance Co Limited	8,090	9,513	1,423	26,477
RAK Ceramics (Bangladesh) Limited	1,289,500	1,154,000	(135,500)	3,583,910
Reliance Insurance Limited	2,527,055	2,054,360	(472,695)	2,527,055
Ratanpur Stell Re-rolling Mills Limited	271,651	233,916	(37,735)	-
Rupali Insurance Company Limited	487,412	343,710	(143,702)	708,294
Rupali Life Insurance Company Limited	1,548,405	1,102,851	(445,554)	1,258,785
S. Alam Cold Rolled Steels Ltd	638,628	534,750	(103,878)	229,728
Shahjalal Islami Bank Ltd	4,563	3,197	(1,366)	5,055
Social Islami Bank Limited	2,656,320	1,842,800	(813,520)	2,657,791
Square Pharmaceuticals Limited	4,400,905	4,273,005	(127,900)	-
Square Textiles Limited	565,287	501,865	(63,422)	690,982

## NOTES TO THE FINANCIAL STATEMENTS

	Cost Price	2014 Market Price	Required Reserve	2013 Cost Price
	BDT (a)	BDT (b)	BDT (c=b-a)	BDT
Standard Bank Limited	2,362,278	1,651,000	(711,278)	2,370,546
Summit Power Limited	692,601	589,858	(102,743)	677,519
Takaful Islami Insurance Limited	697,501	491,648	(205,853)	867,951
Trust Bank Limited	236,600	216,216	(20,384)	236,600
Uttara Bank Limited	3,219,637	2,099,713	(1,119,924)	3,219,637
AFC Agro Biotech Limited	580,800	514,500	(66,300)	-
6th ICB Mutual Fund	-	-	-	588,720
AIBL 1st Islamic Mutual Fund	-	-	-	69,083
Aims First Mutual Fund	-	-	-	225,000
BRAC Bank Limited	-	-	-	1,463,307
BSRM Steel Mills Limited	-	-	-	23,149
Delta Brack Housing Finance Corporation Limited	-	-	-	215,600
DBH 1st Mutual Fund	-	-	-	46,517
Eastern Bank Limited	-	-	-	1,253,360
First Lease Finance and Investment Limited	-	-	-	65,200
Grameen Mutual Fund II	-	-	-	93,500
Green Delta Insurance Company Limited	-	-	-	42,883
IFIL Islami Mutual Fund I	-	-	-	83,536
Islami Bank Bangladesh Limited	-	-	-	3,755,139
Lanka Bangla Finance Limited	-	-	-	20,342
MBL 1st Mutual Fund	-	-	-	12,000
Meghna Life Insurance Company Limited	-	-	-	394,595
Pioneer Insurance Company Limited	-	-	-	1,399,007
Popular Life First Mutual Fund	-	-	-	225,250
Summit Alliance Port Limited	-	-	-	195,786
Southeast Bank 1st Mutual Fund	-	-	-	122,651
Southeast Bank Limited	-	-	-	3,760,574
	149,303,423	110,564,335	(38,739,088)	141,190,014
<b>Un-quoted:</b>				
Dhaka Stock Exchange Limited	28,860,420	28,860,420	-	28,860,420
	178,163,843	139,424,755	(38,739,088)	170,050,434

	2014 BDT	2013 BDT
8. Loans and advances		
Margin loan-general (note 8.1)	2,061,984,886	1,959,471,458
Margin loan-affected small investors (note 8.2)	271,537,382	264,646,846
	2,333,522,268	2,224,118,304
8.1 Margin loan-general		
This represents loan facilities extended to the customers for trading of listed securities in the secondary capital market in Bangladesh.		
8.2 Margin loan-affected small investors		
Segregated loan	167,330,080	203,470,269
Interest-free blocked loan	14,036,610	18,216,809
General margin loan	90,170,692	42,959,768
	271,537,382	264,646,846

## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

	2014 BDT	2013 BDT
<b>9. Cash and cash bank balances</b>		
Cash in hand (note 9.1)	14,669	22,994
Bank balances in		
Short-term deposit account (note 9.2)	56,588,184	57,852,712
	56,602,853	57,875,706
<b>9.1 Cash in hand</b>		
Head Office	6,760	15,312
Gulshan Branch	5,389	1,166
Chittagong Branch	2,520	6,516
	14,669	22,994
<b>9.2 Short-term deposit account</b>		
Southeast Bank Ltd	14,570,050	10,017,420
Standard Bank Ltd	1,127,743	3,197,149
Bank Asia Ltd	689,990	4,860,632
ONE Bank Ltd	40,198,192	39,775,802
Standard Chartered Bank	2,209	1,709
	56,588,184	57,852,712
<b>10. Advance against corporate income tax</b>		
Advance tax paid	6,000,000	6,000,000
Income tax withheld by DSE (note 10.1)	44,989,693	37,353,807
Income tax withheld from dividend income	10,049,070	5,473,010
Income tax withheld from FDR, etc	3,280,676	2,855,832
	64,319,439	51,682,649
<b>10.1 Income tax withheld by DSE</b>		
Stock-Dealer transactions	485,603	260,186
Stock-Broker transactions	44,504,090	37,093,621
	44,989,693	37,353,807
The amount has been deducted by Dhaka Stock Exchange Ltd from the transaction amount under Section 53 BBB of the Income Tax Ordinance 1984 which is the final tax liabilities of the company under section 82C of that ordinance.		
<b>11. Other assets</b>		
Advance against office rent	1,520,625	2,100,080
Advance against right offer	3,595,029	1,849,484
Stamp in hand	23,595	3,286
Security deposits (note 11.1)	577,820	577,820
Others (note 11.2)	8,795,503	4,244,509
	14,512,572	8,775,179
<b>11.1 Security deposits</b>		
CDBL	100,000	100,000
C&F Tower, Chittagong	449,820	449,820
BTCL	15,000	15,000
Elite Security Services Ltd	13,000	13,000
	577,820	577,820

# NOTES TO THE FINANCIAL STATEMENTS

## 11.2 Others

Advance to employees	39,000	-
Receivable from DSE- broker and dealer (note 11.2.1)	8,410,718	3,987,688
Receivable from Mbank- IIDFC Capital Limited	213,982	-
Receivable from clients against CDBL charges	131,803	256,821
	8,795,503	4,244,509

### 11.2.1 Receivable from DSE - broker and dealer

Receivable from DSE -Broker:

Categories A, B, G and N  
Category Z

Receivable from DSE -Dealer:  
Categories A, B, G and N  
Category Z

2014 BDT	2013 BDT
39,000	-
8,410,718	3,987,688
213,982	-
131,803	256,821
8,795,503	4,244,509
824,073	3,269,388
3,459,558	615,300
4,283,631	3,884,688
2,094,880	103,000
2,032,207	-
4,127,087	103,000
8,410,718	3,987,688
5,000,000,000	5,000,000,000
1,000,000,000	785,000,000

## 12. Share Capital

### 12.1 Authorised capital

500,000,000 ordinary shares of BDT 10 each

### 12.2 Issued, subscribed and paid-up capital

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

Shareholding position of the company at 31 December 2014 was as under:

Name of shareholder	Number of shares	% of holding	Price	Amount (BDT)	
IIDFC Limited	99,987,497	99.987 497	10	999,874,970	784,874,970
Mr. Md. Matiul Islam	12,438	0.012438	10	124,380	124,380
Mr. Faruq Ahmed Siddiqi	13	0.000 013	10	130	130
Mr. A F Nesaruddin	13	0.000 013	10	130	130
Mr. Md. Khalilur Rahman	13	0.000 013	10	130	130
Mr. Md. Shamim Ahamed	13	0.000013	10	130	130
Mr. Md. Manirul Islam	13	0.000013	10	130	130
	100,000,000	100.000		1,000,000,000	785,000,000

During the year paid up capital was enhanced from BDT 785,000,000 to 1,000,000,000 through issuance of 21,500,000 right shares at BDT 10 each totaling BDT 215,000,000 to the existing shareholders which was approved by the board of directors of IIDFC Securities Limited meeting held on 14 July 2014. Date of consent from BSEC was obtained on 19 November 2014 vide letter No.BSEC/CI/CPLC-486/2014/786.

## 13. Retained earnings

Opening balance  
Add: Prior year's adjustment

Add: Net profit for the year  
Closing balance

21,675,422	(8,548,584)
-	2,685,010
21,675,422	(5,863,574)
42,036,351	27,538,996
63,711,773	21,675,422
587,705,579	762,700,860
312,394,331	526,718,205
900,099,910	1,289,419,065

## 14. Long-term loan

Term loan-up to 6 years  
Term loan-up to 10 years

The above loan was taken from IIDFC Limited @15.5% per annum. The year total loan settlement for the year is BDT 552,550,293 out of which BDT 215,000,000 was transferred to paid-up capital and remaining amount of BDT 337,550,293 has been paid against term loan.

## NOTES TO THE FINANCIAL STATEMENTS

### 15. Deferred tax liability

2014

BDT

2013

BDT

Deferred tax liability has been recognised and measured in accordance with the provision of BAS 12: Income Tax. Deferred tax liability is attributable to the following:

Particulars	Carrying amount of assets/liabilities	Tax base	Taxable/ (deductible) temporary difference	Taxable/ (deductible) temporary difference
	BDT	BDT	BDT	BDT
Furniture and fixtures	2,625,406	2,778,140	(152,734)	(137,265)
Office decoration	8,012,828	8,695,923	(683,095)	(324,712)
Office equipment	5,310,678	5,524,234	(213,556)	1,051,392
Computer software	654,808	251,319	403,489	452,200
	16,603,720	17,249,616	(645,896)	1,041,615
Applicable tax rate			35%	37.5%
Deferred tax liability / (assets)			(226,064)	390,606

### 16. Short-term loan

Investment Corporation of Bangladesh (ICB):

Opening balance

Add: Received during the year

Less: Paid during the year

Closing balance

-  
201,450,292  
201,450,292  
33,826,987  
**167,623,305**

-  
-  
-  
-  
-

The above term loan was taken from Investment Corporation of Bangladesh (ICB) at an interest rate of 7% per annum with quarterly installment by three (3) years under the Government package of "Puji Bazar Khotigrosto Khudro Biniogkarider Shohyaoto Tohobi" for affected small investors.

### 17. Inter-company current account

IIDFC Limited

IIDFC Capital Ltd

-  
214,065  
214,065  
3,873,643

### 18. Accounts payable

Merchant banks (note 18.1)

DSE - broker and dealer (note 18.2)

180,838  
2,216,096  
2,396,934

575,925  
756,920  
1,332,845

#### 18.1 Merchant banks

IIDFC Capital Limited

Southeast Bank Capital Services Ltd

-  
180,838  
180,838

240,920  
335,005  
575,925

## NOTES TO THE FINANCIAL STATEMENTS

### 18.2 Payable to DSE - broker and dealer

Payable to DSE -broker:

Categories A, B, G and N

Category Z

Payable to DSE -dealer :

Categories A, B, G and N

Category Z

2014	2013
BDT	BDT
1,775,756	18,021
437,712	738,819
2,213,468	756,840
1,534	80
1,094	-
2,628	80
2,216,096	756,920

### 19. Accrued expenses

Financial expenses-Investment Corporation of Bangladesh (ICB)

Suppliers

Office rent and service charges

Online and data communication charges

CDBL charges

Audit fees

Legal and professional expenses

Incentive bonus

Electricity bills

Security charges

Telephone bills -BTCL

Water and sewerage charges

Fresh water

Plantation

Others

1,662,264	-
76,761	37,146
900,012	685,055
96,329	96,329
203,138	260,922
95,833	76,667
76,760	31,945
-	1,996,876
104,038	46,107
21,459	21,459
34,559	15,602
13,260	13,260
5,135	3,310
1,650	1,650
4,597	51,749
3,295,795	3,338,077
46,947,934	37,532,324
13,742,729	9,415,610
60,690,663	46,947,934
295,170	-
60,395,493	46,947,934

### 20. Provision for corporate income tax

Opening balance

Add: Provision made during the year

Less: Settlement of previous tax liability

Closing balance

Provision for corporate income tax is made on accounting profit for the year after adjustments for taxable allowances and disallowances as per tax laws.

## NOTES TO THE FINANCIAL STATEMENTS

	2014 BDT	2013 BDT
<b>21. Loan loss reserve</b>		
Loan loss account (21.1)	57,780,643	58,886,152
Interest income loss account (21.2)	443,941,473	354,640,778
	<b>501,722,116</b>	<b>413,526,930</b>
<b>21.1 Loan loss account</b>		
Opening balance	58,886,152	58,995,111
<u>Add:</u> Addition during the year	3,096,702	-
	61,982,854	58,995,111
<u>Less:</u> Adjustment during the year	4,202,211	108,959
Closing balance	57,780,643	58,886,152
<b>21.2 Interest income loss account</b>		
Opening balance	354,640,778	262,428,642
<u>Add:</u> Addition during the year	134,300,000	108,507,658
	488,940,778	370,936,300
<u>Less:</u> Realised during the year	19,786,101	16,295,522
Adjustment during the year	25,213,204	-
<b>Closing balance</b>	<b>443,941,473</b>	<b>354,640,778</b>
<b>22. Other liabilities</b>		
Reserve for risk fund	516,667	416,667
Provision for gratuity	768,496	-
Employer and employee contribution to PF	176,187	-
Others	27,236	29,235
	<b>1,488,586</b>	<b>445,902</b>
<b>23. Interest waived on loan to small investors</b>	-	18,216,809
In the 14th Board Meeting of IIDFC Securities Limited, the Board decided to waive 50% of the interest charged to affected small investor who have involved share markets for the year 2011. This amount has been adjusted with interest income earned during the year.		
<b>24. Brokerage commission</b>		
Commission on securities trading	44,358,080	30,222,316
Commission on sale of mutual fund as selling agent	-	225
Commission on IPO processing	4,763	-
	<b>44,362,843</b>	<b>30,222,541</b>
<b>25. Direct cost</b>		
Laga charges	3,073,245	1,935,469
Howla charges	539,026	444,102
CDBL charges	688,457	195,267
	<b>4,300,728</b>	<b>2,574,838</b>
<b>26. Other operating income</b>		
BO and trading accounts maintenance income	396,700	1,634,900
Notice pay received	96,813	272,667
Charges for dishonoured cheques	17,000	11,000
Others	846	15,432
	<b>511,359</b>	<b>1,933,999</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 27. Operating expenses

Salaries and allowances (note 27.1)
Rent, insurance, electricity, etc (note 27.2)
Legal and professional expenses
Postage, stamp, telecommunications, etc (note 27.3)
Stationery, printing, advertisement, etc (note 27.4)
Directors' fees (note 27.5)
Auditors' fees
Loans and advances written off (note 27.6)
Loss on disposal of assets
Repair and maintenance (note 27.7)
Depreciation (note 27.8)
Other expenses (note 27.9)

#### 27.1 Salaries and allowances

Basic
House rent
Festival bonus
Company's contribution to provident fund
Leave fare assistance
Retirement benefits and gratuity
Car allowance
Medical
Group insurance
Conveyance
Entertainment
Leave encashment
Incentive bonus

#### 27.2 Rent, insurance, electricity, etc

Office rent and service charge
Electricity
Fees, renewal and registration
Water and sewerage
Insurance on fixed assets

#### 27.3 Postage, stamp, telecommunications, etc

Data communication expenses
Mobile
Internet expenses
Telephone
SMS Service
Stamp charges
Postage and courier

#### 27.4 Stationery, printing, advertisement, etc

Printing and stationery
Advertisement in newspaper
Paper, ribbon and cartridge
Table stationery

#### 27.5 Directors' fees

Fees
VAT

2014 BDT	2013 BDT
26,010,560	27,705,591
18,726,621	20,862,198
252,070	232,881
1,893,567	1,702,341
505,992	452,565
46,000	64,707
95,833	76,667
26,292,981	122,681
103,311	55,807
672,059	585,153
4,934,446	4,897,419
2,200,414	2,023,616
81,733,854	58,781,626
12,361,107	12,012,907
6,180,593	6,006,455
2,075,626	1,987,169
1,088,647	1,088,807
880,965	1,006,059
768,496	508,222
720,000	849,642
617,974	600,641
556,034	632,497
394,449	452,054
223,636	163,577
143,033	400,685
-	1,996,876
26,010,560	27,705,591
16,509,428	19,200,323
1,393,242	1,169,197
500,356	111,354
286,599	321,696
36,996	59,628
18,726,621	20,862,198
978,428	844,528
506,724	492,184
185,620	186,936
148,985	120,228
38,000	-
22,261	10,423
13,549	48,042
1,893,567	1,702,341
348,695	277,508
84,057	54,938
65,540	118,352
7,700	1,767
505,992	452,565
40,000	55,000
6,000	9,707
46,000	64,707

## NOTES TO THE FINANCIAL STATEMENTS

	2014 BDT	2013 BDT
<b>27.6 Loans and advances written off</b>		
A good number of investors in the capital market who availed margin loan from the company were not repaying the loan since big crash in the capital market in 2010. Equity of these margin accounts eroded day by day due to continuous fall of share price Index as well as accumulated interest charged on outstanding margin loan.	26,292,981	122,681
Upto 31/12/2014, 56 nos of such investors being unable to repay margin loan, applied for voluntary sale of securities in their portfolios & waiver of remaining margin loan liabilities and closure of the accounts. There being no other way for recovery of such loans, after sale of securities of these portfolios, outstanding unrecovered margin loan BDT 59,662,063.00 was adjusted with loan loss reserve account and BDT 26,292,981.00 margin loan was charged as written off loan loss as on 31 December 2014.		
<b>27.7 Repair and maintenance</b>		
Office equipment	303,595	189,286
Furniture and fixtures	201,882	1,094
Computer software	120,322	394,148
Decoration and renovation	46,260	625
	672,059	585,153
<b>27.8 Depreciation</b>		
Office equipment	3,172,827	3,153,872
Office decoration	1,324,597	1,269,598
Furniture and fixtures	437,022	473,949
	4,934,446	4,897,419
<b>27.9 Other expenses</b>		
Office maintenance (note 27.9.1)	1,215,685	1,158,455
Entertainment	422,902	369,809
Amortisation of intangible assets (note 5)	300,030	237,331
Reserve for risk fund	100,000	100,000
Travelling and conveyance - local	66,104	73,220
Bank charge	58,850	49,999
Newspaper and magazine	14,533	13,427
Books and periodicals	9,610	4,675
Training expenses	8,000	12,000
Membership fees and subscriptions	4,700	4,700
	2,200,414	2,023,616
<b>27.9.1 Office maintenance</b>		
Sub-staff salary-contractual	638,765	716,772
Security charges	139,484	139,484
Cleaning charges	70,605	58,846
Uniform and other apparels	48,510	64,690
Plantation	19,800	19,800
Fresh water	12,895	58,525
Purchase of utensils	6,680	1,120
Others	278,946	99,218
	1,215,685	1,158,455

### 28. Earnings Per Share (EPS)

Earnings Per Share (EPS) is calculated in accordance with BAS 33: Earnings Per Share. The calculation of basic earnings per share at 31 December 2014 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the year ended 31 December 2014.

#### Basic earnings per share has been calculated as under:

Earnings attributable to ordinary shareholders net profit/(loss) after tax	42,036,351	27,538,996
Restated weighted average no. of ordinary shares	81,032,877	78,500,000
Basic Earnings Per Share -restated	0.52	0.35

# NOTES TO THE FINANCIAL STATEMENTS

		2014 BDT	2013 BDT
Particulars	Weightage	No. of Ordinary Shares	
Share outstanding as on 01 January 2014	365	78,500,000	78,500,000
Right shares issued	43	2,532,877	-
		81,032,877	78,500,000
<b>Restated weighted average number of ordinary shares</b>			
Number of ordinary shares at 01 January 2014		78,500,000	78,500,000
Right issue during the year		21,500,000	-
Weighted average no. of ordinary shares at 31 December		100,000,000	78,500,000
Restated weighted average number of ordinary shares		100,000,000	78,500,000
Earnings per share		0.42	0.35
Earnings per share (restated)		0.52	0.35

## 29. Employees' information

A total number of 36 employees were employed in IIDFC Securities Ltd as on 31 December 2014. Each of the employees received salary of amount more than BDT 36,000 per annum during the year 2014.

## 30. Others

- 30.1 Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current years presentation.
- 30.2 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.

for IIDFC Securities Limited

  
Md. Matiu Islam  
Chairman

  
Md. Asaduzzaman Khan  
Director

  
A.T.M. Nasir Uddin  
Chief Executive Officer

  
Md. Shamim Ahamed FCA  
Company Secretary

Dhaka, Bangladesh  
Dated, 30 April 2015

  
S.F. Ahmed & Co.  
Chartered Accountants



Signing of loan agreement of BDT 20.15 crore between ISL and ICB under Government's Affected Small Investors' Incentive Scheme

IF YOU REALLY  
WANT TO DO  
**SOMETHING**  
YOU WILL FIND A  
**WAY**







**PHOTOGRAPHS  
FROM IIDFC'S ALBUM  
2014**

## PHOTOGRAPHS FROM IIDFC'S ALBUM

**13<sup>th</sup> Annual General Meeting  
held on June 10, 2014**



## PHOTOGRAPHS FROM IIDFC'S ALBUM



## PHOTOGRAPHS FROM IIDFC'S ALBUM

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



Signing Ceremony of Syndicated Term Loan Facility of BDT 1004 million  
& USD 6.35 million for Fiber @ Home Ltd.



MOU Signing ceremony with AAA Consultants and Financial Advisers Ltd.

## PHOTOGRAPHS FROM IIDFC'S ALBUM



Term Loan Facility Signing Ceremony of BDT 435 million for  
Infinity Data and Power Limited



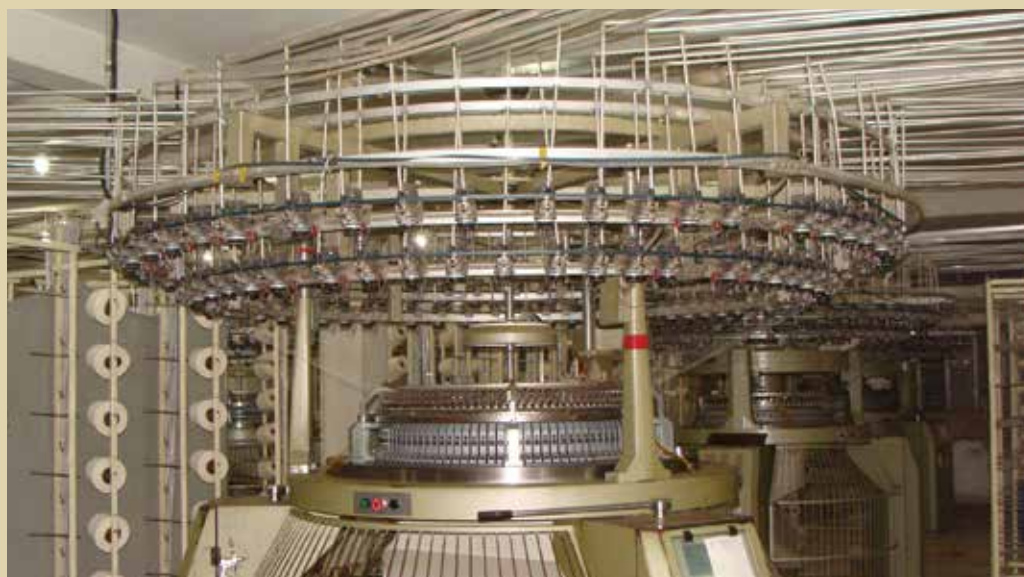
Signing Ceremony of Syndicated Term Loan Facility of BDT 2180 million for  
Sinha Peoples Energy Ltd.

## PHOTOGRAPHS FROM IIDFC'S ALBUM

### Corporate Financed Projects



Panna Battery Limited, West Rasulpur, Kamrangirchar, Dhaka



MASCO Industries Limited, Shataish Road, Gazipura, Tongi, Gazipur

## PHOTOGRAPHS FROM IIDFC'S ALBUM

### Projects Under SME Finance



Al-Mostafa Printing & Packaging Ind. Ltd., Meghnaghat



Modern Plastic, Kamrangirchar, Dhaka

## PHOTOGRAPHS FROM IIDFC'S ALBUM

### Workshop/Seminar



Workshop on Industrial Energy Efficiency Finance Program attended by Honorable Governor, Bangladesh Bank, Dr. Atiur Rahman



Mr. S. K. Sur Chowdhury, DG of Bangladesh Bank Speaking at an Executive Development Seminar

## PHOTOGRAPHS FROM IIDFC'S ALBUM



Mr. Md. Shah Alam, GM, DFIM of Bangladesh Bank Speaking at an  
Executive Development Seminar

## Industrial Energy Efficiency Fair



Honorable Governor visiting IIDFC's Stall at ADB's Industrial Energy Efficiency Finance Program  
held at Hotel Ruposhi Bangla

## PHOTOGRAPHS FROM IIDFC'S ALBUM

### SME Fair



IIDFC's stall in the Women Entrepreneurs' Fair at Ruposhi Bangla Hotel organized by Bangladesh Bank.

### Farewell Reception



Crest awarded to outgoing honorable Vice Chairman of the Board  
Mr. M. Syeduzzaman

## PHOTOGRAPHS FROM IIDFC'S ALBUM

### Corporate Dayout



Corporate Dayout at Grand Sultan Resort, Srimongal, Sylhet



Corporate Dayout at Grand Sultan Resort, Srimongal, Sylhet

## PHOTOGRAPHS FROM IIDFC'S ALBUM

### Celebration

#### Honorable Chairman's birthday





## NOTES



## NOTES

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## NOTES



## NOTES

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## INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

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

### PROXY FORM

I/we.....  
of.....  
.....being a member of Industrial and Infrastructure Development Finance Company Limited do hereby appoint  
Mr./Mrs./Ms.....  
of.....or failing him/her.....of.....  
as proxy to attend and vote for me/us and on my/our behalf in the 14<sup>th</sup> Annual General Meeting of the company to be held on  
**Tuesday, July 28, 2015 at 11.00 a.m. at Chamber Building (6<sup>th</sup> Floor), 122-124 Motijheel C/A, Dhaka # 1000, Bangladesh** and  
any adjournment thereof.  
As witness my/our hand this .....day of .....2015

Revenue  
Stamp of  
Tk. 20.00

.....  
Signature of Shareholder

.....  
Signature of Proxy

