

2023



Look Back

IIDFC PLC. is a leading Finance Company , promoted by wide array of financial institutions like ten commercial banks, from both public sector and private sector, three insurance companies, Investment Corporation of Bangladesh (ICB) and one individual investor Mr. Md. Matiul Islam, First Finance Secretary of independent Bangladesh. The Board of Directors of IIDFC PLC. consists of senior bankers, insurance personalities, successful entrepreneurs and retired civil servants with high professional and academic background having experience in private and public sector operation. The management of IIDFC consists of highly qualified, experienced and competent professionals.

IIDFC PLC. (Previously known as Industrial and Infrastructure Finance Company Limited) was incorporated in Bangladesh on 19 December 2000 as a Public Limited Company. The Company was licensed under the Financial Institutions Act, 1993 by Bangladesh Bank on 23 January 2001 and started operation from May 2001. The registered office of the Company is situated at Metropolitan Chamber Building (6th Floor), 122-124, Motijheel C/A, Dhaka, Bangladesh.

Corporate Status

Public Limited Company, incorporated with RJSC under the Companies Act 1994 vide incorporation number C-42115(1474)/2000



Contact Details

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Website: iidfc.com, E-mail: info@iidfc.com



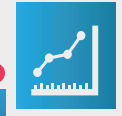
Address

Head Office: Metropolitan Chamber Building (6th Floor),
122-124 Motijheel Commercial Area Dhaka, Bangladesh



Number of Branches

4 (Four) Branches



Branch Location

Dhaka, Chattogram, Uttara and Narayanganj



Major Business Area

SME Finance, Corporate Finance, Structured Finance, Carbon Finance,
Home Loan, Auto Loan, Women Entrepreneurship Development,
Green Finance, Factoring and Work Order Finance



SUBSIDIARIES OF IIDFC

IIDFC Securities Limited

A TREC Holder of Dhaka Stock Exchange Limited

IIDFC Capital Limited

A full-fledged Merchant Bank



CORPORATE STATUS:

Public Limited Company, incorporated with RJSC under the Companies Act 1994 on 28 March 2010 vide incorporation number C-83521/10.



CORPORATE STATUS:

Public Limited Company, incorporated with RJSC under the Companies Act 1994 on 30 November 1995 vide incorporation number C-H.C 2097

CONTACT DETAILS:

Registered Address: Head Office, located at PFI Tower (3rd Floor), 56-57 Dilkusha C/A Dhaka-1000, Bangladesh.
PABX: +880-2-9560526, FAX: +880-2-9570756
Email: info@iidfcsecurities.com, Website: www.iidfcsecurities.com



CONTACT DETAILS:

Registered Address: Head Office located at PFI Tower (3rd Floor), 56-57 Dilkusha C/A Dhaka-1000, Bangladesh.
PABX: +880-2-9514637-8, FAX: +880-2-9514641
Email: icl@iidfc.com, Website: www.iidfccapitaltd.com



NUMBER OF BRANCHES & EXTENSION OFFICE:

3 (three) Branches and 1 (one) extension office of Head office.

BRANCH & EXTENSION OFFICE LOCATION:

Dhaka, Chattogram, Gulshan and Nikunja.



BUSINESS:

Merchant Banking and Advisory Service

MAJOR BUSINESS AREA:

Stock Broker, Stock Dealer and Depository Participant (DP) for dealing of shares and securities, commercial papers, bonds, debentures, debenture stocks, etc.



MAJOR BUSINESS AREA:

Portfolio Management, Issue Management
Underwriting and Corporate Advisory Service



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Notice is hereby given to all shareholders of **IIDFC PLC.** (the “Company”) that the 23rd Annual General Meeting (AGM) of the Shareholders of the Company will be held **on Tuesday 26 November 2024 at 3.00 p.m. at MTB Centre, 26 Gulshan Avenue, Plot # 5, Block # SE(D), Gulshan-1, Dhaka-1212** to transact the following businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2023 along with Auditors' Report and Directors' Report thereon.
2. To approve dividend for the year ended December 31, 2023 as recommended by the Board of Directors.
3. To elect/re-elect Directors of the Company retired by rotation.
4. To appoint auditors of the Company for the year 2024 and to fix their remuneration.
5. To transact any other business with the permission of the Chair.

All Shareholders are requested to attend the meeting.

By order of the Board of Directors,

Sd/-

Dated, Dhaka
05 November 2024

Mohammad Neazur Rahman
Company Secretary

NOTES:

1. Any member entitled to attend and vote at the General Meeting may appoint a proxy to attend and vote on his/her behalf. The Proxy Form, duly filled-in & stamped, must be submitted at least 48 (forty-eight) hours before the time scheduled for holding the General Meeting at Metropolitan Chamber Building (6th Floor), 122-124 Motijheel C/A, Dhaka-1000.
2. Members are requested to notify change of address, if any, to the Company.
3. Directors' report and Audited Financial Statements of the Company for the year ended December 31, 2023 together with Auditors' Report thereon shall be available in the Annual Report 2023 which will be sent to the Shareholders' respective address.
4. For any assistance/information, the respected Shareholders may contact +8801730069083 or +8801782379422.

For better understanding of all stakeholders including shareholders, employees, customers, suppliers, business partners, local communities, regulators and policymakers, we are delighted to publicize "Integrated Report" with the Annual Report 2023 of IIDFC PLC. and its fully owned subsidiaries namely IIDFC Securities Limited and IIDFC Capital Limited.

Purpose

IIDFC publishes the report annually. An integrated report is a concise communication about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long-term. The primary purpose of this report is to explain how an organization creates value over time. Therefore, it contains relevant information, both financial and other issues.

Recipient

An integrated report benefits all stakeholders, including shareholders, employees, customers, suppliers, business partners, local communities, regulators and policymakers, interested in an organization's ability to create value over time. Integrated reporting is also an important tool in improving the understanding of the relationship between financial and non-financial factors that determine a company's performance and of how a sustainable value in the longer term.

Range of the report

The report covers the period of one year from 01 January 2023 to 31 December 2023. It includes the primary activities of IIDFC, our business mix, key support areas and subsidiaries operations. The report ranges beyond financial reporting and includes non-financial performance, opportunities, risks and outcomes attributable to or associated with our key stakeholders, which have significant influence on our ability to create value. We also present information relevant to the way we create value for other key stakeholders, including our staff, clients, regulators and society.

Our integrated reporting process, as well as the contents of this report, is guided by the integrated Reporting Checklist of the Institute of Chartered Accountants of Bangladesh (ICAB) which resemblance with the International Integrated Reporting Council (IIRC) -a global alliance of regulators, investors, companies, standard setters, the accounting professionals and NGOs.

In line with requirements of the following regulators and legislations, we are explaining Company's operations and financial performance in the Audited Financial Statements for the year ended 31 December 2023:

- i. International Financial Reporting Standard (IFRS)
- ii. Finance Company Act, 2023
- iii. Defined rules and regulations of Bangladesh Bank
- iv. Securities and Exchange Commission Rules 1987
- v. The Companies Act 1994
- vi. Other applicable laws and regulations prevailing in Bangladesh.

Key Concepts

Value Creation

Value creation is the consequence of how we apply and leverage our capitals in delivering financial performance and value for all stakeholders while making trade-offs .

Materiality

We apply the principle of materiality in assessing what information is to be included in our integrated report. This report focuses particularly on those issues, opportunities and challenges that impact materially on IIDFC and its ability to be a sustainable business entity that consistently delivers value to shareholders and our key stakeholders.

Our Capitals

Our relevance as a Financial institution today and in future as well as our ability to create long-term values are interrelated and fundamentally dependent on the forms of capital available to us, how we use them in value adding activities and the value we deliver.

Financial

Our Shareholders' Equity and funding from investors and clients that are used to support our business and operational activities, including credit extension.

Personnel

Our human resources invest their collective knowledge, skills and experience to enable innovative and competitive solutions for our clients.

Infrastructure

Our business structure and operational processes, including our physical and digital infrastructure, our products, as well as our information technology that provides the framework and mechanics of how we do business and create value.

Intellectual Property

Our brand value, research & development, innovation capacity and reputation.

Uniformity and Consistency

In order to draw meaningful conclusions about the trends of IIDFC's financial performance and position over time, we prepared the financial statements for the year 2023 on the same basis as we prepared in the year 2022. We applied same accounting policies, standards and calculating methods consistently from one period to another in order to improve the reliability and relevance of financial statements. We also complied similar accounting policies of the same line of business of the Country.

Outside Assurance Associates of IIDFC PLC.

In addition to the internal assurance from management and the Board, we got confidence from the certification of:

- Basu Banerjee Nath & Co., Chartered Accountants, for Certification of the Auditors Report of the Financial Statements.
- Hossain Billal & Co., Chartered Accountants, for Certification of both the Auditors Report of the Provident Fund and Gratuity Fund Financial Audit.
- National Credit Rating Limited for both the Entity Rating and Bond Rating.

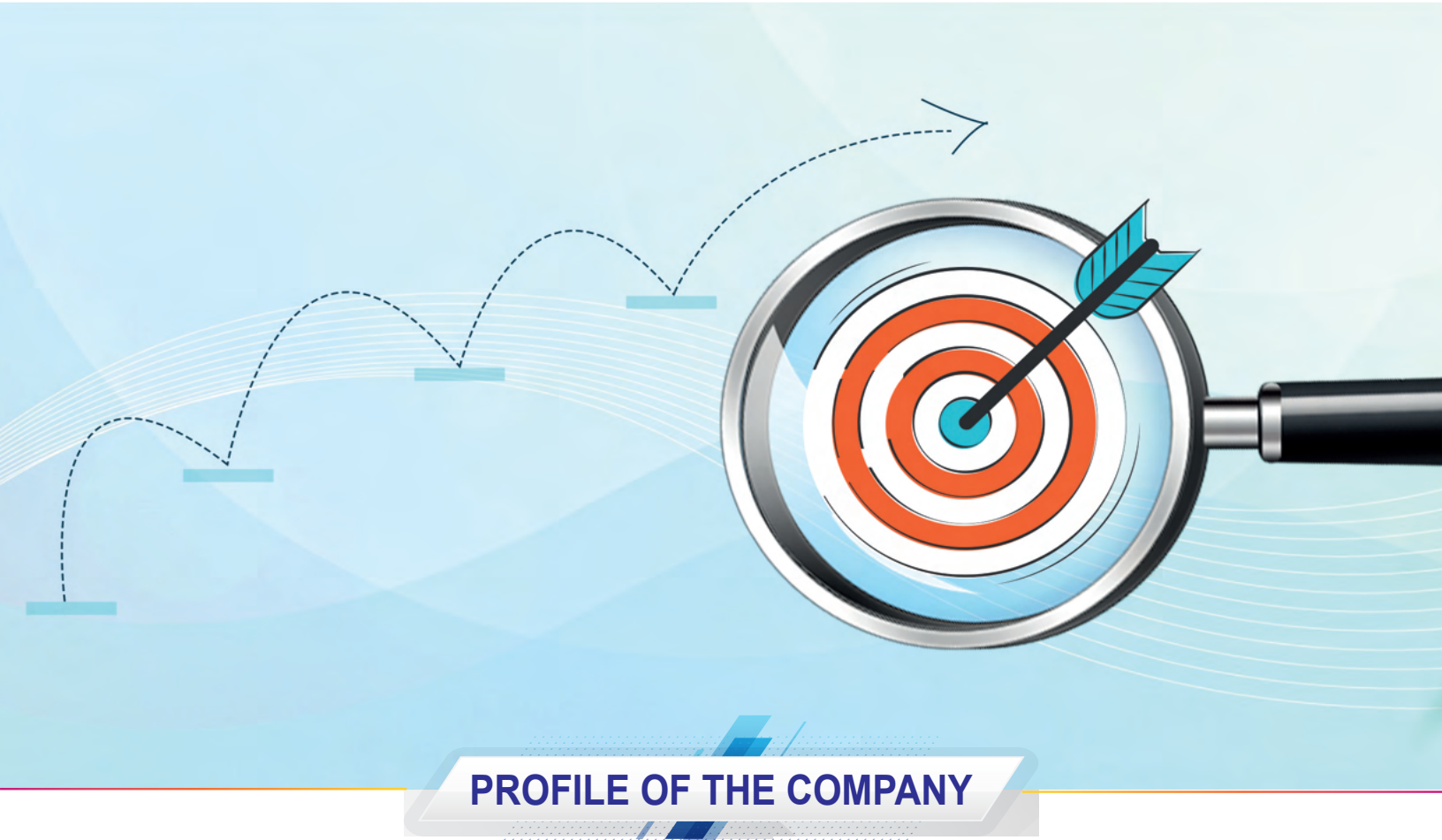
Dissemination and Availability of Auditors' Report for the Stakeholders

In compliance with the regulatory requirement, we disseminate Auditors' Report to the Shareholders, Board of Directors, Employees, Government and its Agencies, Depositors, Investors, Suppliers and other Stakeholders both the hard and soft copy, as the case may be, before holding Annual General Meeting. We also make available the soft copies of Financial Statements, both present and past, in our website (www.iidfc.com) for easy access of the Stakeholders.

Management Acknowledgement

The Management acknowledges its responsibility of:-

- i. Ensuring the integrity of this integrated report, which in the Management's opinion addresses all the issues that are material to IIDFC;
- ii. Applying collective minds to the preparation and presentation of the integrated report for fair presentation of the integrated performance of IIDFC; and
- iii. Preparing the contents of this report based on the checklist of the SAFA which resemblance with the IIRC.

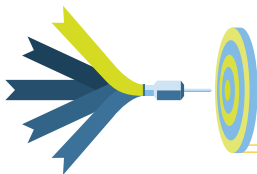


PROFILE OF THE COMPANY



VISION:

“To deliver utmost financial solutions with innovation, creative values and service excellences in order to ensure superior financial performance and maximum stakeholder’s value”



MISSION:

Our competent and motivated team will ensure best financial services with a commitment for:

- Offering innovative products and services.
- Creating an exciting and stimulating work environment.
- Improving the quality of life in the communities we serve.
- Maintaining high ethical standards, integrity and compliance.
- Optimizing return growth and creating value for shareholders.
- Ensuring synergy by utilizing expertise both from private and public sector.
- Mobilizing private sector resources through large scale project implementation

STRATEGIC BUSINESS OBJECTIVES

Strategic business objectives are statements that indicate critical or important organizational strategy to achieve long term goals. The strategic objectives of IIDFC PLC. are as follows:

- To be a fully compliant Finance Company.
- To achieve sustainable and incremental portfolio growth
- To have branch network in major cities of the country
- To maintain high quality portfolio
- To optimize return on investment
- To diversify the portfolio, focusing on SME finance
- To digitize the operation
- To bring professionalism through efficient HR management
- To ensure better working environment
- To ensure adequate capital base as per BASEL requirement
- To strengthen the brand value
- To maximize the return to shareholders

CORE VALUES

Core values are the fundamental beliefs of an organization, guiding principles that dictate behaviour and help to understand the difference between right and wrong. It also helps a company to determine whether it is in the right path and fulfilling its goals by creating extraordinary customer services. The core values of IIDFC PLC. are -

- To provide extraordinary customer services
- Offering innovative products/services towards value addition for customer
- To ensure continuous efforts for innovation
- Working for stakeholder's value additions
- Partnering customers for national and industrial growth
- To ensure full dedication for Total Quality Management
- Improve and maintain workplace safety
- To ensure financial sustainability and stable growth
- To ensure excellent manpower and full utilization of HR
- To streamline core business processes
- Striving for full compliance
- To ensure good corporate culture
- Ensuring transparency and full disclosure reporting
- To create a performance-focused culture
- To ensure efficient resource management
- To improve productivity with cross-functional teams
- Investing for employee retention and capacity building
- To ensure ICT driven operation
- To diversify the growth opportunity and improve revenue streams

The ethical principles of finance Companies are designed to guide their conduct in all affairs involving customers, shareholders, employees, and other stakeholders. These principles ensure the sustainability of reputation, trustworthiness, and customer loyalty. IIDFC's broad ethical principles are outlined as follows:

Principle 1: Competence

Employees at IIDFC must continually develop and maintain the knowledge, skills, and behaviors necessary to perform their duties professionally and proficiently. This includes acting with diligence and regularly updating their qualifications, training, expertise, and practical experience.

Principle 2: Integrity

All individuals within the organization must be honest and transparent in their dealings. They are expected to act in a trustworthy, accountable manner and avoid any actions that could harm IIDFC's reputation or bring discredit to the industry.

Principle 3: Fairness

IIDFC fosters a culture of fairness and transparency, ensuring responsible behavior throughout the company. Transparency involves providing the public and markets with clear, accurate, and timely information on company strategy, assessments, and decisions. Fairness also includes full disclosure of a product or service before it is offered to customers.

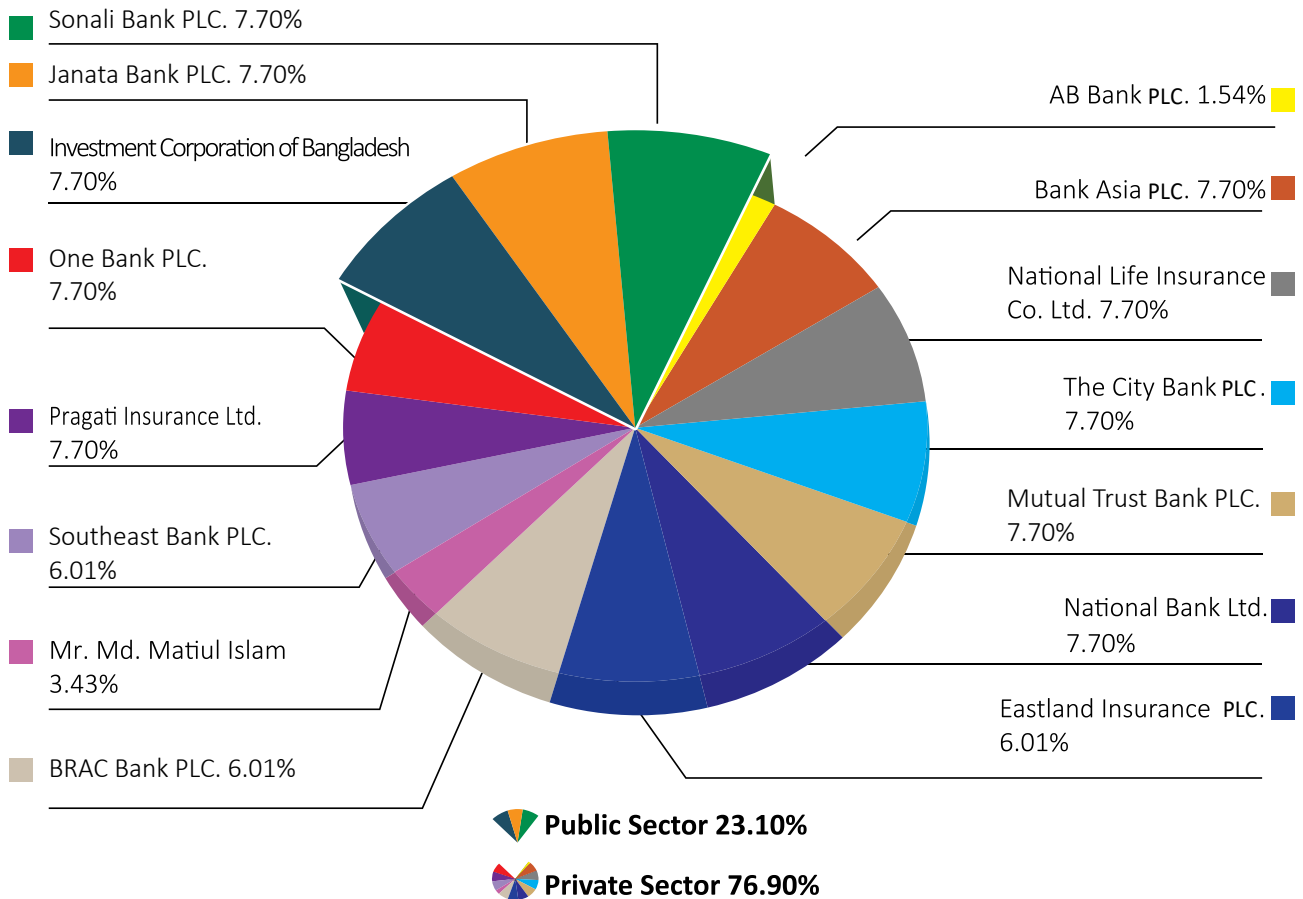
Principle 4: Confidentiality

IIDFC prioritizes the confidentiality and sensitivity of the information entrusted to it. Employees must use this information solely for its intended purpose and must not disclose it to unauthorized persons, including third parties, without necessary consent unless required by law or regulation.

Principle 5: Objectivity

All individuals within the company must avoid conflicts of interest, bias, or undue influence that could compromise their professional judgment. Employees are required to disclose any matters that could impair their objectivity to those concerned.

SHAREHOLDING STRUCTURE

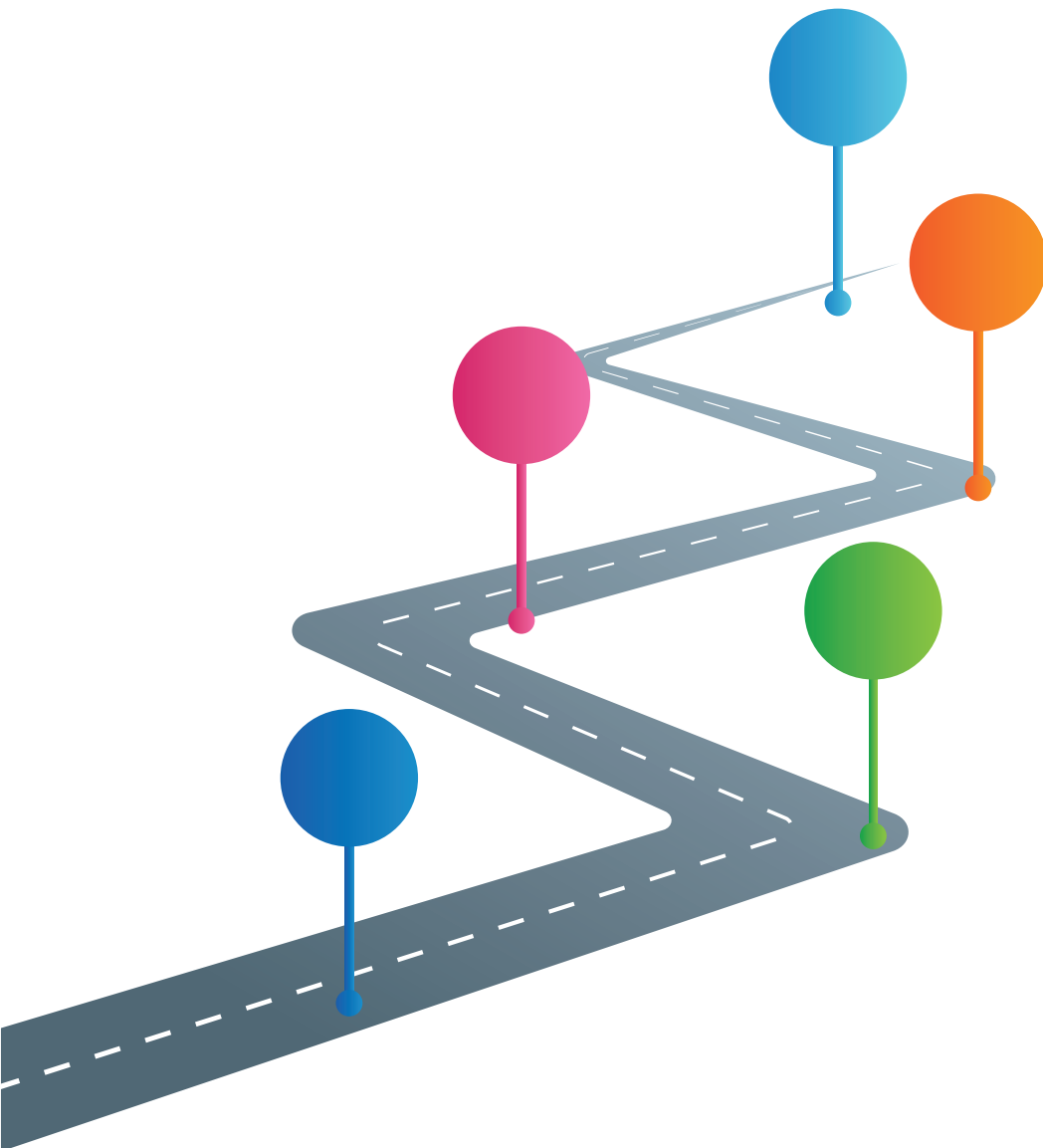


MILESTONE EVENTS

- 2000 Incorporation with RISC, Bangladesh.
- 2001 Issuance of License by Bangladesh Bank as Non-Bank Financial Institution.
Commencement of commercial operation.
- 2003 Launching of first ever Zero Coupon Bond by IIDFC in Bangladesh.
- 2004 Syndication of 1st commercial loan of BDT 100 crore for BRAC.
- 2006 Term Loan Syndication for Warid Telecom International Ltd. [BDT 300 Crore] signed in Abu Dhabi.
- 2008 Opening of 2nd Branch in Chattogram on 28 August 2008.
- 2009 Commencing operation of Brokerage Services.
Signed agreement with the World Bank & Govt. of Denmark for delivery of 250,000 tons of Carbon Emission Reductions (CER) generated by IIDFC's CDM Project for environment-friendly brick manufacturing.
Formation of IIDFC Capital Limited.
IIDFC's CDM project got recognition at the 15th Global Climate Conference (COP 15) held at Copenhagen, Denmark.
Introduction of first ever ACI Convertible Zero Coupon Bond in Bangladesh (BDT 100 Crore).
- 2010 IIDFC was awarded "HSBC-Daily Star Climate Change Mitigation Award-2010" for developing the best climate change mitigation project in the Country.
- 2011 Signing of agreement between IIDFC and National Small Industries Corporation Ltd. (NSIC), India for the development of small industries in Bangladesh.
Organizing a SME Technology Fair by IIDFC and NSIC on 2011 to accommodate collaboration between SMEs of the two countries.
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 and Focal Point.
- 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.
- 2014 Arranged Term Loan Facility of BDT 1,000.4 million and USD 6.35 million for Fiber @ Home under syndication arrangement, which is first ever World Bank Financing in IT sector through IPFF cell of Bangladesh Bank.
- 2015 Arranged BDT 3,420.00 million through issuance of 8 (eight) Commercial Papers (both in secured and unsecured mode) for different economic sectors i.e. Textile, Automobile, Steel & Iron and ICT sector.
Arrangement of Tier II Capital for Social Islami Bank Limited through issuance of SIBL Mudaraba Subordinated Bond of BDT 3,000.00 million.
IIDFC entered into an Agreement (CERPA) with ADB to sell 160,000 tons of Emissions Reduction during 2016-2020 generated by its 2 Energy Efficient Brick Manufacturing CDM projects on 09 April, 2015.
- 2016 IIDFC became a Participatory Financing Institution in the "PPP Financing Partnership Program" through signing a MoU with "PPP Authority" on November 3, 2016.
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 and showcased the benefits of its Clean Development Mechanism (CDM) Brick Manufacturing project and emphasized on the necessity of large-scale GHG mitigation projects in Bangladesh.
IIDFC participated in the BRICS Annual Financial Summit held in Goa, India on October 14-16, 2016 and focused on the scopes of future collaboration between the financial institutions of BRICS member countries.
- 2017 Opening of 4th & 5th Branch at Keraniganj and Gazipur on April 30, 2017 and May 23, 2017 respectively.
- 2018 IIDFC signed Master Facility Agreement (MFA) with Bangladesh Bank as PFI (Participatory Financial Institution) in IPFF-II (Investment Promotion and Financing Facility II) project. The project is facilitated by Bangladesh Bank and Funded by the World Bank (IDA).
Opening of 6th & 7th Branch in Narayanganj and Savar on January 28, 2018 and March 27, 2018 respectively.

MILESTONE EVENTS

- 2019 IIDFC became a financing partner to the syndication facility of BDT 250.00 million under IPFF II raised for Bangladesh Technocity Limited. The Governor of Bangladesh Bank handed over the IPFF II Fund cheque to the Managing Director of IIDFC Ltd.
-
- 2020 IIDFC Ltd, successfully arranged IPFF II Fund and Commercial Fund of BDT 3.95 billion jointly with NDB Capital Limited for Meghna Industrial Economic Zone Limited (MIEZL)- the first private sector economic zone under BEZA. IIDFC also participated for BDT 366.98 million in the syndication facility under IPFF.
-
- 2021 IIDFC Ltd. successfully arranged IPFF II Fund of BDT 3.25 billion jointly with NDB Capital Limited for Summit Communications Limited. IIDFC also participated for BDT 295.50 million in the Syndication facility under IPFF II.
-
- 2022 IIDFC won International Award on Environmental Development. The award was presented by the Philippines-based Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) on October 26th, 2022.
-
- 2024 Change of the Company name to "IIDFC PLC." from "Industrial and Infrastructure Development Finance Company Limited".



PRODUCTS AND SERVICES

SME Finance



IIDFC promotes entrepreneurs of cottage, micro, small and medium enterprise sector in manufacturing, trading and service industries through its different products under SME Finance Scheme. The aim is to provide quality services to the entrepreneurs with potential and innovative ideas.

- Term Loan
- Lease Finance
- Women Entrepreneur Finance
- Factoring and Work Order Finance
- Working Capital Loan
- Commercial Vehicle Loan
- Commercial Rental Business Loan (Abashan)
- Commercial Space Loan

Corporate Finance



Under the umbrella of Corporate Finance Department, IIDFC offers a wide range of financial products and services for corporate clients to support the existing industries as well as for promoting new ventures and infrastructure development projects.

- Project Finance
- Lease Finance
- Short Term Loan/Working Capital Loan
- Long Term Loan
- Commercial Auto Loan
- Work Order Finance
- Participation in Syndicated Loan
- Green Finance

Structured Finance



IIDFC's Structured Finance Department leads the syndication market and has acted as Arranger to a number of large syndication facilities. Structured Finance encompasses syndicated fund arrangement including cross-border syndication and other financial advisory services.

- Loan Syndication
- Working Capital Syndication
- Arrangement of Fund through Zero Coupon and Coupon Bearing Bond
- Arrangement of Commercial Paper
- Arrangement of Convertible and Non-convertible Preference Shares
- Corporate advisory service

Consumer Finance



IIDFC provides secured and unsecured consumer loan in the form of home loan, auto loan, loan for household durables and loan against deposit based on the creditworthiness, collateral qualities and other financial parameter of the borrower.

- Home Loan
- Auto Loan
- Loan against Deposit
- Loan for Household Durables

Carbon Finance & Green Finance



IIDFC introduced Carbon Finance, a market based mechanism to support and finance environment friendly technologies and initiatives in the country, back in 2007. It pioneered the introduction of HHK technology in the brick making sector and has been managing 2 (two) emissions trading projects registered with the UN since then. The projects have so far reduced emission of 200,000 tons of CO₂. IIDFC also works with Energy Efficiency, Renewable Energy and Waste Management financing through different specialized funds.

- Clean Development Mechanism (CDM) project preparation, validation, monitoring and verification support
- Emissions Trading
- Energy Efficiency Improvement Consulting
- Green Finance

Deposit Schemes



IIDFC collects fund through term deposit from both individual and institutional investors. It offers attractive returns to the depositors assuring top most security of their money. The depositors are also allowed to take loan against deposits. IIDFC also offers long term savings in the form of Millionaire Savings Scheme (MSS) and Monthly Deposit Scheme (MDS) for different tenure with attractive return at the maturity.

- Monthly Earning Scheme
- Quarterly Earning Scheme
- Half Yearly Earning Scheme
- Yearly Deposit
- Half yearly Deposit
- 2 years and above deposit
- Double Money Program
- Triple Money Program
- Monthly Deposit Scheme
- Millionaire Savings Scheme



DIRECTORS' REPORT

Introduction

1. Dear Shareholders and Stakeholders,
Assalamu 'Alaikum Wa Rahmatullah.

I extend a warm welcome to each of you at the 23rd Annual General Meeting (AGM) of IIDFC PLC. On behalf of the Board of Directors, it is my privilege to present the Audited Financial Statements of the Company for the fiscal year ending on 31st December 2023. These statements encompass crucial components such as the Balance Sheet as of 31st December 2023, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity for the year ended 31st December 2023, Liquidity Statement as of the same date, and the Auditors' professional opinion thereon. Your attendance and participation in this significant event are highly appreciated, and I look forward to sharing the financial insights and achievements of IIDFC PLC throughout 2023.

Present Economic Challenges

The global economy is currently grappling with multifaceted challenges and uncertainties, marked by record-high inflation, tightening financial conditions across most regions, the Ukraine-Russia conflict, and lingering disruptions in post-pandemic supply chains. Bangladesh, akin to numerous other nations, finds itself navigating through these intricate economic challenges. In particular, the Bangladeshi economy has encountered a substantial current account deficit since the last quarter of the fiscal year 2023, stemming from exceptionally high import payments and subdued inward remittances.

The pronounced escalation in the current account deficit has exerted significant depreciative pressure on the Bangladeshi Taka (BDT) against the US Dollar (USD). In response to this challenge, the Bangladesh Bank (BB) has entrusted the authority to determine the exchange rate to the Authorized Dealer Banks (ABB) and the Bangladesh Foreign Exchange Dealers Association (BAFEDA), guided by prevailing market demand and supply conditions. The surge in commodity prices and a notable increase in imports have contributed to the widening of the Balance of Payments (BoP) deficit, concurrently propelling inflation.

By the end of December 2023, the gross foreign exchange reserves witnessed a decline, standing at US\$ 27.13 billion compared to US\$ 33.75 billion at the close of December 2022. Current account balance recorded a surplus of US\$ 1.93 billion during July-December of FY24 compared to a deficit of US\$ 4.92 billion during July-December of FY23. The financial account recorded a deficit of US\$ 5.39 billion during July-December of FY24 against the surplus of US\$ 0.14 billion during July-December of FY23. As a result, the overall balance recorded a lower deficit of US\$ 3.67 billion during July-December of FY24 compared to an overall deficit of US\$ 6.45 billion during July-December of FY23 in the balance of payments.

To realize the vision of attaining upper-middle-income status by 2031, Bangladesh must strategically focus on key economic drivers. This includes the creation of jobs and employment opportunities through fostering a competitive business environment. Moreover, there is a critical need to elevate human capital by cultivating a skilled labor force. The establishment of efficient infrastructure, along with the implementation of a policy framework conducive to attracting private investment, is of paramount importance.

Having transitioned from one of the world's poorest nations to achieving lower-middle-income status in 2015, Bangladesh is poised to graduate from the UN's Least Developed Country (LDC) list by 2026. The development agenda encompasses diversifying exports beyond the Ready-Made Garments (RMG) sector, deepening the financial sector, ensuring sustainable urbanization, increasing revenue collection – one of the world's lowest – and fortifying public institutions through fiscal reforms to generate domestic revenue for development.

Addressing infrastructure gaps is identified as a pivotal accelerator of growth, while concurrently addressing vulnerability to climate change and natural disasters is paramount for enhancing resilience against future shocks. A strategic pivot towards green growth is advocated to secure sustainable development outcomes for the forthcoming generations.

Bangladesh GDP growth slowed to 5.8 percent in FY23, down from 7.1 percent in the previous year. Factors such as the post-COVID-19 impact, prolonged nationwide lockdown, heightened government borrowing from the banking system, and restricted credit sources to the private sector influenced GDP performance. Given the volatile global and regional economic landscape, the government has revised the GDP growth target to 6.5 percent for FY'24.

Notwithstanding the challenges, Bangladesh boasts a robust growth and development trajectory amidst global uncertainties. Factors such as a demographic dividend, resilient RMG exports, increasing remittance inflows, and macroeconomic stability have underpinned rapid economic growth over the past two decades. Despite recent challenges, including the macroeconomic repercussions of post-covid and the Russia-Ukraine crisis, Bangladesh demonstrated a strong recovery in FY'23. However, inflation, exchange rate pressures, and surging commodity prices present new challenges.

Bangladesh's success story extends to poverty reduction and development. From extreme poverty at its inception in 1971, Bangladesh achieved the Millennium Development Goals (MDG) target by 2012, surpassing the deadline by three years. Progress towards the Sustainable Development Goals (SDGs) is commendable, with a 30.9% achievement by 2023, outpacing regional counterparts India and Pakistan in South Asia. The trajectory of growth, resilience, and development positions Bangladesh favorably on its path towards sustained prosperity.

2. The basic accounting principles followed in the preparation of the financial statements in 2023 were as follows:

- 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 is shown at cost and separate provision made for the diminution of their value.
- The Loans and Advances at gross amount are shown as 'assets' while 'Interest Suspense' and 'Loan Loss Provision' against classified advances are shown as liabilities. Interest Suspense is deducted from interest income and 'Loan Loss Provision' is shown as expenses in the Profit and Loss Account.
- The financial statements 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 opinions are as follows:
- The Company maintained a total provision of Tk. 441.93 crore against loans and advances till 31st December 2023. A back-log of non-performing loans and advances identified in 2020 were also needed to be provided. As a result, a total Tk. 189.00 crore were required to be kept as additional provision and interest suspense for wiping out this back-log for which Bangladesh Bank approved a five-year plan. Accordingly, IIDFC kept Tk. 79.68 crore of provision in 2023 including Bangladesh Bank allocated provision and provision for newly classified loans and advances during 2023. The details of the provision and interest suspense have been presented in note-13 in the "Notes to the Financial Statements" section of the annual report.

Other important points mentioned by auditors:

- The expenditures incurred and payments made were for the purpose of the Company's business for the year.
 - The Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory.
 - Auditors have reviewed over 80 percent of risk weighted assets of the Company and have spent around 1144 man-hours for the audit of the books and accounts of the Company.
 - The internal control and compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately.
 - Proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed.
 - The Auditor has given the "Emphasis of Matter" and mentioned that the Company has significant risk of going concern due to having no business operation during this year, erosion of paid-up capital fully, significant negative shareholders' equity and because of a significant amount of liabilities which may be difficult to pay from operations unless the internal fund is managed otherwise.
 - All other issues which are important for the stakeholders of the Company have been adequately disclosed in the audit report.
4. IIDFC's core portfolio in loans and advances considerably decreased by 14.92% to Tk. 1,002.64 crore in 2023 as against Tk. 1,178.44 crore in 2022. Operating Profit was Tk. (86.77) crore in 2023 compared to Tk. (77.69) crore in 2022, and Profit after tax was Tk. (166.98) crore in 2023 as against Tk. (293.69) crore in 2022, mainly for maintaining additional provision for loans and advances along with additional interest suspense as per Bangladesh Bank guidelines, reducing the total loan portfolio as well as interest earning assets, increasing the new classified loans and advances etc. As a result, earnings per share (EPS) reached Tk. (9.61) in 2023 from Tk. (16.90) in 2022.
5. The Company's Consolidated Profit before Provisioning and Tax was Tk. (84.29) crore in 2023 as against Tk. (74.67) crore in 2022; and Consolidated Profit after Provisioning and Tax was Tk. (170.19) crore in 2023 as against Tk. (293.26) crore in 2022.
6. In 2023, the Board of Directors decided to abstain from initiating fresh disbursements. Hence, Tk. 17.06 crore only was disbursed to SME clients and the total portfolio decreased by Tk. 175.80 crore and 14.92 percent compared to the portfolio of the previous year because of the slowdown of fresh disbursement as part of the strategic plan, repayment by borrowers and continuation of extensive recovery drive. There were opportunities for providing corporate and SME loans to good clients, but the Company's focus was shifted to the recovery from non-performing loans and advances instead of disbursing new loans and advances in this volatile market.

Overall Performance of IIDFC

Portfolio of IIDFC

**Challenges of
Treasury
Department**

7. The year 2023 was an especially challenging year for treasury management as the competition was overwhelming. Even then, the Treasury Department tried to manage and fulfill its obligations and meet up all its commitments in a timely manner. The dependency on bank borrowing was Tk. 549.23 crore on 31st December 2023 as against Tk. 581.41 crore on 31st December 2022 which was a decrease of Tk. 32.18 crore or 5.53 percent compared to the previous year. The deposits on 31 December 2023 stood at Tk 527.74 crore against Tk. 647.24 crore on 31 December 2022. .

**Function of
Carbon
Finance**

8. IIDFC has been supervising its Clean Development Mechanism (CDM) projects titled "Improving Kiln Efficiency in the Brick Making Industry in Bangladesh" under UNFCCC since 2011 successfully. These projects have 5 (Five) operational HHK Brick Manufacturing Units in the different geographic locations of Bangladesh. These brick factories use energy efficient technology which has reduced around 12442 tons of CO2 emissions during 2023. IIDFC has distributed revenues among the brick manufacturers, who contributed to reduce 65,603 CER units of emission reductions during 2018-2019. These CDM Projects have been submitted to make transition to 6.4 to CDM Secretariate. IIDFC shall initiate verification of the remaining crediting period following the guidelines from the upcoming COP 29 scheduled to hold in November 2024 and expected to get around 51,016 tradable CER units. In order to trade CER units of the existing CDM Projects as well as to explore opportunities to develop new emission reduction projects IIDFC has signed Non-Disclosure Agreement (NDA) with Anew Environmental, LLC.

**IIDFC
Securities
Limited**

9. IIDFC Securities Limited, subsidiary of IIDFC, had an operating income of Tk. 14.93 crore in 2023 of which Tk. 8.81 crore was from Brokerage Commission, Tk. 5.30 crore from net interest income and Tk. 0.66 crore income from investment. The Average daily turnover in customers' account was Tk. 12.60 crore as compared to Tk. 15.24 crore in the preceding year. Percentage of trade volume during the year was 2.18% of DSE's total trade volume as against 1.60% of DSE's total trade volume in the preceding year. As on 31st December 2023, the Company had 3,821 active BO accounts as against 3, 679 accounts in 2022.

**IIDFC Capital
Limited**

10. The other subsidiary, IIDFC Capital Limited recorded net interest income of Tk. 1.2 crore; income from merchant banking services was Tk. 0.32 crore; income from investment was Tk. (2.99) crore & Other Income was Tk. 0.16 crore; i.e. a total income of Tk. (1.29) crore as against total operating expenses of Tk. 2.19 crore. The Company's net profit before tax in 2023 was Tk. (3.49) crore as against the net profit of Tk. 0.27 crore in 2022.

**Human
Resources**

11. The Company has 80 employees as of December 2023, a decrease of thirty-eight from the previous year. Despite the resignations of 48 executives from the Operations, Finance & Accounts, CRM, SME, SAM, HR, ICC Department, etc., the number of employees decreased although there was new hiring of 10 executives in various positions in the reporting year. Apart from following a comprehensive recruitment policy for identifying the best among the available candidates, we allow our employees to participate in the training programs offered by Bangladesh Bank, Bangladesh Bank Training Academy, Financial Excellence Limited, BDJobs eLearning, BIBM, BIGM, BLFCA, ICAB and ICSB. To advance their professional skill and knowledge, in 2023, a total of 79 employees took part in various training programs, workshops, conferences, discussion meetings, and seminars.

**Credit
Rating**

12. IIDFC's credit rating indicates its financial strength over the long term as well as the short term period. As per the credit rating report prepared by National Credit Ratings Limited (NCRL), IIDFC's long-term credit rating is A+ (Single A Plus) which indicates the company's very good credit quality. The Short-Term Rating is ST-2 which indicates above average capacity to meet short-term financial commitment. The summary of IIDFC's credit ratings for the years 2023 & 2022 is given below:

SURVEILLANCE ENTITY RATING-2022		
Date of Rating Declaration	Long Term	Short Term
February 15, 2023	A+ (Single A Plus)	ST-2
Outlook	Developing	
Validity	February 14, 2024	
SURVEILLANCE ENTITY RATING-2022		
Date of Rating Declaration	Long Term	Short Term
January 13, 2022	AA (Double A)	ST-1

**Shareholders'
Equity**

13. The Shareholders' Equity stood at Tk. (339.11) crore as on December 31, 2023, which was Tk. (172.13) crore on December 31, 2022. The Consolidated Shareholders' Equity, which was Tk. (161.52) crore on December 31, 2022, stood at Tk. (331.71) crore as on December 31, 2023. The Capital Adequacy Ratio stands at (27.19)% which is lower than the target set by the Bangladesh Bank at 10 percent for NBFIs.

**Comparative
Financials**

14. The summary of the non-consolidated key financials of the Company as on December 31, 2023, as compared to December 31, 2022 are as follows:

Particulars	2023	2022
Profit before provision & tax	(867,671,999)	(776,874,721)
Less: Provision for Loans and Advances	796,809,266	2,152,828,147
Less: Provision for tax	5,282,120	7,224,788
Profit after provision & tax	(1,669,763,385)	(2,936,927,655)
Add: Retained earnings brought forward	(3,881,868,582)	(944,940,927)
Profit available for appropriation	(5,551,631,967)	(3,881,868,582)
Less: Appropriations:	-	-
Total Appropriations	-	-
Profit available for dividend distribution	(5,551,631,967)	(3,881,868,582)

**Proposed
Dividend**

15. As there was no distributable profit at the year end, the Board did not recommend any dividend for the year 2023.
16. By operation of Article 99 of the Company's Articles of Association, the following representative Directors shall retire from office at this 23rd Annual General Meeting:

Serial	Name	Nominated by
01	Mr. Kamal Uddin Ahmed	Eastland Insurance Company Ltd.
02	Mr. Syed M. Altaf Hussain	Pragati Insurance Ltd.

All 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.

**Appointment
of Auditors'**

17. The Company's existing Auditors, Basu Banerjee Nath & Co., Chartered Accountants shall retire at the forthcoming Annual General Meeting. Being eligible for re-appointment, they have expressed their interest in re-appointment for the year 2024. The Board recommended the reappointment of Basu Banerjee Nath & Co., Chartered Accountants for the year 2024 on the terms and fee of BDT 425,000/- (excluding VAT) only subject to the approval of Bangladesh Bank and the AGM.

Appreciation

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

Thank you,

On behalf of the Board of Directors



Syed Mahbubur Rahman
Chairman



From the Desk of Managing Director

Dear Shareholders and Stakeholders

Assalamu 'Alaikum Wa Rahmatullah.

It is indeed a great honor for me to welcome you all to the 23rd Annual General Meeting of IIDFC PLC. At the very beginning, I wish you all sound health and happiness. I would like to express my heartfelt gratitude and regards to all of you for your continued support and inspiration that helped us to continue our business operation despite facing tremendous challenges throughout the year 2023. The COVID-19 pandemic followed by the Russia-Ukraine war crisis and ongoing economic challenges had severely impacted the business of all players in the financial sector. However, despite having adverse circumstances, IIDFC found its path of continued value creation for all stakeholders.

From the beginning of 2023, many finance companies have been facing liquidity pressure. The interbank call money rate increased to 9.19 percent at the end of December 2023 from 5.81 percent at the end of December 2022.

The increasing trend continued further and in September 30, 2024 interbank call money rate reached to 9.55 percent. The economy is facing challenges and uncertainties on various fronts, such as record-high inflation, devaluation of currency, tightening financial conditions and Russia-Ukraine war. The Finance Company Act 2023 imposes a cap on deposits for Finance Companies and requires them to recover the cost of funds from borrowers. Consequently, like other financial institutions, IIDFC could not realize its receivables from the borrowers at a satisfactory level and had to collect high-cost deposits from investors.

To strengthen the foundation of the business and safeguard from future uncertainties, IIDFC had taken provision of Tk 441.93 crore till the year 2023 as part of its five years plan for absorbing the provision shortfall as per approval from Bangladesh Bank.

It was anticipated that the adverse impact of pandemic and Russia-Ukraine war crisis will continue in coming days. Considering the overall economic challenges, the management of the Company emphasized on doing business cautiously and reducing NPL to maintain a healthy portfolio.

Now, I have the honor and pleasure to present the Annual Report for the year ended on December 31, 20223

GLOBAL ECONOMY

The post-pandemic global economic recovery faced substantial challenges due to the Ukraine-Russia conflict, causing disruptions in the supply chain and a notable escalation in global commodity prices. Consequently, economic activities experienced a deceleration despite the initial robust recovery trend.

In the World Economic Outlook (WEO) April 2024, International Monetary Fund (IMF) has expected the world economy to continue growing at 3.2 percent during 2024 and 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades.

At the beginning of 2021, global inflation started moving upward and eventually, it reached its highest level of the last few decades. Despite having severe global crisis, global inflation is forecasted to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation control targets sooner than emerging market and developing economies.

ECONOMY OF BANGLADESH

Bangladesh economy has been recovering from the economic damage caused by the impact of COVID-19 and the ongoing Russia-Ukraine war, although the recent slowdown in the global economy has adversely affected the country's economic growth. Bangladesh's economic growth in the pre-COVID-19 fiscal year (FY 2018-19) was 7.88 percent. During the COVID-19 period, this growth rate declined to 3.45 percent in FY 2019-20, which increased to 6.94 percent in FY 2020-21, 7.10 percent in FY 2021-22 and 5.78 in FY 2022-23. According to the estimates of the World Bank, the real GDP growth is projected to remain relatively subdued at 5.6 percent in FY24, compared to the average annual growth rate of 6.6 percent over the decade preceding the COVID-19 pandemic.

CHALLENGES

While economic recovery efforts have been strong in response to the impact of COVID-19, there has been a mismatch between global demand and supply due to supply chain issues. As a result, since the beginning of 2021, an increase in the prices of all types of products, including energy have been observed in the world market and it has accelerated due to the ongoing Russia-Ukraine war. Like other countries of the world, the upward trend of the price level is also being observed in Bangladesh. Bangladesh's post-pandemic recovery faces continued headwinds. GDP growth slowed to 5.8 percent in FY23, down from 7.1 percent in the previous year. The introduction of a multiple exchange rate regime in September 2022 disincentivized foreign exchange inflows, leading to a financial account deficit. Foreign exchange rationing measures were implemented to restrict imports, which resulted in shortages of key intermediate goods, capital goods, gas, and energy. The average inflation rate in FY 2022-23 stood at 9.73 percent, which is 2.87 percentage point higher than in FY 2021-22. On a point-to-point basis, inflation stood at 9.92 percent in September 2024, as against 9.63 percent in September 2023 and 9.10 percent in September 2022.

The recent trends in weighted average lending and deposit rates showed upward movement. The weighted average lending rate increased consistently and stood at 9.36 percent at the end of December 2023. At the same time, the weighted average deposit rate stood at 4.7 percent at the end of December 2023 from 4.29 percent of end January 2023, later it increased further and reached to 4.92 percent at end of July 2024. The policy rate has been increased several times by Bangladesh Bank to anchor inflation expectations at the desired level. Amid the upward adjustments of policy rates, the interbank call money market rate and the interbank repo market rate followed an upward trend and moved closely with the policy (repo) rate.

In FY 2023-24, both stock markets, the Dhaka Stock Exchange PLC. (DSE) and the Chittagong Stock Exchange PLC. (CSE), noticed some volatility. The market capitalisation of all securities decreased significantly in both markets. The market capitalisation of DSE and CSE decreased by 14.24 percent and 10.38 percent respectively in June 2024 compared to the end of trading in July 2023. During the same period, the DSE Broad Index (DSEX) and CSE Overall Price Index decreased considerably by 16.01 percent and 19.36 percent respectively.

Due to continuing overall current account balance deficit, foreign exchange reserves declined to around US\$ 27.13 billion at the end of December 2023 and stood at US\$ 24.86 billion at the end of September 2024. It is noteworthy that exports slightly increased by 2.01 percent to US\$ 51,542.7 million during July-May FY 2023-24 compared to the same period of previous fiscal years. However, this performance is behind the target by 8.47 percent. According to Bangladesh Bureau of Statistics (BBS), in 2023 total export and import of goods and services recorded an increase by US\$ 1106 and decrease by US\$ 11101 million respectively resulting in a trade deficit at goods and services of US\$ 9995 million. The growth of export and import in December, 2023 increased by 1.93 and decreased by 11.84 percent respectively comparing to December, 2022. World Economic Outlook July 2024 published that the world trade volume of goods and services slowed down from 5.6 percent in 2022 to 0.8 percent in 2023. However, Bangladesh's export growth is on a positive trend. Besides, total receipts of remittances increased by 2.75 percent to US\$ 21,610.73 million during FY 2022-23 against the decrease of 15.12 percent during FY 2021-22.

Despite all challenges, the economy of Bangladesh performs reasonably well due to time-benefitting, appropriate, and supporting monetary and fiscal policies. The near-term economic outlook seems quite favorable, but it critically depends on the length and intensity of Russia-Ukraine war, the spree of interest hikes by the Fed and exchange rates. Improvements in these challenges will expedite Bangladesh's future economic gains. However, in case of any adverse consequences of the above external issues, the Bangladesh economy has shown enough resilience to remain stable in its current condition.

IIDFC's Performance

The business portfolio of IIDFC decreased to Tk. 1,002.64 crore in 2023 from Tk. 1,178.44 crore in 2022. The Company's consolidated operating loss stood at Tk. 52.52 crore at the end of 2023 from operating loss of Tk. 28.65 crore in 2022. The Company's non-consolidated operating income stood at negative balance of Tk. 66.16 crore in 2023.

IIDFC's Consolidated Loss before Provision and Tax was Tk. 84.29 crore in 2023 and Loss after tax was Tk. 170.19 crore in 2023. IIDFC's Non-Consolidated Loss before Provision and Tax was Tk. 86.77 crore in 2023 and Loss after tax was Tk. 166.98 crore in 2023 as against Tk. 293.69 crore loss in 2022.

In 2020, IIDFC obtained 5 years' time i.e. up to 2024 from Bangladesh Bank to make up provision shortfall against previous NPL in addition to current-year's additional requirement. According to the time plan approved by Bangladesh Bank, till 31 December 2023, IIDFC has kept 441.93 crore as the accumulated provisions for loans and advances (including investments) and the accumulated interest suspense is BDT 136.7 crore. The rest amount of required provision and interest suspense of BDT 66.07 crore will have to be provided in 2024 along with any additional requirements from new classification of loans and advance.

CONCLUDING REMARKS

Due to global pandemic impact followed by the Russia-Ukraine war crisis and ongoing economic challenges, IIDFC, like many other financial institutions, faced challenging time throughout the year 2023. However, despite having such adverse situation, IIDFC managed to persist due to its prudent strategies and decisions. We believe the situation not only impacted the overall business environment severely, but also created new opportunities for the financial sector.

I would like to extend my appreciation and gratitude to the honorable Chairman and respected members of the Board of Directors for their continued support and guidance. I am deeply indebted to the officials of regulatory bodies for their prudent guidance. Finally, I would like to thank all our valued stakeholders as well as my colleagues for their sincere support throughout the journey.



Md. Golam Sarwar Bhuiyan
Managing director



BRIEF PROFILE OF THE DIRECTORS

BRIEF PROFILE OF THE DIRECTORS

Mr. Syed Mahbubur Rahman

Chairman, IIDFC PLC.

Managing Director & CEO, Mutual Trust Bank PLC.



Mr. Syed Mahbubur Rahman is the Managing Director & CEO of Mutual Trust Bank PLC. (MTB). Prior to joining MTB, he was the Managing Director & CEO of Dhaka Bank Limited. Before joining Dhaka Bank Limited, he served BRAC Bank PLC. as Managing Director & CEO and Deputy Managing Director (DMD). He also served Prime Bank Limited as Deputy Managing Director. He was accorded with 'The Asian Banker Leadership Achievement Award' for Bangladesh for his achievement in the period from 2011 to 2013.

He serves as Chairman of Industrial and Infrastructure Development Finance Company Limited (IIDFC), Vice Chairman of Primary Dealers Bangladesh Limited (PDBL), Director of Life Insurance Corporation (LIC) of Bangladesh Limited, Director of BD Ventures Limited, Vice Chairman of Prothom Alo Trust and Trustee Treasurer of the CSR Centre. He served as Chairman of the Association of Bankers, Bangladesh Limited (ABB) during 2018-2019.

After completing Master of Business Administration (MBA) from Institute of Business Administration of the University of Dhaka, he started his career with Saudi-Bangladesh Industrial & Agricultural Investment Co. Ltd. (SABINCO) as a Monitoring Officer (Officer in Charge of Monitoring) in 1988. He served Industrial Leasing & Development Co. (BD) Limited (IDLC) as Manager, Monitoring from 1993 to 1996. He also served ANZ Grindlays Bank, Bangladesh as Manager, Corporate Banking from 1996 to 1998 and Standard Chartered Bank as Relationship Manager, Corporate Banking from 1998 to 2000. In 2002, he joined Citibank N.A. as Resident Vice President and left the bank in 2008 when he was a Director of the bank and was serving as the Head of Financial Institutions Group.

Mahbub has attended various local and overseas training courses and workshops, and frequently delivers lectures in the field of finance, banking and management. He has a happy family with his wife and two lovely daughter.

BRIEF PROFILE OF THE DIRECTORS

Mr. Syed M. Altaf Hussain

Director, IIDFC PLC.

Chairman of Pragati Insurance Limited



Syed M. Altaf Hussain is the son of Syed M. Wares Ali, a prominent entrepreneur during the period under British and Pakistani governance, As the Founding Vice Chairman and Sponsor Director of Pragati Insurance Limited (PIL), his name is synonymous with visionary leadership and unparalleled dedication. Currently reigning as the Chairman, Founding Chairman and Sponsor Director of Pragati Life Insurance Limited (PLIL), Mr. Hussain's influence knows no bounds. He commands the helm of the Pragati Life Insurance Limited Finance Committee with unmatched prowess and finesse, guiding its strategic direction with unwavering resolve.

Mr. Altaf embarked on his undergraduate journey at the University of Texas: Arlington (USA). Alongside, he pursued courses in Grain Marketing & Agricultural Studies at prestigious institutions like Harvard Business School (USA) and North Dakota State University (USA). Known for his globetrotting nature, Mr. Altaf actively participates in conferences and seminars worldwide. With four decades of expertise, he has forged a remarkable career path, delving into diverse sectors including Food Grains, Crop Nutrition, Food Ingredients, Bio-industrial Business, Real Estate, Real Estate Developments, IT, Financial Institutions, and Journalism.

Besides, he stands at the helm as the CEO of both W&W Grains Corporation (Bangladesh) and W&W Grains Arco Pte. (Singapore). With an illustrious career spanning over four decades, he has spearheaded the large-scale trading of Food Grains, Fertilizers, and various Agro-commodities, representing Cargill Inc. (USA) on a national level. Additionally, he serves as the Vice Chairman of National Housing Finance and Investments Limited (NHFIL) (Bangladesh), and holds directorial positions at IIDFC Ltd. and IIDFC Securities Limited (Bangladesh), where he also chairs IIDFC Capital Limited. Mr. Altaf's influence extends beyond business realms; he has previously served as the Chief Advisor of ATDP-II Projects, funded by USAID (USA) and Cargill Technical Services (USA). Furthermore, he assumes the role of Chairman of the Editorial Board at The Dainik Janata (Daily National Newspaper) (Bangladesh), showcasing his multifaceted leadership.

Furthermore, Mr. Altaf is actively engaged in various sectors in Bangladesh. He holds memberships in esteemed organizations such as the Metropolitan Chamber of Commerce & Industry (MCCI), Dhaka Chamber of Commerce & Industry (DCCI), American Chamber of Commerce in Bangladesh (AmCham), Australia-Bangladesh Chamber of Commerce & Industry (ABCCI),

Switzerland-Bangladesh Chamber of Commerce & Industry (SBCCI), and others. Additionally, he is affiliated with institutions like The National University of Singapore Society (NUSS) and Kurmitola Golf Club. Furthermore, he holds prestigious positions as a donor member and life member in several social and religious societies in Bangladesh.

In every endeavor, Mr. Hussain epitomizes excellence, his leadership a beacon of inspiration for all who dare to dream. With boundless ambition and an unwavering commitment to success, he continues to shape the landscape of the insurance industry, leaving an enduring legacy for generations to come.

BRIEF PROFILE OF THE DIRECTORS

Mr. Kamal Uddin Ahmed

Director, IIDFC PLC.

Director of Eastland Insurance Company Limited



Mr. Kamal Uddin Ahmed, a professional businessman from Chittagong has been serving the private sector economy in Bangladesh for last three and half decades.

The former First Vice President of Bangladesh Chamber of Commerce & Industry (FBCCI) - Mr. Ahmed was one of the key entrepreneurs and former Chairman of the Social Islami Bank Limited, a joint venture Islami Bank (and current Director). He is the Chairman of 'Alif Group of Companies', a well-reputed business conglomerate of the country, which has business interests in bulk commodities, properties & real estates, insurance, agro processing and services. He is also the Director of Holy Crescent Hospital (Pvt.) Ltd.

Mr. Ahmed was the President of Chittagong Chamber of Commerce & Industry (CCCI) and Chittagong Stock Exchange Limited (CSE) and also served in International Chamber of Commerce (ICC), Bangladesh as a Director. In 1998-99 and 1999-2000, Bangladesh government nominated him 'Commercially Important Person' (CIP). He joined as Chairman of IIDFC Securities Limited on 16th March 2022. He was the key organizer to form Chittagong Port Users' Forum and led the same as Convener. He also possesses strong voice to privatize Chittagong Port and member of the citizens group to monitor the development of the City as well.

Mr. Ahmed played the leading role among the Bangladesh delegations twice in the annual conference of Islamic Chamber in Iran and Malaysia two times held in Putrajaya. He also took part with government delegations to many countries. As a business leader of FBCCI & CCCI he also led numerous business delegations to overseas. Mr. Ahmed visited number of countries including United States, United Kingdom, Australia, Switzerland, Belgium, France, Germany, Korea, India, Pakistan, United Arab Emirates, Iran, Saudi Arabia, Italy, China, Singapore, Indonesia, Hong Kong and Japan, Malaysia, Turkey and Brunei Darussalam.

Mr. Ahmed is the member of many international charities & organizations and as part of social commitment, involved with many local social & cultural organizations such as Lions Club, Diabetic Hospital and also School for the Shelter Less Children for their education.

BRIEF PROFILE OF THE DIRECTORS

Mr. Md. Abul Hossain

Director, IIDFC PLC.

Managing Director, ICB



Md. Abul Hossain has been serving as the Managing Director of Investment Corporation of Bangladesh since 21 August 2019, the core public sector investment bank of the country. Mr. Hossain has more than 34 years of diversified experience in investment banking, specialized and commercial banking, Islamic banking, Asset management and ICT works. He started his career as a System Analyst/ Senior Principal Officer of ICB in 1998 and served in different positions in the same organization. Prior to his joining as Managing Director of ICB, he acted as the Managing Director of Karmasangsthan Bank. He also served as the Managing Director (Additional Charge) and Deputy Managing Director of Bangladesh Krishi Bank.

Currently, he is contributing his professional expertise as a Board member of British American Tobacco Bangladesh Co. Ltd. (BATBC), Unilever Consumer Care Limited (UNILEVERCL), Standard Bank Limited, National Tea Company Limited (NTC), Apex Tannery Limited, United Power Generation & Distribution Company Limited (UPGDCL), Apex Footwear Limited, Heidelberg Cement Bangladesh Limited and Padma Bank Limited. In addition to perform his professional duties, Mr. Hossain is actively involved in different philanthropic activities of various national, social, cultural, religious and volunteer organization

BRIEF PROFILE OF THE DIRECTORS

Mr. A.K.M Saif Ullah Kowchar

Director, IIDFC PLC.

Deputy Managing Director & Head of ICC, City Bank PLC.



Associate Chartered Accountant, Institute of Chartered Accountants in England and Wales (ICAEW), Fellow Chartered Accountant, the Institute of Chartered Accountants of Bangladesh (ICAB).

Saif Ullah Kowchar, FCA, has more than 23 years of multi- functional and multi-geographic experience, working in different organizations like Citibank N.A. (Bangladesh and the Philippines), Pacific BD Telecom Ltd and KPMG (Bangladesh and Qatar) prior to joining City Bank. At present, he is serving as a Deputy Managing Director and Head of Internal Control & Compliance.

Mr. Probir Chandra Das FCA

Director, IIDFC PLC.

Deputy Managing Director & CFO, National Life Insurance Company Limited



Mr. Probir Chandra Das FCA has vast career of more than 20 years, worked in different sectors including 12 years in the insurance sector. He joined National Life Insurance in 2015 as the Chief Financial Officer. Since his joining he has been significantly contributing in the overall growth of the organization through his versatile leadership. Besides, he is performing the duty as the Chief Anti Money Laundering Compliance Officer (CAMLCO) of the company and he is the chairman of newly established Insurance Companies CAMLCO Association of Bangladesh (ICCAB) which is formed by BFIU. Prior to joining National Life Insurance, he worked in Guardian life Insurance as the Chief financial Officer. He also worked as the Chief Financial Officer in various financial institutions. He started his career with the Investment Banking. He obtained Master in Business Studies with major in Accounting. He is a Fellow Chartered Accountant of the Institute of Chartered Accountants of Bangladesh (ICAB). He is also a Fellow Member of the Institute of Public Accountants (IPA), Australia and the Institute of Financial Accountants (IFA), UK. In addition, he is also an Associate Member of the Certified Public Accountants (CPA), Australia. He attended diverse seminars, symposia & workshops and also participated in several training in home and abroad.

BRIEF PROFILE OF THE DIRECTORS

Mr. Md. Golam Sarwar Bhuiyan
Managing Director, IIDFC PLC.
Director (Ex Officio)



Mr. Md. Golam Sarwar Bhuiyan joined IIDFC PLC. as Managing Director on April 01, 2018. Prior to joining IIDFC, he had been working as Deputy Managing Director and Managing Director (CC) of National Finance Limited. He was CEO of AIBL Capital Management Limited and Managing Director of BMSL Investment Limited. Mr. Bhuiyan is the TREC Representative & Director of IIDFC Securities Ltd. He is also a Director of IIDFC Capital Ltd. Mr. Bhuiyan is the Chairman of Bangladesh Leasing & Finance Companies Association (BLFCA) for the term 2023 and 2024 and the Co- Chairperson of FBCCI Standing Committee for NBFIs.

Mr. Bhuiyan is an MBA from Institute of Business Administration (IBA), University of Dhaka. Earlier, he completed graduation in International Relations from the same University. He has 38 years' of experience in NBFi and investment banking industries. He started his career in Micro Industries Development Assistance and Services (MIDAS) and worked there as General Manager and Head of Consultancy, Research & Training. Mr. Bhuiyan is an International Certified Trainer in the field of Entrepreneurship Development and Small Business Management. He also worked in MIDAS Financing Ltd. as Sr. General Manager (Credit & Investment) and for GSP Finance Co. Bangladesh Ltd. as Chief Operating Officer (COO). Mr. Bhuiyan has long experience and expertise in the fields of SME development, corporate financing, credit administration and special asset management, merchant banking, portfolio management, sub-sector analysis, business consultancy and training. He is a Life Member of Dhaka University Alumni Association, IBA Alumni Association, MBA Club Ltd. He is also associated with many educational institutions and social organizations.

MANAGEMENT COMMITTEE



Sitting (From Left)

- 1. Mohammad Neazur Rahman**
Company Secretary & Head of Operations
- 2. Abu Shadat Mohammad Shahin**
Deputy Managing Director
- 3. Md. Golam Sarwar Bhuiyan**
Managing Director
- 4. Kazi Dilruba Akter**
Head of SME
- 5. Jyonto Kumar Biswas**
Head of ICT & Administration

Standing (From Left)

- 1. Nadia Alam Chaity**
In-charge of ICC
- 2. Sanjoy Karmaker**
Head of Accounts
- 3. Hafiz Ullah Khan**
Head of CRM (Acting)
- 4. Mohammad Abdullah**
Head of SAM
- 5. Md. Mizanur Rahman**
Head of Treasury

SENIOR EXECUTIVES & LINE MANAGERS



Soumen Saha
Senior Manager
In-Charge of Credit Administration



Mohammad Shahim Mia
Manager
In - Charge of Liability Operations



Md. Tahsinul Wahed
Manager
In - Charge of Branding



Musaddiq Ahmad Nadim
Assistant Manager
In - Charge of Human Resource



Mukhlasur Rahman Mukul
Assistant Manager
In - Charge of Litigation Management Unit



Md. Aurangazeb
Senior Manager
Head of Uttara Branch



A.N.M Foyzur Rahman
Manager
Head of Narayanganj Branch



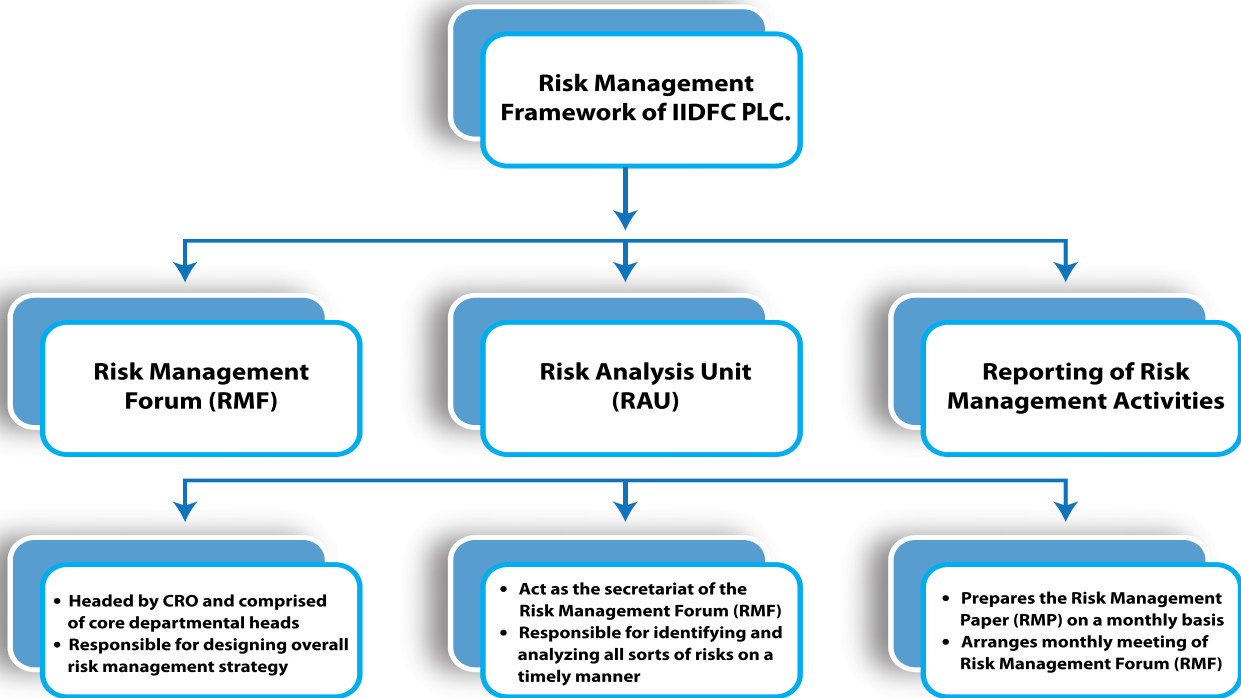
Rabishankar Bhattacharjee
Manager
Head of Chattogram Branch

RISK MANAGEMENT & CONTROL ENVIRONMENT

Risk Management Framework:

Managing risk is one of the primary concerns of the Banks and NBFIs operating in Bangladesh. With a view to attain an effective risk management and control system, the management of IIDFC PLC. ensures that the risk management framework is entrenched into the overall business process, culture, practices and structure of the company. The company rigorously follows ongoing best market practices as well as the “Integrated Risk Management Guidelines for Financial Institutions” issued by the Bangladesh Bank.

Risk Management Framework of IIDFC is as follows:



a) **Risk Management Forum (RMF):** IIDFC have an effective Risk Management Forum (RMF) which was formed as per the DFIM Circular No. 1 dated April 07, 2013. It is headed by the Chief Risk Officer (CRO) and comprised of core department heads and Risk Analysis Unit (RAU) as follows:

Sl.	Designation	Position in RMF
1	Deputy Managing Director	Chief Risk Officer
2	Head of Accounts	Member
3	Head of Corporate Finance	Member
4	Head of Treasury	Member
5	Head of SME	Member
6	Head of Operations	Member
7	Head of CRM	Member
8	Head of ICC	Member
9	Head of ICT	Member
10	Risk Analysis Unit (RAU)	Member Secretary

Key responsibilities of the RMF includes the following:

- i. Designing overall risk management strategy;
- ii. Communicating views of the board and senior management regarding the Risk Management Culture and Risk Appetite all over the organization;
- iii. Preparing risk management policies and procedures;
- iv. Overseeing the Capital Management functions in accordance with the Risk Based Capital Adequacy measurement accord i.e. BASEL-II;
- v. Developing and overseeing implementation of stress testing;
- vi. Determining the most cost-effective way to minimize the risks;
- vii. Developing overall information system/MIS to support risk management functions; and
- viii. Reviewing the market conditions, identifying the external threats and providing with recommendations for precautionary measures accordingly.

b) Risk Analysis Unit (RAU): Risk Analysis Unit (RAU) of IIDFC is responsible solely for identifying and analyzing all sorts of risks in an appropriate and timely manner. RAU acts as the secretariat of the Risk Management Forum (RMF). However, it is independent from all other units/divisions of the organization. RAU of IIDFC is responsible exclusively for the followings:

- i. Collecting all relevant data related to the risk indicators from different models and information system at the earliest;
- ii. Assessing the quality, completeness and correctness of those data;
- iii. Identifying and quantifying the risks and their exposures to material loss;
- iv. Preparing Risk Management Paper (RMP) in monthly basis; and
- v. Conducting periodic Stress Testing.

c) Reporting of Risk Management activities: RAU of IIDFC prepares a Risk Management Paper (RMP) with a detailed analysis including trend analysis of all categories of risk with adequate updated data every month. The RMP is placed in the monthly meeting of the Risk Management Forum. After detailed discussion, RMF recommends some specific action plans for mitigating the identified risks. The updated data of any given month is collected by RAU within 15th of the following month. The meeting of RMF is usually conducted within 20th of the same month. The Risk Management Paper along with the Minutes of the RMF meeting (both hard copy and soft copy) is submitted to the Department of Financial Institutions & Markets (DFIM) of Bangladesh Bank by the end of following month of every quarter.

Disclosure of the Risk Reporting:

Risk Analysis Unit (RAU) of IIDFC prepares the Risk Management Paper (RMP) on a monthly basis and submit it to the Department of Financial Institutions and Market (DFIM) of Bangladesh Bank quarterly. RMP is comprised of a variety of risk indicators ranges from growth in credit portfolio and NPL to Credit-Deposit Ratio and Deposit-Withdrawal concentration. Some major risk indicators from the RMP for the last two years are provided below:

Sl. No.	Risk Indicators	2023	2022
1	Total Credit Portfolio	10,026,448,002	11,784,441,057
2	Annual Disbursement	183,815,832	454,708,622
3	Sector Concentration Risk- HHI Score	788	788
4	Product Concentration Risk- HHI Score	6,408	6,416
5	Directors' Exposure (IIDFC Securities Ltd.)	212,836,344	244,244,489
6	Percentage of Total Portfolio	2.12%	2.07%
7	Total NPL in Amount	5,905,114,957	5,464,374,021
8	NPL as a Percentage of Total Portfolio	58.90%	46.37%
9	Provision Required for Loans & Investment	4,750,921,385	4,201,509,163
10	Provision Maintained for Loans & Investment	4,402,587,403	3,622,459,262
11	Provision Surplus (Shortfall)	(348,333,982)	(579,049,901)
12	Cost of Fund (General) Percentage	9.17%	8.05%
13	Base Rate Percentage	10.86%	9.76%
14	Total Capital Market Exposure	630,501,274	702,746,478
15	Statutory Liquidity Required	245,937,744	316,645,287
16	Statutory Liquidity Maintained	357,213,128	438,922,289
17	Statutory Liquidity Surplus (Shortfall)	111,275,383	122,277,001
18	Cash Reserve Required	59,208,704	81,166,730
19	Cash Reserve Maintained	65,247,760	86,658,021
20	Cash Reserve Surplus (Shortfall)	6,039,056	5,491,291
21	Sources of Fund	7,458,264,583	11,700,215,219
22	Utilization of Fund	10,515,582,230	12,150,375,162
23	Credit Utilization Ratio	140.99%	103.85%
24	Total Deposit Portfolio	5,279,563,456	6,472,419,119
25	Top-10 Deposit Amount	19,450,000	20,800,000
26	Percentage of Total Deposit	0.37%	0.32%
27	Top-10 Withdrawal Amount	26,941,824	735,391,517
28	Total Eligible Capital	(3,248,117,807)	(1,556,535,268)
29	Total Risk Weighted Assets	11,946,615,800	14,231,872,989
30	Capital Adequacy Ratio	-27.19%	-10.94%

Risk Mitigation Methodology:

1. **Credit Risk:** It is the risk that may arise from inability and/or reluctance of the clients to make periodic repayment of installment/interest against the credit facilities on due time. With a view to mitigate such credit risk, IIDFC ensures the roles of following departments:

Departments	Key roles / functions to mitigate credit risk
Credit Risk management (CRM)	<ol style="list-style-type: none"> 1. Scrutinizing the credit proposals received from all business units (Corporate, SME and Branches) to identify risks & compliance issues. 2. To ensure that credit proposals have been properly analyzed and memos have been prepared complying all the necessary rules, regulations, circular, guidelines vested by the concerned regulatory authorities. 3. Analyzing credit proposals by identifying risks and mitigation thereof. Thorough scrutinizing of the loan proposals and set appropriate facility structure as well as covenants suitable for the related business. 4. Ensuring that Internal Credit Policy & Internal Credit Circulars are being complied properly. 5. Periodic review of different types of credit facilities as per Credit Policy. 6. Maintain effective follow up and supervision and take all possible measures in time to avoid non-performance of assets. 7. Analysis of Early alert Report and classified loan review. 8. Perform any other duties as per requirement of the management.
Credit Administration Department (CAD)	<ol style="list-style-type: none"> 1. Preparation of sanction advice stipulating all the required terms and conditions applicable for the related credit facilities. 2. To prepare security documents and ensure that all security documentation complies with the terms of approval to control loan disbursements. 3. To maintain control as well as preserve all security documents. 4. To monitor insurance coverage to ensure appropriate coverage is in place over assets pledged/hypothecated as collateral, and is properly assigned to IIDFC. 5. To monitor borrowers compliance with covenants and agreed terms and conditions, and general monitoring of account conduct/performance. 6. To provide the respective departments with all circulars and guidelines issued by regulatory authority.
Special Asset management (SAM)	<ol style="list-style-type: none"> 1. To monitor and maintain the files of classified accounts with support from concern RMs and also review all documentations, meeting between the customer and RM as well as to prepare Classified Loan Review Report to CRMD to update the status of the action/recovery plan. 2. To initiate legal actions for any default accounts, Special Asset Management Department will place recommendations in consultation with Business unit(s) and approval of Managing Director. 3. To initiate write off of loans with recommendation of business unit(s) and submitting before the Board for approval. 4. To assist RM in collecting overdue from overdue clients.

2. Liquidity Risk: Liquidity risk arises when liquid assets are insufficient to meet maturing financial obligations. It may also arise due to organization’s inability to settle its liability. Liquidity risk management is the main concern of ALCO. The ALCO of IIDFC consists of Managing Director, Deputy Managing Director, Company Secretary, Head of Liability, Head of Accounts, Head of Structured Finance, Head of Corporate Finance, Head of SME, Head of CRM, Head of Treasury . In order to mitigate liquidity risk, IIDFC ensures following roles of Treasury department and ALCO:

Department / Committee	Key roles / functions to mitigate liquidity risk
Treasury	<ol style="list-style-type: none"> 1. To provide quick finance to the company by making effective cash management. 2. Financial Planning and forecasting cash flows. 3. Borrowing of Funds/ Deposit mobilization. 4. Financial Assets management.
ALCO	<ol style="list-style-type: none"> 1. To analyze the information relating to money market position and competition. 2. To formulate policy regarding management of liquidity and interest rate risk of the Company. 3. To set guidelines for establishment of effective methods of Asset Liability Management. 4. To set guidelines for optimum utilization of the financial resource of the Company. 5. To set limits for liquidity, interest rate, exchange rate and equity pricing risks. 6. To assess and identify the possible sources of risk in connection with the funding and lending activities. 7. To evaluate the strength of existing risk management tools and find out its possible ways of improvement. 8. To monitor compliance with the regulations of Bangladesh Bank in respect of statutory obligations and ensure timely submission of reliable and relevant information.

- 3. Operational Risk:** Operational risk is the possibility of economic losses attributable to the deficiencies of internal control and Corporate Governance. Such deficiencies can occur due to human error, inadequate internal process, failed technical system, internal fraud etc. To mitigate operational risk, IIDFC ensures the following roles of Internal Control & Compliance (ICC) department:

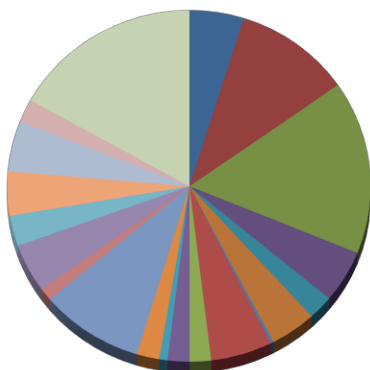
Department	Key roles / functions to mitigate operational risk
Internal Control & Compliance (ICC)	<ol style="list-style-type: none"> 1. To verify continuing adequacy and applicability of credit risk management policies and procedures, provide an independent assessment of the credit portfolios' existence, quality and value, the integrity of the credit process, and promotes detection of problems relating thereto. 2. To prepare annual audit plan to be approved by the Audit Committee of the Board according to which the audits are to be carried out. The frequency of audits and the individual audit areas should be stipulated in the Company's plan. 3. To prepare a comprehensive audit report. 4. To verify the self-assessment report on AML/CFT issues prepared by branch, assessing risks and visiting the branch on the basis of risks impacts and inform the matter to the central compliance unit (CCU). 5. To perform Independent Testing Procedures according to BFIU, Bangladesh Bank checklist, examining the Anti-Money Laundering & terrorist financing activities, rating based on examination and finally report to the central compliance unit (CCU). 6. To monitor the swift correction of any problems detected in the audit as well as the implementation of its recommendations in a suitable form, and if necessary to schedule a follow-up audit.

FINANCIAL HIGHLIGHTS OF IIDFC PLC.

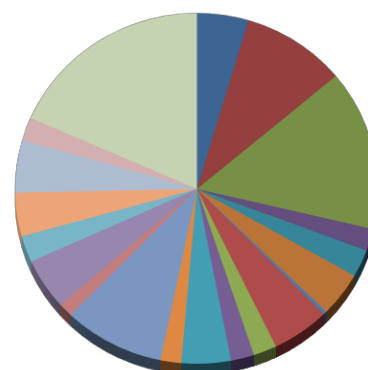
BDT in Million

Particulars/Year	IIDFC PLC. (Solo)			IIDFCL PLC. (Consolidated)		
	2023	2022	2021	2023	2022	2021
Profit and Loss Account:						
Operational Revenue	311.01	510.75	1,153.74	461.12	732.16	1,486.77
Operational Expenses	1,178.68	1,287.63	1,448.61	1,303.97	1,478.82	1,735.24
Operating Profit	(867.67)	(776.88)	(294.87)	(842.85)	(746.66)	(248.47)
Profit after Tax	(1,669.76)	(2,963.93)	(888.58)	(1,701.89)	(2,932.57)	(884.52)
Balance Sheet:						
Total Leases, Loans & Advances	10,026.45	11,784.44	13,926.09	11,940.98	13,663.54	15,897.20
Leased Finance/Advances	1,472.22	1,677.50	1,860.29	1,472.22	1,677.50	1,860.29
Term finance	8,554.22	10,106.94	12,065.80	8,341.60	9,862.70	11,686.28
Margin loan	-	-	-	2,127.16	2,123.35	2,350.63
Investments (Shares, bond, unit fund etc.)	489.13	526.10	675.57	857.23	980.37	1,059.10
Provision for Loans & Investments	4,419.27	3,622.46	1,469.63	4,685.50	3,857.26	1,707.88
Shareholders' Equity	(3,391.11)	(1,721.35)	1,215.58	(3,316.95)	(1,615.06)	1,317.51
Reserve & Surplus	(5,128.88)	(3,459.12)	(522.19)	(5,054.72)	(3,352.83)	(420.26)
Paid up Capital	1,737.77	1,737.77	1,737.77	1,737.77	1,737.77	1,737.77
Important Ratios						
Net Assets Value Per Share (BDT)	(0.00)	-	7.00	(0.00)	(0.00)	7.58
Earnings Per share (BDT)	(9.61)	(16.90)	(5.11)	(9.79)	(16.88)	(5.09)
Dividend Per Share (BDT)	-	-	-	-	-	-
Return on Average Equity (%)	(65.32)	(1,161.38)	(53.53)	(69.01)	(1,971.16)	(50.26)
Total nos. of Shares (in quantity)	173,777,068	173,777,068	173,777,068	173,777,068	173,777,068	173,777,068

SECTOR-WISE EXPOSURE



Year 2023

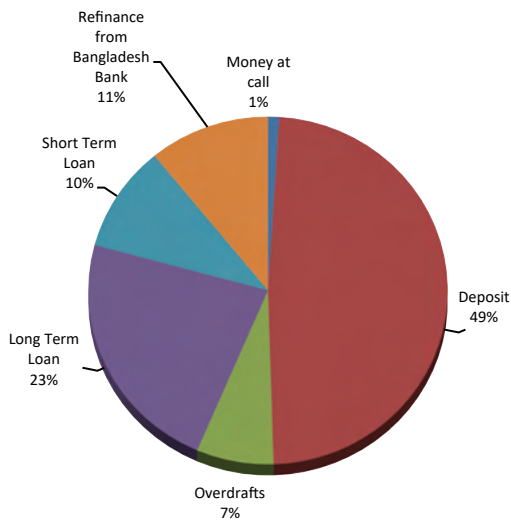


Year 2022

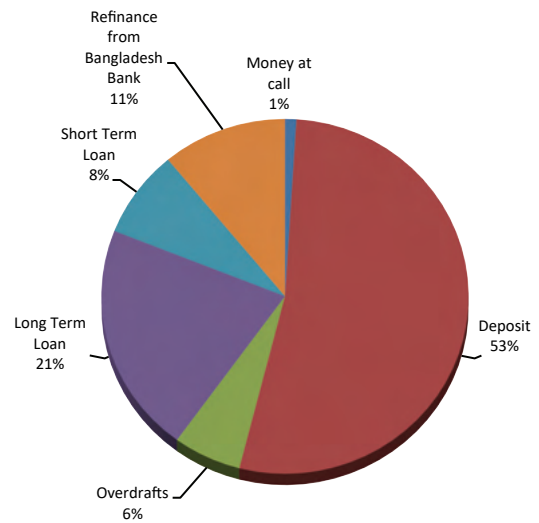
Sector-wise Loans & Advances:	Year 2023		Year 2022	
Agricultural Sector	484,285,896	4.83%	539,064,450	4.57%
Industrial Sector:				
Textiles	1,043,173,042	10.40%	1,097,767,275	9.32%
Garments	1,598,280,778	15.94%	1,742,741,471	14.79%
Jutes & Jute Related Goods	487,394,956	4.86%	238,006,947	2.02%
Food Items Producer/Processing Industries	224,485,201	2.24%	299,322,414	2.54%
Plastic Industries	411,099,830	4.10%	488,065,846	4.14%
Lather & Lather Goods	26,618,737	0.27%	36,018,471	0.31%
Iron, Steel and Engineering	546,042,125	5.45%	609,190,323	5.17%
Chemical and Pharmaceuticals	190,597,348	1.90%	244,819,691	2.08%
Cement/Clinker and Allied Industries	194,410,528	1.94%	242,584,343	2.06%
Service Sector (Hotel, Hospital, Clinic, Tourism, etc.)	73,545,804	0.73%	517,317,545	4.39%
Paper, Printing & Packaging	200,909,903	2.00%	217,083,723	1.84%
Telecommunication and IT Industries	923,772,186	9.21%	1,059,896,517	8.99%
Glass and Ceramic Industries	117,790,154	1.17%	150,212,328	1.27%
Shipping and Building Industries	-	0.00%	-	0.00%
Electronics and Electrical Goods	446,658,867	4.45%	558,064,669	4.74%
Power, Gas, Water and Sanitary	280,802,846	2.80%	286,390,052	2.43%
Transport and Communication	406,004,602	4.05%	473,004,200	4.01%
Real Estate and Housing	465,027,139	4.64%	567,405,417	4.81%
Merchant Banking	212,836,344	2.12%	250,885,157	2.13%
Others	1,692,711,715	16.88%	2,166,600,219	18.39%
Total	10,026,448,002	100.00%	11,784,441,057	100.00%

SOURCES OF FUND & OUR BANKERS

Sources of Fund



Year 2023



Year 2022

Our Bankers

Bank Name	Branch Name
Agrani Bank PLC.	Head Office
Bank Asia PLC.	Principal Office Branch, Agrabad Branch and Uttara Branch
Brac Bank PLC.	Head Office
Midland Bank PLC.	Head Office
Mutual Trust Bank PLC.	Principal Branch
NCC Bank PLC.	Foreign Exchange Branch
NRB Commercial Bank PLC.	Head Office
Pubali Bank PLC.	Principal Branch
Shahjalal Islami Bank PLC.	Foreign Exchange Branch
Shimanto Bank PLC.	Head Office
Sonali Bank PLC.	Head Office
Southeast Bank PLC.	RK Mission Road Branch
Trust Bank PLC.	Dilkusha Branch
Union Capital Limited	Head Office
Uttara Bank PLC.	Local Office Branch
Prime Bank Ltd.	Motijheel Branch
AB Bank PLC.	Principle Branch
Social Islami Bank PLC.	Dilkusha Branch
National Bank PLC.	Dilkusha Branch
South Bangla Agriculture and Commerce Bank PLC.	Head Office

DISCLOSURE ON CAPITAL ADEQUACY & MARKET DISCIPLINE

Capital Adequacy Ratio:

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

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

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

Significance of Capital Adequacy:

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

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

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

Basel II guidelines:

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

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

Two Level of Regulatory Capital Requirement:

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

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

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

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

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

Capital Ratio		Statutory Limit
(i) Core Capital Ratio	(Core Capital/ Risk-adjusted Assets)	$\geq 5\%$
(ii) Total Capital (Core + Supplementary)	(Total Capital/ Risk-adjusted Assets)	$\geq 10\%$

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

Effective Risk Management

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

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

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

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

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

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

Capital Adequacy for IIDFC Limited

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

The company emphasizes on strong capital management through the followings:

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

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

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

Breakdown of each category of eligible capital is given below.

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

Amount in million

Particulars	Solo Basis		Consolidated Basis	
	2023	2022	2023	2022
Fully paid-up capital/capital lien with BB	1,737.77	1,737.77	1,737.77	1,737.77
Statutory reserve	371.95	371.95	371.95	371.95
Non-repayable share premium account (Share money deposit)	-	-	-	-
General reserve	50.80	50.80	68.47	68.21
Retained earning	(5,551.63)	(3,881.87)	(5,495.29)	(3,793.14)
Minority interest in subsidiary	-	-	0.15	0.15
Non-cumulative irredeemable preference share	-	-	-	-
Dividend equalization account	-	-	-	-
Other (if any item approved by BB)-share money deposit	-	-	-	-
Less: Shortfall in provisions required against investment in shares	-	-	-	-
Less: Book value of goodwill	-	-	-	-
Total	(3,391.11)	(1,721.35)	(3,316.95)	(1,615.06)

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

Amount in million

Particulars	Solo Basis		Consolidated Basis	
	2023	2022	2023	2022
General provision (unclassified loans up to specific limit + SMA+ Off B/S exposure)	142.99	164.81	395.29	426.93
50% of Assets Revaluation Reserve	-	-	-	-
10% of Securities Revaluation Reserve	-	-	-	-
All other preference shares	-	-	-	-
Other (if any item approved by Bangladesh Bank)	-	-	-	-
Total	142.99	164.81	395.29	426.93

Risk Management

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

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

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

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

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

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

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

(ii) Market Risk: Market Risk management is set as per the parameters defined in the policy. The objective of the Group's market risk management is to manage and control market risk exposures set within the acceptable parameters, thereby ensuring solvency while optimizing the Group's risk return strategy. Sufficient oversight and reporting are conducted for management of market risk profile. Overall authority for market risk rests with the ALCO. Setting market liquidity as the primary factor for determining the level of limits for portfolio trading, ALCO provides limits for each type of risk in aggregate and for individual portfolios.

(iii) Operational Risk: Operational Risk framework is designed to ensure operational risk identification, assessment, control and monitoring at business and group level. Management of operational risks is an integral part of the roles played by business and the functional teams. The Risk Management Division oversees whether the operational risk exposures fall within the policy. Defined standards of measurement are also outlined which plays one of the critical roles of ensuring that the risks are managed within the acceptable tolerance limits. The policies and standards are also reviewed periodically to keep the framework updated. The types of events that could result in material operational risk loss or business disruptions are as follows:

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

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

Calculation of Risk Weighted Assets

Amount in million

Particulars	Solo Basis		Consolidated Basis	
	2023	2022	2023	2022
Credit Risk				
1. On B/S	11,389.30	13,134.83	12,398.99	14,169.01
2. Off B/S	50.14	50.14	50.14	50.14
Market Risk	507.18	544.11	1,014.94	1,132.43
Operational Risk	-	502.79	146.59	772.53
Total RWA	11,946.62	14,231.87	13,610.66	16,124.11

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

Capital Adequacy

Amount in million

Particulars	Solo Basis		Consolidated Basis	
	2023	2022	2023	2022
Core Capital	(3,391.11)	(1,721.35)	(3,316.95)	(1,615.06)
Supplementary Capital	142.99	164.81	395.29	426.93
Total eligible Capital	(3,248.12)	(1,556.54)	(2,921.66)	(1,188.13)
Risk Weighted Assets	11,946.62	14,231.87	13,610.66	16,124.11
Capital Adequacy Ratio	(27.19)	(10.94)	(21.47)	(7.37)
Core Capital to RWA	(28.39)	(12.10)	(24.37)	(10.02)
Supplementary Capital to RWA	1.20	1.16	2.90	2.65
Minimum Capital Requirement (10% of RWA)	1,194.66	1,423.19	1,361.07	1,612.41
Excess capital over regulatory requirement	(4,442.78)	(2,979.72)	(4,282.73)	(2800.54)

Capital Adequacy Ratio (CAR) of IIDFC is Less than the Bangladesh Bank's CAR requirement of 10%.

SUSTAINABILITY REPORT

Sustainability Report:

Sustainability report is an integrated report of the organization encompassing the impact of organizational activities on the overall society. The idea of responsible business is to consider the impact on different internal and external stakeholders of the society as a result of the decision taken by the business. Moreover, to achieve sustainable economy responsible business unit emphasizes developing strategies that upheld its promise towards a sustainable global economy. To modify the strategic managements' focal point from only financial dimension to other relevant multiple factors sustainable development is now considered as guiding method. Sustainability report represents these efforts and demonstrates these strategies.

Four aspects of annual sustainability report are as follows:

- Corporate Social Responsibility Initiatives;
- Environmental Reporting;
- Obligations to the society and environment; and
- Integrated Reporting.

KEY HIGHLIGHTS

**Around
12,442 tons of CO₂
emission reduced by
CDM projects in 2023.**

♣ **Replaced the lighting systems of Head Office and Branches with energy saving LEDs**

♣ **Maintain Balanced Manpower to Ensure Sustainability**

♣ **Sectoral Exposure increased in CSR Expenditure**

♣ **Adopted 3R (Reduce, Reuse, Recycle) principle aiming environmental conservation**

CORPORATE SOCIAL RESPONSIBILITY (CSR) INITIATIVES OF IIDFC

In addition to economic profit generation responsible business integrate social and environmental concerns in their business operation which has been termed as Corporate Social Responsibility (CSR) business model. As a responsible business IIDFC's CSR activities are performed in line with its social responsibilities to various stakeholders, such as, shareholders, employees, government, depositors, investors, borrowers, suppliers, and communities. From the last few decades, users of accounting information have demanded more information not only relating to economic activities but also to the impact of an institution's activities on the overall society and environment.

ENVIRONMENTAL REPORTING

Environmental reporting outlines organizations' accountability towards the environmental burden where the relationship between an organization and its stakeholders is connected. In broad aspects it consists of three categories, namely, involuntary, mandatory, and voluntary disclosures. Environmental report summarizes the information on environmental performance, such as, impact on the environment, performance in managing those impacts including possible mitigation like combating climate change through Clean Development Mechanism (CDM) project in brick making sector that has been facilitated by IIDFC.

GHG Emission Reduction and Energy Efficiency

Carbon Finance: A Market Based Mechanism for Combating Climate Change

IIDFC has been working as a bundling agent on the Clean Development Mechanism (CDM) project titled "Improving Kiln Efficiency in the Brick Making Industry in Bangladesh". These CDM projects are designed under the Kyoto Protocol and regulated by the United Nations Framework Convention on Climate Change (UNFCCC).

At present, the project consists of 5 (five) operational HHK brick factories which has helped to reduce around 12,442 tons of CO₂ equivalent emissions during 2023.

IIDFC has distributed revenues among the brick manufacturers, who contributed to reduce 65,603 tons of CO₂ equivalent emissions during 2018-2019. Now, as per the Certified Emission Reduction Purchase Agreement (CERPA) between IIDFC and ADB all the Certified Emission Reduction (CER) has been transferred to the trustee of ADB named Future Carbon Fund in exchange for valuable foreign currency exchange. The verification of post 2020 CER units is under consideration and would be initiated following the guidelines from upcoming Conference of Parties (COP's).

In addition to the monitoring activities related to the verification, IIDFC has been coordinating occupational health safety and environmental safeguard activities. The factories ensure maintaining certain standards to comply with safeguard due diligence of ADB in their workplace under supervision of IIDFC, which is very rare in this sector.

This initiative of IIDFC has introduced and encouraged the use of energy efficient Hybrid Hoffman Kiln (HHK) technology in the brick making sector and recognized as an additional economic benefit for the investors. The CDM project also supports the reduction of CO₂ gas as well as diffusion of environment friendly technology in Bangladesh, which is ordinarily known as one of the main air polluters.

OBLIGATIONS TO THE SOCIETY AND ENVIRONMENT

Being a responsible business organization IIDFC is constrained to protect the interests of the environment, society, and all interrelated stakeholders. Therefore, IIDFC is concerned to maintain transparency of its corporate activities and reducing negative impact towards environment and reflect it in the framework of this report. Under the environment and social obligations, IIDFC helps prevent financing in environment hazardous industries and/or investors. The Clean Development Mechanism (CDM) projects have been operated under the carbon financing department of IIDFC and IIDFC's service coverage includes working as bundling agent in small scale CDM projects, consultancy in large scale CDM projects, coordinating and managing entity in programmatic CDM.

IIDFC is committed to continue its obligations towards society and environment through various initiatives.

CONTRIBUTION TOWARDS ACHIEVING SDGs

7 AFFORDABLE AND
CLEAN ENERGY



GOAL 7:
**Affordable and
Clean Energy**

IIDFC is committed to increasing its credit facility in the areas of renewable energy, clean energy, energy efficiency and cleaner fossil-fuel based technology. Necessary policy reformations have been completed to minimize the usage of consumables and encourage savings of electricity, paper, and other resources.

8 DECENT WORK AND
ECONOMIC GROWTH



GOAL 8:
**Decent Work and
Economic Growth**

The focus of financial activities of IIDFC is to create jobs and to bring sustainable economic growth to the people. IIDFC has been a trusted partner in creating young entrepreneurs by offering a range of products under the Small and Medium Enterprise Finance section. Moreover, under the CDM project a significant number of permanent jobs including women employment have been created, which has enabled significant improvement of the lifestyles for the rural people.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



GOAL 9:
**Industry, Innovation
and Infrastructure**

IIDFC has continued its support towards industrial and infrastructural development of the country through its innovative financial products for the last 20 years. IIDFC believes that innovative business ideas are key to sustainable industrial growth for the country and community.

10 REDUCED
INEQUALITIES



GOAL 10:
Reduced Inequality

The core of the policies and regulations of IIDFC is to provide equal opportunity to everyone regardless of who they are and where they come from. IIDFC acknowledges the necessity of regulations in financial markets and institutions to reduce income inequality as a global challenge that requires global attention.

11 sustainable cities
and communities



GOAL 11:
**Sustainable Cities
and Communities**

IIDFC has incorporated necessary due diligence in the financing procedures to ensure sustainable growth of industry and infrastructures.

13 climate
action



GOAL 12:
Climate Action

IIDFC's CDM Project has directly mitigated emission of around 12,442 tons of CO₂ in 2023. With a view to limiting the global mean temperature under 1.5 degrees and thus avoid the worst effects of climate change IIDFC shall remain open to collaborate with development financial institutions and other relevant organizations to bring innovative and sustainable technologies to Bangladesh and expand participation in carbon trading market.

INTEGRATED REPORTING

Integrated reporting is an important tool in improving the understanding of the relationship between financial and non-financial factors that determine a company's performance and of how a company creates sustainable value in the longer term. This report is intended for all stakeholders, including shareholders, employees, customers, suppliers, business partners, local communities, regulators, and policy makers.

IIDFC's integrated report follows the guidelines of Integrated Reporting Checklist of the Institute of Chartered Accountants of Bangladesh (ICAB) which resembles the International Integrated Reporting Council. Integrated reporting has two major concepts, i.e., value creation and materiality. This report also showcases how well a company utilizes its capital to add value to the business.

Further discussion on integrated reporting is furnished on "Integrated Report." (Page-05)

CORPORATE GOVERNANCE

Corporate Governance is a combination of policies, practices and processes within the organization through which it is operated and controlled. The main objective of Corporate Governance is to minimize conflicts of interest among stakeholders so that stakeholders' value is maximized.

Corporate Governance deals with the interactions among various stakeholders (Shareholders, Board of Directors and Management) in shaping corporate performance. At IIDFC, the Board of Directors provide strategies and policies to promote transparent business models, responsible lending policies and prudent investment guidelines to be followed by the management for performance excellence.

IIDFC reviews its governance tools and guidelines regularly to ensure that these remain appropriate and in line with regulatory requirements and changing business environment. The Board of Directors regularly follows developments in this regard and adopt appropriate Corporate Governance practices and policies to excel stakeholders' benefit.



BOARD OF DIRECTORS

Chairman	Mr. Syed Mahbubur Rahman Managing Director & CEO, Mutual Trust Bank PLC.
Directors	Mr. Syed M. Altaf Hussain Chairman, Pragati Insurance Limited
	Mr. Kamal Uddin Ahmed Director, Eastland Insurance Company Limited
	Mr. Md. Abul Hossain Managing Director, Investment Corporation of Bangladesh
	Mr. A.K.M Saif Ullah Kowchar Deputy Managing Director & Head of ICC, City Bank PLC.
	Mr. Probir Chandra Das FCA Deputy Managing Director & CFO National Life Insurance Company Limited
Managing Director	Mr. Md. Golam Sarwar Bhuiyan

The Board of IIDFC is responsible for formulation of overall planning, policies, strategies and managing the Company as well as overseeing its general business activities. The Board's actions and decisions are taken in the best interests of the Company, which include the interest of shareholders, employees, customers and other stakeholders. Its aim is to create sustainable value for the stakeholders. The Board approves annual budget, business plan and provide guidance on regular basis. To address the affairs of the Company, the Board is guided by:

- i. Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC);
- ii. The Companies Act 1994;
- iii. Memorandum and Articles of Association of IIDFC;
- iv. Rules and regulations issued by Bangladesh Bank; and
- v. Other relevant laws and regulations.

Meeting of the Board

The Board held 13 (Thirteen) meetings in the year under reporting. Meetings were conducted in compliance with the Companies Act 1994. The actions and decisions were taken for the best interest of the Company and Stakeholders.

The Chairman

Role and responsibilities

The Chairman plays a crucial role for proper functioning of the Board of Directors. The role and responsibilities of the Chairman are outlined in compliance with DFIM Circular No 07 dated 25 September 2007 issued by Bangladesh Bank and Corporate Governance Notification issued by BSEC.

The prime role and responsibilities of the Chairman are:

- i. planning and conducting Board meeting under his leadership to ensure proper information to the Board;
- ii. supporting Managing Director to reach the goal through formulation of necessary business strategy;
- iii. ensuring effective communication with the Shareholders, Board of Directors, employees, Government and its agencies, depositors, investors, suppliers and other stakeholders;
- iv. linking Member of the Board and management along with Company Secretary to fix agenda of Board Meeting; and
- v. engaging all the Board members actively.

The Chairman, however, does not participate in or interfere into the administrative or operational affairs of the Company since he does not personally possess the jurisdiction to apply executive authority.

Roles and responsibilities of Board

The Board of Directors is appointed to act on behalf of the Shareholders to formulate policy, guideline and oversee the affairs of the Company. They are directly accountable to the Shareholders and Stakeholders. The Directors present a report each year before the Shareholders in the Annual General Meeting (AGM) on the performance of the Company. The report also includes industry outlook and possible future developments, internal and external risk factors, threat to sustainability, etc. The Board carries out its role and responsibilities based on the Bangladesh Bank's DFIM Circular no. 07 dated 25 September 2007. The key role and responsibilities of the Board are:

Roles of the Board of Directors

a) Establish vision, mission and values

- i. Determine Company's vision and mission to guide and set its current operations and future development strategy.
- ii. Determine the values to be promoted in the Company.
- iii. Determine and review Company's goals.
- iv. Determine Company's policies.

b) Set strategy and structure

- i. Review and evaluate present and future opportunities, threats and risks in the external environment and current and future strengths, weaknesses, opportunities and risks relating to the Company.
- ii. Determine business strategies that support Company's plan.
- iii. Ensure that the Company's organizational structure and capability are appropriate for implementation of those strategies.

c) Delegation of Authority

- i. Delegate authority to management, monitor and evaluate the implementation of policies, strategies and business plans.
- ii. Determine monitoring criteria to be used by the Board.
- iii. Ensure that internal controls are effective.

d) Exercise accountability to Shareholders and Stakeholders

- i. Ensure that communications both to and from Shareholders and Stakeholders are effective.
- ii. Safeguard the interests of Shareholders and Stakeholders.
- iii. Stimulate goodwill of the Company to support Shareholders and Stakeholders.

Responsibilities of Directors

The prime responsibilities of the Directors are:

- i. overseeing implementation of IIDFC's strategic objectives, corporate governance framework and corporate culture by the management;
- ii. ensuring Company's prosperity through directing Company's affairs as well as meeting interests of its Shareholders and Stakeholders;
- iii. overseeing implementation of risk management, internal control and compliance system in line with Bangladesh Bank's Core Risk Guidelines;
- iv. approval and monitoring of investments of the Company;
- v. reviewing of operational budget and performance of the Company, approval of budget, financial statements, purchase or acquisition of property or assets;
- vi. recommendation for appointment or removal of external auditors and determination of the terms of appointment of the external auditors;
- vii. appointment of Managing Director and fixation of his/her terms of appointment including package and facilities subject to Bangladesh Bank's approval;
- viii. approving budget of CSR and taking steps for proper implementation;
- ix. reviewing Company's Human Recourse Policy;
- x. selection, nomination and removal of directors.

The Board duly complies with the guidelines issued by Bangladesh Bank, BSEC, the Companies Act 1994, the Financial Institutions Act 1993 and other applicable rules and regulations.

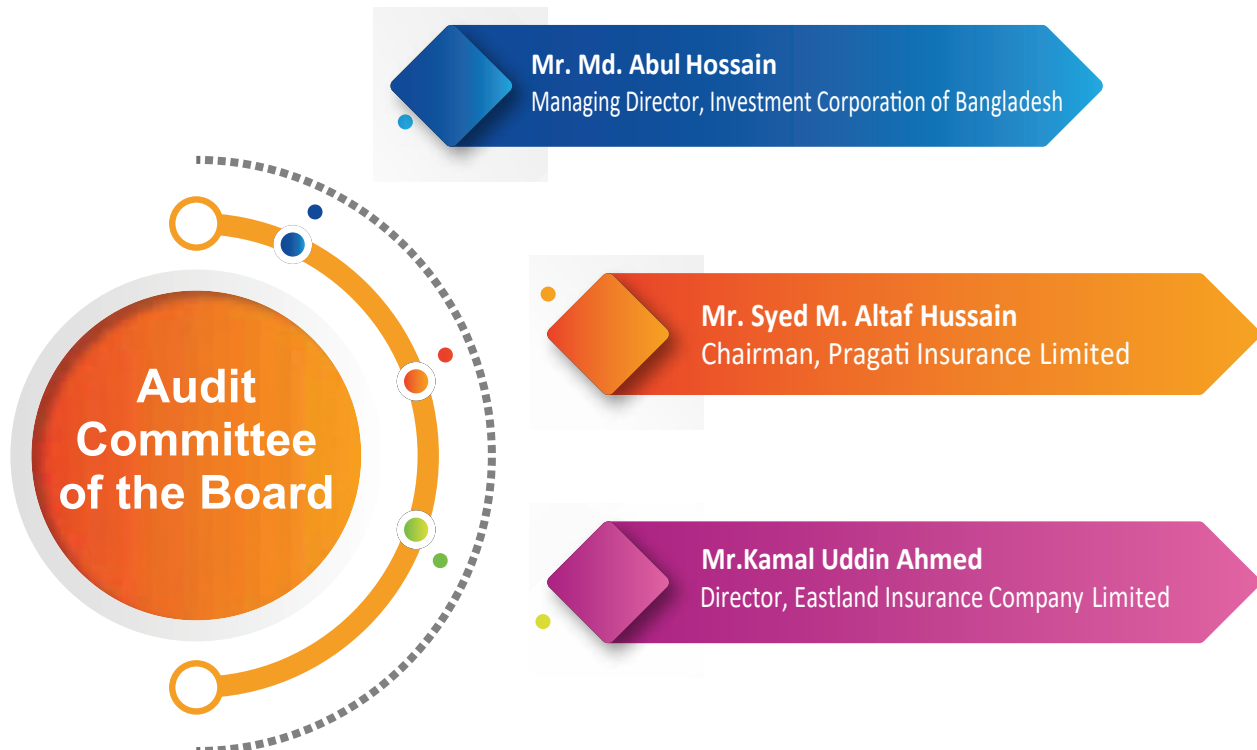
The Managing Director

The Managing Director (MD) of IIDFC performs his duties with the highest level of integrity and transparency for the benefit of the shareholders and other stakeholders. He also carries out business and affairs of the Company in an ethical manner and in full compliance with the relevant laws and regulations. As chief executive of the company he is primarily responsible for overseeing Company's day-to-day operations. The MD discharges his responsibilities in terms of the financial, business and administrative authorities vested upon him by the Board and in compliance with DFIM Circular No 07 dated 25 September 2007 issued by Bangladesh Bank. Furthermore, he is responsible for mapping medium to long-term plans and implements the policies and decisions of the Board, as well as coordinates the development and implementation of business and corporate strategies. MD is accountable to the Board and its Committees to run and manage the Company in accordance with approved policies, principles and strategies established by the Board of Directors and rules, regulations and guidelines of Bangladesh Bank and other regulatory authorities.

The Audit Committee

The Audit Committee of IIDFC assists the Board in fulfilling its overall responsibilities for financial reporting process, internal control system, audit process and the Company's adherence with related laws and regulations and the code of conducts. The Committee carries out its functions based on the Terms of Reference (ToR) as mentioned in the Bangladesh Bank's DFIM Circular # 13, dated October 26, 2011. The Committee constituted by the Board and consists of 4 (Four) members and plays its role accordingly. They have adequate expertise and have good understanding about IIDFC's operations and related risk associates therewith. The Chairman of the Audit Committee is a distinguished banker with high level of experience in this area. The committee reviews the plan of internal and external auditors, the effectiveness of audit, and the independence and objectivity. In 2023, the committee held 4 (four) meetings.

The Composition of members of the Audit Committee is as follows:



Role of the Audit Committee

a) Internal Control

- i. Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and risk management ensuring that all employees understand their role and responsibilities.
- ii. Review of the appropriateness of Management Information System (MIS) including Information Technology (IT) system and its application.
- iii. Review whether internal control strategies recommended by internal and external auditors have been implemented by the management.
- iv. Evaluate the existing risk management procedures for ensuring an effective internal check and control system.
- v. Reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authorities and place it before the board after reviewing the corrective measures taken by the management.

b) Financial Reporting

- i. Review the audited financial statements with management and the external auditors to ensure that the financial statements are fairly presented in conformity with the accounting standards set by the regulatory authorities in all material aspects.
- ii. Regular meeting with management and the external auditors to review the financial statements before finalization.
- iii. Attends in AGM to answer the questions regarding financial statements and audit.

c) Internal Audit

- i. Review the activities of the internal audit team in relation to organizational structure and ensure that no unjustified restrictions or limitations are made.
- ii. Examines the efficiency and effectiveness of internal audit function.
- iii. Review whether the findings and recommendations made by the internal auditors are duly considered by the management.
- iv. Recommendation to the Board regarding change of accounting policies.
- v. Evaluate adequacy and effectiveness of IIDFC's system of internal controls and risk management procedures.

d) External Audit

- i. Review the activities of the external auditors and their audit reports.
- ii. Review whether the findings and recommendations made by the external auditors are duly considered by the management or not.
- iii. Recommendation to the Board regarding appointment of external auditors.

e) Regulatory Compliance

Review whether the laws and regulations enacted by the regulatory authorities (Bangladesh Bank and other regulatory agencies) and internal regulations approved by the Board have been complied with.

f) Miscellaneous

- i. Placement of reports before the Board of Directors regarding rectification/correction status of errors, fraud, forgery and others irregularities identified by internal & external auditors and Bangladesh Bank's inspection team on quarterly basis.
- ii. Performs other supervisory activities as assigned by the Board of Directors along with evaluating Committee's own efficiency on regular interval.

Executive Committee of the Board

The Board of Directors of IIDFC has formed the Executive Committee of the Board with five members in its 226th Meeting held on September 29, 2020. The Company Secretary acts as the secretary of the Committee.

Role of the Executive Committee

The key role and responsibilities of Executive Committee are:

- i) To decide or act in those cases as instructed by the Board of Directors that are not specifically assigned on full board through the Financial Institutions Act 1993 and other laws and regulations.
- ii) To take all necessary decision within power delegated by the Board of Directors including the following:
 - a. Approval of all business proposals/investments (non-syndication) to clients up to BDT 150.00 million.
 - b. All renewal, change of fees, rate review, restructuring and extension of moratorium period for the existing facility.
 - c. Any amount of waiver of interest expense, overdue interest, interest capitalized, penal interest and other charges.
 - d. Change of collateral/ security or replacement of the existing one with new security/ collateral.
 - e. Release of collateral security for adjustment of partial facility amount.
 - f. Change of leased assets, if the proposed new asset is of the same/superior quality and value.
 - g. Directorship change and name change of the borrowing concern.
 - h. Change in the signatory for any purpose.
 - i. Approval of Credit Line/Term Loan, Overdraft and Security overdraft with Bank's and FI's.
 - j. Approval of opening and relocation of office/ branch within the country.
- iii) To act in accordance with the directions and requirements as defined by the Board from time to time.
- iv) To review and update this Terms of Reference and recommend to the Board necessary changes, if any, for approval.
- v) All decisions taken in the Executive Committee should be ratified in the next board meeting.

MANAGEMENT COMMITTEE AND SUB-COMMITTEES

Management Committee (MANCOM)

Managing Director-Head of the Committee

Deputy Managing Director-Member

Head of SME-Member

Head of Structured Finance-Member

Head of ICT & Administration-Member

Head of Operations-Member

Head of Accounts-Member

Head of SAM-Member

Head of Treasury-Member

Head of CRM-Member

Head of ICC-Member

Asset Liability Management Committee

Managing Director-Head of Committee

Deputy Managing Director-Member

Company Secretary-Member

Head of Liability-Member

Head of accounts-Member

Head of Structured Finance-Member

Head of Corporate Finance-Member

Head of SME-Member

Head of CRM-Member

Head of Treasury-Member Secretary

Risk Management Forum

Deputy Managing Director-Chief Risk Officer

Head of Accounts-Member

Head of Corporate Finance-Member

Head of Treasury-Member

Head of SME-Member

Head of CRM-Member

Head of ICC-Member

Head of Operations-Member

Head of ICT-Member

Risk Analysis Unit-Member Secretary

BASEL Implementation Unit

Managing Director-Head of Committee

Deputy Managing Director-Member

Company Secretary-Member

Head of Corporate Finance-Member

Head of SME-Member

Head of CRM-Member

Head of Accounts- Member Secretary

Central Compliance Unit

CAMLCO-Head of the Committee

Head of Corporate Finance-Member

Head of Treasury-Member

Head of SME-Member

Head of CRM-Member

DCAMLCO- Member Secretary

Mr- Sharifuzzaman Khan-Member

Besides this, IIDFC PLC. has other Committees, such as- Credit Appraisal Committee, Procurement Committee, Tender Evaluation Committee, Ethics Committee, ICT Steering Committee, ICT Security Committee and ICT Risk Management Committee etc. according to Bangladesh Bank Circular and guideline.

ETHICS AND CODE OF CONDUCT GUIDELINE

IIDFC PLC. has established a Code of Conduct to guide all employees in fulfilling their duties and interacting with customers, colleagues, and relevant authorities. This code also outlines the standards for ethical financial practices that every employee is expected to uphold. According to IIDFC's "Ethics and Code of Conduct Guidelines," all employees are required to adhere to these principles and demonstrate the highest ethical standards. These core values are fundamental to IIDFC's operations. Any known or suspected incidents of illegal, unacceptable, or undesirable conduct are treated with zero tolerance. Additionally, IIDFC PLC. fosters a culture where employees are encouraged to speak up and engage in open, honest conversations.

Code of Conduct for Employees

The following issues must be addressed:

- Ensure pleasant working environment in terms of well defined compensation package, goal orientated and performance based job description;
- Provide scope for both professional and career development of the employees;
- Well designed and well maintained working environment as well as procedures to make it reasonably and promptly responsive to the customer needs, along with compliance of legal and regulatory requirements;
- Appropriate training for the employees so that they can discharge their duties efficiently;
- Addressing of other issues which will uphold and embolden the image of the company in an ethical way.

Employee Compliance and Responsibilities

The employees should:

- Protect all confidential information, whether it relates to the company itself or the co-workers, customers, suppliers or others the company does business with.
- Protect all company assets including: information, intellectual property, physical, technological and financial assets and business relationships.
- Comply with Company's rules in public communications, including the use of electronic communications and social media.
- Be accurate and complete in recordkeeping and comply with all internal controls, policies and procedures.
- Be cautious about the intellectual property rights of others.
- Not provide any information to third party without prior approval of competent authority.
- Not accede to or use customers' information excepting related business purposes.
- Protect the confidentiality and security of customer information.
- Not disclose any information of govt. agencies without prior approval of competent authority.
- Keep information about the purchase of goods or services confidential and price quoted, methods, business policy etc. of the vendors should not be disclosed.
- Adhere to proper etiquette and dress code.
- Follow all company procedures regarding document maintenance, retention and destruction.
- Assume information is confidential unless it known otherwise.
- Refrain from acting on the company's behalf in any transaction or relationship where the employees' families have a significant personal connection or financial interest.
- Act in a way so that their activities outside IIDFC are not reflected adversely on IIDFC or triggers a conflict of interest.
- Handle their personal finances responsibly, ethically and in compliance with the law.
- Refrain from seeking or provide recommendations of fellow employees, customers or suppliers of IIDFC without authorization.

- Refrain from using their positions at IIDFC to gain any type of personal benefit or advantage in a business decision or transaction.
- Know when it's appropriate to give and accept gift and when it's not and should keep in mind that some gifts are not appropriate under any circumstances.
- Apply own judgment and ethical concerns in using organization's phones, electronic mail or computing systems for personal requirement.
- Refrain from using company Letter Head for personal correspondence.
- Be aware of the responsibilities they have toward IIDFC even after the end of employment.
- Treat others with dignity, and respect the diversity of cultures, backgrounds and experiences that make up the workforce.
- Report immediately about violations, harassment or discrimination policies whenever these came to their knowledge.
- Be alert to and report any activity that could pose a threat to the physical security of employees or individuals doing business in the Company.
- Do their part to promote a safe, alcohol-free and drug-free workplace.
- Feel free to be involved in the political process and exercise their rights as a citizen, but must make sure political activities and contributions comply with the law and company policies.
- Refrain from involving the company in any political activities or using company resources in connection with political activities.
- Comply with all applicable environmental laws and regulations.
- Cooperate as directed with any investigation, inquiry, examination or litigation related to the company's business.
- Report any breach in "IIDFC Code of Conduct and Ethics" and reach out to the ethics committee for guidance.

Human Capital

An organization thrives through the active participation of its employees, who each contribute uniquely to its success and productivity. Employees spend a significant portion of their day at the workplace, working hard to achieve the organization's goals and objectives. To foster a strong sense of loyalty and commitment, it is essential to motivate employees regularly. This helps them feel connected to the organization and encourages them to deliver their best work. The knowledge and expertise employees develop over time can then be effectively leveraged to further enhance organizational productivity.

Management of Human Capital

Effective Human capital management is crucial for enhancing employee efficiency. IIDFC recognizes its human resources as the company's most valuable asset, playing a pivotal role in achieving its mission, vision, goals, and objectives. To ensure long-term sustainability, IIDFC places a strong emphasis on a merit-based recruitment and selection process, offers highly competitive remuneration packages, provides comprehensive training and development programs, promotes career growth through succession planning, fosters a high-performance culture, and maintains a positive working environment.

IIDFC's approach to human capital management focuses on:

- i. Hiring the right talent.
- ii. Integrating human resources into the organization.
- iii. Continuously upgrading employee skills through training.
- iv. Retaining top talent.
- v. Empowering employees to become self-sufficient and resilient in the face of challenges.
- vi. Developing employees' skills to help them excel and differentiate themselves in their roles.

Merit-Based Hiring

Merit-based hiring is the process of evaluating job seekers based on their skills, abilities, and knowledge to determine their suitability for a given role. IIDFC follows a structured approach for appointing human resources based on merit, which includes the following steps:

- i. Proper evaluation and verification of minimum qualifications specifically related to the duties and responsibilities of the position.
- ii. Assessment of knowledge, skills, and abilities through written tests and interviews.
- iii. Relevant experience, degrees, competencies, and professional qualifications are considered additional assets during the selection process.
- iv. If no applicants clearly exceed the minimum qualifications, the matter is forwarded to top management for further review and consideration. If necessary, management may decide to re-advertise the vacancy.
- v. Suitable candidates are shortlisted and invited for a written test and/or interview. A final shortlist is then prepared for the selection panel.
- vi. Before making the final assessment, the HR team conducts thorough background checks. The final decision is based on all the evaluation criteria.
- vii. HR issues a job offer letter to the successful candidate, detailing the job title, type of contract, terms and conditions, salary, benefits, and start date.
- viii. The selected candidate must accept the job offer and return a signed copy to IIDFC.

This process ensures that IIDFC PLC. hires the most qualified and competent individuals based on merit.

Remuneration & Benefits

IIDFC PLC. offers competitive salary packages and a range of attractive benefits to its employees, including:

- i. Participatory Provident Fund
- ii. Gratuity Scheme
- iii. Leave Fare Assistance
- iv. Encashment of Earned Leave
- v. Interest-Free Car Loan (with an attractive allowance, where applicable)
- vi. Staff Loans at Concessional Rates
- vii. Health Insurance for employees, their spouses, and children
- viii. Group Life Insurance for employees
- ix. Maternity Leave
- x. Mobile Allowance
- xi. Training Opportunities both domestically and internationally
- xii. Study Leave

These comprehensive benefits are designed to support employee well-being, professional development, and work-life balance.

Performance Evaluation

IIDFC PLC. follows a structured process to evaluate the performance and qualifications of its employees, ensuring alignment with the specific requirements of their roles. This evaluation process is used for various administrative purposes, including placement and promotion decisions. IIDFC's performance-based evaluation system reflects the company's commitment to rewarding high performance through financial incentives and other forms of recognition, while applying differential treatment where appropriate.

The primary objectives of performance evaluation are to assess:

- i. Alignment with the company's overall objectives.
- ii. Day-to-day job performance.
- iii. Professional development and growth.
- iv. Eligibility for rewards and incentives.

This approach ensures that employees are recognized and rewarded based on their individual contributions and achievements.

The performance appraisal system of IIDFC is an annual process which includes:

- i. Assessment of the financial or non-financial targets,
- ii. Assessment of the competencies of the individual in achieving job requirement,
- iii. Assessment of overall performance.

Training for Human Resource Development

IIDFC PLC. places a strong emphasis on human resource development by providing both in-house and external training opportunities, designed to enhance employees' skills on and off the job. Specialized training programs are organized in areas such as loans and advances, information technology, marketing, and accounting, based on specific needs. Extended training sessions are also conducted to address the demand for new and specialized skills. IIDFC offers overseas training for deserving officials who have a proven track record of good performance and a long-term commitment to the company. Additionally, IIDFC regularly updates its courses and programs to align with new skill requirements arising from directives and guidelines issued by Bangladesh Bank and other regulatory bodies.

Promotion, Increment, and Incentive

IIDFC PLC. values efficiency as a key strength of its human capital. To foster this, the Board of Directors has approved various motivational benefits and policies, in addition to the regular pay scale, aimed at maximizing employee efficiency and job satisfaction. IIDFC has established promotion, increment, and incentive bonus plans for eligible executives to motivate and inspire them, supporting both individual growth and the achievement of organizational goals.

Succession Planning

Succession planning, often referred to as "replacement planning," ensures that a business can continue to operate smoothly when key staff members retire, move on to new opportunities, or pass away. At IIDFC, succession planning serves several important functions:

1. It informs employees that there are opportunities for advancement, leading to greater job satisfaction.
2. It emphasizes the company's commitment to future growth, reinforcing career development among employees.
3. It helps track the value and potential of employees, enabling the company to fill key positions internally when opportunities arise.
4. It encourages employees to view themselves as partners in achieving the company's long-term vision.

Organogram

IIDFC has introduced an organogram to clearly depict the relationships among departments, supervisors, and subordinates in a top-down structure. This visual representation helps illustrate the connections between organizational units and fosters a clearer understanding of the company's hierarchy.

REPORTS & FINANCIAL STATEMENTS

Report of the Managing Director and the Head of Finance & Accounts

29 August, 2024

The Board of Directors
IIDFC Limited

Subject: Declaration on Financial Statements for the year ended on 31 December 2023.

Dear Sirs,

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/CMR- RCD/2006-158/207/Admin/80, dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- 1) The Financial Statements of IIDFC PLC. for the year ended on 31 December 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- 5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- 6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended as 31 December 2023 and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and
 - b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sd/-
Md. Golam Sarwar Bhuiyan
Managing Director

Sd/-
Sanjoy Karmaker
VP - Head of Finance & Accounts

Independent Auditor's Report

To the Shareholders of IIDFC PLC.

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated financial statements of IIDFC PLC. and its subsidiaries (the “Group”) as well as the separate financial statements of IIDFC PLC. (the “Company”), which comprise the consolidated and separate balance sheets as at 31 December 2023 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and separate financial statements of the Company give a true and fair view of the consolidated financial position of the Group and the separate financial position of the Company as at 31 December 2023, and of its consolidated and separate financial performance and it’s consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2.0.

Emphasis of Matters

- The Company has significant risk of going concern due to having no business operation during this year, erosion of paid-up capital fully and because of negative shareholders’ equity significantly as follows:

Particulars	Taka
Shareholders’ Equity including Minority Interest for IIDFC- Stand alone	(3,391,110,804)
Shareholders’ Equity including Minority Interest for IIDFC- Consolidated	(3,316,945,901)

The Company has a significant amount of liabilities which may be difficult to pay from operations unless the internal fund is managed otherwise.

Our opinion is not modified in respect of these matters.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements for the year 2023. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Measurement of Provision for Loans and Advances	
Risk	Our response to the risk
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions. For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end the Company reported total gross loans and advances of TK. 10,026,448,002 (2022: TK. 11,784,441,057) and provision for loans and advances and others of Tk. 4,419,268,522 (2022: Tk. 3,622,459,262).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly classification of loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the company's general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
Legal and Regulatory Matters	
Risk	Our response to the risk
<p>We focused on this area because the Company and its subsidiaries (the "Group") operate in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many Uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Group's best estimate for existing legal matters that have a probable and estimable impact on the Group's financial position.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Group's key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We enquired of the Group's internal legal counsel for all significant litigation and regulatory matters and inspected internal notes and reports. We also received formal confirmations from external counsel.</p> <p>We assessed the methodologies on which the provision amounts are based, recalculated the provisions, and tested the completeness and accuracy of the underlying information.</p> <p>We also assessed the Group's provisions and contingent liabilities disclosure.</p>

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

Other Information

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

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

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

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

Responsibilities of Management and Those Charged with Governance for the Consolidated and Separate Financial Statements and Internal Controls

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists. We are

required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Finance Company Act, 2023 and the rules and regulations issued by Bangladesh Bank, we also report that:

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) In our opinion, Proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- (iii) The consolidated balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- (iv) The expenditures incurred were for the purpose of the Company's business for the year;
- (v) The financial statement of the company have been drawn up in conformity with the finance

- company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the company;
- (vi) Adequate provisions have been made for loans, advances, leases, investment and other assets which are in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
 - (vii) The financial statement of the company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
 - (viii) The records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
 - (ix) Statement sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
 - (x) Taxes and other duties were collected and deposited in the Government treasury by the company as per Government instructions found satisfactory based on test checking;
 - (xi) Nothing has come to our attention that the company has adopted any unethical means i.e., 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
 - (xii) Proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
 - (xiii) Based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
 - (xiv) The company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
 - (xv) We have reviewed over 80% of the risk weighted assets of the company and we have spent around 1,144 person hours for the audit of the books and accounts of the company;
 - (xvi) The company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
 - (xvii) The company has complied with the Finance Company Act, 2023 in preparing these financial statements; and
 - (xviii) All other issues which in our opinion are important for the stakeholders of the company have been adequately disclosed in the audit report.

Dhaka;
Date: 09 September 2024

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants
SD/-
Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

IIDFC PLC.

Consolidated Balance Sheet

As at 31 December 2023

PROPERTY & ASSETS	Notes	2023	2022
		BDT	BDT
Cash	3.a		
In Hand (including foreign currencies)		103,461	112,837
Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)		74,144,309	92,821,301
		74,247,770	92,934,138
Balance with Other Banks and Financial Institutions	4.a		
Inside Bangladesh		826,488,485	676,816,217
Outside Bangladesh		-	-
		826,488,485	676,816,217
Money at Call and Short Notice	5.00	-	-
Investments	6.a		
Government		973,071	-
Others		856,260,816	980,373,021
		857,233,887	980,373,021
Loans & Advances	7.a		
Lease Receivables		1,427,884,605	1,633,159,672
Advance for Lease Finance		44,339,980	44,339,980
Direct/ Term Finance		8,215,970,770	9,697,487,072
Secured Overdraft		13,784,471	58,968,131
Bills Discounted and Purchased		111,843,632	106,241,692
Margin Loans		2,127,161,088	2,123,347,400
		11,940,984,546	13,663,543,947
Fixed assets including premises, furniture & fixtures etc.	8.a	63,065,678	50,211,189
Other Assets	9.a	1,813,990,101	1,891,620,622
Non-banking assets	10.00	4,987,820	12,287,820
Total Assets		15,580,998,287	17,367,786,954
LIABILITIES & CAPITAL			
Borrowings from other banks, financial institutions & agents	11.a	5,745,760,661	6,015,408,395
Deposits & Other Accounts	12.a		
Current Deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		5,277,396,725	6,470,220,111
Bearer Certificate of Deposits		-	-
Other Deposits		2,166,731	2,196,515
		5,279,563,456	6,472,416,625
Other Liabilities	13.a	7,872,620,068	6,495,021,779
Total Liabilities		18,897,944,185	18,982,846,800
Capital/ Shareholders' Equity			
Paid up Capital	14.00	1,737,770,680	1,737,770,680
Statutory Reserve	15.00	371,950,483	371,950,483
General Reserve	16.a	68,465,915	68,206,552
Share Money Deposit	17.00	-	-
Stock Dividend	18.a	-	-
Retained Earnings	19.a	(5,495,285,357)	(3,793,140,303)
Total Equity attributable to Shareholder of the Company		(3,317,098,278)	(1,615,212,587)
Non-controlling Interest	19.a.3	152,377	152,742
Total Liabilities & Shareholders' Equity		15,580,998,287	17,367,786,954

IIDFC PLC.

Consolidated Balance Sheet

As at 31 December 2023

OFF-BALANCE SHEET ITEMS	Notes	2023	2022
Contingent liabilities	20.00	BDT	BDT
Letters of guarantee		200,562,022	200,562,022
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		200,562,022	200,562,022
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		200,562,022	200,562,022

The annexed notes from 1.00 to 45.00 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Dhaka;
Date: 09 Sep 2024

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

IIDFC PLC.

Consolidated Profit and Loss Account

For the year ended 31 December 2023

	Notes	2023	2022
		BDT	BDT
A. OPERATING INCOME			
Interest income	21.a	289,247,544	507,987,421
Interest paid on deposits, borrowings etc.	22.a	(986,327,884)	(1,018,678,024)
Net interest income		(697,080,341)	(510,690,603)
Income from investment	23.a	(11,876,344)	60,125,491
Commission, exchange and brokerage	24.a	91,323,090	115,642,375
Other operating income	25.a	92,422,220	48,401,416
Total operating income		(525,211,374)	(286,521,321)
B. OPERATING EXPENSES			
Salaries & allowances	26.a	191,237,373	259,346,676
Rent, taxes, insurance, electricity etc.	27.a	18,501,954	19,345,915
Legal expenses	28.a	7,326,935	8,497,650
Postage, stamp, telecommunications etc.	29.a	5,839,664	6,353,444
Stationery, printing, advertisement etc.	30.a	5,097,125	6,410,265
Managing director's salary and fees	31	7,578,480	7,550,313
Directors' fees	32.a	1,375,800	2,080,400
Auditor's fees	33.a	920,000	1,012,920
Loans & advances written-off	34.a	6,303,063	70,908,577
Repair, depreciation and amortization of company's assets	35.a	29,006,896	31,660,784
Other expenses	36.a	44,451,861	46,972,133
Total operating expenses		317,639,152	460,139,077
C. Profit/(Loss) before provision (A-B)		(842,850,526)	(746,660,398)
D. Provision for loans & advances	37.a		
Specific provision		892,483,146	1,087,863,058
General provision		(41,957,098)	1,435,325
Provision for diminution in value of investments		(5,525,825)	14,465,677
Other provision		(10,197,470)	1,049,281,548
Total provision		834,802,753	2,153,045,609
E. Profit/(Loss) before taxes (C-D)		(1,677,653,279)	(2,899,706,006)
F. Provision for tax:			
Current tax	38.a	24,567,984	30,495,654
Deferred tax		(335,206)	2,369,660
Total provision		24,232,778	32,865,314
G. Profit/(Loss) after taxes (E-F)		(1,701,886,057)	(2,932,571,320)
Attributable to:			
Shareholders of the company		(1,701,899,278)	(2,932,584,907)
Non-controlling interest		13,221	13,587
		(1,701,886,057)	(2,932,571,320)
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
		-	-
Retained surplus/(Deficit)		(1,701,886,057)	(2,932,571,320)
Earnings per share (EPS)	39.a	(9.79)	(16.88)

The annexed notes from 1.00 to 45.00 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-
Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner

Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

Dhaka;
Date: 09 Sep 2024

IIDFC PLC.

Consolidated Cash Flow Statement

For the year ended 31 December 2023

	2023	2022
	BDT	BDT
A CASH FLOW FROM OPERATING ACTIVITIES		
Interest receipts in cash	264,657,192	421,009,537
Interest payments in cash	(1,031,351,543)	(1,063,516,351)
Dividend receipts in cash	18,064,141	26,293,495
Cash payments to employees	(183,686,832)	(248,258,947)
Cash payments to suppliers	(7,117,759)	(9,108,408)
Income taxes paid	(27,627,683)	(33,526,299)
Receipts from other operating activities	149,559,249	190,782,164
Payments for other operating activities	(92,723,285)	(77,599,579)
Cash generated from operating activities	(910,226,520)	(793,924,388)
Increase/(Decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances	1,711,275,477	2,229,312,363
Changes in other assets	92,420,306	217,418,513
Borrowings from other banks	(321,794,171)	664,024,819
Borrowings from other corporate and financial institutions	113,526,471	(2,015,377,023)
Deposits from customers	(1,285,823,386)	(687,019,537)
Changes in other liabilities	561,265,430	339,151,399
	870,870,127	747,510,534
Net cash (used in)/from operating activities	(39,356,393)	(46,413,854)
B CASH FLOW FROM INVESTING ACTIVITIES		
Proceeds from sale of securities	107,971,355	697,367,603
Payments for purchase of securities	64,634,243	(504,051,033)
Purchase of property, plant and equipment	(6,001,957)	(19,861,277)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	3,738,650	3,876,693
Net cash used in investing activities	170,342,293	177,331,986
C CASH FLOW FROM FINANCING ACTIVITIES		
Dividend paid	-	-
Share Money Deposit	-	-
Net cash from/(used in) financing activities	-	-
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	130,985,900	130,918,132
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	769,750,355	638,832,224
G Cash and cash equivalents at end of the year (D+E+F)	900,736,255	769,750,355
Cash and cash equivalents at end of the year		
Cash in hand	103,461	112,837
Balance with Bangladesh Bank and its agent bank(s)	74,144,309	92,821,301
Balance with other banks and financial institutions	826,488,485	676,816,217
Money at call and short notice	-	-
	900,736,255	769,750,355

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

Dhaka;
Date: 09 Sep 2024

IIDFC PLC.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Amount in BDT

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Proposed Stock Dividend	Share Money Deposit	Non-controlling Interest	Total
Balance as on 1 January 2023	1,737,770,680	371,950,483	68,206,552	(3,793,140,303)	-	-	152,742	(1,615,059,845)
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	1,737,770,680	371,950,483	68,206,552	(3,793,140,303)	-	-	152,742	(1,615,059,845)
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(1,701,886,057)	-	-	-	(1,701,886,057)
Transfer to Non-controlling Interest (NCI)	-	-	-	366	-	-	(366)	-
Transferred to statutory reserve	-	-	-	-	-	-	-	-
Transferred to general reserve	-	-	259,363	(259,363)	-	-	-	-
Balance as at 31 December 2023	1,737,770,680	371,950,483	68,465,915	(5,495,285,357)	-	-	152,377	(3,316,945,901)

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-

Dipok Kumar Roy, FCA
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Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

Dhaka
Date: 09 Sep 2024

IIDFC PLC.

Balance Sheet

As at 31 December 2023

	Notes	2023 BDT	2022 BDT
<u>PROPERTY & ASSETS</u>			
Cash	3.00		
In Hand (including foreign currencies)		45,206	32,074
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		-	-
		74,144,309	92,821,301
		74,189,515	92,853,375
Balance with other Banks and Financial Institutions	4.00		
Inside Bangladesh		325,914,554	432,040,340
Outside Bangladesh		-	-
		325,914,554	432,040,340
Money at Call and Short Notice	5.00	-	-
Investments	6.00		
Government		973,071	-
Others		488,161,157	526,098,201
		489,134,228	526,098,201
Loans & Advances	7.00		
Lease Receivables		1,427,884,605	1,633,159,672
Advance for Lease Finance		44,339,980	44,339,980
Direct/ Term Finance		8,428,595,314	9,941,731,582
Secured Overdraft		13,784,471	58,968,131
Bills Discounted and Purchased		111,843,632	106,241,692
		10,026,448,002	11,784,441,057
Fixed assets including premises, furniture & fixtures etc.	8.01	53,586,666	40,159,448
Other Assets	9.00	2,991,407,716	3,075,322,099
Non-Banking Assets	10.00	4,987,820	12,287,820
Total Assets		13,965,668,501	15,963,202,339
<u>LIABILITIES & CAPITAL</u>			
Borrowings from other banks, financial institutions & agents	11.00	5,492,311,930	5,814,106,101
Deposits & Other Accounts	12.00		
Current deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		5,277,396,725	6,470,220,111
Bearer Certificate of Deposits		-	-
Other Deposits		2,166,731	2,196,515
		5,279,563,456	6,472,416,626
Other Liabilities	13.00	6,584,903,915	5,398,027,030
Total Liabilities		17,356,779,301	17,684,549,757
Capital/ Shareholders' Equity			
Paid-up Capital	14.00	1,737,770,680	1,737,770,680
Statutory Reserve	15.00	371,950,483	371,950,483
General Reserve	16.00	50,800,000	50,800,000
Share Money Deposit	17.00	-	-
Proposed Stock Dividend	18.00	-	-
Retained Earnings	19.00	(5,551,631,967)	(3,881,868,583)
Total Shareholders' Equity		(3,391,110,804)	(1,721,347,419)
Total Liabilities & Shareholders' Equity		13,965,668,501	15,963,202,339

IIDFC PLC.

Balance Sheet

As at 31 December 2023

	Notes	2023 BDT	2022 BDT
<u>OFF-BALANCE SHEET ITEMS</u>			
Contingent liabilities			
Letters of guarantee	20.00	200,562,022	200,562,022
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		200,562,022	200,562,022
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 commitment:		-	-
		-	-
Total off-balance sheet items including contingent liabilities		200,562,022	200,562,022

The annexed notes from 1.00 to 45.00 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

Dhaka;
Date: 09 Sep 2024

IIDFC PLC.

Profit and Loss Account

For the year ended 31 December 2023

	Notes	2023	2022
		BDT	BDT
A. OPERATING INCOME			
Interest income	21.00	210,459,997	448,065,657
Interest paid on deposits, borrowings etc.	22.00	(972,565,876)	(1,006,862,849)
Net interest income		(762,105,880)	(558,797,192)
Income from investment	23.00	16,924,626	23,071,888
Commission, exchange and brokerage	24.00	-	-
Other operating income	25.00	83,626,942	39,613,427
Total operating income		(661,554,311)	(496,111,877)
B. OPERATING EXPENSES			
Salaries & allowances	26.00	118,394,269	185,403,284
Rent, taxes, insurance, electricity etc.	27.00	7,392,686	9,369,606
Legal expenses	28.00	6,069,830	6,605,983
Postage, stamp, telecommunications etc.	29.00	3,347,615	4,115,990
Stationery, printing, advertisement etc.	30.00	3,770,144	4,992,418
Managing director's salary and fees	31.00	7,578,480	7,550,313
Directors' fees	32.00	936,000	1,464,000
Auditor's fees	33.00	552,000	679,420
Repair, depreciation and amortization of company's assets	35.00	26,242,076	28,589,298
Other expenses	36.00	31,834,587	31,992,532
Total operating expenses		206,117,688	280,762,844
C. Profit/ (Loss) before provision (A-B)		(867,671,999)	(776,874,721)
D. Provision for loans & advances	37.00		
Specific provision		855,033,146	1,087,863,058
General provision		(42,305,867)	1,435,325
Additional provision as per BB		2,669,252	(2,340,554)
Other provision		(12,866,722)	1,051,622,102
Provision for diminution in value of investments		(5,720,543)	14,248,215
Total provision		796,809,266	2,152,828,147
E. Profit before taxes (C-D)		(1,664,481,265)	(2,929,702,867)
F. Provision for tax			
Current tax	38.00	5,000,000	5,000,000
Deferred tax	38.1	282,120	2,224,788
Total provision		5,282,120	7,224,788
Profit after tax		(1,669,763,385)	(2,936,927,655)
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus/(Deficit)		(1,669,763,385)	(2,936,927,655)
Earnings per share (EPS)	39.00	(9.61)	(16.90)

The annexed notes from 1.00 to 45.00 form an integral part of these financial statements

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

Dhaka;
Date: 09 Sep 2024

IIDFC PLC.

Statement of Cash Flows

For the year ended 31 December 2023

	2023	2022
	BDT	BDT
A CASH FLOW FROM OPERATING ACTIVITIES:		
Interest receipts in cash	172,473,567	340,662,049
Interest payments in cash	(992,853,846)	(1,021,400,298)
Dividend receipts in cash	9,312,618	16,570,275
Cash payments to employees	(125,972,749)	(192,953,597)
Cash payments to suppliers	(7,117,759)	(9,108,408)
Income taxes paid	(7,156,052)	(8,307,787)
Receipts from other operating activities	91,238,950	46,115,040
Payments for other operating activities	(67,312,507)	(50,825,007)
Cash generated from operating activities	(927,387,778)	(879,247,733)
Increase/(decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances to other customers	1,757,993,055	2,141,653,100
Changes in other assets	83,914,383	194,711,972
Borrowings from Other Banks	(321,794,171)	664,024,819
Borrowings from other Corporate & FIs	93,000,000	(1,880,000,000)
Deposits from customers	(1,285,823,386)	(711,908,046)
Changes in other liabilities	390,067,619	328,098,367
	717,357,501	736,580,212
Net Cash from Operating Activities	(210,030,277)	(142,667,522)
B CASH FLOW FROM INVESTING ACTIVITIES:		
Investments In Subsidiary	-	-
Proceeds from sale of securities	107,971,355	697,367,603
Payments for purchase of securities	(21,540,918)	(433,232,957)
Purchase of property, plant and equipment	(4,235,812)	(12,041,399)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	3,046,006	3,830,173
Net cash used in investing activities	85,240,631	255,923,420
C CASH FLOW FROM FINANCING ACTIVITIES:		
Dividend paid	-	-
Share Money Deposit	-	-
Net cash from financing activities	-	-
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(124,789,646)	113,255,898
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	524,893,715	411,637,817
G Cash and cash equivalents at end of the year (D+E+F)	400,104,069	524,893,715
Cash and cash equivalents at end of the year		
Cash in hand	45,206	32,074
Balance with Bangladesh Bank and its agent bank(s)	74,144,309	92,821,301
Balance with other banks and financial institutions	325,914,554	432,040,340
Money at call and short notice	-	-
	400,104,069	524,893,715

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner
Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 2409091334AS122809

Dhaka;
Date: 09 Sep 2024

IIDFC PLC.

Statement of Changes in Equity

For the year ended 31 December 2023

Particulars	Amount in BDT						
	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Proposed Stock Dividend	Share Money Deposits	Total
Balance as on 1 January 2023	1,737,770,680	371,950,483	50,800,000	(3,881,868,583)	-	-	(1,721,347,419)
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,737,770,680	371,950,483	50,800,000	(3,881,868,583)	-	-	(1,721,347,419)
Share Money Deposit	-	-	-	-	-	-	-
Right Share Issue	-	-	-	-	-	-	-
Net profit for the year	-	-	-	(1,669,763,385)	-	-	(1,669,763,385)
Transferred to statutory reserve	-	-	-	-	-	-	-
Transferred to general reserve	-	-	-	-	-	-	-
Balance as at 31 December 2023	1,737,770,680	371,950,483	50,800,000	(5,551,631,967)	-	-	(3,391,110,804)

Sd/-
Chairman

Sd/-
Director

Sd/-
Managing Director

Sd/-
Company Secretary

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Basu Banerjee Nath & Co.
Chartered Accountants

Sd/-

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner

Basu Banerjee Nath & Co.
Chartered Accountants
DVC : 31/10/2024

Dhaka
Date: 09 Sep 2024

IIDFC PLC.

Liquidity Statement

For the year ended 31 December 2023

Amount in BDT

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
ASSETS:						
Cash	45,206	-	-	-	-	45,206
Balances with Bangladesh Bank	74,144,309	-	-	-	-	74,144,309
Balances with other Banks	123,609,748	92,731,550	77,818,539	31,754,717	-	325,914,554
Money at Call and on Short Notice	-	-	-	-	-	-
Investments	172,750,375	111,778,683	129,302,248	75,302,922	-	489,134,228
Loans and Advances	965,272,473	2,587,004,985	3,540,825,397	2,114,566,862	818,778,285	10,026,448,002
Property, Plant & Equipment	3,801,402	12,059,019	22,906,920	14,819,326	-	53,586,666
Other Assets	250,150,538	487,419,073	1,008,091,691	640,503,495	605,242,919	2,991,407,716
Non-Banking Assets	-	-	-	4,987,820	-	4,987,820
Total assets	1,589,774,050	3,290,993,311	4,778,944,795	2,881,935,142	1,424,021,204	13,965,668,501
LIABILITIES:						
Borrowing from other banks, Fin. Ins. & Agents	1,074,508,122	1,130,913,845	1,391,341,705	934,185,902	961,362,356	5,492,311,930
Deposit and other accounts	287,744,468	1,362,751,035	2,089,680,486	1,354,703,727	184,683,740	5,279,563,456
Provision and other liabilities	223,676,407	778,311,169	1,272,937,519	1,262,274,473	3,047,704,347	6,584,903,915
Total liabilities	1,585,928,997	3,271,976,049	4,753,959,710	3,551,164,102	4,193,750,443	17,356,779,301
Net liquidity gap	3,845,053	19,017,262	24,985,085	(669,228,963)	(2,769,729,240)	(3,391,110,804)

Sd/-

Chairman

Sd/-

Director

Sd/-

Managing Director

Sd/-

Company Secretary

Signed in terms of our report of even date

Signed for & on behalf of
Basu Banerjee Nath & Co.
Chartered Accountants
Sd/-

Dipok Kumar Roy, FCA
ICAB Enrollment No. 1334
Partner

Basu Banerjee Nath & Co.
Chartered Account
DVC : 2409091334AS122809

Dhaka
Date: 09 Sep 2024

IIDFC PLC.and its Subsidiaries

Notes to the Consolidated and Separate Financial Statements As at and for the year ended 31 December 2023

1.0 Reporting entity and its activities

1.01 Company's profile

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

1.02 Principal activities and nature of operation

IIDFC offers financial services that include promotion and term financing of financially viable industrial undertakings & infrastructure projects, lease financing for all type of machineries and equipment including vehicles for industrial and commercial purposes, financial packaging for syndicated fund arrangement including cross-border syndication, acquisition or takeover of public sector enterprises, financial or otherwise, stated for privatization and SME financing. The Company is also involved in factoring finance, work-order finance, bill discounting and home loan etc.

1.03 Subsidiary Companies

IIDFC Securities Limited

IIDFC Securities Limited (The Company), a wholly owned subsidiary company of IIDFC was incorporated as a Public limited company in Bangladesh bearing certificate of incorporation no C-83521/10 dated 28/03/2010 under the Companies Act-1994 having its registered office at PFI Tower (Level-3), 56-57, Dilkusha C/A, Dhaka-1000.

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

IIDFC Capital Limited

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

2.0 Basis of preparation and significant accounting policies

2.01 Basis of preparation

The Financial Statements have been prepared on the basis of going concern concept and basically on accrual method under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with International Accounting Standards(IAS)/International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and FRC vide letter no 1/1/ICAB-2017 dated 14 December 2017, the Finance Company Act, 2023, the Companies Act, 1994 and other applicable laws and regulations.

Statement of compliance

The consolidated financial statements and separate financial statements of the Company have been prepared on a going concern basis following accrual basis of accounting except for cash flow statement and investment in marketable securities which are recorded in cost price (Comparing with market value) in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRSs) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh, except the circumstances where local regulations differ, and the Companies Act, 1994, the Finance Company Act, 2023, Bangladesh Securities and Exchange Commission guidelines and other applicable laws and regulations.

The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

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

SL.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1.	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 Financial Instruments	An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to: a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.	In Financial Statements, as at 31 December 2023, accumulated provision for leases, loans and advances stand at BDT 3,240.59 million
2.	Valuation of Investments in quoted and unquoted shares	IFRS 9 Financial Instruments	Investment in shares falls either under at "fair value through profit/ loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit or loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular No. 08, dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	During this year total market value of all shares are less than the cost price of all shares. In Financial Statement, as at 31 December 2023, Provision for diminution in value of investments stands BDT 130.72 million.
3.	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 Financial Instruments	Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount.	As per FID Circular No. 03, dated 03 May 2006, DFIM circular No. 04, dated 26 July 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	As at 31 December 2023, in Financial Statements interest suspense account was BDT 1,367.00 million whereas last year was Taka 982.33 million. This amount has been shown in other liabilities

4.	Presentation of cash and cash equivalent	IAS 7 Statement of Cash Flows	<p>Cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period.</p> <p>In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.</p>	<p>Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.</p> <p>The templates of financial statements provided detail presentation for statement of cash flows.</p>	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5.	Measurement of deferred tax asset	IAS 12 Income Tax	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.	As per DFIM circular No. 7, dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	During this year there is no impact in the financial statements due to this departure as the Company did not consider any deductible temporary difference against leases, loans and advances.
6.	Presentation and disclosure of Financial Statements and Financial Instruments	<p>IAS 1 "Presentation of Financial Statements"</p> <p>IFRS 9 "Financial Instruments" & IFRS 7 "Financial Instruments: Disclosure"</p>	<p>Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income statement.</p> <p>IAS 1 requires separate line item for intangible assets on the face of statement of financial position.</p> <p>IFRS 7 requires specific presentation and disclosure relating to all financial instruments.</p>	<p>Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all banks and NBFIs.</p> <p>The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement. Intangibles assets are not separately presented on the face of statement of financial position; rather it is presented along with the line item of fixed assets.</p> <p>As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS-9. As such some disclosure and presentation requirements of IFRS 7 has not been made in the accounts.</p>	Financial Statements of 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
7.	Preparation of Statement of Cash Flows	IAS 7 Statement of Cash Flows	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular No. 11, dated 23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements of 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
8.	Current/Non-current distinction	IAS-1 Presentation of Financial Statement	As per Para 60 of IAS-1 "Presentation of Financial statement" An entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular No. 11, dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities	Financial Statements of 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. Moreover, the liquidity statement shows the aging profile of all financial assets and liabilities from where current/non-current portion of assets and liabilities can be obtained.

9.	Off-balance sheet items	IAS 1 Presentation of Financial Statements	There is no concept of off-balance sheet items in any IFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM Circular No. 11, dated 23 December 2009, off-balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Financial Statements of 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
10.	Impairment of Margin Loan (Loans and receivables)	IFRS 9 Financial Instruments	Measurement after initial recognition at amortized cost and recording of changes through profit and loss.	As per Bangladesh Securities and Exchange Commission (BSEC) Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, provisions for the year 2016 on impairment of principal portion of margin loan may be kept at 20% on each quarter for the five quarters starting from December 2016.	There is no such impact for this. However, we have been maintaining provision for unrealized loss (if any) of margin loan in the portfolio at higher rate than the requirement.
11.	Complete set of financial statements	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements of 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
12.	Intangible asset	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" para 54: the statement of financial position shall include separate line item for intangible assets.	As per DFIM Circular No. 11, dated 23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. However, we present intangible asset in the balance sheet as part of fixed assets and provide details in annexure-A as separate line item.	Financial Statements for 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
13.	Other comprehensive income	IAS 1 Presentation of Financial Statements	As per IAS 1: "Presentation of Financial Statements" Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single OCI statement.	Bangladesh Bank has issued templates for financial statements which will strictly be followed by financial institutions. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of OCI allowed to be included in a single OCI statement. As such the financial institution does not prepare the other comprehensive income statement. However, elements of OCI, if any, are shown in the statements of changes in equity.	Financial Statements of 2023 and corresponding year 2022 have been prepared as per the guideline and templates issued by Bangladesh Bank. There is no financial impact for this departure in the financial statements.

14.	Disclosure of presentation of profit	N/A	There is no requirement to show appropriation of profit in the face of statement of comprehensive income.	As per DFIM circular no 11, dated 23 December 2009, an appropriation of profit should be disclosed in the face of profit and loss account	Financial Statements of 2023 and corresponding year 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.
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2.01.02 Investments in shares and securities

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

Bangladesh Bank:

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

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

2.01.03 Provision on loans and advances

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

Bangladesh Bank:

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

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

2.01.04 Financial instruments - presentation and disclosure

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

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

2.01.05 Financial guarantees

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

Bangladesh Bank:

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

2.01.06 Cash and cash equivalents

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

Bangladesh Bank:

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

2.01.07 Non-Banking assets

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

2.01.08 Statement of cash flows

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

Bangladesh Bank:

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

2.01.09 Balance with Bangladesh Bank (CRR)

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

Bangladesh Bank:

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

2.01.10 Off-balance sheet items

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

Bangladesh Bank:

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

2.01.11 Disclosure of appropriation of profit

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

Bangladesh Bank:

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

2.01.12 Other comprehensive income

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

Bangladesh Bank:

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

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

2.01.13 Loans and advance net of provision

Loans and advances should be presented as net of provisions.

Bangladesh Bank:

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

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

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

2.02 Basis of consolidation

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

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

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

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

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

2.03 Integral components of financial statements

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

1. Consolidated and Separated balance sheet as at December 31, 2023;
2. Consolidated and Separated Profit and Loss A/C for the year ended December 31, 2023;
3. Consolidated and Separated statement of Cash Flows for the year ended December 31, 2023;
4. Consolidated and Separated Statement of Changes in Equity for the year ended December 31, 2023;
5. Liquidity Statement as at December 31, 2023 &
6. Notes to the Consolidated and Separated Financial Statements for the year ended December 31, 2023

2.04 Use of estimate & judgments

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

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

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

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

2.05 Statement of cash flows

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

2.06 Consistency

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

2.07 Reporting period

These Financial Statements cover one calendar year from 01 January to 31 December 2023.

2.08 Presentation currencies

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

2.09 Books of accounts of branch (including Corporate Branch)

The Company has 4 (Four) branches including head office (principal branch) so far as on 31 December 2023. Books of Accounts of the branches are maintained at the Head Office of the Company.

2.10 Assets and basis of their valuation

2.10.01 Cash and cash equivalents

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

2.10.02 Investment in securities

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Adequate provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 31 December 2023).

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, DIFM Circular No. 04, dated 26 July 2021 issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are maintained as per circular issued by Bangladesh Bank as mentioned above at the rate of 0.25% for standard-SME, 1% for standard, 5% for SMA, 20% for SS and 50% for DF and 100% for BL.

c) Presentation of loans and advances

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

d) Write off loans and advances

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

e) Securities against loan

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

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

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

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

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

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

2.10.04 Property, plant and equipment

2.10.04.01 Owned assets

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

2.10.04.02 Leased assets

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

2.10.04.03 Subsequent expenditure on property, plant and equipment

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

2.10.04.04 Depreciation on property, plant & equipment

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

Sl. No.	Category of Fixed assets	Rate of Depreciation
1	Motor vehicles	20%
2	Furniture & fixtures	10%
3	Office equipment	18%
4	Right-of-use Assets	Lease term

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

2.10.04.05 Intangible assets

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

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

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over the useful economic life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and they are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is presented as a separate line item in the statement of comprehensive income (profit and loss account).

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

2.10.04.06 Other assets

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

2.10.04.07 Non-banking assets

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

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

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

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

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

2.11 Basis for valuation of liabilities and provisions

2.11.01 Provision for tax

a. Current tax

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

b. Deferred tax

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

amount used for tax purposes. The amount of deferred tax is determined at the effective income tax rate prevailing at the Balance Sheet date.

2.11.02 Employees' benefit obligation

Defined contribution plan

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

Defined benefit plan

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

Other benefit program for employees

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

2.12 Write-off

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

2.13 Capital and shareholders' equity

2.13.01 Capital management

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

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

2.13.02 Paid-up capital

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

2.13.03 Statutory reserve

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

2.13.04 Dividends on ordinary shares

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

2.14 Contingent liabilities and contingent assets

A contingent liability is –

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

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

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

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

2.15 Materiality, aggregation and off setting

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

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

2.16 Revenue recognition

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

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

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

2.16.01 lease Income

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

2.16.02 Income from direct finance

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

Interest on real estate finance

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

Interest on term loans and short term finance

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

2.16.03 Income from structured finance

Income from structured finance is recognized as and when received.

2.16.04 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

2.16.05 Dividend income

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

2.16.06 Other operating income

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

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

f. Portfolio management fee

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

g. Issue management & Corporate advisory fee

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

h. Brokerage commission

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

i. Profit or loss on sale of securities and

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

j. Fee based revenues

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

2.17 Interest accrual on loans and leases

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

2.18 Earnings per share

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

Diluted Earnings per share is not applicable for the year as there is no scope for dilution during the year 2023.

2.19 Presentation of operating segments

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

2.20 Contingent assets & liabilities

Contingent Assets:

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

Contingent Liabilities

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

2.21 Liquidity statements

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

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

2.22 Events after the reporting period

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

2.23 Going concern

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

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

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

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

Name of the IFRS	IFRS No	Status
Share Based payment	2	N/A
Business combination	3	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied *
Revenue from Contracts with customers	15	Applied
Leases	16	Applied
insurance contracts	17	N/A

N/A= Not applicable

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

2.25 Address of head office & branch location

Head office is located at Chamber Building (2nd, 6th & 7th floor), 122-124 Motijheel Commercial Area, Dhaka-1000, Chattogram Branch is located at C&F Tower (4th floor), Sheik Mujib Road, Agrabad Commercial Area, Chattogram and Uttara Branch is located at Plam Jemairah (3rd floor), Sonargaon Janapath, Sector-7, Uttara, Dhaka-1230. Narayanganj Branch is at Mid Town Complex (3rd floor), Bangabandhu Road, Narayanganj.

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

2.27 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.

2.28 Financial risk management

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

Credit Risk

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

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

Market Risk

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

Liquidity Risk

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

Operational Risk

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

Money Laundering and Terrorist Financing Risk

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

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

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

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

Additional risks required to be addressed under regulatory requirements

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

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

Strategic Risk

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

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

Compliance Risk

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

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

Reputation Risk

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

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

Environmental & Social Risk

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

	2023	2022
	BDT	BDT
3.00 Cash		
Cash in hand (Note 3.1)	45,206	32,074
Balance with Bangladesh Bank and its agent bank (Note 3.2)	74,144,309	92,821,301
Total	74,189,515	92,853,375
3.01 Cash in hand		
Cash in hand represents the amount under "imprest system of petty cash" to meet petty expenses both for head office as well as branch offices.		
3.2 Balance with Bangladesh Bank		
Balance with Bangladesh Bank is a non-interestbearing account maintained with Central Bank to meet the Cash Reserve Requirement (CRR). CRR (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with The Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
3.3 Cash Reserve Requirement (CRR)		
Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Finance Company Act, 2023 & Financial Institutions Regulations, 1994, FID Circular No. 06, dated 06 November 2003, FID Circular No. 02 dated 10 November 2004, DFIM Circular Letter No. 01, dated 12 January 2017 and DFIM Circular Letter No. 03, dated 21 June 2020.		
CRR has been calculated at the rate of 1.50% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID Circular No. 02 dated 10th November, 2004 and DFIM Circular Letter No. 03, dated 21 June 2020. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
Required reserve	59,208,704	81,166,730
Actual reserve held	74,144,309	92,821,301
Surplus / (Deficit)	14,935,605	11,654,571
3.4 Statutory Liquidity Reserve (SLR)		
SLR has been calculated at the rate of 5.00% of total demand and time liabilities, including CRR of 1.50% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
Required reserve	245,937,744	316,645,287
Actual reserve held (Note-3.4.1)	360,981,289	456,663,683
Surplus / (Deficit)	115,043,545	140,018,396
3.4.1 Actual Reserve held for SLR		
Cash in hand	45,206	32,074
Balance with Bangladesh Bank and its agent bank(s)	74,144,309	92,821,301
Balance with other banks and financial institutions (Note-3.4.1.1)	285,818,703	363,810,308
Bangladesh Bank-Tbill	973,071	-
	360,981,289	456,663,683
3.4.1.1 Balance with other banks and financial institutions (SLR)		
NRBC Bank PLC.	44,465,850	41,926,655
Social Islami Bank PLC.	-	55,545,800
Bangladesh Finance & Investment Company Limited	100,000,000	100,000,000
Union Capital Limited	51,352,853	51,352,853
SBAC Bank PLC.	-	24,985,000
Prime Finance & Investment Limited	90,000,000	90,000,000
Union Bank PLC.	-	-
Total	285,818,703	363,810,308
3.a Consolidated cash		
IIDFC PLC	45,206	32,074
IIDFC Securities Limited	51,831	36,372
IIDFC Capital Limited	6,424	44,391
Sub-Total	103,461	112,837
Balance with Bangladesh Bank and its agent bank(s) (Note-3)	74,144,309	92,821,301
Total	74,247,770	92,934,138
4.00 Balance with other Banks and Financial Institutions		
Inside Bangladesh		
Current Accounts:		
NCC Bank PLC.	14,751	21,141
Social Islami Bank PLC.	(1)	128
Sonali bank PLC.	4,503	5,309
Uttara Bank PLC.	27,127	36,848
Midland Bank PLC.	155	155
Trust Bank PLC.	2,501	5,259
Total	49,036	68,839

	2023	2022
	BDT	BDT
Short-Term Deposit Accounts		
Southeast Bank PLC.	1,839,721	3,831,338
Social Islami Bank PLC.	66,059	4,198,858
Bank Asia PLC.	31,996,507	60,115,272
AB Bank PLC.	3,360	3,057
City Bank PLC.	-	2,383
Janata Bank PLC.	-	4
Pubali Bank PLC.	237	856
Prime Bank PLC.	6,132,801	9,425
National Bank PLC.	8,130	-
Total	40,046,814	68,161,192
Fixed Deposits Receipts (FDR Placement)		
Bangladesh Finance & Investment Company Limited	100,000,000	100,000,000
Prime Finance & Investment Limited	90,000,000	90,000,000
NRBC Bank PLC.	44,465,850	41,926,655
Union Capital PLC.	51,352,853	51,352,853
SBAC Bank PLC.	-	24,985,000
Social Islami Bank PLC.	-	55,545,800
Total	285,818,703	363,810,308
Sub Total	325,914,554	432,040,340
Outside Bangladesh	-	-
Grand Total	325,914,554	432,040,340
4.01 Maturity grouping of Balance with other Banks and Financial Institutions		
On demand	123,609,748	163,860,119
Less than 3 months	92,731,550	122,927,221
More than 3 months but less than 1 year	77,818,539	103,158,167
More than 1 year but less than 5 years	31,754,717	42,094,833
Above 5 years	-	-
Total	325,914,554	432,040,340
4.a Consolidated Balance with other Banks and Financial Institutions		
IIDFC PLC	325,914,554	432,040,340
IIDFC Securities Limited (Note-4.a.1)	440,769,752	234,158,478
IIDFC Capital Limited (Note-4.a.2)	59,804,179	10,617,400
Total	826,488,485	676,816,217
4.a.1 IIDFC Securities Limited		
Southeast Bank PLC.	570,102	974,753
NCC Bank PLC.	4,530	5,032
IIDFC PLC	-	-
One Bank PLC.	181,853,384	111,684,351
Mercantile Bank PLC.	258,341,736	121,494,342
Total	440,769,752	234,158,478
4.a.2 IIDFC Capital Limited		
Southeast Bank PLC.	9,617,844	1,256,377
One Bank PLC.	50,186,335	9,361,023
Bangladesh Commerce Bank PLC.	-	-
Total	59,804,179	10,617,400
5.00 Money at Call and Short Notice		
Banks	-	-
Non-Bank Financial Institutions	-	-
Total	-	-
6.00 Investments		
Government Securities		
Treasury Bill	973,071	-
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Government Notes/ Bond	-	-
Prize Bond	-	-
Others	-	-
Sub Total	973,071	-

	2023	2022
	BDT	BDT
Other Investments		
Preference Shares	-	-
Debenture and Bond (Note-6.1)	69,816,227	67,596,212
Investments in Shares (Note-6.2)	417,664,930	458,501,989
Investments IPO (Note-6.3)	680,000	-
Gold etc.	-	-
Sub Total	488,161,157	526,098,201
Total investments	489,134,228	526,098,201
6.01 Debenture and Bond		
Investment in Debenture and Bond includes investment in the Bond of Golden Harvest Agro Industries Limited.		
Opening Balance	67,596,212	70,183,544
Add: Addition/ adjustment during the year	7,220,015	3,412,668
Less: Adjustment during the year	5,000,000	6,000,000
Closing Balance	69,816,227	67,596,212
6.02 Investments in Shares		
Quoted Shares		
Bank Company	48,351,597	48,351,597
Non-Banking Company	88,072,216	88,072,216
Insurance Company	-	21,421,802
Mutual Fund	-	-
Other Company	231,241,118	250,656,374
Total	367,664,930	408,501,989
Un-quoted Shares		
MTB Unit Fund	-	-
HFAML Unit Fund	50,000,000	50,000,000
IDLC Growth Fund	-	-
	50,000,000	50,000,000
Total Investment in Shares	417,664,930	458,501,989
6.03 Investments IPO		
Sikder Insurance	680,000	-
	680,000	-
6.04 Cost Price Vs Market Price of Quoted Investments		
	31st December 2023	
	Cost Price (A)	Market Price (B)
Bank Company	48,351,597	32,729,880
Non-Banking Company	88,072,216	54,615,164
Insurance Company	-	-
Other Company	231,241,118	149,595,550
Total	367,664,930	236,940,594
		Required Provision (C=A-B)
		15,621,717
		33,457,052
		-
		81,645,568
		130,724,336
All investments in marketable securities are valued on an aggregate portfolio basis, at the lower of cost and market value as at 31st December 2023. At the end of the reporting year, total cost price of the listed securities was BDT. 367,664,930 where as the market price was BDT. 236,940,594 resulting a required provision of BDT 130,724,336.		
6.05 Maturity grouping of Investments		
On demand	172,750,375	185,805,156
Less than 3 months	111,778,683	120,225,821
More than 3 months but less than 1 year	129,302,248	139,073,645
More than 1 year but less than 5 years	75,302,922	80,993,579
Above 5 years	-	-
Total	489,134,228	526,098,201
6.a Consolidated Investments		
IIDFC PLC	489,134,228	526,098,201
IIDFC Securities Limited (Note - 6.a.1)	286,495,741	312,712,673
IIDFC Capital Limited (Note - 6.a.2)	81,603,918	141,562,148
Total	857,233,887	980,373,021
6.a.1 Investment of IIDFC Securities Limited		
Quoted Shares		
Bank Company	58,081,595	58,081,595
Non-Banking Company	17,685,202	17,685,202
Insurance Company	78,767	7,595,498
Mutual Fund	13,088,874	13,250,000
Other Company	167,702,783	186,241,859
Total	256,637,221	282,854,153
Un-quoted Shares		
ICB AMCL2NDNRB Unit Fund	998,100	998,100
Dhaka Stock Exchange Limited	28,860,420	28,860,420
Total Investment in Shares	286,495,741	312,712,673

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

	2023	2022
	BDT	BDT
31st December 2023		
Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
Bank Company	58,081,595	13,142,103
Non-Banking Company	17,685,202	6,422,469
Insurance Company	78,767	(8,434)
Mutual Fund	13,088,874	2,005,314
Other Company	167,702,783	38,581,800
Total	256,637,221	60,143,252

6.a.2 Investment of IIDFC Capital Limited

Quoted Shares

Bank Company	-	4,012,662
Non-Banking Company	-	-
Insurance Company	10,745,064	72,071,851
Mutual Fund	-	19,727,311
Other Company	70,858,854	45,750,324
Total	81,603,918	141,562,148

Un-quoted Shares

Total Investment in Shares

-	-
81,603,918	141,562,148

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

	31st December 2023	
Cost Price (A)	Market Price (B)	Required Provision (C=A-B)
Bank Company	-	-
Non-Banking Company	-	-
Insurance Company	10,745,064	2,757,654
Mutual Fund	-	-
Other Company	70,858,854	21,457,957
Total	81,603,918	24,215,611

7.00 Loans & Advances

Inside Bangladesh:

Lease Receivables	14.24%	1,427,884,605	1,633,159,672
Advance for Lease Finance	0.44%	44,339,980	44,339,980
Total Lease Finance	14.68%	1,472,224,585	1,677,499,652
Direct/ Term Finance	84.06%	8,428,595,314	9,941,731,582
Secured Overdraft	0.14%	13,784,471	58,968,131
Bills Discounted and Purchased (Note-7.8)	1.12%	111,843,632	106,241,692
Total Other Finance	85.32%	8,554,223,417	10,106,941,405
Sub Total (Note-7.1)	100.00%	10,026,448,002	11,784,441,057

Outside Bangladesh:

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

Total

100.00%	10,026,448,002	11,784,441,057
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7.01 Details of Loans & Advances

Lease Finance

Corporate Clients	7.91%	793,542,504	823,645,006
Small & Medium Enterprises (SME)	6.77%	678,682,080	853,854,646

Sub Total

14.68%	1,472,224,584	1,677,499,652
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Direct / term finance

Syndication Finance	25.44%	2,550,454,885	2,708,852,974
Corporate clients	32.42%	3,251,072,736	3,829,121,342
Small & Medium Enterprises (SME)	23.73%	2,379,625,483	3,062,599,070
Home Loan	2.35%	235,342,165	315,328,449
Bills Discounted and Purchased	1.12%	111,843,632	106,241,692
Secured Overdraft	0.14%	13,784,471	58,968,131
Employee Loan	0.12%	12,100,045	25,829,747

Sub Total

85.32%	8,554,223,418	10,106,941,405
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Grand Total

100%	10,026,448,002	11,784,441,057
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7.02 Maturity grouping of loans & advances	2023	2022
	BDT	BDT
On demand	965,272,473	1,104,712,031
Less than 3 months	2,587,004,985	3,005,531,884
More than 3 months but less than 1 year	3,540,825,397	4,191,465,113
More than 1 year but less than 5 years	2,114,566,862	2,520,392,781
Above 5 years	818,778,285	962,339,248
Total	10,026,448,002	11,784,441,057

70.3 Sector/ Industry-wise Loans & Advances

Agricultural sector

Industrial sector:

Textiles

Garments

Jutes & jute related goods

Food items producer/processing industry

Plastic industries

Lather and lather goods

Iron, steel and engineering

Chemicals and pharmaceuticals

Cement/ clinker and allied industries

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

Paper, printing and packaging

Telecommunication and IT industries

Glass and ceramic industries

Shipping and ship building industries

Electronics and electrical goods

Power, gas, water and sanitary

Transport and communication

Real estate and housing

Merchant banking

Others

Total

4.83%	484,285,896	539,064,450
10.40%	1,043,173,042	1,097,767,275
15.94%	1,598,280,778	1,742,741,471
4.86%	487,394,956	238,006,947
2.24%	224,485,201	299,322,414
4.10%	411,099,830	488,065,846
0.27%	26,618,737	36,018,471
5.45%	546,042,125	609,190,323
1.90%	190,597,348	244,819,691
1.94%	194,410,528	242,584,343
0.73%	73,545,804	517,317,545
2.00%	200,909,903	217,083,723
9.21%	923,772,186	1,059,896,517
1.17%	117,790,154	150,212,328
0.00%	-	-
4.45%	446,658,867	558,064,669
2.80%	280,802,846	286,390,052
4.05%	406,004,602	473,004,200
4.64%	465,027,139	567,405,417
2.12%	212,836,344	250,885,157
16.88%	1,692,711,715	2,166,600,219
100.00%	10,026,448,002	11,784,441,057

7.04 Geographical Location-wise Loans & Advances

Inside Bangladesh

Dhaka Division

Chattogram Division

Barisal Division

Rajshahi Division

Rangpur Division

Sylhet Division

Mymensingh Division

Khulna Division

Sub Total

Outside Bangladesh

Total

80.50%	8,071,036,957	9,719,337,223
18.42%	1,846,553,853	1,915,932,994
0.01%	972,678	1,108,172
0.00%	-	22,889,512
0.00%	-	-
0.00%	-	-
0.13%	12,815,272	30,381,457
0.95%	95,069,242	94,791,699
100.00%	10,026,448,002	11,784,441,057
-	-	-
100.00%	10,026,448,002	11,784,441,057

7.05 Classification of Loans & advances as per Bangladesh Bank circular

Unclassified

Standard

Special Mention Account (SMA)

Sub Total

Classified

Sub-standard (SS)

Doubtful (DF)

Bad/ Loss (BL)

Sub Total

Total

	2023	2022	2023	2022
Standard	33.53%	41.64%	3,362,338,891	4,906,464,703
Special Mention Account (SMA)	7.57%	12.00%	758,994,154	1,413,602,333
Sub Total	41.10%	53.63%	4,121,333,045	6,320,067,036
Sub-standard (SS)	0.37%	3.13%	37,546,495	369,045,692
Doubtful (DF)	0.79%	2.11%	79,229,856	248,739,085
Bad/ Loss (BL)	57.73%	41.13%	5,788,338,606	4,846,589,244
Sub Total	58.90%	46.37%	5,905,114,957	5,464,374,021
Total	100%	100%	10,026,448,002	11,784,441,057

7.06 Details of Large Loans & Advances

As per DFIM circular No.-10, dated 5 September, 2011, outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was BDT 2,727,576,181 as on 31 December, 2023 whereas BDT 2,489,921,087 as on 31 December, 2022.

Number of Clients
Outstanding Amount
Classified Amount
Measures taken for recovery

7	6
2,727,576,181	2,489,921,087
1,181,913,814	737,883,164
-	-

	2023	2022
	BDT	BDT
7.07 Particulars of Loans & Advances		
1. Loans & advances considered good in respect of which the company is fully secured	4,803,022,048	5,015,501,026
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	3,167,920,203	4,039,019,509
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	1,830,569,362	2,459,634,464
4. Loans & advances adversely classified for which provision has not been maintained	-	-
5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	-	-
6. Loans & advances due from companies or firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	212,836,344	244,456,310
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	12,100,045	25,829,747
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	812,727,279	1,089,298,384
b. Amount of loans & advances written off	-	-
c. Amount of collection against written of loans & advances	74,356,000	18,101,160
d. Interest credited to interest suspense account	384,666,426	325,364,392
11. Loans & advances written off:		
a. Current year	(103,856,127)	(65,060,690)
b. Cumulative to date	444,082,162	547,938,289
c. Amount of written off loans for which law suits have been filed	444,082,162	547,938,289
7.08 Bills Discounted and Purchased		
Inside Bangladesh	111,843,632	106,241,692
Outside Bangladesh	-	-
Total	111,843,632	106,241,692
7.09 Maturity grouping of Bills Discounted and Purchased		
Within 1 month	2,482,929	2,358,566
Over 1 month but within 3 months	26,864,840	25,519,254
Over 3 months but within 6 months	32,166,229	30,555,111
Over 6 months	50,329,634	47,808,761
Total	111,843,632	106,241,692
7.a Consolidated Loans & Advances		
IIDFC PLC	10,026,448,002	11,784,441,057
IIDFC Securities Limited (Note-7.a.1)	1,532,315,581	1,497,438,699
IIDFC Capital Limited (Note-7.a.2)	594,845,507	625,908,701
	12,153,609,090	13,907,788,457
Less: Inter Company Loans & Advances		
IIDFC Securities Limited	212,624,544	244,244,510
IIDFC Capital Limited	-	-
	212,624,544	244,244,510
Total	11,940,984,546	13,663,543,947
7.a.1 Loans & Advance of IIDFC Securities Limited		
Margin Loan	1,532,315,581	1,497,438,699
7.a.2 Loans & Advance of IIDFC Capital Limited		
Margin loan	594,845,507	625,908,701

	2023	2022
	BDT	BDT
8.00 Fixed assets including premises, furniture & fixtures etc.		
Own Finance		
A. Cost		
Motor Vehicles	10,870,000	8,812,000
Furniture & Fixtures	30,825,184	32,941,283
Office Equipments	49,420,469	51,760,446
Right-of-use asset	104,409,599	68,497,432
Total	195,525,252	162,011,161
B. Less: Accumulated Depreciation		
Motor Vehicles	8,249,200	8,812,000
Furniture & Fixtures	21,626,769	20,956,953
Office Equipments	41,669,763	40,164,826
Right-of-use asset	71,846,777	54,259,797
Total	143,392,509	124,193,576
C. Written Down Value at the end of the year (A-B)	52,132,743	37,817,585
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 of premises, furniture & fixtures etc. (C+F)	52,132,743	37,817,585
8.01 Intangible asset - computer software (Details in Annexure-1)		
Cost	12,580,818	11,040,818
Add: Addition during the year	367,500	1,540,000
Less: Adjustment during the year	-	-
Less: Accumulated amortization	11,494,395	10,238,955
H. Net book value at the end of the year	1,453,923	2,341,863
I. Grand total of Fixed assets including premises, furniture & fixtures etc.(G+H)	53,586,666	40,159,448
Details of Property, Plant & Equipments has been presented in Annexure-I		
8.a Consolidated fixed assets including premises, furniture & fixtures etc.(Details in Annexure-1.a)		
IIDFC PLC	53,586,666	40,159,448
IIDFC Securities Limited (Note-8.a.1 & 8.1.a)	9,156,366	9,751,002
IIDFC Capital Limited (Note-8.a.2 & 8.1.a)	322,646	300,739
Total	63,065,678	50,211,189
8.a.1 Fixed assets including premises, furniture & fixtures etc. of IIDFC Securities Limited		
A. Cost		
Motor vehicles	-	358,141
Furniture & fixtures	16,485,212	16,352,458
Office equipments	19,468,293	19,358,867
Total	35,953,505	36,069,466
B. Less: Accumulated depreciation		
Motor vehicles	-	358,141
Furniture & fixtures	12,410,941	11,854,133
Office equipments	15,347,987	14,106,190
Total	27,758,928	26,318,464
C. Written down value at the end of the year (A-B)	8,194,577	9,751,002

	2023	2022
	BDT	BDT
8.a.2 Fixed assets including premises, furniture & fixtures etc. of IIDFC Capital Limited		
A. Cost		
Motor vehicles	1,250,000	1,250,000
Furniture & fixtures	819,914	819,914
Office equipments	4,047,282	3,954,528
Total	6,117,196	6,024,442
B. Less: Accumulated depreciation		
Motor vehicles	1,250,000	1,249,994
Furniture & fixtures	819,914	819,896
Office equipments	3,724,646	3,653,823
Total	5,794,560	5,723,713
C. Written down value at the end of the year (A-B)	322,636	300,729
8.1.a Consolidated intangible asset (Details in Annexure-1.a)		
IIDFC PLC	1,453,923	2,341,863
IIDFC Securities Limited	961,789	-
IIDFC Capital Limited	10	10
Total	2,415,722	2,341,873
9.00 Other assets		
Investment in shares of subsidiary companies:		
In Bangladesh	1,534,862,970	1,534,862,970
Outside Bangladesh	-	-
Advance rent and advertisement	-	-
Interest accrued on investment, commissions and other receivables & branch adjustment	37,986,429	107,403,608
Security deposits	65,463	67,463
Preliminary expenses, renovation, development and prepaid expenses	1,117,989	1,672,726
Balance with BO account	114,055	853,144
Others (Note 9.1)	1,417,260,810	1,430,462,188
Total	2,991,407,716	3,075,322,099
9.01 Others		
Interest receivable	314,704,910	321,427,016
Deferred receivable	977,978	1,205,858
Advance for travelling	-	-
Deferred Tax (Note 9.1.1)	3,710,721	4,348,016
Advance for suppliers	6,368,862	6,466,444
Advance tax	699,023,466	691,867,414
Commission on bank guarantee	118,405	118,405
Others receivable	392,356,468	405,029,035
Total	1,417,260,810	1,430,462,188
9.1.1 Deferred tax		
Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12: "Income Taxes".		
9.a Consolidated other assets		
IIDFC PLC	2,991,407,716	3,075,322,099
IIDFC Securities Limited (Note-9.a.1)	339,471,506	328,027,069
IIDFC Capital Limited (Note-9.a.2)	82,973,849	88,134,424
Total	3,413,853,071	3,491,483,592
Less: Inter company investment		
IIDFC Securities Limited	999,874,970	999,874,970
IIDFC Capital Limited	599,988,000	599,988,000
Total	1,599,862,970	1,599,862,970
Total	1,813,990,101	1,891,620,622
9.a.1 Other assets of IIDFC Securities Limited		
Cost of TREC holding	85,978,830	85,978,830
Advance rent	1,564,469	1,739,529
Stamp in hand	-	-
Security deposits	468,456	468,456
Advance tax	239,000,100	218,528,469
Others	12,459,651	21,311,785
Total	339,471,506	328,027,069

	2023	2022
	BDT	BDT
9.a.2 Other assets of IIDFC Capital Limited		
License fee	30,196,209	30,196,209
Receivable from brokerage houses	-	7,985
Security deposits	200,000	200,000
Advance tax	51,469,790	51,112,061
Deferred tax assets	55,603	61,682
Others	1,052,247	6,556,487
Total	82,973,849	88,134,424
10.00 Non-banking assets	4,987,820	12,287,820
This represents assets owned under the 'Certificate of Ownership' given by the competent court under section 33(7) of Artha Rin Adalat Ain 2003.		
11.00 Borrowings from other banks, financial Institutions & agents		
Inside Bangladesh:		
Refinance against SME and other loans from Bangladesh Bank	1,175,421,599	1,351,417,637
From other scheduled Banks (Note - 11.01)	4,316,890,331	4,462,688,464
Sub Total	5,492,311,930	5,814,106,101
Outside Bangladesh	-	-
Total	5,492,311,930	5,814,106,101
11.01 From other scheduled banks & financial institutions		
Long term loan		
Social Islami Bank PLC.	-	66,339,933
Shahjalal Islami Bank PLC.	452,080,322	481,471,379
Pubali Bank PLC.	909,721,497	928,556,317
Uttara Bank PLC.	363,440,783	417,242,754
NCC Bank PLC.	49,938,449	74,798,262
Trust Bank PLC.	472,774,427	486,049,297
Midland Bank PLC.	122,972,801	137,292,478
National Bank PLC.	69,743,009	-
Sub-Total	2,440,671,286	2,591,750,420
Short term loan, overdraft and money at call & short notice		
Sonali Bank PLC.	77,500,000	82,600,000
Mutual Trust Bank PLC.	571,868,730	509,961,771
SBAC bank PLC.	16,600,000	43,300,000
Lankan Alliance Finance Limited	-	-
Pubali Bank PLC.	201,050,315	201,576,273
City Bank PLC.	806,300,000	817,500,000
NCC Bank PLC.	202,900,000	216,000,000
Sub-Total	1,876,219,045	1,870,938,044
Grand Total	4,316,890,331	4,462,688,464
Security against borrowings from other banks, financial institutions and agents		
Secured	3,563,971,286	3,771,150,420
Unsecured	752,919,045	691,538,044
Total	4,316,890,331	4,462,688,464

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

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

Payable on demand	1,422,847,053	1,470,902,118
Up to 1 month	996,338,288	1,029,988,497
Over 1 month but within 6 months	742,505,137	767,582,416
Over 6 months but within 1 year	480,469,894	496,697,226
Over 1 year but within 5 years	221,024,785	228,489,649
Over 5 years	453,705,174	469,028,558
Total	4,316,890,331	4,462,688,464

	2023	2022
	BDT	BDT
11.a Consolidated borrowings from other banks, financial Institutions & agents Inside Bangladesh		
IIDFC PLC	5,492,311,930	5,814,106,101
IIDFC Securities Limited (Note-11.a.1)	443,277,211	401,105,712
IIDFC Capital Limited (Note-11.a.2)	22,796,064	44,441,092
	5,958,385,205	6,259,652,905
Less: Inter company borrowings		
IIDFC Securities Limited	212,624,544	244,244,510
IIDFC Capital Limited	-	-
	212,624,544	244,244,510
Total	5,745,760,661	6,015,408,395
11.a.1 Borrowings of IIDFC Securities Limited		
Inside Bangladesh		
IIDFC PLC	212,624,544	244,244,510
Investment Corporation of Bangladesh	101,104,790	80,467,053
ONE Bank Limited	36,101,050	51,222,592
Mercantile Bank	93,446,827	25,171,557
Total	443,277,211	401,105,712
11.a.2 Borrowings of IIDFC Capital Limited		
IIDFC PLC	-	-
Investment Corporation of Bangladesh (ICB)	22,796,064	44,441,092
Standard Bank Ltd.	-	-
Total	22,796,064	44,441,092
12.00 Deposits & other accounts		
Deposits from banks and financial institutions (Note-12.01)	1,443,000,000	1,350,000,000
Deposits from customers	3,834,396,725	5,120,220,111
Sub-Total	5,277,396,725	6,470,220,111
Other deposit	2,166,731	2,196,515
Grand Total	5,279,563,456	6,472,416,626

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

12.01 Deposits from banks and financial institutions

Agrani Bank PLC.	200,000,000	200,000,000
Prime Finance & Investment Limited	90,000,000	90,000,000
BRAC Bank PLC.	100,000,000	-
City Bank PLC.	-	-
Sonali Bank PLC.	200,000,000	200,000,000
Janata Bank PLC.	200,000,000	200,000,000
Mercantile Bank PLC.	-	-
Shahjalal Islami Bank PLC.	135,000,000	135,000,000
Shimanto Bank PLC.	368,000,000	375,000,000
NCC Bank PLC.	-	-
NRBC Bank PLC.	50,000,000	50,000,000
Bangladesh Finance Limited	100,000,000	100,000,000
Modhumoti Bank PLC.	-	-
	1,443,000,000	1,350,000,000

12.02 Maturity grouping of deposits & other accounts

Payable on demand	-	-
Up to 1 month	287,744,468	352,756,831
Over 1 month but within 6 months	1,362,751,035	1,670,648,062
Over 6 months but within 1 year	2,089,680,486	2,561,818,384
Over 1 year but within 5 years	1,354,703,727	1,660,782,563
Over 5 years but within 10 years	184,683,740	226,410,786
Over 10 years	-	-
Total	5,279,563,456	6,472,416,626

12.a Consolidated Deposits & Other Accounts

IIDFC PLC	5,277,396,725	6,470,220,111
IIDFC Securities Limited	-	-
IIDFC Capital Limited (Note-12.a.1)	-	-
Sub Total	5,277,396,725	6,470,220,111
Other Deposit	2,166,731	2,196,515
Total	5,279,563,456	6,472,416,625

	2023	2022
	BDT	BDT
12.a.1 Deposits & Other Accounts of IIDFC Capital Limited		
Deposits from Banks	-	-
Deposits from Customers	-	-
Total	-	-
13.00 Other Liabilities		
Finance loss reserve (Note 13.01)	4,419,268,522	3,622,459,262
Deferred tax	581,569	936,745
Interest suspense account (Note 13.02)	1,367,005,966	982,339,540
Lease rental advance	11,548,131	16,961,683
Provision for current tax (Note 38)	674,157,489	669,157,489
Liabilities for financial expenses	48,216,974	68,504,944
Liabilities for expenses	38,026,525	27,848,186
Liabilities for other finance	-	-
Lease liability	26,098,739	9,819,181
Total	6,584,903,915	5,398,027,030
13.01 Finance Loss Reserve		
Specific Provision on Classified Loans & Advances		
Opening Balance	2,288,799,961	1,200,936,903
Less: Provision fully provided loans & advances written-off during the year	-	-
Add: Specific provision provided during the year	855,033,146	1,087,863,058
Closing balance	3,143,833,107	2,288,799,961
Provision for diminution in value of Investments		
Opening Balance	136,444,879	122,196,664
Add: Provision during the year	(5,720,543)	14,248,215
Closing Balance	130,724,336	136,444,879
General Provision on unclassified Loans & Advances		
Opening balance	104,666,211	103,230,886
Add: General provision provided during the year	(42,305,867)	1,435,325
Closing Balance	62,360,344	104,666,211
Additional provision	34,393,806	31,724,555
Other provision	1,047,956,928	1,060,823,655
Total	4,419,268,522	3,622,459,262

Particulars of required provision for Loans and Advances

Status of classification

Unclassified (General provision)

Status of classification	Base for provision	Rate	2023	2022
Standard - other than SME	2,198,585,245	1.0%	21,985,852	30,732,982
Standard - SME	429,327,270	0.25%	1,073,318	2,764,226
Standard - Own or Other brokerage house	212,836,344	2.00%	4,256,727	4,889,126
Special mention account (SMA)	700,888,930	5.0%	35,044,447	66,288,072
Total	3,541,637,789		62,360,344	104,674,406

Classified (Specific provision)

Sub-standard (SS)	324,348,065	20.0%	64,869,613	96,768,128
Doubtful (DF)	54,450,205	50.0%	27,225,103	201,642,496
Bad/ loss (BL)	3,400,072,372	100.0%	3,400,072,372	2,569,431,044
Total	3,778,870,642		3,492,167,088	2,867,841,668

Required provision for Investments

Additional provision (Note-13.1.a)	34,393,806	31,724,555
Other provision (Note-13.1.b & 13.1.b.1)	1,047,956,928	1,060,823,655

Total provision required

Total provision made

Excess /(Shortage) provision made

Total provision required	4,767,602,502	4,201,509,163
Total provision made	4,419,268,522	3,622,459,262
Excess /(Shortage) provision made	(348,333,980)	(579,049,901)

IIDFC has kept provision according to the time plan approved by Bangladesh Bank. The rest of the provision required to be kept of BDT 348.33 million will be absorbed by IIDFC during the next one year.

13.1.a Additional provision

Opening Balance	31,724,555	34,065,109
Add: Provision amount during the year	6,808,672	-
Less: Amount closing/adjusted during the year	(4,139,421)	(2,340,554)
Closing Balance	34,393,806	31,724,555

	2023	2022
	BDT	BDT
13.1.b Other provision		
Opening Balance	36,293,115	9,201,548
Add: Provision amount during the year	-	28,434,558
Less: Amount closing/adjusted during the year	(602,942)	(1,342,991)
Closing Balance	35,690,173	36,293,115
13.1.b.1 Other provision as per Bangladesh Bank		
Provision against equity investment in subsidiaries	320,000,000	320,000,000
Provision against deferred receivable	977,973	602,929
Provision against other assets	691,288,782	703,927,614
Closing Balance	1,012,266,755	1,024,530,543
13.02 Interest suspense account		
Opening Balance	982,339,540	656,975,148
Add: Amount transferred to interest suspense account during the year	384,666,426	325,364,392
Less: Amount written-off during the year	-	-
Closing Balance	1,367,005,966	982,339,540

IIDFC has kept interest suspense according to the time plan approved by Bangladesh Bank. The rest of the amount of interest suspense required to be kept of BDT 312.40 million will be absorbed by IIDFC during the next one years.

13.a Other Liabilities

IIDFC PLC	6,584,903,915	5,398,027,030
IIDFC Securities Limited (Note-13.a.1)	1,032,329,909	851,309,533
IIDFC Capital Limited (Note-13.a.2)	255,386,244	245,685,216
	7,872,620,068	6,495,021,779
Less: Inter company liabilities		
IIDFC Securities Limited	-	-
IIDFC Capital Limited	-	-
Total	7,872,620,068	6,495,021,779

13.a.1 Other Liabilities of IIDFC Securities Limited

Provision for loans & advances-margin loan	70,525,957	39,286,598
Provision for current tax	227,389,272	207,955,655
Payable to clients	377,198,096	225,323,287
Payable to merchant Banks (City Bank Capital, SEB Capital & IIDFC Capital)	-	7,985
Payable to DSE	7,821,275	34,361
Interest suspense account	305,812,720	342,153,310
Liability for expenses	28,934,407	22,194,873
Reserve for risk fund	1,416,667	1,316,667
Provision for diminution in value of investments	13,231,515	13,036,797
Total	1,032,329,909	851,309,533

As per BSEC's directive no. BSEC/SRI/NE/2020/333 dated 27 March 2023 and BSEC/SMMID/NE/2023/840 dated 22 October 2023; loans loss reserve has been maintained including interest suspense for BDT 361,015,521 which is equivalent to 40.93%.

13.a.2 Other liabilities of IIDFC Capital Limited

Finance loss reserve	171,598,330	171,598,330
Provision for diminution in value of investment	10,877,877	10,877,877
Current tax liability	53,810,422	53,676,055
Liability for financial expenses (Portfolio Investors' Fund)	16,146,831	8,578,105
Liability for expenses	1,202,581	954,849
Payable to stock broker	1,750,203	-
Total	255,386,244	245,685,216

Loan loss reserve has been maintained following the BSEC directive no. SEC/CMRRC/2009-193/196 dated 28 December 2016 and subsequent directive number BSEC/SRI/NE/2020/606 dated 28 December 2022 and BSEC/SMMID/NE/2023/840 dated 22 October 2023.

14.00 Share Capital

Authorized Capital

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

Subscribed & Paid-up Capital:

(173,777,068 shares of Tk. 10 each)

Paid-up Share Capital as on 31 December, 2023 comprises the followings

Public Sector

Name of Shareholders

Sonali Bank Limited

Janata Bank Limited

Investment corporation of Bangladesh

Private sector

AB Bank Ltd.

Bank Asia Ltd.

BRAC Bank Ltd.

City Bank Ltd.

Mutual Trust Bank Ltd.

National Bank Ltd.

ONE Bank Ltd.

Southeast Bank Ltd.

Eastland Insurance Co. Ltd.

National Life Insurance Co. Ltd.

Pragati Insurance Ltd.

Mr. Md. Matiul Islam

Total

	2023	2022
	BDT	BDT
Authorized Capital	5,000,000,000	5,000,000,000
Subscribed & Paid-up Capital	1,737,770,680	1,737,770,680

	No. of Shares	Value	Percentage
Sonali Bank Limited	13,380,903	133,809,030	7.70%
Janata Bank Limited	13,380,903	133,809,030	7.70%
Investment corporation of Bangladesh	13,380,903	133,809,030	7.70%
Public Sector Total	40,142,709	401,427,090	23.10%
AB Bank Ltd.	2,667,923	26,679,230	1.54%
Bank Asia Ltd.	13,380,903	133,809,030	7.70%
BRAC Bank Ltd.	10,449,259	104,492,590	6.01%
City Bank Ltd.	13,380,903	133,809,030	7.70%
Mutual Trust Bank Ltd.	13,380,903	133,809,030	7.70%
National Bank Ltd.	13,380,903	133,809,030	7.70%
ONE Bank Ltd.	13,380,903	133,809,030	7.70%
Southeast Bank Ltd.	10,449,259	104,492,590	6.01%
Eastland Insurance Co. Ltd.	10,449,259	104,492,590	6.01%
National Life Insurance Co. Ltd.	13,380,903	133,809,030	7.70%
Pragati Insurance Ltd.	13,380,903	133,809,030	7.70%
Mr. Md. Matiul Islam	5,952,338	59,523,380	3.43%
Private Sector Total	133,634,359	1,336,343,590	76.90%
Total	173,777,068	1,737,770,680	100.00%

14.01 Capital adequacy

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

Paid up capital	1,737,770,680	1,737,770,680
Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
Excess/(Shortage) capital	737,770,680	737,770,680

14.02 Capital adequacy and market discipline

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

Tier-1 (Core Capital)

Fully paid-up capital/ capital lien with BB

Statutory reserve

Non-repayable share premium account (share money deposits)

General reserve

Retained earnings

Minority interest in subsidiaries

Non-cumulative irredeemable preference shares

Dividend equalization account

Other (if any item approved by Bangladesh Bank)

Sub-Total

Fully paid-up capital/ capital lien with BB	1,737,770,680	1,737,770,680
Statutory reserve	371,950,483	371,950,483
Non-repayable share premium account (share money deposits)	-	-
General reserve	50,800,000	50,800,000
Retained earnings	(5,551,631,967)	(3,881,868,583)
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	(3,391,110,804)	(1,721,347,419)

	2023	2022
	BDT	BDT
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	(3,391,110,804)	(1,721,347,419)
2. Tier-2 (Supplementary capital)		
General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)	142,992,998	164,812,152
Assets revaluation reserves up to 50%	-	-
Revaluation reserve for securities up to 50%	-	-
All other preference shares	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	142,992,998	164,812,152
Deductions, if any	-	-
Total eligible Tier-2 capital	142,992,998	164,812,152
A Total capital	(3,248,117,806)	(1,556,535,267)
B Total risk weighted asset	11,946,615,800	14,231,872,989
C Required capital	1,194,661,580	1,423,187,299
D Surplus / (Deficit)	(4,442,779,386)	(2,979,722,564)
Capital adequacy ratio (CAR)	-27.19%	-10.94%
On core capital (Tier-1)	-28.39%	-12.10%
On supplementary capital (Tier-2)	1.20%	1.16%
15 Statutory reserve		
Opening balance	371,950,483	371,950,483
Add: Addition during the year	-	-
Closing balance	371,950,483	371,950,483
In compliance with the clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserve is less than the paid up capital of that financial institution.		
16.00 General reserve		
Opening Balance	50,800,000	50,800,000
Add: Addition during the year	-	-
Closing balance	50,800,000	50,800,000
General reserve represents reserve for mitigating general and contingent situation which are unforeseen or uncertain relating to the Company and its stakeholders.		
16.a Consolidated general reserve		
IIDFC PLC	50,800,000	50,800,000
IIDFC Securities Limited	17,501,840	17,242,477
IIDFC Capital Limited	164,075	164,075
	68,465,915	68,206,552
17.00 Share Money Deposit		
Opening balance	-	-
Add: Addition during the year	-	-
Less: Transfer as Right share and include in Paid-up Capital	-	-
Closing balance	-	-

	2023	2022
	BDT	BDT
18.00 Stock dividend		
Opening balance	-	-
Add: Stock dividend	-	-
Less: Converted into paid up capital	-	-
Closing balance	-	-
18.a Consolidated stock dividend		
IIDFC PLC	-	-
IIDFC Securities Ltd.	-	-
IIDFC Capital Limited	-	-
	-	-
19.00 Retained earnings		
Opening balance	(3,881,868,583)	(944,940,927)
Less: Non-divisible profit	-	-
Net profit during the year	(1,669,763,385)	(2,936,927,655)
Less: Statutory reserve	-	-
Less: General reserve	-	-
Less: Stock Dividend for the year	-	-
Closing balance	(5,551,631,967)	(3,881,868,583)
19.a Consolidated Retained earnings		
IIDFC PLC	(5,551,631,967)	(3,881,868,583)
IIDFC Securities Limited (Note-19.a.1)	115,149,691	112,464,445
IIDFC Capital Limited (Note-19.a.2)	(58,789,859)	(23,722,578)
Sub-Total	(5,495,272,135)	(3,793,126,716)
Less: Non-controlling interest	13,221	13,587
Total	(5,495,285,357)	(3,793,140,303)
19.a.1 Retained earnings of IIDFC Securities Ltd.		
Opening balance	112,464,445	110,113,292
Add: Prior year adjustment	-	-
Add: Net profit during the year	2,944,609	2,593,630
Less: Transfer to capital/general reserve	259,363	242,477
Closing balance	115,149,691	112,464,445
19.a.2 Retained earnings IIDFC Capital Ltd.		
Opening balance	(23,722,578)	(25,321,211)
Add: Net profit during the year	(35,067,281)	1,762,708
Less: Transfer to capital/general reserve	-	164,075
Closing balance	(58,789,859)	(23,722,578)
19.a.3 Non-controlling interest		
Share capital	137,030	137,030
Retained earnings	13,221	13,587
General reserve	2,126	2,126
Closing balance	152,377	152,742

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

	2023	2022
	BDT	BDT
20.00 Contingent liabilities & capital expenditure commitments		
In the normal course of business, the Company makes various commitments and incurs certain contingent liabilities. No material losses are anticipated as a result of these transactions. These contingent liabilities and business commitments are quantified below:		
Letter of guarantee:		
Money for which the company is contingently liable in respect of guarantees given favouring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others (Note-20.01)	200,562,022	202,396,222
Sub Total	200,562,022	202,396,222
Letter of credit:		
For import of equipments under lease finance	-	-
Sub-Total	-	-
Total	200,562,022	202,396,222
20.01 Others		
Bank Guarantee-Non Funded	200,562,022	200,562,022
	200,562,022	200,562,022
20.02 Capital expenditure commitments		
There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2023, or no capital expenditure authorized by the Board but not contracted as on 31 December, 2023.		
21.00 Interest income		
Interest income from balance with other banks & financial institutions	684,021	744,448
Interest income from lease finance	(93,718,847)	1,545,900
Interest income from direct/ term finance	282,786,427	421,124,411
Interest income from FDR placement	19,917,690	22,061,913
Interest income from bills discounted & purchased	790,706	2,588,985
Total	210,459,997	448,065,657
21.a Consolidated interest income		
IIDFC PLC	210,459,997	448,065,657
IIDFC Securities Limited (Note-21.a.1)	92,188,394	80,368,405
IIDFC Capital Limited (Note-21.a.2)	13,459,605	11,612,364
	316,107,996	540,046,426
Less: Inter company transaction		
IIDFC Securities Limited	26,860,452	32,059,005
IIDFC Capital Limited	-	-
	26,860,452	32,059,005
Total	289,247,544	507,987,421
21.a.1 Interest income of IIDFC Securities Limited		
Interest income from margin loan	89,453,301	77,973,972
Interest Income from FDR	-	-
Interest Income from Staff loan	4,769	20,917
Interest income from balance with other banks	2,730,324	2,373,516
Total	92,188,394	80,368,405
21.a.2 Interest income of IIDFC Capital Limited		
Interest income from margin loan	13,459,605	11,612,364
Interest income from balance with other banks & financial institutions	-	-
Total	13,459,605	11,612,364
22.00 Interest paid on deposits, borrowings etc.		
Interest on deposits		
Fixed deposits	230,229,975	209,752,191
Short-term deposits	271,407,937	454,579,065
Other deposits	-	-
	501,637,913	664,331,256
Interest on borrowings		
For borrowings from other banks, financial institutions		
Long term loan	293,945,821	255,608,894
Overdraft facilities	66,605,074	59,013,792
Money at call and short notice	108,143,080	25,830,687
	468,693,975	340,453,373
Interest on lease rent	2,233,988	2,078,220
Total	972,565,876	1,006,862,849

	2023	2022
	BDT	BDT
22.a Consolidated interest paid on deposits, borrowings etc.		
IIDFC PLC	972,565,876	1,006,862,849
IIDFC Securities Limited (Note-22.a.1)	39,166,800	42,467,311
IIDFC Capital Limited (Note-22.a.2)	1,455,660	1,406,869
	1,013,188,336	1,050,737,029
Less: Inter company transaction		
IIDFC Securities Limited	26,860,452	32,059,005
IIDFC Capital Limited	-	-
	26,860,452	32,059,005
Total	986,327,884	1,018,678,024
22.a.1 Interest paid on deposits, borrowings etc. of IIDFC Securities Limited		
Interest on borrowing from IIDFC Ltd .	26,860,452	32,059,005
Interest on borrowing from bank & other financial institutions	12,306,348	10,408,306
Total	39,166,800	42,467,311
22.a.2 Interest paid on deposits, borrowings etc. of IIDFC Capital Limited		
Interest on borrowing from bank & other financial institutions	-	-
Interest on Demand Loan	1,455,660	1,406,869
Total	1,455,660	1,406,869
23.00 Income from investment		
Capital gain	(1,089,607)	2,175,554
Interest income from Bond & Others	7,220,015	3,412,668
Interest income from Unit Fund and other investment	1,481,600	913,391
Dividend income	9,312,618	16,570,275
Total	16,924,626	23,071,888
23.a Consolidated income from investment		
IIDFC PLC	16,924,626	23,071,888
IIDFC Securities Limited (Note-23.a.1)	1,052,779	31,635,251
IIDFC Capital Limited (Note-23.a.2)	(29,853,749)	5,418,352
Total	(11,876,344)	60,125,491
23.a.1 Income from investment of IIDFC Securities Limited		
Dividend income	3,246,797	2,164,532
Capital gain on investment in securities	(2,194,018)	29,470,719
Total	1,052,779	31,635,251
23.a.2 Income/(Loss) from investment of IIDFC Capital Limited		
Dividend income	671,836	4,317,923
Capital gain/(loss) on investment in securities	(30,525,585)	1,100,429
Total	(29,853,749)	5,418,352
24.00 Commission, exchange and brokerage		
Commission on securities trading	-	-
Total	-	-
24.a Consolidated income from commission, exchange and brokerage		
IIDFC PLC	-	-
IIDFC Securities Limited	88,108,130	111,459,911
IIDFC Capital Limited	3,214,960	4,182,464
Total	91,323,090	115,642,375
25.00 Other operating income		
Syndication fee income	1,304,348	1,275,652
Bank guarantee income	-	-
Carbon finance income	-	17,216,935
Application & processing fees	198,935	309,739
Transfer fees	91,873	71,292
Notice charge	141,470	1,305,932
Profit from sale of fixed assets	808,450	(535,816)
Cancellation charges	-	(625,557)
Other income	81,081,866	20,595,250
Total	83,626,942	39,613,427

	2023	2022
	BDT	BDT
25.a Consolidated other operating income		
IIDFC PLC	83,626,942	39,613,427
IIDFC Securities Limited (Note-25.a.1)	7,155,602	8,519,965
IIDFC Capital Limited (Note-25.a.2)	1,639,676	268,024
Total	92,422,220	48,401,416
25.a.1 Other operating income of IIDFC Securities Limited		
BO & trading accounts maintenance income	595,475	652,035
Income against CDBL charges	-	-
Gain on disposal of assets	692,644	46,520
Cheque dishonour charges	23,000	39,000
Others	339,758	223,721
Income from dealer account	5,504,725	7,558,689
Reversal of payable to SBCSL	-	-
Total	7,155,602	8,519,965
25.a.2 Other operating income of IIDFC Capital Limited		
Non Operating Income	1,639,676	268,024
Underwriting commission	-	-
Service Charge & Commission	-	-
Total	1,639,676	268,024
26.00 Salaries & allowances		
Basic salary	61,230,931	91,917,976
Allowances	40,969,637	59,482,726
Festival bonus	9,733,547	12,973,728
Company's contribution provident fund	(6,985,536)	7,143,407
Group insurance	2,445,690	3,885,447
Retirement benefits & gratuity	11,000,000	10,000,000
Total	118,394,269	185,403,284

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

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

26.a Consolidated salaries & allowances

IIDFC PLC	118,394,269	185,403,284
IIDFC Securities Limited (Note-26.a.1)	60,534,443	60,929,018
IIDFC Capital Limited (Note-26.a.2)	12,308,661	13,014,374
Total	191,237,373	259,346,676

26.a.1 Salaries & allowances of IIDFC Securities Limited

Basic salary	20,451,619	17,047,734
Allowances	16,631,514	12,919,909
Bonus	5,003,706	5,675,696
Company's contribution to provident fund	1,815,036	1,448,777
Group insurance	767,416	684,368
Retirement benefits & gratuity	564,560	2,136,723
Leave fare assistance	1,513,221	1,197,370
Leave encashment	930,674	2,901,358
Associate salary	10,984,697	13,878,582
Casual staff salary	1,872,000	2,020,341
Employees recreation	-	1,018,160
Total	60,534,443	60,929,018

26.a.2 Salaries & allowances of IIDFC Capital Limited

Basic salary	5,502,120	5,948,685
Allowances	4,235,029	4,359,187
Bonus	901,676	934,000
Company's contribution provident fund	523,588	472,500
Group Insurance	111,777	236,914
Cleaning staff salary	105,877	90,000
Retirement benefits & gratuity	271,927	467,000
Leave fare assistance	474,910	440,778
Leave encashment	181,757	-
Others	-	65,310
Total	12,308,661	13,014,374

	2023	2022
	BDT	BDT
27.00 Rent, taxes, insurance, electricity etc.		
Office rent	4,027,461	4,942,149
Rate & taxes	285,948	769,050
Insurance payment	154,842	171,832
Electricity, gas and water	2,924,435	3,486,575
Total	7,392,686	9,369,606
27.1 Disclosure related to office rent:		
Actual rent expenses	23,848,429	25,491,156
Less: Reclassification of rent expenses (as per IFRS-16: Leases)	19,820,968	20,549,007
Rent expense as reported	4,027,461	4,942,149
In addition the above mentioned change in rent expense, implementation of IFRS-16 has resulted in charging of depreciation against Right-of-use asset as disclose in Annexure-I and of interest expense on lease rent as disclosed in note-22		
27.a Consolidated rent, taxes, insurance, electricity etc.		
IIDFC PLC	7,392,686	9,369,606
IIDFC Securities Limited (Note-27.a.1)	9,928,077	8,844,240
IIDFC Capital Limited (Note-27.a.2)	1,181,191	1,132,069
Total	18,501,954	19,345,915
27.a.1 Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited		
Rent, rates and taxes	8,821,247	8,075,238
Insurance	21,985	17,210
Electricity, gas and water	1,084,845	751,792
Total	9,928,077	8,844,240
27.a.2 Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited		
Rent, rates and taxes	848,700	828,000
Water, gas and other bills	149,043	144,000
Electricity bill	183,448	160,069
Total	1,181,191	1,132,069
28.00 Legal expenses		
Professional charges	1,368,044	1,383,741
Legal expenses	4,701,786	5,222,242
Total	6,069,830	6,605,983
28.a Consolidated legal expenses		
IIDFC PLC	6,069,830	6,605,983
IIDFC Securities Limited	1,147,730	1,396,042
IIDFC Capital Limited	109,375	495,625
Total	7,326,935	8,497,650
29.00 Postage, stamp, telecommunications etc.		
Postage and courier	96,796	119,993
Phone, fax & internet	3,250,819	3,995,997
Total	3,347,615	4,115,990
29.a Consolidated postage, stamp, telecommunications etc.		
IIDFC PLC	3,347,615	4,115,990
IIDFC Securities Limited	2,215,110	1,964,758
IIDFC Capital Limited	276,939	272,696
Total	5,839,664	6,353,444
30.00 Stationery, printing, advertisement etc.		
Printing & stationery	2,358,783	2,634,284
Advertisement	1,411,361	2,358,134
Total	3,770,144	4,992,418
30.a Consolidated stationery, printing, advertisement etc.		
IIDFC PLC	3,770,144	4,992,418
IIDFC Securities Limited	1,243,776	1,191,465
IIDFC Capital Limited	83,205	226,382
Total	5,097,125	6,410,265

	2023	2022
	BDT	BDT
31.00 Managing director's salary and fees		
Basic salary	3,630,000	3,630,000
House rent allowance	1,815,000	1,815,000
Medical allowance	181,500	181,500
Entertainment allowance	181,500	181,500
Festival bonus	605,000	605,000
Car allowance (Note-36.1)	840,618	812,451
Group insurance	264,862	264,862
Leave fare assistance	-	-
Earned leave	-	-
Others	60,000	60,000
Total	7,578,480	7,550,313

32.00 Directors' Fees		
Directors' fees	936,000	1,464,000
Others Benefits	-	-
Total	936,000	1,464,000

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

32.a Consolidated directors' fees

IIDFC PLC	936,000	1,464,000
IIDFC Securities Limited	211,200	378,400
IIDFC Capital Limited	228,600	238,000
Total	1,375,800	2,080,400

33.00 Auditor's fees	552,000	679,420
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33.a Consolidated auditor's fees

IIDFC PLC	552,000	679,420
IIDFC Securities Limited	166,750	161,000
IIDFC Capital Limited	201,250	172,500
Total	920,000	1,012,920

34.00 Loans & advances written-off

Loans & advances written-off during the year	-	-
Interest waived	-	-
Total	-	-

34.a Consolidated loans & advances written-off

IIDFC PLC	-	-
IIDFC Securities Limited	3,890	70,908,577
IIDFC Capital Limited	6,299,173	-
Total	6,303,063	70,908,577

The Statutory Auditor recommends writing off these amounts from the Accounts Receivable to present a more accurate and fair view of the financial position of the company. The write-off is deemed necessary to comply with accounting standards and ensure the integrity of our financial statements. Considering the recommendation of the statutory auditor and recovery prospect, the management placed before the 55th board the proposal for kind approval to write off of BDT 6,299,173 Accounts Receivable as stated above. The Board considered and approved the proposal regarding write off BDT 6,299,173 under Account Receivable as per recommendation of Statutory Auditor.

35.00 Repair, depreciation and amortizations of company's assets

Repair of company's assets:

Furniture & fixtures	27,530	86,010
Software's	145,913	93,400
Office equipments	532,992	534,056
Sub Total	706,435	713,466

Depreciation of company's assets

Depreciation of Fixed assets including premises, furniture & fixtures	24,280,200	26,620,378
Sub Total	24,280,200	26,620,378

Amortization of intangible assets

Computer software	1,255,440	1,255,454
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Total repair and depreciation of company's assets	26,242,076	28,589,298
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2023	2022
BDT	BDT

35.a Consolidated repair, depreciation and amortization of intangible assets

Repair of company's assets

IIDFC PLC	706,435	713,466
IIDFC Securities Limited	299,520	913,265
IIDFC Capital Limited	126,426	71,085
Total	1,132,381	1,697,816

Depreciation of Fixed assets including premises, furniture & fixtures

IIDFC PLC	24,280,200	26,620,378
IIDFC Securities Limited	2,268,027	2,034,806
IIDFC Capital Limited	70,847	52,330
Total	26,619,074	28,707,514

Amortization of intangible assets

IIDFC PLC	1,255,440	1,255,454
IIDFC Securities Limited	-	-
IIDFC Capital Limited	-	-
Total	1,255,440	1,255,454

Total repair and depreciation of assets

Total	29,006,896	31,660,784
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36.00 Other expenses

Office maintenance	2,582,870	3,081,491
Travelling & conveyance	20,919,345	17,447,634
Meeting expenses	1,394,332	1,696,396
Entertainment	746,932	483,404
Car running & maintenance expenses	1,953,148	2,348,581
Bank charge & excise duty	1,730,286	5,507,312
Training expenses	234,372	685,100
NID Verification Charge	44,552	10,610
Membership fees & subscriptions	374,592	638,667
Books & periodicals	72,608	56,037
Donation and CSR Purpose	75,000	20,000
Project expenses and Others	1,706,551	17,300
Total	31,834,587	31,992,532

36.1 Motor car/Motor cycle maintenance Expense

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

During the year 2023, total car maintenance and running cost of the Company was TK. 1,953,148 which was TK. 2,348,581 in the Y2022. The total costs includes fuel cost for running vehicles and maintenance costs for full year.

36.a Consolidated other expenses

IIDFC PLC	31,834,587	31,992,532
IIDFC Securities Limited	11,571,275	13,328,816
IIDFC Capital Limited	1,045,999	1,650,785
Total	44,451,861	46,972,133

37.00 Provision for loans & advances

Provision for classified loans & advances	855,033,146	1,087,863,058
Provision for unclassified loans & advances	(42,305,867)	1,435,325
Provision for diminution in value of investments	(5,720,543)	14,248,215
Additional provision	2,669,252	(2,340,554)
Other provision (Note 37.1)	(12,866,722)	1,051,622,102
Total	796,809,266	2,152,828,147

37.1 Other provision

Other provision	-	27,109,901
Equity investment in subsidiaries	-	320,000,000
Deferred receivable	(227,890)	602,929
Other assets	(12,638,832)	703,927,614
Off-balance sheet items	-	(18,342)
Total	(12,866,722)	1,051,622,102

37.a Consolidated provision for loans & advances

Provision for classified loans & advances	892,483,146	1,087,863,058
Provision for unclassified loans & advances	(41,957,098)	1,435,325
Provision for diminution in value of investments	(5,525,825)	14,465,677
Other provision	(10,197,470)	1,049,281,548
Total	834,802,753	2,153,045,609

2023	2022
BDT	BDT

38.00 Provision for tax

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

Provision for current tax

Opening balance

Add: Provision made during the year

Less: Settlement during the year

Closing balance

669,157,489	664,157,489
5,000,000	5,000,000
-	-
674,157,489	669,157,489

38.01 Provision for deferred tax

Opening balance

Add: Provision made during the year (Note-38.02)

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

Less: Settlement during the year

Closing balance

(3,411,274)	(5,636,062)
282,120	2,224,788
-	-
-	-
(3,129,155)	(3,411,274)

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

38.02 Deferred tax expense/(income)

Change in Deferred Tax Liability

Change in Deferred Tax Asset

(355,176)	113,818
637,295	2,110,969
282,120	2,224,788

38.a Consolidated provision for tax

Opening balance

Add: Provision made during the year

Add: Deferred tax during the year

Closing balance

925,271,405	892,406,091
24,567,984	30,495,654
(335,206)	2,369,660
24,232,778	32,865,314
949,504,182	925,271,405

39.00 Earnings per share (EPS)

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

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

Basic earnings per share (in BDT)

(1,669,763,385)	(2,936,927,655)
173,777,068	173,777,068
(9.61)	(16.90)

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

39.a Consolidated Earnings per share (EPS)

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

Basic earnings per share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

Number of ordinary shares outstanding during the year

Basic earnings per share (in BDT)

(1,701,886,057)	(2,932,571,320)
173,777,068	173,777,068
(9.79)	(16.88)

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

40.00 Related party transactions

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

Name of the parties	Nature of Loan/Lease	Nature of Transactions	Outstanding Balance 2023 BDT	Outstanding Balance 2022 BDT
AB Bank Ltd.	Sponsor Shareholder	STD/SND Account	3,360	3,057
AB Bank Ltd.	Sponsor Shareholder	Term Deposit	-	-
Bank Asia Ltd.	Sponsor Shareholder	STD/SND Account	31,996,507	60,115,272
BRAC Bank Limited	Sponsor Shareholder	Term Deposit	-	-
Janata Bank Ltd.	Sponsor Shareholder	STD/SND Account	-	4
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	200,000,000	200,000,000
Mutual Trust Bank Limited	Sponsor Shareholder	Overdraft	571,868,730	509,961,771
Sonali Bank Limited	Sponsor Shareholder	STD/SNS/CD Account	4,503	5,309
Sonali Bank Limited	Sponsor Shareholder	Call Loan	77,500,000	82,600,000
Sonali Bank Limited	Sponsor Shareholder	Term Deposit	200,000,000	200,000,000
Southeast Bank Ltd.	Sponsor Shareholder	SND Account	1,839,721	3,831,338
The City Bank Ltd.	Sponsor Shareholder	STD/SND Account	-	2,383
The City Bank Ltd.	Sponsor Shareholder	Borrowings	806,300,000	817,500,000
The City Bank Ltd.	Sponsor Shareholder	Term Deposit	-	-

41.00 Operating Segment Report

Amount in BDT

Segment Revenue and profit	For the year 2023			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Revenue income				
Net interest income	(762,105,880)	53,021,595	12,003,944	(697,080,341)
Investment income	16,924,626	1,052,780	(29,853,749)	(11,876,343)
Commission and brokerage	-	88,108,130	3,214,960	91,323,090
Other operating income	83,626,942	7,155,602	1,639,676	92,422,220
Inter-segment revenue	(26,860,452)	-	-	(26,860,452)
Total Segment Revenue (A)	(688,414,763)	149,338,106	(12,995,168)	(552,071,826)
Other operating expenses	153,721,595	60,461,319	21,860,819	236,043,733
Major non-cash expenses				
Depreciation	25,535,640	2,268,027	70,847	27,874,514
Provision for future losses	796,809,266	37,993,487	-	834,802,753
Inter-segment expense adjustment	-	26,860,452	-	26,860,452
Total Segment Expense (B)	976,066,502	127,583,285	21,931,666	1,125,581,453
Reportable segment profit before tax (A-B)	(1,664,481,265)	21,754,821	(34,926,835)	(1,677,653,279)
Revenue and profit	For the year 2022			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Revenue income				
Net interest income	(558,797,192)	37,901,094	10,205,495	(510,690,602)
Investment income	23,071,888	31,635,251	5,418,352	60,125,491
Commission and brokerage	-	111,459,911	4,182,464	115,642,375
Other operating income	39,613,427	8,519,965	268,024	48,401,416
Inter-segment revenue/interest expense _adjustment	(32,059,005)	-	-	(32,059,005)
Total Segment Revenue (A)	(528,170,882)	189,516,221	20,074,336	(318,580,325)
Other operating expenses	220,828,007	127,956,576	17,273,516	366,058,099
Major non-cash expenses				
Depreciation	27,875,832	2,034,806	52,330	29,962,968
Provision for future losses	2,152,828,147	217,462	-	2,153,045,609
Inter-segment expense Adjustment	-	32,059,005	-	32,059,005
Total Segment Expense (B)	2,401,531,986	162,267,849	17,325,846	2,581,125,681
Reportable segment profit before tax (A-B)	(2,929,702,867)	27,248,372	2,748,490	(2,899,706,006)
Segment assets and liabilities	For the year 2023			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Segment Assets				
Total Assets	13,965,668,501	2,608,260,777	819,556,524	17,393,485,802
Inter-segment assets	(1,812,487,514)	-	-	(1,812,487,514)
Total Segment Assets	12,153,180,987	2,608,260,777	819,556,524	15,580,998,287
Segment Liabilities				
Total liabilities	17,356,779,301	1,475,607,120	278,182,308	19,110,568,729
Inter-segment liabilities	-	(212,624,544)	-	(212,624,544)
Total Segment Liabilities	17,356,779,301	1,262,982,576	278,182,308	18,897,944,185
Total Segment Equity	(5,203,598,314)	1,345,278,201	541,374,216	(3,316,945,901)
Segment assets and liabilities	For the year 2022			
	Core Financing Business	Brokerage House Business	Merchant Banking Business	Total Business as a Group
Segment Assets				
Total Assets	15,963,202,339	2,382,124,293	866,567,803	19,211,894,434
Inter-segment assets	(1,844,107,480)	-	-	(1,844,107,480)
Total Segment Assets	14,119,094,859	2,382,124,293	866,567,803	17,367,786,954
Segment Liabilities				
Total liabilities	17,684,549,757	1,252,415,245	290,126,308	19,227,091,310
Inter-segment liabilities	-	(244,244,510)	-	(244,244,510)
Total Segment Liabilities	17,684,549,757	1,008,170,735	290,126,308	18,982,846,800
Total Segment Equity	(3,565,454,898)	1,373,953,558	576,441,495	(1,615,059,845)

42.00 Board meetings

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

Serial Number	No. Meeting	Date of Meeting
1	250th Meeting	25-Jan-23
2	251st Meeting	26-Feb-23
3	252nd Meeting	5-Apr-23
4	253th Meeting	2-May-23
5	254th Meeting	1-Jun-23
6	255th Meeting	24-Jul-23
7	256th Meeting	30-Aug-23
8	257th Meeting	26-Sep-23
9	258th Meeting	12-Oct-23
10	259th Meeting	30-Oct-23
11	260th Meeting	28-Nov-23
12	261st Meeting	7-Dec-23
13	262nd Meeting	28-Dec-23

43.00 Disclosure on Audit committee

a. Particulars of audit committee

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

Name	Status in the board	Status in the committee	Other engagement
1. Mr. Md. Abul Hossain	Director	Chairman	Managing Director, ICB
2. Mr. Syed M. Altaf Hussain	Director	Member	Chairman, Pragati Insurance Ltd.
3. Mr. Kamal Uddin Ahmed	Director	Member	Director, Eastland Insurance Company Limited
4. Mr. Md. Abdul Jabber	Director	Member	CEO & Managing Director, Janata Bank PLC.

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

b. Meetings held by the committee during the year

Serial Number	No. Meeting	Date of Meeting
1	50th Meeting	2-May-23
2	51st Meeting	25-Jun-23
3	52nd Meeting	19-Oct-23
4	53th Meeting	13-Dec-23

c. In the meeting amongst other the committee has discussed the following issues during the year 2023

- i) The audit committee reviewed the Financial Statements for the year ended 31 December 2022.
- ii) Reviewed and discussed the Management Letter provided by the external auditor M/s. M M Rahman & Co. for the year ended 31 December 2022 on the annual audit of Financial Statements of IIDFC PLC.
- iii) Reviewed and discussed the Bangladesh Bank inspection report on Internal Control and Compliance and management's response to thereon.
- iv) Reviewed and discussed the Bangladesh Bank detailed Inspection Report 2021 and management's response to the report.
- v) Reviewed various reports like stress testing, Basel, Risk Management Paper etc. and all reports provided by ICC Department.
- vi) Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
- vii) The status of recovery of classified loan and providing the necessary instruction to the management to reduce NPL.
- viii) Reviewed financial performance of IIDFC all over the year and recommended to take necessary action for improving performance of the company.

44.00 Others Disclosure

44.01 Un-acknowledged debt

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

44.02 Employees' information

A total number of 114 employees were employed in IIDFC as of 31 December 2023. All the employees received salary more than BDT 36,000.00 p.a. during the period 2023.

44.03 Written-off of accounts

During the year under review, no loans & advances were written-off .

44.04 Subsequent events

No subsequent events are occurred after the balance sheet date.

44.05 Directors' responsibility statement

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

44.06 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its meeting held on 22/08/2024.

45.00 General Disclosure

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

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

IIDFC PLC.

Fixed Assets Schedule

As at 31 December 2023

Fixed asset including premises, furniture & Fixtures.

Annexure-1
Amount in BDT

Serial No.	Particulars	COST			Rate	DEPRECIATION			Net Book Value as at 31 December 2023	
		Balance as at 1 Jan 2023	Additions During the Year	Adjustment during the year		Balance as at 31 December 2023	Charged during the year	Adjustment during the year		Balance as at 31 December 2023
1	Motor Vehicles	8,812,000	3,276,000	1,218,000	20%	10,870,000	655,200	1,218,000	8,249,200	2,620,800
2	Furniture & Fixtures	32,941,283	363,119	2,479,218	10%	30,825,184	2,090,150	1,420,334	21,626,769	9,198,415
3	Office Equipments	51,760,446	229,193	2,569,170	18%	49,420,469	3,947,870	2,442,933	41,669,763	7,750,706
4	Right-of-use asset	68,497,432	36,964,602	1,052,435	-	104,409,599	17,586,980	-	71,846,777	32,562,822
As at 31 December 2023		162,011,161	40,832,914	7,318,823		195,525,252	24,280,200	5,081,267	143,392,509	52,132,743
As at 31 December 2022		162,378,883	19,086,685	19,454,407		162,011,161	26,620,378	15,088,418	124,193,576	37,817,585

Intangible Asset - Computer Software

Serial No.	Particulars	COST			Rate	AMORTISATION			Net Book Value as at 31 December 2023	
		Balance as at 1 Jan 2023	Additions During the Year	Adjustment during the year		Balance as at 31 December 2023	Charged during the year	Adjustment during the year		Balance as at 31 December 2023
1	Computer Software	12,580,818	367,500	-	18%	12,948,318	1,255,440	-	11,494,395	1,453,923
As at 31 December 2023		12,580,818	367,500	-		12,948,318	1,255,440	-	11,494,395	1,453,923
As at 31 December 2022		11,040,818	1,540,000	-		12,580,818	1,255,454	-	10,238,955	2,341,863

IIDFC PLC.

Consolidated Fixed Assets Schedule

As at 31 December 2023

Consolidated Fixed asset including premises, furniture & Fixtures.

Annexure - 1.a

Serial No.	Particulars	COST				Rate	DEPRECIATION				Net Book Value as at 31 December 2023
		Balance as at 1 Jan 2023	Additions During the Year	Adjustment during the year	Balance as at 31 December 2023		Charged during the year	Adjustment during the year	Balance as at 31 December 2023		
1	Motor vehicles	10,420,141	3,276,000	1,576,141	12,120,000	20%	655,206	1,576,141	9,499,200	2,620,800	
2	Furniture & fixtures	50,113,655	495,873	2,479,218	48,130,310	10%	2,646,976	1,420,334	34,857,624	13,272,686	
3	Office equipments	75,073,841	689,671	2,827,468	72,936,044	18%	5,518,788	2,701,231	60,742,396	12,193,648	
4	Right-of-use asset	68,497,432	36,964,602	1,052,435	104,409,599	0%	17,586,980	-	71,846,777	32,562,822	
	As at 31 December 2023	204,105,069	41,426,146	7,935,262	237,595,953		26,407,950	5,697,706	176,945,997	60,649,955	
	As at 31 December 2022	197,730,700	26,971,179	20,596,810	204,105,069		28,707,514	16,230,821	156,235,753	47,869,316	

Intangible Asset

Serial No.	Particulars	COST				Rate	AMORTISATION				Net Book Value as at 31 December 2023
		Balance as at 1 Jan 2023	Additions During the Year	Adjustment during the year	Balance as at 31 December 2023		Amortized during the year	Adjustment during the year	Balance as at 31 December 2023		
1	Computer software's	15,747,649	1,540,413	-	17,288,062	18%	1,466,564	-	14,872,340	2,415,722	
	As at 31 December 2023	15,747,649	1,540,413	-	17,288,062		1,466,564	-	14,872,340	2,415,722	
	As at 31 December 2022	14,207,649	1,540,000	-	15,747,649		1,255,454	-	13,405,776	2,341,873	

IIDFC PLC.

Highlights

Annexure - 2

Sl.	Particulars	Amount in BDT	
		2023	2022
1	Paid-up capital	1,737,770,680	1,737,770,680
2	Total capital	-3,391,110,804	-1,721,347,419
3	Capital surplus	-5,128,881,484	-3,459,118,099
4	Total assets	13,965,668,501	15,963,202,339
5	Total deposits	5,279,563,456	6,472,416,626
6	Total leases, loans and advances	10,026,448,002	11,784,441,057
7	Total contingent liabilities and commitments	200,562,022	200,562,022
8	Credit deposit ratio	189.91%	182.07%
9	Percentage of classified loans against total loans and assets	58.90%	46.37%
10	Profit after tax and provision	(1,669,763,385)	(2,936,927,655)
11	Amount of classified loan during year	5,905,114,957	5,464,374,021
12	Provisions kept against classified loans	3,143,833,107	2,288,799,961
13	Provision surplus/(Shortage) against classified loans**	(348,333,980)	(579,049,901)
14	Cost of fund	10.40%	9.30%
15	Interest earnings assets	10,352,362,556	12,216,481,397
16	Non- interest earnings assets	3,608,318,126	3,734,433,121
17	Return on investment (ROI)	3.0%	4.1%
18	Return on assets (ROA)	-11.92%	-18.35%
19	Income from investment	227,384,623	471,137,545
20	Earnings per share	(9.61)	(16.90)
21	Net Income per share	(9.61)	(16.90)
22	Price earnings ratio	N/A	N/A

** IIDFC has kept provision according to the time plan approved by Bangladesh Bank. The rest of the provision required to be kept of BDT 348.33 million will be absorbed by IIDFC during the next one year.



IIDFC CAPITAL LIMITED

Independent Auditor's Report

To the Shareholders of IIDFC Capital Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **IIDFC Capital Limited**. ("the company), which comprises the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- Please refer to note 7 (Margin loan to client) Amounting BDT 594,845,507 where Regular margin loan is BDT 63,574,878. Under the bailout program for long outstanding negative equity margin loan accounts, the company sold out most of the securities available in these accounts and recovered the outstanding margin loan as much as possible. Up to 31 December 2023, margin loan of BDT 531,270,629 under this program margin loan was transferred to a separate interest-free blocked account and written-off gradually every year against probability. As per BSEC's directive no. BSEC/CMRRCD/2009-193/196 dated 18 December 2016, BSEC/CMRRCD/2009-193/201 dated 17 August 2017, BSEC/SRI/NE//2020/605 dated 28 December 2022 and BSEC/SMMID/NE/2023/840 dated 22 October 2023 total amount of provision against unrealized loss of margin loan to be kept by 30 June 2024. In this connection, an amount of BDT 165,339,243 has been made as loan loss reserve up to which is equivalent to 34% of unrealized loss (negative equity) of BDT 531,270,629 against December 31,2023 ending balance of margin loan..
- Please refer to note 8 (Investment in Securities) Investment in securities recorded as cost value. As per IFRS 9 para 4.1.1 Financial Asset need to be shown at fair value. As per DSE guideline no. DSE/MCD/CLR/AFS/2024/15 Dated March 03, 2024, If present investment As per BSEC's directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and BSEC/SRI/NE/2020/333 dated 27 March 2023, total amount of provision against unrealized loss of investment in securities to be kept by 31 December 2025. In this connection, an amount of BDT 10,877,877 has been made as provision which is equivalent to 45% of total unrealized loss of BDT 24,215,611 against year ending balance of investment in securities.

Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

Auditor's responsibilities for the audit of the financial statements

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

Independent Auditor's Report

To the Shareholders of IIDFC Capital Limited

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

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

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

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules 2019, we also report the following:

- 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 these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- d) The expenditure incurred was for the purposes of the company's business; and
- e) The computation of the year end capital adequacy in the financial statements are accurate.

Name of Firm:	M M Rahman & Co. Chartered Accountants
Signature of the Auditor	Sd/-
Name of the Auditor	Mohammed Forkan Uddin FCA Managing Partner
Enrolment No.	886 CAF-001-144
DVC	2409030886AS829062

IIDFC Capital Limited

Statement of Financial Position (Balance Sheet) As at 31 December 2023

	Notes	2023	2022
		BDT	BDT
Assets			
Non-current assets:			
Property, plant and equipment	4.00	322,636	300,729
Intangible asset	5.00	10	10
Deferred tax asset	6.00	55,603	61,682
		378,249	362,422
Current assets:			
Margin loans to clients	7.00	594,845,507	625,908,701
Investment in securities	8.00	81,603,918	141,562,148
Advance income tax	9.00	51,469,790	51,112,061
Advances, deposits and prepayments	10.00	31,448,456	30,653,523
Account receivables	11.00	-	6,307,158
Cash and cash equivalents	12.00	59,810,603	10,661,791
		819,178,274	866,205,382
Total assets (A+B)		819,556,523	866,567,804
Equity and liabilities			
Equity:			
Share capital	13.00	600,000,000	600,000,000
Retained earnings	14.00	(58,789,859)	(23,722,578)
Capital reserve	15.00	164,075	164,075
		541,374,215	576,441,497
Liabilities			
Non-current liabilities:			
Term loan	16.00	22,796,064	44,441,092
		22,796,064	44,441,092
Current liabilities			
Portfolio investors' fund	17.00	16,146,831	8,578,105
Payable to stock broker	18.00	1,750,203	-
Accrued expenses	19.00	1,202,581	954,849
Investment diminution reserve	20.00	10,877,877	10,877,877
Loan loss reserve	21.00	165,339,243	165,339,243
Provision against margin loan	22.00	6,259,087	6,259,087
Provision for income tax	23.00	53,810,422	53,676,055
		255,386,244	245,685,216
Total liabilities (E+F)		278,182,308	290,126,308
Total equity and liabilities (D+E+F)		819,556,523	866,567,804

The Accounting policies and explanatory notes form an integral part of the financial statements

For and on behalf of the Board of Directors of IIDFC Capital Limited

Sd/-

Company Secretary & Chief Executive Officer (cc)

Sd/-

Director

Sd/-

Chairman

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor

Sd/-

Name of the Auditor

Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No.

886

Firm's FRC Enlistment No:

CAF-001-144

DVC : 2409030886AS829062

Dhaka, Date : 03-09-2024

IIDFC Capital Limited

Statement of Profit or Loss and Other Comprehensive Income (Profit and Loss Account) For the year ended 31 December 2023

	Notes	2023	2022
		BDT	BDT
Operating income			
Interest income	24.00	13,459,605	11,612,364
Interest expense	25.00	(1,455,660)	(1,406,869)
Net interest income		12,003,944	10,205,495
Income from investments	26.00	(29,853,749)	5,418,352
Income from merchant banking services	27.00	3,214,960	4,182,464
Other income	28.00	1,639,676	268,024
		(24,999,113)	9,868,841
Total operating income		(12,995,168)	20,074,336
Operating expenses			
Salaries and allowances	29.00	12,308,661	13,014,374
Rent, taxes, insurance and utilities	30.00	1,181,191	1,132,069
Postage, stamp and telecommunications	31.00	276,939	272,696
Stationery, printing and advertisement	32.00	83,205	226,382
Professional fee	33.00	201,250	172,500
Repair and maintenance	34.00	126,426	71,085
Administrative and other expenses	35.00	7,753,994	2,436,740
Total operating expenses		21,931,666	17,325,845
Operating profit		(34,926,835)	2,748,491
Provision for loans and Investments			
Diminution in value of investments		-	-
Loan loss reserve		-	-
Profit before tax		(34,926,835)	2,748,491
Income tax expense			
Current tax	36.00	134,367	973,628
Deferred tax (expense)/income	6.00	6,079	12,155
		140,446	985,783
Profit for the year		(35,067,281)	1,762,708
Other comprehensive income		-	-
Total comprehensive income		(35,067,281)	1,762,708
Earnings per share (EPS)	37.00	(0.58)	0.03

The Accounting policies and explanatory notes form an integral part of the financial statements

For and on behalf of the Board of Directors of IIDFC Capital Limited

Sd/-

Company Secretary & Chief Executive Officer (cc)

Sd/-

Director

Sd/-

Chairman

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor

Sd/-

Name of the Auditor

Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No.

886

Firm's FRC Enlistment No:

CAF-001-144

DVC : 2409030886AS829062

Dhaka, Date : 03-09-2024

IIDFC Capital Limited

Statement of changes in equity

For the year ended 31 December 2023

Particulars	Share capital	Capital reserve	Retained earnings	Total
Balance at 1 January 2023	600,000,000	164,075	(23,722,578)	576,441,497
Profit for the year	-	-	(35,067,281)	(35,067,281)
Transfer to capital reserve	-	-	-	-
Balance at 31 December 2023	600,000,000	164,075	(58,789,859)	541,374,215

Statement of Changes in Equity

For the year ended 31 December,2022

Particulars	Share capital	Capital reserve	Retained earnings	Total
Balance at 1 January 2022	600,000,000	-	(25,321,211)	574,678,789
Profit for the year	-	-	1,762,708	1,762,708
Transfer to capital reserve	-	164,075	(164,074.70)	-
Balance at 31 December 2022	600,000,000	164,075	(23,722,578)	576,441,497

The Accounting policies and explanatory notes form an integral part of the financial statements

For and on behalf of the Board of Directors of IIDFC Capital Limited

Sd/-
Company Secretary & Chief Executive Officer (cc)

Sd/-
Director

Sd/-
Chairman

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

Signature of the Auditor Sd/-

Name of the Auditor Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No. 886

Firm's FRC Enlistment No: CAF-001-144

DVC : 2409030886AS829062

Dhaka, Date : 03-09-2024

IIDFC Capital Limited

Statement of cash flows

For the year ended 31 December 2023

	2023	2022
	BDT	BDT
A. Cash flows from operating activities		
Profit before tax	(34,926,835)	2,748,491
Adjustment for non-cash item:		
Depreciation	70,847	52,330
Write off Account Receivable	6,307,158	
	(28,548,830)	2,800,820
Operating profit before working capital		
Increase/(Decrease) in current assets:		
Advances, deposits and prepayments	(794,932)	1,450,288
Account receivables	-	188,862
Increase/(Decrease) in current liabilities:		
Portfolio Investors' Fund	7,568,726	1,523,069
Payable to stock broker	1,750,203	-
Accrued expenses	247,732	142,202
Loan loss reserve	-	-
Cash generated from/(used in) operating activities	8,771,728	3,304,421
Income tax	(357,729)	(972,306)
Net cash from/(used in) operating activities (A)	(20,134,830)	5,132,936
B. Cash flows from investing activities		
Investment in securities	59,958,230	(26,205,448)
Margin loans to clients	31,063,194	(3,129,576)
Purchase of property, plant and equipment	(92,754)	(64,616)
Net cash from/(used in) investing activities (B)	90,928,670	(29,399,640)
C. Cash flows from financing activities		
Receipt/(repayment) of term loan	(21,645,028)	25,414,086
Net cash from/(used in) financing activities (C)	(21,645,028)	25,414,086
D. Net changes in cash and cash equivalents (A+B+C)	49,148,812	1,147,381
E. Opening cash and cash equivalents	10,661,791	9,514,410
F. Closing cash and cash equivalents	59,810,603	10,661,791
Cash and bank balances have been arrived at as under:		
Cash in hand	6,424	44,391
Cash at bank	59,804,179	10,617,400
	59,810,603	10,661,791

The Accounting policies and explanatory notes form an integral part of the financial statements

For and on behalf of the Board of Directors of IIDFC Capital Limited

Sd/-	Sd/-	Sd/-
Company Secretary & Chief Executive Officer (cc)	Director	Chairman
Name of Firm:	M M Rahman & Co.	
	Chartered Accountants	
Signature of the Auditor		
Name of the Auditor	Mohammed Forkan Uddin FCA	
	Managing Partner	
Enrolment No.	886	
Firm's FRC Enlistment No:	CAF-001-144	

DVC : 2409030886AS829062

Dhaka, Date : 03-09-2024

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

1. Reporting entry

1.1 Company profile

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

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 counselling, investment counselling, capital structuring and other services as mentioned in the Memorandum and Articles of Association of the company.

2. Basis of accounting

2.1 Statement of compliance

The financial statements have been prepared in compliance with the requirement of the International Financial Reporting Standards (IFRSs) which also cover International Accounting Standards (IASs) except some cases which are mentioned in note 3.9, the Companies Act 1994, Bangladesh Securities and Exchange (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations.

2.2 Basis of measurement

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

2.3 Functional and presentation currency

The financial statements are presented in Bangladesh Taka (BDT), which is both functional and presentation 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 year in which the estimate is revised if the revision affects only that year or in the year of revision and future years if the revision affects both current and future years.

2.5 Reporting period

The financial statements cover one year from 1 January 2023 to 31 December 2023.

2.6 Events after the reporting period

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

No material events had occurred after the reporting year to the date of issue these financial statements, which could affect the value stated in the financial statement.

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

2.7 Components of financial statements

- a. Statement of financial position (balance sheet) as at 31 December 2023;
- b. Statement of profit or loss and other comprehensive income (profit and loss statement) for the year ended 31 December 2023;
- c. Statement of changes in equity for the year ended 31 December 2023;
- d. Statement of cash flows for the year ended 31 December 2023; and
- e. Summary of significant accounting policies and other explanatory information.

2.8 Going concern

The Company prepares financial statements on a going concern basis since as per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern and it neither intends to liquidate the entity nor to cease trading, or has realistic alternative to do so.

3. Significant accounting policies

The accounting policies set out below have been applied consistently, if not stated otherwise to all years presented in these financial statements.

3.1 Revenue recognition

Interest income from margin loan

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

However, 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.

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.

Dividend income

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

Finance income

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

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. Non-derivative financial instruments comprise investments in shares, margin loans, receivables, cash and cash equivalents, term loans, trade payables, customer deposits and share capital.

3.2.1 Financial assets

Financial assets refer to assets that arise from contractual agreements on future cash flows or from owning equity instruments of another entity.

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

The company derecognises a financial asset when the contractual rights or probabilities of receiving the cash from the assets expires, or it transfers the rights to receive the contractual cash flows from the financial assets 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, margin loans and investment in quoted securities.

Cash and bank balances

Cash and bank balances comprise cash in hand and bank deposits and there was insignificant risk of changes in value of these current assets.

Accounts receivable

Accounts receivables are recognised at original invoiced amount. They are stated at netted off provision for bad and doubtful debts and written off, if any.

Margin loan

Margin loan is provided to clients to facilitate investment in equity securities. They are initially classified as financial assets at fair value and subsequently measured at amortised cost.

Investment in quoted securities

Investment in quoted securities (such as stock/ shares, bonds, etc.) are securities those are officially listed (quoted) on a stock exchange for public trading. They are measured at cost and subsequent to initial measurement any fall in value of investment below cost is recognised in profit or loss and a provision for the fall in value is created.

3.2.2 Financial liabilities

A contractual obligation to deliver cash or another financial asset to another entity or to exchange financial instruments with another entity under conditions that are potentially unfavorable.

The company initially recognises financial liabilities on the transaction date at which the entity becomes a party to the contractual provisions of the liability. The entity recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

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

Financial liabilities as presented in these financial statements comprise loans and borrowings, accounts payable and other payables.

Loans and borrowings

Loans and borrowings are recognised initially at value less attributable transaction costs. Subsequently these borrowings are stated at amortised cost using the effective interest rate method.

Accounts payable

Accounts payables are recognised at actual.

Offsetting financial assets and a financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the entity has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.3 Property, plant and equipment

3.3.1 Recognition and measurement

Tangible fixed assets are accounted for according to IAS 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. Any improvements that enhance

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

the economic useful life of the property, plant and equipment or that improve the capacity and 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.

3.3.3 Depreciation

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

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

3.4 Intangible assets

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

3.5 Statement of Cash Flows

Statement of Cash flows is prepared under indirect method in accordance with IAS 7: Statement of cash flows.

3.6 Income tax

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

3.6.1 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%.

3.6.2 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 or liability 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 utilized. 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.

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

3.7 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.

3.7.1 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.

3.7.2 Retirement benefit obligations (gratuity fund)

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

3.7.3 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 Out-Patient Days services.

3.8 Lease rental

The company has adopted IFRS 16: leases from 1 January 2019 to account for its leases for office space. The leases were previously accounted for under IAS 17, where the leases were classified as operating lease.

Under IFRS 16, a lessee shall recognise a right-of-use asset and a lease liability for all leases except where the leases are either in short-term nature or the leases are for under low value assets nature. Presently, leases of the company are in short-term or low value assets nature. Therefore, the company decided to recognise the lease payments associated with these leases as an expense.

3.9 Departure from IFRS

SL No.	Nature of departure	Title of IFRS	Treatment of IAS/IFRS	Treatment adopted as per Bangladesh Bank
1.	"Valuation of Investments in listed and non-listed shares"	IFRS 9 Financial Instruments	IFRS 9 describe that how classification, measurement and recognise of investments. Based on that investment in shares and securities generally falls either at "fair value through profit and loss account" (FVTPL) or at "fair value through other comprehensive income" (FVOCI) where any change in the fair value of investments measured under FVTPL is to taken to the profit and loss account and any changes in the fair value of securities measured under FVOCI is transferred to equity through other comprehensive income.	As per circular from Dhaka Stock Exchange Ltd. Ref no. DSE/COM/TAD/CLR/AAFS_2021/ 434 dated 09 April 2022 investment in securities can be presented at cost and its provision against diminution in value of investments is maintained in according BSEC directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and BSEC/SRI/Policy/3/2020/68 dated 12 January 2020.

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

	2023	2022
	BDT	BDT
4. Property, plant and equipment : Tk 322,636.00		
Cost:		
Opening balance	6,024,442	5,959,826
<u>Add:</u> Addition during the year	92,754	64,616
	6,117,196	6,024,442
<u>Less:</u> Disposal/adjustment during the year	-	-
Closing balance (A)	6,117,196	6,024,442
Accumulated depreciation:		
Opening balance	5,723,713	5,671,383
<u>Add:</u> Charge for the year	70,847	52,330
	5,794,560	5,723,713
<u>Less:</u> Adjustment during the year	-	-
Closing balance (B)	5,794,560	5,723,713
Written down value (A-B)	322,636	300,729

Details of property, plant and equipment are shown in [Annex A](#).

5. Intangible asset : Tk 10		
Cost:		
Opening balance	1,500,000	1,500,000
<u>Add:</u> Addition during the year	-	-
	1,500,000	1,500,000
<u>Less:</u> Disposal/adjustment during the year	-	-
Closing balance (A)	1,500,000	1,500,000
Accumulated amortisation:		
Opening balance	1,499,990	1,499,990
<u>Add:</u> Charge for the year	-	-
	1,499,990	1,499,990
<u>Less:</u> Adjustment during the year	-	-
Closing balance (B)	1,499,990	1,499,990
Written down value (A-B)	10	10

Details of intangible asset are shown in [Annex A](#).

6. Deferred tax asset : Tk 55,603.00		
Opening balance	61,682	73,838
<u>Add:</u> Addition during the year (note 6.1)	(6,079)	(12,155)
Closing balance	55,603	61,682

6.1 Break up of deferred tax assets

Particular	Carrying amount of assets	Tax base	Deductible temporary difference at 31 Dec 2022	At 31 Dec 2021
Property, plant and equipment	322,636	470,908	148,272	164,483
Applicable tax rate			37.50%	37.50%
Deferred tax asset			55,602	61,681
Addition/(adjustment) during the year			(6,079)	(12,155)
7. Margin loans to clients				
Regular margin loan (note 7.1)			63,574,878	76,552,866
Interest free block account margin loan (note 7.2)			531,270,629	549,355,835
			594,845,507	625,908,701

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

7.1 Regular margin loan

This represents loan facilities extended to the customers for trading of listed securities in the secondary capital market as per Margin Rules 1999.

7.2 Interest-free blocked account margin loan

Under the bailout program for long outstanding negative equity margin loan accounts, the company sold out most of the securities available in these accounts and recovered the outstanding margin loan as much as possible. Up to 31 December 2023, margin loan of BDT 531,270,629 under this program margin loan was transferred to a separate interest-free blocked account and written-off gradually every year against probability.

8. Investment in securities TK 81,603,918

Investment in quoted securities (8.1)

2023 BDT	2022 BDT
81,603,918	141,562,148
81,603,918	141,562,148

8.1 Listed securities breakup 2023:

	Cost price a	Market price b	Unrealised Gain/(loss) c=b-a
	BDT	BDT	BDT
Banks	1,006,886	794,880	(212,006)
Cement	4,353,485	3,661,393	(692,092)
Ceramic industry	3,283,867	2,580,000	(703,867)
Engineering	1,268,150	1,064,000	(204,150)
Fuel and power	1,853,042	1,247,400	(605,642)
Insurance	3,268,970	2,168,408	(1,100,562)
Mutual funds	38,172,443	25,020,215	(13,152,228)
Pharmaceuticals and chemicals	10,745,064	7,987,410	(2,757,654)
Textile	8,596,545	5,810,800	(2,785,745)
Telecommunications	1,368,809	1,354,016	(14,793)
IT sector	228,186	220,514	(7,671)
	7,458,470	5,479,271	(1,979,200)
	81,603,918	57,388,308	(24,215,611)

8.2 Listed securities breakup 2022:

	Cost price a	Market price b	Unrealised Gain/(loss) c=b-a
	BDT	BDT	BDT
Banks	4,012,662	2,415,000	(1,597,662)
Ceramic industry	268,871	259,200	(9,671)
Engineering	5,520,108	4,300,000	(1,220,108)
Financial institutions	257,662	249,000	(8,662)
Food and allied	18,839,573	8,388,720	(10,450,853)
Fuel and power	72,071,851	42,993,584	(29,078,267)
Insurance	19,727,311	12,600,000	(7,127,311)
Mutual funds	12,481,569	10,588,997	(1,892,572)
Pharmaceuticals and chemicals	964,703	770,000	(194,703)
Telecommunications	6,966,184	5,400,000	(1,566,184)
IT sector	451,654	331,533	(120,121)
Tannery industries			
Miscellaneous	141,562,148	88,296,034	(53,266,114)

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

	2023 BDT	2022 BDT
9.00 Advance income tax:TK 51,469,790		
Advance tax paid	46,551,637	46,551,637
Advance Income Tax (AIT)	1,376,453	1,152,962
Income tax withheld from dividend income	3,541,700	3,407,462
	51,469,790	51,112,061
10.00 Advances, deposits and prepayments:TK 31,448,456		
Security deposit with CDBL	200,000	200,000
License fee	30,196,209	30,196,209
Advance for IPO Subscription	683,015	-
Others	369,232	257,314
	31,448,456	30,653,523
11.00 Account receivables:TK 0		
Receivable from customers (note 11.01)	-	6,299,173
Receivable from brokerage houses (note 11.02)	-	7,985
	-	6,307,158
11.01 Receivable from customers		
Underwriting commission	1,799,173	1,799,173
Management fees on issues	4,500,000	4,500,000
	6,299,173	6,299,173
Less: Write off receivable from Underwriting commission	1,799,173	-
Less: Write off receivable from Management fees on issues	4,500,000	-
	6,299,173	-
	-	6,299,173

The Statutory Auditor recommends writing off these amounts from the Accounts Receivable to present a more accurate and fair view of the financial position of the company. The write-off is deemed necessary to comply with accounting standards and ensure the integrity of our financial statements. Considering the recommendation of the statutory auditor and recovery prospect, the management placed before the 55th board the proposal for kind approval to write off of BDT 6,299,173 Accounts Receivable as stated above. The Board considered and approved the proposal regarding write off BDT 6,299,173 under Account Receivable as per recommendation of Statutory Auditor.

11.02 Receivable from brokerage houses		
IIDFC Securities Ltd.	-	7,985
United Financial Trading Co. Ltd.	-	-
	-	7,985
12.00 Cash and cash equivalents:TK 59,810,603		
Cash in hand	6,424	44,391
Bank balances (note 12.01)	59,804,179	10,617,400
	59,810,603	10,661,791

12.01 Bank balances details break up

Bank Name	Account NO	Accounts Type	Amount	Amount
Southeast Bank PLC.	003113100000728	SND	9,617,648	1,215,131
Southeast Bank PLC	003113100000732	SND	196	41,246
ONE Bank PLC.	0015025234024	SND	40,133,379	8,792,466
ONE Bank PLC.	0015035234008	SND	857,878	120,807
ONE Bank PLC.	0013000001153	SND	14,114	15,004
ONE Bank PLC.	0013000002167	SND	59,919	24,934
ONE Bank PLC.	0011020007368	CD	85,407	86,442
ONE Bank PLC.	0013000002178	SND	9,035,638	321,369
	Total		59,804,179	10,617,400

13.00 Share capital:TK 600,000,000

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

Shareholding position of the company as at 31 December 2023 is as under:

Sl. No.	Name of shareholder	Number of shares	Face value per share	Amount (Tk.)	Amount (Tk.)
1.	IIDFC Limited	59,998,800	10	599,988,000	599,988,000
2.	Mr. Md. Matiu Islam	1150	10	11,500	11,500
3.	Mr. Tariqul Islam Chowdhury	10	10	100	100
4.	Mr. S. A. Chowdhury	10	10	100	100
5.	Mr. Md. Khalilur Rahman	10	10	100	100
6.	Ms. Kazi Dilruba Akter	10	10	100	100
7.	Mr. Lingkon Mondal	10	10	100	100
		60,000,000		600,000,000	600,000,000

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

	2023 BDT	2022 BDT
14.00 Retained earnings:TK -58,789,859		
Opening balance	(23,722,578)	(25,321,211)
Add: Net Profit for the year	(35,067,281)	1,762,708
	(58,789,859)	(23,558,503)
Less: Transfer to capital reserve	-	164,075
Closing balance	(58,789,859)	(23,722,578)
15.00 Capital reserve:TK 164,075		
Opening balance	164,075	-
Add: Addition during the year	-	164,075
	164,075	
Less:Adjustment	-	
Closing balance	164,075	164,075
<p>Capital reserve has been made as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019. As per that rules, each registered entity shall maintain a mandatory provision which is at least 10% of profit after tax of previous year as capital reserve and the full amount of such reserve shall be accounted for in computing total capital.</p>		
16.00 Term loan:TK 22,796,064		
Loan from Investment Corporation of Bangladesh (note 16.01)	22,796,064	44,441,092
	22,796,064	44,441,092
16.01 Loan from Investment Corporation of Bangladesh		
Opening balance	44,441,092	19,027,006
Add: Addition during the year	-	40,000,000
	44,441,092	59,027,006
Less: Repayment during the year	(21,645,028)	(14,585,914)
Closing balance	22,796,064	44,441,092
17.00 Portfolio investors' fund:TK 16,146,831		
Self-margin discretionary account (SMDA)	13,746,777	7,127,201
Non-margin discretionary account (NMDA)	884,008	1,347,118
Receivable - trading account	1,489,615	68,145
Safe investment account (SI)	26,432	35,641
	16,146,831	8,578,105
18.00 Payable to stock broker:TK 1,750,203		
IIDFC Securities Limited	1,750,203	-
	1,750,203	-
Opening Balance	-	-
Add: Addition during the year	2,903,151	-
	2,903,151	-
Less:Adjustment during the year	(1,152,948)	-
Closing Balance	1,750,203	-
19.00 Accrued expenses:TK 1,202,581		
Liability for Gratuity Fund	271,927	467,000
Others	87,210	189,792
Professional fee	201,250	172,500
CDBL charges	38,436	55,064
IPO Subscription Account	140,000	-
CHQ in Transit	111,700	-
Office Rent & Service Charge	267,300	-
Withholding TDS	68,567	55,013
Withholding VDS	16,191	15,480
	1,202,581	954,849

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

20.00 Provision for diminution in value of investment in securities:TK 10,877,877

Opening balance
Add: Transferred from loan loss reserve during the year
Closing balance

	2023 BDT	2022 BDT
Opening balance	10,877,877	10,165,877
Add: Transferred from loan loss reserve during the year	-	712,000
Closing balance	10,877,877	10,877,877

20.01 Details of un-realised loss and provision

Unrealised loss (note 8.01)
Provision maintained during the year
Percentage of provision made against requirement

Unrealised loss (note 8.01)	24,215,611	53,266,114
Provision maintained during the year	10,877,877	10,877,877
Percentage of provision made against requirement	45%	20%

As per BSEC's directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and BSEC/SRI/NE/2020/333 dated 27 March 2023, total amount of provision against unrealized loss of investment in securities to be kept by 31 December 2025. In this connection, an amount of BDT 10,877,877 has been made as provision which is equivalent to 45% of total unrealized loss of BDT 24,215,611 against year ending balance of investment in securities. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

21.00 Loan loss reserve:TK 165,339,243

Opening balance
Add: Addition during the year
Less: Bad loans written off
Transfer for provision against margin loan
Transfer to diminution in value of investment in securities
Closing balance

Opening balance	165,339,243	172,310,330
Add: Addition during the year	-	-
	165,339,243	172,310,330
Less: Bad loans written off	-	-
Transfer for provision against margin loan	-	(6,259,087)
Transfer to diminution in value of investment in securities	-	(712,000)
Closing balance	165,339,243	165,339,243

21.01 Un-realised loss and provision

Un-realised loss (negative equity) against margin loan (note 7.02)
Less: Asset value of negative equity margin loan
Required provision
Accumulated provision (note 21.1.1)
Percentage of provision made against requirement

Un-realised loss (negative equity) against margin loan (note 7.02)	531,270,629	549,355,835
Less: Asset value of negative equity margin loan	(39,568,669)	(63,335,166)
Required provision	491,701,960	486,020,669
Accumulated provision (note 21.1.1)	165,339,243	165,339,243
Percentage of provision made against requirement	34%	34%

As per BSEC's directive no. BSEC/CMRRCD/2009-193/196 dated 18 December 2016, BSEC/CMRRCD/2009-193/201 dated 17 August 2017, BSEC/SRI/NE//2020/605 dated 28 December 2022 and BSEC/SMMID/NE/2023/840 dated 22 October 2023 total amount of provision against unrealized loss of margin loan to be kept by 30 June 2024. In this connection, an amount of BDT 165,339,243 has been made as loan loss reserve which is equivalent to 34% of unrealized loss (negative equity) of BDT 531,270,629 against year ending balance of margin loan. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

21.1.1 Accumulated provision

Provision up to 31 December
Add: Amount written-off against provision
Less: Transfer for provision against margin loan
Transfer to diminution in value of investment in securities

Provision up to 31 December	165,339,243	172,310,330
Add: Amount written-off against provision	-	-
	165,339,243	172,310,330
Less: Transfer for provision against margin loan	-	(6,259,087)
Transfer to diminution in value of investment in securities	-	(712,000)
	165,339,243	165,339,243

22.00 Provision against margin loan:TK 6,259,087

Opening balance
Add: Transferred from loan loss reserve during the year
Closing balance

Opening balance	6,259,087	-
Add: Transferred from loan loss reserve during the year	-	6,259,087
Closing balance	6,259,087	6,259,087

Provision for margin loan has been made as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019. where it is stated that, each registered entity those is providing margin financing shall maintain a mandatory provision @ 1% of all outstanding margin exposures.

23.00 Provision for income tax:TK 53,810,422

Opening balance
Add: Provision made during the year
Closing balance

Opening balance	53,676,055	52,702,427
Add: Provision made during the year	134,367	973,628
Closing balance	53,810,422	53,676,055

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

	2023 BDT	2022 BDT
24.00 Interest income:TK 13,459,605		
Interest on margin loan	13,459,605	11,612,364
	13,459,605	11,612,364
Unrealised accrued interest income on negative equity margin loan has not been recognised as revenue. It has been kept separately in a memorandum account.		
25.00 Interest expense:TK 1,455,660		
Term loan	1,455,660	1,406,869
Demand loan	-	-
	1,455,660	1,406,869
26.00 Income from investments:TK -29,853,749		
Gain on sale of securities	(30,525,585)	1,100,429
Dividend income	671,836	4,317,923
	(29,853,749)	5,418,352
27.00 Income from merchant banking services:TK 3,214,960		
Security trading services	2,981,237	3,162,871
Issue and corporate advisory services	200,000	800,000
Cash collection and other	2,815	143,188
BO account maintenance services	21,700	55,650
Underwriting commission services	-	20,000
Portfolio management services	9,208	755
	3,214,960	4,182,464
28.00 Other income:TK 1,639,676		
Interest income from bank deposit	1,382,148	267,206
Others	257,528	818
	1,639,676	268,024
29.00 Salaries and allowances:TK 12,308,661		
Basic salary	5,502,120	5,233,486
Allowances	4,235,029	4,359,187
Festival bonus	901,676	934,000
Deputation Staff Salary	-	715,199
Employers' contribution to provident fund	523,588	472,500
Retirement benefits and gratuity	271,927	467,000
Leave fare assistance	474,910	440,778
Group insurance	111,777	236,914
Cleaning staff salary	105,877	90,000
Other	-	65,310
Earned leave encashment	181,757	-
	12,308,661	13,014,374
30.00 Rent, taxes, insurance and electricity:TK 1,181,191		
Rent, rates and taxes	848,700	828,000
Electricity bill	183,448	160,069
Water, gas and other bills	149,043	144,000
	1,181,191	1,132,069
31.00 Postage, stamp and telecommunications:TK 276,939		
Phone and internet	244,855	246,121
Postage and courier	27,244	24,245
Newspapers, books and magazines etc.	4,840	2,330
	276,939	272,696

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

		2023 BDT	2022 BDT
32.00	Stationery, printing and advertisement:TK 83,205		
	Printing and stationery	69,555	213,732
	Advertisement expenses	13,650	12,650
		83,205	226,382
33.00	Professional fee:TK 201,250		
	Statutory audit	143,750	138,000
	Provident fund audit	28,750	17,250
	Gratuity fund audit	28,750	17,250
		201,250	172,500
34.00	Repair and maintenance:TK 126,426		
	Office equipment	126,426	71,085
	Electricity and lighting	-	-
		126,426	71,085
35.00	Administrative and other expenses:TK 7,753,994		
	Registration and government fees	478,813	673,775
	Professional and legal expenses	109,375	495,625
	Car running and maintenance expenses	137,750	474,761
	Directors' fees	228,600	238,000
	Other expenses	54,997	200,009
	Office maintenance	23,710	122,389
	Depreciation	70,847	52,330
	Entertainment	128,665	102,086
	Fees and Commission Expenses	37,268	
	Travelling and conveyance	28,932	34,945
	Training, Seminar & Meeting Expenses	16,699	
	Uniform and liveries	14,800	22,200
	Bank charge and excise duty	113,427	14,620
	Office Consumable Expenses	5,439	
	CDBL and other fees	5,500	6,000
	Write off receivable from Underwriting commission	1,799,173	
	Write off receivable from Management fees on issues	4,500,000	
		7,753,994	2,436,740
36.00	Current tax:TK 134,367		
	Current year's tax expense (note 36.1)	134,367	973,628
		134,367	973,628
36.01	Current year's tax expense	Amount	Rate
	Capital gain	-	10 %
	Dividend income	671,836	20 %
		134367.18	
37.00	Earnings per share (EPS):TK -0.58		
	Profit for the year	(35,067,281)	1,762,708
	Weighted average number of ordinary shares	60,000,000	60,000,000
	EPS	(0.58)	0.03

IIDFC Capital Limited

Notes to the financial statements

For the year ended 31 December 2023

38.00 Related party disclosure

In accordance with IAS 24 related party disclosures, amount of transactions during the year and outstanding balances as of the end of the client's related party are disclosed as follows:

38.01 Related party transactions during the year:

<u>Name of the related party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	
IIDFC Securities Limited	Sister concern	Share trading receivable balance	1,343,564,506
IIDFC Securities Limited	Sister concern	Share trading	
Net receivable/(payable)			(1,758,188)
Add: Opening receivable/(payable) balance			7,985
Net receivable from brokerage house			(1,750,203)

39.00 Others

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

39.02 Previous year figures have been rearranged, wherever considered necessary, to conform to current year presentation without causing any impact on the operating results for the year and value of assets and liabilities at the end of that year as shown in the financial statements under reporting.

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

IIDFC Capital Limited

Details of property, plant and equipment
As at 31 December 2023

Annex A

Details at Property, plant and equipment

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 31.12.2023
	Balance as on 31.12.2022	Addition during this year	Disposal/adjustment during this year		Balance as on 31.12.2023	Addition during this year	Disposal/adjustment during this year	
Motor vehicles	1,250,000	-	-	20%	1,249,994	6	-	1,250,000
Furniture and fixtures	819,914	-	-	10%	819,896	18	-	819,914
Office equipment	3,954,528	92,754	-	18%	3,653,823	70,823	-	3,724,646
Balance as on 31 December, 2023	6,024,442	92,754	-	-	5,723,713	70,847	-	5,794,560
Balance as on 31 December, 2022	5,959,826	64,616	-		5,671,383	52,330	-	5,723,713

Details at Intangible assets (Software)

Particulars	Cost			Rate of Dep.	Depreciation			Written down value as on 31.12.2023
	Balance as on 31.12.2022	Addition during this year	Disposal/adjustment during this year		Balance as on 31.12.2023	Addition during this year	Disposal/adjustment during this year	
Software	1,500,000	-	-	18%	1,499,990	-	-	1,499,990
Balance as on 31 December, 2023	1,500,000	-	-		1,499,990	-	-	1,499,990
Balance as on 31 December, 2022	1,500,000	-	-		1,499,990	-	-	1,499,990

Annex B

IIDFC Capital Limited

Annex B
----1/10

Schedule-C

Part A

[see rule 2(1)(j)(ii); rule 4(1)(b); rule 5(2)]

Statement of Total Capital Computation

As at 31 December 2023

SL.	Components	B/S Amount	Haircut	Eligible Amount	Sum
a.	Paid-up-capital	600,000,000	0%	600,000,000	
b.	Share Premium	-	0%	-	
c.	General reserve	-	0%	-	
d.	Capital Reserve	164,075	0%	164,075	
e.	Retained Earnings	(58,789,859)	0%	(58,789,859)	
	Sum of core capital			541,374,215	541,374,215
f.	General Provision	6,259,087	20%	5,007,270	
g.	Specific Provision	176,217,120	30%	123,351,984	
h.	Revaluation Surplus or unrealized gain on:				
i.	Fixed Assets (Property, plant & equipments other than Intangible assets)	-	30%	-	
ii.	Investment in listed securities	-	20%	-	
iii.	Investment in non-listed securities (other than closed end mutual fund)	-	35%	-	
iv.	Investment in strategic holding	-	25%	-	
i.	Preference Share	-	25%	-	
j.	Subordinated debt	-	20%	-	
	Sum of supplementary capital			128,359,254	128,359,254
	Total Capital			669,733,469	669,733,469

$$\text{Formula of Capital Adequacy Ratio (CAR)} = \frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100$$

$$\text{Our Capital Adequacy Ratio (CAR)} = \frac{669,733,469}{80,905,828} \times 100$$

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IIDFC Capital Limited

Schedule-D Part A

Annex B
----2/10

Statement of Total Risk Requirement Computation [see rule 4(4)] As at 31 December 2023

Area of Risk	Computation Formula	Full Amount	Risk Factor	Eligible Amount	Applicable for Registered Entity
Operation Risk Requirement (ORR)	Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)	35,244,251	5%	1,762,213	All
	i. Proprietary positions in Equity securities:				
	Value of "A" category securities	70,964,682	10%	7,096,468	All
	Value of "B/G/N/" category securities	10,639,236	12%	1,276,708	
	Value of "Z" category instruments	-	15%	-	
	Value of "OTC" category instruments	-	20%	-	
	Value of Non-Listed Instruments	-	25%	-	
	ii. Proprietary positions in MFs & CIs:				
	Value of listed funds	-	10%	-	All
	Value of non-listed funds	-	3%	-	
Value of AIFs	-	25%	-		
Position Risk Requirement (PRR)	iii. Proprietary positions in Debt Instruments & ABSs:				
	Value of listed debt instruments & ABSs	-	5%	-	All
	Value of no-listed debt instruments	-	10%	-	
	Value of non-listed ABSs	-	10%	-	
	iv. Proprietary Position in strategic investments				
	Value of listed strategic investments	-	10%	-	All
	Value of no-listed strategic investments	-	25%	-	
	v. Proprietary Position in money market				
	Value of Government securities/ instruments	-	0%	-	All
	Value of commercial paper	-	10%	-	

IIDFC Capital Limited

Schedule-D Part A

Annex B
---3/10

Statement of Total Risk Requirement Computation [see rule 4(4)] As at 31 December 2023

Area of Risk	Computation Formula	Full Amount	Risk Factor	Eligible Amount	Applicable for Registered Entity
Counterparty Risk Requirement (CPRR)	i. Exposure of credit facilities to Clients	594,845,507	8%	47,587,641	Stock Broker, Portfolio Manager
	ii. Exposure of Guarantee Provided to counterparty	-	2%	-	All
Underwriting Risk Requirement (URR)	Sum of Underwriting Commitment against the followings:	4,500,000			
	i. Public Issue of Equity Instruments (IPO)	4,500,000	10%	450,000	Merchant Banker
	ii. Public Issue of Equity Instruments (Rights Issue)	-	15%	-	
	iii. Public Issue of Debt Instruments	-	15%	-	
Sum of Large Exposures against the followings:					
Large Exposure Risk Requirement (LERR)	i. Sum of all Large Exposure to a Single counterparty	323,848,929	7%	22,669,425	All
	ii. Sum of all Large Exposure to Single Equity	-	10%	-	
	iii. Sum of all Large Exposure to Debt Instruments	-	3%	-	
	i. Exposure of Asset under Management (AUM)	-	1%	-	
Liability Risk Requirement (LRR)	ii. Exposure of Fund Under Management (FUM)	-	1%	-	Asset Manager Fund Manager
	iii. Exposure of Institutional Fund Under Management (IFUM)	-	0.25%	-	Asset Manager, Merchant Banker and Portfolio Manager
	iv. Annual Revenue Reported in last year	31,686,700	0.20%	63,373	Credit rating Company, Stock Broker & Stock Dealer, Merchant Banker and Portfolio Manager
	Total Risk requirement	1,076,229,304		80,905,828	

IIDFC Capital Limited

Schedule-A Part A

Annex B
---4/10

[see rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Statement of Liquid Capital Balance
As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
1	Cash and Bank Balances		59,810,603		59,796,489
	Cash in hand		6,424	0%	6,424
	Cash at Bank in Company's operational account		857,878	0%	857,878
	Cash at Bank in trading accounts (Stock Dealer A/C)		18,798,808	0%	18,798,808
	Cash at Bank accounts for clients (consolidated customer account)		40,133,379	0%	40,133,379
	Cash at Bank at IPO Account		14,114	100%	-
	Investments in FDR		-	0%	-
	Others cash and cash equivalent		-	0%	-
2	Net Receivable from Exchange, Depository, CCP and others		-	0%	-
	Mandatory for Cash deposits with Exchanges (as margin/security)		-	100%	-
	Excess over Mandatory for Cash deposits with Exchanges (as margin/security)		-	0%	-
	Mandatory for Cash deposits with Clearing House (as margin/security)		-	100%	-
	Excess over mandatory for Cash deposits with Clearing House (as margin/security)		-	0%	-
	Mandatory for Cash deposit with depository (as per rule)		-	100%	-
	Excess over mandatory for Cash deposit with depository (as per rule)		-	0%	-

IIDFC Capital Limited

Schedule-A Part A

Annex B
---5/10

[see rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Statement of Liquid Capital Balance
As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	Assets provided to others as security		-		-
	Assets kept as security against any obligations		-	100%	-
	Assets kept as security but exercisable within 30 days		-	0%	-
	Cash provided as security for short selling		-	100%	-
3	Net Receivable from Securities Trading		-		-
	Receivable from DSE (categorized as A,B,G,N,Z and DVP)		-		-
	Receivable from DSE against A, B, G & N category		-	0%	-
	Receivable from DSE against Z category		-	5%	-
	Receivable from DSE against DVP category		-	5%	-
	Receivable from CSE (categorized as A,B,G,N,Z and DVP)		-		-
	Receivable from CSE against A, B, G & N category		-	0%	-
	Receivable from CSE against Z category		-	5%	-
	Receivable from CSE against DVP category		-	5%	-

IIDFC Capital Limited

Schedule-A Part A

Annex B
----7/10

[see rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Statement of Liquid Capital Balance
As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
8	Proprietary positions in securities and specified investments:		81,603,918		73,230,741
	i. Proprietary positions in Equity securities		81,603,918		73,230,741
	Value of "A" category instruments		70,964,682	10%	63,868,214
	Value of "B/G/N/..." category		10,639,236	12%	9,362,528
	Value of "Z" category instruments		-	15%	-
	Value of "OTC" category		-	20%	-
	Value of Non-Listed Instruments		-	25%	-
	ii. Proprietary positions in MFs & CISs including AIFs		-		-
	Value of listed funds		-	10%	-
	Value of non-listed funds		-	3%	-
	Value of AIFs		-	25%	-
	iii. Proprietary positions in Debt Instruments & ABSs		-		-
	Value of listed debt instruments &		-	5%	-
	Value of no-listed debt instruments		-	10%	-
	Value of non-listed ABSs		-	10%	-
	iv. Proprietary Position in strategic investments		-		-
	Value of listed strategic investments		-	10%	-
	Value of no-listed strategic		-	25%	-

IIDFC Capital Limited

Schedule-A Part A

[see rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Statement of Liquid Capital Balance
As at 31 December 2023

Annex B
---8/10

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	v. Proprietary Position in money market Instruments		-		-
		Value of Govt. & BB Instruments	-	0%	-
		Value of commercial paper	-	10%	-
	vi. Own subscription in IPOs but not yet allotted		-	10%	-
	vii. Other Investment		-	n/a	-
9	Proprietary position in Derivatives		-	n/a	-
10	Other assets arising from:		2,368,405		1,819,256
	Receivable against Advisory Fees, Commission, etc		1,799,173	10%	1,619,256
	Dividend Receivable		-	0%	-
	Interest Receivable		-	0%	-
	Prepaid expenses		-	100%	-
	Security deposits		200,000	100%	200,000
	Any other (need to specify)		369,232		-
11	Total liquid assets		738,628,433		629,809,496
	Liabilities				
12	Short positions in securities held for own account		-	0%	-
13	Payable to Clients		16,120,399	0%	16,120,399
14	Short Term Business Liabilities:		-		-
	Payable to Banks, if not for trading & investment (current portion)		-	0%	-

IIDFC Capital Limited

Schedule-A Part A

Annex B
---9/10

[see rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Statement of Liquid Capital Balance
As at 31 December 2023

Item	Assets	Note	Amount as in	Amount after Haircut
	Payable to FIs, if not for trading & Investment (current portion of long-term liabilities)		-	0%
	Payable to Banks & FIs for loan against Margin Financing & Investment (full amount)		-	0%
	Payment obligation against sub-debt, preference shares (current portion)		-	0%
	Payable to associate companies or persons		-	0%
15	Amounts payable to clearing houses/Exchanges/Depository etc.		1,750,203	1,750,203
	Payable to Exchanges		-	0%
	Payable to Clearing House/CCP		-	0%
	Payable to Depository		-	0%
	Payable to Brokers		1,750,203	1,750,203
16	Other Liabilities and Provisions:		237,489,210	54,833,434
	Accruals & Accounts payable		843,444	843,444
	Deferred tax and other deferred liabilities		-	50%
	Provision for Margin Loan		171,598,330	100%
	Provision for diminution in value of investment in securities		10,877,877	100%
	Provision for Gratuity, PF & others		359,137	50%
	Provision for Tax & VAT		53,810,422	0%
	Interest Suspense against Margin Loan		-	100%
	Liabilities for Expenses		-	0%
	Interest Payable		-	0%
	Provision for contingent liabilities and floating losses		-	50%
	Others (clearly specified in notes)		-	0%

IIDFC Capital Limited

Schedule-A Part A

Annex B
----10/10

[see rule 2(1)(i);rule 4(1)(d);rule 8(5)]
Statement of Liquid Capital Balance
As at 31 December 2022

Item	Assets	Note	Amount as in	Amount after Haircut
17	Net Short term obligations after haircut	Aggregate of item 12 to item 16	255,359,812	72,704,036
18	Total Liabilities	As per Balance Sheet	278,182,308	278,182,308
19	Liquid Capital (Amount in item 11 minus item 17)		483,268,621	557,105,459
20	Regulatory LCB : 4%/6%/8% of Total Liabilities (Item 18)		22,254,585	22,254,585
21	Excess/(Deficit) in Liquid Capital Balance	(Amount in Item 20 less 19)	461,014,037	534,850,875



**IIDFC
SECURITIES
LIMITED**

INDEPENDENT AUDITOR'S REPORT To the shareholders of IIDFC Securities Limited

Opinion

We have audited the financial statements of IIDFC Securities Limited. ("the company"), which comprises the statement of financial position as at December 31, 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the company as at December 31, 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

- Please refer to note 8 (Margin loan to client) Amounting BDT 1,532,315,581 where Regular margin loan is BDT 629,793,522 out of which BDT 47,915,000 is irrecoverable and interest is not being charged on this amount due to pending litigation cases and commitment for future waiver under the bailout program, Margin Loan With negative equity BDT79,874,731 and margin loan of BDT 822,647,328 under bailout programme was transferred to a separate interest free blocked account. As per BSEC's directive no. BSEC/CMRRCD/2009-193/196 dated 28 December 2016, BSEC/CMRRCD-D/2009-193/201 dated 17 August 2017, BSEC/SRI/NE//2020/605 dated 28 December 2022 and BSEC/SMMID/NE/2023/840 dated 22 October 2023 total amount of provision against unrealized loss of margin loan to be kept by 30 June 2024. In this connection, an amount of BDT 36,015,521.00 has been made as loan loss reserve upto which is equivalent to 40.93% of unrealized loss (negative equity) of BDT 882,035,392.00 against December 31, 2023 balance of the margin loan.
- Please refer to note 9 (Investment in Securities) Investment in securities recorded as cost value. As per IFRS 9 para 4.1.1 Financial Asset need to be shown at fair value. As per DSE guideline no. DSE/MCD/CLR/AFS/2024/15 Dated March 03, 2024, If present investment in dealer account is shown at cost value, follow BSEC Directive for making provision for unrealized loss from investment in Dealer account. As per BSEC's directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and BSEC/SRI/NE/2020/333 dated 27 March 2023, total amount of provision against

unrealized loss of investment in securities to be kept by 31 December 2025. In this connection, amount of BDT 13,231,515 has been made as provision which is equivalent to 22% of total unrealized loss of BDT 60,143,253 against period ending balance of investment in securities.

Our opinion is not modified in respect of this matter.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, 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.

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

In accordance with the Companies Act 1994, Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules 2019, we also report the following:

- 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 these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns;
- d) The expenditure incurred was for the purposes of the company's business; and
- e) The computation of the year end capital adequacy in the financial statements are accurate.

Name of Firm:	M M Rahman & Co. Chartered Accountants
Signature of the Auditor	
Name of the Auditor	Mohammed Forkan Uddin FCA Managing Partner
Enrolment No.	886
Firm's FRC Enlistment No:	CAF-001-144

DVC: 2408240886AS535391

Dhaka, Date: 24/08/2024

IIDFC Securities Limited

Statement of Financial Position For the year ended 31 December 2023

		2023	2022
		BDT	BDT
Assets			
A. Non-current assets	Notes	96,215,745	96,186,976
Property, plant and equipment	4.00	8,194,578	9,751,002
Intangible asset (software)	5.00	961,789	-
Cost of TREC holding	6.00	85,978,830	85,978,830
Deferred tax assets	7.00	1,080,549	457,144
B. Current assets		2,512,045,033	2,285,937,317
Margin loans to clients	8.00	1,532,315,581	1,497,438,699
Investment in securities	9.00	286,495,741	312,712,673
Advance against income tax	10.00	239,000,100	218,528,469
Advances, deposits and prepayments	11.00	6,620,313	6,812,503
Receivable from stock exchange	12.00	4,540,707	15,628,795
Other receivables	13.00	2,251,007	621,328
Cash and cash equivalents	14.00	440,821,583	234,194,850
C. Total assets (A+B)		2,608,260,779	2,382,124,294
Equity and liabilities			
D. Equity		1,132,653,659	1,129,709,050
Share capital	15.00	1,000,000,000	1,000,000,000
Retained earnings	16.00	115,151,819	112,466,573
Capital reserve	17.00	501,840	242,477
General reserve	18.00	17,000,000	17,000,000
Liabilities			
E. Non-current liabilities		313,729,334	324,711,563
Term loan	19.00	313,729,334	324,711,563
F. Current liabilities		1,161,877,786	927,703,680
Payable to clients	20.00	377,198,096	225,323,287
Accounts payable	21.00	-	7,985
Payable to stock exchange	22.00	7,821,275	34,361
Payable to gratuity fund	23.00	564,560	2,136,723
Provision for diminution in value of investment in securities	24.00	13,231,515	13,036,796
Loan loss reserve	25.00	361,015,521	366,465,521
Accrued expenses	26.00	4,297,561	5,241,616
Short term loan (bank overdraft)	27.00	129,547,877	76,394,148
Other liabilities	28.00	25,488,953	16,133,201
Provision against margin loan	29.00	15,323,156	14,974,387
Provision against income tax	30.00	227,389,272	207,955,655
Total liabilities (E+F)		1,475,607,120	1,252,415,244
G. Total equity and liabilities (D+E+F)		2,608,260,779	2,382,124,294

Chairman

Director

Company Secretary

Chief Executive Officer

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor
Name of the Auditor

Mohammed Forkan Uddin FCA
Managing Partner
886

Enrolment No.
Firm's FRC Enlistment No:

CAF-001-144

DVC: 2408240886AS535391

Dhaka, Date: 24/08/2024

IIDFC Securities Limited

Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 December 2023

	Notes	2023 BDT	2022 BDT
Operating income			
Interest income	31.00	92,183,625	80,347,488
Interest expense	32.00	(39,166,799)	(42,467,311)
Net interest income		53,016,826	37,880,178
Brokerage commission	33.00	88,108,130	111,459,911
Gains on sale of securities	34.00	(2,194,018)	29,470,719
Dividend income	35.00	8,751,523	9,723,220
Other operating income	36.00	1,548,505	876,244
Other income	37.00	107,140	105,949
		96,321,280	151,636,044
Total operating income		149,338,107	189,516,221
Operating expenses			
Securities trading cost	38.00	7,494,179	9,578,380
Salaries and allowances	39.00	60,534,443	60,929,018
Rent, insurance and utilities	40.00	9,928,077	8,844,240
Professional and legal expenses		1,147,730	1,396,042
Postage, stamp and telecommunications	41.00	2,215,110	1,964,758
Stationery, printing and advertisement	42.00	1,243,776	1,191,465
Directors' fees	43.00	211,200	378,400
Auditor's fee		166,750	161,000
Loans and advances written off		3,890	70,908,577
Repair and maintenance	44.00	299,520	913,265
Depreciation	45.00	2,268,027	2,034,806
Other expenses	46.00	4,077,096	3,750,436
Total operating expenses		89,589,798	162,050,387
Operating profit		59,748,308	27,465,835
Provision for diminution in value of investment	24.00	(194,718)	(217,462)
Provision loan loss -specific	25.00	(37,450,000)	-
Provision for margin loan-general	29.00	(348,769)	-
Profit before tax		21,754,821	27,248,373
Income tax expense			
Current tax	30.00	(19,433,617)	(24,522,026)
Deferred tax (expense)/income	7.00	623,405	(132,717)
		(18,810,212)	(24,654,743)
Profit/ (loss) for the year		2,944,609	2,593,630
Other comprehensive income		-	-
Total comprehensive income/ (loss)		2,944,609	2,593,630
Basic earnings per share	47.00	0.029	0.026

Chairman

Director

Company Secretary

Chief Executive Officer

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor
Name of the Auditor

Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No.
Firm's FRC Enlistment No:

886
CAF-001-144

DVC: 2408240886AS535391

Dhaka, Date: 24/08/2024

IIDFC Securities Limited

Statement of Changes in Equity For the year ended 31 December 2023

Amount in BDT

Particulars	Share capital	Capital reserve	Retained earnings	General reserve	Total
Balance as on January 01, 2023	1,000,000,000	242,477	112,466,573	17,000,000	1,129,709,050
Profit/ (loss) for the year	-	-	2,944,609	-	2,944,609
Transfer to capital reserve	-	259,363	(259,363)	-	-
Balance as on December 31, 2023	1,000,000,000	501,840	115,151,820	17,000,000	1,132,653,660

Amount in BDT

Particulars	Share capital	Capital reserve	Retained earnings	General reserve	Total
Balance as on January 01, 2022	1,000,000,000	-	110,115,420	17,000,000	1,127,115,420
Profit/ (loss) for the year	-	-	2,593,630	-	2,593,630
Transfer to capital reserve	-	242,477	(242,477)	-	-
Balance as on December 31, 2022	1,000,000,000	242,477	112,466,573	17,000,000	1,129,709,050

sd/-
Chairman

sd/-
Director

sd/-
Company Secretary

sd/-
Chief Executive Officer

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor

Name of the Auditor

Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No.

886

Firm's FRC Enlistment No:

CAF-001-144

DVC: 2408240886AS535391

Dhaka, Date: 24/08/2024

IIDFC Securities Limited

Statement of Cash Flows For the year ended 31 December 2023

	2023	2022
	BDT	BDT
A Cash flows from operating activities		
Receipt of interest	92,183,625	80,347,488
Interest paid on borrowings	(38,497,697)	(42,116,053)
Receipt of brokerage commission	88,108,130	111,459,911
Receipt of dividend	8,751,523	9,723,220
Gains on sale of securities	(2,194,018)	29,470,719
Payment to employees	(57,714,083)	(55,305,350)
Receipts from other operating activities	963,002	935,673
Payment for other operating activities	(25,410,778)	(26,774,572)
Income tax paid	(20,471,631)	(25,218,512)
Cash generated from/(used in)	45,718,073	82,522,524
Increase/(decrease) in operating assets and liabilities		
Advances, deposits and prepayments	192,190	24,888,509
Receivable from stock exchange	11,088,088	21,429,748
Other receivables	(1,629,679)	609,949
Payable to gratuity fund	(2,136,723)	(600,000)
Payable to clients	151,874,809	(26,030,634)
Accounts payable	(7,985)	(126,847)
Accrued expenses	(5,241,616)	(6,849,834)
Payable to stock exchange	7,786,914	(77,808)
Other liabilities	9,355,752	9,987,763
Net changes in operating assets and liabilities	171,281,750	23,230,846
Net cash from/(used in) operating activities	216,999,823	105,753,370
B Cash flows from investing activities		
Investment in shares	26,216,931	(44,548,011)
Margin loan to clients	(77,780,772)	123,873,962
Acquisition of property, plant and equipment	(500,478)	(7,819,878)
Acquisition of Intangible Asset	(1,172,913)	
Disposal of property, plant and equipment	692,644	46,520
Net cash from/(used in) investing activities	(52,544,588)	71,552,593
C Cash flows from financing activities		
Receipt/(repayment) of term loans	42,171,499	(160,791,109)
Net cash from/(used in) financing activities	42,171,499	(160,791,109)
D Net changes in cash and cash equivalent (A+B+C)	206,626,733	16,514,853
E Opening cash and cash equivalent	234,194,850	217,679,997
F Closing cash and cash equivalent	440,821,584	234,194,850

Chairman

Director

Company Secretary

Chief Executive Officer

Name of Firm:

M M Rahman & Co.
Chartered Accountants

Signature of the Auditor
Name of the Auditor

Mohammed Forkan Uddin FCA
Managing Partner

Enrolment No.
Firm's FRC Enlistment No:

886
CAF-001-144

DVC: 2408240886AS535391

Dhaka, Date: 24/08/2024

IIDFC Securities Limited

Notes to the financial statements

For the year ended 31 December 2023

1.00 Reporting entity

1.01 Company profile

IIDFC Securities Limited (the company) is a public company, fully owned subsidiary company of Industrial and Infrastructure Development Finance Company Limited (IIDFC). The company was incorporated in Bangladesh vide certificate of incorporation no. C-83521/10 dated 28 March 2010 in the name IIDFC Securities Limited. The company obtained license from Bangladesh Securities and Exchange Commission (BSEC) of its Stock broker registration vide certificate no. 3.1/DSE-238/2011/455 dated 05 January 2011, Stock Dealer registration certificate no. 3.1/DSE-238/2011/456 dated 05 January 2011, Depository Participation license no. SEC/Registration/CDL-DP-292 dated 03 February 2011 to carry out its operations.

1.02 Nature of business

The principal activities of the company include business of stock dealer, stock broker and depository participant (DP) for dealing of shares and securities, commercial papers, bonds, debentures, debenture stocks, etc. The company is a member of Dhaka Stock Exchanges (membership no. 238) and full service depository participant of Central Depository Bangladesh Limited (CDBL).

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

2.00 Basis of accounting

2.01 Statement of compliance

The financial statements have been prepared in compliance with the requirement of the International Financial Reporting Standards (IFRSs) which also cover International Accounting Standards (IASs) except some cases which are mentioned in note 3.9, the Companies Act 1994, Securities and Exchange Rules, 2020. Bangladesh Securities and Exchange Commission (Stock Dealer, Stock Broker and Authorised Representative) Rules 2000 and other applicable laws and regulations.

2.02 Basis of measurement

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

2.03 Functional and presentation currency

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

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

2.04 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 year in which the estimate is revised if the revision affects only that year, or in the year of revision and future years if the revision affects both current and future years.

2.05 Reporting period

The financial statements cover one year from 1 January 2023 to 31 December 2023. Basis of reporting period follows Their Parent Company (IIDFC Limited) Year End.

2.06 Events after the reporting period

In compliance with the requirements of IAS 10: Events After the Reporting Period, post statement of financial position events that provide additional information about the Company's position at the statement of financial position date are reflected in the financial statements and events after the statement of financial position date that are not adjusting events are disclosed in the notes when material.

No material events had occurred after the reporting year to the date of issue these financial statements, which could affect the value stated in the financial statement.

2.07 Components of financial statement

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

2.08 Going concern

The Company prepares financial statements on a going concern basis since as per management assessment there are no material uncertainties related to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern and it neither intends to liquidate the entity nor to cease trading, or has realistic alternative to do so.

3.00 Significant accounting policies

The accounting policies set out below have been applied consistently, if not stated otherwise to all years presented in these financial statements.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

3.01 Revenue recognition

IFRS 15 deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a entity fulfils the performance obligations regarding the contract of supplying the goods or rendering of service. The standard replaces all existing requirements of IAS 18: Revenue and IAS 11: Construction contracts and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2018 thus the company adopted IFRS 15: with a date of the said initial application.

Five step model:

1. Identify the contract
2. Identify separate performance obligations
3. Determine the transaction price
4. Allocate transaction price to performance obligations
5. Recognise revenue when each performance obligation is satisfied.

Brokerage commission

Brokerage commission income are recognised when the corresponding services are provided. Brokerage commission income presented in the financial statements includes the following:

- i) Management fee charged on the market value of customers' portfolios;
- ii) Trading commission charged to customers' trading in the secondary capital
- 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.

Interest income from margin loan

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

However, 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.

Gains or losses on investment in securities

Gains or losses on investment in securities is calculated based on the different between cost and fair value of securities at the closing trade date of Dhaka Stock Exchange at the year end of the company.

Income from bank deposit

Income from bank deposit comprises interest income on bank deposit. Interest income is recognised as it accrues, using the effective interest rate.

Dividend

Dividend income is recognised as income when it is actually received.

IIDFC Securities Limited

Notes to the financial statements
For the year ended 31 December 2023

3.02 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. Non-derivative financial instruments comprise investments in shares, margin loans, receivables, cash and cash equivalents, term loans, trade payables, customer deposits and share capital.

3.2.1 Financial assets

Financial assets refer to assets that arise from contractual agreements on future cash flows or from owning equity instruments of another entity.

The company initially recognises receivables on the date when 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 from the assets expires, or it transfers the rights to receive the contractual cash flows from the financial assets 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, margin loans and investment in quoted securities.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank deposits, stamp in hand and other short term highly liquid investments with original maturities of three months or less and there was insignificant risk of changes in value of these current assets.

Accounts receivable

Accounts receivables are recognised at original invoiced amount. They are stated at netted off with payable with DSE, provision for bad and doubtful debts and written off, if any.

Margin loan

Margin loan is provided to clients to facilitate investment in equity securities. They are initially classified as financial assets at fair value and subsequently measured at amortised cost.

Investment securities

Investment in quoted securities is valued and recognised at cost following the directives no. BSEC/CMRRCD/2009-193/196 dated 28 December 2016. However, diminution in value of investment in securities on measurement of listed securities as on 31 December 2010 and onward is recognised following the directives no. BSEC/CMRRCD/2009-193/196 dated 28 December 2016 and BSEC/SRI/NE/2020/333 dated 27 March, 2023, where the authority allowed to defer the recognition of loss up to 31 December 2025.

Investment in unquoted shares is valued and recognised at cost.

IIDFC Securities Limited

Notes to the financial statements
For the year ended 31 December 2023

3.2.2 Financial liabilities

A contractual obligation to deliver cash or another financial assets to another entity or to exchange financial instruments with another entity under conditions that are potentially unfavourable.

The company initially recognises financial liabilities on the transaction date at which the entity becomes a party to the contractual provisions of the liability. The entity recognises such financial liability when its contractual obligations arising from past events are certain and the settlement of which is expected to result in an outflow from the entity of resources embodying benefits.

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

Financial liabilities as presented in these financial statements comprise loans and borrowings, accounts payable and other payables.

Loans and borrowings

Loans and borrowings are recognised initially at value less attributable transaction costs. Subsequently these borrowings are stated at amortised cost using the effective interest method.

Accounts payable

Accounts payables are recognised at actual.

Offsetting financial assets and a financial liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position, when the entity has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

3.03 Property, plant and equipment

3.3.1 Recognition and measurement

Tangible fixed assets are accounted for according to IAS 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. Any improvements that enhance the economic useful life of the property, plant and equipment or that improve the capacity and quality are capitalised by adding it to the related property, plant and equipment.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

3.3.2 Subsequent costs

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

3.3.3 Depreciation

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

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

3.04 Intangible asset

Intangible asset is accounted for according to IAS 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 impairment losses. Intangible asset "software" which is amortised @ 18%. Despite the asset has no carrying value but it has still the usefull capacity for the company.

3.05 Statement of cash flows

Statement of cash flows is prepared under direct method in accordance with IAS 7: Statement of Cash Flows.

3.06 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 IAS 12: Income taxes.

3.6.1 Current tax

Provision for current income tax for the year is made in accordance with the Income Tax Act, 2023 and subsequent amendments made thereto from time to time.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

3.6.2 Deferred tax

Deferred tax is recognised for temporary differences considering taxation effects between the carrying amounts of assets and liabilities for financial reporting 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 or liability 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.

3.07 Employee benefit

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

3.7.1 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.

3.7.2 Retirement benefit obligations (gratuity fund)

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

3.7.3 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 out patient days services.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

3.7.4 Car benefits

The permanent employees of the company are eligible for interest free car loan facility as per policy whose job grade is at least AVP and above subject to approval of the management.

3.08 Lease

The company has adopted IFRS 16: leases from 1 January 2019 to account for its leases for office space. The leases were previously accounted for under IAS 17, where the leases were classified as operating lease.

Under IFRS 16, a lessee shall recognise a right-of-use asset and a lease liability for all leases except where the leases are either in short-term nature or the leases are under low value assets nature. Therefore, the company decided to recognise the lease payments associated with these leases as an expense.

3.09 Departure from IFRS

1	Nature of departure	Title of IFRS	'Treatment of IFRS	Treatment adopted as per regulatory requirement / Management decisions
1	Valuation of Investments in listed and non-listed shares	IFRS 9 Financial Instruments	'IFRS 9 describe that how classification, measurement and recognise of investments. Based on that investment in shares and securities generally falls either at "fair value through profit and loss account" (FVTPL) or at "fair value through other comprehensive income" (FVOCI) where any change in the fair value of investments measured under FVTPL is to taken to the profit and loss account and any changes in the fair value of securities measured under FVOCI is transferred to equity through other comprehensive income.	'As per circular from Dhaka Stock Exchange Ltd. Ref no. DSE/COM/TAD/CLR/AAFS_20 21/434 dated 09 April 2022 investment in securities can be presented at cost and its provision against diminution in value of investments is maintained in according BSEC directive no. SEC/CMRRCD/2009-193/196 dated 28 December 2016 and BSEC/SRI/Policy/3/2020/68 dated 12 January 2020 and BSEC/SRI/NE/2020/333 dated 27 March 2023.
2	Lease	IFRS 16	Under IFRS 16, a lessee shall recognise a right-of-use asset and a lease liability for all leases except where the leases are either short-term or the leases are for low value assets.	'As the company did not recognize the lease, it decided to charge the rents of office space as expenses in the profit and loss statement.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

7.00 Deferred tax assets: TK 1,080,549

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

Particulars	Carrying amount of assets/ liabilities	Tax base	2023	2022
			BDT	BDT
Furniture and fixtures	966,448	1,851,828	885,380	741,419
Office decoration	3,107,824	5,253,975	2,146,151	1,746,579
Office equipment	4,120,307	4,714,063	593,756	(825,657)
Computer software	961,789	938,330	(23,459)	-
	<u>9,156,368</u>	<u>12,758,196</u>	<u>3,601,828</u>	<u>1,662,341</u>
Applicable tax rate			30%	27.5%
Deferred tax assets			<u>1,080,549</u>	<u>457,144</u>

8.00 Margin loans to clients: TK 1,532,315,581

Regular margin loan (note 8.1)	629,793,522	549,775,299
Margin loan with negative equity (note 8.2)	79,874,731	124,737,226
Interest-free blocked account margin loan (note 8.3)	822,647,328	822,926,174
	<u>1,532,315,581</u>	<u>1,497,438,699</u>

8.01 Regular margin loan: TK 629,793,522

This represents loan facilities extended to the customers for trading of listed securities in the secondary capital market as per Margin Rules 1999. As on 31 December 2023 total regular margin loan is BDT 629,793,522 out of which BDT 47,915,000 are not charging interest due to pending litigation cases and commitment for future waiver under the bailout program. As on 31 December 2023, the total market value of securities is BDT 1,874,702,597.00 against such positive equity of margin loan.

8.02 Margin loan with negative equity: TK 79,874,731

This represents loan facilities extended to the customers for trading of listed securities. Subsequently, due to gradually interest charged & decreased of the market value of securities, the outstanding margin loan is standing greater than the market value of the portfolio, it's become adverse equity against margin loan. As on 31 December 2023 the total market value of securities is BDT 8,122,762.00 against such negative equity of margin loan.

8.03 Interest-free blocked account margin loan: TK 822,647,328

Under the bailout program for long outstanding negative equity margin loan accounts, the company sold out the securities available in these accounts and recovered the outstanding margin loan as much as possible. Upto 31 December 2023, total margin loan of BDT 822,647,328.00 under this program was transferred to a separate interest-free blocked account. The market value of securities is BDT 12,363,906.00 against irregular loan accounts as on 31 December 2023.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

9.00 Investment in securities: TK 286,495,741

Listed securities (note 9.1)
Non-listed securities (note 9.2)

2023	2022
BDT	BDT
256,637,221	282,854,153
29,858,520	29,858,520
286,495,741	312,712,673

9.01 Listed securities breakup 2023: TK 256,637,221

	Cost price	Market price	Unrealised Gain/(loss)
	a	b	c=b-a
Engineering	72,553,164	57,192,742	(15,360,422)
Bank	58,081,595	44,939,492	(13,142,103)
Pharmaceutical and chemicals	47,258,736	30,561,500	(16,697,236)
Fuel and power	8,384,529	6,304,756	(2,079,772)
Financial institution	17,685,202	11,262,733	(6,422,469)
Tannery & Industries	223,369	193,125	(30,244)
Mutual funds	13,088,874	11,083,560	(2,005,314)
Insurance	78,767	87,201	8,434
Food and allied products	3,026,517	1,976,000	(1,050,517)
Textile	2,236,409	2,059,579	(176,830)
Miscellaneous	34,020,061	30,833,281	(3,186,780)
	256,637,221	196,493,969	(60,143,253)

Listed securities breakup 2022: TK 282,854,153

	Cost price	Market price	Unrealised Gain/(loss)
	a	b	c=b-a
Engineering	63,302,990	48,615,742	(14,687,248)
Bank	58,081,595	45,054,903	(13,026,692)
Pharmaceutical and chemicals	47,258,736	31,630,500	(15,628,236)
Fuel and power	19,038,680	15,670,875	(3,367,805)
Financial institution	17,685,202	11,312,818	(6,372,384)
Tannery & Industries	14,414,736	11,532,400	(2,882,336)
Mutual funds	13,250,000	11,000,000	(2,250,000)
Insurance	7,595,498	6,207,224	(1,388,274)
Food and allied products	4,656,180	2,480,000	(2,176,180)
Textile	3,587,427	3,397,458	(189,969)
Miscellaneous	33,983,111	30,768,249	(3,214,862)

9.02 Non-listed securities: TK 29,858,520

Dhaka Stock Exchange Limited
Unit Fund (ICB AMCL 2nd NRB)

28,860,420	28,860,420
998,100	998,100
29,858,520	29,858,520

IIDFC Securities Limited

Notes to the financial statements
For the year ended 31 December 2023

	2023	2022
	BDT	BDT
10.0 Advance against income tax: TK 239,000,100		
Advance tax paid	23,674,195	22,636,182
Income tax withheld by DSE (note 10.1)	171,707,422	156,307,648
Income tax withheld from dividend income	29,888,821	28,151,541
Income tax withheld from SND account	13,729,662	11,433,099
	239,000,100	218,528,469
10.01 Income tax withheld by DSE: TK 171,707,422		
Stock Dealer transaction	3,440,688.0	3,408,529
Stock Broker transaction	168,266,734.0	152,899,119
	171,707,422.0	156,307,648
<p>The amount has been withheld by Dhaka Stock Exchange Ltd. from the amounts of transactions under section 137 of the Income Tax Act, 2023.</p>		
11.00 Advances, deposits and prepayments: TK 6,620,313		
Car Loan	3,290,282	4,006,946
Advance against office rent	1,564,469	1,739,529
Security deposits (note 11.1)	468,456	468,456
Advance to supply and service (note 11.2)	617,106	442,106
Staff loan	-	155,466
Advance against securities bidding (note 11.3)	680,000	-
	6,620,313	6,812,503
11.01 Security deposits: TK 468,456		
C and F Tower, Chattogram	233,856	233,856
CDBL	100,000	100,000
Dhaka stock exchange ltd	100,000	00,000
BTCL	15,000	15,000
Elite security services ltd.	13,000	13,000
Alpine fresh water ltd	6,600	6,600
	468,456	468,456
11.02 Advance to supply and service: TK 617,106		
Tuheen and Associates	-	350,000
Mr. Mohammad Omar Faruk	92,106	92,106
UNISOFT SYSTEMS LIMITED	525,000	-
	617,106	442,106
	282,854,153	(65,183,985)
11.03 Advance against securities bidding: TK 680,000		
Sikder Insurance Company Ltd.	680,000	-
	680,000	-

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
12.00 Receivable from stock exchange: TK 4,540,707		
Receivable from DSE -Broker:		
Categories A, B, G and N types of shares	2,483,917	15,628,429
Category Z type of share	649,790	365
	3,133,707	15,628,795
Receivable from DSE -Dealer:		
Categories A, B, G and N types of shares	1,407,000	1,407,000
Closing Balance	4,540,707	15,628,795
13.00 Other receivables: TK 2,251,007		
Receivable against Grameen Mutual Fund ONE (13.1)	497,718	497,718
Advance VAT paid	-	123,610
Receivable with City Bank Capital Resources Ltd	3,085	-
Receivable with IIDFC Capital Ltd	1,750,204	-
	2,251,007	621,328
13.01 The above amount is receivable against liquidation of mutual fund.		
14.00 Cash and cash equivalents: TK 440,821,583		
Cash in hand (note 14.1)	39,593	22,625
Short term deposit account (note 14.2)	440,769,752	234,158,478
Stamp in hand	12,238	13,747
	440,821,583	234,194,850
14.01 Cash in hand: TK 39,593		
Head Office	20,218	2,393
Gulshan branch	5,581	6,440
Chattogram branch	1,615	5,745
Chamber building extention	4,434	4,030
Nikunja extension	7,745	4,017
	39,593	22,625
14.02 Short term deposit account: TK 440,769,752		
"ONE Bank PLC., A/C no. 0015025351004 (CCA)	156,220,688	111,528,486
Mercantile Bank PLC., A/C no.1131000047513 (CCA)	257,666,633	114,126,883
ONE Bank PLC., A/C no. 0015025351012 (Dealer Account)	955	4,892
Mercantile Bank PLC., A/C no.1131000047522 (Dealer Account)	654,809	7,367,459
ONE Bank PLC., A/C no.0013000001721 (IPO Account)	5,626	6,558
Southeast Bank PLC., A/C no.3113100000722 (Admin Account)	570,102	974,753
NCC Bank PLC., A/C no. 00310325001228 (Admin Account)	4,530	5,032
Mercantile Bank PLC A/C no. 1131000056781 (BGTB/G-SEC)	20,294	-
One Bank PLC., A/C no. 0013000002145 (Investment Account)	25,626,115	144,415
	440,769,752	234,158,478
15.00 Share capital: TK 1,000,000,000		
15.01 Authorised capital		
500,000,000 ordinary shares of BDT 10 each	5,000,000,000	5,000,000,000

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
15.02 Issued, subscribed and paid-up capital		
100,000,000 ordinary shares of BDT 10 each fully paid-up	1,000,000,000	1,000,000,000

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

Name of Shareholders	No of shares	% of holding	Price		
IIDFC Limited	99,987,497	99.99	10	999,874,970	999,874,970
Mr. Md. Matiul Islam	12,438	0.01	10	124,380	124,380
Mr. S. A Chowdhury	13	0.00	10	130	130
Mr. Tariqul Islam	13	0.00	10	130	130
Mr. Md. Khaliur Rahman	13	0.00	10	130	130
Mr. Lingkon Mondal	13	0.00	10	130	130
Mr. Abu Shadat Mohammad Shahin	13	0.00	10	130	130
	100,000,000	100		1,000,000,000	1,000,000,000

	2023	2022
	BDT	BDT
16.00 Retained earnings: 115,151,819		
Opening balance	112,466,573	110,115,420
Add: Profit/ (loss) for the year	2,944,609	2,593,630
	115,411,182	112,709,050
Less: Transfer to capital reserve	259,363	242,477
Closing balance	115,151,819	112,466,573
17.00 Capital reserve: TK 501,840		
Opening balance	242,477	-
Add: Addition during the year	259,363	242,477
	501,840	242,477
Less: adjustment during the year	-	-
Closing balance	501,840	242,477

Capital reserve has been made as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019. As per that rules, each registered entity shall maintain a mandatory provision which is at least 10% of profit after tax of previous year as capital reserve and the full amount of such reserve shall be accounted for in computing total capital.

18.00 General reserve: TK 17,000,000		
Opening balance	17,000,000	17,000,000
Add: Addition during the year	-	-
	-	-
Less: Adjustment during the year	-	-
Closing balance	17,000,000	17,000,000

The above amount was transferred to general reserve account in the year 2012 against the profit of the year 2011 to meet future uncertainty of the company which approved by the Board in its 7th meeting dated 21 May, 2012.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

		2023	2022
		BDT	BDT
19.00	Term loan: TK 313,729,334		
	IIDFC		
	Term loan-up to 8 years	120,348,865	130,259,928
	Term loan-up to 8 years	92,275,679	113,984,582
		212,624,544	244,244,510
	Investment Corporation of Bangladesh (ICB)		
	Term loan-up to 3 years	101,104,790	80,467,053
		313,729,334	324,711,563
19.01	Term loan-up to 8 years: TK 120,348,865		
	Opening balance	130,259,928	253,874,316
	<u>Add:</u> Addition during the year	-	-
		130,259,928	253,874,316
	<u>Less:</u> Adjustment during the year	(9,911,063)	(123,614,388)
	Closing balance	120,348,865	130,259,928
19.02	Term loan-up to 8 years: TK 92,275,679		
	Opening balance	113,984,582	125,652,413
	<u>Add:</u> Addition during the year	-	-
		113,984,582	125,652,413
	<u>Less:</u> Adjustment during the year	(21,708,903)	(11,667,831)
	Closing balance	92,275,679	113,984,582
19.03	Term loan-up to 3 years: TK 101,104,790		
	Opening balance	80,467,053	38,054,016
	<u>Add:</u> Interest capitalize during the year	505,988	-
	<u>Add:</u> Addition during the year	50,000,000	70,000,000
		130,973,041	108,054,016
	<u>Less:</u> Adjustment during the year	(29,868,252)	(27,586,963)
	Closing balance	101,104,790	80,467,053
20.00	Payable to clients: TK 377,198,096		
	Payable to clients (Trading)	373,208,096	225,323,287
	Payable to clients (IPO)	3,990,000	-
		377,198,096	225,323,287
<p>The company has been maintaining a consolidated customer account against payable to clients with ONE Bank PLC & Mercantile Bank PLC. only for the deposits of money received from and payments to customers as per paragraph six (6) of Securities Exchange Commission Rules 2020.</p>			
21.00	Accounts payable: TK 0		
	IIDFC Capital Limited	-	7,985
		-	7,985
22.00	Payable to stock exchange: TK 7,820,220		
	Payable to DSE -Broker:		
	Categories A, B, G and N types of shares	4,787,327	34,361
	Category Z type of shares	3,032,711	-
	SPOT Trade	182	-
		7,820,220	34,361
	Payable to DSE -Dealer:		
	Categories A, B, G and N types of shares	1,055	-
		1,055	-
	Closing Balance	7,821,275	34,361

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
23.00 Payable to gratuity fund: TK 564,560		
Opening balance	2,136,723	600,000
<u>Add:</u> Addition during the year	564,560	2,136,723
	2,701,283	2,736,723
<u>Less:</u> Paid during the year	(2,136,723)	(600,000)
Closing balance	564,560	2,136,723
The company operates a funded gratuity scheme, provision in respect of which is made annually covering all its permanent eligible employees.		
24.00 Provision for diminution in value of investment in securities: TK 13,231,515		
Opening balance	13,036,797	12,819,335
<u>Add:</u> Provision made during the year	194,718	217,462
	13,231,515	13,036,797
<u>Less:</u> Write back of provision	-	-
Closing balance	13,231,515	13,036,797
Details of un-realised loss and provision		
Total unrealised loss (note 9)	60,143,253	65,183,985
Accumulated provision	13,231,515	13,036,797
Percentage of provision made against requirement	22%	20%
As per BSEC's directive no. SEC/CMRRC/2009-193/196 dated 28 December 2016 and BSEC/SRI/NE/2020/333 dated 27 March 2023, total amount of provision against unrealized loss of investment in securities to be kept by 31 December 2025. In this connection, an amount of BDT 13,231,515 has been made as provision which is equivalent to 22% of total unrealized loss of BDT 60,143,253 against period ending balance of investment in securities. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.		
25.00 Loan loss reserve: TK 361,015,521		
Loan loss account (note 24.1)	55,202,801	24,312,211
Interest income loss account (note 24.2)	305,812,720	342,153,310
	361,015,521	366,465,521
25.01 Loan loss account: TK 55,202,801		
Opening balance	24,312,211	42,956,542
<u>Add:</u> Addition during the year	7,450,000	-
	61,762,211	42,956,542
<u>Less:</u> Adjustment/Write off during the year		(3,669,944)
Transfer to mandatory provision against margin loan	(6,559,410)	(14,974,387)
Closing balance	55,202,801	24,312,211
25.02 Interest income loss account: TK 305,812,720		
Opening balance	342,153,310	374,113,891
<u>Add:</u> Addition during the year	-	-
	342,153,310	374,113,891
<u>Less:</u> Adjustment/Write off during the year	(36,340,590)	(31,960,581)
Closing balance	305,812,720	342,153,310

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

During the year, the total margin loan written-off amount is BDT 42,900,000/- against 128 no. of inactive BO accounts out of which BDT 6,559,410/- has been adjusted from the loan loss account and BDT 36,340,590/- from the interest loss account.

	2023	2022
	BDT	BDT
Un-realised loss and provision		
Un-realised loss (negative equity) against margin loan	882,035,392	925,011,161
Accumulated provision	361,015,521	366,465,521
Percentage of loan loss reserve	40.93%	39.62%
Accumulated provision		
Provision upto 31 Dec 2022	366,465,521	417,070,433
Addition during the year	37,450,000	-
Amount written off during the year	(42,900,000)	(35,630,525)
Transfer to mandatory provision against margin loan	-	(14,974,387)
	361,015,521	366,465,521

As per BSEC's directive no. BSEC/CMRRCD/2009-193/196 dated 18 December 2016, BSEC/CMRRCD/2009-193/201 dated 17 August 2017, BSEC/SRI/NE//2020/605 dated 28 December 2022 and BSEC/SMMID/NE/2023/840 dated 22 October 2023 total amount of provision against unrealized loss of margin loan to be kept by 30 June 2024. In this connection, an amount of BDT 36,015,521.00 has been made as loan loss reserve which is equivalent to 40.93% of unrealized loss (negative equity) of BDT 882,035,392.00 against year ending balance of the margin loan. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

	2023	2022
	BDT	BDT
26.00 Accrued expenses: TK 4,297,561		
Incentives	1,550,000	3,142,541
Payable to supply and service (note 25.1)	115,629	459,321
Associate salary	705,799	344,404
Financial expenses (ICB)	669,102	351,258
Excise Duty	310,000	345,000
Office rent	379,455	165,112
Audit fee	166,750	161,000
Online and data communication charges	147,190	131,390
Financial expenses (IIDFC)	75,280	74,631
Electricity bill	126,862	43,756
Telephone bill	6,154	8,177
Water and Sewerage	7,072	5,649
CDBL charges	11,445	5,550
Drinking water	3,454	3,827
Payable Others	19,000	-
Tree plantation	4,370	-
	4,297,561	5,241,616

IIDFC Securities Limited

Notes to the financial statements
For the year ended 31 December 2023

	2023	2022
	BDT	BDT
26.01 Payable to supply and service: TK 115,629		
Amitiez	17,250	-
SUNBD	12,105	-
Deshprotikhon	2,400	-
MM Enterpris	7,257	-
Rifat enterprise	25,804	-
F-2 Solution	3,158	-
Moron Kumar Das	4,950	3,345
Top Dot	41,116	-
Alpine Fresh	1,589	-
Vission Architects	-	332,253
Greenway Tours & Rent A Car	-	88,755
SEBA Products	-	18,103
Indoor & Outdoor	-	7,460
Nilaa computer	-	7,300
Dhali's Amber Nibaas Ltd	-	2,105
	115,629	459,321

27.00 Short term loan (bank overdraft): TK 129,547,877

ONE Bank Ltd., A/C no.0017170000312	36,101,050	51,222,592
Mercantile Bank Ltd., A/C no.1720000008376	93,446,827	25,171,557
	129,547,877	76,394,148

28.00 Other liabilities: TK 25,488,953

Interest income from CCA (note 27.1)	23,315,066	13,675,274
Risk fund	1,416,667	1,316,667
Income tax deducted at source	354,670	522,556
VAT deduction at source	228,495	462,421
Suspense Accounts-Blocked	174,055	153,817
Others	-	2,466
	25,488,953	16,133,201

28.01 Interest income from CCA: TK 23,315,066

Opening balance	13,675,274	4,390,451
<u>Add: Transfer during the year</u>	9,639,792	9,284,823
	23,315,066	13,675,274

An amount of BDT 23,315,066 has been transferred to other liabilities accounts after deducting annual maintenance expenses, bank charges, and other charges for the purpose of distributation to the customer's account and exchange as per BSEC derective no. BSEC/CMRRCD/2009-193/20 Dated 21 June 2021.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
29.00 Provision against margin loan: TK 15,323,156		
Opening balance	14,974,387	-
<u>Add:</u> Addition during the year	348,769	14,974,387
	5,323,156	14,974,387
<u>Less:</u> Adjustment during the year	-	-
Closing balance	15,323,156	14,974,387
<p>Provision for margin loan has been made as per Bangladesh Securities and Exchange Commission (Risk Based Capital Adequacy) Rules, 2019. where it is stated that, each registered entity those is providing margin financing shall maintain a mandatory provision @ 1% of all outstanding margin exposures.</p>		
30.00 Provision against income tax: TK 227,389,272		
Opening balance	207,955,655	183,433,629
<u>Add:</u> Provision made during the year	19,433,617	24,522,026
	227,389,272	207,955,655
<u>Less:</u> Adjustment during the year	-	-
Closing balance	227,389,272	207,955,655
<p>'Provision for corporate income tax is made on accounting profit for the year after adjustments for taxable allowances and disallowances as per tax laws.</p>		
31.00 Interest income: TK 92,183,625		
Margin loan (31.1)	89,453,301	77,973,972
Bank interest	2,730,324	2,373,516
	92,183,625	80,347,488
<p>31.1 Unrealized accrued interest income on negative equity margin loan has not been recognised as revenue. It has been kept separately in a memorandum account.</p>		
32.00 Interest expense Tk 39,166,799		
IIDFC Ltd.	26,860,452	32,059,005
Mercantile Bank Ltd.	4,766,887	3,830,201
ONE Bank Ltd.	4,598,319	3,820,310
Investment Corporation of Bangladesh (ICB)	2,941,142	2,757,795
	39,166,799	42,467,311
33.00 Brokerage commission: TK 88,108,130		
Commission on securities trading	88,099,020	111,425,161
Commission on IPO processing	9,110	34,750
	88,108,130	111,459,911
34.00 Gains on sale of securities: TK -2,194,018		
Gains from trading of securities	2,669,167	39,711,825
Loss from trading of securities	(4,863,185)	(10,241,106)
	(2,194,018)	29,470,719

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
35.00 Dividend income: TK 8,751,523		
Income from dealer account	5,504,725	7,558,689
Income from DSE	3,246,797	2,164,532
	8,751,523	9,723,220
36.00 Other operating income: TK 1,548,505		
BO account maintenance fee	374,200	364,500
Notice pay received	168,125	185,835
Forfeiture balance from Employees' Provident Fund accounts	237,386	138,689
BO account opening charges	43,150	82,200
Gains on disposal of assets	692,644	46,520
Charges for dishonoured cheques	23,000	39,000
Sale of account opening form	10,000	19,500
	1,548,505	876,244
37.00 Other income: TK 107,140		
Interest Income on Short Term Advance	87,778	-
Others	13,594	10,232
Sale of Scrap	1,000	27,610
Unclaim CDBL Payable	-	47,190
Interest income from staff loan	4,769	20,917
	107,140	105,949
38.00 Securities trading cost: TK 7,494,179		
Laga charges	7,468,777	9,425,090
CDBL charges	25,202	143,740
Howla charge	200	9,550
	7,494,179	9,578,380
39.00 Salaries and allowances:TK 60,534,443		
Basic	20,451,619	17,047,734
Associate salary	10,984,697	13,878,582
House rent	10,227,573	8,483,922
Incentive bonus	1,550,000	3,142,541
Leave encashmer	930,674	2,901,358
Festival bonus	3,453,706	2,533,155
Casual staff salary	1,872,000	2,020,341
Gratuity expense	564,560	2,136,723
Conveyance	2,188,854	1,998,840
Company's contribution to provident fund	1,815,036	1,448,777
Leave fare assistance	1,513,221	1,197,370
Employees recreation	-	1,018,160
Medical allowances	1,020,921	877,555
Group insurance	767,416	684,368
Car allowances	2,340,487	952,120
Other allowance	240,000	240,000
Entertainment	313,679	192,473
House maintenance	300,000	175,000
	60,534,443	60,929,018

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
40.00 Rent, insurance and utilities: TK 9,928,077		
Office rent and service charge	8,226,594	7,536,467
Electricity bill	1,021,983	697,805
Renewal and registration fees	594,653	538,771
Water and sewerage	62,862	53,987
Insurance on fixed assets	21,985	17,210
	9,928,077	8,844,240
41.00 Postage, stamp and telecommunications: TK 2,215,110		
Data communication expenses	1,516,427	1,270,465
Mobile bill	540,827	464,963
Internet expenses	-	145,000
Telephone bill	44,459	38,425
SMS , E-mail & NID Varification charges	84,413	14,630
Postage and courier charges	11,589	15,889
Stamp charges	17,395	15,386
	2,215,110	1,964,758
42.00 Stationery, printing and advertisement: TK 1,243,776		
Printing and stationery	535,814	758,280
Paper, ribbon and cartridge	229,949	148,753
Business promotional and other advertisement expenses	478,013	284,432
	1,243,776	1,191,465
43.00 Directors' fees: TK 211,200		
Fees	192,000	344,000
VAT	19,200	34,400
	211,200	378,400
Each Director was paid for BDT 7,200 (excluding VAT) per board meeting attended.		
44.00 Repair and maintenance: TK 299,520		
Office equipment	186,348	460,038
Renovation and decoration	31,576	264,781
Electric and lighting materials	37,777	135,544
Furniture and fixtures	16,512	37,252
Computer softwar	-	14,700
Computer accessories	27,307	950
	299,520	913,265
45.00 Depreciation: TK 2,268,027		
Office equipment	1,500,094	1,490,648
Office decoration	405,290	399,572
Furniture and fixtures	151,519	144,586
Amortisation on Computer Software	211,124	-
	2,268,027	2,034,806

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

	2023	2022
	BDT	BDT
46.00 Other expenses: TK 4,077,096		
Entertainment	1,161,930	1,291,820
Car maintenance	-	270,204
Excise duty	289,500	793,000
Office maintenance (note 46.1)	853,197	738,007
Travelling and conveyance - local	137,637	207,788
Guarantee commission	757,778	172,222
Risk fund	100,000	100,000
Training expenses	36,300	68,211
Donation	45,157	44,359
Subscription fee (EI)	6,000	27,000
Bank charges	48,527	23,300
Newspaper and magazine	22,010	14,525
VAT Expenses	618,050	-
Books and periodicals	1,010	-
	4,077,096	3,750,436
46.01 Office maintenance: TK 853,197		
Others	438,194	405,190
Cleaning charges	82,735	145,078
Uniform, etc.	96,200	88,790
Plantation	53,080	43,640
Drinking water	21,816	30,180
Telephone Set/ Mobile Phone Set	135,989	-
Purchase of utensils	25,183	25,129
	853,197	738,007
47.00 Earnings per share (EPS)		

Earnings per share (EPS) is calculated in accordance with IAS 33 Earnings per share. The calculation of basic earnings per share was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the period ended 31 December 2023.

Basic earnings per share has been calculated as under:

Earnings attributable to ordinary shareholders net profit/(loss)	2,944,609	2,593,630
Weighted average number of ordinary shares	100,000,000	100,000,000
Basic earnings per share	0.029	0.026

Particulars

Number of share outstanding during the year

	Weighted average Shares	No. of Ordinary Shares
	365	100,000,000
		100,000,000

48.00 Books of account of branch offices

The company has two (2) branch offices at Dhaka and Chattogram. In addition, the company has two extension offices of Head Office at Nikunja & Motijheel, Dhaka. Books of accounts of those branches are maintained at Head Office based on which the accounts are consolidated.

IIDFC Securities Limited

Notes to the financial statements For the year ended 31 December 2023

49.00 Related party disclosures

In accordance with IAS 24 related party disclosures, amount of transactions during the year and outstanding balances as of the end of the year with the entity's related parties are disclosed as follows:

49.01 Related party transactions during the year:

Name of the related party	Nature of relationship	Nature of transactions	2023	2022
IIDFC Limited	Parent company	Interest and principal re payment of loan	58,480,418	124,508,556
IIDFC Capital Limited		Share trading and others	3,990,158,430	269,571,977

49.02 Related party balances as at year ended:

Name of the related party	Nature of relationship	Nature of transactions	2023	2022
IIDFC Limited	Parent company	Term loan	212,624,544	244,244,510
IIDFC Capital Limited	Sister concern	Accounts payable	-	7,985

50.00 Employees' information

A total 33 number of employees were employed in IIDFC Securities Ltd. as on 31 December 2023. Each of the employees received salary more than BDT 36,000 per annum during the year ended 31 December 2023.

51.00 Others

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

51.02 Previous year's figures have been re-arranged, wherever considered necessary, to confirm to current year's presentation without causing any impact on the operating results for the year and value of assets and liabilities at the end of that year as shown in the financial statements under reporting.

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

IIDFC Securities Limited

Details of property, plant and equipment
For the year ended 31 December 2023

Property plant and equipment

Annex A

Particulars	Cost			Depreciation				Written Down Value as on 31.12.2023		
	Balance as on 01.01.2023	Addition during the year	Disposal/ adjustment	Balance as at 31.12.2023	Rate (%)	Balance as on 01.01.2023	Charge for the period		Disposal/ adjustment	Balance as at 31.12.2023
Furniture and fixtures	4,177,363	75,577	-	4,252,940	10%	3,134,974	151,518	-	3,286,492	966,448
Office decoration	12,175,095	57,177	-	12,232,272	10%	8,719,159	405,290	-	9,124,449	3,107,823
Office equipment	19,358,867	367,724	258,298	19,468,293	18%	14,106,190	1,500,095	258,298	15,347,987	4,120,306
Motor vehicle	358,141	-	358,141	-	20%	358,141	-	358,141	-	-
Balance as on 31.12.2023	36,069,466	500,478	616,439	35,953,505	-	26,318,464	2,056,902	616,439	27,758,927	8,194,578
Balance as on 31.12.2022	29,391,991	7,819,878	1,142,403	36,069,466	-	25,426,061	2,034,806	1,142,403	26,318,464	9,751,002

Intangible assets (software)

Annex B

Particulars	Cost			Amortization				Written Down Value as on 31.12.2023		
	Balance as on 01.01.2023	Addition during the year	Disposal/ adjustment	Balance as at 31.12.2023	Rate (%)	Balance as on 01.01.2023	Amortise during the period		Disposal/ adjustment	Balance as at 31.12.2023
Computer software	1,666,831	1,172,913	-	2,839,744	18%	1,666,831	211,124	-	1,877,955	961,789
Balance as on 31.12.2023	1,666,831	1,172,913	-	2,839,744	-	1,666,831	211,124	-	1,877,955	961,789
Balance as on 31.12.2022	1,666,831	-	-	1,666,831	-	1,666,831	-	-	1,666,831	-

IIDFC Securities Limited

Annex C
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Schedule-C

Part A

[see rule 2(1)(j)(ii); rule 4(1)(b); rule 5(2)]

Statement of Total Capital Computation

As at 31 December 2023

SL.	Components	B/S Amount	Haircut	Eligible Amount	Sum
a.	Paid-up-capital	1,000,000,000	0%	1,000,000,000	
b.	Share Premium	-	0%	-	
c.	General reserve	17,000,000	0%	17,000,000	
d.	Capital Reserve	501,840	0%	501,840	
e.	Retained Earnings	115,151,820	0%	115,151,820	
	Sum of core capital			1,132,653,660	1,132,653,660
f.	General Provision	15,323,156	20%	12,258,525	
g.	Specific Provision	374,247,036	30%	261,972,925	
h.	Revaluation Surplus or unrealized gain on:				
i.	Fixed Assets (Property, plant & equipments other than Intangible assets)	-	30%	-	
ii.	Investment in listed securities	-	20%	-	
iii.	Investment in non-listed securities (other than closed end mutual fund)	-	35%	-	
iv.	Investment in strategic holding	-	25%	-	
i.	Preference Share	-	25%	-	
j.	Subordinated debt	-	20%	-	
	Sum of supplementary capital			274,231,450	274,231,450
	Total Capital			1,406,885,110	1,406,885,110

Formula of Capital Adequacy Ratio (CAR) = $\frac{\text{Total Capital (TC)}}{\text{Total Risk Requirement (TRR)}} \times 100$

Our Capital Adequacy Ratio (CAR) = $\frac{1,406,885,110}{203,902,081} \times 100$

= **690%**

IIDFC Securities Limited

Annex C
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Schedule-D Part A

Statement of Total Risk Requirement Computation As at 31 December 2023 [see rule 4(4)]

Area of Risk	Computation Formula	Full Amount	Risk Factor	Eligible Amount	Applicable for Registered Entity
Operation Risk Requirement (ORR)	Based on Average Annual Gross Income (see clause (b) of sub-rule (7.1) of rule 7)	172,491,746	5%	8,624,587	All
	i. Proprietary positions in Equity				
	Value of "A" category securities	187,566,050	10%	18,756,605	
	Value of "B/G/N/" category securities	69,071,171	12%	8,288,541	All
	Value of "Z" category instruments	-	15%	-	
	Value of "OTC" category instruments	-	20%	-	
	Value of Non-Listed Instruments	28,860,420	25%	7,215,105	
	ii. Proprietary positions in MFs &				
	Value of listed funds	-	10%	-	All
	Value of non-listed funds	998,100	3%	29,943	
	Value of AIFs	-	25%	-	
Position Risk Requirement (PRR)	iii. Proprietary positions in Debt Instruments & ABSs:				
	Value of listed debt instruments & ABSs	-	5%	-	All
	Value of non-listed debt instruments	-	10%	-	
	Value of non-listed ABSs	-	10%	-	
	iv. Proprietary Position in strategic investments				
	Value of listed strategic investments	-	10%	-	All
	Value of non-listed strategic investments	-	25%	-	
	v. Proprietary Position in money market Instruments				
	Value of Government securities/ instruments	-	0%	-	All
	Value of commercial paper	-	10%	-	

IIDFC Securities Limited

Annex C
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Schedule-D

Part A

[see rule 4(4)]

Statement of Total Risk Requirement Computation As at 31 December 2023

Area of Risk	Computation Formula	Full Amount	Risk Factor	Eligible Amount	Applicable for Registered Entity
Counterparty Risk Requirement (CPRR)	i. Exposure of credit facilities to Clients	1,532,315,582	8%	122,585,247	Stock Broker, Portfolio Manager
	ii. Exposure of Guarantee Provided to counterparty	-	2%	-	All
Underwriting Risk Requirement (URR)	Sum of Underwriting Commitment against the followings:	-			
	i. Public Issue of Equity Instruments (IPO)	-	10%	-	Merchant Banker
	ii. Public Issue of Equity Instruments (Rights Issue)	-	15%	-	
	iii. Public Issue of Debt Instruments	-	15%	-	
Sum of Large Exposures against the followings:					
Large Exposure Risk Requirement (LERR)	i. Sum of all Large Exposure to a Single counterparty	541,972,668	7%	37,938,087	All
	ii. Sum of all Large Exposure to Single Equity Instruments	-	10%	-	
	iii. Sum of all Large Exposure to Debt Instruments	-	3%	-	
Liability Risk Requirement (LRR)	i. Exposure of Asset under Management	-	1%	-	Asset Manager
	ii. Exposure of Fund Under Management	-	1%	-	Fund Manager
	iii. Exposure of Institutional Fund Under Management (IFUM)	-	0.25%	-	Asset Manager, Merchant Banker and Portfolio Manager
	iv. Annual Revenue Reported in last year	231,983,532	0.20%	463,967	Credit rating Company, Stock Broker & Stock Dealer, Merchant Banker and Portfolio Manager
Total Risk requirement	2,765,259,269	203,902,081			

IIDFC Securities Limited

Schedule-A

Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Annex C
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Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
1	Cash and Bank Balances		440,821,583	-	440,815,957
	Cash in hand		39,593	0%	39,593
	Cash at Bank in Company's operational account		574,632	0%	574,632
	Cash at Bank in trading accounts (Stock Dealer A/C)		26,281,880	0%	26,281,880
	Cash at Bank accounts for clients (consolidated customer)		413,907,615	0%	413,907,615
	Cash at Bank at IPO Account		5,626	100%	-
	Investments in FDR		-	0%	-
	Others cash and cash equivalent		12,238	0%	12,238
2	Net Receivable from Exchange, Depository, CCP		-	0%	-
	Mandatory for Cash deposits with Exchanges (as margin/security)		-	100%	-
	Excess over Mandatory for Cash deposits with Exchanges (as margin/security)		-	0%	-
	Mandatory for Cash deposits with Clearing House (as margin/security)		-	100%	-
	Excess over mandatory for Cash deposits with Clearing House (as margin/security)		-	0%	-
	Mandatory for Cash deposit with depository (as per rule)		-	100%	-
	Excess over mandatory for Cash deposit with depository (as per rule)		-	0%	-

IIDFC Securities Limited

Annex C
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Schedule-A

Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	Assets provided to others as security		-		-
	Assets kept as security against any obligations		-	100%	-
	Assets kept as security but exercisable within 30 days		-	0%	-
	Cash provided as security for short selling		-	100%	-
3	Net Receivable from Securities Trading		4,540,707		4,508,217.80
	Receivable from DSE (categorized as A, B, G, N, Z and DVP)		4,540,707		4,508,218
	Receivable from DSE against A, B, G & N category		3,890,917	0%	3,890,917
	Receivable from DSE against Z category		649,790	5%	617,301
	Receivable from DSE against DVP category		-	5%	-
	Receivable from CSE (categorized as A, B, G, N, Z and DVP)		-		-
	Receivable from CSE against A, B, G & N category		-	0%	-
	Receivable from CSE against Z category		-	5%	-
	Receivable from CSE against DVP category		-	5%	-

IIDFC Securities Limited

Annex C
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Schedule-A

Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	Receivable from Stock Broker/Stock Dealer		-	0%	-
	Receivable from Merchant Banker		-	0%	-
	Receivable from selling agents		-	0%	-
	Receivable under securities borrowing and lending agreements		-	5%	-
	Receivable under repurchase transactions		-	0%	-
	Receivable from others		-	0%	-
4	Net receivable from margin clients -		1,532,315,582		1,392,990,046
	Receivable from Clients having no margin or full erosion of clients' equity (e.g. no equity against debit balance)		-	20%	-
	Receivable from Clients fall under force sale condition (e.g. equity is between 100% and 125% of DB)		908,150,836	15%	771,928,210
	Receivable from Clients fall under margin call (e.g. equity is >125% of DB but <150% of DB)		62,058,212	5%	58,955,302
	Receivable from regular Margin Clients (e.g. equity is >150% of debit balance)		562,106,534	0%	562,106,534
5	Net Receivable from other Clients-				
	Receivable after securities trading		-	15%	-
	Receivable arises from fee, commission & charges		-	5%	-
6	Net receivable from counterparties (clients, designated clients, etc.)				
7	Net Receivable arises from short selling				
			-	10%	-

IIDFC Securities Limited

Annex C
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Schedule-A

Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
8	Proprietary positions in securities and specified		286,495,741		252,205,548
	i. Proprietary positions in Equity securities		285,497,641		251,237,391
			187,566,050	10%	168,809,445
	Value of "A" category instruments		69,071,171	12%	60,782,631
	Value of "B/G/N/..." category instruments		-	15%	-
	Value of "Z" category instruments		-	20%	-
	Value of "OTC" category instruments		28,860,420	25%	21,645,315
	Value of Non-Listed Instruments		998,100		968,157
	ii. Proprietary positions in MFs & CISs including AIFs		-	10%	-
	Value of listed funds		998,100	3%	968,157
	Value of non-listed funds		-	25%	-
	Value of AIFs		-		-
	iii. Proprietary positions in Debt Instruments & ABSs		-		-
	Value of listed debt instruments & ABSs		-	5%	-
	Value of no-listed debt instruments		-	10%	-
	Value of non-listed ABSs		-	10%	-
	iv. Proprietary Position in strategic investments		-		-
	Value of listed strategic investments		-	10%	-
	Value of no-listed strategic investments		-	25%	-

IIDFC Securities Limited

Schedule-A

Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Annex C
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Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	v. Proprietary Position in money		-		-
	Value of Govt. & BB instruments		-	0%	-
	Value of commercial paper		-	10%	-
	vi. Own subscription in IPOs but not yet allotted		-	10%	-
	vii. Other Investment		-	n/a	-
9	Proprietary position in Derivatives		-	n/a	-
10	Other assets arising from:		-		-
	Receivable against Advisory Fees, Commission, etc		-	10%	-
	Dividend Receivable		-	0%	-
	Interest Receivable		-	0%	-
	Prepaid expenses		-	100%	-
	Security deposits		-	100%	-
	Any other (need to specify)		-		-
11	Total liquid assets		2,264,173,614		2,090,519,769
	Liabilities				
12	Short positions in securities held for own account		-	0%	-
13	Payable to Clients		377,198,096	0%	377,198,096
14	Short Term Business Liabilities:		129,547,877		129,547,877
	Payable to Banks, if not for trading & investment (current portion of long term liabilities)		-	0%	-

IIDFC Securities Limited

Annex C
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Schedule-A

Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
	Payable to FIs, if not for trading & investment (current portion of long-term)		-	0%	-
	Payable to Banks & FIs for loan against Margin Financing & Investment (full amount)		129,547,877	0%	129,547,877
	Payment obligation against sub-debt, preference shares (current)		-	0%	-
	Payable to associate companies or persons		-	0%	-
15	Amounts payable to clearing houses/Exchanges/Depository etc.		7,821,275		7,821,275
	Payable to Exchanges		7,821,275	0%	7,821,275
	Payable to Clearing House/CCP		-	0%	-
	Payable to Depository		-	0%	-
	Payable to Brokers		-	0%	-
16	Other Liabilities and Provisions:		647,310,538		244,713,589
	Accruals & Accounts payable		-	0%	-
	Deferred tax and other deferred liabilities		-	50%	-
	Provision for Margin Loan		70,525,957	100%	-
	Provision for diminution in value of investment in securities		13,231,515	100%	-
	Provision for Gratuity, PF & others		26,053,513	50%	13,026,756
	Provision for Tax & VAT		227,389,272	0%	227,389,272
	Interest Suspense against Margin Loan		305,812,720	100%	-
	Liabilities for Expenses		3,553,179	0%	3,553,179
	Interest Payable		744,381	0%	744,381
	Provision for contingent liabilities and floating losses		-	50%	-
	Others (clearly specified in notes)		-	0%	-

IIDFC Securities Limited

Schedule-A

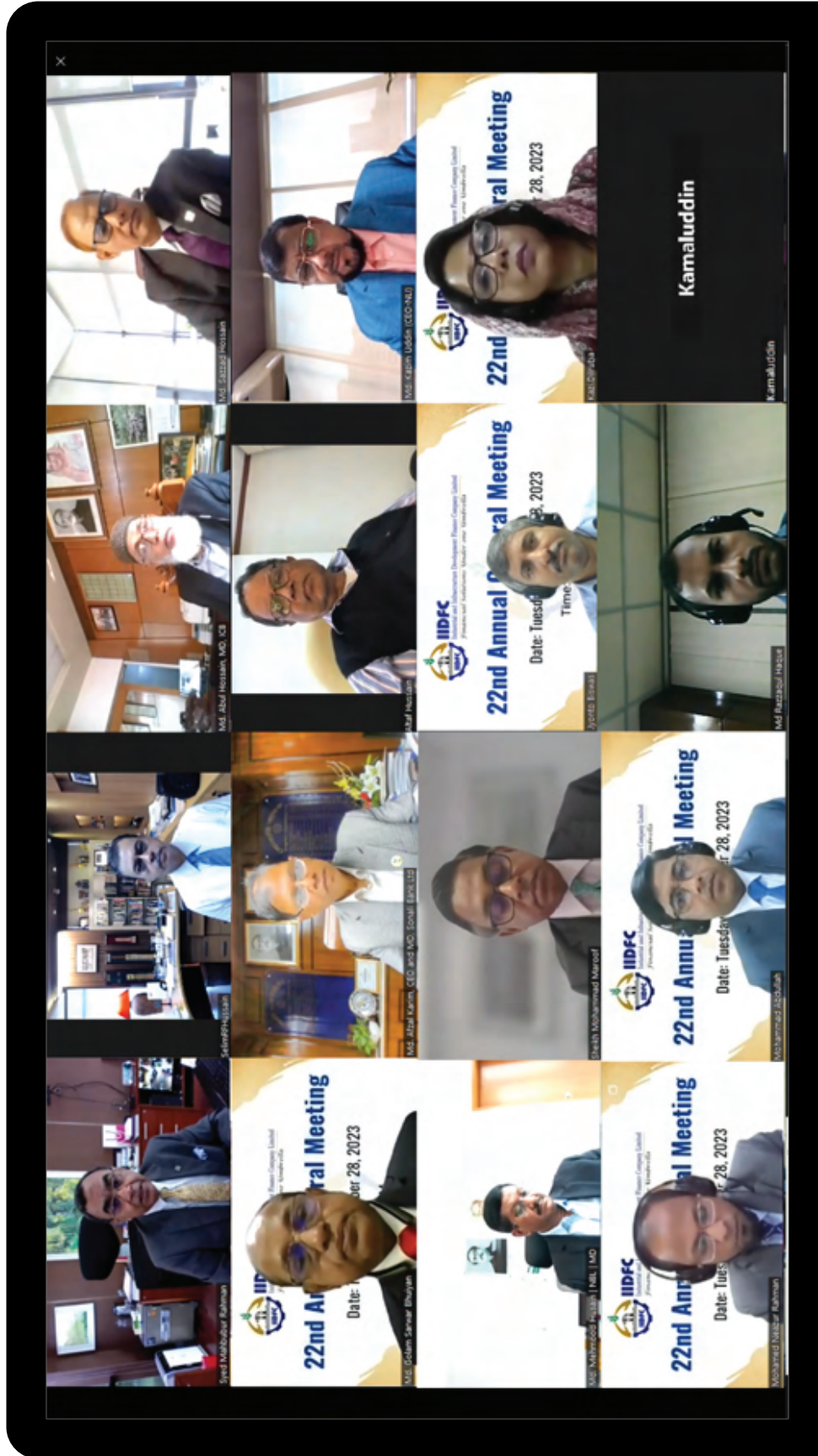
Part A

[see rule 2(1)(i); rule 4(1)(d); rule 8(5)] Statement of Total Risk Requirement Computation As at 31 December 2023

Annex C
----10/10

Item	Assets	Note ref.	Amount as in Balance sheet	Proposed Haircut in %	Amount after Haircut
17	Net Short term obligations after haircut	Aggregate of item 12 to item 16	1,161,877,786		759,280,837
18	Total Liabilities	As per Balance Sheet	1,475,607,120		1,475,607,120
19	Liquid Capital (Amount in item 11 minus item 17)		1,102,295,828		1,331,238,932
20	Regulatory LCB : 4%/6%/8% of Total Liabilities (Item 18)		118,048,570		118,048,570
21	Excess/(Deficit) in Liquid Capital Balance	(Amount in Item 20 less 19)	984,247,258		1,213,190,362

PHOTOGRAPHS FROM IIDFC'S ALBUM



The 22nd Annual General Meeting of IIDFC held on 28 November 2023 at 11.30 a.m. through Video Conference (ZOOM).

Industries financed by IIDFC



Plastic Products Manufacturing



Plastic Products Manufacturing



Agro Based Products



Packaging & Accessories

Other Events of IIDFC



IIDFC Town Hall Meeting 2023

Workshop and Seminar



AML/CFT Training by Bangladesh Financial Intelligence Unit (BFIU) held at IIDFC Head Office.



IIDFC Participated in the “NBF Connect - 2023”



এদেশটাকে সামনে নেব
কষ্ট যত বহিতে রাজি
আমরা তরুন, রুখে দাঁড়াই
দখল, খুন ও চাঁদাবাজি ।

- শফিক ইমতিয়াজ

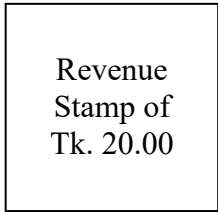
IIDFC PLC.

Metropolitan Chamber Building (6th Floor), 122-124 Motiheel C/A, Dhaka-1000

PROXY FORM

I/we
of..... being a member of IIDFC PLC. do hereby
appoint Mr./Mrs./Ms. of as my/our proxy
to participate and vote for me/us and on my/our behalf in the 23rd Annual General Meeting of the
company to be held **at 3.00 p.m. on Tuesday, 26 November 2024 at MTB Centre, 26 Gulshan
Avenue, Plot # 5, Block # SE(D), Gulshan-1, Dhaka-1212** and at any adjournment thereof.

Signed thisday of2024.



.....
Signature of Shareholder

.....
Signature of Proxy

Note:
A Member entitled to attend at the Annual General Meeting may appoint a PROXY to attend on his/ her behalf. The Proxy Form, duly signed, stamped and completed in all respect, must be deposited at the Registered Office of the Company at least 48 hours before the time for the meeting.

Signature Verified

Authorized Signatory