

Auditors' Report to the Shareholders of Industrial Infrastructure Development Finance Company Limited

We have audited the accompanying consolidated financial statements of Industrial and Infrastructure Development Finance Company (IIDFC) Limited and its subsidiaries, which comprises the balance sheet as on December 31, 2010 and the income statement, statement of changes in equity, liquidity statement and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion:

In our opinion, the Financial Statements prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as on December 31, 2010 and of the results of its operations and cash flows for the year then ended and comply with the Financial Institutions Act 1993, the rules and regulations issued by the Bangladesh Bank, the Companies Act 1994, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

AUDITORS' REPORT

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

- (i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by IIDFC so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branches not visited by us;
- (iii) the IIDFC's Balance Sheet and Profit and Loss Account together with the annexed notes 1 to 43 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the IIDFC's business;
- (v) the financial position of IIDFC as on 31 December 2010 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been prepared in accordance with the generally accepted accounting principles;
- (vi) the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vii) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (viii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) IIDFC has no overseas branches;
- (xi) 80% of the risk-weighted assets have been audited; and
- (xii) we have spent approximately 700 man hours for the audit of books and accounts of the IIDFC.

June 1, 2011



Hoda Vasi Chowdhury & Co.
Chartered Accountants

BALANCE SHEET

Industrial and Infrastructure Development Finance Company Ltd. Balance Sheet As on December 31, 2010

Ref.		Notes	Amounts in Taka	
			Year 2010	Year 2009
IAS 1.51(a)	PROPERTY & ASSETS			
IAS 1.54, IAS 7.2	Cash	3		
	In Hand (including foreign currencies)		33,481	2,990
	Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		307,436,094	81,069,395
			307,469,575	81,072,385
IAS 1.54(d)	Balance with other Banks and Financial Institutions	4		
	Inside Bangladesh		1,502,071,100	874,092,240
	Outside Bangladesh		-	-
			1,502,071,100	874,092,240
IAS 1.54(i)	Money at Call and Short Notice	5	50,000,000	-
IAS 1.54(j)	Investments	6		
	Government		-	-
	Others		168,145,013	30,800
			168,145,013	30,800
IAS 1.54(b)	Loans & Advances	7		
	Lease Receivables		2,545,631,167	3,218,225,086
	Advance for Lease Finance		261,951,279	352,303,106
	Direct/Term Finance		3,923,024,920	3,289,706,674
	Secured Overdraft		38,514,973	64,277,470
	Bills Discounted and Purchased		27,040,534	16,916,484
	Margin Loan		1,922,695,234	1,394,730,451
			8,718,858,107	8,336,159,271
IAS 1.54(k)	Property, Plant & Equipment	8	48,396,313	30,159,636
IAS 1.55 & 1.57(a)	Other Assets	9	974,210,806	482,162,367
IAS 1.55 & 1.57(a)	Non-Banking Assets		-	-
	Total Assets		11,769,150,914	9,803,676,699
	LIABILITIES & CAPITAL			
IAS 1.54(n)	Borrowings from other Banks, Financial Institutions & Agent	10	5,492,980,509	4,159,214,741
IAS 1.54(m)	Deposits & Other Accounts	11		
	Current Deposits & Other Accounts, etc		-	-
	Bills Payable		-	-
	Savings Bank Deposits		-	-
	Term Deposits		3,414,417,816	3,882,807,737
	Bearer Certificate of Deposits		-	-
	Other Deposits		-	-
			3,414,417,816	3,882,807,737
IAS 1.55, 1.57(a)	Other Liabilities	12	1,781,983,517	1,148,552,031
	Total Liabilities		10,689,381,842	9,190,574,509
IAS 1.54*, 1.78(e)	Capital/Shareholders' Equity			
IAS 1.54*, 1.78(e)	Paid up Capital	13	328,780,000	328,780,000
IAS 1.54*, 1.78(e)	Statutory Reserve	14	201,900,000	106,900,000
IAS 1.54*, 1.78(e)	General Reserve	15	43,000,000	42,000,000
IAS 1.54*, 1.78(e)	Other Reserve	16	-	-
IAS 1.54*, 1.78(e)	Proposed Dividend	17	131,512,000	131,512,000
IAS 1.54*, 1.78(e)	Retained Earnings	18	374,577,072	3,910,190
	Total Shareholders' Equity		1,079,769,072	613,102,190
	Total Liabilities & Shareholders' Equity		11,769,150,914	9,803,676,699

BALANCE SHEET

Ref.
BAS 1.51(a)
BAS 1.10(a)
BAS 1.51(c)

Industrial and Infrastructure Development Finance Company Ltd. Balance Sheet As on December 31, 2010

BAS 1.55	OFF-BALANCE SHEET ITEMS	Notes
BAS 37.28, 37.86	Contingent Liabilities Letters of Guarantee Letters of Credit Irrevocable Letter of Credit Bills for Collection Other Contingent Liabilities Others Commitments: Documentary credits & short term trade related transactions Forward assets purchased and forward deposits placed Undrawn note issuance and revolving underwriting facilities Undrawn formal standby facilities, credit lines and other commitments	19
Total Off-Balance Sheet items including contingent liabilities		

Amounts in Taka	
Year 2010	Year 2009
373,862,506	17,269,476
1,536,500	9,060,110
-	-
-	-
-	-
375,399,006	26,329,586
-	-
-	-
-	-
-	-
375,399,006	26,329,586

The annexed notes form an integral part of these accounts


Md. Matiuul Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Md. Shamim Ahamed
Company Secretary

Signed as per annexed report on even date

June 1, 2011


Hoda Vasi Chowdhury & Co
Chartered Accountants



CONSOLIDATED BALANCE SHEET

Ref.	Industrial and Infrastructure Development Finance Company Ltd.		Amounts in Taka
	Consolidated Balance Sheet		Year 2010
	As on December 31, 2010	Notes	
IAS 1.51(a)	PROPERTY & ASSETS		
IAS 1.54, 7.7	Cash	3.a	
	In Hand (including foreign currencies)		63,141
	Balance with Bangladesh Bank and its agent Bank(s) (including foreign currencies)		307,436,094
			307,499,235
IAS 1.54(d)	Balance with other Banks and Financial Institutions	4.a	
	Inside Bangladesh		1,520,486,010
	Outside Bangladesh		-
			1,520,486,010
IAS 1.54(j)	Money at Call and Short Notice	5	50,000,000
IAS 1.54(b)	Investments	6.a	
	Government		-
	Others		188,790,499
			188,790,499
IAS 1.54(b)	Loans & Advances	7.a	
	Lease Receivables		2,545,631,167
	Advance for Lease Finance		261,951,279
	Direct/ Term Finance		3,923,024,920
	Secured Overdraft		38,514,973
	Bills Discounted and Purchased		27,040,534
	Margin Loan		2,540,028,503
			9,336,191,376
IAS 1.54(a)	Property, Plant & Equipment	8.a	54,697,077
IAS 1.55& 1.57(a)	Other Assets	9.a	939,705,485
IAS 1.55& 1.57(a)	Non-Banking Assets		-
	Total Assets		12,397,369,682
	LIABILITIES & CAPITAL		
IAS 1.54(i)	Borrowings from other Banks, Financial Institutions & Agent	10.a	5,692,980,509
IAS 1.54(m)	Deposits & Other Accounts	11.a	
	Current Deposits & Other Accounts, etc		-
	Bills Payable		-
	Savings Bank Deposits		-
	Term Deposits		3,630,489,472
	Bearer Certificate of Deposits		-
	Other Deposits		-
			3,630,489,472
IAS 1.55, 1.57(a)	Other Liabilities	12.a	1,938,953,668
	Total Liabilities		11,262,423,649
	Capital/Shareholders' Equity		
IAS 1.54(i), 1.78(e)	Paid up Capital	13	328,780,000
IAS 1.54(i), 1.78(e)	Statutory Reserve	14	201,900,000
IAS 1.54(i), 1.78(e)	General Reserve	15	43,000,000
	Other Reserve	16	-
IAS 1.54(i), 1.78(e)	Proposed Dividend	17	131,512,000
IAS 1.54(i), 1.78(e)	Retained Earnings	18.a	429,526,327
IAS 27.6, 27.26	Minority Interest	18.a.1	227,706
	Total Shareholders' Equity		1,134,946,033
	Total Liabilities & Shareholders' Equity		12,397,369,682

CONSOLIDATED BALANCE SHEET

Ref.
MS 1.51(a)
MS 1.10(a)
MS 1.51(c)

Industrial and Infrastructure Development Finance Company Ltd. Consolidated Balance Sheet As on December 31, 2010

Amounts in Taka

MS 1.55	OFF-BALANCE SHEET ITEMS	Notes	Year
			2010
MS 37.26, 37.86	Contingent Liabilities	19	373,862,506
	Letters of Guarantee		1,536,500
	Letters of Credit		-
	Irrevocable Letter of Credit		-
	Bills for Collection		-
	Other Contingent Liabilities		-
			375,399,006
Others Commitments:			-
Documentary credits & short term trade related transactions			-
Forward assets purchased and forward deposits placed			-
Undrawn note issuance and revolving underwriting facilities			-
Undrawn formal standby facilities, credit lines and other commitments			-
Total Off-Balance Sheet items including contingent liabilities			375,399,006

The annexed notes form an integral part of these accounts


Md. Matiul Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Md. Shamim Ahamed
Company Secretary

Signed as per annexed report on even date

June 1, 2011


Hoda Vasi Chowdhury & Co
Chartered Accountants

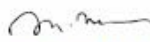


PROFIT & LOSS ACCOUNT

Industrial and Infrastructure Development Finance Company Ltd. Profit & Loss Account For the year ended December 31, 2010

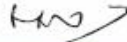
Ref		Notes	Amounts in Taka	
			Year 2010	Year 2009
MS 1.51(a)				
MS 1.10(b)				
MS 1.51(c)				
MS 1.38&39)				
	A. OPERATING INCOME:			
IFRS 7.20(b)	Interest Income	20	1,249,086,663	1,090,108,326
IFRS 7.20(c)	Interest paid on Deposits, Borrowings etc.	21	(903,924,355)	(901,229,402)
MS 1.85	Net Interest Income		345,162,308	188,878,924
IFRS 7.20(b)	Income from Investment	22	33,578,779	814
IFRS 7.20(c)	Commission, Exchange and Brokerage	23	416,665,083	78,933,647
MS 1.85	Other Operating Income	24	97,965,874	44,665,211
MS 1.85	Total Operating Income		893,372,044	312,478,596
	B. OPERATING EXPENSES:			
MS 1.104	Salaries & Allowances	25	90,762,186	61,358,331
MS 1.97	Rent, Taxes, Insurance, Electricity etc.	26	29,264,260	15,276,575
MS 1.97	Legal Expenses	27	2,476,223	1,884,920
MS 1.97	Postage, Stamp, Telecommunications etc.	28	5,668,082	2,997,367
MS 1.97	Stationery, Printing, Advertisement etc.	29	10,070,706	11,517,051
MS 1.97	Managing Director's Salary and Fees	30	7,319,083	6,096,337
MS 1.97	Directors' Fees	31	592,948	696,479
MS 1.97	Auditor's Fees	32	230,190	300,000
MS 1.98(d)	Loans & Advances Written-off	33	39,073,975	-
MS 1.104	Repair and Depreciation of Company's Assets	34	15,297,888	8,636,109
MS 1.97	Other Expenses	35	59,453,142	20,320,281
MS 1.85	Total Operating Expenses		260,208,683	129,083,450
MS 1.85	C. Profit/(Loss) Before Provision (A-B)		633,163,361	183,395,146
MS 1.97	D. Provision for Loans & Advances:	36		
	Specific Provision		62,029,595	54,553,282
	General Provision		12,895,492	8,889,546
	Provision for diminution in value of Investments		724,958	-
	Other Provision		-	-
	Total Provision		75,650,045	63,442,828
MS 1.85	E. Profit/(Loss) Before Taxes (C-D)		557,513,316	119,952,318
MS 1.82(d)	F. Provision for Tax:	37		
	Current Tax		90,846,434	36,000,000
	Deferred Tax		-	-
	Total Provision		90,846,434	36,000,000
MS 1.82(f)	G. Profit/(Loss) After Taxes (E-F)		466,666,882	83,952,318
MS 1.85	Add: Retained earnings brought forward		3,910,190	3,713,872
MS 1.85	Profit available for appropriation		470,577,072	87,666,190
	Less: Appropriations			
	Statutory Reserve		95,000,000	17,000,000
	General Reserve		1,000,000	1,000,000
	Proposed Dividend		-	65,756,000
			96,000,000	83,756,000
MS 1.85	Retained Earnings		374,577,072	3,910,190
MS 33.66	Earnings per Share (EPS)	38	141.94	25.53

The annexed notes form an integral part of these accounts




Md. Matiul Islam
Chairman

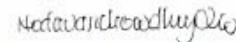
Signed as per annexed report on even date



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary



Hoda Vasi Chowdhury & Co
Chartered Accountants

June 1, 2011

CONSOLIDATED PROFIT & LOSS ACCOUNT

Industrial and Infrastructure Development Finance Company Ltd. Consolidated Profit & Loss Account For the year ended December 31, 2010

		Notes	Amounts in Taka Year 2010
IAS 1.51(a)	A. OPERATING INCOME:		
IFRS 7.20(b)	Interest Income	20.a	1,323,871,923
IFRS 1.10(b)	Interest paid on Deposits, Borrowings etc.	21.a	(944,443,419)
IAS 1.51(c)	Net Interest Income		379,428,504
IAS 1.38(39)			
IFRS 7.20(b)	Income from Investment	22.a	39,189,011
IFRS 7.20(b)	Commission, Exchange and Brokerage	23.a	491,348,402
IAS 1.85	Other Operating Income	24.a	97,965,874
IAS 1.85	Total Operating Income		1,007,931,791
	B. OPERATING EXPENSES:		
IAS 1.104	Salaries & Allowances	25.a	97,261,801
IAS 1.97	Rent, Taxes, Insurance, Electricity etc.	26.a	33,334,204
IAS 1.97	Legal Expenses	27.a	2,757,927
IAS 1.97	Postage, Stamp, Telecommunications etc.	28.a	6,047,501
IAS 1.97	Stationery, Printing, Advertisement etc.	29.a	10,689,101
IAS 1.97	Managing Director's Salary and Fees	30	7,319,083
IAS 1.97	Directors' Fees	31.a	626,429
IAS 1.97	Auditor's Fees	32.a	338,690
IAS 1.98(d)	Loans & Advances Written-off	33	39,073,975
IAS 1.104	Repair and Depreciation of Company's Assets	34.a	16,763,117
IAS 1.97	Other Expenses	35.a	64,311,041
IAS 1.85	Total Operating Expenses		278,522,869
IAS 1.85	C. Profit/(Loss) Before Provision (A-B)		729,408,922
IAS 1.97	D. Provision for Loans & Advances:	36.a	
	Specific Provision		62,029,595
	General Provision		19,068,825
	Provision for diminution in value of Investments		724,958
	Other Provision		-
	Total Provision		81,823,378
IAS 1.85	E. Profit/(Loss) Before Taxes (C-D)		647,585,544
IAS 1.82(d)	F. Provision for Tax:		
	Current Tax	37.a	125,941,701
	Deferred Tax		-
	Total Provision		125,941,701
IAS 1.82(f)	G. Profit/(Loss) After Taxes (E-F)		521,643,843
IAS 27.6, 27.26	Shareholders of the company		521,616,137
	Minority Interest	18.a.1	27,706
IAS 1.85	Add: Retained earnings brought forward		3,910,190
IAS 1.85	Profit available for appropriation		525,554,033
	Less: Appropriations		
	Statutory Reserve		95,000,000
	General Reserve		1,000,000
	Proposed Dividend		-
			96,000,000
IAS 1.85	Retained Earnings		429,554,033
IAS 33.66	Earnings per Share (EPS)	38.a	158.66

The annexed notes form an integral part of these accounts


Md. Matiul Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Md. Shamim Ahamed
Company Secretary

Signed as per annexed report on even date

June 1, 2011


Hoda Vasi Chowdhury & Co
Chartered Accountants

CASH FLOW STATEMENT

Industrial and Infrastructure Development Finance Company Ltd. Cash Flow Statement

For the year ended December 31, 2010

Amounts in Taka

Ref.		Year 2010	Year 2009
IAS 1.51(a)			
IAS 1.10(e)			
IAS 1.51(c)			
IAS 1.(38&39)			
IAS 7.10	A CASH FLOW FROM OPERATING ACTIVITIES:		
IAS 7.31	Interest receipts in cash	1,240,635,749	1,085,389,698
IAS 7.31	Interest payments in cash	(988,545,927)	(851,005,162)
IAS 7.31	Dividend receipts in cash	4,759,816	814
IAS 7.14(b)	Fees and commission receipts in cash	416,665,083	78,933,647
	Recoveries of loans previously written-off	-	-
IAS 7.14(e)	Cash payments to employees	(102,091,099)	(70,532,604)
IAS 7.14(c)	Cash payments to suppliers	(8,367,765)	(13,749,571)
IAS 7.35	Income taxes paid	(105,406,704)	(82,722,701)
IAS 7.14(b)	Receipts from other operating activities	126,784,837	44,665,211
IAS 7.14(c)	Payments for other operating activities	(83,238,426)	(33,899,054)
	Cash generated from operating activities	501,195,564	157,080,278
IAS 7.19(b)	Increase/(decrease) in operating assets and liabilities, statutory deposits		
	Purchase of trading securities (treasury bills)	-	-
	Loans and advances to other banks	-	-
	Loans and advances to other customers	(382,698,836)	(2,073,423,230)
	Other assets	(378,190,821)	(103,606,883)
	Deposits from other banks/borrowings	659,065,768	658,217,452
	Deposits from customers	206,310,079	1,371,879,064
	Trading liabilities	-	-
	Other liabilities	499,885,157	405,420,073
		604,371,347	258,486,476
	Net Cash from Operating Activities	1,105,566,911	415,566,754
IAS 7.10	B CASH FLOW FROM INVESTING ACTIVITIES:		
	Debentures	-	-
IAS 7.16(e)	Proceeds from sale of securities	-	-
IAS 7.23(b)	Payments for purchase of securities	(168,114,213)	-
IAS 7.16(a)	Purchase of property, plant and equipment	(32,347,254)	(21,154,604)
IAS 7.16(a)	Payment against lease obligation	(729,394)	(197,408)
IAS 7.16(b)	Proceeds from sale of property, plant and equipment	-	1,300,000
	Net cash used in investing activities	(201,190,861)	(20,052,012)
IAS 7.10	C CASH FLOW FROM FINANCING ACTIVITIES:		
IAS 7.31	Dividend paid	-	-
	Issuance of shares	-	-
	Net cash from financing activities	-	-
	D Net increase/(decrease) in cash and cash equivalents (A+B+C)	904,376,050	395,514,742
IAS 7.18	E Effects of exchange rate changes on cash and cash equivalents	-	-
	F Cash and cash equivalents at beginning of the year	955,164,625	559,649,883
	G Cash and cash equivalents at end of the year (D+E+F)	1,859,540,675	955,164,625
IAS 7.45	Cash and cash equivalents at end of the year		
	Cash in hand	33,481	2,990
	Balance with Bangladesh Bank and its agents bank(s)	307,436,094	81,069,395
	Balance with other banks and financial institutions	1,502,071,100	874,092,240
	Money at call and short notice	50,000,000	-
		1,859,540,675	955,164,625

The annexed notes form an integral part of these accounts


Md. Matiuul Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Md. Shamim Ahamed
Company Secretary

June 1, 2011

CONSOLIDATED CASH FLOW STATEMENT

Ref.	Industrial and Infrastructure Development Finance Company Ltd. Consolidated Cash Flow Statement For the year ended December 31, 2010	Amounts in Taka
		Year 2010
IAS 1.51(a)		
IAS 1.10(d)		
IAS 1.51(c)		
IAS 1.38&39)		
IAS 7.10	A CASH FLOW FROM OPERATING ACTIVITIES:	
IAS 7.31	Interest receipts in cash	1,312,717,884
IAS 7.31	Interest payments in cash	(1,025,548,524)
IAS 7.31	Dividend receipts in cash	4,759,816
IAS 7.14(b)	Fees and commission receipts in cash	491,348,402
	Recoveries of loans previously written-off	-
IAS 7.14(d)	Cash payments to employees	(108,601,287)
IAS 7.14(c)	Cash payments to suppliers	(7,788,472)
IAS 7.25	Income taxes paid	(105,485,442)
IAS 7.14(b)	Receipts from other operating activities	128,664,753
IAS 7.14(c)	Payments for other operating activities	(91,571,933)
	Cash generated from operating activities	598,495,197
IAS 7.19(b)	Increase/(decrease) in operating assets and liabilities, Statutory deposits	
	Purchase of trading securities (treasury bills)	-
	Loans and advances to other banks	-
	Loans and advances to other customers	(1,000,032,105)
	Other assets	(341,502,885)
	Deposits from other banks/borrowings	859,065,768
	Deposits from customers	422,381,735
	Trading liabilities	-
	Other liabilities	610,323,781
		550,236,294
	Net Cash from Operating Activities	1,148,731,491
IAS 7.10	B CASH FLOW FROM INVESTING ACTIVITIES:	
IAS 7.16(d)	Debtentures	-
IAS 7.23(b)	Proceeds from sale of securities	-
IAS 7.16(a)	Payments for purchase of securities	(188,759,699)
IAS 7.16(a)	Purchase of property, plant and equipment	(37,444,986)
IAS 7.16(a)	Payment against lease obligation	(729,394)
IAS 7.16(b)	Proceeds from sale of property, plant and equipment	-
	Net cash used in investing activities	(226,934,079)
IAS 7.10	C CASH FLOW FROM FINANCING ACTIVITIES:	
IAS 7.31	Dividend paid	-
	Issuance of shares	-
	Net cash from financing activities	-
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	921,797,412
IAS 7.18	E Effects of exchange rate changes on cash and cash equivalents	-
	F Cash and cash equivalents at beginning of the year	956,187,833
IAS 7.45	G Cash and cash equivalents at end of the year (D+E+F)	1,877,985,245
	Cash and cash equivalents at end of the year	
	Cash in hand	63,141
	Balance with Bangladesh Bank and its agents bank(s)	307,436,094
	Balance with other banks and financial institutions	1,520,486,010
	Money at call and short notice	50,000,000
		1,877,985,245

The annexed notes form an integral part of these accounts


Md. Matiu Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Md. Shamim Ahamed
Company Secretary

June 1, 2011

Ref:
IAS 1.25(a)
IAS 1.10(c)
IAS 1.31(c)

Industrial and Infrastructure Development Finance Company Ltd.
Statement of Changes in Equity
For the year ended December 31, 2010

Amounts in Taka

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Proposed Dividend	Retained Earnings	Total
Balance as on 1 January, 2010	328,780,000	106,900,000	42,000,000	131,512,000	3,910,190	613,102,190
Changes in accounting policy	-	-	-	-	-	-
Restated balance	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-
Net profit for the year	-	-	-	-	466,666,882	466,666,882
Dividend (bonus shares)	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-
Appropriations made during the year	-	95,000,000	1,000,000	-	(95,000,000)	-
Balance as on 31 December, 2010	328,780,000	201,900,000	43,000,000	131,512,000	374,577,072	1,079,769,072

IAS 1.106(b)
IAS 1.106
IFRIC 1.6(a)
IFRIC 1.6(a)
IFRIC 1.6(a)
IFRIC 1.6(a)
IAS 1.106(a)
IAS 1.106(d)
IAS 1.106(d)
IAS 1.106(d)

The annexed notes form an integral part of these accounts


Md. Matiul Islam
Chairman


Md. Asaduzzaman Khan
Managing Director


Md. Shamim Ahamed
Company Secretary

June 1, 2011

STATEMENT OF CHANGES IN EQUITY

Ref.
IAS 1.106(a)
IAS 1.106(c)
IAS 1.15(c)

Industrial and Infrastructure Development Finance Company Ltd.

Consolidated Statement of Changes in Equity

For the year ended December 31, 2010

	Amounts in Taka							
	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Proposed Dividend	Retained Earnings	Minority Interest	Total
IAS 1.106(a)	Balance as on 1 January, 2010	328,780,000	106,900,000	42,000,000	131,512,000	3,910,190	-	613,102,190
	Changes in accounting policy	-	-	-	-	-	-	-
	Restated balance	-	-	-	-	-	-	-
IAS 1.106	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
FRC 1.66(a)	Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
FRC 1.66(a)	Currency translation differences	-	-	-	-	-	-	-
FRC 1.66(a)	Net gains and losses not recognized in income statement	-	-	-	-	-	-	-
FRC 1.66(a)	Net profit for the year	-	-	-	-	521,616,137	227,706	521,843,843
IAS 1.106(a)	Dividend (bonus shares)	-	-	-	-	-	-	-
IAS 1.106(d)	Issue of share capital	-	95,000,000	1,000,000	-	-	-	-
IAS 1.106(d)	Appropriations made during the year	-	-	-	-	(96,000,000)	-	-
IAS 1.106(d)	Balance as on 31 December, 2010	328,780,000	201,900,000	43,000,000	131,512,000	429,526,327	227,706	1,134,946,033

The annexed notes form an integral part of these accounts


Md. Matul Islam
Chairman


Md. Asaduzzaman Kha
Managing Director


Md. Shamim Ahamed
Company Secretary

June 1, 2011

Ref.
IAS 1.51(b)
IAS 1.65
IAS 1.5(c)

IIDFC ANNUAL REPORT 2010

Industrial and Infrastructure Development Finance Company Ltd.

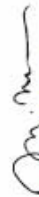
Liquidity Statement

For the year ended December 31, 2010


Amounts in Taka

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
ASSETS:						
Cash	33,481	-	-	-	-	33,481
Balances with Bangladesh Bank	307,436,094	-	-	-	-	307,436,094
Balances with other Banks	200,209,279	178,860,564	1,123,001,257	-	-	1,502,071,100
Money at call and on short notice	50,000,000	-	-	-	-	50,000,000
Investments	-	56,222,005	17,117,800	83,471,200	11,334,008	168,145,013
Loans and advances	862,680,484	1,595,662,068	1,749,973,959	3,486,677,425	1,023,864,171	8,718,858,107
Property, Plant & Equipment	1,274,824	2,549,648	11,473,416	33,098,425	-	48,396,313
Other Assets	212,392,406	27,960,360	-	280,739,040	453,119,000	974,210,806
Non-Banking Assets	-	-	-	-	-	-
Total Assets	1,634,026,568	1,861,254,645	2,901,566,432	3,883,986,090	1,488,317,179	11,769,150,914
LIABILITIES:						
Borrowing from other Banks, Fin. Ins. & Agents	67,544,471	280,977,032	1,086,532,234	3,875,727,958	182,198,814	5,492,980,509
Deposit and other accounts	105,184,263	532,541,265	731,929,016	1,248,560,185	796,203,087	3,414,417,816
Provision and other liabilities	414,700,532	539,751,247	539,751,247	47,101,819	240,678,672	1,781,983,517
Total Liabilities	587,429,266	1,353,269,544	2,358,212,497	5,171,389,962	1,219,080,573	10,689,381,842
Net Liquidity Gap	1,046,597,302	507,985,101	543,353,935	(1,287,403,872)	269,236,606	1,079,769,072

The annexed notes form an integral part of these accounts



Md. Matul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

June 1, 2011

LIQUIDITY STATEMENT

NOTES TO THE FINANCIAL STATEMENTS

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

Industrial and Infrastructure Development Finance Company Ltd. Notes To The Financial Statements For the year ended December 31, 2010

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

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

IAS 1.138(b) 1.1 Principal Activities:

IIDFC offers financial services that include promotion and term financing of financially viable industrial undertakings & infrastructure projects, lease financing for all type of machineries and equipments including vehicles for industrial and commercial purposes, financial packaging for syndicated fund arrangement including cross-boarder syndication, acquisition or take over of public sector enterprises, financial or otherwise, slated for privatization and SME financing. Recently, the Company has also started to provide share trading services through its Brokerage Service Division. This division is engaged in buying and selling of securities for its customers. It also extends margin loan to its customers against their investments in the listed securities. The required margin level is monitored daily and is complied with regulatory guidelines in all respect.

IAS 1.138(b) 1.2 Information regarding Subsidiaries:

As on 31 December, 2010, IIDFC Ltd. has two subsidiaries to include for preparation of consolidated financial statements as per Bangladesh Accounting Standard 27 'Consolidated and Separate Financial Statements'.

■ IIDFC Securities Limited:

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

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

■ IIDFC Capital Limited:

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.1 Basis of Preparation of Financial Statements:

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

Basis of consolidation of operations of Subsidiaries:

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

The total profits of the Company and its subsidiaries are shown in the consolidated Profit and Loss Account with the proportion of profit after taxation pertaining to minority shareholders being deducted as Minority Interest.

All Assets and Liabilities of the company and its subsidiaries are shown in the consolidated Balance Sheet. The interest of minority shareholder of the subsidiaries are shown separately in the consolidated Balance Sheet under the heading Minority Interest.

2.2 Use of Estimate & Judgments:

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

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

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form 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.

NOTES TO THE FINANCIAL STATEMENTS

IAS 1.111 **2.3 Cash Flow Statement:**

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

IAS 1.27 **2.4 Consistency:**

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

IAS 1.36 **2.5 Reporting Period:**

These financial Statements cover one calendar year from January 01 to December 31, 2010.

IAS 1.51(a)(e) **2.6 Presentation of Currencies:**

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

2.7 Books of Accounts of Branch:

The Company has 1 (one) branch so far as on 31 December, 2010. Books of Accounts of the branch have been maintained at the Head Office of the Company.

IAS 1.119 **2.8 Assets and Basis of Their Valuation:**

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

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

IAS 1.54 **2.8.2 Investment in Securities:**

Investments in Quoted Securities as well as investment in Unquoted Securities have been shown at cost. Full provision for diminution in value of shares has been made as per Bangladesh Bank Guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the year (last trading day for the year 2010 was 30 December, 2010).

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

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

2.8.3.1 Owned Assets:

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

NOTES TO THE FINANCIAL STATEMENTS

2.8.3.2 Leased Assets:

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

2.8.3.3 Subsequent expenditure on Property, Plant and Equipment:

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

IAS 16.13 (b & c) 2.8.3.4 Depreciation on Property, Plant & Equipment:

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

Sl. No	Category of Fixed Assets	Rate of Deprecation
01	Motor vehicles	20%
02	Furniture & fixtures	10%
03	Office equipments	18%

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

2.8.3.5 Intangible Assets and Amortization Thereof:

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

IAS 1.119 2.9 Basis for Valuation of Liabilities and Provisions:

IAS 37.85 2.9.1 Provision for Tax

IAS 12.46 A. Current Tax:

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

NOTES TO THE FINANCIAL STATEMENTS

IAS 12.47&151

B. Deferred Tax:

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

IAS 19.120

2.9.2 Employees' Benefit Obligation:

Defined Contribution Plan:

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

Defined Benefit Plan:

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

Other Benefit Program for Employees:

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

IAS 1.119

2.9.3 Provision for Bad & Doubtful Debts:

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

IAS 1.119

2.10 Write-off of Loans & Advances:

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

NOTES TO THE FINANCIAL STATEMENTS

2.11 Revenue Recognition:

2.11.1 Income from Lease Finance:

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

2.11.2 Income from Direct Finance:

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

2.11.3 Income from Structured Finance:

Income from structured finance is recognized as and when received.

2.11.4 Income from Treasury Operations:

Incomes from treasury operations are recognized on accrual basis.

2.11.5 Income from Margin Loan:

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

2.11.6 Other Operational Income:

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

- Appraisal and documentation fees;
- Commitment fees;
- Supervision fees;
- Delinquent charges; and
- Miscellaneous receipts.

IAS 1.117(b) 2.12 Interest on Bank Loans:

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

IAS 1.117(b) 2.13 Earnings Per Share:

Earnings per 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 period. IIDFC calculates EPS in accordance with Bangladesh Accounting Standard 33 'Earnings per Share' which has been shown in the profit and loss and computation is stated in Note no. 38.

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

NOTES TO THE FINANCIAL STATEMENTS

IFRS 8.2 **2.14 Determination and Presentation of Operating Segments:**

The Company determines and presents Operating Segments based on information that is internally provided to the Company's Management. This is due to the adoption of the Bangladesh Financial Reporting Standards (BFRS) 8 'Operating Segments'. Since the adoption of this BFRS only affects presentation and disclosure aspects, there is no impact on the Earnings Per Share.

An operating segment is a component of an entity:

- a) that engages in business activities from which it may earn revenues and incur expenses;
- b) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and
- c) for which discrete financial information is available.

For the separate financial statements, the Company has determined two reportable segments such Core Business, Brokerage Service Division. For the consolidated financial statements, the subsidiary of IIDFC Capital Ltd. has been determined to be a separate reportable segment in addition to two other segments as mentioned earlier. As IIDFC Securities Ltd. a fully owned subsidiary of IIDFC Ltd. and it has not started its operation for the period under audit and is not reportable under IFRS/BFRS 8. Therefore, we did not treat it as a reportable segment but we provide a separate financial statement of IIDFC Securities Ltd. as disclosure.

Information about Operating Segment has been presented in note. 39 and 39.a.

IAS 37 **2.15 Contingent Assets & Liabilities:**

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

IAS 1.65 **2.16 Liquidity Statement:**

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:

- a) Balance with other banks and financial institutions are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans and Advances are on the basis of their repayment /maturity schedule.
- d) Property, plant and equipments are on the basis of their useful lives.
- e) Other assets are on the basis of their adjustments terms.
- f) Borrowings from other banks and financial institutions are on the basis of their maturity/repayment schedule.
- g) Deposits and other accounts are on the basis of their maturity terms and past behavioral trends.
- h) Other liabilities are on the basis of their settlement terms.

NOTES TO THE FINANCIAL STATEMENTS

2.17 Compliance Report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS):

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

Sl. No.	Name of the BAS	BAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Cash Flow Statements	07	Applied
04	Accounting Policies, Changes in Accounting Estimates and Errors	08	Applied
05	Events after the Balance Sheet Date	10	Applied
06	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Segment Reporting	14	Applied
09	Property, Plant and Equipment	16	Applied
10	Leases	17	Applied
11	Revenue	18	Applied
12	Employee Benefits	19	Applied
13	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
14	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable
15	Borrowing Costs	23	Applied
16	Related Party Disclosures	24	Applied
17	Accounting for Investments	25	Applied
18	Accounting and Reporting by Retirement Benefit Plans	26	Not Applicable
19	Consolidated and Separate Financial Statements	27	Applied
20	Investments in Associates	28	Not Applicable
21	Interest in Joint Ventures	31	Not Applicable
22	Financial Instruments: Presentation	32	Not Applicable
23	Earnings per Share	33	Applied
24	Interim Financial Reporting	34	Not Applicable
25	Impairment of Assets	36	Applied
26	Provision, Contingent Liabilities and Contingent Assets	37	Applied
27	Intangible Assets	38	Applied
28	Financial Instruments: Recognition and Measurement	39	Applied
29	Investment Property	40	Not Applicable
30	Agriculture	41	Not Applicable

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

NOTES TO THE FINANCIAL STATEMENTS

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

2.18 Address of Head Office & Branch Office:

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

2.19 BASEL II & its Implementation:

To comply with the international best practices and make up the capital more risks sensitive as well as more shock resilient, guidelines on 'Basel Accord for Financial Institutions (BAFI)' have been introduced from 1 January, 2011 on test basis by Bangladesh Bank. At the end of the said period, the guidelines will come fully into force from 1 January, 2012 with its necessary supplements/revisions. Instructions in respect of Minimum Capital Requirement (MCR), Adequate Capital and Disclosures Requirement as stated in these guidelines have to be followed by the all financial institutions for the purpose of statutory compliance.

The Company has already been taken initiatives for timely implementation of BASEL II accord.

2.20 Comparison with Previous Year for Consolidated Financial Statements:

The Company applies Bangladesh Accounting Standard 27 'Consolidated and Separate Financial Statements' for the first time in the year 2010. Therefore, in consolidated financial statements there are no figures have been shown in respect of previous year.

MS 1.8 2.21 Integral Components of Financial Statements:

The Financial Statements of the Company include the following components:

1. Balance Sheet as on December 31, 2010.
2. Profit and Loss Account for the year ended December 31, 2010.
3. Cash Flow Statement for the year ended December 31, 2010.
4. Statement of Changes in Equity for the year ended December 31, 2010.
5. Notes to the Financial Statements.

NOTES TO THE FINANCIAL STATEMENTS

		Amounts in Taka	
		Year 2010	Year 2009
Ref.	3 Cash:		
MS 7.45	Cash in hand	33,481	2,990
MS 1.77	Balance with Bangladesh Bank and its agent Bank(s) (Note 3.1)	307,436,094	81,069,395
	Total	307,469,575	81,072,385
MS 1.77	3.1 Balance with Bangladesh Bank:		
	Balance with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). CRR and Statutory Liquidity Reserve (SLR) have been calculated and maintained in accordance with Financial Regulations 1994 and FID Circular No. 06 dated 6 th November, 2003 and FID Circular No. 02 dated 10 th November, 2004.		
	Cash Reserve Requirement (CRR) has been calculated at the rate of 2.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank. Total Term Deposits mean Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
	Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5% of total liabilities, including CRR of 2.5% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in hand, Balance with Bangladesh Bank, Balance with other Banks & Financial Institutions, Investment at call, Unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
	3.a Cash:		
	Cash in hand	63,141	-
	Balance with Bangladesh Bank and its agent Bank(s) (Note 3.1)	307,436,094	-
	Total	307,499,235	-
MS 1.77	4 Balance with Other Banks and Financial Institutions:		
	Inside Bangladesh		
	National Credit & Commerce Bank Ltd.	50,039,597	10,049,613
	Pubali Bank Ltd.	4,896	6,046
	Shahjalal Islami Bank Ltd.	51,776,117	49,509
	Social Islami Bank Ltd.	35,915,918	20,009,155
	Agrani Bank Ltd.	9,195	9,625
	BRAC Bank Ltd.	156,968	156,968
	Commercial Bank of Ceylon Plc	285,891,832	102,740,589
	IFIC Bank Ltd.	7,610	8,660
	Southeast Bank Ltd.	227,141,249	122,629,819
	United Commercial Bank Ltd.	5,391,861	15,001,166
	Bank Asia Ltd.	194,038,798	203,547,805
	Uttara Bank Ltd.	7,497	8,647
	AB Bank Ltd.	5,699	6,709
	Bank Alfalah Ltd.	172,386,753	90,097,172
	The City Bank Ltd.	282,853	277,314
	CitiBank N.A.	85,528	87,373
	Janata Bank Ltd.	82,099	79,913
	Mutual Trust Bank Ltd.	52,026,338	9,750
	National Bank Ltd.	122,199	119,859
	ONE Bank Ltd.	99,004	3,224,593
	Prime Bank Ltd.	105,275,350	1,915,646
	Sonali Bank Ltd.	59,715	57,987
	First Security Islami Bank Ltd.	170,040,476	233,998,322
	EXIM Bank Ltd.	5,000,000	20,000,000
	Lankabangla Finance Ltd.	50,000,000	50,000,000
	Standard Bank Ltd.	66,228,548	-
	Jamuna Bank Ltd.	29,995,000	-
	Sub Total	1,502,071,100	874,092,240
	Outside Bangladesh	-	-
	Total	1,502,071,100	874,092,240

NOTES TO THE FINANCIAL STATEMENTS

Ref:

		Amounts in Taka	
		Year 2010	Year 2009
	4.a Balance with Other Banks and Financial Institutions:		
	Inside Bangladesh		
	National Credit & Commerce Bank Ltd.	50,039,597	-
	Pubali Bank Ltd.	4,896	-
	Shahjalal Islami Bank Ltd.	51,776,117	-
	Social Islami Bank Ltd.	35,915,918	-
	Agrani Bank Ltd.	9,195	-
	BRAC Bank Ltd.	156,968	-
	Commercial Bank of Ceylon Plc	285,891,832	-
	IFIC Bank Ltd.	7,610	-
	Southeast Bank Ltd.	234,172,663	-
	United Commercial Bank Ltd.	5,391,861	-
	Bank Asia Ltd.	194,746,289	-
	Uttara Bank Ltd.	7,497	-
	AB Bank Ltd.	5,699	-
	Bank Alfalah Ltd.	172,386,753	-
	The City Bank Ltd.	282,853	-
	CitiBank N.A.	85,528	-
	Janata Bank Ltd.	82,099	-
	Mutual Trust Bank Ltd.	52,026,338	-
	National Bank Ltd.	122,199	-
	ONE Bank Ltd.	10,775,009	-
	Prime Bank Ltd.	105,275,350	-
	Sonali Bank Ltd.	59,715	-
	First Security Islami Bank Ltd.	170,040,476	-
	EXIM Bank Ltd.	5,000,000	-
	Lankabangla Finance Ltd.	50,000,000	-
	Standard Bank Ltd.	66,228,548	-
	Jamuna Bank Ltd.	29,995,000	-
	Sub Total	1,520,486,010	-
	Outside Bangladesh	-	-
	Total	1,520,486,010	-
IAS 1.77	5 Money at Call and Short notice:		
	Banking Companies	50,000,000	-
	Non-Banking Financial Institutions	-	-
	Total	50,000,000	-
IAS 1.77	6 Investments:		
	A. Government Securities		
	Treasury Bill	-	-
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/Bond	-	-
	Prize Bond	-	-
	Others	-	-
	Sub Total	-	-
	B. Other Investments		
	Preference Share (Note 6.1)	96,923,008	-
	Debenture and Bond	-	-
	Other Investments (Note 6.2)	71,222,005	30,800
	Gold etc.	-	-
	Sub Total	168,145,013	30,800
	Total Investments (A+B)	168,145,013	30,800

NOTES TO THE FINANCIAL STATEMENTS

Ref.

Amounts in Taka

Year	Year
2010	2009

6.1 Preference Share

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

6.2 Other Investments

Quoted

Mercantile Bank Ltd.	60,628	25,000
Mutual Trust Bank Ltd.	3,900	3,900
ONE Bank Ltd.	1,900	1,900
BGIC Ltd.	1,563	-
BSRM Steel Ltd.	43,351	-
BXPHERMA Ltd.	887,873	-
Delta Life Insurance Ltd.	173,999	-
Fareast Islami Life Ins Ltd.	10,089,406	-
Jamuna Oil Ltd.	963,300	-
Lafarge Surma Cement Ltd.	4,888,410	-
Ocean Container Ltd.	1,727,328	-
Pragati Life Ins. Ltd.	9,263,247	-
Prime Islami Life Ltd.	12,854,315	-
RAK Ceramics Ltd.	4,986,182	-
Rupali Lifec Insurance Ltd.	1,329,618	-
Sandhani Life Insurance Ltd.	792,098	-
Titas Gas Ltd.	333,722	-
ONE Bank Ltd	524,529	-
Power Grid Ltd.	711,375	-
IDLC Finance Ltd.	460,000	-
Sub Total	50,096,744	30,800

Unquoted

EBL NRB Mutual Fund	5,000,000	-
MJL BD Ltd.	6,125,261	-
Southeast Bank First Mutual Fund	10,000,000	-
	21,125,261	-

Total (Quoted and Unquoted)

71,222,005 **30,800**

Market price of Investments as on 31 December, 2010:

	Cost Price	Market Price	Provision Required
Mercantile Bank Ltd.	60,628	354,10	-
Mutual Trust Bank Ltd.	3,900	27,624	-
ONE Bank Ltd.	1,900	21,926	-
BGIC Ltd.	1,563	2,310	-
BSRM Steel Ltd.	43,351	42,370	981
BXPHERMA Ltd.	887,873	810,600	77,273
Delta Life Insurance Ltd.	173,999	388,993	-
Fareast Islami Life Insurance Ltd.	10,089,406	21,438,729	-
Jamuna Oil Ltd.	963,300	771,190	192,110
Lafarge Surma Cement Ltd.	4,888,410	4,538,188	350,222
Ocean Container Ltd.	1,727,328	1,737,744	-
Pragati Life Insurance Ltd.	9,263,247	13,289,700	-
Prime Islami Life Insurance Ltd.	12,854,315	21,474,810	-
RAK Ceramics Ltd.	4,986,182	8,806,169	-
Rupali Life Insurance Ltd.	1,329,618	1,650,250	-
Sandhani Life Insurance Ltd.	792,098	1,889,274	-
Titas Gas Ltd.	333,722	299,700	34,022
ONE Bank Ltd	524,529	588,413	-
Power Grid Ltd.	711,375	641,025	70,350
IDLC Finance Ltd.	460,000	646,750	-
Total	50,096,744	79,419,870	724,958

NOTES TO THE FINANCIAL STATEMENTS

Ref.		Amounts in Taka	
		Year 2010	Year 2009
	6.a Investments:		
	A. Government Securities		
	Treasury Bill	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/Bond	-	-
	Prize bond	-	-
	Others	-	-
	Sub Total	-	-
	B. Other Investments		
	Preference Share (Note 6.1)	96,923,008	-
	Debenture and Bond	-	-
	Other Investments	91,867,491	-
	Gold etc.	-	-
	Sub Total	188,790,499	-
	Total Investments (A+B)	188,790,499	-
NS 1.77	7 Loans & Advances:		
	Inside Bangladesh:		
	Gross Lease Receivables	2,755,424,713	4,289,790,432
	Less: Unearned Lease Income	209,793,546	1,071,565,346
	Net Investment	2,545,631,167	3,218,225,086
	Advance for Lease Finance	261,951,279	352,303,106
	Direct/ Term Finance	3,923,024,920	3,289,706,674
	Secured Overdraft	38,514,973	64,277,470
	Factoring Finance	27,040,534	16,916,484
	Margin Loan	1,922,695,234	1,394,730,451
	Sub Total	8,718,858,107	8,336,159,271
	Outside Bangladesh:		
	Gross Lease Receivables	-	-
	Less: Unearned Lease Income	-	-
	Net Investment	-	-
	Advance for Lease Finance	-	-
	Direct/ Term Finance	-	-
	Secured Overdraft	-	-
	Factoring Finance	-	-
	Margin Loan	-	-
	Sub Total	-	-
	Total	8,718,858,107	8,336,159,271
NS 1.61	7.1 Maturity grouping of Loans & Advances:		
	On demand	862,680,484	1,394,730,451
	Less than 3 months	1,595,662,068	443,931,061
	More than 3 months but less than 1 year	1,749,973,959	2,539,474,803
	More than 1 year but less than 5 years	3,486,677,425	3,818,596,721
	Above 5 years	1,023,864,171	139,426,235
	Total	8,718,858,107	8,336,159,271

NOTES TO THE FINANCIAL STATEMENTS

		Amounts in Taka	
Ref.		Year 2010	Year 2009
FRS 8.20	7.2 Sector/Industry-wise Loans & Advances:		
	Agriculture Sector	70,033,606	56,631,834
	Industrial Sector:		
	Textiles	832,665,702	1,203,704,022
	Garments	520,380,059	684,047,295
	Jutes & Jute related goods	32,513,783	29,765,802
	Food Items Producer/Processing Industry	234,742,822	257,965,959
	Plastic Industries	102,177,621	72,038,236
	Lather and Lather Goods	18,910,768	4,260,151
	Iron, Steel and Engineering	294,550,816	340,257,155
	Chemicals and Pharmaceuticals	742,936,466	810,065,348
	Cement/Clinker and Allied Industries	33,225,849	150,225,275
	Service Sector (Hotel, Hospital, Clinic, Tourism, etc.)	243,724,670	398,794,170
	Paper, Printing and Packaging	537,701,366	455,341,592
	Telecommunication and IT Industries	172,799,486	165,695,162
	Glass and Ceramic Industries	94,219,398	136,429,716
	Shipping and Ship Building Industries	234,179,304	460,767,025
	Electronics and Electrical Goods	48,281,557	25,209,496
	Power, Gas, Water and Sanitary	585,077,778	647,242,389
	Transport and Communication	231,904,912	179,810,356
	Real Estate and Housing	384,107,077	465,605,991
	Merchant Banking	180,086,805	-
	Others	3,124,638,262	1,792,302,297
		8,718,858,107	8,336,159,271
FRS 8.20	7.3 Geographical Location-wise Loans & Advances:		
	Inside Bangladesh:		
	Dhaka Division	7,104,205,180	6,527,769,063
	Chittagong Division	1,186,653,578	1,369,357,879
	Rajshahi Division	73,448,305	-
	Sylhet Division	143,398,036	179,062,361
	Khulna Division	211,153,008	259,969,968
	Sub Total	8,718,858,107	8,336,159,271
	Outside Bangladesh	-	-
	Total	8,718,858,107	8,336,159,271
IAS 1.77	7.4 Classification of Loans & Advances as per Bangladesh Bank Circular:		
	Unclassified		
	Standard	7,913,664,107	7,606,866,586
	Special Mention Account (SMA)	369,867,000	352,910,860
	Sub Total	8,283,531,107	7,959,777,446
	Classified		
	Sub-standard (SS)	258,564,000	302,228,031
	Doubtful (DF)	80,798,000	66,677,896
	Bad/Loss (BL)	95,965,000	7,475,898
	Sub Total	435,327,000	376,381,825
	Total	8,718,858,107	8,336,159,271
	7.5 Details of Large Loans & Advances:		
	Outstanding amount exceeding 30% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was Tk 1,079,769,072 as on 31 December, 2010 where as Tk 613,102,190 as on 31 December, 2009.		
	Number of Clients	3	10
	Outstanding Amount	99,863,950	316,051,994
	Classified Amount	-	53,545,457
	Measures Taken for Recovery	-	-

NOTES TO THE FINANCIAL STATEMENTS

Ref		Amounts in Taka	
		Year 2010	Year 2009
MS 1.77	7.6 Particulars of Loans & Advances:		
	1. Loans & Advances considered good in respect of which the company is fully secured	4,796,617,187	3,226,411,846
	2. Loans & Advances considered good against which the company holds no security others than the debtor's personal guarantee	2,897,866,107	2,697,199,578
	3. Loans & Advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	843,038,688	2,412,547,847
	4. Loans & Advances adversely classified for which provision has not been maintained	-	-
	5. Loans & Advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	-	-
	6. Loans & Advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	181,336,125	-
	7. Maximum total amount of loan & Advances including temporary Loans & Advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
	8. Maximum total amount of Loans & Advances including temporary Loans & Advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
	9. Due from banking companies	-	-
	10. Amount of classified Loans & Advances on which interest has not been charged as follows:		
	a. (Decrease)/ Increase in provision	75,650,044	63,442,828
	b. Amount of Loans & Advances written off	39,073,975	-
	c. Amount of collection against written of Loans & Advances	-	-
	d. Interest credited to Interest Suspense Account	6,995,984	55,581,509
	11. Loans & Advances written off:		
	a. Current year	39,073,975	-
	b. Cumulative to date	52,104,015	13,030,040
	c. Amount of written off loans for which law suits have been filed	52,104,015	13,030,040
	Bills Discounted and Purchased:		
ERS 7.80	7.7 Inside Bangladesh	27,040,534	16,916,484
	Outside Bangladesh	-	-
	Total	27,040,534	16,916,484
MS 1.61A	7.8 Maturity Grouping of Bills Discounted and Purchased:		
	Within 1 month	5,975,932	3,353,541
	Over 1 month but within 3 months	3,968,112	2,649,678
	Over 3 months but within 6 months	14,582,362	8,447,351
	Over 6 months	2,514,128	2,465,914
	Total	27,040,534	16,916,484
	Loans & Advances:		
7.a	Inside Bangladesh:		
	Gross Lease Receivables	2,755,424,713	-
	Less: Unearned Lease Income	209,793,546	-
	Net Investment	2,545,631,167	-
	Advance for Lease Finance	261,951,279	-
	Direct/ Term Finance	3,923,024,920	-
	Secured Overdraft	38,514,973	-
	Factoring Finance	27,040,534	-
	Margin Loan	2,540,028,503	-
	Sub Total	9,336,191,376	-
	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	9,336,191,376	-

NOTES TO THE FINANCIAL STATEMENTS

Ref.
MS 16.31

8 Property, Plant & Equipment (Details in Annexure-1):

Own Finance:

A. Cost

	Year 2010	Year 2009
Motor Vehicles	14,881,279	14,881,279
Furniture & Fixtures	10,733,337	7,173,598
Office Equipments	48,519,694	22,398,231
Computer Softwares	3,930,220	1,264,168
Total	78,064,530	45,717,276

B. Less: Accumulated Depreciation

Motor Vehicles	11,255,369	7,640,922
Furniture & Fixtures	2,395,616	1,340,473
Office Equipments	14,931,251	6,197,704
Computer Softwares	1,085,981	378,541
Total	29,668,217	15,557,640

C. Written Down Value at the End of the Year (A-B)

48,396,313 **30,159,636**

Lease Finance:

D. Cost

Furniture & Fixtures	-	-
Office Equipments	-	4,119,808
Computer Softwares	-	1,646,054
Motor Vehicles	-	1,350,000
Total	-	7,115,862

E. Less: Accumulated Depreciation

Furniture & Fixtures	-	-
Office Equipments	-	4,119,808
Computer Softwares	-	1,646,054
Motor Vehicles	-	1,350,000
Total	-	7,115,862

F. Written Down Value at the End of the Year (D-E)

-

G. Total Property, Plant & Equipment (C+F)

48,396,313 **30,159,636**

8.a Property, Plant & Equipment (Details in Annexure-1.a):

Own Finance:

A. Cost

Motor Vehicles	17,963,706	-
Furniture & Fixtures	12,149,108	-
Office Equipments	52,448,385	-
Computer Softwares	3,930,220	-
Total	86,491,419	-

B. Less: Accumulated Depreciation

Motor Vehicles	12,488,342	-
Furniture & Fixtures	2,537,194	-
Office Equipments	15,682,825	-
Computer Softwares	1,085,981	-
Total	31,794,342	-

C. Written Down Value at the End of the Year (A-B)

54,697,077 **-**

Lease Finance:

D. Cost

Furniture & Fixtures	-	-
Office Equipments	-	-
Computer Softwares	-	-
Motor Vehicles	-	-
Total	-	-

E. Less: Accumulated Depreciation

Furniture & Fixtures	-	-
Office Equipments	-	-
Computer Softwares	-	-
Motor Vehicles	-	-
Total	-	-

F. Written Down Value at the End of the Year (D-E)

-

G. Total Property, Plant & Equipment (C+F)

54,697,077 **-**

NOTES TO THE FINANCIAL STATEMENTS

Ref.		Amounts in Taka	
		Year 2010	Year 2009
MS 1.77	9 Other Assets:		
	Investment in shares of subsidiary companies:		
	In Bangladesh	300,000,000	-
	Outside Bangladesh	-	-
	Membership of Dhaka Stock Exchange Ltd.	153,119,000	153,119,000
	Stationery, stamps, printing materials etc.	-	-
	Advance rent and advertisement	4,949,220	2,646,380
	Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	23,011,140	14,560,226
	Security deposits	613,020	150,200
	Preliminary, formation and organization expenses, renovation/development and prepaid expenses	1,029,858	318,946
	Branch adjustment	-	-
	Suspense account	-	-
	Silver	-	-
	Others (Note 9.1)	491,488,568	311,367,615
	Total	974,210,806	482,162,367
MS 1.78(a)	9.1 Others:		
	Advance to Office Staff	154,400	13,400
	Deferred Receivables	28,130,368	8,149,121
	Advance for Syndication Purposes	33,214	53,230
	Advance for Generator	1,002,600	1,002,600
	Advance for Rupali Bank	125,000	125,000
	Advance for Suppliers	19,407,622	3,796,496
	Advance for Traveling	608,715	597,115
	Advance Tax	279,096,162	173,689,458
	Expenses Receivables	8,540	1,627,615
	Bank Guarantee	582,205	665,066
	Advance Interest Paid	19,837,136	6,705,429
	Receivables from IIDFC Capital Ltd.	33,467,490	45,826,045
	Receivables from Other Merchant Banks	67,378	-
	Receivables from CDBL	2,350,797	-
	Receivables from DSE	106,616,941	69,117,040
	Total	491,488,568	311,367,615
	9.a Other Assets:		
	Investment in shares of subsidiary companies:		
	In Bangladesh	-	-
	Outside Bangladesh	-	-
	Licence of IIDFC Capital Ltd.	30,196,209	-
	Membership of Dhaka Stock Exchange Ltd.	153,119,000	-
	Stationery, stamps, printing materials etc.	-	-
	Advance rent and advertisement	4,949,220	-
	Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	25,714,265	-
	Security deposits	613,020	-
	Preliminary, formation and organization expenses, renovation/development and prepaid expenses	7,277,063	-
	Branch adjustment	-	-
	Suspense account	-	-
	Silver	-	-
	Others (Note 9.a.1)	717,836,708	-
	Total	939,705,485	-
	9.a.1 Others:		
	Advance to Office Staff	154,400	-
	Deferred Receivables	28,330,368	-
	Advance for Syndication Purposes	33,214	-
	Advance for Generator	1,002,600	-
	Advance for Rupali Bank	125,000	-
	Advance for Suppliers	19,407,622	-
	Advance for Traveling	608,715	-
	Advance Tax	279,174,900	-
	Expenses Receivables	8,540	-
	Bank Guarantee	582,205	-
	Receivables by IIDFC Capital Ltd.	259,536,892	-
	Advance Interest Paid	19,837,136	-
	Receivables from Other Merchant Banks	67,378	-
	Receivables from CDBL	2,350,797	-
	Receivables from DSE	106,616,941	-
	Total	717,836,708	-

NOTES TO THE FINANCIAL STATEMENTS

Ref. BRS77		Amounts in Taka	
		Year 2010	Year 2009
	10 Borrowings from other Banks, Financial Institutions & Agent:		
	Inside Bangladesh:		
	Refinance against SME loan from Bangladesh Bank	619,584,100	455,991,600
	From other Scheduled Banks (10.1)	4,873,396,409	3,703,223,141
	Sub Total	5,492,980,509	4,159,214,741
	Outside Bangladesh	-	-
	Total	5,492,980,509	4,159,214,741
	10.1 From Other Scheduled Banks & Financial Institutions:		
	Exim Bank Ltd.	-	61,764,317
	Dhaka Bank Ltd.	220,437,810	56,587,474
	Prime Bank Ltd.	351,921,196	129,364,550
	Bank Asia Ltd.	83,333,332	125,000,000
	Trust Bank Ltd.	358,479,779	340,107,437
	Uttara Bank Ltd.	342,447,798	231,338,314
	Mercantile Bank Ltd.	70,000,000	210,000,000
	Basic Bank Ltd.	238,460,395	86,041,942
	Shahjalal Islami Bank Ltd.	80,657,863	78,344,170
	Janata Bank Ltd.	-	9,999,992
	BRAC Bank Ltd.	122,239,860	192,500,000
	Pubali Bank Ltd.	285,000,000	125,000,000
	Bank Alfalah Ltd.	203,400,217	170,581,021
	National Bank Ltd.	80,176,084	131,311,587
	National Credit and Commerce Bank Ltd.	89,764,560	66,001,065
	United Commercial Bank Ltd.	96,357,775	136,067,624
	Jamuna Bank Ltd.	53,233,957	72,572,789
	Commercial Bank of Ceylon Plc.	352,882,384	182,389,687
	Mutual Trust Bank Ltd.	372,076,522	177,254,267
	IFIC Bank Ltd.	629,510,701	392,651,642
	Premier Bank Ltd.	129,948,073	229,999,754
	Social Islami Bank Ltd.	118,867,008	150,000,000
	Dutch Bangla Bank Ltd.	200,000,000	120,000,000
	First Security Islami Bank Ltd.	44,702,306	66,023,335
	Southeast Bank Ltd.	101,253,477	72,322,174
	Standard Bank Ltd.	184,706,751	-
	Bangladesh Commerce Bank Ltd.	63,538,561	90,000,000
	Total	4,873,396,409	3,703,223,141
	Security Against Borrowings from other Banks, Financial Institutions and Agents:		
	Secured	5,492,980,509	3,999,214,741
	Unsecured	-	160,000,000
	Total	5,492,980,509	4,159,214,741
	Maturity Grouping of Borrowings from other Banks, Financial Institutions and Agents:		
	Payable on demand	-	-
	Up to 1 month	67,544,471	549,591,994
	Over 1 month but within 6 months	523,648,492	251,135,123
	Over 6 months but within 1 year	843,860,774	1,009,591,732
	Over 1 year but within 5 years	3,875,727,958	2,263,214,358
	Over 5 years	182,198,814	85,681,534
	Total	5,492,980,509	4,159,214,741
	10.a Borrowings from Other Banks, Financial Institutions & Agents:		
	Inside Bangladesh:		
	Refinance against SME loan from Bangladesh Bank	619,584,100	-
	From other Scheduled Banks (Note 10.a.1)	5,073,396,409	-
	Sub Total	5,692,980,509	-
	Outside Bangladesh	-	-
	Total	5,692,980,509	-

NOTES TO THE FINANCIAL STATEMENTS

Ref		Amounts in Taka	
		Year 2010	Year 2009
	10.a.1 From other Scheduled Banks & Financial Institutions:		
	Dhaka Bank Ltd.	220,437,810	-
	Prime Bank Ltd.	351,921,196	-
	Bank Asia Ltd.	83,333,332	-
	Trust Bank Ltd.	358,479,779	-
	Uttara Bank Ltd.	342,447,798	-
	Mercantile Bank Ltd.	70,000,000	-
	Basic Bank Ltd.	238,460,395	-
	Shahjalal Islami Bank Ltd.	80,657,863	-
	BRAC Bank Ltd	122,239,860	-
	Pubali Bank Ltd	285,000,000	-
	Bank Alfalah Ltd	203,400,217	-
	National Bank Ltd	80,176,084	-
	National Credit and Commerce Bank Ltd.	89,764,560	-
	United Commercial Bank Ltd	96,357,775	-
	Jamuna Bank Ltd.	53,233,957	-
	Commercial Bank of Ceylon Plc	352,882,384	-
	Mutual Trust Bank Ltd.	372,076,522	-
	IFIC Bank Ltd.	629,510,701	-
	Premier Bank Ltd.	129,948,073	-
	Social Islami Bank Ltd.	118,867,008	-
	Dutch Bangla Bank Ltd.	200,000,000	-
	First Security Islami Bank Ltd.	44,702,306	-
	Southeast Bank Ltd.	101,253,477	-
	Standard Bank Ltd.	384,706,751	-
	Bangladesh Commerce Bank Ltd.	63,538,561	-
	Total	5,073,396,409	-
FRS.77	11 Deposits & other Accounts:		
	Deposits from Banks	1,082,800,000	1,757,500,000
	Deposits from Customers	2,331,617,816	2,125,307,737
	Total	3,414,417,816	3,882,807,737
WS.161	Maturity Grouping of Deposits & Other Accounts:		
	Payable on demand	-	-
	Up to 1 month	105,184,263	16,338,733
	Over 1 month but within 6 months	910,721,302	143,470,667
	Over 6 months but within 1 year	353,748,979	884,234,274
	Over 1 year but within 5 years	1,248,560,185	2,791,564,063
	Over 5 years but within 10 years	796,203,087	47,200,000
	Over 10 years	-	-
	Total	3,414,417,816	3,882,807,737
	11.a Deposits & other Accounts:		
	Deposits from Banks	1,082,800,000	-
	Deposits from Customers	2,547,689,472	-
	Total	3,630,489,472	-
WS.177	12 Other Liabilities:		
	Finance Loss Reserve (Note 12.1)	280,429,588	165,705,568
	Deferred Tax	41,015,079	41,015,079
	Interest Suspense Account (Note 12.2)	89,943,675	82,947,691
	Lease Rental Advance	63,695,235	64,331,959
	Provision for Current Tax (Note 37)	185,908,313	95,061,879
	Liabilities for Financial Expenses	162,290,645	246,912,217
	Liabilities for Expenses	18,327,214	5,729,767
	Liabilities for other Finance	525,673,236	295,910,881
	Lease Rental Part	84,944,452	150,936,990
	Payable to IIDFC Securities Ltd.	95,418,989	-
	Reserve for Risk Fund	138,806	-
	Unclaimed Dividend	-	-
	Liability to Outside Trading Houses	222,626,621	-
	Pension and Insurance Fund	-	-
	Obligation under Finance Lease	11,571,664	-
	Total	1,781,983,517	1,148,552,031

NOTES TO THE FINANCIAL STATEMENTS

Ref		Amounts in Taka	
		Year 2010	Year 2009
IAS 37.84	12.1 Finance Loss Reserve:		
	Movement of Specific provision on classified Loans & Advances:		
	Opening Balance	92,499,341	37,946,059
	Less: Provision fully provided loans & advances written-off during the year	(39,073,975)	-
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: Specific provision provided during the year	101,103,570	54,553,282
	Less: Recoveries & Provision no longer required	39,073,975	-
	Add: Net charge to Profit and Loss Account	-	-
	Closing Balance	193,602,911	92,499,341
	Movement of General provision on unclassified Loans & Advances:		
	Opening Balance	73,206,227	64,316,681
	Add: General provision provided during the year	13,620,450	8,889,546
	Closing Balance	86,826,677	73,206,227
	Total	280,429,588	165,705,568
	Particulars of required provision for Loans and Advances:		
	Status of Classification	Base for provision	Rate
	Unclassified (General Provision):		
	Standard	7,913,664,107	1.0%
	Special Mention Account (SMA)	349,145,000	5.0%
	Total	8,262,809,107	
	Classified (Specific Provision):		
	Sub-standard (SS)	172,782,000	20.0%
	Doubtful (DF)	64,245,000	50.0%
	Bad/Loss (BL)	81,611,000	100.0%
	Total	318,638,000	
	Total Provision required		244,883,791
	Total Provision made		280,429,588
	Excess Provision made		35,545,797
IAS 37.84	12.2 Interest Suspense Account:		
	Opening Balance	82,947,691	27,366,180
	Add: Amount transferred to interest suspense account during the year	345,406,664	252,520,223
	Less: Amount recovered from interest suspense account during the year	329,510,302	196,938,712
	Less: Amount written off during the year	8,900,378	-
	Closing Balance	89,943,675	82,947,691
	12.a Other Liabilities:		
	Finance Loss Reserve (Note 12.a.1)	286,602,921	-
	Deferred Tax	41,015,079	-
	Interest Suspense Account	89,943,675	-
	Lease Rental Advance	63,695,235	-
	Provision for Current Tax	221,003,580	-
	Liabilities for Financial Expenses	165,807,112	-
	Liabilities for Expenses	20,073,674	-
	Liabilities for other Finance	731,530,849	-
	Lease Rental Part	84,944,452	-
	Reserve for Risk Fund	138,806	-
	Unclaimed Dividend	-	-
	Liability to outside trading houses	222,626,621	-
	Pension and Insurance Fund	-	-
	Obligation under Finance Lease	11,571,664	-
	Total	1,938,953,668	-

NOTES TO THE FINANCIAL STATEMENTS

Ref.		Amounts in Taka	
		Year 2010	Year 2009
	12.a.1 Finance Loss Reserve:		
	Movement of Specific provision on classified Loans & Advances:		
	Opening Balance	92,499,341	-
	Less: Provision fully provided loans & advances written-off during the year	(39,073,975)	-
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: Specific provision provided during the year	101,103,570	-
	Less: Recoveries & Provision no longer required	39,073,975	-
	Add: Net charge to Profit and Loss Account	-	-
	Closing Balance	193,602,911	-
	Movement of General provision on unclassified Loans & Advances:		
	Opening Balance	73,206,227	-
	Add: General provision provided during the year	19,793,783	-
	Closing Balance	93,000,010	-
	Total	286,602,921	-
MS 1.79	13 Share Capital:		
MS 1.79(a)(i)	Authorized Capital (10,000,000 shares of Tk. 100 each)	1,000,000,000	1,000,000,000
MS 1.79(a)(ii)	Subscribed & Paid up Capital : (3,287,800 shares (Year 2009 3,287,800 shares) of Tk. 100 each, fully paid up)	328,780,000	328,780,000
MS 1.79(a)(ii)	Paid up share capital as on 31 December, 2010 comprises the followings:		
	Public Sector:		
	Name of Shareholders	No. of Shares	Value
	Sonali Bank Limited	227,700	22,770,000
	Janata Bank Limited	227,700	22,770,000
	Investment Corporation of Bangladesh	227,700	22,770,000
		683,100	68,310,000
	Private Sector:		
	AB Bank Ltd.	227,700	22,770,000
	Bank Asia Ltd.	227,700	22,770,000
	BRAC Bank Ltd.	227,700	22,770,000
	City Bank Ltd.	227,700	22,770,000
	Mutual Trust Bank Ltd.	227,700	22,770,000
	National Bank Ltd.	227,700	22,770,000
	ONE Bank Ltd.	227,700	22,770,000
	Southeast Bank Ltd.	227,700	22,770,000
	Eastland Insurance Co. Ltd.	227,700	22,770,000
	National Life Insurance Co. Ltd.	227,700	22,770,000
	Pragati Insurance Ltd.	227,700	22,770,000
	Mr. Md. Matiul Islam	100,000	10,000,000
		2,604,700	260,470,000
		3,287,800	328,780,000
			79.2232
			100.00
MS 1.135(d)	13.1 Capital Adequacy Ratio (CAR):		
	The company is subject to the regulatory capital requirement as stipulated in DFIM circular no. 09 dated 04 November, 2009 of Bangladesh Bank. The capital requirement for Non-banking financial institution is neither ratio-based nor risk based. The regulatory authority requires a Non-banking Financial Institutions to have minimum paid up capital of Tk 500.00 million.		
	Paid up Capital	328,780,000	328,780,000
	Proposed Dividend (Bonus Share) for the year 2008 & 2009	131,512,000	131,512,000
		460,292,000	460,292,000
	Proposed Dividend (Bonus Share) for the year 2010	-	-
	Total Capital Maintained	460,292,000	460,292,000
	Required Capital	500,000,000	500,000,000
	Excess/(Shortage) capital	(39,708,000)	(39,708,000)
	*Dividend for the year 2008 & 2009 has not yet been approved by the Securities and Exchange Commission (SEC) and hence it is not yet been transferred to respective shareholders of the Company.		
	13.2 In compliance with DFIM circular No. 09 Dated 04 November, 2009 and to meet minimum capital requirement of Basel-II accord the Board of Directors in its 127th meeting held on 03 January, 2011 approved Right Shares amounting to Tk 149.39 million to increase the paid up capital up to Tk 609.68 million.		

NOTES TO THE FINANCIAL STATEMENTS

Ref.		Amounts in Taka	
		Year 2010	Year 2009
IAS 1.77	14 Statutory Reserve:		
	Opening Balance	106,900,000	89,900,000
	Add: Addition during the year	95,000,000	17,000,000
	Closing Balance	201,900,000	106,900,000
	The company has transferred 20% of net profit to statutory reserve as per the Financial Institutions Regulations, 1994.		
IAS 1.77	15 General Reserve:		
	Opening Balance	42,000,000	41,000,000
	Add: Addition during the year	1,000,000	1,000,000
	Closing Balance	43,000,000	42,000,000
	16 Other Reserve:		
	Opening Balance	-	-
	Add: Addition during the year	-	-
	Closing Balance	-	-
	17 Proposed Dividend:		
	Opening Balance	131,512,000	65,756,000
	Add: Addition during the year	-	65,756,000
	Closing Balance	131,512,000	131,512,000
IAS 1.77	18 Retained Earnings carried forward	374,577,072	3,910,190
	18.a Retained Earnings carried forward:		
	Profit available for appropriation	525,554,033	-
	Less: Transferred to Statutory Reserve	95,000,000	-
	Less: Transferred to General Reserve	1,000,000	-
	Less: Minority Interest (Note 18.a.1)	227,706	-
	Closing Balance	429,326,327	-
IAS 27.6, 27	18.a.1 Minority Interest:		
	Share Capital (Minority)	200,000	-
	Profit Earned (Minority)	27,706	-
	Closing Balance	227,706	-
IAS 37.86	19 Contingent Liabilities & Capital Expenditure Commitments:		
	19.1 Letter of Guarantee:		
	Money for which the company is contingently liable in respect of guarantees given favoring:		
	Directors	-	-
	Government	-	-
	Banks and other Financial Institutions	-	-
	Others	373,862,506	17,269,476
	Sub Total	373,862,506	17,269,476
	Letter of Credit:		
	For import of equipments under Lease Finance	1,536,500	9,060,110
	Sub-total	1,536,500	9,060,110
	Total	375,399,006	26,329,586
	19.2 Capital Expenditure Commitments:		
	There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2010. There was no capital expenditures authorized by the Board but not contracted as on 31 December, 2010.		
IAS 1.97	20 Interest Income:		
	Interest income from balance with other Banks & Financial Institutions	82,032,844	60,596,156
	Interest income from Lease Finance	420,483,258	528,839,672
	Interest income from Direct/ Term Finance	439,002,365	403,405,680
	Interest income from Secured Overdraft	4,642,618	5,059,204
	Interest income from Bills Discounted & Purchased	2,974,946	754,612
	Interest income from Margin Loan	299,950,632	91,453,002
	Total	1,249,086,663	1,090,108,326

NOTES TO THE FINANCIAL STATEMENTS

Ref		Amounts in Taka	
		Year 2010	Year 2009
	20.a Interest Income:		
	Interest income from balance with other Banks & Financial Institutions	86,260,545	-
	Interest income from Lease Finance	420,483,258	-
	Interest income from Direct/ Term Finance	441,705,490	-
	Interest income from Secured Overdraft	4,642,618	-
	Interest income from Bills Discounted & Purchased	2,974,946	-
	Interest income from Margin Loan	367,805,066	-
	Total	1,323,871,923	-
IFRS 7.20	21 Interest paid on Deposits, Borrowings etc.:		
	Interest on Deposits:	243,167,570	441,250,740
	Fixed Deposits	193,902,815	310,706,496
	Short-term Deposits	49,104,595	129,672,861
	Other Deposits	160,160	871,383
	Interest on Borrowings:	660,756,785	459,978,662
	For Borrowings from other Banks, Financial Institutions & Agent IIDFC Ltd.	474,490,281	377,736,151
	IIDFC Brokerage Division	186,257,504	82,242,511
	Total	903,924,355	901,229,402
	21.a Interest paid on Deposits, Borrowings etc.:		
	Interest on Deposits:	243,167,570	-
	Fixed Deposits	193,902,815	-
	Short-term Deposits	49,104,595	-
	Other Deposits	160,160	-
	Interest on Borrowings:	701,275,849	-
	For Borrowings from other Banks, Financial Institutions & Agent IIDFC Ltd.	474,499,281	-
	IIDFC Capital Ltd.	40,507,914	-
	IIDFC Brokerage Division	186,268,654	-
	Total	944,443,419	-
IAS 18.35	22 Income from Investment:		
	Capital Gain	28,818,963	-
	Dividend Income	4,759,816	814
	Total	33,578,779	814
	22.a Income from Investment:		
	Capital Gain	34,429,195	-
	Dividend Income	4,759,816	-
	Total	39,189,011	-
IFRS 7.20D	23 Commission, Exchange and Brokerage:		
	Commission on Securities trading	416,665,083	78,933,647
	Total	416,665,083	78,933,647
	23.a Commission, Exchange and Brokerage:		
	Commission on Securities trading	491,348,402	-
	Total	491,348,402	-
IAS 1.97	24 Other Operating Income:		
	Syndication Fee income	80,308,406	39,305,970
	Bank Guarantee income	83,799	68,535
	Syndication Fees (Operation)	-	139,130
	Application & Processing Fees	2,720,578	2,289,045
	Transfer Fees	798,744	908,706
	Delinquent Interest	4,633,461	-
	LC Commission	-	116,613
	BO account opening fees & charges	2,387,750	729,600
	Income against CDBL Charges	5,935,728	-
	Notice pay received	343,685	168,538
	Profit from sale of car	-	134,800
	Sundry Receipts	77,500	-
	Cancellation charges	676,223	804,274
	Total	97,965,874	44,665,211

NOTES TO THE FINANCIAL STATEMENTS

Ref.		Amounts in Taka	
		Year 2010	Year 2009
	24.a Other Operating Income:		
	Syndication Fee income	80,308,406	-
	Bank Guarantee income	83,799	-
	Application & Processing Fees	2,720,578	-
	Transfer Fees	798,744	-
	Delinquent Interest	4,633,461	-
	BO account opening fees & charges	2,387,750	-
	Income against CDBL Charges	5,935,728	-
	Notice pay received	343,685	-
	Sundry Receipts	77,500	-
	Cancellation charges	676,223	-
	Total	97,965,874	-
IAS 1.104	25 Salaries & Allowances:		
	Basic Salary	36,884,605	27,013,483
	Allowances	31,399,180	17,757,882
	Bonus	17,453,412	12,835,139
	Company's contribution Provident Fund	3,688,460	2,438,460
	Group Insurance	709,848	-
	Retirement benefits & Gratuity	626,681	1,313,367
	Total	90,762,186	61,358,331
	25.a Salaries & Allowances:		
	Basic Salary	40,421,335	-
	Allowances	33,556,394	-
	Bonus	18,259,083	-
	Company's contribution Provident Fund	3,688,460	-
	Group Insurance	709,848	-
	Retirement benefits & Gratuity	626,681	-
	Total	97,261,801	-
IAS 1.97	26 Rent, Taxes, Insurance, Electricity etc.:		
	Rent, Rate and Taxes	26,021,575	12,101,117
	Insurance	318,366	400,682
	Electricity, Gas and Water	2,924,319	2,774,776
	Total	29,264,260	15,276,575
	26.a Rent, Taxes, Insurance, Electricity etc.:		
	Rent, Rate and Taxes	29,518,636	-
	Insurance	405,129	-
	Electricity, Gas and Water	3,410,439	-
	Total	33,334,204	-
IFRS 7.200	27 Legal Expenses:		
	Professional charges	981,098	1,180,286
	Legal Expenses	1,495,125	704,634
	Total	2,476,223	1,884,920
	27.a Legal Expenses:		
	Professional charges	1,262,802	-
	Legal Expenses	1,495,125	-
	Total	2,757,927	-
IAS 1.97	28 Postage, Stamp, Telecommunications etc.:		
	Postage and Courier	2,725,485	188,614
	Phone, Fax & Internet	2,942,597	2,808,753
	Total	5,668,082	2,997,367
	28.a Postage, Stamp, Telecommunications etc.:		
	Postage and Courier	2,908,187	-
	Phone, Fax & Internet	3,139,314	-
	Total	6,047,501	-
IAS 1.97	29 Stationery, Printing, Advertisement etc.:		
	Printing & Stationery	6,419,897	4,998,427
	Advertisement	3,650,809	6,518,624
	Total	10,070,706	11,517,051

NOTES TO THE FINANCIAL STATEMENTS

Ref.		Amounts in Taka	
		Year 2010	Year 2009
	29.a Stationery, Printing, Advertisement etc.:		
	Printing & Stationery	7,038,292	-
	Advertisement	3,650,809	-
	Total	10,689,101	-
IAS 1.97	30 Managing Director's Salary and Fees:		
	Basic Salary	3,000,000	3,000,000
	Bonus	1,500,000	500,000
	House Rent Allowance	1,500,000	1,500,000
	Medical Allowance	150,000	150,000
	Entertainment Allowance	150,000	150,000
	Car Allowance	710,162	546,337
	Leave Fare Assistance	250,000	250,000
	Group Insurance	58,921	-
	Earned Leave	-	-
	House maintenance Allowance	-	-
	Total	7,319,083	6,096,337
IAS 1.97	31 Directors' Fees		
	Directors' Fees	592,948	696,479
	Others Benefits	-	-
	Total	592,948	696,479

Directors' fees for attending each board meeting up to 23 February, 2010 was Tk. 4,000 (Four Thousand) as per Bangladesh Bank Circular. No. 04, dated 28 May, 2006 and for rest of the year was TK. 5,000.00 (Five Thousand) as per Bangladesh Bank Circular. No. 03, dated 24 February, 2010. Directors have not been paid any fees/remuneration for any special services rendered.

	31.a Directors' Fees		
	Directors' Fees	626,429	-
	Others Benefits	-	-
	Total	626,429	-
IAS 1.97	32 Auditor's Fees:	230,190	300,000
	32.a Auditor's Fees:	338,690	-
	33 Loans & Advances Written-off:		
	Loans & Advances written-off	39,073,975	-
	Interest waived	-	-
	Total	39,073,975	-
IAS 1.104	34 Repair and Depreciation of Company's Assets:		
	Repair of Company's Assets:		
	Furniture & Fixtures	94,185	144,465
	Office Equipments	1,072,914	341,387
	Sub Total	1,167,099	485,852
	Depreciation of Company's Assets:		
	Own Assets	14,130,789	7,952,849
	Leased Assets	-	197,408
	Sub Total	14,130,789	8,150,257
	Total Repair and Depreciation of Company's Assets:	15,297,888	8,636,109
	34.a Repair and Depreciation of Company's Assets:		
	Repair of Company's Assets:		
	Furniture & Fixtures	94,185	-
	Office Equipments	1,072,914	-
	Sub Total	1,167,099	-
	Depreciation of Company's Assets:		
	Own Assets	15,596,018	-
	Leased Assets	-	-
	Sub Total	15,596,018	-
	Total Repair and Depreciation of Company's Assets:	16,763,117	-

NOTES TO THE FINANCIAL STATEMENTS

Ref		Amounts in Taka	
		Year 2010	Year 2009
MS 1.97	35 Other Expenses:		
	Office Maintenance	2,961,221	1,213,580
	Traveling & Conveyance	4,009,830	3,077,936
	Meeting Expenses	1,098,104	2,364,486
	Entertainment	2,057,768	807,005
	Car Running & Maintenance Expenses	6,211,844	4,599,906
	Bank Charge & Excise Duty	640,827	475,984
	Interest for Lease Facility	729,394	2,467
	Training Expenses	565,458	362,680
	Membership Fees & Subscriptions	362,260	125,710
	Books & Periodicals	83,629	130,869
	Laga & Howla Charges	33,147,383	6,534,639
	CDBL Charges	938,013	323,864
	Reserve for Risk Fund	100,000	16,666
	Fees, License, Renewal & Registration	6,547,411	284,489
	Total	59,453,142	20,320,281
	35.a Other Expenses:		
	Office Maintenance	3,094,324	-
	Traveling & Conveyance	4,020,403	-
	Meeting Expenses	1,134,354	-
	Entertainment	2,489,934	-
	Car Running & Maintenance Expenses	6,563,297	-
	Bank Charge & Excise Duty	640,827	-
	Interest for Lease Facility	729,394	-
	Training Expenses	575,458	-
	Amortization of Pre-operating Expenses	838,095	-
	Membership Fees & Subscriptions	362,260	-
	Books & Periodicals	83,629	-
	Laga & Howla Charges	33,147,383	-
	CDBL Charges	3,934,272	-
	Reserve for Risk Fund	100,000	-
	Fees, License, Renewal & Registration	6,597,411	-
	Total	64,311,041	-
MS 37.84	36 Provision for Loans & Advances:		
	Provision for classified Loans & Advances	62,029,595	54,553,282
	Provision for unclassified Loans & Advances	12,895,492	8,889,546
	Provision for diminution in value of Investments	724,958	-
	Provision for Off-balance Sheet Items	-	-
	Total	75,650,045	63,442,828
	36.a Provision for Loans & Advances:		
	Provision for classified Loans & Advances	62,029,595	-
	Provision for unclassified Loans & Advances	19,068,825	-
	Provision for diminution in value of Investments	724,958	-
	Provision for Off-balance Sheet Items	-	-
	Total	81,823,378	-
MS 37.84	37 Provision for Tax:		
	Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 42.50% on taxable income.		
	Provision for Current Tax:		
	Opening Balance	95,061,879	59,061,879
	Add: Provision made during the year	90,846,434	36,000,000
	Less: Settlement during the year	-	-
	Closing Balance	185,908,313	95,061,879
	37.a Opening Balance	95,061,879	-
	Add: Provision made during the year	125,941,701	-
	Less: Settlement during the year	-	-
	Closing Balance	221,003,580	-

NOTES TO THE FINANCIAL STATEMENTS

Ref
BAS 33.70

Amounts in Taka

Year	Year
2010	2009

38 Earnings Per Share (EPS):

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

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

466,666,882

83,952,318

Number of ordinary shares outstanding during the year

3,287,800

3,287,800

Basic Earnings Per Share (in Taka)

141.94

25.53

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

38.a Earnings Per Share (EPS):

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

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)

521,643,843

-

Number of ordinary shares outstanding during the year

3,287,800

-

Basic Earnings Per Share (in Taka)

158.66

-

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 Operating Segment Report:

Segment Profit & Loss	For the year, 2010		
	Core Business	Brokerage Division	Total
Net Interest Income	220,029,368	125,132,940	345,162,308
Income from Investment	4,747,566	28,831,213	33,578,779
Commission, Exchange & Brokerage	-	416,665,083	416,665,083
Other Operating Income	89,307,878	8,657,996	97,965,874
Total Segment Revenue	314,084,812	579,287,232	893,372,044
Operating Expenses	162,035,884	98,172,799	260,208,683
Provision for Loans & Advances	37,196,140	38,453,905	75,650,045
Provision for Tax	70,294,179	20,552,255	90,846,434
Total Segment Expenses	269,526,203	157,178,959	426,705,162
Total Reportable Segment Profit	44,558,609	422,108,273	466,666,882

Segment Profit & Loss	For the year, 2009		
	Core Business	Brokerage Service Division	Total
Net Interest Income	177,410,652	11,468,272	188,878,924
Income from Investment	814	-	814
Commission, Exchange & Brokerage	-	78,933,647	78,933,647
Other Operating Income	43,935,611	729,600	44,665,211
Total Segment Revenue	221,347,077	91,131,519	312,478,596
Operating Expenses	101,770,754	27,312,696	129,083,450
Provision for Loans & Advances	63,442,828	-	63,442,828
Provision for Tax	36,000,000	-	36,000,000
Total Segment Expenses	201,213,582	27,312,696	228,526,278
Total Reportable Segment Profit	20,133,495	63,818,823	83,952,318

NOTES TO THE FINANCIAL STATEMENTS

Ref

39.a Consolidated Operating Segment Report:

Segment Profit & Loss	For the year, 2010			
	Core Business	Brokerage Service Division	IIDFC Capital Ltd.	Total
Net Interest Income	220,029,368	125,132,940	30,786,852	375,949,160
Income from Investment	4,747,566	28,831,213	5,610,232	39,189,011
Commission, Exchange & Brokerage	-	416,665,083	74,683,319	491,348,402
Other Operating Income	89,307,878	8,657,996	2,703,125	100,668,999
Total Segment Revenue	314,084,812	579,287,232	113,783,528	1,007,155,572
Operating Expenses	162,035,885	98,172,799	18,268,195	278,476,879
Provision for Loans & Advances	37,196,140	38,453,905	6,173,333	81,823,378
Provision for Tax	70,294,179	20,552,255	34,800,000	125,646,434
Total Segment Expenses	269,526,204	157,178,959	59,241,528	485,946,691
Total Reportable Segment Profit	44,558,608	422,108,273	54,542,000	521,208,881

MS 24.17

40 Related Party Transactions:

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

Amounts in Taka

Name of the parties	Nature of Loan/Lease	Nature of Transactions	Outstanding Balance-2010	Outstanding Balance-2009
			Taka	Taka
Southeast Bank Ltd.	Sponsor Shareholder	FDR Placement	55,781,668	5,350,872
Mutual Trust Bank Ltd.	Sponsor Shareholder	FDR Placement	52,020,000	-
Bank Asia Ltd	Sponsor Shareholder	Term Deposit	-	200,000,000
BRAC Bank Ltd	Sponsor Shareholder	Term Deposit	-	140,000,000
Janata Bank Ltd	Sponsor Shareholder	Term Deposit	100,000,000	100,000,000
Mutual Trust Bank Ltd	Sponsor Shareholder	Term Deposit	50,000,000	160,000,000
National Bank Ltd	Sponsor Shareholder	Term Deposit	25,650,000	122,500,000
Sonali Bank Ltd.	Sponsor Shareholder	Term Deposit	300,000,000	200,000,000
The City Bank Ltd .	Sponsor Shareholder	Term Deposit	140,000,000	140,000,000
National Life Insurance Co. Ltd.	Sponsor Shareholder	Term Deposit	220,800,000	230,000,000
Eastland Insurance Co. Ltd.	Sponsor Shareholder	Term Deposit	5,727,416	10,681,700
Pragati Insurance Company Ltd	Sponsor Shareholder	Term Deposit	1,000,000	2,000,000
Bank Asia Ltd.	Sponsor Shareholder	Borrowings	83,333,333	125,000,000
National Bank Ltd.	Sponsor Shareholder	Borrowings	80,176,084	131,311,587
BRAC Bank Ltd.	Sponsor Shareholder	Borrowings	122,239,860	192,500,000
Janata Bank Ltd.	Sponsor Shareholder	Borrowings	-	9,999,992
Mutual Trust Bank Ltd.	Sponsor Shareholder	Borrowings	372,076,522	177,254,267
			1,608,804,883	1,946,598,418

41 Board Meetings:

During the period total 12 (Twelve) board meetings were held.

42 Others:

MS 27(28,37&38)

42.1 Contingent Liability:

There is no contingent liability other than "Letter of Credit" outstanding for import of lease equipment amounting to Tk. 21,698,317 (USD 312,206). There was no acknowledged claim as debt as on the balance sheet date.

42.2 Unacknowledged Debt:

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

NOTES TO THE FINANCIAL STATEMENTS

Ref

42.3 Employees' Information:

A total number of 147 employees were employed in IIDFC as of 31 December, 2010. All the employees received salary more than Tk. 36,000 p.a. during the year 2010.

IAS 1.98 (d)

42.4 Written-off of Accounts:

During the period under review, an amount of Tk. 39,073,975 has been written-off from the books of accounts of the company and Tk. 13,030,040 was written-off in the corresponding previous years.

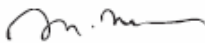
42.5 Subsequent Events:

The Board of Directors in its 133rd meeting held on 01 June, 2011 has recommended stock dividend @ 50% i.e. one bonus shares for every two full paid shares (1 : 2) of Tk. 100 each (amounting to Tk. 164,390,000). This will be considered for approval by the shareholders at the 10th Annual General Meeting (AGM) to be held on June 27, 2011.

43 General:

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

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



Md. Matiul Islam
Chairman



Md. Asaduzzaman Khan
Managing Director



Md. Shamim Ahamed
Company Secretary

Ref. Property, Plant & Equipment – Own Finance

RS.1623

Serial No.	Particulars	C O S T				Rate	D E P R E C I A T I O N			Net Book Value	
		Opening	Additions	Sale/Transfer	Closing		Opening	Charges	Adjustment		Closing
1	Motor Vehicles	17,963,706	-	-	17,963,706	20%	8,257,407	4,230,935	-	12,488,342	5,475,364
2	Furniture & Fixtures	7,173,598	5,177,635	202,125	12,149,108	10%	1,340,473	1,216,933	20,212	2,537,194	9,611,914
3	Office Equipments	22,644,961	29,803,424	-	52,448,385	18%	6,242,115	9,440,710	-	15,682,825	36,765,560
4	Computer Softwares	1,264,168	2,666,052	-	3,930,220	18%	378,541	707,440	-	1,085,981	2,844,239
	Total	49,046,433	37,647,111	202,125	86,491,419		16,218,536	15,596,018	20,212	31,794,342	54,697,077
	As on 31 December, 2009	24,562,672	23,096,604	1,942,000	45,717,276		8,381,591	7,952,849	776,800	15,557,640	30,159,636

Figures in Taka

Property, Plant & Equipment – Lease Finance

Serial No.	Particulars	C O S T				DEPRECIATION	Net Book Value			
		Opening	Additions	Sale	Closing			Opening	Charges	Adjustment
1	Motor Vehicles	-	-	-	-	-	-			
2	Office Equipments	-	-	-	-	-	-			
3	Computer Softwares	-	-	-	-	-	-			
	Total	-	-	-	-	-	-			
	As on 31 December, 2009	7,115,862	-	-	7,115,862	6,918,454	197,408	-	7,115,862	-

Figures in Taka

ANNEXURE- 1

Ref. Property, Plant & Equipment – Own Finance

MS 16/21

Serial No.	Particulars	C O S T			DEPRECIATION			Net Book Value			
		Opening	Additions	Sale/Transfer	Closing	Rate	Opening	Charges	Adjustment	Closing	
1	Motor Vehicles	14,881,279	-	-	14,881,279	20%	7,640,922	3,614,447	-	11,255,369	3,625,910
2	Furniture & Fixtures	7,173,598	3,761,864	202,125	10,733,337	10%	1,340,473	1,075,355	20,212	2,395,616	8,337,721
3	Office Equipments	22,398,231	26,121,463	-	48,519,694	18%	6,197,704	8,733,547	-	14,931,251	33,588,443
4	Computer Softwares	1,264,168	2,666,052	-	3,930,220	18%	378,541	707,440	-	1,085,981	2,844,239
	Total	45,717,276	32,549,379	202,125	78,064,530		15,557,640	14,130,789	20,212	29,668,217	48,396,313
	As on 31 December, 2009	24,562,672	23,096,604	1,942,000	45,717,276		8,381,591	7,952,849	776,800	15,557,640	30,159,636

Figures in Taka

Property, Plant & Equipment – Lease Finance

Serial No.	Particulars	C O S T			DEPRECIATION			Net Book Value			
		Opening	Additions	Sale	Closing	Opening	Charges	Adjustment	Closing		
1	Motor Vehicles	-	-	-	-	-	-	-	-	-	-
2	Office Equipments	-	-	-	-	-	-	-	-	-	-
3	Computer Softwares	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-
	As on 31 December, 2009	7,115,862	-	-	7,115,862	6,918,454	197,408	-	7,115,862	-	-

Figures in Taka

ANNEXURE-2

Amounts in Taka

Sl. No.	Particulars	2010	2009
1.	Paid-up Capital	328,780,000	328,780,000
2.	Total Capital	1,116,595,749	686,308,417
3.	Capital Surplus	124,682,000	(39,708,000)
4.	Total Assets	11,769,150,914	9,803,676,699
5.	Total Deposits	3,414,417,816	3,882,807,737
6.	Total Leases, Loans and Advances	8,718,858,107	8,336,159,271
7.	Total Contingent Liabilities and Commitments	375,399,006	26,329,586
8.	Credit Deposit Ratio	255.35%	214.69%
9.	% of Classified Loans Against Total Loans and Advances	4.74%	3.61%
10.	Profit After Tax and Provision	466,666,882	83,952,318
11.	Amount of Classified Loans During Current Year	134,338,000	190,636,000
12.	Provisions Kept Against Classified Loans	193,602,911	92,499,341
13.	Provision Surplus Against Classified Loans	30,217,669	156,502
14.	Cost of Fund	12.91%	14.11%
15.	Interest Earnings Assets	10,270,929,207	9,210,251,511
16.	Non- Interest Earnings Assets	1,498,221,707	593,425,188
17.	Return on Investment (ROI)	5.87%	2.17%
18.	Return on Assets (ROA)	5.38%	1.87%
19.	Income from Investment	1,282,665,462	1,090,109,140
20.	Earnings per Share	141.94	25.33
21.	Net Income per Share	141.94	25.33
22.	Price Earnings Ratio	N/A	N/A