

ANNUAL REPORT | 2016



Fostering Sustainable Growth

Industrial and Infrastructure
Development Finance Company Limited

IIDFC





Annual Report

Year ended 31st December 2016



2016



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 industrial and infrastructure projects. IIDFC's debut in the capital market was through flotation of convertible zero coupon bond, a new and innovative financial instrument. Its presence in the capital market is through its two subsidiaries—one for merchant banking operation and the other for brokerage services.

লালো শহিদেৰ ৰক্তে ভেজা
আমাদেৰ এই বাংলাদেশ
শুদ্ধাচাৰে ঋদ্ধ হযে
দুৰ্নীতিকে কৰব শেষ।

—সাগৰ আশরাফ



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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 16th Annual General Meeting

Notice is hereby given to all shareholders of the Company that the 16th Annual General Meeting of **Industrial and Infrastructure Development Finance Company Limited** will be held on Thursday, July 20, 2017 at 12.30 p.m. at Chamber Building (6th Floor), 122-124 Motiheel C/A, Dhaka-1000, Bangladesh to discuss the following businesses:

- I. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2016 and Auditors' Report & Directors' Report thereon;
2. To approve dividend for the year 2016 as recommended by the Board of Directors;
3. To election/re-election of Directors of the Company;
4. To appoint auditors for the year 2017 and fix their remuneration; and
5. To transact any other business with the permission of the Chair.

Dated, Dhaka
July 02, 2017

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 (6th Floor), 122-124 Motijheel C/A, Dhaka-1000.
3. Members are requested to notify change of address, if any, to the Company.



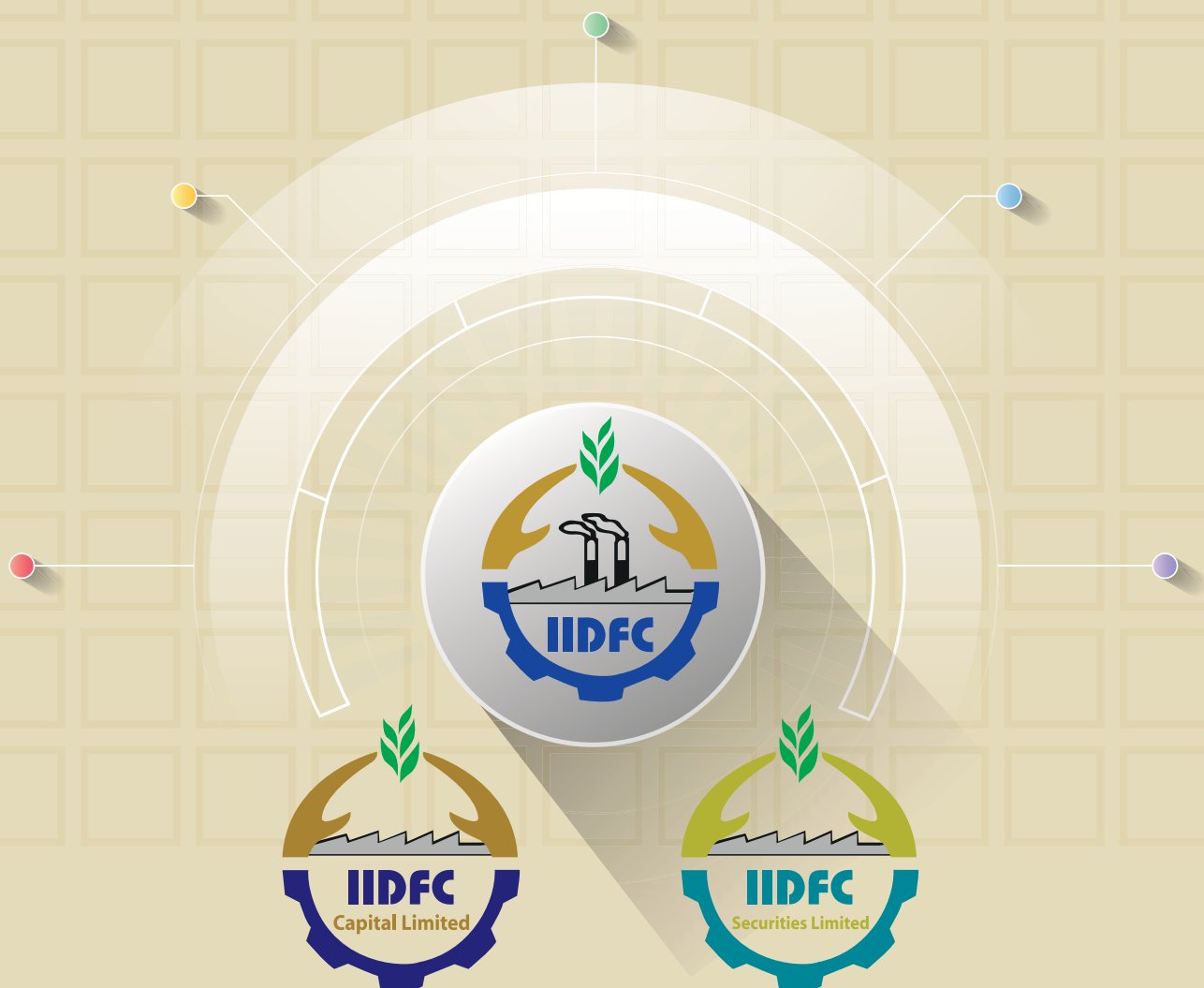
Milestone Events

2000	Dec 19	<ul style="list-style-type: none"> Incorporated with RJSC, Bangladesh.
2001	Jan 23	<ul style="list-style-type: none"> Bangladesh Bank issues license.
	Jan 25	<ul style="list-style-type: none"> 1st meeting of the Board of Directors.
	Apr 01	<ul style="list-style-type: none"> Commercial operation starts.
2003		<ul style="list-style-type: none"> Launching of first ever Zero Coupon Bond by IIDFC.
2004		<ul style="list-style-type: none"> Syndication of 1st commercial loan of BDT 100 crore for BRAC.
2006		<ul style="list-style-type: none"> Term Loan Syndication for Warid Telecom International Ltd. [BDT 300 Crore] signed in Abu Dhabi.
		<ul style="list-style-type: none"> Sanctioning of 1st SME Loan.
2007		<ul style="list-style-type: none"> Syndication of Term Loan Facility of BDT 810 million for Ranks Telecom Limited (RTL).
2008		<ul style="list-style-type: none"> Term Loan Syndication for SUMMIT Uttaranchol & Purbanchol Power Company Ltd. (BDT 395 Crore).
		<ul style="list-style-type: none"> Opening of 2nd Branch in Chittagong.
2009		<ul style="list-style-type: none"> Commencing operation of Brokerage Services.
		<ul style="list-style-type: none"> Working Capital Loan Syndication for BSRM Iron & Steel Co. Ltd. (BDT 178.80 Crore).
		<ul style="list-style-type: none"> Sales agreement with the World Bank & Govt. of Denmark for delivery of 250,000 tons of Carbon Emission Reduction (CER) by Brick Manufacturing Industries using HHK technology.
		<ul style="list-style-type: none"> Formation of IIDFC Capital Limited.
		<ul style="list-style-type: none"> IIDFC's contribution in mitigation of green house gas emissions was recognized in the inaugural session of 15th Global Climate Conference (COP 15) held at Copenhagen on December 07, 2009.
		<ul style="list-style-type: none"> Introduction of first ever ACI Convertible Zero Coupon Bond in Bangladesh (BDT 100 Crore).
2010		<ul style="list-style-type: none"> 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).
		<ul style="list-style-type: none"> First ever conversion of term loan of BDT 3,122.20 million into redeemable cumulative preference shares of Summit Group's Summit Uttaranchal Power Company Ltd. and Summit Purbanchal Power Company Ltd. (September 2010).
		<ul style="list-style-type: none"> Syndication agreement with Sinha Power Generation Company Ltd., for establishing a 50 MW rental power plant at cost of BDT 2,348.50 million (December 15, 2010).
		<ul style="list-style-type: none"> Signing of agreement between IIDFC and National Small Industries Corporation Ltd. (NSIC), India for the development of small industries in Bangladesh.
2011		<ul style="list-style-type: none"> First ever CDM Project in the brick manufacturing sector of Bangladesh got registered with UNFCCC (August 18, 2011) with IIDFC acting as the Bundling Agent.
		<ul style="list-style-type: none"> 9 day SME Technology Fair-2011 (October 9-16, 2011) organized by IIDFC and NSIC, India at Dhaka.



Milestone Events

2012		<ul style="list-style-type: none"> The second CDM project HHK (Bundle-2) got registered with UNFCCC (July 31, 2012). Signing of a US\$ 6 million loan facility with the Asian Development Bank (November 15, 2012) to improve industrial energy efficiency in 6 different sectors of Bangladesh.
2013		<ul style="list-style-type: none"> Mandated as the lead arranger to raise syndicated facilities of Term Loan Facility of BDT 583.00 million and Working Capital Facilities of BDT 210.00 million for Infinity Data and Power Ltd. Arranged Term Loan Facility of BDT 2180.00 Million for Sinha Peoples Energy Limited for establishing a 52.5 MW HFO based power generation facility at Katpotti, Munshiganj under syndication arrangement.
2014		<ul style="list-style-type: none"> Arranged Term Loan Facility of BDT 1000.4 million and USD 6.35 million for Fiber @ Home under syndication arrangement, which is First ever World Bank Financing in IT sector through IPFF cell of Bangladesh Bank. Arranged Term Loan Facility of BDT 435.00 million for Infinity Data and Power Limited (IDPL) for setting up a cable manufacturing facility in Kazipara, Narayanganj under syndication arrangement. CER revenue worth USD 240,000 received and distributed amongst participating brick kiln owners using HHK Technology and other stakeholders.
2015		<ul style="list-style-type: none"> Arranged BDT 3,420.00 million through issuance of 8 (eight) commercial Papers (both in secured and unsecured mode) for different economic sectors i.e. Textile, Automobile, Steel & Iron and ICT sector. Arrangement of Tier II Capital for Social Islami Bank Limited through issuance of SIBL Mudaraba Subordinated Bond. Issue size BDT 3,000.00 million. IIDFC entered into a Certified Emissions Reduction Purchase Agreement (CERPA) with the Asian Development Bank to sell 160,000 tons of Emissions Reduction during 2016-2019 generated by its 2 Energy Efficient Brick Manufacturing Clean Development Mechanism projects on 09 April, 2015. UNFCCC issued 50,877 tons of Certified Emissions Reductions (CERs) for the 2 CDM projects of IIDFC during September 2015. CER revenue worth USD 578,330 received and distributed amongst brick kiln owners and other stakeholders.
2016		<ul style="list-style-type: none"> Structured Finance Team successfully arranged BDT 1,441.60 million for IPFF project of Summit Communications Ltd. The project is facilitated by Bangladesh Bank and Funded by World Bank. IIDFC became a Participatory Financing Institution in the "PPP Financing Partnership Program" through signing a MoU with "PPP Authority" on November 3, 2016. The MoU will allow IIDFC to have priority access to the feasibility studies and draft tender documents of PPP projects. UN's Climate Change Convention i.e. UNFCCC issued 53,069 tons of Certified Emissions Reductions (CERs) for the 2 CDM projects of IIDFC during September 2016. This issuance generated revenue worth USD 721,000, a part of which was distributed among the stakeholders of IIDFC's CDM Brick Manufacturing Project. Opening of 3rd Branch at Uttara, Dhaka on May 05, 2016. Invited by the World Bank, IIDFC participated in the Carbon Expo 2016 held in Cologne, Germany from May 25 to 27 2016 and showcased the benefits of its Clean Development Mechanism (CDM) Brick Manufacturing project and emphasized on the necessity of large-scale GHG mitigation projects in Bangladesh. IIDFC participated in the BRICS Annual Financial Summit held in Goa, India on October 14-16, 2016 and focused on the scopes of future collaboration between the financial institutions of BRICS member countries.





Corporate Information

Registered Head Office

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

Chittagong Branch

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

Uttara Branch

Kanak Arcade (4th floor)
14 Sonargaon Janapath
Sector-9, Uttara, Dhaka-1230
Phone: +880-2- 48952517
Fax: +880-2- 48954111

Gazipur Branch

MAS Square (4th floor), Holding No.-727
Outpara, Chandana Chowrasta
Gazipur-1702, Bangladesh
Phone: +880-2-49261020
+880-2-49261021

Keraniganj Branch

BT Tower (2nd floor), Kodomtoli More
Keraniganj, Dhaka-1310, Bangladesh
Phone: +88-01713-385090

Subsidiaries

IIDFC Securities Ltd.

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

IIDFC Capital Ltd.

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

Others

Auditors

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

Business Hours

Unless Otherwise
advised by Bangladesh Bank:
10.00 a.m. to 6.00 p.m
From Sundays to Thursdays

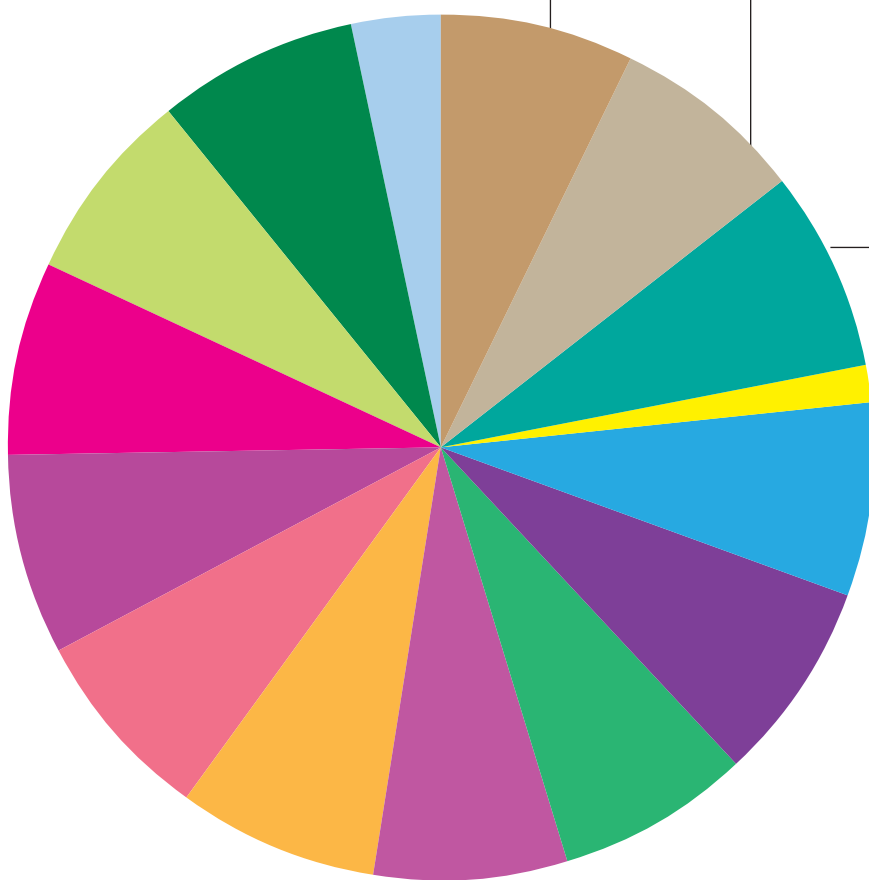


Our Bankers

Bank Asia Limited	Principal Office Branch
BRAC Bank Limited	Head Office
Shahjalal Islami 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	Head Office
Commercial Bank of Ceylon PLC	Motijheel Office
The Premier Bank Limited	Elephant Road Branch
Dutch-Bangla Bank Limited	Dhanmondi Branch
Jamuna Bank Limited	Dilkusha Branch
South Bangla Agriculture and Commerce Bank Limited	Head Office
Modhumoti Bank Limited	Head Office
ICB Islamic Bank Limited	Head Office
NRB Commercial Bank Limited	Head Office
Eastern Bank Limited	Head Office
Janata Bank Limited	Head Office
Midland Bank Limited	Head Office
Shimanto Bank Limited	Head Office



Shareholding Structure





Public Sector

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

Private Sector

■	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%
	Total	78.01%
	Grand Total	100%



Board of Directors

Chairman	Mr. Md. Matiul Islam, FCA
Vice Chairman	Mr. Anis A. Khan Managing Director & CEO, Mutual Trust Bank Limited
Directors	Mr. Md. Abdus Salam, FCA CEO & Managing Director, Janata Bank Limited
	Mr. Md. Obayed Ullah Al Masud CEO & Managing Director, Sonali Bank Limited
	Mr. Selim R.F. Hussain Managing Director & CEO, BRAC Bank Limited
	Mr. A F M Shariful Islam Managing Director, National Bank Limited
	Mr. Sheikh Mohammad Maroof DMD & Head of Wholesale Banking, The City Bank Limited
	Ms. Humaira Azam Deputy Managing Director, Bank Asia Limited
	Mr. Wakar Hasan Deputy Managing Director, ONE Bank Limited
	Mr. Md. Iftikhar-Uz-Zaman Managing Director, Investment Corporation of Bangladesh
	Mr. Ghulam Rahman Executive Vice Chairman, Eastland Insurance Company Limited
	Mr. Jamal Mohammad Abu Naser CEO, National Life Insurance Company Limited
	Mr. Md. Manirul Islam Managing Director & CEO, Pragati Insurance Limited
Managing Director	Mr. Md. Asaduzzaman Khan
Other Promoters	AB Bank Limited
	Southeast Bank Limited
Company Secretary	Mr. Md. Shamim Ahamed, FCA



Brief Profile of the Directors



Mr. Md. Matiul Islam, FCA
Chairman, IIDFC Limited

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



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

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

AAK has received on job exposure and training on nearly all aspects of banking, management and leadership practices in his 35 years banking career. He also has sound knowledge of merchant banking, stock brokerage services, leasing, factoring, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and upgradation of information technology platforms, acquired in Bangladesh, India, UAE, UK, Australia and South Africa. He also attended an Executive Program in Corporate Governance and Strategic Management at the Haas Business School of the University of California, Berkeley in May 2014 and at INSEAD, Fontainebleau, France in October 2015. In June 2015, Anis presented a paper on “Financing the Transformation of the Bangladesh Garment Industry” at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA.

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



Brief Profile of the Directors



Mr. Md. Abdus Salam, FCA

Director, IIDFC Limited
CEO & Managing Director
Janata Bank Limited

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 muslim family. Mr. Salam studied at Dhaka College, Dhaka for his higher secondary education, followed by his graduation and post-graduation 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 adorned 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 include 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 is a fellow of National Defence College (NDC) under certification of Capstone Course-2016. Mr. Salam was rewarded with the "Shilpacharja Zoinul Abedin Gold Medal" in 2016 for his contribution in Banking. He attended various workshops, seminars and received different trainings at home and abroad. He travelled a number of countries including USA, France, Germany, Italy, Spain, UAE, KSA, the Netherlands and India.



Mr. Md. Obayed Ullah Al Masud

Director, IIDFC Limited
CEO & Managing Director
Sonali Bank Limited

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

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

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

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

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



Brief Profile of the Directors



Mr. Selim R.F. Hussain

Director, IIDFC Limited
Managing Director & CEO
BRAC Bank Limited

Mr. Hussain is the Managing Director & CEO of BRAC Bank Limited, a leading private sector bank with a market capitalization of US\$585 million and a FUM size of US\$4.40 billion that focuses on SME financing. Mr. Hussain joined BRAC Bank in November 2015 and has led the bank to extraordinary performance in 2016 with 83% net profit growth and 11% assets growth. Mr. Hussain is a career banker and an immediate past CEO & Managing Director of IDLC Finance Limited who is widely recognized and highly acclaimed across the financial sector for being the architect of IDLC Finance's meteoric rise over the six years he was there.

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

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



Mr. A F M Shariful Islam

Director, IIDFC Limited
Managing Director
National Bank Limited

Mr. A F M Shariful Islam is the Managing Director of National Bank Limited with 26 years' practical experience in banking. His varied and diversified exposures on different aspects of Core Banking Operations have endowed him with a sound and matured professional background about the overall financial dynamics. He has been instrumental in creating an environment for learning, sharing and expanding coverage of financial services and adopting a unified regional strategy for profitable deployment of products offerings, enhancing market share and taking initiatives in the key areas which are crucial catalysts to dominate the future of the financial services industry.

Mr. Islam started his banking career in AB Bank Limited in October, 1986 as Probationary Officer and completed M.A. in Economics from Rajshahi University. He spent above 22 years with AB Bank Ltd, Dhaka Bank Ltd, Prime Bank Ltd, SIBL and Southeast Bank Ltd. holding important positions at branch offices and Head Office. Mr. Islam had been a regular Guest Speaker at Bangladesh Institute of Bank Management, Mirpur, Dhaka. He is married fathering three daughters.



Brief Profile of the Directors



Mr. Sheikh Mohammad Maroof

Director, IIDFC Limited
Deputy Managing Director
The City Bank Limited

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

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



Ms. Humaira Azam

Director, IIDFC Limited
Deputy Managing Director
Bank Asia Limited

Humaira Azam started her professional career in 1990 as a Management Trainee in ANZ Grindlays Bank. She becomes the first woman to head a Private Commercial Financial Institution in Bangladesh. She has been involved in various leadership roles throughout her tenure entailing problem solving in a multicultural challenging environment. She has acquired all rounded expertise in corporate and commercial banking, marketing, financial institutions, market risk, special assets, debt restructuring, securities and credit including Management. So far she has worked with three multinational banks (ANZ, HSBC & SCB) and one financial institution (majority share-holder being AGFED- Aga Khan Fund for Economic Development) with a successful track record. Currently she is holding the position of Chief Risk Officer and Deputy Managing Director of Bank Asia Ltd. in Bangladesh. Humaira joined HSBC Bangladesh since its inception and laid a very strong framework for Corporate/OBU, Custodian and Institutional Banking. Humaira was instrumental in recovery of NPL portfolio of Standard Chartered Bank in Bangladesh successfully. As a member of the Country Management Committee (MANCO) of SCB she has played a strong role in the Country Strategy and restructured and broadened Financial Institutions' role in Bangladesh.

After joining IPDC of Bangladesh Limited in April 2009 as Managing Director & CEO she was able to turn around the company and made significant progress in business and restored the capital.

Currently she is holding the position of Deputy Managing Director & CRO.



Brief Profile of the Directors



Mr. Wakar Hasan

Director, IIDFC Limited
Deputy Managing Director
ONE Bank Ltd.

Mr. Wakar Hasan, Deputy Managing Director of ONE Bank Ltd. has been in this position since May 02, 2013. Mr. Hasan is a career banker working in banking sector for last 33 years having in depth knowledge on Credit, Trade Finance, International Division and Operations.

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

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



Mr. Md. Iftikhar-uz-Zaman

Director, IIDFC Limited
Managing Director, ICB

Mr. Md. Iftikhar-uz-Zaman, Managing Director of the Investment Corporation of Bangladesh (ICB), was born in Rajshahi in 1957 and obtained B.A. (Hons) and M. A. in Statistics from Rajshahi University. He started his career with ICB as a Senior Officer in the year 1983 and enriched his career through development of expertise in the field of capital market and investment banking. Holding different senior management positions, he served important departments of ICB with high reputation and success. He also served Janata Bank Limited as Deputy Managing Director. He is a seasoned professional and has strong knowledge in capital market operations. He reached the pinnacle of ICB by means of his hard work, utmost dedication and high managerial skill. He attended a number of training programs on capital market at home and abroad.



Brief Profile of the Directors



Mr. Ghulam Rahman

Director, IIDFC Limited
Executive Vice Chairman
Eastland Insurance Company Limited

Mr. Ghulam Rahman is a veteran banker who started his banking career in the then United Bank Limited in 1961. During his 35 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 coopted 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 programs at home and abroad.



Mr. Jamal Mohammed Abu Naser

Director, IIDFC Limited
Chief Executive Officer
National Life Insurance Co. Limited

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



Brief Profile of the Directors



Mr. Md. Manirul Islam

Director, IIDFC Limited
Managing Director & CEO
Pragati Insurance Limited

Mr. Md. Manirul Islam is the Managing Director and CEO of Pragati Insurance Limited 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 in 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 a number of insurance, re-insurance and finance related seminars, symposiums and workshops. He participated in various professional training courses at home and abroad. Mr. Islam is associated with various social organizations. He was a councilor of Bangladesh Football Federation (BFF). He was also a Councilor and Member of the Finance Committee of Bangladesh Cricket Board (BCB). He is Director of National Housing Finance and Investment Ltd., Kay and Que Ltd. and IIDFC Securities Ltd.



Mr. Md. Asaduzzaman Khan

Managing Director, IIDFC Limited
Director (Ex Officio)

Mr. Md. Asaduzzaman Khan, a career central banker, joined IIDFC as Managing Director in July 2008 after taking voluntary retirement from the Bangladesh Bank where he was serving as Executive Director. He held key positions in Bangladesh Bank in its important departments including Banking Regulations and Policy Department (BRPD), Foreign Exchange Policy Department (FEPD), and Bank Supervision Departments. He also worked as the Managing Director of the Security Printing Corporation (SPCBL) of Bangladesh which is responsible for currency note printing for the Country. While in the Bangladesh Bank, Mr. Khan was appointed as Administrator of the problem-ridden Oriental Bank Ltd. (now ICB Islamic Bank Ltd.) with the mission to save the bank from the throes of bankruptcy. He successfully completed his mission within a period of only 21 months and handed over its ownership to new owners as per restructuring plan of the Central Bank. This spectacular achievement to resuscitate what looked like a dying bank within such a short period drew applause from home and abroad and is regarded as one of the important success stories of the Central Bank. A Diplomaed Associate of the Institute of Bankers, Bangladesh (DAIBB), Mr. Khan did his B.A. (Hons) and M.A. in Economics from the University of Dhaka and M.A. in Banking and Finance from the University of Wales, UK. He 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. He was awarded 'Nirnay Swarna Padak' and 'Sufi Motahar Hossain Padak' for his contributions in Banking and Economics.



Executive Committee of the Board

Mr. Md. Matiul Islam, FCA

Chairman

Mr. Anis A. Khan

Vice Chairman

Managing Director & CEO, Mutual Trust Bank Limited

Member

Mr. Selim R.F. Hussain

Managing Director & CEO, BRAC Bank Limited

Member

Ms. Humaira Azam

Deputy Managing Director, Bank Asia Limited

Member

Mr. Sheikh Mohammad Maroof

DMD & Head of Wholesale Banking,

The City Bank Limited

Member



Audit Committee of the Board

Mr. Md. Abdus Salam, FCA

CEO & Managing Director, Janata Bank Limited
Chairman

Mr. Md. Obayed Ullah Al Masud

CEO & Managing Director, Sonali Bank Limited
Member

Mr. A F M Shariful Islam

Managing Director, National Bank Limited
Member

Mr. Wakar Hasan

Deputy Managing Director, ONE Bank Limited
Member

Mr. Md. Iftikhar-Uz-Zaman

Managing Director, Investment Corporation of Bangladesh
Member



Committees of IIDFC

SME Credit Committee	<p>Mr. Md. Matiul Islam, Chairman</p> <p>Mr. Md. Asaduzzaman Khan, Managing Director</p> <p>Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary</p> <p>Mr. Refaet Ullah, VP and Head of SME Department</p> <p>Mr. Md. Arifur Rahman, AVP and Head of Credit Risk Management</p>
Asset Liability Management Committee (ALCO)	<p>Mr. Md. Asaduzzaman Khan, Managing Director</p> <p>Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary</p> <p>Mr. Ahmmed Ashique Mahmud, EVP and Head of Structured Finance</p> <p>Mr. Md. Shahanur Rashid, VP and Head of Corporate Finance</p> <p>Ms. Shahnaj Sultana, VP and Head of Treasury</p> <p>Mr. Refaet Ullah, VP and Head of SME Finance</p> <p>Mr. Lingkon Mondal, FCA, VP- Head of Accounts</p> <p>Mr. Mohammad Jayed Hossain, AVP and Head of ICC</p> <p>Mr. Md. Mijanur Rahman, DM- Treasury</p>
Credit Risk Appraisal Committee	<p>Managing Director, Chairman</p> <p>CFO & Company Secretary, Member</p> <p>Head of Structured Finance, Member</p> <p>Head of Corporate, Member</p> <p>Head of SME, Member</p> <p>Head of Treasury, Member</p> <p>Head of CAD, Member</p> <p>Head of CRMD, Member</p>
Central Compliance Unit	<p>Mr. Md. Shamim Ahamed, FCA, CAMLCO, EVP-CFO & Company Secretary</p> <p>Mr. Md. Shahanur Rashid, VP and Head of Corporate Finance</p> <p>Ms. Shahnaj Sultana, VP and Head of Treasury</p> <p>Mr. Refaet Ullah, VP and Head of SME Finance</p> <p>Mr. Md. Arifur Rahman, AVP and Head of Credit Risk Management</p> <p>Mr. Md. Mijanur Rahman, DCAMLCO, DM- Treasury</p>
Risk Management Forum	<p>Mr. Md. Asaduzzaman Khan, Managing Director</p> <p>Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary</p> <p>Mr. Md. Shahanur Rashid, VP and Head of Corporate Finance</p> <p>Ms. Shahnaj Sultana, VP and Head of Treasury</p> <p>Mr. Refaet Ullah, VP and Head of SME Finance</p> <p>Mr. Lingkon Mondal, FCA, VP- Head of Accounts</p> <p>Mr. Md. Mijanur Rahman, DM- Treasury</p>



Senior Management Team (SMT)

IIDFC Ltd.

Mr. Md. Asaduzzaman Khan, Managing Director
 Mr. Md. Shamim Ahamed, FCA, EVP-CFO & Company Secretary
 Mr. Ahmmed Ashique Mahmud, EVP-Head of Structured Finance
 Mr. Shahanur Rashid, VP-Head of Corporate Finance
 Mr. Refaet Ullah, VP-Head of SME
 Mr. Md. Nizam Uddin Chowdhury, VP- Head of Chittagong Branch
 Ms. Shahnaj Sultana, VP- Head of Treasury
 Mr. Lingkon Mondal, FCA, VP- Head of Accounts
 Mr. Md. Junnur Rahman, Head of Legal Affairs
 Mr. Md. Arifur Rahman, AVP-Head of CRM
 Ms. Nandita Ayesha Zaman, AVP-Corporate Finance
 Mr. Samiur Rahman, AVP-Corporate Finance
 Ms. Kanij Fatema, AVP-Corporate Finance
 Mr. Mohammad Jayed Hossain, AVP-Head of ICC
 Ms. Naureen Hossain, AVP-Corporate Finance

IIDFC Securities Ltd.

Mr. A. T. M Nasir Uddin, Chief Executive Officer
 Ms. Ashrafun Nessa, Chief Operating Officer
 Mr. Mia Mohammad Abdullah, Senior Assistant Vice President
 Mr. Syed Md. Majbahul Amin, Assistant Vice President

IIDFC Capital Ltd.

Mr. Md. Saleh Ahmed, Chief Executive Officer



SENIOR MANAGEMENT TEAM



Standing (L-R):

Ms. Naureen Hossain
 Mr. Mohammad Jayed Hossain
 Ms. Shahnaj Sultana
 Mr. Refaet Ullah
 Mr. Samiur Rahman
 Mr. Md. Asaduzzaman Khan
 Mr. Shahanur Rashid
 Mr. Md. Shamim Ahamed

Mr. Lingkon Mondal

Ms. Nandita Ayesha Zaman

Not in the Picture:

Mr. Ahmmmed Ashique Mahmud
 Mr. Md. Nizam Uddin Chowdhury
 Mr. Md. Arifur Rahman
 Mr. Md. Junnur Rahman
 Ms. Kanij Fatema



IIDFC Staff Members



Corporate Finance Department



SME Finance Department



IIDFC Staff Members



Structured Finance Department



Finance & Accounts Department



IIDFC Staff Members



Legal Department



Treasury Department



IIDFC Staff Members



Share Market Investment Cell & Carbon Finance Unit



Human Resources Department



Administration Staff



IIDFC Staff Members



Central Compliance Unit



CRMD and CAD



IIDFC Staff Members



CIB Cell



IT Department



IIDFC Staff Members



ICC Department



Chittagong Branch



IIDFC Staff Members



Deposit Mobilization Team



Uttara Branch



IIDFC Staff Members



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.

Products & Services



2. CDM Consultant in Large Scale CDM Projects:

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

3. Coordinating and Managing Entity in Programmatic CDM:

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

Financing Mitigation Projects

1. CDM Project:

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

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

2. Energy Efficiency Improvement Project:

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

Carbon Finance: Caring Nature and Environment



Brick Kiln Owners with IIDFC officials in the Carbon Revenue Distribution Program

Energy Efficient Brick Making CDM:

Brick making is one of the most environment polluting activity in Bangladesh emitting around 8 million tons of harmful Green House Gases (GHG) annually. The commonly used technologies of Fixed Chimney Kilns (FCK) and Zigzag kilns numbering around 6000-7000 units spread throughout the country, coal usage is around 24 tons for every 100,000 pieces of bricks. The better energy efficient alternatives for brick manufacturing are Tunnel kilns and Hybrid Hoffmann Kilns (HHK) where the coal usage is reduced to around 14-15 tons per 100,000 bricks.

IIDFC, a leading Financial Institution of the country jointly with the UNDP and the World Bank, introduced the Hybrid Hoffmann Kiln (HHK) technology in the country back in 2007. A Certified Emissions Reduction Purchase Agreement (CERPA) was signed with the World Bank and the Danish Government to deliver 249,000 tons of CO₂ emission reductions over 5 years from 16 HHK units. IIDFC has been able to deliver 121,000 tons of

CO₂ emissions reduction from 11 HHK units by the end of 2015. Another agreement has been executed with the Asian Development Bank (ADB) to deliver 160,000 tons of CO₂ during 2016-2019.

The 11 factories bundled in IIDFC's CDM project are the very first HHK technology brick units established in the country. It can be mentioned that, every single sized HHK replaces 7 to 8 units of Fixed Chimney Kilns. This initiative of IIDFC not only helped to reduce GHG emissions but also helped to establish a new greener and sustainable technology in the country.

A total of 53,067 tons of CO₂ equivalent emissions reductions have been achieved during the period 2014-2015 by these HHK units which were certified by UNFCCC on 30 September 2016. The transaction of these CERs resulted in revenue of USD 721,609 of which the kiln owners have received BDT equivalent of USD 461,751 as their share of proceeds.



Energy Efficiency Financing Program:

IIDFC was involved in an Energy Efficiency Improvement project namely “Bangladesh Industrial Energy Efficiency Improvement Financing Program (BIEEFP)” initiated by the Asian Development Bank (ADB). 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 scarce industrial sector of our country. IIDFC is also working with other development organizations in the Energy Efficiency Financing Sector.



Kick-off meeting for Verification

RATINGS OF IIDFC



National Credit Ratings Limited

NBFI

Ratings are based on Audited Financial Statement up to December 31, 2016 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 & NBFI) of NCR published in our website.

Website: www.ncrbd.com

INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

SURVEILLANCE ENTITY RATING – 2017		
Date of Rating Declaration	Long Term	Validity
03.07.2017	AA (Double A)	ST-2
Outlook	Stable	
SURVEILLANCE ENTITY RATING – 2016		
Date of Rating Declaration	Long Term	Validity
29.06.2016	AA (Double A)	ST-2

Validity: Long term rating is valid for one year and short term rating is valid for six months from the date of rating declaration.

RATING RATIONALE

NCR has reaffirmed the previous entity ratings of Industrial and Infrastructure Development Finance Company Limited based upon improved business performance marked by increase in gross loan and advances, net income, ROA and ROE, properly maintained capital adequacy ratio, provisions for nonperforming loans & negative equity margin loans and provision against diminution in value of investment. The ratings also draw strengths from qualitative factors such as good track record of governing body and management team with affluent experience and rich educational background and adequacy of framework, policies and guidelines for risk management, internal control, credit approval, maintenance of regulatory requirements etc. The ratings are, however, constrained by increase in non-performing loan, decline in interest based income and deterioration in other performance indicators which include decrease in CAR, NIM, Asset Yield and Spread. Moreover, the occurrence of capital loss against the investment made in securities and no progress in recovery of the loan disbursed to the subsidiary companies also restrained the ratings. The ratings also take into consideration low interest rate environment and economic expansionary policies taken by the government. NCR, in the view of the company's recent operational performance and current economic position, considers the outlook of the company as 'Stable' indicating that the existing fundamentals may remain unchanged in near future.

ASSESSMENT

- The shareholders' equity of the company on consolidated basis increased to TK 1,648.75 million in 2016 against TK 1,522.77 million in 2015 including Non-controlling Interest of TK 148,079 and TK 145,408 in 2016 and 2015 respectively.
- The total eligible capital on solo basis was reported TK 1,746.88 million that included Core Capital (Tier-I) of TK 1,623.67 million and Supplementary Capital (Tier-II) of TK 123.21 million in 2016, representing a capital surplus of TK 341.37 million. Finally the CAR was posted 12.43%
- The consolidated gross lease and advances of IIDFCL increased to TK 16,441.24 million in 2016 from TK 12,966.39 million in 2015. The gross lease and advances of IIDFCL on solo basis increased to TK 14,553.89 million in 2016 from TK 10,893.58 million in 2015.
- The Non-Performing lease and advances of IIDFCL on solo basis increased to TK 688.01 million in 2016 from TK 521.43 million in 2015. IIDFCL on solo basis maintained provision of TK 377.19 million in 2016 against required provision for loans and advances was TK 356.26 million for the year 2016.
- The Net Interest Income on consolidated basis decreased to TK 333.87 million in 2016 from TK 442.79 million in 2015. The total net revenue on consolidated basis increased to TK 618.38 million in 2016 from TK 533.30 million in 2015. IIDFCL evidenced a consolidated net profit of TK 225.99 million in 2016 against TK 119.67 million in 2015. ROE and ROA went up to 14.25% and 1.26% in 2016 respectively from 7.91% and 0.77% in 2015 respectively. The intermediation efficiency slightly impaired during the year 2016 as the net interest margins (NIM) declined to 1.98% in 2016 from 3.03% in 2015.
- IIDFCL on solo basis generated total net revenue of TK 487.99 million in 2016, which was TK 394.57 million in 2015. The net profit on solo basis was reported to TK 159.27 million in 2016 against TK 110.63 million in 2015
- IIDFCL maintained positive gap from 1-3 months maturity to above one year maturity bucket but had a negative gap in up to 3-months maturity bucket in 2016. The company maintained TK 193.57 million of Cash Reserve Requirement (CRR) against the required reserve of TK 156.60 million in 2016. IIDFCL also maintained Statutory Liquidity Reserve (SLR) of TK 397.59 million against the required reserve of TK 347.12 million in 2016.
- The consolidated deposit increased to TK 12,598.60 million in 2016 from TK 9,320.70 million in 2015. The consolidated borrowing went down to TK 2,273.08 million in 2016 from TK 3,538.38 in 2015. The deposit of IIDFCL increased to TK 12,572.52 million in 2016 from TK 9,319.02 million in 2015. The borrowings of IIDFCL went down and stood at TK 2,250.06 million in 2016 from TK 3,384.52 million in 2015.

PROFILE

- Industrial and Infrastructure Development Finance Company Limited (hereinafter called as 'IIDFCL' or 'The Company') was incorporated on December 19, 2000 as a Public Limited Company and commenced commercial operation on April 1, 2001. IIDFCL 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. IIDFCL operates with three Branch Offices located at Dhaka and Chittagong. IIDFCL has two subsidiary companies namely IIDFC Securities Limited and IIDFC Capital Limited.

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 consent. Our reports and ratings constitute opinions, not recommendations to buy or to sell.

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

FINANCIAL DATA (TK in Millions)

Particulars	2016	2015
Total Assets*	19,149.99	16,766.34
Total Equity*	1,648.75	1,522.77
Risk weighted Assets (RWA)	14,055.13	13,090.88
Required Capital (10% of RWA)	1,405.51	1,309.09
Tier I Capital	1,623.67	1,564.40
Tier II Capital	123.21	92.39
Gross Finance	14,553.89	10,893.58
Non Performing Loan (NPL)	688.01	521.43
Provision Required against NPL	356.26	386.38
Provision Maintained against NPL	377.19	415.54
Excess Provision Maintained	20.93	29.16
Total Net Revenue*	618.38	533.30
Net Income*	225.99	119.67
CAR (%)	12.43	12.66
NPL/Gross Advances (%)	4.73	4.79
ROE (%)*	14.25	7.91
ROA (%)*	1.26	0.77
NIM (%)*	1.98	3.03
Asset Yield*	9.56	11.51
Cost of Fund*	8.30	9.41
Spread*	1.25	2.10
Finance / Deposit (%)*	130.50	139.11

*Consolidated performance of Industrial and Infrastructure Development Finance Company Limited

ANALYSTS:

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REHENATUL FERSONS
+88-02-47120156-8
rehena@ncrbd.com

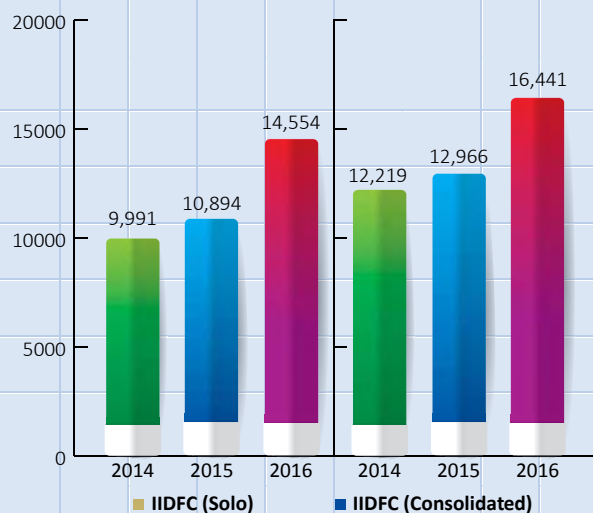
FINANCIAL HIGHLIGHTS

BDT in Million

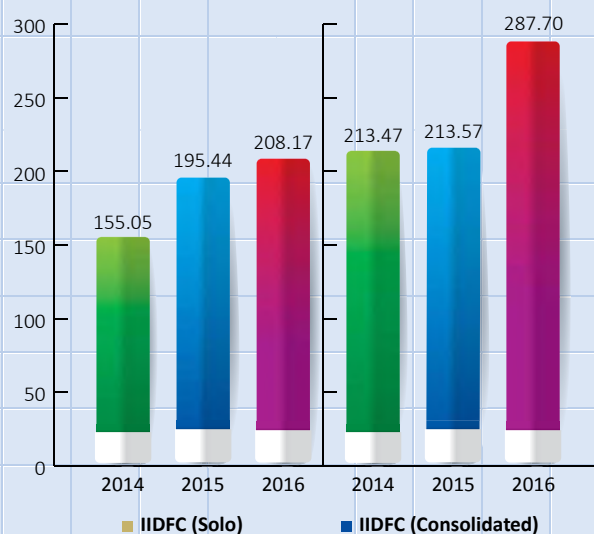
Particulars / Year	IIDFCL (Solo)			IIDFCL (Consolidated)		
	2016	2015	2014	2016	2015	2014
Profit and Loss Account						
Operational Revenue	1,632.51	1,485.38	1,595.22	1,769.48	1,636.91	1,797.49
Operational Expenses	1,338.10	1,260.69	1,366.38	1,426.03	1,394.10	1,489.78
Operating Profit	294.40	224.69	228.84	343.44	242.81	307.72
Profit after Tax	159.27	110.63	132.25	225.99	119.67	175.70
Balance Sheet						
Total Leases, Loans & Advances	14,553.89	10,893.58	9,991.42	16,441.24	12,966.39	12,218.86
Provision for Investments	377.19	415.54	386.29	454.07	507.79	484.18
Leased Finance/Advances	2,100.92	2,528.36	2,524.03	2,100.92	2,528.36	2,524.03
Direct/Term finance	12,452.97	8,365.22	7,467.38	11,817.94	7,730.19	6,476.32
Margin loan	-	-	-	2,522.38	2,707.85	3,218.50
Investment in Shares	401.85	1,584.66	251.83	715.56	1,902.76	430.00
Shareholders' Equity	1,623.67	1,564.40	1,553.77	1,648.61	1,522.77	1,502.95
Reserve & Surplus	623.67	564.40	553.77	648.61	522.62	502.95
Paid up Capital	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00	1,000.00
Total nos. of Shares (in quantity)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
Ratios						
Book Value Per Share (BDT)	16.24	15.64	15.54	16.49	15.23	15.03
Earnings Per share (BDT)	1.59	1.11	1.32	2.26	1.2	1.76
Dividend Per Share (BDT)	-	1.50	1.50	-	-	-
Return on Average Equity (%)	9.99	7.10	8.89	14.25	7.91	12.41

FINANCIAL HIGHLIGHTS

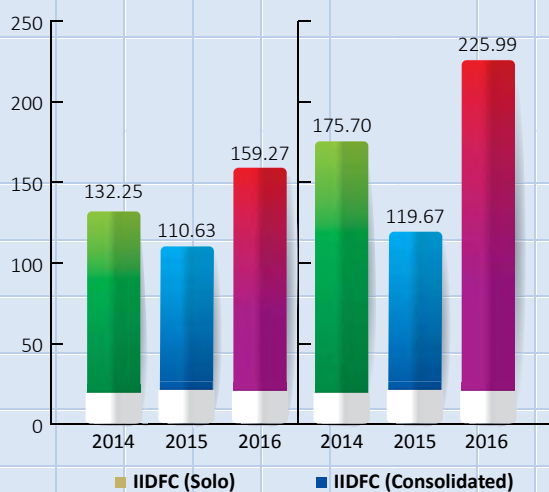
Investment (BDT in Million)
(Loans and Leases)



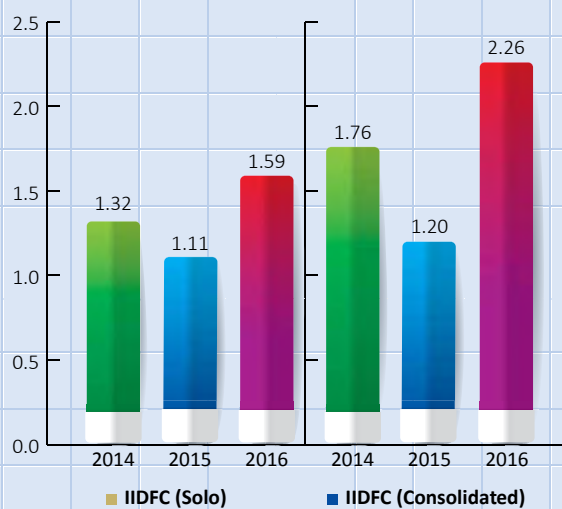
Profit Before Tax (BDT in Million)



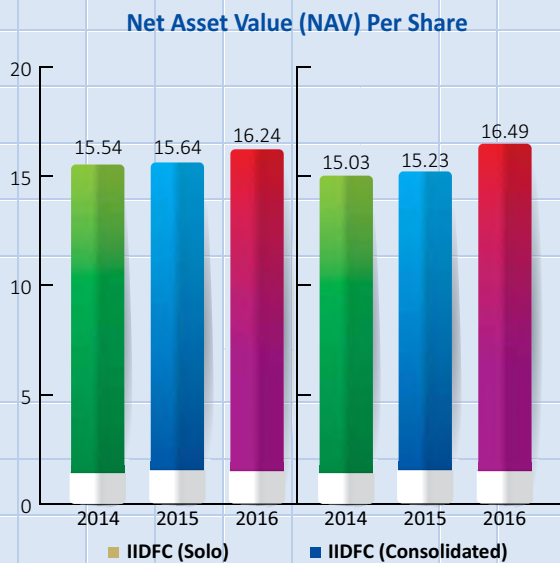
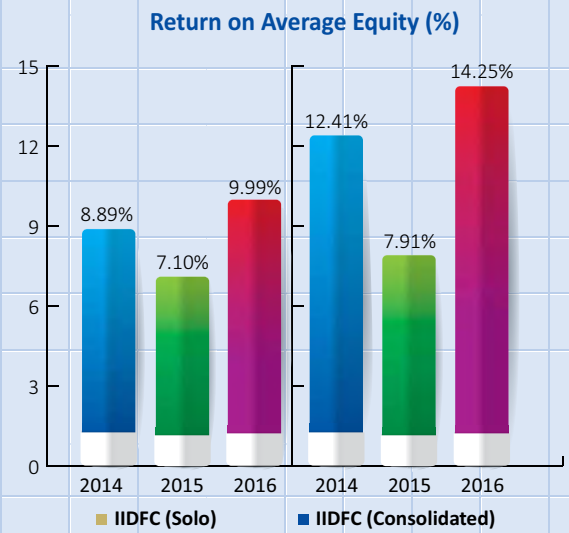
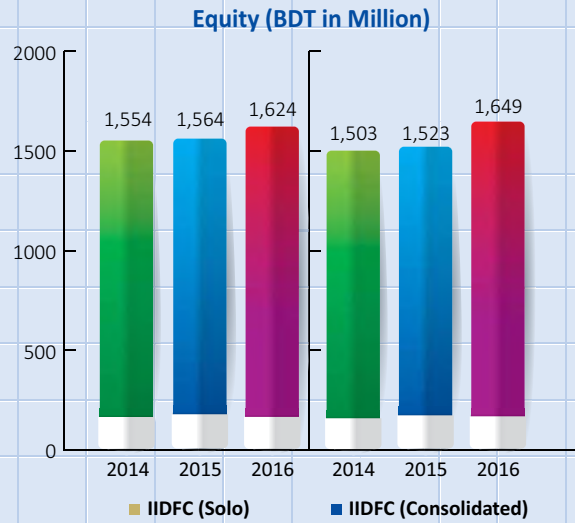
Profit After Tax (BDT in Million)



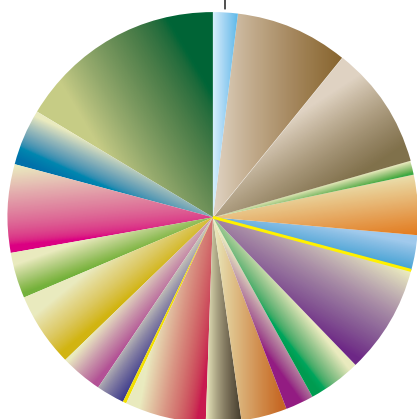
Earning Per Share (BDT)



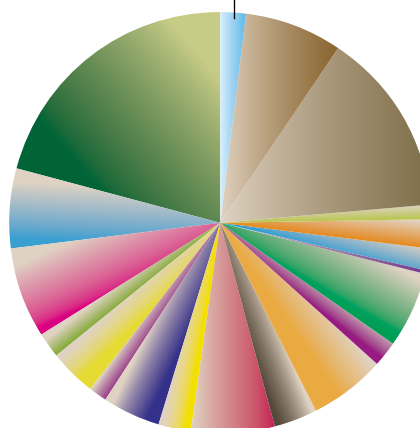
FINANCIAL HIGHLIGHTS



SECTOR-WISE EXPOSURE

























Year 2016

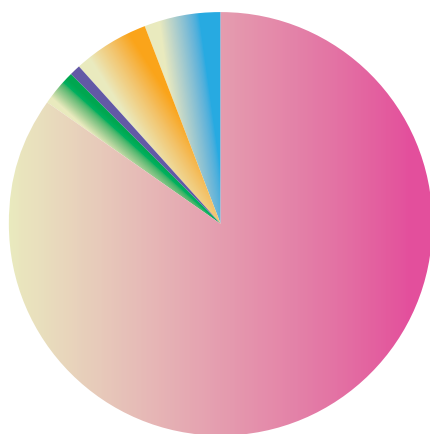


Year 2015

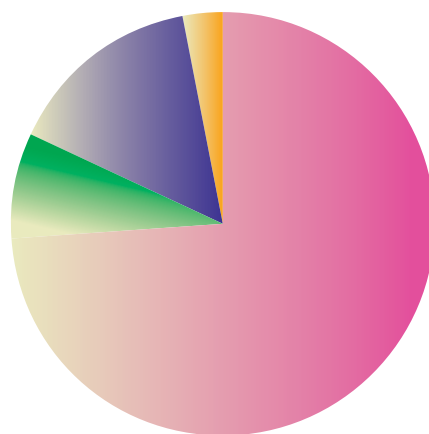
Amount in Taka

Sector-wise Loans & Advances:	Year 2016		Year 2015	
 Agricultural Sector	295,870,132	2.03%	242,022,238	2.22%
 Industrial Sector:				
 Textiles	1,284,185,039	8.82%	802,734,597	7.37%
 Garments	1,434,535,251	9.86%	1,531,005,825	14.05%
 Jutes & Jute Related Goods	150,645,467	1.04%	127,851,393	1.17%
 Food Items Producer/Processing Industries	679,979,065	4.67%	247,164,017	2.27%
 Plastic Industries	414,316,235	2.85%	187,032,675	1.72%
 Lather & Lather Goods	20,883,706	0.14%	16,081,542	0.15%
 Iron, Steel and Engineering	1,240,050,774	8.52%	632,725,332	5.81%
 Chemical and Pharmaceuticals	609,091,749	4.19%	216,406,581	1.99%
 Cement/Clinker and Allied Industries	319,281,132	2.19%	16,647,119	0.15%
 Service Sector (Hotel, Hospital, Clinic, Tourism, etc.)	535,246,345	3.68%	626,986,747	5.76%
 Paper, Printing & Packaging	400,236,806	2.75%	374,276,005	3.44%
 Telecommunication and IT Industries	933,855,363	6.42%	674,084,029	6.19%
 Glass and Ceramic Industries	18,719,848	0.13%	270,096,090	2.48%
 Shipping and Building Industries	341,126,255	2.34%	485,855,080	4.46%
 Electronics and Electrical Goods	475,883,015	3.27%	162,106,122	1.49%
 Power, Gas, Water and Sanitary	850,426,478	5.84%	400,909,886	3.68%
 Transport and Communication	522,981,011	3.59%	192,378,115	1.77%
 Real Estate and Housing	1,019,357,920	7.00%	774,407,987	7.11%
 Merchant Banking	660,534,840	4.54%	659,840,416	6.06%
 Others	2,346,688,296	16.12%	2,252,967,897	20.68%
Total	14,553,894,727	100.00%	10,893,579,693	100.00%

SOURCES OF FUND



Year 2016



Year 2015

Deposit: 84.82%	█	Deposit: 74.00%	█
Overdrafts : 2.92%	█	Overdrafts : 8.00%	█
Long Term Loan : 0.71%	█	Long Term Loan : 15.00%	█
Short Term Loan: 5.73%	█	Short Term Loan: 0.00%	█
Refinance from Bangladesh Bank : 5.81%	█	Refinance from Bangladesh Bank : 3.00%	█

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%
2015	13.25%	10.08%	3.17%
2016	11.50%	8.31%	3.19%



Directors' Report

Dear Shareholders,

Introduction

1. I have the honor to present to you the Audited Financial Statements of the Company for FY 2016 with the following integral components, namely, Balance Sheet as at 31st December 2016, Profit and Loss Account, Statement of Cash Flow, Statement of Changes in Equity for the year ended 31st December 2016 and Liquidity Statement as on that date and the Auditors' observations thereon.

Basic Accounting Principles

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

Important observations of the Auditors

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

Growth and Growth Strategy

- The Company has complied with relevant laws pertaining to Capital and Reserve and found satisfactory.
- IIDFC exercises Stress Testing on its portfolio on quarterly basis as per Bangladesh Bank's Guidelines.
- 80% of the risk-weighted assets have been audited spending 1,840 person hours for the audit.

Overall Performance of IIDFC

4. Bangladesh achieved 6.55% growth in 2015 and 7.05% growth in 2016, which is the second highest among the World's major economies, according to the International Monetary Fund (IMF). The Ministry of Finance, GOB, has indicated that Bangladesh would attain about 8.00% growth in GDP in 2(two) years, ensuring horizontal & homogeneous development across the Country. In the growth strategy, both the public and the private sectors are playing their respective roles. For the public sector, development and removal of physical infrastructure bottlenecks is the priority. Government has targeted to raise electricity generation by additional 16,086 MW by 2021, import of 500 MW of electricity from India over and above the current 600 MW has been planned. Steps have been taken to augment gas reserve by expediting exploration programme. It is expected that 943 to 1105 million cubic feet of gas per day can be produced from new wells under exploration and development. Initiative has been taken to construct a floating storage and two land based LNG terminals for facilitating import and storage of LNG. Eight mega projects, namely, Padma Multi-purpose Bridge, Metro Rail, Rooppur Nuclear Project, LNG Terminal, Rampal Coal-fired Power Plant Project, Matarbari Thermal Power Plant, Payra Sea Port, Sonadia Deep Sea Port, Padma Bridge Rail Link project and construction of single line dual gauge track from Dohazari-Ramu-Cox's Bazar and Ramu to Ghundum near Myanmar border link are under implementation on a fast track basis.
5. The government intends to raise the private sector investment from 21%-22% of GDP to 27% in the medium term fueled by increased availability of gas from new wells, import of LNG and establishment of 100 economic zones that would create employment of 10 million people and generate additional 40 billion exports. Developers or unit investors of the economic zones can enjoy tax holiday of different margins up to first 12 years and 10 years from the beginning of their business activities in economic zones. The National Board of Revenue have already issued Bangladesh Economic Zones Warehousing Station Rules, 2015 for declaring all economic zones as bonded warehousing station, and under this system the unit investors will import raw materials without paying Import Duty and VAT.
6. The Company's loans and advances increased from Tk. 1,089.35 crore to Tk. 1,455.39 crore in 2016 registering 33.60% increase. Company's operating income stood at Tk. 48.80 crore including interest income from Commercial Paper of Tk. 10.81 crore registering 23.66% growth from Tk. 39.46 crore. The NPL rate was reduced from 4.79% to 4.73% in 2016. Of the total investments, 18.19% was for infrastructure, 48.43% for industry, 7.00% for housing, 2.30% for agriculture and balance 20.60% were for other miscellaneous sector.
7. IIDFC's Profit-before-provision in 2016 was Tk. 29.44 crore as against Tk. 22.47 crore in 2015 and Profit-after-tax was Tk. 15.93 crore as against Tk. 11.06 crore in 2015 -an increase of 31.00% and 44.00% respectively. Profit-after-tax increased due to substantially reduced Provision for Income Tax to Tk. 4.89 crore in 2016 as against Tk. 8.48 crore in 2015. The total disbursement of fund during the year was Tk. 917.95 crore as against Tk. 558.00 crore in 2015-an increase of Tk. 359.95 crore. The strategy followed, like previous year, was to make short term lending of large sums to selected customers at a competitive rate by arranging separate matching funds at lower interest rates keeping a narrow spread of 2.00%-2.50% for IIDFC.

Performance of Corporate Finance Department

8. The Corporate Finance Department has contributed approx. Tk. 8.02 crore towards the total company's profit in 2016. The total disbursement of the Corporate Department was Tk. 648.48 crore against Tk. 466.17 crore in 2015, which is a notable increase of 39.11%. The corporate portfolio increased to Tk. 1052.00 crore at the end of 2016; which shows a 32.83% increase when compared to the portfolio of Tk. 792.00 crore in 2015. In contrast, the incremental portfolio percentage at the end of 2015 was only 4.33%. The major contributing factors behind the commendable performance of the department were as follows:

- Innovative structuring of the products, mostly in the form of short-term loan;
- Increased departmental marketing drive towards procuring new business;
- Encouraging the top clients to avail facilities of larger amounts but within their single borrower limit; and
- The strategy of the department entailed choosing clients with superior credit ratings, thereby significantly curbing the risk of default and affecting the NPL negatively.

The profit before provision of Corporate Department in 2016 was Tk. 13.01 crore as against Tk. 15.15 crore in 2015.

Performance of SME Finance Department

9. The total disbursement during the year was Tk. 150.62 crore as against Tk. 91.87 crore in 2015, an increase of 63.95%. The total portfolio of Tk. 280.76 crore as on 31st December 2015 was increased to Tk. 378.00 crore on 31st December 2016, a growth of 34.63%. The profit before provision of SME Department in 2016 was Tk. 5.01 crore as against Tk. 4.68 crore in 2015.

Performance of Structured Finance Department

10. The performance of Structured Finance Department this year was significantly higher than that of previous year. The department doubled the revenue to Tk. 6.43 crore (fee base income of Tk. 2.51 crore) in 2016 from Tk. 3.16 crore recorded previous year. One of the most notable achievements was arranging World Bank Finance of Tk. 144.16 crore through IPFF of Bangladesh Bank. The department also disbursed Tk. 196.00 crore during the year.

Performance of Treasury Department

11. During 2015, Treasury Department succeeded in mobilizing funds of around Tk. 536.00 crore from the banking sector as well as from public deposit. Special mention should be made about the mobilization of short term funds of Tk. 28.50 crore at 6.25% to 7.00% for investment in commercial papers. The department also directly earned a revenue of around Tk. 1.02 crore by placing surplus low-cost borrowed funds in short term deposits at higher rates with banks and financial institutions. In order to reduce dependency on bank borrowings, the Company's focus this year was collection of fund from retail deposits. The ratio of Retail Deposits to Bank Borrowings stood at 43.31% and 56.69% respectively as on December 31, 2016. The future effort should be to further reduce the ratio of bank borrowings and increase the ratio of retail deposits.

Carbon Revenue

12. The total Certified Emission Reduction (CER) generated between September 2014 and December 2015, from brick manufacturing units using HHK Technology, was 53,067 tons of CO₂ equivalent and the CER revenue generated was US\$ 806,618.40. After cost deduction of US\$ 85,000 by the World Bank, total amount of foreign exchange credited to our FC account was US\$ 721,609.40 from which an amount of US\$ 488,351.10 was distributed among the participating brick projects leaving a balance of US\$ 233,258.30 equivalent to Tk. 1.84 crore for IIDFC credited as carbon revenue in the books of account of 2016 as against Tk. 1.19 crore in 2015.

Performance of IIDFC Securities Limited

13. The long term loan of IIDFC Securities Limited (ISL) to the parent Company, which was Tk. 58.71 crore in 2015 has remained unchanged in 2016. The interest income on the outstanding loan by the parent company was Tk. 7.46 crore. The short term loan

from ICB was also reduced from Tk. 11.12 crore in 2015 to Tk. 2.30 crore in 2016. The investment in securities was Tk. 31.81 crore on which the dividend income was Tk. 1.42 crore and realized loss was Tk. 0.53 crore resulting in a net income of Tk. 0.90 crore.

14. The Company, however, could generate after tax profit of only Tk. 1.27 crore. The retained earnings of the Company stood at Tk. 8.35 crore as against Tk. 7.07 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 2016 as per BSEC Guidelines.

Performance of IIDFC Capital Limited

15. The other subsidiary, IIDFC Capital Limited, had an operating income of Tk. 7.84 crore and operating expense of Tk. 2.38 crore resulting in an operating profit before tax of Tk. 5.48 crore and the net profit after tax of Tk. 5.40 crore. The accumulated loss of the Company came down from Tk. 12.95 crore to Tk. 7.50 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. Nevertheless, the Company could reduce its loan liability to the parent Company and ICB from Tk. 9.06 crore in 2015 to Tk. 4.79 crore in 2016.

Human Resources

16. In December 2016, the number of employees of the Company was 88 as against 84 a year ago. Despite new recruitment of about 13 employees in various positions, the number of employees increased by 4 due to resignation of 10 executives from Legal, CRM, Corporate Finance, ICC, Carbon Finance, Structured Finance, SME, 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, BLFCA, BIBM, IT Bangla Ltd., INTIMATE, IDCOL, ACTIVA, BIAC, AFC Health Ltd., Infrastructure Investment Facilitation Center, Bangladesh Inspired, Bangladesh Institute for Professional Development Limited etc. During 2016, as many as 37 staff members participated in the various Training programmes, Workshop, Conference, Discussion meeting & Seminar to upgrade their professional skill and knowledge.

Shareholders' Equity

17. The Shareholders' Equity, which was Tk. 156.44 crore on December 31, 2015, stood at Tk. 162.37 crore as on December 31, 2016. The profit before provisioning increased from Tk. 22.47 crore in FY 2015 to Tk. 29.44 crore in 2016.

Comparative Financial Performance

18. The summary of the key financials of the Company as on December 31, 2016 as compared to December 31, 2015 are as follows:

Figures in Taka		
Particulars	2016	2015
Profit before provision & tax	294,404,345	224,690,654
Less: Provision for Loans and Advances	86,233,744	29,246,150
Less: Provision for tax	48,899,833	84,811,581
Profit after provision & tax	159,270,768	110,632,923
Add: Retained earnings brought forward	241,918,527	254,412,188
Profit available for appropriation	401,189,295	365,045,111
Less: Appropriations:		
Statutory Reserve	31,854,154	22,126,585
General Reserve	1,000,000	1,000,000
Total Appropriations	32,854,154	23,126,585
Less: Cash Dividend Distributed for 2015 & 2014	100,000,000	100,000,000
Retained earnings, carried forward	268,335,141	241,918,527
Non-divisible Profit	65,000,000	65,000,000
Profit available for dividend distribution	203,335,141	176,918,527
Proposed Dividend(20.00% Bonus Share)	200,000,000	150,000,000

Proposed Dividend

19. The Directors recommended 20.00% stock dividend as fully paid up bonus shares (i.e. 20,000,000 number of shares @ Tk. 10.00 each as fully paid bonus shares) for the year 2016. Declaring cash dividend would reduce company's capital adequacy ratio from 12.43% as on 31.12.2016 to 10.04% which would call for raising Tier-1 or Tier-2 Capital.

Retirement and Re-election of Directors'

20. 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 16th Annual General Meeting:

Serial	Name	Nominated by
01	Mr. Anis A. Khan	Mutual Trust Bank Limited
02	Mr. Md. Abdus Salam	Janata Bank Limited
03	Mr. Wakar Hasan	ONE Bank Limited
04	Mr. Md. Iftikhar-Uz-Zaman	Investment Corporation of Bangladesh
05	Mr. Md. Manirul Islam	Pragati Insurance 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'

21. In its 15th Annual General Meeting, the Shareholders appointed M/s. A. Qasem & Co., Chartered Accountants, as the Auditors of the Company for the year 2016 until the conclusion of 16th Annual General Meeting. Being eligible for reappointment, the existing Auditors, M/s. A. Qasem & Co., Chartered Accountants offered themselves for reappointment. The Board recommended M/s. A. Qasem & Co., Chartered Accountants, as the Auditors of the Company until completion of the next Annual General Meeting at a remuneration of Tk. 325,000/-.

Appreciation

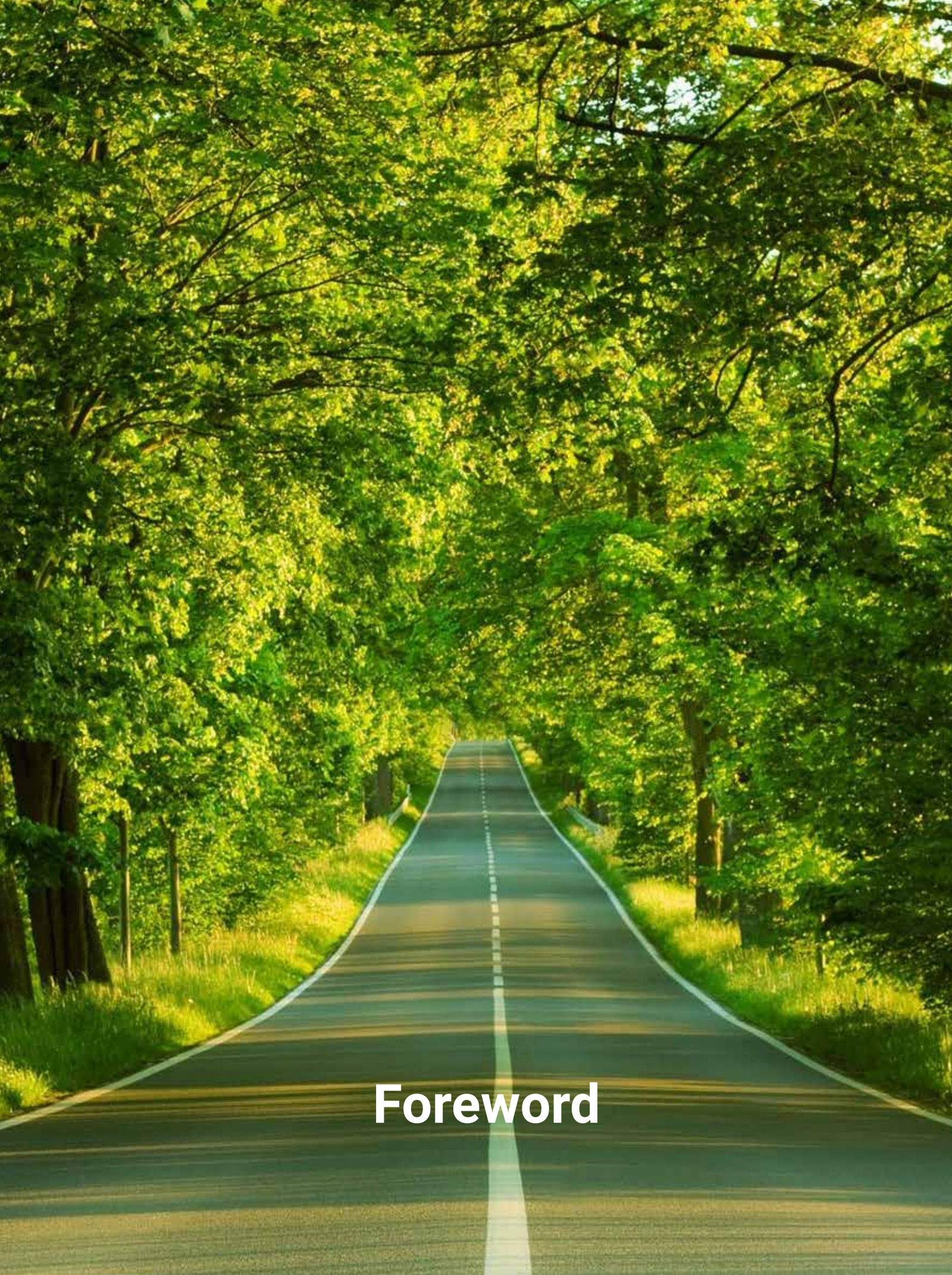
22. The Directors would like to express their gratitude to the esteemed shareholders, valued clients, the Bangladesh Bank, the Bangladesh Securities and Exchange Commission, the National Board of Revenue, the Registrar of Joint Stock Companies, the Dhaka Stock Exchange and other regulatory bodies for 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



Foreword

The economy of Bangladesh which averaged a GDP growth of 6.5% annually since 2004 continued to sustain the momentum of growth in 2016 as well when it recorded a healthy growth rate of 7.1%. According to the IMF, Bangladesh's economy was the second fastest growing major economy of 2016; it is classified among the Next Eleven emerging market economies and a Frontier market. As per the Economic forecasts of Asian Development Bank for South Asian countries, Bangladesh's GDP growth in 2017 would be 6.9%. It is a shade lower than 7.4% projected for India but significantly higher than Pakistan's 5.2% and Sri Lanka's 5%.

Bangladesh's healthy GDP growth in 2016 stands out as a remarkable achievement in the backdrop of global headwinds that stifled the flow of remittances from the expatriates coupled with relatively less than expected growth in the Bangladesh export sector.

Another significant feature of the GDP growth is that it was accompanied by stable macroeconomic indicators including low inflation rate, manageable fiscal deficit, stable exchange rate and favorable balance of payments. The political front remained relatively calm. Bangladesh also earned admiration from the world community for its spectacular success in tackling the menace of terrorism to ensure a sense of safety and security, the sine qua non of conducive atmosphere for economic activities. However, the private sector credit growth remained largely sluggish. Non-availability of new gas connections and electricity stood as damper to new investment.

Low demand for money in the private sector led to accumulation of idle funds with banks. However, the demand picked up towards later part of the year following the government and the central bank's changed stance to discourage inflow of cheap foreign

loans and declining interest rate in the domestic market. Drop in the flow of foreign funds served as a brake on the increasingly downward trend of the lending rates of local financial institutions. However, costs of borrowings of financial institutions from the banking system did not show a commensurate decline. On the other hand the non-banking financial institutions had to concede to the market demand for lower their interest rates on their lending to remain in the business in a highly competitive atmosphere. This resulted in lower interest margin and income for NBFIs. The aggressive borrowing by some financial institutions also contributed to the increase in the borrowing rates of the commercial banks for the financial institutions. Side by side, migration of quality clients to banks continued as the banks continued to lure the clients with cheaper interest rate; thus making the NBFIs contented with lower volume of business and reduced profit during the year.

Despite these odds and cutthroat competitive environment, IIDFC showed strong resilience and carved out a significant niche in the financial market as reflected in the Company's accounts for 2016. The company's portfolio, comprising its loans and leases, leapfrogged from BDT 1089.35 crore of 2015 to BDT 1455.38 crore in 2016 reflecting a robust growth of 33.6%. Operating profit increased by 31.03% and after tax net profit by 43.97% over the corresponding period last year. The NPL rate also improved from 4.79% to 4.73%. Book value per share, Earning per share and Return on Average Equity also increased to BDT 16.23, BDT 1.59 and 9.99% in 2016 from BDT 15.64, BDT 1.11 and 7.10% respectively over the corresponding numbers of the preceding year.

This spectacular success had been achieved through hard work, innovations and, most of all, strong commitment of the staff of all the departments of the Company including Corporate, SME, Structured Finance and back offices. The 33.6% growth of the Company's portfolio would signify the enormity of work and the workloads shouldered by the departments throughout the year. The Corporate portfolio increased from BDT 792.00 crore to BDT 1052.00 crore in 2016 registering a growth of 32.83%, while the SME portfolio stood at BDT 378.00 crore by the end of 2016 registering a 34.63% growth. Structured Finance Department succeeded in arranging an IPFF fund of BDT 144.00 crore for one of our valued clients this year.

Carbon Finance and Portfolio Management Cells also contributed significantly towards net earnings of the Company their parts. Strong and timely Treasury support to all financing needs at a relatively cheaper

cost provided the platform for the Company's successful financing operations. The Back Offices, Accounts and Finance Department in particular, contributed significantly towards bringing cost effectiveness in the Company's financials. Other departments like Deposit Mobilization, Risk Management, Legal, Internal Control and Compliance, Monitoring, IT and Human Resources Management also did their parts to end the year on a happy note.

IIDFC's two subsidiaries-IIDFC Securities Ltd. and IIDFC Capital Ltd.-were still licking their wounds inflicted by the collapse of the capital market in 2010. The collapse not only harmed hundreds and thousands of ordinary shareholders but the stock brokers and merchant banks also bore the brunt arising from the debacle on account of erosion of margin loans extended to their clients. Our two Companies also did not escape the fallouts from this catastrophe and sustained heavy losses on account of margin loans. However, performance of the two Companies during the year under review were to some extent brighter with market conditions showing a positive look and employees putting their all-out efforts to make a turn around. In 2016, IIDFC Securities made an after tax profit of BDT 1.27 crore and IIDFC Capital BDT 5.40 crore while keeping required loan loss provisions against negative equity as prescribed by the BSEC.

In conclusion, I take this opportunity to express my thanks and gratitude to our Board of Directors, in particular, Mr. Md. Matiul Islam, Honorable Chairman, for sharing his wisdom for managing the affairs of the company and providing valuable guidance in discharging my responsibilities as Managing Director. I would also like to thank Bangladesh Bank, Bangladesh Securities Exchange Commission (BSEC), the Government of Bangladesh and other stakeholders for their support and cooperation. My thanks also go to our valued depositors and borrowers for their trust in IIDFC.

Lastly, I would like to express my deep gratitude and appreciation to my colleagues in IIDFC for giving me unstinted support and cooperation in steering the Company towards the cherished goal of progress and prosperity for the present as well as for the future.



(Md. Asaduzzaman Khan)
Managing Director

IIDFC Limited



Auditors' Report to the
Shareholders

Independent Auditors' Report To the Shareholders of INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

We have audited the accompanying consolidated financial statements of Industrial and Infrastructure Development Finance Company Limited and its subsidiaries ("the Group") as well as the separate financial statements of Industrial and Infrastructure Development Finance Company Limited ("the Company") which comprise the consolidated balance sheet and the separate balance sheet as at 31 December 2016 and the consolidated and separate profit & loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

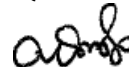
In our opinion the consolidated financial statements of the Group and also separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2016, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards as explained in notes and comply with the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchange Rules 1987, the Companies Act 1994 and other applicable laws and regulations.

We also report that:

- a. we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b. in our opinion, proper books of account as required by law have been kept by the Group and the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from the branches not visited by us;
- c. the consolidated balance sheet and consolidated profit and loss account of the Group and the separate balance sheet and separate profit and loss account of the Company dealt with by the report are in agreement with the books of account and returns;
- d. financial statements of two subsidiaries namely, IIDFC Securities Limited, IIDFC Capital Limited have been audited by S.F. Ahmed & Co. and have been properly reflected in the consolidated financial statements.
- e. the expenditure incurred was for the purposes of the Group and the Company's business;
- f. the consolidated financial statements of the Group and the separate financial statements of the Company have been drawn up in conformity with prevailing rules, regulations and Bangladesh Financial Reporting Standards as explained in notes as well as with related guidance , circulars issued by Bangladesh Bank;
- g. adequate provisions have been made for loans and advances which are, in our opinion, doubtful of recovery;
- h. the records and statements submitted by the branches have been properly maintained and consolidated in the financial statements;
- i. the information and explanation required by us have been received and found satisfactory;
- j. the Company has complied with relevant laws pertaining to capital and reserves and found satisfactory; and
- k. we have reviewed over 80% of the risk weighted assets of the Group and the Company, and we have spent around 1,840 person hours for the audit.

Dated, Dhaka;
24 May, 2017

A. Qasem & Co.



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, 2016

Ref.		Notes	Amount in Taka	
			31-Dec-2016	31-Dec-2015
IAS 1. (38&39)	PROPERTY & ASSETS			
IAS 1.54, IAS 7.7	Cash	3		
	In Hand (including foreign currencies)		10,480	4,003
	Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		-	-
			193,567,640	165,781,110
			193,578,120	165,785,113
IAS 1.54(d)	Balance with other Banks and Financial Institutions	4		
	Inside Bangladesh		559,137,115	808,745,269
	Outside Bangladesh		-	-
			559,137,115	808,745,269
IAS 1.54(i)	Money at Call and Short Notice	5	-	-
IAS 1.54(b)	Investments	6		
	Government		-	-
	Others		401,848,005	1,584,657,868
			401,848,005	1,584,657,868
IAS 1.54(b)	Loans & Advances	7		
	Lease Receivables		2,011,561,433	2,444,618,407
	Advance for Lease Finance		89,356,347	83,740,331
	Direct/ Term Finance		12,293,066,917	8,232,924,936
	Secured Overdraft		13,249,569	45,853,258
	Bills Discounted and Purchased		146,660,461	86,442,761
			14,553,894,727	10,893,579,693
IAS 1.54(a)	Property, Plant & Equipment	8	16,270,604	13,660,235
IAS 1.54(c)	Intangible Asset	8.1	3,650,740	4,028,900
IAS 1.55& 1.57(a)	Other Assets	9	2,250,834,751	2,148,310,982
IAS 1.55& 1.57(a)	Non-Banking Assets		-	-
	Total Assets		17,979,214,063	15,618,768,059
	LIABILITIES & CAPITAL			
IAS 1.54(k)	Borrowings from Other Banks, Financial Institutions & Agents	10	2,250,062,386	3,384,524,860
IAS 1.54(m)	Deposits & Other Accounts	11		
	Current deposits & Other Accounts, etc		-	-
	Bills Payable		-	-
	Savings Bank Deposits		-	-
	Term Deposits		12,567,048,427	9,313,044,503
	Bearer Certificate of Deposits		-	-
	Other Deposits		5,475,879	5,977,279
			12,572,524,306	9,319,021,782
IAS 1.55,1.57(a)	Other Liabilities	12	1,532,955,797	1,350,820,612
	Total Liabilities		16,355,542,489	14,054,367,254
	Capital/ Shareholders' Equity			
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	307,536,433	275,682,279
IAS 1.54(r),1.78(e)	General Reserve	15	47,800,000	46,800,000
IAS 1.54(r),1.78(e)	Other Reserve	16	-	-
IAS 1.54(r),1.78(e)	Proposed Stock Dividend	17	-	-
IAS 1.54(r),1.78(e)	Retained Earnings	18	268,335,141	241,918,527
	Total Shareholders' Equity		1,623,671,574	1,564,400,806
	Total Liabilities & Shareholders' Equity		17,979,214,063	15,618,768,059

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, 2016

IAS 1.55	OFF-BALANCE SHEET ITEMS	Notes	Amount in Taka	
			31-Dec-2016	31-Dec-2015
IAS 37.28, 37.86	Contingent liabilities	19		
	Letters of guarantee		106,544,980	107,835,380
	LC Commitment		22,818,360	141,283,897
	Letters of credit		-	-
	Irrevocable letter of credit		-	-
	Bills for collection		-	-
	Other contingent liabilities		-	-
			129,363,340	249,119,277
	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		129,363,340	249,119,277

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



Md. Matul Islam
Chairman



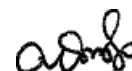
Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed FCA
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;
24 May, 2017



A. Qasem & Co.
Chartered Accountants

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 Statement of Comprehensive Income (Profit & Loss Account) For the year ended 31 December, 2016

IAS 1.(38 & 39)		Notes	Amount in Taka	
			31-Dec-2016	31-Dec-2015
A. OPERATING INCOME				
IFRS 7.20(b)	Interest income	20	1,431,704,551	1,442,320,643
IFRS 7.20(b)	Interest paid on deposits, borrowings etc.	21	(1,144,518,371)	(1,090,814,804)
IAS 1.85	Net interest income		287,186,180	351,505,839
IFRS 7.20(9b)	Income from investment	22	149,070,689	505,716
IFRS 7.20(c)	Commission, exchange and brokerage	23	-	-
IAS 1.85	Other operating income	24	51,732,129	42,557,145
IAS 1.85	Total operating income		487,988,998	394,568,699
B. OPERATING EXPENSES				
IAS 1.104	Salaries & allowances	25	117,093,843	99,122,366
IAS 1.97	Rent, taxes, insurance, electricity etc.	26	21,735,605	18,531,515
IAS 1.97	Legal expenses	27	5,451,200	5,503,459
IAS 1.97	Postage, stamp, telecommunications etc.	28	3,090,494	2,227,575
IAS 1.97	Stationery, printing, advertisement etc.	29	4,527,108	5,946,991
IAS 1.97	Managing director's salary and fees	30	9,383,039	7,545,707
IAS 1.97	Directors' fees	31	882,800	493,000
IAS 1.97	Auditor's fees	32	345,500	200,000
IAS 1.104	Repair, depreciation and amortization of company's assets	34	9,770,138	11,606,006
IAS 1.97	Other expenses	35	21,304,926	18,701,427
IAS 1.85	Total operating expenses		193,584,654	169,878,046
IAS 1.85	C. Profit before provision (A-B)		294,404,345	224,690,654
IAS 1.97	D. Provision for loans & advances	36		
	Specific provision		54,418,345	63,610,017
	General provision		59,459,839	(28,760,017)
	Provision for diminution in value of investments	12.1	(27,644,440)	(5,603,850)
	Total provision		86,233,744	29,246,150
IAS 1.85	E. Profit before taxes (C-D)		208,170,601	195,444,504
IAS 1.82(d)	F. Provision for tax			
	Current tax	37	50,500,000	83,800,000
	Deferred tax	37.2	(1,600,167)	1,011,581
	Total provision		48,899,833	84,811,581
IAS 1.85	Profit after tax		159,270,768	110,632,923
	Less: Appropriations			
	Statutory reserve		31,854,154	22,126,585
	General reserve		1,000,000	1,000,000
			32,854,154	23,126,585
IAS 1.85	Retained surplus		126,416,614	87,506,338
IAS 33.66	Earnings per share (EPS)	38	1.59	1.11

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;
24 May, 2017

A. Qasem & 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, 2016

		Amount in Taka				
	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Total
	Balance as on 1 January, 2016	1,000,000,000	275,682,279	46,800,000	241,918,527	1,564,400,806
IAS 1.106(b)	Changes in accounting policy	-	-	-	-	-
IAS 1.106	Restated balance	1,000,000,000	275,682,279	46,800,000	241,918,527	1,564,400,806
IAS 1.106(a)	Net profit for the year	-	-	-	159,270,768	159,270,768
IAS 1.106(d)	Dividend (Cash for Y2015)	-	-	-	(100,000,000)	(100,000,000)
IAS 1.106(d)	Appropriations made during the year	-	-	-	-	-
	Transferred to statutory reserve		31,854,154		(31,854,154)	-
	Transferred to general reserve			1,000,000	(1,000,000)	-
	Balance as at 31 December, 2016	1,000,000,000	307,536,433	47,800,000	268,335,141	1,623,671,574



Md. Matul Islam
Chairman

Dated, Dhaka;
24 May, 2017



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed FCA
Company Secretary

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, 2016

IAS 1.(38&39)

IAS 7.10

IAS 7.31

IAS 7.31

IAS 7.31

IAS 7.14(d)

IAS 7.14(c)

IAS 7.35

IAS 7.14(b)

IAS 7.14(c)

IAS 7.19(b)

IAS 7.10

IAS 7.16(d)

IAS 7.23(b)

IAS 7.16(a)

IAS 7.16(a)

IAS 7.16(b)

IAS 7.10

IAS 7.31

IAS 7.18

IAS 7.45

A CASH FLOW FROM OPERATING ACTIVITIES:

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

Increase/(decrease) in operating assets and liabilities

Statutory deposits
Loans and advances to other banks
Loans and advances to other customers
Other assets
Borrowings from Banks
Deposits and Borrowings from other Banks/FI
Deposits from customers
Other liabilities

Net Cash from Operating Activities

B CASH FLOW FROM INVESTING ACTIVITIES:

Investments In Subsidiary
Proceeds from sale of securities
Investment in securities
Purchase of property, plant and equipment
Payment against lease obligation
Proceeds from sale of property, plant and equipment
Net cash used in investing activities

C CASH FLOW FROM FINANCING ACTIVITIES:

Dividend paid
Issuance of shares
Net cash from financing activities

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

E Effects of exchange rate changes on cash and cash equivalents

F Cash and cash equivalents at beginning of the year

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

Cash and cash equivalents at end of the year

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

Amount in Taka	
31-Dec-2016	31-Dec-2015
1,426,861,029	1,389,718,196
(1,035,548,371)	(1,116,382,219)
17,146,318	10,448,228
(126,476,882)	(106,668,073)
(7,617,602)	(8,174,566)
(74,840,086)	(23,040,315)
159,090,646	63,105,733
(51,101,318)	(57,287,727)
307,513,734	151,719,257
-	-
(3,813,403,167)	(935,062,012)
(22,840,160)	23,550,607
(1,133,187,716)	94,305,479
2,556,594,053	1,351,856,512
696,908,471	883,295,221
91,173,380	(24,957,509)
(1,624,755,140)	1,392,988,299
(1,317,241,406)	1,544,707,556
-	-
23,301,102	(30,517,400)
1,182,809,863	(1,332,823,627)
(10,202,080)	(8,869,212)
(1,774,127)	(3,653,507)
1,291,500	493,233
1,195,426,258	(1,375,370,514)
-	-
(100,000,000)	(100,000,000)
-	-
(100,000,000)	(100,000,000)
(221,815,147)	69,337,045
-	-
974,530,382	905,193,337
752,715,235	974,530,382
10,480	4,003
193,567,640	165,781,110
559,137,115	808,745,269
-	-
752,715,235	974,530,382

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;
24 May, 2017

A. Qasem & Co.
Chartered Accountants

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, 2016

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Amount in Taka	
						Total	
ASSETS:							
Cash	10,480	-	-	-	-	10,480	
Balances with Bangladesh Bank	193,567,640	-	-	-	-	193,567,640	
Balances with other Banks	164,978,314	173,574,367	81,812,048	138,772,385	-	559,137,114	
Money at Call and on Short Notice	-	-	-	-	-	-	
Investments	65,872,180	21,872,976	224,412,705	89,690,144	-	401,848,005	
Loans and Advances	1,139,651,967	3,674,957,206	4,209,328,071	3,722,556,113	1,807,401,371	14,553,894,727	
Property, Plant & Equipment	968,407	2,961,025	7,753,406	4,587,766	-	16,270,604	
Intangible Asset (Computer Software)	217,287	664,384	1,739,681	1,029,387	-	3,650,740	
Other Assets	270,833,915	268,457,312	604,199,434	456,651,218	650,692,873	2,250,834,752	
Total assets	1,836,100,190	4,142,487,270	5,129,245,345	4,413,287,013	2,458,094,244	17,979,214,062	
LIABILITIES:							
Borrowing from other banks, Fin. Ins. & Agents	700,000,000	407,925,210	431,600,753	344,384,573	366,151,850	2,250,062,386	
Deposit and other accounts	1,098,277,586	3,340,698,455	4,089,798,077	2,780,216,323	1,263,533,865	12,572,524,306	
Provision and other liabilities	142,813,090	292,076,841	435,550,420	473,070,253	189,445,192	1,532,955,796	
Total liabilities	1,941,090,676	4,040,700,505	4,956,949,250	3,597,671,149	1,819,130,907	16,355,542,488	
Net liquidity gap	(104,990,486)	101,786,764	172,296,095	815,615,864	638,963,337	1,623,671,574	

Md. Matiuul Islam
Chairman

Dated, Dhaka;
24 May, 2017

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, 2016

IAS 1. (38&39)

IAS 1. (38&39)		Notes	Amount in Taka	
PROPERTY & ASSETS			31-Dec-2016	31-Dec-2015
IAS 1.54, IAS 7.7	Cash	3.a		
	In Hand (including foreign currencies)		43,487	47,011
	Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		193,567,640	165,781,110
			193,611,127	165,828,121
IAS 1.54(d)	Balance with Other Banks and Financial Institutions	4.a		
	Inside Bangladesh		800,657,841	873,259,379
	Outside Bangladesh		-	-
			800,657,841	873,259,379
IAS 1.54(i)	Money at Call and Short Notice	5	-	-
IAS 1.54(b)	Investments	6.a		
	Government		-	-
	Others		715,559,025	1,902,757,040
			715,559,025	1,902,757,040
IAS 1.54(b)	Loans & Advances	7.a		
	Lease Receivables		2,011,561,433	2,444,618,407
	Advance for Lease Finance		89,356,347	83,740,331
	Direct/ Term Finance		11,658,033,965	7,597,891,984
	Secured Overdraft		13,249,569	45,853,258
	Bills Discounted and Purchased		146,660,461	86,442,761
	Margin Loans		2,522,376,813	2,707,846,901
			16,441,238,588	12,966,393,642
IAS 1.54(a)	Property, Plant & Equipment	8.a	21,989,526	22,431,235
IAS 1.54(c)	Intangible Asset	8.1.a	3,810,980	4,533,678
IAS 1.55& 1.57(a)	Other Assets	9.a	973,131,766	831,139,034
IAS 1.55& 1.57(a)	Non-banking assets		-	-
	Total Assets		19,149,998,854	16,766,342,130
LIABILITIES & CAPITAL				
IAS 1.54(k)	Borrowings from Other Banks, Financial Institutions & Agents	10.a	2,273,078,668	3,538,382,569
IAS 1.54(m)	Deposits & Other Accounts	11.a		
	Current Deposits & Other Accounts, etc.		-	-
	Bills Payable		-	-
	Savings Bank Deposits		-	-
	Term Deposits		12,593,121,138	9,314,724,232
	Bearer Certificate of Deposits		-	-
	Other Deposits		5,475,879	5,977,279
			12,598,597,017	9,320,701,511
IAS 1.55,1.57(a)	Other Liabilities	12.a	2,629,569,465	2,384,491,422
	Total Liabilities		17,501,245,150	15,243,575,502
	Capital/ Shareholders' Equity			
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	307,536,433	275,682,279
IAS 1.54(r),1.78(e)	General Reserve	15.a	64,797,874	63,797,874
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	276,271,318	183,141,067
	Total Equity attributable to Shareholder of the Company		1,648,605,625	1,522,621,220
IAS 27.6, 27.26	Non-controlling Interest	18.a.3	148,079	145,408
	Total Liabilities & Shareholders' Equity		19,149,998,854	16,766,342,130

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, 2016

IAS 1.55	OFF-BALANCE SHEET ITEMS	Notes	Amount in Taka	
			31-Dec-2016	31-Dec-2015
IAS 37.28, 37.86	Contingent liabilities	19		
	Letters of guarantee		106,544,980	107,835,380
	Letters of credit		-	-
	LC Commitment		22,818,360	141,283,897
	Irrevocable letter of credit		-	-
	Bills for collection		-	-
	Other contingent liabilities		-	-
			129,363,340	249,119,277
	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		129,363,340	249,119,277

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



Md. Matiul Islam
Chairman



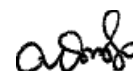
Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed FCA
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;
24 May, 2017



A. Qasem & 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, 2016

IAS 1.(38&39)		Notes	Amount in Taka	
			31-Dec-2016	31-Dec-2015
	A. OPERATING INCOME			
IFRS 7.20(b)	Interest income	20.a	1,484,966,182	1,546,367,955
IFRS 7.20(b)	Interest paid on deposits, borrowings etc.	21.a	(1,151,096,368)	(1,103,581,895)
IAS 1.85	Net interest income		333,869,814	442,786,060
IFRS 7.20(b)	Income from investment	22.a	163,767,421	4,662,345
IFRS 7.20(c)	Commission, exchange and brokerage	23.a	53,212,526	42,089,613
IAS 1.85	Other operating income	24.a	67,530,814	43,790,138
IAS 1.85	Total operating income		618,380,575	533,328,155
	B. OPERATING EXPENSES			
IAS 1.104	Salaries & allowances	25.a	155,932,161	144,593,998
IAS 1.97	Rent, taxes, insurance, electricity etc.	26.a	38,093,467	34,621,884
IAS 1.97	Legal expenses	27.a	5,740,200	5,669,317
IAS 1.97	Postage, stamp, telecommunications etc.	28.a	5,194,332	4,316,087
IAS 1.97	Stationery, printing, advertisement etc.	29.a	4,810,641	6,427,588
IAS 1.97	Managing director's salary and fees	30	9,383,039	7,545,707
IAS 1.97	Directors' fees	31.a	1,071,827	601,100
IAS 1.97	Auditor's fees	32.a	598,500	395,250
IAS 1.98 (d)	Loans & advances written-off	33.a	12,179,362	37,812,135
IAS 1.104	Repair, depreciation and amortization of company's assets	34.a	13,248,999	19,817,127
IAS 1.97	Other expenses	35.a	28,685,996	28,715,504
IAS 1.85	Total operating expenses		274,938,525	290,515,697
IAS 1.85	C. Profit/(Loss) before provision (A-B)		343,442,051	242,812,459
IAS 1.97	D. Provision for loans & advances	36.a		
	Specific provision		54,418,345	63,610,017
	General provision		28,686,339	(28,760,017)
	Provision for diminution in value of investments		(27,360,138)	(5,603,850)
	Other provision		-	-
	Total provision		55,744,546	29,246,150
IAS 1.85	E. Profit/(Loss) before taxes (C-D)		287,697,505	213,566,309
IAS 1.82(d)	F. Provision for tax:			
	Current tax	37.a	63,310,595	93,361,499
	Deferred tax		(1,600,167)	537,038
	Total provision		61,710,428	93,898,537
IAS 1.82(f)	G. Profit/(Loss) after taxes (E-F)		225,987,077	119,667,772
	Attributable to:			
	Shareholders of the company		225,978,153	119,661,519
IAS 27.6, 27.26	Non-controlling interest		8,924	6,252
			225,987,077	119,667,772
	Less: Appropriations			
	Statutory reserve		31,854,154	22,126,585
	General reserve		1,000,000	1,000,000
			32,854,154	23,126,585
IAS 1.85	Retained surplus		193,124,000	96,534,935
IAS 33.66	Earnings per share (EPS)	38.a	2.26	1.20

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;
24 May, 2017

A. Qasem & Co.
Chartered Accountants

CONSOLIDATED 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 Consolidated Statement of Changes in Equity For the year ended 31 December, 2016

Amount in Taka

	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Stock Divi- dend	Retained Earnings	Non-controlling Interest	Total
IAS 1.106(b)	Balance as on 1 January, 2016	1,000,000,000	275,682,279	63,797,874	-	183,141,067	145,408	1,522,766,628
	Changes in accounting policy	-	-	-	-	-	-	-
IAS 1.106	Restated balance	1,000,000,000	275,682,279	63,797,874	-	183,141,067	145,408	1,522,766,628
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	-	-	-	-	225,987,077	-	225,987,077
IAS 1.106(a)	Adjustment/Transfer to non-controlling Interest	-	-	-	-	(2,672)	2,671	(0)
IAS 1.106(d)	Dividend (Cash)	-	-	-	-	(100,000,000)	-	(100,000,000)
IAS 1.106(d)	Appropriations made during the year	-	31,854,154	1,000,000	-	(32,854,154)	-	-
	Balance as at 31 December, 2016	1,000,000,000	307,536,433	64,797,874	-	276,271,318	148,079	1,648,753,704

Md. Matul Islam
Chairman

Dated, Dhaka;
24 May, 2017

Md. Asaduzzaman Khan
Managing Director

Md. Shamim Ahamed FCA
Company Secretary

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, 2016

IAS 1.(38&39)

IAS 7.10

IAS 7.31

IAS 7.31

IAS 7.31

IAS 7.14(b)

IAS 7.14(d)

IAS 7.14(c)

IAS 7.35

IAS 7.14(b)

IAS 7.14(c)

IAS 7.19(b)

IAS 7.10

IAS 7.16(d)

IAS 7.23(b)

IAS 7.16(a)

IAS 7.16(a)

IAS 7.16(b)

IAS 7.10

IAS 7.31

IAS 7.18

IAS 7.45

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

B CASH FLOW FROM INVESTING ACTIVITIES

Proceeds from sale of securities
Payments for purchase of securities
Purchase of property, plant and equipment
Payment against lease obligation
Proceeds from sale of property, plant and equipment

Net cash used in investing activities

C CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid
Net cash from financing activities

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

E Effects of exchange rate changes on cash and cash equivalents

F Cash and cash equivalents at beginning of the year

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

Cash and cash equivalents at end of the year

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

Amount in Taka	
31-Dec-2016	31-Dec-2015
1,480,122,660	1,493,765,508
(1,042,872,261)	(1,133,249,288)
31,594,903	15,096,619
53,212,526	42,089,613
(165,315,200)	(152,139,705)
(10,004,973)	(10,743,675)
(86,530,920)	(30,714,730)
174,889,333	62,982,147
(76,286,895)	(75,571,074)
358,809,173	211,515,416
-	-
(3,474,844,946)	(747,536,715)
(233,367,174)	(139,424,360)
(1,265,303,901)	41,995,649
2,556,594,053	1,351,856,512
721,301,453	877,980,183
138,628,063	81,288,152
(1,556,992,453)	1,466,159,420
(1,198,183,279)	1,677,674,836
18,026,185	(31,009,162)
1,243,456,059	(1,472,758,957)
(10,226,830)	(9,077,924)
(1,774,127)	(3,653,507)
3,883,460	13,378,357
1,253,364,747	(1,503,121,193)
(100,000,000)	(100,000,000)
(100,000,000)	(100,000,000)
(44,818,532)	74,553,643
-	-
1,039,087,500	964,533,857
994,268,968	1,039,087,500
43,487	47,011
193,567,640	165,781,110
800,657,841	873,259,379
-	-
994,268,968	1,039,087,500

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;
24 May, 2017

A. Qasem & Co.
Chartered Accountants

Industrial and Infrastructure Development Finance Company Limited

Notes to the Financial Statements

As at and for the year ended 31st December, 2016

Ref

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

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

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 account) has to be maintained.

2.01.03 Financial instruments - presentation and disclosure

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

2.01.04 Financial guarantees

BFRS:

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

Bangladesh Bank:

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

2.01.05 Cash and cash equivalents

BFRS:

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

Bangladesh Bank:

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

2.01.06 Non-Banking assets

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

NOTES TO THE FINANCIAL STATEMENTS

2.01.07 Statement of cash flows

BFRS:

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

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 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 relating to such 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 of 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 separate Other Comprehensive Income (OCI) Statement.

Bangladesh Bank:

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

2.01.12 Loans and advance net of provision

BFRS:

Loans and advances should be presented as net of provisions.

Bangladesh Bank:

As per the requirements of DFIM circular No. 11 dated 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)]

IAS 27.12

2.02 Basis of consolidation

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

NOTES TO THE FINANCIAL STATEMENTS

IAS 27.20	All intra-group balances, transactions, income and expenses are eliminated in full.
IAS 27.24	<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 27.26	
IAS 27.28	
IAS 1.8	<p>2.03 Integral components of financial statements</p> <p>The Financial Statements of the Company include the following components:</p> <ol style="list-style-type: none"> 1. Statement of financial position (Balance Sheet) as at 31 December, 2016. 2. Statement of comprehensive income (Profit and Loss A/C) for the year ended 31 December, 2016. 3. Statement of Cash Flows for the year ended 31 December, 2016. 4. Statement of Changes in Equity for the year ended 31 December, 2016. 5. Liquidity Statement as at 31 December, 2016. 6. Notes to the Financial Statements.
IAS 1.122	<p>2.04 Use of estimate & judgments</p> <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"> 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. <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	<p>2.05 Statement of cash flows</p> <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	<p>2.06 Consistency</p> <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	<p>2.07 Reporting period</p> <p>These Financial Statements cover one calendar year from January 01 to December 31, 2016.</p>
IAS 1.51(d) (e)	<p>2.08 Presentation currencies</p> <p>The figures of the financial statements are presented in Bangladeshi Currency (BDT) and have been rounded off to the nearest integer.</p>

NOTES TO THE FINANCIAL STATEMENTS

2.09 Books of accounts of branch (including Corporate Branch)

The Company has 3 (three) branches so far as on 31 December, 2016. Books of Accounts of the branches are 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. Adequate provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 29th December, 2016).

2.10.03 Loans, advances and provisions

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

a) Interest on loans and advances

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

b) Provision for loans and advances

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

c) Presentation of loans and advances

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

d) Write off loans and advances

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

e) Securities against loan

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

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

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

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

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'.

NOTES TO THE FINANCIAL STATEMENTS

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
1	Motor vehicles	20%
2	Furniture & fixtures	10%
3	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 recognized accordingly in the Statement of Comprehensive Income (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 recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to the Company.

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

IAS 38.118(a)

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

2.10.04.06 Other assets

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

2.10.04.07 Non-banking assets

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

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.119	2.11 Basis for valuation of liabilities and provisions
IAS 37.85 IAS 12.46	<p>2.11.01 Provision for tax</p> <p>a. Current tax</p> <p>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.</p>
IAS 12. (47&15)	<p>b. Deferred tax</p> <p>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.</p>
IAS 19.120	<p>2.11.02 Employees' benefit obligation</p> <p>Defined contribution plan</p> <p>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.</p> <p>Defined benefit plan</p> <p>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.</p> <p>Other benefit program for employees</p> <p>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.</p>
	<p>2.12 Write-off</p> <p>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.</p>
	<p>2.13 Capital and shareholders' equity</p> <p>2.13.01 Capital management</p> <p>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.</p> <p>Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the company. The company's finance and risk management department are key to implementing the company's capital strategy and managing capital. Capital is managed using both regulatory control measure and internal matrix.</p> <p>2.13.02 Paid-up capital</p> <p>Paid up share capital represents total amount of share capital that has been paid in full by the ordinary shareholder. In the event of winding-up of the company, ordinary shareholder (s) rank after all other shareholders and creditors.</p> <p>2.13.03 Statutory reserve</p> <p>As per the Financial Institution Regulations 1994, every Non Banking Financial Institution (NBFI) is required to transfer at least 20% of its current year's profit after tax to the statutory reserve fund until such reserve fund equals to its paid up share capital and share premium (if any). To comply the above requirement, IIDFC transferred 20% of net profit to statutory reserve before declaration of dividend.</p> <p>2.13.04 Dividends on ordinary shares</p> <p>Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.</p>

NOTES TO THE FINANCIAL STATEMENTS

2.14 Contingent liabilities and contingent assets

A contingent liability is –

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

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

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

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

2.15 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements.

No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis.

Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

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

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.

IAS 18.30©

2.16.05 Dividend income

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

2.16.06 Other Operational income

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

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

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.117(b)	<p>2.17 Interest on loans and leases</p> <p>Interests income on interest bearing loans and leases are recorded at the time of proceeds received from a particular company. Accrued interest on company loan and leases is accounted for on accrual basis in the Profit and Loss Account under at the implicit rate of interest.</p>
IAS 1.117(b)	<p>2.18 Earnings per share</p> <p>Earnings per shares is calculated by dividing the profit or loss attributable to ordinary shares of the IIDFC by the weighted average number of ordinary shares outstanding during the year. IIDFC calculates EPS in accordance with Bangladesh Accounting Standard-33 'Earnings per Share' which has been shown in the profit and loss account.</p> <p>Diluted Earnings per share is not applicable for the year as there is no scope for dilution during the year 2016.</p>
IFRS 8.2	<p>2.19 Presentation of operating segments</p> <p>There are no operating segments of IIDFC as on reporting date according to the definition of operating segments of BFRS 8.</p>
IAS 37	<p>2.20 Contingent assets & liabilities</p> <p>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.</p>
IAS 1.65	<p>2.21 Liquidity statements</p> <p>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:</p> <ul style="list-style-type: none"> • Balance with other company's and financial institutions are on the basis of their maturity term. • Investments are on the basis of their residual maturity term. • Loans and Advances are on the basis of their repayment /maturity schedule. • Property, plant and equipment's are on the basis of their useful lives. • 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. <p>2.22 Events after Balance Sheet date</p> <p>Events after Balance Sheet date requires additional disclosures or adjustments based on material informtaion about the company. As per Bangladesh Accounting Standards BAS-10: 'Events after the reporting period' the events after the reporting date are reflected in the financial statements' note no. 42.05 .</p>
IAS 1.25–26	2.23 Going concern
IAS 10.14–16	<p>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.</p>
IAS 1.114(a)	<p>2.24 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)</p> <p>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:</p>

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

N/A= Not applicable

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

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, Chittagong Branch is located at C&F Tower (4th floor), 1222 Sheik Mujib Road, Agrabad Commercial Area, Chittagong and Uttara Branch is located at Kanak Arcade (4th floor), 14 Sonargaon Janapath, Sector-9, Uttara, Dhaka-1230.

2.26 Capital adequacy and market discipline

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

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

Pillar – I: Minimum capital requirement

Credit Risk

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

Market risk

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

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

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

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-2016	31-Dec-2015
Ref.				
IAS 7.45	3	Cash		
IAS 1.77		Cash in hand (Note 3.1)	10,480	4,003
		Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	193,567,640	165,781,110
		Total	193,578,120	165,785,113
IAS 1.77	3.1	Cash in hand		
		Cash in hand represents the amount under "imprest system of petty cash" to meet petty expenses both for head office as well as branch offices.		
IAS 1.77	3.2	Balance with Bangladesh Bank		
		Balance with Bangladesh Bank is a non-interest bearing account maintained with Central Bank to meet the Cash Reserve Requirement (CRR). CRR (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with The Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
IAS 1.77	3.3	Cash Reserve Requirement (CRR)		
		CRR has been calculated at the rate of 2.50% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
		Required reserve	156,601,460	140,269,918
		Actual reserve held	193,567,640	165,781,110
		Surplus / (Deficit)	36,966,180	25,511,192
IAS 1.77	3.4	Statutory Liquidity Reserve (SLR)		
		SLR has been calculated at the rate of 5.00% of total demand and time liabilities, including CRR of 2.50% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
		Required reserve	347,120,450	306,246,561
		Actual reserve held (Note-3.4.1)	397,586,385	414,124,273
		Surplus / (Deficit)	50,465,935	107,877,712
IAS 1.77	3.4.1	Actual Reserve held for SLR		
		Cash in hand	10,480	4,003
		Balance with Bangladesh Bank and its agent bank(s)	193,567,640	165,781,110
		Balance with other banks and financial institutions (Note-3.4.1.1)	204,008,265	248,339,160
		397,586,385	414,124,273	
IAS 1.77	3.4.1.1	Balance with other banks and financial institutions		
		Mutual Trust Bank Limited	22,665,733	21,440,306
		Union Bank Limited	181,342,532	100,000,000
		Bank Alfalah Ltd.	-	126,898,854
		Total	204,008,265	248,339,160
IAS 1.77	3.a	Consolidated cash		
		IIDFCL	10,480	4,003
		IIDFC Securities Limited	4,841	35,073
		IIDFC Capital Limited	28,166	7,935
		Sub-Total	43,487	47,011
		Balance with Bangladesh Bank and its agent bank(s) (Note-3)	193,567,640	165,781,110
		Total	193,611,127	165,828,121

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.77

4 Balance with other Banks and Financial Institutions

Inside Bangladesh

Current Accounts:

National Credit & Commerce Bank Ltd.
Southeast Bank Ltd.
Social Islami Bank Ltd.
Agrani Bank Ltd.
BRAC Bank Ltd.
Bank Alfalah Ltd.
Prime Bank Ltd.
IFIC Bank Ltd.
Bank Asia Ltd.
Bangladesh Development Bank Ltd.
Trust Bank Ltd.
Commercial Bank of Ceylon PLC
United Commercial Bank Ltd.
Uttara Bank Ltd.

Total

Short-Term Deposit Accounts:

Southeast Bank Ltd.
Mercantile Bank Ltd.
Bank Asia Ltd.
AB Bank Ltd.
Bank Alfalah Ltd.
The City Bank Ltd.
Janata 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.

Total

Fixed Deposits Receipts (FDR):

Midland Bank Ltd.
Southeast Bank Ltd.
Bank Asia Ltd.
Bank Alfalah Ltd.
Mutual Trust Bank Ltd.
Premier Leasing & Finance Limited
NRB Commercial Bank Ltd.
Union Bank Limited
Standard Bank Limited

Total

Sub Total

Outside Bangladesh

Grand Total

4.1 Maturity grouping of Balance with other Banks and Financial Institutions

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

Total

Amount in Taka	
31-Dec-2016	31-Dec-2015
175	33
3,896	4,586
2,198	133,173
2,065	3,445
12,235	4,578
7,848	-
275	1,425
-	-
31	4,329,125
7,271	7,961
-	-
28,077	29,227
3,600	4,750
597	1,747
68,268	4,520,050
192,902	39,680
-	830
53,339,536	63,719,461
2,951	2,953
93,675	93,675
7,123	11,099
4,175	5,150
-	-
-	-
-	-
30,070	30,398
2,268	3,918
3,650	4,800
-	-
75,482	72,980
53,751,832	63,984,944
-	250,000,000
-	11,901,115
-	50,000,000
-	126,898,854
22,665,733	21,440,306
100,000,000	-
30,465,000	-
332,186,282	280,000,000
20,000,000	-
505,317,015	740,240,275
559,137,115	808,745,269
-	-
559,137,115	808,745,269
164,978,315	60,800,000
173,574,367	278,300,000
81,812,048	220,500,000
138,772,385	249,145,269
-	-
559,137,115	808,745,269

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 1.77	4.a Consolidated Balance with other Banks and Financial Institutions		
	IIDFCL	559,137,115	808,745,269
	IIDFC Securities Limited (Note-4.a.1)	204,876,967	62,625,780
	IIDFC Capital Limited (Note-4.a.2)	36,643,759	1,888,330
	Total	800,657,841	873,259,379
IAS 1.77	4.a.1 IIDFC Securities Limited		
	Southeast Bank Ltd.	118,030,606	5,237,299
	Standard Bank Ltd.	941,141	545,841
	Bank Asia Ltd.	597,227	190,906
	One Bank Ltd.	85,307,993	56,651,734
	Total	204,876,967	62,625,780
IAS 1.77	4.a.2 IIDFC Capital Limited		
	Southeast Bank Ltd.	4,431,672	263,510
	ONE Bank Ltd.	32,137,732	1,551,181
	Bangladesh Commerce Bank Ltd.	74,355	73,639
	Total	36,643,759	1,888,330
IAS 1.77	5 Money at Call and Short Notice		
	Bank	-	-
	Non-Bank Financial Institutions	-	-
	Total	-	-
IAS 1.77	6 Investments		
	Government Securities		
	Treasury Bill	-	-
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/ Bond	-	-
	Prize Bond	-	-
	Others	-	-
	Sub Total	-	-
	Other Investments		
	Preference Shares (Note-6.1)	-	11,413,001
	Debenture and Bond (Zero Coupon Bond issued by Bank Asia Ltd.)	6,894,770	10,351,671
	Investments in Shares (Note-6.2)	379,953,235	341,476,530
	Investments in Commercial Paper	-	1,221,416,666
	Investments IPO (Pacific Denims Limited)	15,000,000	-
	Gold etc.	-	-
	Sub Total	401,848,005	1,584,657,868
	Total investments	401,848,005	1,584,657,868
6.1	Preference Shares		
	A term loan of Tk. 114,040,807.81 was converted into Redeemable Cumulative Preference Shares for which the Issuers (Summit Uttaranchol Power Co. Ltd. and Summit Purbanchol Power Co. Ltd.) issued 1,141,198 units of preference shares in favor of IIDFC Ltd. Dividend on those preference shares were required to be paid semi annually on 30 th June and 31 st December and principal to be repaid through 7 (seven) installments annually on 31 st December each English Calendar Year. The tenure of redemption of those shares has already been expired on 30 th September, 2016 and been fully paid. The original term loan amount was 100,000,000.00 provided at 12 th November, 2007.		
	Opening Balance	11,413,001	28,530,801
	Add: Addition/ adjustment during the year	-	-
	Less: Redemption during the year	11,413,001	17,117,800
	Closing Balance	-	11,413,001

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
6.2 Investments in Shares			
Quoted Shares			
Bank Company		17,897,011	38,842,713
Non-Banking Company		16,825,559	5,965,816
Insurance Company		18,439,564	10,822,299
Mutual Fund		27,910,707	34,779,239
Other Company		248,880,395	251,066,463
Total		329,953,236	341,476,530
Un-quoted Shares			
MTB Unit Fund		49,999,999	-
Total Investment in Shares		379,953,235	341,476,530

		31 st December 2016		
		Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
6.3	Cost Price Vs Market Price of Quoted Investments			
	Bank Company	17,897,011	19,968,722	(2,071,710)
	Non-Banking Company	16,825,559	16,106,700	718,859
	Insurance Company	18,439,564	17,449,773	989,792
	Mutual Fund	27,910,707	34,959,612	(7,048,905)
	Other Company	248,880,395	238,350,003	10,530,392
	Total	329,953,236	326,834,809	3,118,427

All investments in marketable securities are valued on an aggregate portfolio basis, at the lower of cost and market value as at 31st December 2016.

At the end of the reporting year, total cost price of the listed securities was BDT. 329,953,236 where as the market price was BDT. 326,834,809 resulting a required provision of BDT. 3,118,427

6.4	Maturity grouping of Investments		
	On demand	65,872,180	52,600,000
	Less than 3 months	21,872,976	501,600,000
	More than 3 months but less than 1 year	224,412,705	951,600,000
	More than 1 year but less than 5 years	89,690,144	78,857,868
	Above 5 years	-	
	Total	401,848,005	1,584,657,868
6.a	Consolidated Investments		
	IIDFCL	401,848,005	1,584,657,867
	IIDFC Securities Limited (Note- 6.a.1)	301,554,398	318,099,173
	IIDFC Capital Limited (Note- 6.a.2)	12,156,622	-
	Total	715,559,025	1,902,757,040
6.a.1	Investment of IIDFC Securities Limited		
	Quoted Shares		
	Bank Company	41,351,015	50,666,833
	Non-Banking Company	1,579,981	14,976,648
	Insurance Company	35,607,327	56,576,235
	Mutual Fund	11,121,752	10,080,121
	Other Company	183,033,902	156,938,916
	Total	272,693,978	289,238,753
	Un-quoted Shares		
	Dhaka Stock Exchange Limited	28,860,420	28,860,420
	Total Investment in Shares	301,554,398	318,099,173
6.a.1.1	Cost Price Vs Market Price of Quoted Investments		
	Bank Company	41,351,015	(2,595,285)
	Non-Banking Company	1,579,981	(214,019)
	Insurance Company	36,842,164	8,528,286
	Mutual Fund	11,121,752	(1,761,698)
	Other Company	181,799,065	12,990,774
	Total	272,693,978	16,948,059

NOTES TO THE FINANCIAL STATEMENTS

		31 st December 2016		
		Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
6.a.2	Investment of IIDFC Capital Limited			
	Quoted Shares			
	Bank Company		-	-
	Non-Banking Company		-	-
	Insurance Company		-	-
	Mutual Fund		-	-
	Other Company		12,156,622	-
	Total		12,156,622	-
	Un-quoted Shares			
			-	-
	Total Investment in Shares		12,156,622	-
6.a.2.1	Cost Price Vs Market Price of Quoted Investments			
	Bank Company	-	-	-
	Non-Banking Company	-	-	-
	Insurance Company	-	-	-
	Mutual Fund	-	-	-
	Other Company	12,156,622	11,872,320	284,302
	Total	12,156,622	11,872,320	284,302
IAS 1.77	7 Loans & Advances	Percentage (%)	31-Dec-2016	31-Dec-2015
	Inside Bangladesh:			
	Gross Lease Receivables	16.48%	2,397,996,637	2,951,475,869
	Less: Unearned Lease Income	2.66%	386,435,204	506,857,462
	Net Lease Receivables	13.82%	2,011,561,433	2,444,618,407
	Advance for Lease Finance	0.61%	89,356,347	83,740,331
	Total Lease Finance (Note-7.1)	14.44%	2,100,917,780	2,528,358,738
	Direct/ Term Finance	84.47%	12,293,066,917	8,232,924,936
	Secured Overdraft	0.09%	13,249,569	45,853,258
	Bills Discounted and Purchased (Note-7.8)	1.01%	146,660,461	86,442,761
	Total Other Finance (Note-7.1)	85.56%	12,452,976,947	8,365,220,955
	Sub Total	100.00%	14,553,894,727	10,893,579,693
	Outside Bangladesh:			
	Gross Lease Receivables		-	-
	Less: Unearned Lease Income		-	-
	Net Investment		-	-
	Advance for Lease Finance		-	-
	Direct/ Term Finance		-	-
	Secured Overdraft		-	-
	Factoring Finance		-	-
	Margin Loan		-	-
	Sub Total		-	-
	Total	100.0%	14,553,894,727	10,893,579,693

NOTES TO THE FINANCIAL STATEMENTS

		Percentage (%)	Amount in Taka		
			31-Dec-2016	31-Dec-2015	
7.1	Details of Loans & Advances				
	Lease Finance				
	Corporate Clients	8.42%	1,225,808,927	1,834,368,914	
	Small & Medium Enterprises (SME)	6.01%	875,108,853	693,989,824	
	Sub Total	14.44%	2,100,917,780	2,528,358,738	
	Direct / term finance				
	Syndication Finance	5.29%	770,047,603	101,258,515	
	Corporate clients	61.01%	8,878,614,834	6,085,598,998	
	Small & Medium Enterprises (SME)	15.01%	2,183,828,141	1,603,859,148	
	Home Loan	2.98%	434,290,156	423,230,443	
	Bills Discounted and Purchased	1.05%	152,601,714	86,442,761	
	Secured Overdraft	0.09%	13,249,569	45,853,258	
	Employee Loan	0.14%	20,344,930	18,977,832	
	Sub Total	85.56%	12,452,976,947	8,365,220,955	
	Grand Total	100%	14,553,894,727	10,893,579,693	
IAS 1.61	7.2 Maturity grouping of loans & advances	On demand	1,139,651,967	1,338,300,000	
		Less than 3 months	3,674,957,206	2,751,500,000	
		More than 3 months but less than 1 year	4,209,328,071	2,143,200,000	
		More than 1 year but less than 5 years	3,722,556,113	2,799,000,000	
		Above 5 years	1,807,401,371	1,861,579,693	
		Total	14,553,894,727	10,893,579,693	
IFRS 8.20	7.3 Sector/ Industry-wise Loans & Advances	Agricultural sector	2.03%	295,870,132	242,022,238
		Industrial sector:			
		Textiles	8.82%	1,284,185,039	802,734,597
		Garments	9.86%	1,434,535,251	1,531,005,825
		Jutes & jute related goods	1.04%	150,645,467	127,851,393
		Food items producer/processing industry	4.67%	679,979,065	247,164,017
		Plastic industries	2.85%	414,316,235	187,032,675
		Lether and Lether goods	0.14%	20,883,706	16,081,542
		Iron, steel and engineering	8.52%	1,240,050,774	632,725,332
		Chemicals and pharmaceuticals	4.19%	609,091,749	216,406,581
		Cement/ clinker and allied industries	2.19%	319,281,132	16,647,119
		Service sector (Hotel, hospital, clinic, tourism, etc.)	3.68%	535,246,345	626,986,747
		Paper, printing and packaging	2.75%	400,236,806	374,276,005
		Telecommunication and IT industries	6.42%	933,855,363	674,084,029
		Glass and ceramic industries	0.13%	18,719,848	270,096,090
		Shipping and ship building industries	2.34%	341,126,255	485,855,080
		Electronics and electrical goods	3.27%	475,883,015	162,106,122
		Power, gas, water and sanitary	5.84%	850,426,478	400,909,886
		Transport and communication	3.59%	522,981,011	192,378,115
		Real estate and housing	7.00%	1,019,357,920	774,407,987
		Merchant banking	4.54%	660,534,840	659,840,416
		Others	16.12%	2,346,688,296	2,252,967,897
		Total	100.00%	14,553,894,727	10,893,579,693

NOTES TO THE FINANCIAL STATEMENTS

		Percentage (%)	Amount in Taka		
			31-Dec-2016	31-Dec-2015	
IFRS 8.20	7.4 Geographical Location-wise Loans & Advances				
	Inside Bangladesh				
	Dhaka Division	79.88%	11,625,927,557	7,803,273,819	
	Chittagong Division	18.23%	2,653,701,214	2,724,724,890	
	Barishal Division	0.70%	101,256,650	105,268,135	
	Rajshahi Division	0.56%	82,152,671	21,770,566	
	Rangpur Division	0.20%	29,327,276	11,360,646	
	Sylhet Division	0.00%	17,484	200,173,334	
	Mymensingh Division	0.37%	54,084,933	20,088,887	
	Khulna Division	0.05%	7,426,943	6,919,416	
	Sub Total	100.00%	14,553,894,727	10,893,579,693	
	Outside Bangladesh	-	-	-	
	Total	100.00%	14,553,894,727	10,893,579,693	
IAS1.77	7.5 Classification of Loans & advances as per Bangladesh Bank circular				
	Unclassified	31-Dec-2016	31-Dec-2015	31-Dec-2016	31-Dec-2015
	Standard	94.12%	93.79%	13,697,747,272	10,216,724,451
	Special Mention Account (SMA)	1.16%	1.43%	168,137,320	155,423,893
	Sub Total	95.27%	95.21%	13,865,884,592	10,372,148,344
	Classified				
	Sub-standard (SS)	1.79%	1.03%	261,203,836	111,997,971
	Doubtful (DF)	1.69%	1.49%	245,698,614	162,524,289
	Bad/ Loss (BL)	1.24%	2.27%	181,107,685	246,909,089
	Sub Total	4.73%	4.79%	688,010,135	521,431,349
	Total	100%	100%	14,553,894,727	10,893,579,693
	7.6 Details of Large Loans & Advances				
	As per DFIM circular No.-10, dated 5 th 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 1,623,328,533 as on 31 st December, 2016 whereas Tk 1,564,400,806 as on 31 st December, 2015.				
	Number of Clients		11	9	
	Outstanding Amount		3,830,587,588	2,911,764,251	
	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		4,363,463,431	4,621,166,752	
	2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee		8,910,578,774	4,888,426,609	
	3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors		673,996,468	777,948,338	
	4. Loans & advances adversely classified for which provision has not been maintained		-	-	

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
	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	605,856,054	606,037,994
	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	113,878,184	34,850,000
	b. Amount of loans & advances written off	-	-
	c. Amount of collection against written of loans & advances	1,000,000	3,000,000
	d. Interest credited to interest suspense account	(28,507,177)	(32,900,000)
	11. Loans & advances written off:		
	a. Current year (Note-33)	158,088,137	-
	b. Cumulative to date	246,491,238	88,403,101
	c. Amount of written off loans for which law suits have been filed	246,491,238	88,403,101
IFRS 7.8©	7.8 Bills Discounted and Purchased		
	Inside Bangladesh	146,660,461	86,442,761
	Outside Bangladesh	-	-
	Total	146,660,461	86,442,761
IAS 1.61	7.9 Maturity grouping of Bills Discounted and Purchased		
	Within 1 month	1,792,065	1,056,257
	Over 1 month but within 3 months	49,895,379	29,408,706
	Over 3 months but within 6 months	34,847,647	20,539,461
	Over 6 months	60,125,370	35,438,338
	Total	146,660,461	86,442,761
	7.a Consolidated Loans & Advances		
	IIDFCL	14,553,894,727	10,893,579,693
	IIDFC Securities Limited (Note-7.a.1)	1,781,648,816	1,844,253,510
	IIDFC Capital Limited (Note-7.a.2)	740,727,997	863,593,391
		17,076,271,540	13,601,426,594
	Less: Inter Company Loans & Advances		
	IIDFC Securities Limited	587,101,422	587,101,422
	IIDFC Capital Limited	47,931,530	47,931,530
		635,032,952	635,032,952
	Total	16,441,238,588	12,966,393,642

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
7.a.1	Loans & Advance of IIDFC Securities Limited		
	Margin Loan	1,781,648,816	1,844,253,510
7.a.2	Loans & Advance of IIDFC Capital Limited		
	Margin loan	740,727,997	863,593,391
IAS 16.31	8 Property, Plant & Equipment (Details in Annexure-1)		
	Own Finance		
	A. Cost		
	Motor Vehicles	24,867,467	21,965,652
	Furniture & Fixtures	10,666,651	10,462,789
	Office Equipments	34,463,345	30,582,242
	Total	69,997,463	63,010,683
	B. Less: Accumulated Depreciation		
	Motor Vehicles	17,600,529	17,378,536
	Furniture & Fixtures	7,581,407	6,637,932
	Office Equipments	28,544,923	25,333,980
	Total	53,726,859	49,350,448
	C. Written Down Value at the end of the year (A-B)	16,270,604	13,660,235
	Lease Finance		
	D. Cost		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	Total	-	-
	E. Less: Accumulated Depreciation		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	Total	-	-
	F. Written Down value at the end of the year (D-E)	-	-
	G. Total Property, Plant & Equipment (C+F)	16,270,604	13,660,235
	Details of Property, Plant & Equipments has been presented in Annexure-I		
8.1	Intangible asset - computer software (Details in Annexure-1)		
	Cost	8,486,026	7,711,026
	Add: Addition during the year	-	-
	Less: Accumulated amortization	4,835,286	3,682,126
	Net book value at the end of the year	3,650,740	4,028,900
8.a	Consolidated property, plant & equipment (Details in Annexure-1.a)		
	IIDFCL	16,270,604	13,660,235
	IIDFC Securities Limited (Note-8.a.1)	5,419,244	8,389,326
	IIDFC Capital Limited (Note-8.a.2)	299,678	381,674
	Total	21,989,526	22,431,235

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
8.a.1	Property, plant & equipment of IIDFC Securities Limited		
	A. Cost		
	Motor vehicles	-	-
	Furniture & fixtures	12,655,200	12,646,800
	Office equipments	15,562,238	15,724,298
	Total	28,217,438	28,371,098
	B. Less: Accumulated depreciation		
	Motor vehicles	-	-
	Furniture & fixtures	7,542,522	6,277,001
	Office equipments	15,255,672	13,704,771
	Total	22,798,194	19,981,772
	C. Written down value at the end of the year (A-B)	5,419,244	8,389,326
8.a.2	Property, plant & equipment of IIDFC Capital Limited		
	A. Cost		
	Motor vehicles	1,250,000	1,250,000
	Furniture & fixtures	819,914	819,914
	Office equipments	3,125,091	3,125,091
	Total	5,195,005	5,195,005
	B. Less: Accumulated depreciation		
	Motor vehicles	1,249,994	1,249,994
	Furniture & fixtures	520,243	438,247
	Office equipments	3,125,090	3,125,090
	Total	4,895,327	4,813,331
	C. Written down value at the end of the year (A-B)	299,678	381,674
8.1.a	Consolidated intangible asset (Details in Annexure-1.a)		
	IIDFCL	3,650,740	4,028,900
	IIDFC Securities Limited	160,230	354,778
	IIDFC Capital Limited	10	150,000
		3,810,980	4,533,678
IAS 1.77	9 Other assets		
	Investment in shares of subsidiary companies:		
	In Bangladesh	1,599,862,970	1,599,862,970
	Outside Bangladesh	-	-
	Advance rent and advertisement	-	453,344
	Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	7,058,694	5,466,852
	Security deposits	4,483,357	4,386,840
	Preliminary, formation and organization expenses, renovation/ development and prepaid expenses	1,740,393	2,563,048
	Balance with BO account	35,312,353	5,287,042
	Others (Note 9.1)	602,376,984	530,290,886
	Total	2,250,834,751	2,148,310,982

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 1.78(b)	9.1 Others		
	Interest receivable	101,781,916	96,938,393
	Advance for traveling	20,000	-
	Deferred Tax	9,657,630	8,382,872
	Advance for suppliers	6,967,506	6,295,255
	Advance tax	483,689,576	408,849,490
	Commission on bank guarantee	260,356	324,876
	Advance interest paid	-	9,500,000
	Total	602,376,984	530,290,886
	9.a Consolidated other assets		
	IIDFCL	2,250,834,751	2,148,310,982
	IIDFC Securities Limited (Note-9.a.1)	249,185,556	210,029,523
	IIDFC Capital Limited (Note-9.a.2)	72,974,429	72,661,499
		2,572,994,736	2,431,002,004
	Less: Inter company investment		
	IIDFC Securities Limited	999,874,970	999,874,970
	IIDFC Capital Limited	599,988,000	599,988,000
		1,599,862,970	1,599,862,970
	Total	973,131,766	831,139,034
	9.a.1 Other assets of IIDFC Securities Limited		
	Cost of TREC holding	124,258,580	124,258,580
	Advance rent	1,285,000	1,303,125
	Stamp in hand	15,301	3,280
	Security deposits	361,856	361,856
	Advance tax	83,597,825	71,944,217
	Others	39,666,994	12,158,465
	Total	249,185,556	210,029,523
	9.a.2 Other assets of IIDFC Capital Limited		
	License fee	30,196,209	30,196,209
	Security deposits	200,000	200,000
	Advance tax	40,471,874	40,434,648
	Deferred tax assets	228,028	232,729
	Others	1,878,318	1,597,913
	Total	72,974,429	72,661,499
IFRS 7.7	10 Borrowings from other Banks, Financial Institutions & Agents		
	Inside Bangladesh:		
	Refinance against SME loan from Bangladesh Bank	861,518,500	422,257,830
	From other scheduled Banks (Note- 10.1)	1,388,543,886	2,962,267,030
	Sub Total	2,250,062,386	3,384,524,860
	Outside Bangladesh	-	-
	Total	2,250,062,386	3,384,524,860

NOTES TO THE FINANCIAL STATEMENTS

10.1 From other scheduled Banks & Financial Institutions

Long term loan

	Amount in Taka	
	31-Dec-2016	31-Dec-2015
Eastern Bank Ltd.	-	70,000,000
Janata Bank Ltd.	-	91,666,667
Uttara Bank Ltd.	-	87,354,704
Shahjalal Islami Bank Ltd.	-	94,028,464
Bank Alfalah Ltd	-	29,166,665
National Credit and Commerce Bank Ltd.	105,324,681	165,753,952
Mutual Trust Bank Ltd.	-	160,427,172
Dutch Bangla Bank Ltd.	-	104,297,354
The UAE Bangladesh	-	33,667,654
Sub-Total	105,324,681	836,362,632

Overdraft and money at call short notice

Bank Alfalah Ltd.	50,000,000	106,283,703
BRAC Bank Ltd.	100,000,000	550,000,000
Mercantile Bank Ltd.	-	3,576
ICB Islamic Bank Limited	-	50,000,000
Mutual Trust Bank Limited	573,219,205	49,400,981
NRB Commercial Bank Ltd.	-	130,000,000
Dutch Bangla Bank Ltd	-	370,000,000
United Commercial Bank Limited	220,000,000	70,000,000
South Bangla Agriculture & Commerce Bank Ltd.	-	200,000,000
Standard Bank Ltd	-	150,000,000
Premier Bank Ltd.	-	150,000,000
Prime Bank Ltd.	-	7,617
Janata Bank Ltd.	200,000,000	150,000,000
Pubali Bank Ltd.	140,000,000	150,000,000
Eastern Bank Ltd.	-	208,522
Sub-Total	1,283,219,205	2,125,904,398

Grand Total

1,388,543,886 **2,962,267,030**

Security against borrowings from other banks, financial institutions and agents

Secured	1,360,062,386	2,494,524,860
Unsecured	890,000,000	890,000,000
Total	2,250,062,386	3,384,524,860

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

Payable on demand	700,000,000	890,000,000
Up to 1 month	407,925,210	234,000,000
Over 1 month but within 6 months	258,960,452	994,400,000
Over 6 months but within 1 year	172,640,301	328,800,000
Over 1 year but within 5 years	344,384,573	825,900,000
Over 5 years	366,151,850	111,424,860
Total	2,250,062,386	3,384,524,860

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
10.a	Consolidated borrowings from other Banks, Financial Institutions & Agents		
	Inside Bangladesh		
	IIDFCL	2,250,062,386	3,384,524,860
	IIDFC Securities Limited (Note-10.a.1)	610,117,704	698,291,746
	IIDFC Capital Limited (Note-10.a.2)	47,931,530	90,598,915
		2,908,111,620	4,173,415,521
	Less: Inter company borrowings		
	IIDFC Securities Limited	587,101,422	587,101,422
	IIDFC Capital Limited	47,931,530	47,931,530
		635,032,952	635,032,952
	Total	2,273,078,668	3,538,382,569
10.a.1	Borrowings of IIDFC Securities Limited		
	Inside Bangladesh		
	IIDFC Ltd.	587,101,422	587,101,422
	Investment Corporation of Bangladesh	23,016,282	111,190,324
	Total	610,117,704	698,291,746
10.a.2	Borrowings of IIDFC Capital Limited		
	IIDFC Ltd.	47,931,530	47,931,530
	Investment Corporation of Bangladesh (ICB)	-	42,667,385
	Total	47,931,530	90,598,915
IFRS 7.7	11 Deposits & other accounts		
	Deposits from banks and financial institutions (Note-11.1)	6,153,450,565	3,596,856,512
	Deposits from customers	6,413,597,862	5,716,187,991
	Sub-Total	12,567,048,427	9,313,044,503
	Other deposit	5,475,879	5,977,279
	Grand Total	12,572,524,306	9,319,021,782
11.1	Deposits from banks and financial institutions		
	Duch Bangla Bank Limited	150,000,000	-
	AB Bank Ltd.	150,000,000	250,000,000
	BRAC Bank Limited	350,000,000	160,000,000
	Eastern Bank Limited	330,000,000	-
	The City Bank Ltd.	-	150,000,000
	Jamuna Bank Limited	300,000,000	-
	Sonali Bank Limited	600,000,000	-
	IFIC Bank Limited	100,000,000	150,000,000
	Janata Bank Limited	-	50,000,000
	Mercantile Bank Limited	23,450,565	21,856,512
	National Bank Limited	200,000,000	-
	Simanto Bank Limited	500,000,000	-
	Prime Finance & Investment Ltd.	-	20,000,000
	Rupali bank Ltd.	-	100,000,000
	South Bangla Agriculture and Commerce Bank Ltd.	500,000,000	420,000,000
	Shahjalal Islami Bank Limited	350,000,000	405,000,000
	Social Islami Bank Limited	900,000,000	820,000,000
	Southeast Bank Limited	100,000,000	-
	Standard Bank Limited	50,000,000	-
	Modhumoti Bank Ltd.	500,000,000	750,000,000
	Midland Bank Limited	300,000,000	-
	Mutual Trust Bank Limited	300,000,000	-
	Uttara Bank Limited	300,000,000	-
	United Commercial Bank Limited	150,000,000	300,000,000
		6,153,450,565	3,596,856,512

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 1.61	11.2 Maturity grouping of deposits & other accounts		
	Payable on demand	-	-
	Up to 1 month	1,098,277,586	94,400,000
	Over 1 month but within 6 months	5,385,597,494	2,387,800,000
	Over 6 months but within 1 year	2,044,899,039	2,948,800,000
	Over 1 year but within 5 years	2,780,216,323	2,509,600,000
	Over 5 years but within 10 years	1,263,533,865	1,378,421,782
	Over 10 years	-	-
	Total	12,572,524,306	9,319,021,782
	11.a Consolidated Deposits & Other Accounts		
	IIDFCL	12,567,048,427	9,313,044,503
	IIDFC Securities Limited	-	-
	IIDFC Capital Limited (Note-11.a.1)	26,072,711	1,679,729
	Sub Total	12,593,121,138	9,314,724,232
	Other Deposit	5,475,879	5,977,279
	Total	12,598,597,017	9,320,701,511
	11.a.1 Deposits & Other Accounts of IIDFC Capital Limited		
	Deposits from Banks	-	-
	Deposits from Customers	26,072,711	1,679,729
	Total	26,072,711	1,679,729
IAS 1.77	12 Other Liabilities		
	Finance loss reserve (Note 12.1)	377,188,096	415,535,313
	Deferred tax	471,777	797,182
	Interest suspense account (Note 12.2)	106,802,621	135,309,798
	Lease rental advance	29,713,790	29,210,415
	Provision for current tax (Note 37)	447,662,079	397,162,079
	Liabilities for financial expenses	403,530,242	294,560,242
	Liabilities for expenses	1,193,143	747,412
	Liabilities for other finance	165,655,418	74,985,413
	Obligation under finance lease	738,631	2,512,758
	Total	1,532,955,797	1,350,820,612
IAS 37.84	12.1 Finance Loss Reserve		
	Specific Provision on Classified Loans & Advances		
	Opening Balance	300,093,097	236,483,080
	Less: Provision fully provided loans & advances written-off during the year	(124,580,960)	-
	Add: Specific provision provided during the year	54,418,345	63,610,017
	Closing balance	229,930,482	300,093,097
	Provision for diminution in value of Investments		
	Opening Balance	30,762,867	36,366,717
	Add: Provision during the year	(27,644,440)	(5,603,850)
	Closing Balance	3,118,427	30,762,867
	General Provision on unclassified Loans & Advances		
	Opening balance	84,679,348	113,439,366
	Add: General provision provided during the year	59,459,839	(28,760,017)
	Closing Balance	144,139,187	84,679,349
	Total	377,188,096	415,535,313

NOTES TO THE FINANCIAL STATEMENTS

			Amount in Taka	
			31-Dec-2016	31-Dec-2015
Particulars of required provision for Loans and Advances				
Status of classification	Base for provision	Rate		
Unclassified (General provision)				
Standard- other than SME	10,831,997,428	1.0%	108,319,974	79,287,532
Standard- SME	2,865,749,844	0.25%	7,164,375	5,719,928
Special mention account (SMA)	154,565,376	5.0%	7,728,269	7,378,939
Total	13,852,312,648		123,212,618	92,386,399
Classified (Specific provision)				
Sub-standard (SS)	190,900,877	20.0%	38,180,175	10,546,153
Doubtful (DF)	194,842,586	50.0%	97,421,293	56,550,598
Bad/ loss (BL)	94,329,012	100.0%	94,329,012	196,132,706
Total	480,072,475		229,930,480	263,229,457
Required provision for Investments			3,118,427	30,762,867
Total provision required			356,261,525	386,378,723
Total provision made			377,188,096	415,535,313
Excess provision made			20,926,571	29,156,590
Interest suspense account				
Opening Balance			135,309,798	168,209,798
Add: Amount transferred to interest suspense account during the year			5,000,000	(32,900,000)
Less: Amount written-off during the year			(33,507,177)	-
Closing Balance			106,802,621	135,309,798
12.a Other Liabilities				
IIDFCL			1,532,955,797	1,350,820,612
IIDFC Securities Limited (Note-12.a.1)			832,279,788	657,873,750
IIDFC Capital Limited (Note-12.a.2)			264,333,880	375,797,060
			2,629,569,465	2,384,491,422
Less: Inter company liabilities				
IIDFC Securities Limited			-	-
IIDFC Capital Limited			-	-
Total			2,629,569,465	2,384,491,422
12.a.1 Other Liabilities of IIDFC Securities Limited				
Provision for loans & advances-margin loan			55,317,340	55,346,619
Provision for current tax			78,210,890	66,557,281
Provision for deferred tax			(535,828)	(878,869)
Payable to clients			177,884,743	38,595,751
Payable to merchant Banks (SEB Capital & IIDFC Capital)			662,691	9,517,267
Payable to DSE			7,732,029	50,130
Interest suspense account			483,558,749	425,246,837
Liability for expenses			20,766,919	24,082,979
Reserve for risk fund			716,667	616,667
Provision for diminution in value of investments			7,965,588	38,739,088
Total			832,279,788	657,873,750

IAS 37.84

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka		
		31-Dec-2016	31-Dec-2015	
12.a.2	Other liabilities of IIDFC Capital Limited			
	Finance loss reserve	13,317,115	36,902,356	
	Withholding tax	81,692	-	
	Interest suspense account	203,159,547	293,235,376	
	Provision for diminution in value of investment	284,302	-	
	Current tax liability	41,286,735	40,477,491	
	Liability for financial expenses	5,564,866	3,212,532	
	Liability for expenses	639,542	1,385,435	
	Payable to Brokerage & Others	81	583,870	
	Total	264,333,880	375,797,060	
IAS 1.79	13 Share Capital			
IAS 1.79(a)(i)	Authorized Capital			
	(500,000,000 shares of Tk. 10 each)	5,000,000,000	5,000,000,000	
IAS 1.79(a)(ii)	Subscribed & Paid-up Capital :			
	(100,000,000 shares of Tk. 10 each)	1,000,000,000	1,000,000,000	
IAS 1.79(a)(ii)	Paid-up Share Capital as on 31st December, 2016 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%
		21,987,330	219,873,300	21.99%
	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%
		78,012,670	780,126,700	78.01%
		100,000,000	1,000,000,000	100.00%
IAS1.135(d)	13.1 Capital adequacy			
	As per section 4(Gha) of the Financial Institutions Regulations 1994, the minimum paid up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company.			
	Paid up capital	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	-	-	
IAS1.135(d)	13.2 Capital adequacy and market discipline			
	As per Capital Adequacy and Market Discipline for Financial Institutions guideline of Bangladesh Bank, IIDFC calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk and operational risk under pillar-I. IIDFC maintains Capital Adequacy Ratio (CAR) of minimum 10%.			

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
Tier-1 (Core Capital)			
Fully paid-up capital/ capital lien with BB		1,000,000,000	1,000,000,000
Statutory reserve		307,536,433	275,682,279
Non-repayable share premium account		-	-
General reserve		47,800,000	46,800,000
Retained earnings		268,335,141	241,918,527
Minority interest in subsidiaries		-	-
Non- cumulative irredeemable preference shares		-	-
Dividend equalization account		-	-
Other (if any item approved by Bangladesh Bank)		-	-
Sub-Total		1,623,671,574	1,564,400,806
Deductions from tier-1(Core capital)			
Book value of goodwill and any value of any contingent assets which are shown as assets		-	-
Shortfall in provisions required against classified assets		-	-
Shortfall in provisions required against investment in share		-	-
Remaining deficit on account of revaluation of investments		-	-
in securities after netting off any other surplus on the securities		-	-
Any investment exceeding the approved limit		-	-
Investments in subsidiaries which are not consolidated		-	-
Other (if any)		-	-
Sub-Total		-	-
Total eligible Tier-1 capital		1,623,671,574	1,564,400,806
2. Tier-2 (Supplementary capital)			
General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)		123,212,618	92,386,399
Assets revaluation reserves upto 50%		-	-
Revaluation reserve for securities upto 50%		-	-
All other preference shares		-	-
Other (if any item approved by Bangladesh Bank)		-	-
Sub-Total		123,212,618	92,386,399
Deductions, if any		-	-
Total eligible Tier-2 capital		123,212,618	92,386,399
A Total capital		1,746,884,191	1,656,787,204
B Total risk weighted asset		14,055,125,963	13,090,883,416
C Required capital		1,405,512,596	1,309,088,342
D Surplus / (Deficit)		341,371,595	347,698,863
Capital adequacy ratio (CAR)		12.43%	12.66%
On core capital (Tier-1)		11.55%	11.95%
On supplementary capital (Tier-2)		0.88%	0.71%

NOTES TO THE FINANCIAL STATEMENTS

Total risk weighted asset		Amount in Taka	
SL No.	Particulars	31-Dec-2016	31-Dec-2015
A.	Credit risk:		
	On balance sheet (From A.1)	12,723,821,057	11,886,770,852
	Off balance sheet (From A.2)	28,918,081	41,087,369
B.	Market risk (From B.1)	789,906,470	726,482,404
C.	Operational risk (From C.1)	512,480,355	436,542,792
	Total RWA (A+B+C)	14,055,125,963	13,090,883,416

A.1 Risk weighted asset for credit risk on balance sheet exposurer (As at 31 December, 2016)

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
a	Cash		0.00	10,480	-
b	Claims on Bangladesh Government & BB		0.00	193,567,640	-
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	559,137,115	111,827,423
h	Claims on Corporate	1	0.20	1,266,175,935	253,235,187
		2	0.50	5,112,739,796	2,556,369,898
		3,4	1.00	854,206,471	854,206,471
		5,6	1.50	-	-
		Unrated	1.25	2,849,299,334	3,561,624,168

NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
i	Securitization Exposures	1	0.20	-	-
		2	0.50	-	-
		3	1.00	-	-
		4	3.50	-	-
j	Claims under Credit Risk Mitigation (From Work Sheet 1(a))	PSE	N/A	-	-
		NBFIs & Banks	N/A	-	-
		Corporate	N/A	-	-
		Retail & Small	N/A	-	-
		Consumer finance	N/A	-	-
		Residential Property	N/A	-	-
		Commercial Real Estate	N/A	-	-
k	Claims categorized as retail portfolio & Small Enterprises (Excluding Consumer Loan)		0.75	3,698,837,853	2,774,128,390
l	Consumer finance		1.00	-	-
m	Claims fully secured by residential property		0.50	1,038,197,503	519,098,752
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	168,137,320	252,205,980
	ii). Where specific provisions are no less than 20% of the outstanding amount of the past due claim		1.00	261,203,836	261,203,836
	iii). Where specific provisions are more than 50% of the outstanding amount of the past due claim		1.00	426,806,299	426,806,299
	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		-
	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	-	-

NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
p	Capital Market Exposure		1.25	394,953,235	493,691,544
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.		1.50	6,894,770	10,342,155
s	Investment in premises, plant and equipment and all other fixed assets		1.00	19,921,344	19,921,344
t	Claims on all fixed assets under operating lease		1.00		-
u	All Other Assets				

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
i)	Claims on GOB & BB (eg. Advanced Income Tax, reimbursement of Patirakkha/ Shadharon Shanchoy Patra etc.)		0.00	483,689,576	-
ii	Staff Loan/ Investment		0.20	20,344,931	4,068,986
iii)	Cash items in process of collection		0.20	-	-
iv)	Other Assets (net of specific provision, if any)		1.00	625,090,625	625,090,625
	Total			17,979,214,063	12,723,821,057

A.2 Risk weighted asset for credit risk on off balance sheet exposers (As at 31 December, 2016)

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	-	-

NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
e.	Claims on NBFI 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	57,836,162	28,918,081
		3,4	1.00	-	-
		5,6	1.50	-	-
		Unrated	1.25	-	-

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
g.	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	-	-
	Total			57,836,162	28,918,081

A.2.1 Credit conversion factors off - balance sheet exposures (As at 31 December, 2016)

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%	106,544,980.00	53,272,490
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	20%	22,818,360	4,563,672
h).	Other commitments that can be unconditionally cancelled by any time	0%	-	-
i).	Foreign exchange contract		-	
	Total		129,363,340	57,836,162

B.1 Market risk

SL No.	Market risk	Total Capital Charge	Total Capital Charge
A	Interest Rate Related Instruments		-
B	Equities	78,990,647	72,648,240
C	Foreign Exchange Position (if any)	-	-
D.	Commodities (if any)	-	-
	Total	78,990,647	72,648,240

NOTES TO THE FINANCIAL STATEMENTS

B.1.1 Capital charge on equities

SL No.	Particulars	Amount (Market Value)	RW	Capital Charge	Capital Charge
a.	Specific Risk	394,953,235	10%	39,495,324	36,324,120
b.	General Market Risk	394,953,235	10%	39,495,324	36,324,120
	Total	789,906,470		78,990,647	72,648,240

C.1 Capital charge for operational risk (Basic indicator approach) (As at 31 December, 2016)

SL No.	Operational risk	Year, 2015 A	Year, 2014 B	Year, 2013 C	Capital Charge [(A+B+C) *15%]/3
a.	Gross income	394,568,699	380,454,891	249,937,119	51,248,035

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 1.77	14 Statutory reserve		
	Opening balance	275,682,279	253,555,694
	Add: Addition during the year	31,854,154	22,126,585
	Closing balance	307,536,433	275,682,279
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	46,800,000	45,800,000
	Add: Addition during the year	1,000,000	1,000,000
	Closing balance	47,800,000	46,800,000
	15.a Consolidated general reserve		
	IIDFCL	47,800,000	46,800,000
	IIDFC Securities Limited	16,997,874	16,997,874
	IIDFC Capital Limited	-	-
		64,797,874	63,797,874
	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	-	-
	17.a Consolidated stock dividend		
	IIDFC Limited	-	-
	IIDFC Securities Ltd.	-	-
	-	-	
IAS 1.77	18 Retained earnings		
	Opening balance	241,918,527	254,412,188
	Add: Non-divisible profit (note-18.1)	-	-
	Net profit during the year	159,270,768	110,632,923
	Less: Statutory reserve	(31,854,154)	(22,126,585)
	Less: General reserve	(1,000,000)	(1,000,000)
	Less: Proposed stock dividend for the year 2015	-	-
	Less: Cash Dividend Distributed for the year 2015	(100,000,000)	(100,000,000)
	Closing balance	268,335,141	241,918,527

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
18.1	Non-divisible profit	Retained earnings includes Tk. 65,000,000 as non-divisible profit including minority interests. Its represents stock dividend of Tk. 40,000,000 from IIDFC Capital Limited and Tk. 25,000,000 from IIDFC Securities Limited for the year 2010 & 2011.	
18.a	Retained earnings carried forward		
	IIDFCL	268,335,141	241,918,527
	IIDFC Securities Limited (Note-18.a.1)	83,452,560	70,721,886
	IIDFC Capital Limited (Note-18.a.2)	(75,507,459)	(129,493,094)
	Sub-Total	276,280,242	183,147,319
	Less: Non-controlling interest	8,924	6,252
	Total	276,271,318	183,141,067
18.a.a	Non-divisible profit	Retained earnings includes Tk. 65,000,000 as non-divisible profit including minority interests. Its represents stock dividend of Tk. 40,000,000 from IIDFC Capital Limited and Tk. 25,000,000 from IIDFC Securities Limited for the year 2010 & 2011.	
18.a.1	Retained earnings of IIDFC Securities Limited		
	Opening balance	70,721,886	63,711,774
	Add: Prior year adjustment	-	9,582
	Add: Net profit during the year	12,730,674	7,000,530
	Less: Stock dividend	-	-
	Closing balance	83,452,560	70,721,886
18.a.2	Retained earnings of IIDFC Capital Limited		
	Opening balance	(129,493,094)	(131,527,413)
	Net profit during the year	53,985,635	2,034,319
	Closing balance	(75,507,459)	(129,493,094)
IAS 27.6, 27.26	18.a.3 Non-controlling interest		
	Share capital	137,030	137,030
	Retained earnings	8,924	6,252
	General reserve	2,126	2,126
	Closing balance	148,079	145,408

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
	19.1 Others		
	Bank Guarantee-Non Funded	106,544,980	107,835,380
	LC Commitment	22,818,360	141,283,897
		129,363,340	249,119,277
	19.2 Capital expenditure commitments		
	There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2016, or no capital expenditure authorized by the Board but not contracted as on 31 December, 2016.		
IAS 1.97	20 Interest income		
	Interest income from balance with other banks & financial institutions	2,205,533	1,730,415
	Interest income from lease finance	278,907,383	275,234,343
	Interest income from direct/ term finance	1,110,700,231	1,109,068,526
	Interest income from secured overdraft	38,475,595	51,316,312
	Interest income from bills discounted & purchased	1,415,809	4,971,046
	Total	1,431,704,551	1,442,320,643
	20.a Consolidated interest income		
	IIDFCL	1,431,704,551	1,442,320,643
	IIDFC Securities Limited (Note-20.a.1)	75,768,647	173,233,964
	IIDFC Capital Limited (Note-20.a.2)	59,352,933	38,542,508
		1,566,826,131	1,654,097,115
	Less: Inter company transaction		
	IIDFC Securities Limited	74,610,806	97,038,085
	IIDFC Capital Limited	7,249,143	10,691,075
		81,859,949	107,729,160
	Total	1,484,966,182	1,546,367,955
	20.a.1 Interest income of IIDFC Securities Limited		
	Interest income from margin loan	71,026,009	169,562,023
	Interest income from balance with other banks	4,742,638	3,671,941
	Total	75,768,647	173,233,964
	20.a.2 Interest income of IIDFC Capital Limited		
	Interest income from margin loan	59,136,395	38,346,545
	Interest income from balance with other banks & financial institutions	216,538	195,963
	Total	59,352,933	38,542,508
IFRS 7.20	21 Interest paid on deposits, borrowings etc.		
	Interest on deposits		
	Fixed deposits	579,727,092	521,017,098
	Short-term deposits	387,313,587	262,547,929
	Other deposits	-	-
		967,040,679	783,565,027
	Interest on borrowings		
	For borrowings from other banks, financial institutions & agent		
	Long term loan	126,514,315	251,807,790
	Overdraft facilities	17,189,460	8,839,709
	Money at call and short notice	33,773,917	46,602,277
		177,477,692	307,249,777
	Total	1,144,518,371	1,090,814,804

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 18.35	21.a Consolidated interest paid on deposits, borrowings etc.		
	IIDFCL	1,144,518,371	1,090,814,804
	IIDFC Securities Limited (Note-22.a.1)	79,239,822	106,677,180
	IIDFC Capital Limited (Note-22.a.2)	9,198,124	13,819,071
		1,232,956,317	1,211,311,055
	Less: Inter company transaction		
	IIDFC Securities Limited	74,610,806	97,038,085
	IIDFC Capital Limited	7,249,143	10,691,075
		81,859,949	107,729,160
	Total	1,151,096,368	1,103,581,895
	21.a.1 Interest paid on deposits, borrowings etc. of IIDFC Securities Limited		
	Interest on borrowing from IIDFC Ltd .	74,610,806	97,038,085
	Interest on borrowing from bank & other financial institutions	4,629,016	9,639,095
	Total	79,239,822	106,677,180
	21.a.2 Interest paid on deposits, borrowings etc. of IIDFC Capital Limited		
	Interest on borrowing from bank & other financial institutions	7,249,143	13,819,071
	Long Term Loan	1,948,981	-
	Total	9,198,124	13,819,071
	22 Income from investment		
	Capital gain	23,301,102	(30,517,400)
	Interest income from Bank Asia zero coupon bond	480,099	3,909,192
	Interest income from Commercial Paper	108,143,170	16,665,696
	Dividend income	17,146,318	10,448,228
	Total	149,070,689	505,716
	22.a Consolidated income from investment		
	IIDFCL	149,070,689	505,716
	IIDFC Securities Limited (Note-22.a.1)	8,914,828	4,156,629
	IIDFC Capital Limited (Note-22.a.2)	5,781,904	-
	Total	163,767,421	4,662,345
	22.a.1 Income from investment of IIDFC Securities Limited		
	Dividend income	14,189,745	4,648,391
	Capital gain on investment in securities	(5,274,917)	(491,762)
	Total	8,914,828	4,156,629
	22.a.2 Income from investment of IIDFC Capital Limited		
	Dividend income	258,840	-
	Capital gain on investment in securities	5,523,064	-
	Total	5,781,904	-
IFRS 7.20©	23 Commission, exchange and brokerage		
	Commission on securities trading	-	-
	Total	-	-
	23.a Commission, exchange and brokerage		
	IIDFCL	-	-
	IIDFC Securities Limited	45,609,084	34,186,552
	IIDFC Capital Limited	7,603,442	7,903,061
	Total	53,212,526	42,089,613

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 1.97	24 Other operating income		
	Syndication fee income	25,074,020	24,321,378
	Bank guarantee income	27,691	27,691
	Income from Carbon Finance	18,382,382	11,979,481
	Application & processing fees	2,982,160	1,842,217
	Transfer fees	245,986	267,197
	Notice pay received	1,247,232	345,792
	Profit from sale of fixed assets	1,264,750	26,297
	LC commission	233,889	27,317
	Collection against written off Loans	1,000,000	3,000,000
	Cancellation charges	1,274,020	719,775
	Total	51,732,129	42,557,145
	24.a Consolidated other Operating Income		
	IIDFCL	51,732,129	42,557,145
	IIDFC Securities Limited (Note-24.a.1)	725,156	1,025,577
	IIDFC Capital Limited (Note-24.a.2)	15,073,529	207,416
	Total	67,530,814	43,790,138
	24.a.1 Other operating income of IIDFC Securities Limited		
	BO & trading accounts maintenance income	624,300	487,900
	Income against CDBL charges	-	423,528
	Notice pay received	82,500	94,021
	Cheque dishonour charges	16,000	16,500
	Others	2,356	3,628
	Total	725,156	1,025,577
	24.a.2 Other operating income of IIDFC Capital Limited		
	Non Operating Income	13,565,639	116,402
	Underwriting commission	1,500,000	81,900
	Service Charge	7,890	9,114
	Total	15,073,529	207,416
IAS 1.104	25 Salaries & allowances		
	Basic salary	54,721,648	50,413,426
	Allowances	37,403,059	32,288,173
	Festival bonus	7,641,468	6,874,562
	Incentive bonus	8,892,797	-
	Company's contribution to provident fund	4,481,849	4,152,289
	Group insurance	3,108,322	1,774,422
	Retirement benefits & gratuity	844,700	3,619,494
	Total	117,093,843	99,122,366
	25.a Consolidated salaries & allowances		
	IIDFCL	117,093,843	99,122,366
	IIDFC Securities Limited (Note-25.a.1)	29,652,924	35,900,302
	IIDFC Capital Limited (Note-25.a.2)	9,185,394	9,571,330
	Total	155,932,161	144,593,998
	25.a.1 Salaries & allowances of IIDFC Securities Limited		
	Basic salary	13,590,792	13,962,250
	Allowances	10,974,957	13,767,257
	Bonus	2,248,326	4,620,142
	Company's contribution to provident fund	1,196,009	1,233,158
	Group insurance	647,023	676,076
	Retirement benefits & gratuity	995,817	1,641,419
	Total	29,652,924	35,900,302

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
IAS 1.97	25.a.2 Salaries & allowances of IIDFC Capital Limited		
	Basic salary	3,983,774	3,668,349
	Allowances	3,546,401	2,834,430
	Bonus	645,629	1,296,712
	Company's contribution to provident fund	396,178	340,710
	Group Insurance	164,892	167,569
	Retirement benefits & gratuity	448,520	1,263,560
	Total	9,185,394	9,571,330
	26 Rent, taxes, insurance, electricity etc.		
IAS 1.97	Rent, rates and taxes	18,030,562	15,079,741
	Insurance	724,877	596,648
	Electricity, gas and water	2,980,167	2,855,126
	Total	21,735,605	18,531,515
	26.a Consolidated rent, taxes, insurance, electricity etc.		
	IIDFCL	21,735,605	18,531,515
	IIDFC Securities Limited (Note-26.a.1)	14,857,974	14,407,647
	IIDFC Capital Limited (Note-26.a.2)	1,499,888	1,682,722
	Total	38,093,467	34,621,884
IAS 1.97			
	26.a.1 Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited		
	Rent, rates and taxes	13,353,169	12,951,347
	Insurance	5,033	15,680
	Electricity, gas and water	1,499,772	1,440,620
	Total	14,857,974	14,407,647
	26.a.2 Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited		
	Rent, rates and taxes	1,335,367	1,531,315
	Insurance	23,818	-
	Electricity, gas and water	140,703	151,407
	Total	1,499,888	1,682,722
IFRS 7.20©			
	27 Legal expenses		
	Professional charges	1,421,350	785,280
	Legal expenses	4,029,850	4,718,179
	Total	5,451,200	5,503,459
	27.a Consolidated legal expenses		
	IIDFCL	5,451,200	5,503,459
	IIDFC Securities Limited	174,000	32,200
	IIDFC Capital Limited	115,000	133,658
	Total	5,740,200	5,669,317
IAS 1.97			
	28 Postage, stamp, telecommunications etc.		
	Postage and courier	80,625	88,717
	Phone, fax & internet	3,009,869	2,138,858
	Total	3,090,494	2,227,575

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
	28.a Consolidated postage, stamp, telecommunications etc.		
	IIDFCL	3,090,494	2,227,575
	IIDFC Securities Limited	1,853,368	1,831,450
	IIDFC Capital Limited	250,470	257,062
	Total	5,194,332	4,316,087
IAS 1.97	29 Stationery, printing, advertisement etc.		
	Printing & stationery	2,863,318	2,126,431
	Advertisement	1,663,790	3,820,560
	Total	4,527,108	5,946,991
	29.a Consolidated stationery, printing, advertisement etc.		
	IIDFCL	4,527,108	5,946,991
	IIDFC Securities Limited	212,957	399,379
	IIDFC Capital Limited	70,576	81,218
	Total	4,810,641	6,427,588
IAS 1.97	30 Managing director's salary and fees		
	Basic salary	3,600,000	3,200,000
	Festival bonus	600,000	550,000
	Incentive bonus	900,000	-
	House rent allowance	1,800,000	1,600,000
	Medical allowance	180,000	160,000
	Entertainment allowance	180,000	160,000
	Car allowance (Note-35.1)	947,429	1,163,121
	Leave fare assistance	300,000	250,000
	Group insurance	338,860	338,860
	Earned leave	480,000	-
	Others	56,750	123,726
	Total	9,383,039	7,545,707
IAS 1.97	31 Directors' Fees		
	Directors' fees	882,800	493,000
	Other Benefits	-	-
	Total	882,800	493,000
	31.a Consolidated directors' fees		
	IIDFCL	882,800	493,000
	IIDFC Securities Limited	118,750	69,000
	IIDFC Capital Limited	70,277	39,100
	Total	1,071,827	601,100
IAS 1.97	32 Auditor's fees	345,500	200,000
	32.a Auditor's fees		
	IIDFCL	345,500	200,000
	IIDFC Securities Limited	138,000	92,000
	IIDFC Capital Limited	115,000	103,250
	Total	598,500	395,250

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

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
	33 Loans & advances written-off		
	Loans & advances written-off during the year (Note-7.7)	158,088,137	-
	Interest waived	-	-
	Total	158,088,137	-
	33.a Consolidated loans & advances written-off		
	IIDFCL	-	-
	IIDFC Securities Limited	1,018,833	24,672,446
	IIDFC Capital Limited	11,160,529	13,139,689
	Total	12,179,362	37,812,135
IAS 1.104	34 Repair, depreciation and amortizations of company's assets		
	Repair of company's assets:		
	Furniture & fixtures	297,895	909,271
	Softwares	348,697	586,451
	Office equipments	1,180,425	813,153
	Sub Total	1,827,017	2,308,875
	Depreciation of company's assets		
	Own assets	6,789,961	8,180,086
	Sub Total	6,789,961	8,180,086
	Amortisation of company's assets		
	Computer software	1,153,160	1,117,045
	Total repair and depreciation of company's assets	9,770,138	11,606,006
	34.a Consolidated repair, depreciation and amortisation of company's assets		
	Repair of company's assets		
	IIDFCL	1,827,017	2,308,875
	IIDFC Securities Limited	171,824	3,035,317
	IIDFC Capital Limited	98,063	223,827
	Total	2,096,904	5,568,019
	Depreciation of company's assets		
	IIDFCL	6,789,961	8,180,086
	IIDFC Securities Limited	2,976,988	4,095,055
	IIDFC Capital Limited	81,996	586,922
	Total	9,848,945	12,862,063
	Amortisation of company's assets		
	IIDFCL	1,153,160	1,117,045
	IIDFC Securities Limited	-	-
	IIDFC Capital Limited	149,990	270,000
	Total	1,303,150	1,387,045
	Total repair and depreciation of company's assets	13,248,999	19,817,127
IAS 1.97	35 Other expenses		
	Office maintenance	1,476,985	2,101,688
	Traveling & conveyance	8,376,926	6,475,156
	Meeting expenses	2,582,193	1,298,614
	Entertainment	419,176	324,423
	Car running & maintenance expenses	5,753,982	5,379,772
	Bank charge & excise duty	619,862	536,235
	Interest for lease facility	186,784	497,956
	Training expenses	592,150	448,941
	Membership fees & subscriptions	423,000	413,000
	Books & periodicals	78,829	84,707
	Capital issue expenses	5,843	880,334
	PM relief fund	345,870	220,000
	Eid tips	30,500	33,700
	ADB project expenses	412,826	6,900
	Total	21,304,926	18,701,427

NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2016	31-Dec-2015
	35.1 Bangladesh Bank DFIM circular no:12 dated 18 November 2015 Expenses regarding Motor Car / Motor Cycle maintenance breakup is given below:		
	During the year 2016, total car maintenance and running cost of the Company was TK. 5,753,982 which was TK. 6,542,893 in the Y2015. The total costs includes fuel cost, drivers' salary and maintenance costs for full year.		
	35.a Consolidated other expenses		
	IIDFCL	21,304,926	18,701,427
	IIDFC Securities Limited	6,648,451	7,777,129
	IIDFC Capital Limited	732,619	2,236,948
	Total	28,685,996	28,715,504
IAS 37.84	36 Provision for loans & advances		
	Provision for classified loans & advances	54,418,345	63,610,017
	Provision for unclassified loans & advances	59,459,839	(28,760,017)
	Provision for diminution in value of investments	(27,644,440)	(5,603,850)
	Provision for off-balance sheet items	-	-
	Total	86,233,744	29,246,150
	36.a Consolidated provision for loans & advances		
	Provision for classified loans & advances	54,418,345	63,610,017
	Provision for unclassified loans & advances	28,686,339	(28,760,017)
	Provision for diminution in value of investments	(27,360,138)	(5,603,850)
	Provision for off-balance sheet items	-	-
	Total	55,744,546	29,246,150
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	397,162,079	313,362,079
	Add: Provision made during the year	50,500,000	83,800,000
	Add: Transferred from Deferred tax	-	-
	Less: Settlement during the year	-	-
	Closing balance	447,662,079	397,162,079
	37.1 Provision for deferred tax		
	Opening balance	(7,585,690)	(8,597,271)
	Add: Provision made during the year (Note-37.2)	(1,600,167)	1,011,581
	Less: Deferred tax no more required-transferred to current tax	-	-
	Less: Settlement during the year	-	-
	Closing balance	(9,185,857)	(7,585,690)
	37.2 Deferred tax expense/(income)		
	Change in Deferred Tax Liability	(325,405)	440,355
	Change in Deferred Tax Asset	(1,274,762)	571,226
		(1,600,167)	1,011,581
	37.a Consolidated provision for tax		
	Opening balance	495,499,563	401,601,026
	Add: Provision made during the year	63,310,595	93,361,499
	Less: Settlement during the year for Deferred tax	(1,600,167)	537,038
		61,710,428	93,898,537
	Closing balance	557,209,991	495,499,563

NOTES TO THE FINANCIAL STATEMENTS

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)

159,270,768	110,632,923
100,000,000	100,000,000
1.59	1.11

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)

225,978,153	119,661,519
100,000,000	100,000,000
2.26	1.20

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

Name of the parties	Nature of Loan/ Lease	Nature of Transactions	Amount in Taka	
			31 Dec 2016	31 Dec 2015
			Outstanding Balance Taka	Outstanding Balance Taka
Southeast Bank Ltd.	Sponsor Shareholder	FDR Placement	-	11,901,115
Southeast Bank Ltd.	Sponsor Shareholder	Term Deposit	100,000,000	-
Southeast Bank Ltd.	Sponsor Shareholder	STD Account	192,902	39,680
Southeast Bank Ltd.	Sponsor Shareholder	Current Account	3,896	4,586
Janata Bank Ltd.	Sponsor Shareholder	Call Money Received	200,000,000	150,000,000
Janata Bank Ltd.	Sponsor Shareholder	Borrowings	-	91,666,667
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	-	50,000,000
Janata Bank Ltd.	Sponsor Shareholder	STD Account	4,175	5,150
Bank Asia Ltd .	Sponsor Shareholder	FDR Placement	-	-
Bank Asia Ltd .	Sponsor Shareholder	STD Account	53,339,536	50,000,000
Bank Asia Ltd .	Sponsor Shareholder	Current Account	31	63,719,461
The City Bank Ltd.	Sponsor Shareholder	STD Account	7,123	4,329,125
The City Bank Ltd.	Sponsor Shareholder	Term Deposit	-	11,099
One Bank Ltd.	Sponsor Shareholder	STD Account	30,070	150,000,000
Sonali Bank Ltd.	Sponsor Shareholder	STD Account	75,482	30,398
Sonali Bank Ltd.	Sponsor Shareholder	Term Deposit	600,000,000	72,980
AB Bank Ltd.	Sponsor Shareholder	Term Deposit	150,000,000	-
AB Bank Ltd.	Sponsor Shareholder	STD Account	2,951	250,000,000
Mutual Trust Bank Ltd.	Sponsor Shareholder	Term Deposit	300,000,000	2,953
Mutual Trust Bank Ltd.	Sponsor Shareholder	Call Money Received	140,000,000	160,427,172
Mutual Trust Bank Ltd.	Sponsor Shareholder	FDR Placement	22,665,733	-
Mutual Trust Bank Ltd.	Sponsor Shareholder	Overdraft	433,219,205	21,440,306
National Bank Limited	Sponsor Shareholder	Term Deposit	200,000,000	49,400,981
BRAC Bank Ltd.	Sponsor Shareholder	Term Deposit	350,000,000	160,000,000
BRAC Bank Ltd.	Sponsor Shareholder	Current Account	12,235	4,578
BRAC Bank Ltd.	Sponsor Shareholder	Short Term Borrowings	100,000,000	550,000,000
			2,649,553,339	1,763,056,251

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Board meetings

During the year total number of Board Meetings was 12, which was held at the following dates:

<u>Serial Number</u>	<u>No. Meeting</u>	<u>Date of Meeting</u>
1	185 th Meeting	3-Feb-16
2	186 th Meeting	29-Mar-16
3	187 th Meeting	27-Apr-16
4	188 th Meeting	18-May-16
5	189 th Meeting	12-Jun-16
6	190 th Meeting	27-Jul-16
7	191 st Meeting	28-Aug-16
8	192 nd Meeting	3-Oct-16
9	193 rd Meeting	2-Nov-16
10	194 th Meeting	29-Nov-16
11	195 th Meeting	18-Dec-16
12	196 th Meeting	27-Dec-16

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
1. Mr. Md. Abdus Salam	Director	Chairman	CEO & Managing Director, Janata Bank Limited
2. Mr. Md. Obayed Ullah Al Masud	Director	Member	CEO & Managing Director, Sonali Bank Limited
3. Mr. Asoke Das Gupta	Director	Member	Vice Chairman, ONE Bank Limited
4. Mr. A F M Shariful Islam	Director	Member	Managing Director, National Bank Limited
5. Mr. Md. Iftikhar-Uz-Zaman	Director	Member	Managing Director, ICB

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

b. Meetings held by the committee during the year

No. Meeting	Date of Meeting
22 nd Meeting	24-May-16
23 rd Meeting	8-Sep-16
24 th Meeting	2-Nov-16
25 th Meeting	27-Dec-16

c. In the meeting amongst other the committee has discussed the following issues during the year 2016

- The audit committee reviewed the Financial Statements for the year ended December 31, 2015.
- Reviewed and discussed the Management Letter provided by the external auditor S. F. Ahmed & Co. for the year ended December 31, 2015 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 2015 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.

42 Others

42.1 Unacknowledged debt

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

42.2 Employees' information

A total number of 83 employees were employed in IIDFC as of 31 December, 2016. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2016.

IAS 1.98 (d) 42.3 Written-off of accounts

During the year under review, total three loans & advances were written-off having outstanding of Tk. 158,088,137 and Tk. 88,403,101.35 was written-off in the corresponding previous years.

42.4 Subsequent events

No subsequent events are occurred after the balance sheet date.

42.5 Directors' responsibility statement

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

42.6 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its 199th meeting held on May 24, 2017

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.

NOTES TO THE FINANCIAL STATEMENTS

Annexure - 1

Industrial and Infrastructure Development Finance Company Limited

Fixed Assets Schedule

As at 31 December, 2016

Property, plant & equipment - own finance

Ref.

IAS 16.73

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Net book value as at 31 Dec, 2016
		Balance as at 1 Jan, 2016	Additions during the Year	Adjustment during the year		Balance as at 1 Jan, 2016	Charged during the year	Adjustment during the year	
1	Motor vehicles	21,965,652	5,252,115	2,350,300	20%	17,378,536	2,572,293	2,350,300	17,600,529
2	Furniture & fixtures	10,462,789	215,862	12,000	10%	6,637,932	955,475	12,000	7,581,407
3	Office equipments	30,582,242	3,959,103	78,000	18%	25,333,980	3,262,193	51,250	28,544,923
As on 31 December, 2016		63,010,683	9,427,080	2,440,300		49,350,448	6,789,961	2,413,550	53,726,859
As on 31 December, 2015		58,594,492	6,086,212	1,670,021		42,373,447	8,180,086	1,203,085	49,350,448
									13,660,235

Intangible asset - computer software's

Ref.

Serial No.	Particulars	COST			Rate	AMORTISATION			Net book value as at 31 Dec, 2016
		Balance as at 1 Jan, 2016	Additions during the Year	Adjustment during the year		Balance as at 1 Jan, 2016	Charged during the year	Adjustment during the year	
1	Computer software's	7,711,026	775,000	-	18%	3,682,126	1,153,160	-	4,835,286
As on 31 December, 2016		7,711,026	775,000	-		3,682,126	1,153,160	-	3,650,740
As on 31 December, 2015		4,928,026	2,783,000	-		2,565,081	1,117,045	-	3,682,126
									4,028,900

Industrial and Infrastructure Development Finance Company Limited

Consolidated Fixed Assets Schedule

As at 31 December, 2016

Consolidated Property, Plant & Equipment

Ref.

IAS 16.73

Figures in Taka

Serial No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Net book value as at 31 Dec, 2016
		Balance as at 1 Jan, 2016	Additions during the Year	Adjustment during the year	Balance as at 31 Dec, 2016		Balance as at 1 Jan, 2016	Charged during the year	Adjustment during the year	Balance as at 31 Dec, 2016	
1	Motor vehicles	23,215,652	5,252,115	2,350,300	26,117,467	20%	18,628,530	2,572,293	2,350,300	18,850,523	7,266,944
2	Furniture & fixtures	23,929,503	224,262	12,000	24,141,765	10%	13,353,180	2,302,992	12,000	15,644,172	8,497,593
3	Office equipments	49,431,630	3,975,453	256,410	53,150,673	18%	42,163,841	4,973,660	211,816	46,925,685	6,224,988
As on 31 December, 2016		96,576,785	9,451,830	2,618,710	103,409,905		74,145,551	9,848,945	2,574,116	81,420,380	21,989,526
As on 31 December, 2015		103,633,921	6,294,924	13,352,060	96,576,785		68,629,212	12,862,063	7,345,724	74,145,551	22,431,235

Intangible Asset

Ref.

Figures in Taka

Serial No.	Particulars	COST				Rate	AMORTISATION				Net book value as at 31 Dec, 2016
		Balance as at 1 Jan, 2016	Additions during the Year	Adjustment during the year	Balance as at 31 Dec, 2016		Balance as at 1 Jan, 2016	Amortized during the year	Adjustment during the year	Balance as at 31 Dec, 2016	
1	Computer softwares	10,877,857	775,000	-	11,652,857	18%	6,344,179	1,497,698	-	7,841,877	3,810,980
As on 31 December, 2016		10,877,857	775,000	-	11,652,857		6,344,179	1,497,698	-	7,841,877	3,810,980
As on 31 December, 2015		8,094,857	2,783,000	-	10,877,857		4,657,104	1,687,075	-	6,344,179	4,533,678

Industrial and Infrastructure Development Finance Company Limited

Highlights

Sl.	Particulars	Amount in Taka	
		2016	2015
1	Paid-up capital	1,000,000,000	1,000,000,000
2	Total capital	1,623,671,574	1,564,400,806
3	Capital surplus	623,671,574	564,400,806
4	Total assets	17,979,214,063	15,618,768,060
5	Total deposits	12,572,524,306	9,319,021,782
6	Total leases, loans and advances	14,553,894,727	10,893,579,693
7	Total contingent liabilities and commitments	129,363,340	249,119,277
8	Credit deposit ratio	115.76%	116.90%
9	Percentage of classified loans against total loans and assets	4.73%	4.79%
10	Profit after tax and provision	159,270,768	110,632,923
11	Amount of classified loan during year	688,010,135	521,431,349
12	Provisions kept against classified loans	229,930,480	263,229,457
13	Provision surplus against classified loans	20,926,571	29,156,590
14	Cost of fund	7.92%	8.80%
15	Interest earnings assets	15,113,031,842	11,702,324,962
16	Non- interest earnings assets	2,866,182,220	3,916,443,098
17	Return on investment (ROI)	10.90%	11.90%
18	Return on assets (ROA)	1.16%	1.25%
19	Income from investment	1,580,775,240	1,442,826,358
20	Earnings per share	1.59	1.11
21	Net Income per share	1.59	1.11
22	Price earnings ratio	N/A	N/A



Mohammad Saleh Ahmed, Chief Executive Officer

IIDFC Capital Limited

IIDFC Capital Limited



Auditors' Report to the
Shareholders

AUDITORS' REPORT

IIDFC Capital Limited Auditors' Report to the Shareholders For the year ended 31 December 2016

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 2016 and the statement of profit or loss and other comprehensive income (income and expenditure statement), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory 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, 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 the 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 misstatements.

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

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

Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the financial position of the company as at 31 December 2016 and of its financial performance 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 profit or loss and other comprehensive income (income and expenditure statement), dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh
Dated, April 19, 2017


S.F. Ahmed & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

IIDFC Capital Limited Statement of financial position (balance sheet) As at 31 December 2016

	Notes	2016 BDT	2015 BDT
Assets			
Non-current assets			
Property, plant and equipment	4	299,678	381,674
Intangible asset	5	10	150,000
License fee	6	30,196,209	30,196,209
Deferred tax assets	20	228,028	232,729
Total non-current assets		30,723,925	30,960,612
Current assets			
Margin loans	7	740,727,997	863,593,391
Investment in quoted securities	8	12,156,622	-
Advances and receivables	9	42,550,193	42,232,561
Cash and cash equivalents	10	36,671,925	1,896,265
Total current assets		832,106,737	907,722,217
Total assets		862,830,662	938,682,829
Equity and Liabilities			
Share capital	11	600,000,000	600,000,000
Retained earnings	12	(75,507,459)	(129,493,094)
Shareholders' equity		524,492,541	470,506,906
Non-current liability			
Term loan	13	47,931,530	90,598,915
Total non-current liability		47,931,530	90,598,915
Current liabilities			
Accruals and payables	14	6,286,100	4,597,967
Provision for income tax	15	41,286,735	40,477,491
Customers' deposits	16	26,072,710	1,679,729
Payable to broker	17	81	684,089
Investment diminution reserve	18	284,302	-
Loan loss reserve	19	216,476,663	330,137,732
Total current liabilities		290,406,591	377,577,008
Total liabilities		338,338,121	468,175,923
Total equity and liabilities		862,830,662	938,682,829

These financial statements should be read in conjunction with annexed notes

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



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Director

See annexed report of the date



Mohammad Saleh Ahmed
Chief Executive Officer



S.F. Ahmed & Co.
Chartered Accountants

Dhaka, Bangladesh
Dated, April 19, 2017

STATEMENT OF COMPREHENSIVE INCOME

IIDFC Capital Limited

Statement of profit or loss and other comprehensive income (income and expenditure statement)

For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
Operating Income			
Interest income	21	59,136,395	38,346,545
Interest expense	22	(9,198,124)	(13,819,071)
Net interest income		49,938,271	24,527,474
Fees and commission income	23	7,879,718	8,119,687
Fees and commission expenses	24	(276,276)	(216,626)
Net fees and commission income		7,603,442	7,903,061
Gains on sale of quoted securities	25	5,523,064	-
Dividend income from portfolio investment	26	258,840	-
Other operating income	27	15,073,529	207,416
Total operating income		78,397,146	32,637,951
Operating expenses			
Salaries and allowances	28	9,185,394	9,571,330
Rent, taxes, insurance and electricity	29	1,499,888	1,682,722
Legal expenses	30	115,000	133,658
Postage, stamp and telecommunications	31	250,470	257,062
Stationery, printing and advertisement	32	70,576	81,218
Directors' fees	33	70,277	39,100
Auditors' fee	34	115,000	103,250
Repairs and depreciation on company's assets	35	330,049	1,080,749
Diminution in value of investment	36	284,302	-
Other expenses	37	732,619	2,236,948
Loan and bad debts written-off	38	11,160,529	13,139,689
Total operating expenses		23,814,104	28,325,726
Operating profit/ (loss)		54,583,042	4,312,225
Non-operating income	39	216,538	195,963
Profit before income tax		54,799,580	4,508,188
Income tax expense			
Current tax	40	809,244	2,295,607
Deferred tax	20	4,701	178,262
		813,945	2,473,869
Profit for the year		53,985,635	2,034,319
Other comprehensive income		-	-
Total comprehensive income for the year		53,985,635	2,034,319

These financial statements should be read in conjunction with annexed notes

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



Md. Matiu Islam
Chairman



Md. Asaduzzaman Khan
Director



Mohammad Saleh Ahmed
Chief Executive Officer

See annexed report of the date

Dhaka, Bangladesh
Dated, April 19, 2017



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 2016

Particulars	Share Capital	Retained Earnings	Total
	BDT	BDT	BDT
Year 2015			
Balance at 01 January 2015	600,000,000	(131,527,413)	468,472,587
Net profit/(loss) for the year	-	2,034,319	2,034,319
Balance at 31 December 2015	600,000,000	(129,493,094)	470,506,906
Year 2016			
Balance at 01 January 2016	600,000,000	(129,493,094)	470,506,906
Net profit/(loss) for the year	-	53,985,635	53,985,635
Balance at 31 December 2016	600,000,000	(75,507,459)	524,492,541

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Director



Mohammad Saleh Ahmed
Chief Executive Officer

See annexed report of the date

Dhaka, Bangladesh
Dated, April 19, 2017



S.F. Ahmed & Co.
Chartered Accountants

STATEMENT OF CASH FLOWS

IIDFC Capital Limited Statement of cash flows For the year ended 31 December 2016

	2016 BDT	2015 BDT
A. Cash flows from operating activities:		
Cash received from interest income	59,136,395	38,346,545
Cash received from fees and commission income	7,603,442	7,903,061
Cash received from other operating income	15,073,529	207,416
Cash received from non-operating income	216,538	195,963
Cash paid to employees	(9,185,394)	(9,571,330)
Cash paid for interest expenses	(6,845,790)	(16,091,952)
Cash paid for operating expenses	(3,716,313)	(2,820,216)
Increase/(Decrease) in operating assets and liabilities		
Cash paid to clients as margin loans	(1,956,204)	(2,224,877)
Received/(paid) from advances and receivable	(280,406)	27,338,596
Received/(paid) from customers' deposits	24,392,981	(5,315,037)
Received/(paid) from brokers and others	(583,789)	369,888
Income tax paid	(37,226)	(34,637)
Net cash from operating activities	83,817,763	38,303,420
B. Cash flows from investing activities		
Acquisition of property, plant and equipment	-	(1,000)
Proceeds from disposal of property, plant and equipment	-	338,358
Gain for sales of quoted securities	5,523,064	-
Dividend Income of portfolio investment	258,840	-
Investment in quoted securities	(12,156,622)	-
Net cash used in investing activities	(6,374,718)	337,358
C. Cash flows from financing activities		
Receipt/(repayment) of term loan	(42,667,385)	(39,482,180)
Refund of demand loan	-	-
Share money deposit made during the year	-	-
Net cash from financing activities	(42,667,385)	(39,482,180)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	34,775,660	(841,402)
Opening cash and cash equivalents	1,896,265	2,737,667
Closing cash and cash equivalents	36,671,925	1,896,265

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



Md. Matiu Islam
Chairman



Md. Asaduzzaman Khan
Director



Mohammad Saleh Ahmed
Chief Executive Officer

See annexed report of the date

Dhaka, Bangladesh
Dated, April 19, 2017



S.F. Ahmed & Co.
Chartered Accountants

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2016

1. Background

1.1 Company profile

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

1.2 Nature of business

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

2. Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirement of the Bangladesh Financial Reporting Standards (BFRS) which also cover Bangladesh Accounting Standards (BAS), the Companies Act 1994, Bangladesh Securities and Exchange Ordinance 1969, Bangladesh Securities and Exchange Rules 1987, Listing Regulations of Dhaka and Chittagong Stock Exchanges and other relevant laws and regulations as applicable.

2.2 Basis of preparation of the financial statements

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

2.3 Functional and presentational currency

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

2.4 Use of estimates and judgments

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

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

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

Note 15	Provision for income tax
Note 20	Deferred tax assets
Note 35	Repairs and depreciation on company's assets

2.5 Reporting period

The financial period of the company covers one year from 1 January to 31 December.

2.6 Components of financial statements

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

3. Significant accounting policies

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

NOTES TO THE FINANCIAL STATEMENTS

3.1 Revenue recognition

a. Interest income

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

b. Fees and commission income

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

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

c. Dividend income

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

d. Finance income

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

e. Other operational income

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

3.2 Financial instruments

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

3.2.1 Financial assets

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

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

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

3.2.2 Financial liabilities

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

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

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

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

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

3.3.2 Subsequent costs

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

3.3.3 Depreciation

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

NOTES TO THE FINANCIAL STATEMENTS

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

3.4 Intangible assets

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

3.5 Cash and cash equivalents

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

3.6 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with BAS 7: Statement of cash flows as required by the Bangladesh Securities and Exchange Rules 1987.

3.7 Income tax

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

3.7.1 Current tax

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

3.7.2 Deferred tax

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

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

3.8 Employee benefit

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

3.8.1 Defined contribution plan (provident fund)

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

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

3.8.2 Retirement benefit Obligations (Gratuity Fund)

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

NOTES TO THE FINANCIAL STATEMENTS

3.8.3 Group insurance benefits

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

3.9 Loan loss reserve

Provision for diminution in value of margin loan has been made @ 47% of negative equity of margin loans as on 31 December 2016. As per BSEC's directive no. SEC/CMRRCD/2009-193/181 dated 28 December 2016, minimum requirement of making such provision per quarterly installment is 20% of total 100% required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

	2016 BDT	2015 BDT
4. Property, plant and equipment		
Motor vehicle	6	6
Furniture and fixtures	299,671	381,667
Office equipment	1	1
	299,678	381,674
Details are shown in Annex A		
5. Intangible asset		
Software	10	150,000
	10	150,000
Details are shown in Annex A		
6. License fee		
License fee	30,196,209	30,196,209

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

7. Margin loans		
Client control account-SMDA	669,860,180	783,414,104
Rescheduling margin loan	64,297,110	74,542,694
Interest-free blocked account	4,854,873	5,636,593
Client control account-ASI	1,715,834	-
	740,727,997	863,593,391

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.

8. Advances and receivables

Investment in quoted securities	12,156,622	-
	12,156,622	-

Particulars	Cost price BDT	Fair market value BDT	Diminution in value of investment BDT
Investment in quoted securities	12,156,622	11,872,320	(284,302)

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

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
9. Advances and receivables		
Advances (note 9.1)	40,671,874	41,018,548
Receivables from customers (note 9.2)	1,370,000	-
Receivable from brokerage houses (note 9.3)	508,319	1,214,013
	42,550,193	42,232,561
9.1 Advances		
Income tax	40,471,874	40,434,648
Advance paid for professional services	-	370,700
Security deposit with CDBL	200,000	200,000
Other advances	-	13,200
	40,671,874	41,018,548
9.2 Receivables from customers		
Underwriting commission	70,000	-
Issue management fees	1,300,000	-
	1,370,000	-
9.3 Receivable from brokerage houses		
IIDFC Securities Limited	444,150	1,214,013
Total Communication Limited	31,964	-
Multi Securities Limited	32,205	-
	508,319	1,214,013
10. Cash and cash equivalents		
Cash in hand	28,166	7,935
Bank balance in current account with:		
Southeast Bank Limited	4,431,672	263,510
ONE Bank Limited	32,137,732	1,551,181
Bangladesh Commerce Bank Limited	74,355	73,639
	36,671,925	1,896,265

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT	
11. Share capital			
Authorised			
100,000,000 ordinary shares of BDT 10 each	1,000,000,000	1,000,000,000	
Issued, Subscribed and Paid up			
60,000,000 ordinary shares of BDT 10 each	600,000,000	600,000,000	
Paid up share capital at 31 December 2016 comprises the following:			
Name of Shareholder	Number of Shares	Face value per share	Amount
IIDFC Limited	59,998,800	10	599,988,000
Md. Matiul Islam	1,150	10	11,500
A.T.M. Nasir Uddin	10	10	100
Ashrafun Nessa	10	10	100
S. M. Anisuzzaman	10	10	100
Md. Shamim Ahmed	10	10	100
Mamun Rashid	10	10	100
	60,000,000		600,000,000
12. Retained earnings			
Opening balance	(129,493,094)	(131,527,413)	
Add: Net profit/(loss) for the year	53,985,635	2,034,319	
Closing balance	(75,507,459)	(129,493,094)	
13. Term loan			
IIDFC Limited (note 13.1)	47,931,530	47,931,530	
Investment Corporation of Bangladesh-1 (note 13.2)	-	22,482,252	
Investment Corporation of Bangladesh-2 (note 13.3)	-	20,185,133	
	47,931,530	90,598,915	
13.1 IIDFC Limited			
Opening balance	47,931,530	90,965,635	
Add: Addition during the year	-	-	
Less: Repaid during the year	-	(43,034,105)	
Closing balance	47,931,530	47,931,530	
The above loan was taken from IIDFC Limited in 2014 with the interest rate of 12.50%. Interest on such loan is being paid quarterly whereas principal amount will be paid as soon as the company has sufficient cash.			
13.2 Investment Corporation of Bangladesh-1			
Opening balance	22,482,252	39,115,460	
Add: Addition during the year	-	-	
Less: Paid during the year	(22,482,252)	(16,633,208)	
Closing balance	-	22,482,252	
13.3 Investment Corporation of Bangladesh-2			
Opening balance	20,185,133	24,016,270	
Add: Addition during the year	-	-	
Less: Paid during the year	(20,185,133)	(3,831,137)	
Closing balance	-	20,185,133	

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
14. Accruals and payables		
Financial charges	5,564,866	3,212,532
Gratuity fund	448,520	1,263,560
Audit fee	115,000	72,000
CDBL charges	73,413	24,845
Withholding income tax	62,368	8,000
Withholding VAT	19,324	12,000
Internet expenses	2,609	2,609
Others	-	2,421
	6,286,100	4,597,967
15. Provision for income tax		
Opening balance	40,477,491	38,181,884
Add: Provision made during the year	809,244	2,295,607
Closing balance	41,286,735	40,477,491
16. Customers' deposits		
Non-margin Discretionary Account (NMDA)	384,820	452,074
Receivable in transit	522,890	1,209,504
Cheque issued in transit	-	18,151
IPO subscription amount	25,165,000	-
	26,072,710	1,679,729
17. Payable to stock brokers and others		
IIDFC Securities Limited	81	583,870
IIDFC Securities Limited (current account)	-	100,219
	81	684,089
18. Investment diminution reserve		
Opening balance	-	-
Add: Addition during the year	284,302	-
Closing balance	284,302	-
19. Loan loss reserve		
Interest income loss account (note 19.1)	203,159,547	293,235,376
Loan loss account(note 19.2)	13,317,116	36,902,356
	216,476,663	330,137,732
19.1 Interest income loss account		
Opening balance	293,235,376	301,460,456
Add: Addition during the year	-	9,948,852
Less: Adjustment during the year	(90,075,829)	(18,173,932)
Closing balance	203,159,547	293,235,376
19.2 Loan loss account		
Opening balance	36,902,356	39,151,596
Add: Addition during the year	-	-
Less: Adjustment during the year	(23,585,240)	(2,249,240)
Closing balance	13,317,116	36,902,356

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT		
20. Deferred tax assets				
Opening balance	232,729	410,991		
Less: Adjustment during the year (note 20.1)	(4,701)	(178,262)		
Closing balance	228,028	232,729		
20.1 Deferred tax assets				
Deferred tax assets have been recognised and measured in accordance with the provision of BAS- 12: Income taxes. Deferred tax asset is calculated as under:				
Particular	"Carrying value of assets at 31 Dec 2016 (A)"	"Tax base (B)"	"Taxable/ (deductible) temporary difference at 31 Dec 2016 (C=A-B)"	"At 31 Dec 2015 (D)"
	BDT	BDT	BDT	BDT
Property, plant and equipment	299,688	907,763	608,075	620,610
Tax rate			37.50%	37.50%
			228,028	232,729
Adjustment during the year (C-D)			(4,701)	(178,262)
21. Interest income				
Interest on margin loan			57,420,561	45,287,059
Interest on affected small investors account (*)			1,715,834	3,008,338
Transfer to interest income loss account (*)			-	(9,948,852)
			59,136,395	38,346,545
(*) Details of these sources of income are required to be inserted.				
22. Interest expense				
Term loan			9,043,789	13,819,071
Demand loan			154,335	-
			9,198,124	13,819,071
23. Fees and commission income				
Management fees (note 23.1)			4,040,502	4,807,286
Settlement fees (note 23.2)			3,839,216	3,266,601
Documentation fees			-	3,000
Yearly account maintenance fees			-	42,800
			7,879,718	8,119,687
23.1 Management fees				
Self-margin discretionary account (SMDA)			3,950,022	4,261,241
Non-margin discretionary account (NMDA)			35,273	23,350
IIDFC Investment account (IIDA)			55,207	522,695
			4,040,502	4,807,286

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

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
23.2 Settlement fees		
Self-margin discretionary account (SMDA)	3,373,350	3,119,449
Non-margin discretionary account (NMDA)	88,307	23,335
IIDFC Investment account (IIDA)	377,559	123,817
	3,839,216	3,266,601
This represents transaction fees realised by the company on the total trading turnover of portfolio customers ranging from 0.16% to 0.18% depending on agreement with respective brokerage houses where transactions are initiated.		
24. Fees and commission expenses		
CDBL Transaction fee	276,276	216,626
	276,276	216,626
This represents transaction fees paid by the company to its designated brokerage houses on the value of transactions carried through the stock exchange. The rate of fees varies according to the agreement made with each brokerage houses by the company.		
25. Gains on sale of quoted securities		
Capital gains/loss of sale of quoted securities	5,523,064	-
	5,523,064	-
26. Dividend income from own portfolio investment		
Dividend from own portfolio investment	258,840	-
	258,840	-
27. Other operating income		
Underwriting commission	70,000	81,900
IPO application commission	7,890	9,114
BO account closing income	11,500	12,500
BO account opening income	1,500	-
BO account maintenance income	67,650	-
Issue management fees	1,500,000	-
Gains on settlement of clients' accounts (note no 27.1)	13,358,680	-
Others	56,309	103,902
	15,073,529	207,416
27.1	"The company operated the negative equity accounts surrendered by some of the clients. Gains on settlement of clients' accounts are generated from day to day trading with those accounts. Subsequently, the company opened its own portfolio investment account (account no. IIDA 00567) for the purpose of trading with the said source of income, gains from which are also included in this account head."	
28. Salaries and allowances		
Basic salary	3,983,774	3,580,753
Allowances	2,618,016	2,225,245
Festival bonus	645,629	608,843
Incentive bonus	-	687,869
Employers' contribution to provident fund	396,178	340,710
Group insurance	164,892	167,569
Retirement benefits and gratuity	448,520	1,263,560
Leave fare assistance	374,034	260,498
Earned leave encasement	360,663	99,400
Arrear salary	-	146,034
Car allowance to CEO	193,688	190,849
	9,185,394	9,571,330

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
29. Rent, taxes, insurance and electricity		
Rent, rates and taxes	1,335,367	1,531,315
Insurance	23,818	-
Electricity, gas and water	140,703	151,407
	1,499,888	1,682,722
30. Legal expenses		
Professional charges	115,000	34,760
Legal fees	-	98,898
	115,000	133,658
31. Postage, stamp and telecommunications		
Postage and courier	26,580	32,485
Newspapers, books, magazines etc	8,890	4,777
Phone, fax and internet	215,000	219,800
	250,470	257,062
32. Stationery, printing and advertisement		
Printing and stationery	70,576	81,218
	70,576	81,218
33. Directors' fees		
Directors' fees	70,277	39,100
	70,277	39,100
34. Auditors' fees		
Statutory audit	115,000	103,250
	115,000	103,250
35. Repairs and depreciation on company's assets		
Repairs of company's assets:		
Furniture and fixtures	13,358	133,749
Software	-	-
Vehicles	84,705	90,078
	98,063	223,827
Depreciation of company's assets:		
Furniture and fixtures	81,996	81,991
Office equipment	-	504,931
Software	149,990	270,000
	231,986	856,922
	330,049	1,080,749
36. Diminution in value of investment		
Diminution in value of investment	284,302	-
	284,302	-
37. Other expenses		
Office maintenance	23,540	121,087
Travelling and conveyance	12,598	11,383
Entertainment	43,388	38,928
Car running and maintenance expenses	180,000	184,400
Bank charge and excise duty	35,404	26,038
Registration and subscriptions	245,000	164,883
Security service expenses	153,369	153,366
Uniform and liveries	26,400	-
Loss on disposal of property, plant and equipment	-	1,528,799
Other	12,920	8,064
	732,619	2,236,948

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
38. Loan and bad debts written-off		
Loss on bad loan	11,160,529	11,162,045
Interest waive account	-	1,977,644
	11,160,529	13,139,689
39. Non-operating income		
Bank interest:		
ONE Bank Limited	162,748	177,232
Southeast Bank Limited	51,550	16,500
Bangladesh Commerce Bank Limited	2,240	2,231
	216,538	195,963
40. Current tax		
Provision made during the year	809,244	2,295,607
	809,244	2,295,607

40.1 Current year's tax provision has been made after deducting advance payment of tax (BDT 70,984) and set off of business loss of assessment year 2013-2014. The carry forward of business loss amount was BDT 58,110,005 from the assessment year 2013-2014 which has been set off against current year's business income.

41. Related party disclosure

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

Name of party	Relationship	Nature of transactions	2016 BDT	2015 BDT
IIDFC Limited	Parent company	Share money deposit	-	-
		Investment in securities	-	-
IIDFC Securities Limited	Sister concern	Administrative cost	-	100,219
		Brokerage service	444,069	630,143

42. Others

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

42.2 Figures in these notes and annexed financial statements have been rounded to the nearest BDT

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

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



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Director



Mohammad Saleh Ahmed
Chief Executive Officer

See annexed report of the date

Dhaka, Bangladesh
Dated, April 19, 2017



S.F. Ahmed & Co.
Chartered Accountants

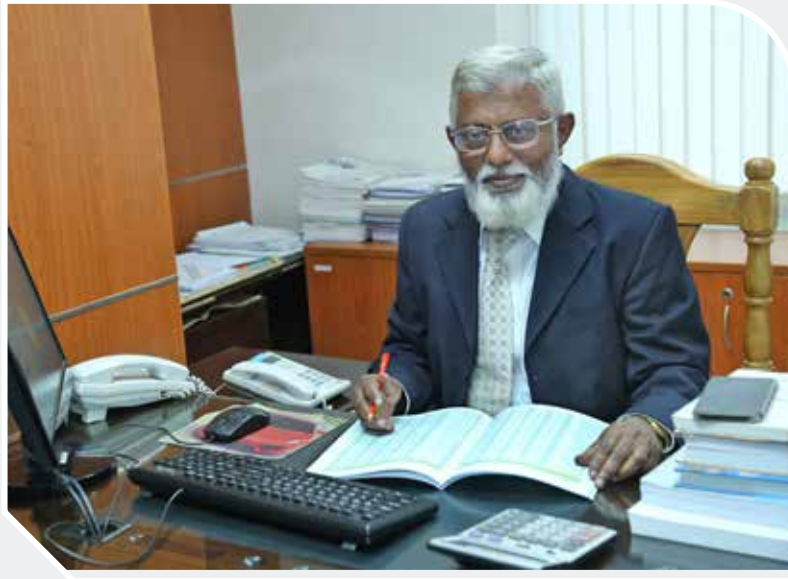
IIDFC Capital Limited

Details of property, plant and equipment

As at 31 December 2016

Annexure A

Category of asset	Cost			Rate (%)	Depreciation				Written down value at 31 Dec 2016
	Balance at 1 Jan 2016	Addition during the year	Sale/disposal	Balance at 31 Dec 2016	Up to 1 Jan 2016	Charged for the year	Adjustment during the year	Total to 31 Dec 2016	
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
Tangible assets									
Motor vehicles	1,250,000	-	-	1,250,000	1,249,994	-	-	1,249,994	6
Furniture and fixtures	819,914	-	-	819,914	438,247	81,996	-	520,243	299,671
Office equipment	3,125,091	-	-	3,125,091	3,125,090	-	-	3,125,090	1
Total at 31 December 2016	5,195,005	-	-	5,195,005	4,813,331	81,996	-	4,895,327	299,678
Total at 31 December 2015	9,796,430	1,000	(4,602,425)	5,195,005	6,961,677	586,922	(2,735,268)	4,813,331	381,674
Intangible asset									
Software	1,500,000	-	-	1,500,000	1,350,000	149,990	-	1,499,990	10
Total at 31 December 2016	1,500,000	-	-	1,500,000	1,350,000	149,990	-	1,499,990	10
Total at 31 December 2015	1,500,000	-	-	1,500,000	1,080,000	270,000	-	1,350,000	150,000



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



Ashrafun Nessa, Chief Operating Officer

IIDFC Securities Limited

IIDFC Securities Limited



Auditors' Report to the
Shareholders

AUDITORS' REPORT

IIDFC Securities Limited Auditors' Report to the Shareholders For the year ended 31 December 2016

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 2016 and the statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory 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, 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 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, give a true and fair view of the financial position of the company as at 31 December 2016 and of the financial performance and its cash flows for the year then ended and comply with the requirements of the 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 profit or loss and other comprehensive income (profit and loss statement) dealt with by the report are in agreement with the books of account and returns.

Dhaka, Bangladesh
Dated, April 19, 2017



S. F. Ahmed & Co.
Chartered Accountants

STATEMENT OF FINANCIAL POSITION

IIDFC Securities Limited Statement of Financial Position (Balance Sheet) As at 31 December 2016

	Notes	2016 BDT	2015 BDT
Assets			
Non-current assets			
Property, plant and equipment	4	5,419,244	8,389,326
Intangible assets	5	160,230	354,778
Cost of TREC holding	6	124,258,580	124,258,580
Deferred tax assets	7	535,828	878,869
		130,373,882	133,881,553
Current assets			
Advance against corporate income tax	8	83,597,825	71,944,217
Loans and advances	9	1,780,694,065	1,844,253,510
Investment in securities	10	301,554,398	318,099,173
Cash and bank balances	11	204,881,748	62,660,853
Other assets	12	41,329,211	13,826,726
		2,412,057,247	2,310,784,479
Total assets		2,542,431,129	2,444,666,032
Equity and liabilities			
Equity			
Share capital	13	1,000,000,000	1,000,000,000
Retained earnings	14	83,452,560	70,721,886
General reserve		17,000,000	17,000,000
Total equity		1,100,452,560	1,087,721,886
Non-current liabilities			
Long term loan	15	587,101,422	587,101,422
		587,101,422	587,101,422
Current liabilities			
Short-term loan	16	23,016,282	111,190,324
Inter-company current account	17	-	(100,219)
Payable to clients		176,929,993	38,595,750
Accounts payable	18	8,394,720	9,567,397
Accrued expenses	19	19,779,311	21,446,700
Provision for corporate income tax	20	78,210,889	66,557,281
Loan loss reserve	21	538,876,089	480,593,456
Provision for diminution in value of investment in securities	22	7,965,588	38,739,088
Other liabilities	23	1,704,275	3,252,947
		854,877,147	769,842,724
Total liabilities		1,441,978,569	1,356,944,146
Total shareholders' equity and liabilities		2,542,431,129	2,444,666,032

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

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



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Director



A.T.M. Nasir Uddin
Chief Executive Officer



S.F. Ahmed & Co.
Chartered Accountants

Dhaka, Bangladesh
Dated, April 19, 2017

STATEMENT OF COMPREHENSIVE INCOME

IIDFC Securities Limited

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

For the year ended 31 December 2016

	Notes	2016 BDT	2015 BDT
Revenue			
Interest income from margin loan		71,026,009	171,125,691
<u>Less:</u> Interest waived on loan to small investors	24	-	1,563,668
<u>Less:</u> Interest expense on borrowed fund		79,239,822	106,677,180
Net interest income/(expense)		(8,213,813)	62,884,843
Brokerage commission	25	45,609,084	34,186,552
<u>Less:</u> Direct cost	26	4,350,046	3,455,391
		41,259,038	30,731,161
Capital gains/(losses) on sale of investment in securities	27	(5,274,917)	(491,762)
Income from bank deposit		4,742,638	3,671,941
Dividend income		14,189,745	4,648,391
Other operating income	28	725,156	1,025,577
		14,382,623	8,854,147
Total operating income		47,427,847	102,470,151
<u>Less:</u> Operating expenses	29	53,474,024	88,856,534
Operating profit/(loss)		(6,046,177)	13,613,617
Provision for (increase)/decrease in value of investments in securities	22	30,773,500	-
Profit before tax		24,727,323	13,613,617
Income tax expense			
Current tax		11,653,608	7,265,892
Deferred tax expense/(income)		343,041	(652,805)
		11,996,649	6,613,087
Net profit for the year		12,730,674	7,000,530
Basic earnings per share	30	0.13	0.07

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

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Director



A.T.M. Nasir Uddin
Chief Executive Officer

Dhaka, Bangladesh
Dated, April 19, 2017



S.F. Ahmed & Co.
Chartered Accountants

STATEMENT OF CHANGES IN EQUITY

IIDFC Securities Limited Statement of Changes in Equity For the year ended 31 December 2016

Particulars	Share capital	Retained earnings	General reserve	Total
	BDT	BDT	BDT	BDT
Year 2015				
Balance at 01 January 2015	1,000,000,000	63,721,356	17,000,000	1,080,721,356
Net profit for the year	-	7,000,530	-	7,000,530
Balance at 31 December 2015	1,000,000,000	70,721,886	17,000,000	1,087,721,886
Year 2016				
Balance at 01 January 2016	1,000,000,000	70,721,886	17,000,000	1,087,721,886
Net profit for the year	-	12,730,674	-	12,730,674
Balance at 31 December 2016	1,000,000,000	83,452,560	17,000,000	1,100,452,560

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Director



A.T.M. Nasir Uddin
Chief Executive Officer

Dhaka, Bangladesh
Dated, April 19, 2017



S.F. Ahmed & Co.
Chartered Accountants

STATEMENT OF CASH FLOWS

IIDFC Securities Limited Statement of Cash Flows For the year ended 31 December 2016

	2016 BDT	2015 BDT
A. Cash flows from operating activities		
Receipt of interest	71,026,009	171,125,691
Interest paid on borrowing	(79,239,822)	(108,240,848)
Receipt of brokerage commission	45,609,084	34,186,552
Receipt of dividend	14,189,745	4,648,391
Capital gains on investment in securities	(5,274,917)	(491,762)
Payment to employees	(29,652,924)	(35,900,302)
Income tax paid	(11,996,649)	(6,613,087)
Receipts from other operating activities	36,241,138	4,697,518
Payment for other operating activities	(24,999,610)	(52,006,954)
Cash generated from operating activities	15,902,054	11,405,199
Increase/(decrease) in operating assets and liabilities		
Deferred tax assets	343,041	(652,805)
Other assets	(39,156,093)	(6,938,932)
Inter-company current account	100,219	(314,284)
Disbursement of loans and advances	63,559,445	489,268,758
Payable to clients	138,334,243	7,073,477
Accounts payable	(1,172,677)	7,170,463
Accrued expenses	(1,667,389)	18,150,905
Other liabilities	37,614,069	(13,202,512)
Net increase in operating assets and liabilities	197,954,858	500,555,070
Net cash from operating activities	213,856,912	511,960,269
B. Cash flows from investing activities		
Investment in shares	16,544,775	(139,935,331)
Acquisition of property, plant and equipment	(24,750)	(207,712)
Disposal of property, plant and equipment	18,000	3,672,243
Net cash from/(used in) investing activities	16,538,025	(136,470,800)
C. Cash flows from financing activities		
Issue of share capital	-	-
Repayment of term Loan	(88,174,042)	(369,431,469)
Net cash used in financing activities	(88,174,042)	(369,431,469)
D. Net changes in cash and cash equivalent (A+B+C)	142,220,895	6,058,000
E. Opening cash and cash equivalent	62,660,853	56,602,853
F. Closing cash and cash equivalent	204,881,748	62,660,853

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Director



A.T.M. Nasir Uddin
Chief Executive Officer



S.F. Ahmed & Co.
Chartered Accountants

Dhaka, Bangladesh
Dated, April 19, 2017

IIDFC Securities Limited

Notes to the financial statements

For the year ended 31 December 2016

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 Bangladesh Financial Reporting Standards (BFRS) which also cover 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.

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

Dividend is recognised as income when it is actually received.

3.3. Expense recognition

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

3.4 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.

3.5 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.

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

NOTES TO THE FINANCIAL STATEMENTS

3.6 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.

3.7 Investment in securities

- (a) Investments in listed securities have been valued at fair market price and any change in the book value has either been accounted for through the profit or loss account or other comprehensive income as prescribed in BAS-39 "Financial Instruments: Recognition and Measurement". In recognizing the loss so arrived has been provided for in line with the directives of Bangladesh Securities and Exchange Commission (BSEC) ref# SEC/CMRRD/2009-193/196 dated December 28, 2016.
- (b) Investment in unquoted shares are valued at cost in the absence of the fair value of those shares which the Company believes realistic.

3.8 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 deferred 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 approved by National Board of Revenue for its permanent employees, under which an employee is entitled to the benefits depending on the length of services and last drawn basic salary.

Other benefit program for employees

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

3.11 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.

4. Property, plant and equipment

Cost:

Opening balance

Add: Addition during the year

Less: Disposal/adjustment during the year

Closing balance (A)

	2016 BDT	2015 BDT
Opening balance	28,371,098	35,243,000
Add: Addition during the year	24,750	207,712
	28,395,848	35,450,712
Less: Disposal/adjustment during the year	178,410	7,079,614
Closing balance (A)	28,217,438	28,371,098

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
Depreciation:		
Opening balance	19,981,772	19,294,088
Add: Charge for the year	2,976,988	4,095,055
	22,958,760	23,389,143
Less: Disposal/adjustment during the year	160,566	3,407,371
Closing balance (B)	22,798,194	19,981,772
Written down value (A-B)	5,419,244	8,389,326
Details of property, plant and equipment are shown in Annex 1 .		
5. Intangible assets		
Cost:		
Opening balance	1,666,831	1,666,831
Add: Addition during the year	-	-
	1,666,831	1,666,831
Less: Disposal/adjustment during the year	-	-
Closing balance (A)	1,666,831	1,666,831
Depreciation:		
Opening balance	1,312,053	1,012,023
Add: Charge for the year	194,548	300,030
	1,506,601	1,312,053
Less: Disposal/adjustment during the year	-	-
Closing balance (B)	1,506,601	1,312,053
Written down value (A-B)	160,230	354,778
Details of intangible assets are shown in Annex 1 .		
6. Cost of TREC holding	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 28,860,420 being 40% of total ordinary shares allotted were issued and credited to BO account of IIDFC Securities Limited for BDT 28,860,420 and value of cost of DSE membership has been adjusted to that extent. The remaining 4,329,064 shares being 60% ordinary shares of BDT 43,290,640 were credited to the "DSE Demutualisation Blocked Account" maintained by DSE. As per that aforesaid scheme, these 60% shares will be off-loaded in the following manner:

1. 25% will be sold to the strategic investors by Dhaka Stock Exchange Ltd.
2. Except shares allotted in 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

7. Deferred tax assets

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

Particulars	Carrying amount of assets/liabilities	Tax base	Taxable/(deductible) temporary difference	Taxable/(deductible) temporary difference
	BDT	BDT	BDT	BDT
Furniture and fixtures	1,604,927	1,771,359	166,433	349,512
Office decoration	3,507,752	3,417,667	(90,085)	282,310
Office equipment	306,566	1,858,555	1,551,989	1,982,691
Computer software	160,230	62,830	(97,400)	(103,459)
	5,579,474	7,110,411	1,530,937	2,511,054
Applicable tax rate			35%	35%
Deferred tax(liability)/assets			535,828	878,869

8. Advance against corporate income tax

Advance tax paid
Income tax withheld by DSE (note 7.1)
Income tax withheld from dividend income
Income tax withheld from SND account

2016 BDT	2015 BDT
6,000,000	6,000,000
59,692,795	51,325,876
13,782,421	10,970,996
4,122,609	3,647,345
83,597,825	71,944,217

8.1 Income tax withheld by DSE

Stock-Dealer transactions
Stock-Broker transactions

1,523,971	884,106
58,168,824	50,441,770
59,692,795	51,325,876

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

9. Loans and advances

Margin loan-regular (note 9.1)
Margin loan-affected small investors (note 9.2)
Margin loan-unrecovered interest free blocked account (note 9.3)

484,035,884	824,960,327
308,855,040	321,046,942
987,803,141	698,246,241
1,780,694,065	1,844,253,510

9.1 Margin loan-regular

This represents loan facilities extended to the customers for trading of listed securities in the secondary capital market in Bangladesh.

9.2 Margin loan-affected small investors

Segregated loan
Interest-free blocked loan
Regular margin loan

34,682,604	116,007,865
2,698,421	9,565,895
271,474,015	195,473,182
308,855,040	321,046,942

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

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

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

9.3 Margin loan- unrecovered interest free blocked account: Under the bailout program for the long outstanding negative equity margin loan accounts, the company sold the securities available in these accounts and recovered the outstanding margin loan as far as possible. Up to 31 December 2016, unrecovered margin loan of BDT 987,803,141, under this programme was transferred to a separate interest free blocked account.

NOTES TO THE FINANCIAL STATEMENTS

10. Investment in securities

Details of investment in securities as on 31 December 2016 are as under :

Investment in securities	Amount in BDT			
Details of investment in securities as on 31 December 2016 are as under :	2016			2015
	Cost Price	Market Price	Unrealised Gains/ (Loss)	Cost Price
Quoted:	(a)	(b)	(c=b-a)	
AB Bank 1st Mutual fund	505,683	569,350	63,667	-
AB Bank Limited	2,386,660	2,341,500	(45,160)	665,817
ACI Formulations Limited	-	-	-	10,646,602
ACI Limited	293,561	269,850	(23,711)	4,977,766
Active Fine Chemicals Limited	10,209,998	6,646,960	(3,563,038)	5,107,989
Agni Systems Limited	-	-	-	833,143
Agricultural Marketing Company Ltd.	-	-	-	2,740,322
Aims First Guaranteed Mutual Fund	-	-	-	4,852,200
Al- Arafah Islami Bank Ltd.	-	-	-	771,000
Asia Insurance Limited	-	-	-	1,795,118
Asian Tiger Sandhani Life Growth Fund	-	-	-	545,211
Aftab Automobiles Limited	1,227,754	1,190,700	(37,054)	-
Aman Feed Limited	186,274	175,440	(10,834)	-
Appollo Ispat Complex Limited	584,326	727,750	143,424	-
Asia Insurance Limited	946,813	752,623	(194,190)	-
Bangladesh Building Systems Limited	-	-	-	1,392,628
Bangladesh Export Import Company Ltd.	565,672	572,000	6,328	310,000
Bangladesh General Insurance Company Ltd.	394,604	320,640	(73,964)	761,286
Bangladesh Steel Re-Rolling Mills Limited	433,799	319,000	(114,799)	639,200
Bangladesh Submarine Cable Company Ltd	1,945,215	1,680,562	(264,653)	2,198,987
Bank Asia Limited	270,000	268,500	(1,500)	-
Baraka Power Limited	282,216	307,000	24,784	-
Bata Shoe Company (Bangladesh) Limited	2,373,566	2,284,000	(89,566)	-
Bengal Windsor Thermoplastics Ltd.	3,373,779	2,879,200	(494,579)	2,125,650
Beximco Pharmaceuticals Ltd.	1,186,455	1,171,600	(14,855)	2,581,436
British American Tobacco bangladesh Co. Ltd.	431,230	422,110	(9,120)	-
C & A Textiles Limited	14,951	22,400	7,449	-
Central Insurance Company Ltd.	1,244,894	675,000	(569,894)	1,192,740
Continental Insurance Ltd.	272,644	276,000	3,356	-
Delta Spinners Ltd.	20,182	27,250	7,068	-
Deshbandhu Polymer Limited	402,270	271,400	(130,870)	1,312,500
Dhaka Bank Ltd.	10,422,543	9,102,150	(1,320,393)	7,413,022
Dhaka Electric Supply Company Ltd.	5,830,030	3,940,130	(1,889,900)	5,992,318
Dutch-Bangla Bank Ltd.	166,174	175,050	8,876	699,444
Eastern Cables Ltd.	74,100	68,850	(5,250)	-
Eastern Insurance Company Ltd.	895,015	680,562	(214,452)	660,026
Eastland Insurance Company Ltd.	1,238,613	979,900	(258,713)	1,780,197
EBL First Mutual Fund	334,621	403,000	68,379	-
Emerald Oil Industries Ltd.	306,378	260,040	(46,338)	-
Envoy Textiles Limited	540,190	512,160	(28,030)	791,829

NOTES TO THE FINANCIAL STATEMENTS

Quoted:	Amount in BDT			2015
	2016			
	Cost Price	Market Price	Unrealised Gains/(Loss)	
	(a)	(b)	(c=b-a)	Cost Price
Evince Textiles Limited	2,121,000	2,060,100	(60,900)	-
Familytex (BD) Limited	34,405	41,650	7,245	-
Far East Knitting & Dyeing Industries Ltd.	20,930,712	22,015,000	1,084,288	-
Fareast Islami Life Insurance Co. Ltd.	12,047,002	8,219,592	(3,827,409)	11,679,282
First Bangladesh Fixed Income Fund	630,468	600,000	(30,468)	-
First Janata Bank Mutual Fund	1,413,001	1,711,000	297,999	-
Fortune Shoes Limited	336,147	511,200	175,054	-
Fu Wang Food Ltd.	812,000	800,000	(12,000)	-
GBB Power Ltd.	1,166,982	1,070,947	(96,035)	1,313,693
Global Heavy Chemicals Limited	1,215,788	933,240	(282,548)	2,421,049
Grameen Mutual Fund One	-	-	-	3,054,788
Grameen One : Scheme Two	5,255,640	6,162,300	906,660	-
Grameenphone Ltd.	14,472,901	14,034,540	(438,361)	27,801,845
Green Delta Insurance Ltd	1,147,184	1,242,500	95,316	-
Golden Harvest Agro Industries Limited	-	-	-	908,266
Heidelberg Cement Bangladesh Ltd.	-	-	-	10,996,979
Hwa Well Textiles (BD) Limited	-	-	-	727,367
ICB 2nd NRB Mutual Fund	-	-	-	656,956
ICB AMCL Sonali Bank Limited 1st Mutual Fund	658,680	704,000	45,320	-
ICB AMCL Third NRB Mutual Fund	712,149	896,000	183,851	-
IDLC Finance Ltd.	252,585	228,000	(24,585)	1,185,589
IFIC Bank 1st Mutual Fund	48,488	54,000	5,512	-
Islami Insurance Bangladesh Limited	904,440	740,503	(163,937)	1,019,141
Islami Bank Bangladesh Limited	-	-	-	5,063,290
Islami Finance and Investment Limited	-	-	-	790,000
International Leasing and Financial Services Ltd.	-	-	-	300,950
Jamuna Bank Ltd.	1,797,806	1,934,400	136,594	-
Jamuna Oil Company Limited	8,151,965	7,474,656	(677,309)	1,916,500
Karnaphuli Insurance Company Ltd.	3,244,038	1,429,312	(1,814,725)	3,205,460
Khulna Power Company Limited	3,957,444	3,868,750	(88,694)	1,840,421
Lafarge Surma Cement Ltd.	14,307,083	14,182,775	(124,308)	4,860,789
LankaBangla Finance Ltd.	1,327,396	1,566,000	238,604	9,658,169
Libra Infusions Limited	1,077,861	677,100	(400,761)	-
Linde Bangladesh Limited	23,846,244	21,797,424	(2,048,820)	3,774,940
Malek Spinning Mills Ltd.	-	-	-	406,000
Meghna Petroleum Limited	8,671,793	7,531,680	(1,140,113)	8,974,705
Meghna Cement Mills Ltd.	-	-	-	2,372,801
Meghnalife	53,370	55,700	2,330	-
Mercantile Bank Ltd.	1,021,900	1,057,000	35,100	-
Mithun Knitting and Dyeing Ltd.	1,396,936	1,279,080	(117,856)	-
MJL Bangladesh Limited	421,694	418,600	(3,094)	4,978,703
Mozaffar Hossain Spinning Mills Ltd.	2,176,990	2,226,000	49,010	-
Matin Spinning Mills Ltd.	-	-	-	4,617,360
Mutual Trust Bank Ltd.	3,135,554	4,158,000	1,022,446	985,000
National Bank Ltd.	5,229,684	4,947,000	(282,684)	3,851,045
NCC Bank Limited	-	-	-	1,940,471
NLI First Mutual Fund	-	-	-	747,547
National Credit and Commerce Bank Ltd.	3,236,060	3,578,400	342,340	-
One Bank Limited	7,459,143	9,790,500	2,331,357	6,496,918
Orion Pharma Ltd.	5,419,858	5,304,600	(115,258)	-
Padma Oil Co. Ltd.	1,377,956	1,279,420	(98,536)	693,680

NOTES TO THE FINANCIAL STATEMENTS

	Amount in BDT			
	2016			2015
	Cost Price	Market Price	Unrealised Gains/ (Loss)	Cost Price
	(a)	(b)	(c=b-a)	
Quoted:				
Paramount Textile Limited	4,982,833	5,050,000	67,167	-
People's Leasing & Financial Services Ltd.	-	-	-	532,400
Phoenix Finance and Investment Limited	-	-	-	385,518
PHP First Mutual Fund	730,083	804,600	74,517	399,130
Pioneer Insurance Comapny Ltd.	5,138,676	5,013,200	(125,476)	18,071,822
Popular Life First Mutual Fund	342,991	394,200	51,210	240,000
Popular Life Insurance Company Limited	-	-	-	65,560
Pragati Insurance Limited	-	-	-	675,364
Pragati Life Insurance Company Limited	-	-	-	3,268,406
Power Grid Company of Bangladesh Ltd.	2,028,227	1,998,000	(30,227)	-
Prime Islami Life Insurance Ltd.	3,605,371	2,284,156	(1,321,215)	8,657,544
Prime Bank Limited	-	-	-	260,690
Prime Finance First Mutual Fund	-	-	-	129,500
RAK Ceramics (Bangladesh) Limited	3,984,765	3,466,400	(518,365)	8,757,037
Ratanpur Steel Re-Rolling Mills Limited	392,069	573,988	181,919	4,700,147
Reliance Insurance Ltd.	4,028,436	4,100,000	71,564	2,527,055
Renwick Jaineswar and Company Limited	-	-	-	278,492
Rupali Insurance Company Ltd.	1,181,467	1,184,000	2,533	487,412
Rupali Life Insurance Company Limited	-	-	-	1,317,966
S. Alam Cold Rolled Steels Ltd.	-	-	-	157,681
Shahjibazar Power Co. Ltd.	-	-	-	1,419,500
Shahjalal Islami Bank Ltd	-	-	-	1,853,917
Social Islami Bank Limited	-	-	-	443,550
Southeast Bank Limited	-	-	-	1,328,308
Saiham Textile Mills Ltd.	6,478	7,950	1,472	-
Singer Bangladesh Limited	1,678,361	1,732,500	54,139	-
Sinobangla Industries Ltd.	1,017,575	1,018,725	1,150	-
Southeast Bank Ltd.	2,156,333	2,337,500	181,167	-
Square Textile Ltd.	1,784,677	1,695,400	(89,277)	2,525,946
Standard Bank Limited	2,205,719	2,380,000	174,281	3,290,812
Summit Alliance Port Limited	1,568,000	1,545,000	(23,000)	3,156,379
Summit Power Limited	4,252,227	4,366,000	113,773	2,447,891
Sumit Purbanchol Co. Limited	-	-	-	4,823,494
Takaful Islami Insurance Limited	499,600	360,190	(139,410)	672,023
The ACME Laboratories Limited	7,155,567	6,484,500	(671,067)	-
Titas Gas Transmission & Dist. Co. Ltd.	5,007,656	4,090,320	(917,336)	5,843,400
Trust Bank 1st Mutual Fund	489,950	585,000	95,050	-
Trust Bank Limited	23,300	23,800	500	3,681,960
The City Bank Limited	-	-	-	1,211,950
United Power Generation & Distribution Co. Ltd.	5,233,931	4,885,200	(348,731)	768,103
Uttara Bank Limited	1,840,140	1,852,500	12,360	9,129,228
United Commercial Bank Limited	-	-	-	1,580,411
United Finance Limited	-	-	-	1,529,022
Uttara Finance and Investments Limited	-	-	-	595,000
Western Marine Shipyard Limited	301,010	388,800	87,790	-
Yeakin Polymer Limited	56,941	65,086	8,145	-
Zahintex Industries Limited	171,044	185,256	14,212	-
	272,693,978	255,745,919	(16,948,059)	289,238,753
Un-quoted:				
Dhaka Stock Exchange Limited	28,860,420	28,860,420	-	28,860,420
	301,554,398	284,606,339	(16,948,059)	318,099,173

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
11. Cash and bank balances		
Cash in hand (note 11.1)	4,841	35,073
Bank balances in		
Short-term deposit account (note 11.2)	204,876,907	62,625,780
	204,881,748	62,660,853
11.1 Cash in hand		
Head Office	3,889	26,110
Gulshan Branch	50	6,750
Chittagong Branch	902	2,213
	4,841	35,073
11.2 Short-term deposit account		
Southeast Bank Ltd	118,030,606	5,237,299
Standard Bank Ltd	941,141	545,841
Bank Asia Ltd	597,227	190,906
ONE Bank Ltd	85,307,933	56,651,734
Standard Chartered Bank	-	-
	204,876,907	62,625,780
12. Other assets		
Advance against office rent	1,285,000	1,303,125
Advance against IPO	30,000,000	-
Stamp in hand	15,301	3,280
Security deposits(note 12.1)	361,856	361,856
Others (note 12.2)	9,667,054	12,158,465
	41,329,211	13,826,726
12.1 Security deposits		
CDBL	100,000	100,000
C&F Tower, Chittagong	233,856	233,856
BTCL	15,000	15,000
Elite Security Services Ltd	13,000	13,000
	361,856	361,856
12.2 Others		
Advance to employees	3,500	11,500
Advance to supply and service	705,000	430,000
Receivable from DSE- broker and dealer (note 12.2.1)	7,337,376	11,581,345
Receivable from clients against CDBL charges	390,186	135,620
Other receivable	1,230,992	-
	9,667,054	12,158,465
12.2.1 Receivable from DSE - broker and dealer		
Receivable from DSE-Broker:		
Categories A, B, G and N	-	9,488,931
Category Z	3,049,629	54,845
	3,049,629	9,543,776
Receivable from DSE-Dealer:		
Categories A, B, G and N	4,233,347	2,037,569
Category Z	54,400	-
	4,287,747	2,037,569
	7,337,376	11,581,345
13. Share Capital		
13.1 Authorised capital		
500,000,000 ordinary shares of BDT 10 each	5,000,000,000	5,000,000,000

NOTES TO THE FINANCIAL STATEMENTS

13.2 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 was as under:

2016 BDT	2015 BDT
1,000,000,000	1,000,000,000

Name of shareholder	Number of shares	% of holding	Price	Amount (BDT)	
IIDFC Limited	99,987,497	99.987497	10	999,874,970	999,874,970
Mr. Md. Matiul Islam	12,438	0.012438	10	124,380	124,380
Mr. S.A Choudhuary	13	0.0000013	10	130	130
Mr. A F Nesaruddin	13	0.0000013	10	130	130
Mr. Md. Fayekuzzaman	13	0.0000013	10	130	130
Mr. Md. Shamim Ahamed	13	0.0000013	10	130	130
Mr. Md. Manirul Islam	13	0.0000013	10	130	130
	100,000,000	100.000000		1,000,000,000	1,000,000,000

14. Retained earnings

Opening balance

Add: Prior year's adjustment for excess provision of audit fee

Adjusted opening balance

Add: Net profit for the year

Closing balance

70,721,886	63,711,773
-	9,583
70,721,886	63,721,356
12,730,674	7,000,530
83,452,560	70,721,886

15. Long-term loan

Term loan-up to 6 years

Term loan-up to 10 years

445,535,836	445,535,836
141,565,586	141,565,586
587,101,422	587,101,422

The above loan was taken from IIDFC Limited bearing interest @12.5% per annum. An amount of BDT 7,480,000 has been paid against term loan during the year.

16. Short-term loan

Investment Corporation of Bangladesh :

Opening balance

Add: Received during the year

Less: Paid during the year

Closing balance

111,190,324	167,623,305
-	17,663,853
111,190,324	185,287,158
88,174,042	74,096,834
23,016,282	111,190,324

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

17. Inter-company current account

IIDFC Capital Ltd

-	(100,219)
-	(100,219)

18. Accounts payable

Merchant banks (note 18.1)

DSE- broker and dealer (note 18.2)

662,691	9,517,267
7,732,029	50,130
8,394,720	9,567,397

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
18.1 Merchant banks		
IIDFC Capital Limited	444,069	630,143
Southeast Bank Capital Services Ltd.	218,622	8,887,124
	662,691	9,517,267
18.2 Payable to DSE - broker and dealer		
Payable to DSE-broker:		
Categories A, B, G and N	6,792,407	44,671
Category Z	926,472	4,164
	7,718,879	48,835
Payable to DSE-dealer :		
Categories A, B, G and N	13,150	1,295
Category Z	-	-
	13,150	1,295
	7,732,029	50,130
19. Accrued expenses		
Financial expenses (IIDFC & ICB)	18,984,069	20,039,210
CDBL charges	443,803	146,601
Audit fee	138,000	92,000
Online and data communication charges	101,444	98,744
Security charges	25,875	22,489
Telephone bills-BTCL	23,843	13,000
Suppliers	16,404	57,762
Plantation	1,650	1,650
Fresh water	1,000	1,000
Office rent and service charges	-	845,372
Electricity bills	-	70,829
Water and sewerage charges	-	14,820
Others	43,223	43,223
	19,779,311	21,446,700
20. Provision for corporate income tax		
Opening balance	66,557,281	60,395,493
Add: Provision made during the year	11,653,608	7,265,892
	78,210,889	67,661,385
Less: Settlement of previous tax liability	-	1,104,104
Closing balance	78,210,889	66,557,281
Provision for corporate income tax is made on accounting profit for the year after adjustments for taxable allowances and disallowances as per tax laws.		
21. Loan loss reserve		
Loan loss account (note 21.1)	55,317,340	55,346,619
Interest income loss account (note 21.2)	483,558,749	425,246,837
	538,876,089	480,593,456

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
21.1 Loan loss account		
Opening balance	55,346,619	57,780,643
Add: Addition during the year	-	-
	55,346,619	57,780,643
Less: Adjustment made during the year	29,279	2,434,024
Closing balance	55,317,340	55,346,619
21.2 Interest income loss account		
Opening balance	425,246,837	443,941,473
Add: Addition during the year	58,529,187	-
	483,776,024	443,941,473
Less: Adjustment during the year	217,275	18,694,636
Closing balance	483,558,749	425,246,837
21.3 Required loan loss reserve		
Negative equity (un-realized loss) of margin loan	1,250,283,634	1,095,704,050
Minimum required reserve @ 20% of BDT 1,148,773,867	250,056,727	219,140,810
Provision made upto 2016	538,876,089	480,593,456
Percentage of loan loss reserve	43.10%	43.86%

As per BSEC's directive no.SEC/CMRRCD/2009-193/196 dated 28 December 2016; minimum requirement of making provision is @ 20% on unrealised loss of margin loan at the end of this accounting year. In this connection, loan loss reserve of BDT 538,876,089 has been made which is equivalent to 43.10 % of unrealised loss (negative equity) of BDT 1,250,283,634 of margin loans as on 31 December 2016. In the year 2015, as the Affected Small Investor's (ASI's) accounts were under the Govt's Special Incentive Program for small investors, these accounts were in a rescheduled form. As Affected Small Investor's Incentive Program is almost ending at the end of the year 2016, unrealised loss (negative equity) of margin loan is calculated considering all negative equity of margin loan accounts including those of affected small investors.

22. Provision for diminution in value of investment in securities		
Opening balance	38,739,088	38,739,088
Less: Adjustment made during the year	30,773,500	-
Closing balance	7,965,588	38,739,088
22.1 Required provision for increase/ (dcrease) in value of investments in securities		
Unrealised loss	16,948,059	55,054,392
Minimum required provision @ 20% of BDT 16,948,059	3,389,612	11,010,878
Provision made upto 2016	7,965,588	38,739,088
Percentage of investment provision	47.00%	70.37%

Provision for unrealised loss on investment in securities of BDT 16,948,059 has been made which is equivalent to 47.00% of diminution in value of investment of BDT 7,965,588 as on 31 December 2016. As per BSEC's directive no.SEC/CMRRCD/2009-193/196 dated 28 December 2016, 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.

23. Other liabilities		
Reserve for risk fund	716,667	616,667
Provision for gratuity	952,067	2,409,915
Employer and employee contributions to provident fund	-	199,129
Others	35,541	27,236
	1,704,275	3,252,947

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
24. Interest waived on loan to small investors		
Interest waived on loan to small investors (phase-2)	-	1,563,668
	-	1,563,668
As per condition of Government's special incentive package of affected small investors (ASI) for incurring capital loss in 2011, the Board of Directors of the company in its 17th meeting approved waiver of interest charged of BDT 1,563,668 in 2011 for 112 nos. of ASI accounts. This amount has been adjusted with interest income earned during the year.		
25. Brokerage commission		
Commission on securities trading	45,534,874	34,103,386
Commission on IPO processing	74,210	83,166
	45,609,084	34,186,552
26. Direct cost		
Laga charges	4,176,638	3,167,102
Howla charges	-	400
CDBL charges	173,408	287,889
	4,350,046	3,455,391
27. Capital gains/(losses) on sale of investment in securities		
Capital gains from trading of securities	21,568,081	15,964,150
Capital loss from trading of securities	(26,842,998)	(16,455,912)
Operating gains/(losses)	(5,274,917)	(491,762)
28. Other operating income		
BO and trading accounts maintenance income	624,300	487,900
Notice pay received	82,500	94,021
Charges for dishonoured cheques	16,000	16,500
CDBL	-	423,528
Others	2,356	3,628
	725,156	1,025,577
29. Operating expenses		
Salaries and allowances (note 29.1)	29,652,924	35,900,302
Rent, insurance, electricity, etc (note 29.2)	14,857,974	14,407,647
Legal and professional expenses	174,000	32,200
Postage, stamp, telecommunications, etc (note 29.3)	1,853,368	1,831,450
Stationery, printing, advertisement, etc (note 29.4)	212,957	399,379
Directors' fees (note 29.5)	118,750	69,000
Auditors' fee	138,000	92,000
Loans and advances written off (note 29.6)	1,018,833	24,672,446
Loss on disposal of assets	-	2,847,812
Repair and maintenance (note 29.7)	171,825	187,505
Depreciation (note 29.8)	2,976,988	4,095,055
Other expenses (note 29.9)	2,298,405	4,321,738
	53,474,024	88,856,534

NOTES TO THE FINANCIAL STATEMENTS

	2016 BDT	2015 BDT
29.1 Salaries and allowances		
Basic	13,590,792	13,962,250
House rent	6,795,467	6,981,182
Festival bonus	2,272,076	2,328,767
Conveyance	1,327,602	1,382,902
Company's contribution to provident fund	1,196,009	1,233,158
Retirement benefits and gratuity	995,817	1,641,419
Leave fare assistance	989,431	1,334,227
Car allowance	720,000	720,000
Medical	679,520	698,065
Group insurance	647,023	676,076
Entertainment	237,000	244,126
Leave encashment	202,187	231,027
Performance bonus	-	3,003,875
Employee's recreation	-	1,463,228
	29,652,924	35,900,302
29.2 Rent, insurance, electricity, etc		
Office rent and service charge	13,000,082	12,670,547
Electricity	1,274,170	1,232,524
Fees, renewal and registration	353,087	280,800
Water and sewerage	225,602	208,096
Insurance on fixed assets	5,033	15,680
	14,857,974	14,407,647
29.3 Postage, stamp, telecommunications, etc		
Data communication expenses	1,018,428	989,413
Mobile	489,145	508,059
Internet expenses	179,400	182,050
Telephone	116,000	99,169
SMS Service	34,485	-
Postage and courier	11,280	12,077
Stamp charges	4,630	40,682
	1,853,368	1,831,450
29.4 Stationery, printing, advertisement, etc		
Printing and stationery	117,547	271,761
Paper, ribbon and cartridge	93,600	124,238
Table stationery	1,810	3,380
	212,957	399,379
29.5 Directors' fees		
Fees	95,000	60,000
VAT	14,250	9,000
Tax	9,500	-
	118,750	69,000

NOTES TO THE FINANCIAL STATEMENTS

29.6 Loans and advances written off

Loans and advances written off during the year

Less: Amount recovered during the year

2016 BDT	2015 BDT
1,018,833	25,573,987
-	901,541
1,018,833	24,672,446

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.

During the year 2016, fifty one (51) number of such investors being unable to repay margin loan, applied for voluntary sale of securities from their portfolios, recover their outstanding margin loan by the sale proceeds and waiver of remaining margin loan liabilities and closure of the accounts. There being no other way for recovery of such loans, after sale of securities of these portfolios, outstanding unrecovered margin loan was adjusted BDT 246,554/- with loan loss reserve account and BDT 1,018,853/- margin loan was charged as written off loan loss as on 31 December 2016.

29.7 Repair and maintenance

Office equipment

Decoration and renovation

Computer software

Furniture and fixtures

140,055	96,540
17,210	22,360
11,250	67,005
3,310	1,600
171,825	187,505

29.8 Depreciation

Office equipment

Office decoration

Furniture and fixtures

1,711,467	2,830,374
876,939	876,939
388,583	387,742
2,976,988	4,095,055

29.9 Other expenses

Office maintenance (note 29.9.1)

Entertainment

Amortisation of intangible assets (note 5)

Reserve for risk fund

Bank charge

Travelling and conveyance- local

Training expenses

Newspaper and magazine

Books and periodicals

Dividend collection charge

1,327,085	1,307,079
478,177	507,586
194,548	300,030
100,000	100,000
80,374	64,728
65,751	75,372
33,550	14,000
13,840	15,743
5,080	11,530
-	1,925,670
2,298,405	4,321,738

29.9.1 Office maintenance

Casual staff salary

Security charges

Cleaning charges

Uniform and other apparels

Plantation

Fresh water

Purchase of utensils

Others

825,414	766,736
129,771	128,667
79,484	79,379
54,000	53,960
19,800	19,800
7,150	10,165
3,790	3,520
207,676	244,852
1,327,085	1,307,079

NOTES TO THE FINANCIAL STATEMENTS

30. Earnings per share (EPS)

Earnings per share (EPS) is calculated in accordance with BAS 33: Earnings Per Share. The calculation of basic earnings per share as at 31 December 2016 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the year ended 31 December 2016.

Basic earnings per share has been calculated as under:

	2016 BDT	2015 BDT
Earnings attributable to ordinary shareholders net profit/(loss) after tax	12,730,674	7,000,530
Weighted average number of ordinary shares	100,000,000	100,000,000
Basic earnings per share	0.13	0.07

Particulars	Weighted average	No. of Ordinary Shares
Share outstanding as on 01 January	365	100,000,000
Right shares issued	-	-
	100,000,000	100,000,000

31. Employees' information

A total number of 33 employees were employed in IIDFC Securities Ltd as on 31 December 2016. Each of the employees received salary more than BDT 36,000 per annum during the year 2016.

32. General

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

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

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



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Director



A.T.M. Nasir Uddin
Chief Executive Officer



S.F. Ahmed & Co.
Chartered Accountants

Dhaka, Bangladesh
Dated, April 19, 2017

NOTES TO THE FINANCIAL STATEMENTS

Annex-1

IIDFC Securities Limited

As at 31 December 2016

Property, plant and equipment

Category of assets	Cost				Rate (%)	Depreciation				Net book value at 31 Dec 2016 BDT
	At 01 Jan 2016 BDT	Additions BDT	Sale/disposal BDT	Total at 31 Dec 2016 BDT		To 01 Jan 2016 BDT	Charge for the year BDT	Adjustment/disposal BDT	Total to 31 Dec 2016 BDT	
Furniture and fixtures	3,877,415	8,400	-	3,885,815	10	1,892,306	388,583	-	2,280,889	1,604,927
Office decoration	8,769,385	-	-	8,769,385	10	4,384,695	876,939	-	5,261,634	3,507,752
Office equipment	15,724,298	16,350	178,410	15,562,238	18	13,704,771	1,711,467	160,566	15,255,672	306,566
Total at 31 Dec 2016	28,371,098	24,750	178,410	28,217,438		19,981,772	2,976,988	160,566	22,798,194	5,419,244
Total at 31 Dec 2015	35,243,000	207,712	7,079,614	28,371,098		19,294,088	4,095,055	3,407,371	19,981,772	8,389,326

Intangible assets

Category of assets	Cost				Rate (%)	Depreciation				Net book value at 31 Dec 2016 BDT
	At 01 Jan 2016 BDT	Additions BDT	Sale/disposal BDT	Total at 31 Dec 2016 BDT		To 01 Jan 2016 BDT	Charge for the year BDT	Adjustment/disposal BDT	Total to 31 Dec 2016 BDT	
Computer software	1,666,831	-	-	1,666,831	18	1,312,053	194,548	-	1,506,601	160,230
Total at 31 Dec 2016	1,666,831			1,666,831		1,312,053	194,548	-	1,506,601	160,230
Total at 31 Dec 2015	1,666,831	-	-	1,666,831		1,012,023	300,030	-	1,312,053	354,778

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





PHOTOGRAPHS FROM IIDFC'S ALBUM 2016



PHOTOGRAPHS FROM IIDFC'S ALBUM

15th Annual General Meeting
held on July 27, 2016





PHOTOGRAPHS FROM IIDFC'S ALBUM

15th AGM Snapshots



PHOTOGRAPHS FROM IIDFC'S ALBUM

15th AGM Snapshots



PHOTOGRAPHS FROM IIDFC'S ALBUM

STRUCTURED FINANCE DEPARTMENT PROJECTS UNDER IIDFC'S SYNDICATION ARRANGEMENT



Structured Finance Team successfully arranged BDT 1,441.60 million for IPFF project of Summit Communications Ltd. The project is facilitated by Bangladesh Bank and Funded by World Bank.



Anwara Mannan Textile Mills Limited, Boiragirchala, Sreepur, Gazipur

PHOTOGRAPHS FROM IIDFC'S ALBUM

Corporate Financed Projects



Runner Automobiles Ltd. Valuka, Mymensingh



Rangpur Metal Industries, Habiganj Industrial Park, Sylhet

PHOTOGRAPHS FROM IIDFC'S ALBUM

Corporate Financed Projects



City Group Project at Ruposhi, Narayanganj



Amber Denim Mills Ltd. Rajendrapur, Banglabazar, Gazipur

PHOTOGRAPHS FROM IIDFC'S ALBUM

SME Financed Projects



Soft Knit Fashion, Konabari, Gazipur



Banglar Shova, Lalmatia, Dhaka

PHOTOGRAPHS FROM IIDFC'S ALBUM

SME Financed Projects



Bikrampur Plastic, Kamrangirchar, Dhaka



Nazrul Pipe Industries Limited, Matuail, Jatrabari, Dhaka

PHOTOGRAPHS FROM IIDFC'S ALBUM

Workshop/Seminar



Executive Development Seminar-2016 at IIDFC Head Office



Executive Development Seminar-2016 at IIDFC Head Office

PHOTOGRAPHS FROM IIDFC'S ALBUM

CSR Activities



Relief distribution among the flood affected people at Chilhari, Kurigram



Donation to Lutfur Rahman Bhuiyan (LRB) Foundation for free Treatment and Medication

PHOTOGRAPHS FROM IIDFC'S ALBUM

Corporate Dayout-2016



PHOTOGRAPHS FROM IIDFC'S ALBUM

Celebration



Honorable Chairman's 87th Birthday Celebration at IIDFC



IIDFC LIMITED ■ ANNUAL REPORT 2016



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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 16th Annual General Meeting of the company to be held
on **Thursday, July 20, 2017 at 12.30 p.m. at Chamber Building (6th Floor), 122-124 Motijheel C/A, Dhaka-1000**, Bangladesh
and any adjournment thereof.
As witness my/our hand thisday of2017.

Revenue
Stamp of
Tk. 20.00

.....
Signature of Shareholder

.....
Signature of Proxy

INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LTD

HEAD OFFICE:

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