

# ANNUAL REPORT | 2015



**Industrial and Infrastructure**  
Development Finance Company Limited

**IIDFC**



ANNUAL REPORT 2015



Industrial and Infrastructure  
Development Finance Company Limited

IIDFC





GROWTH

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

দেশের চেয়ে কেউ বড় নয়  
দেশটা সবার আগে  
দেশকে ভালোবাসতে হবে  
গভীর অনুরাগে।

-জাহাঙ্গীর আলম জাহান

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## IIDFC Commitments

### Our Commitments to the Nation

To contribute to the Country's economic growth in all possible ways.

To accelerate the process of industrialization.

To promote projects for removing infrastructure deficiencies.

To help banish power outage permanently.

To promote SME as a major engine of growth.

To promote employment and expand self employment opportunities.

To promote low-cost housing projects for the urban middle class.

To promote Bangladesh as a desired destination for foreign investors.

To assist in the reduction of Green-House Gas Emission.

■ To promote viable Renewable Energy projects.

### Our Commitment to the Shareholders

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

## IIDFC Commitments

### Our Commitments to Clients

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

### Our Commitments to Employees

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



## Notice of the 15<sup>th</sup> Annual General Meeting

Notice is hereby given to all shareholders of the Company that the 15<sup>th</sup> Annual General Meeting of Industrial and Infrastructure Development Finance Company Limited will be held on Wednesday, July 27, 2016 at 8.00 p.m. at Mutual Trust Bank's Head Office, MTB Center, Sun Floor, Level 5, 26 Gulshan Avenue, Plot 5, Block SE(D), Gulshan-1, Dhaka-1212, Bangladesh to discuss the following businesses:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended December 31, 2015 and Auditors' Report & Directors' Report thereon;
2. To approve dividend for the year 2015 as recommended by the Board of Directors;
3. To election/re-election of Directors of the Company;
4. To appoint auditors for the year 2016 and fix their remuneration; and
5. To transact any other business with the permission of the Chair.

By order of the Board

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

Dated, Dhaka  
July 10, 2016

### NOTES:

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



## Milestone Events

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





## Milestone Events

2011	<ul style="list-style-type: none"> <li>• First ever CDM Project in the brick manufacturing sector of Bangladesh got registered with UNFCCC (August 18, 2011) with IIDFC acting as the Bundling Agent.</li> </ul>
	<ul style="list-style-type: none"> <li>• 9 day SME Technology Fair -2011 (October 9-16, 2011) organized by IIDFC and NSIC, India at Dhaka.</li> </ul>
2012	<ul style="list-style-type: none"> <li>• The second CDM project HHK (Bundle-2) got registered with UNFCCC (July 31, 2012).</li> </ul>
	<ul style="list-style-type: none"> <li>• Signing of a US\$ 6 million loan facility with the Asian Development Bank (November 15, 2012) to improve industrial energy efficiency in 6 different sectors of Bangladesh.</li> </ul>
2013	<ul style="list-style-type: none"> <li>• Mandated as the lead arranger to raise syndicated facilities of Term Loan Facility of BDT 583.00 million and Working Capital Facilities of BDT 210.00 million for Infinity Data and Power Ltd.</li> </ul>
	<ul style="list-style-type: none"> <li>• Arranged Term Loan Facility of BDT 2180.00 Million for Sinha Peoples Energy Limited for establishing a 52.5 MW HFO based power generation facility at Katpotti, Munshiganj under syndication arrangement.</li> </ul>
2014	<ul style="list-style-type: none"> <li>• Arranged Term Loan Facility of BDT 1000.4 million and USD 6.35 million for Fiber @ Home under syndication arrangement, which is First ever World Bank Financing in IT sector through IPFF cell of Bangladesh Bank.</li> </ul>
	<ul style="list-style-type: none"> <li>• Arranged Term Loan Facility of BDT 435.00 million for Infinity Data and Power Limited (IDPL) for setting up a cable manufacturing facility in Kazipara, Narayanganj under syndication arrangement.</li> </ul>
	<ul style="list-style-type: none"> <li>• CER revenue worth USD 240,000 received and distributed amongst participating brick kiln owners using HHK Technology and other stakeholders.</li> </ul>
2015	<ul style="list-style-type: none"> <li>• Arranged BDT 3,420.00 million through issuance of 8 (eight) commercial Papers ( both in secured and unsecured mode) for different economic sectors i.e. Textile, Automobile, Steel &amp; Iron and ICT sector.</li> </ul>
	<ul style="list-style-type: none"> <li>• Arrangement of Tier II Capital for Social Islami Bank Limited through issuance of SIBL Mudaraba Sub-ordinated Bond. Issue size BDT 3,000.00 million.</li> </ul>
	<ul style="list-style-type: none"> <li>• IIDFC entered into a Certified Emissions Reduction Purchase Agreement (CERPA) with the Asian Development Bank to sell 160,000 tons of Emissions Reduction during 2016-2019 generated by its 2 Energy Efficient Brick Manufacturing Clean Development Mechanism projects on 09 April, 2015.</li> </ul>
	<ul style="list-style-type: none"> <li>• UNFCCC issued 50,877 tons of Certified Emissions Reductoins (CERs) for the 2 CDM projects of IIDFC during September 2015</li> </ul>
	<ul style="list-style-type: none"> <li>• CER revenue worth USD 578,330 received and distributed amongst brick kiln owners and other stakeholders.</li> </ul>





## Corporate Information

### Registered Head Office

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

### Chittagong Branch

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

### Uttara Branch

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

### Subsidiaries

#### IIDFC Securities Ltd.

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

#### IIDFC Capital Ltd.

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

### Others

### Auditors

**S. F. Ahmed & Co.**  
Chartered Accountants  
House # 51 (3rd Floor)  
Road # 09, Block # F  
Banani, Dhaka # 1213

### Business Hours

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



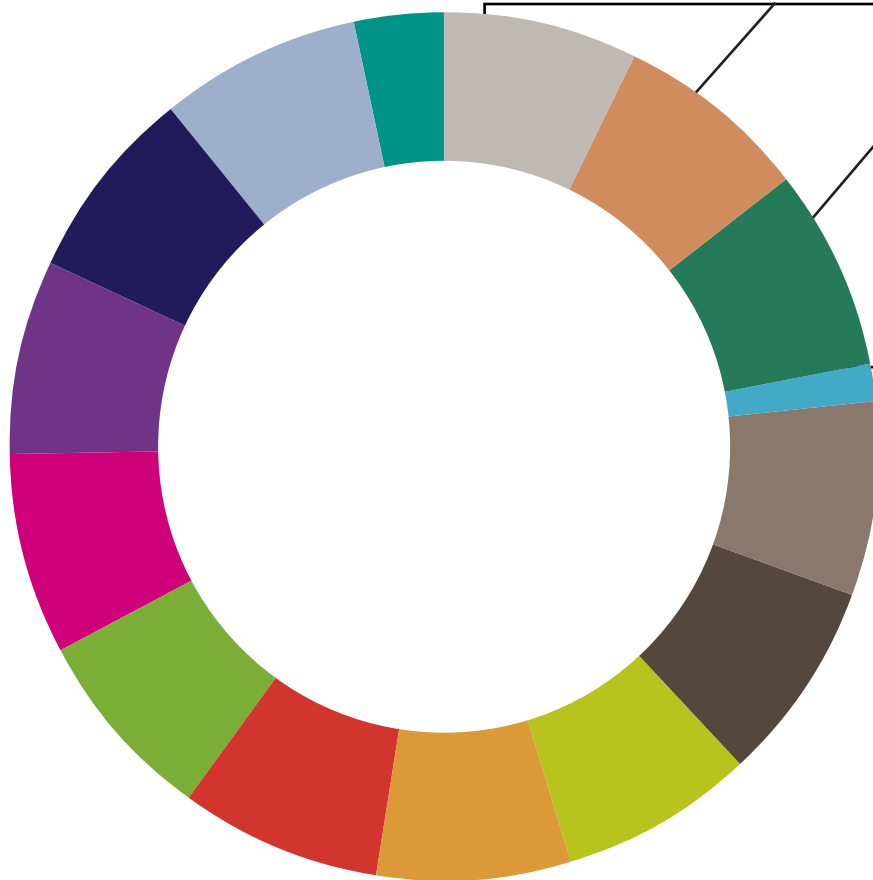


## Our Bankers

BRAC Bank Limited	Head Office
Pubali Bank Limited	Principal Branch
Shahjalal Islami Bank Limited	Foreign Exchange Branch, Motijheel
Trust Bank Limited	Dhanmondi Branch
Bank Asia Limited	Mohakhali Branch
Uttara Bank Limited	Local Office
Bank Alfalah Limited	Gulshan Branch
NCC Bank Limited	Foreign Exchange Branch
Mutual Trust Bank Limited	Principal Branch
Social Islami Bank Limited	Head Office
Commercial Bank of Ceylon PLC	Motijheel Office
The Premier Bank Limited	Elephant Road Branch
Dutch-Bangla Bank Limited	Dhanmondi Branch
Jamuna Bank Limited	Dilkusha Branch
South Bangla Agriculture and Commerce Bank Limited	Head Office
Modhumoti Bank Limited	Head Office
ICB Islamic Bank Limited	Head Office
NRB Commercial Bank Limited	Head Office
Eastern Bank Limited	Head Office
Janata Bank Limited	Head Office



## Shareholding Structure





## Public Sector

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

## Private Sector

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



## Board of Directors

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

## Brief Profile of the Directors



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

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



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

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

AAK has received on job exposure and training on nearly all aspects of banking, management and leadership practices in his 34 year banking career. He also has sound knowledge of merchant banking, stock brokerage services, leasing, factoring, legal and compliance, mergers and acquisitions, business process re-engineering and transformation and upgradation of information technology platforms, acquired in Bangladesh, India, UAE, UK, Australia and South Africa. He also attended an Executive Program in Corporate Governance and Strategic Management at the Haas Business School of the University of California, Berkeley in May 2014 and at INSEAD, Fontainebleau, France in October 2015. In June 2015, Anis presented a paper on “Financing The Transformation of the Bangladesh Garment Industry” at the School of South Asian Studies, University of Harvard, Cambridge, Massachusetts, USA.

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



## Brief Profile of the Directors



**Mr. Asoke Das Gupta**  
 Director, IIDFC Limited  
 Vice Chairman  
 ONE Bank Limited

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



**Mr. Pradip Kumar Dutta**  
 Director, IIDFC Limited  
 Managing Director & CEO  
 Sonali Bank Limited

Mr. Pradip Kumar Dutta was born in a respectable family in Mymensingh on 26 November, 1953. He did his Masters of Science from Dhaka University in 1974. He started his career with Sonali Bank in 1977 as a Senior Officer. On being promoted as General Manager he was posted to Bangladesh Krishi Bank (BKB) where he served for one and a half year. In 2005 he was transferred and posted to Sonali Bank. Mr. Dutta was promoted as Managing Director in July, 2010 and was posted to Rajshahi Krishi Unnayan Bank (RAKUB) on 18th July, 2010 where he worked till 14th June, 2012. He was then appointed as the Managing Director and CEO of Sonali Bank Ltd. and has been working there since 17th June, 2012.

In his 39 years of banking career Mr. Dutta gained tremendous expertise in all areas of banking. He is widely known for his positive and cooperative attitude and amicable disposition in the banking industry. In his long banking career Mr. Dutta attended a number of trainings, seminars and workshops at home and abroad. Presently, he is holding various positions (Ex-Officio) in the other Institutions viz- Director, Sonali Exchange Inc., New York, USA, Sonali Bank (UK) Ltd. London, UK; Primary Dealers Bangladesh Ltd.(PDBL); Investment Corporation of Bangladesh (ICB); Sonali Investment Ltd.(SIL); Bangladesh Commerce Bank Ltd. (BCBL); Central Depository Bangladesh Ltd. (CDBL); Industrial and Infrastructure Development Finance Company Ltd. (IIDFC). He is a member of the Governing Board of the Bangladesh Institute of Bank Management (BIBM) and Executive Committee, Bangladesh Foreign Exchange Dealers Association (BAFEDA). He is also the Vice-Chairman of the Institute of Bankers Bangladesh (IBB).

## Brief Profile of the Directors



**Mr. Md. Abdus Salam, FCA**  
Director, IIDFC Limited  
CEO & Managing Director  
Janata Bank Limited

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

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

On his initiative Bangladesh Krishi Bank, for the first time, acted as 'Banker to the Issue' and also introduced Mobile Banking and On-line Banking in the same Bank. His notable and luminous works include preparation of the Asset Liability Management Manual, Risk Management Manual and implementation of Automated Foreign Remittance Distribution System in Sonali Bank Limited. He also contributed to the introduction of On-Line Banking in Agrani Bank Limited. He developed an Accounting System for Bangladesh Computer Council in 1990 while he was on deputation. He is a fellow of National Defence College (NDC) under certification of Capstone Course-2016. He attended various workshops, seminars and received different trainings at home and abroad. He travelled a number of countries including USA, France, Germany, Italy, Spain, UAE, KSA and India.



**Mr. Sohail R. K. Hussain**  
Director, IIDFC Limited  
Managing Director & CEO  
The City Bank Limited

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

## Brief Profile of the Directors



**Mr. Md. Mehmood Husain**  
 Director, IIDFC Limited  
 President & Managing Director  
 Bank Asia Limited

Mr. Md. Mehmood Husain joined Bank Asia as President & Managing Director in August, 2011. Prior to this, he was the Additional Managing Director of Prime Bank. Mr. Mehmood, an ex-cadet and a post graduate in Economics from the University of Dhaka, started his banking career in 1984 with National Bank as Probationary Officer. He brings with him 33 years of long and diversified banking experience. While in Prime Bank, he held many important and responsible positions and contributed greatly to the growth of the bank. Mr. Mehmood attended a number of professional workshops and seminars at home and abroad. He is the Member of Association of Bankers Bangladesh and life member of Bangladesh Economic Association. He is associated with various social organizations. Mr. Mehmood is a widely travelled person.



**Mr. Selim R. F. Hussain**  
 Director, IIDFC Limited  
 Managing Director & CEO  
 BRAC Bank Limited

Mr. Selim R. F. Hussain, Managing Director & CEO of BRAC Bank Limited has been in this position since November 08, 2015. Mr. Hussain is a career banker and immediate past CEO & Managing Director of IDLC Finance Limited. He is widely recognized across the financial sector as the architect of IDLC Finance's meteoric rise over the past six years. He was also the Chairman of the Board of Directors of IDLC Finance's two subsidiaries – IDLC Investments Limited and IDLC Securities Limited from 2010 to 2012.

Mr. Hussain has an Honours degree in Accounting from Dhaka University and an MBA (Major in Finance) from the Institute of Business Administration, also from Dhaka University. He worked in various roles with the two large multi-national banks in Bangladesh, ANZ Grindlays Bank and Standard Chartered Bank, for twenty four years before moving to the IDLC Group in 2010. He worked in India and Australia for significant periods of his career and, prior to taking over the helm at IDLC Finance Limited, was the Head of Finance & Strategy of Standard Chartered Bank's Consumer Banking Division in Mumbai, India. Mr. Hussain was also the CFO of Standard Chartered Bank, Bangladesh, from 2002 to 2007. Mr. Hussain was also a Director at the Credit Rating Agency of Bangladesh (CRAB) and the Vice Chairman of the Bangladesh Leasing & Finance Companies Association (BLFCA) since 2012.

Mr. Hussain is married with one son. Aside from enjoying reading and traveling; he is a keen cricket and football enthusiast.

## Brief Profile of the Directors



**Mr. AFM Shariful Islam**  
Director, IIDFC Limited  
Managing Director  
National Bank Limited

Mr. AFM Shariful Islam is the Managing Director of National Bank Limited with 25 years' practical experience in banking. His varied and diversified exposures on different aspects of Core Banking Operations have endowed him with a sound and matured professional background about the overall financial dynamics. He has been instrumental in creating an environment for learning, sharing and expanding coverage of financial services and adopting an unified regional strategy for profitable deployment of products offerings, enhancing market share and taking initiatives in the key areas which are crucial catalysts to dominate the future of the financial services industry.

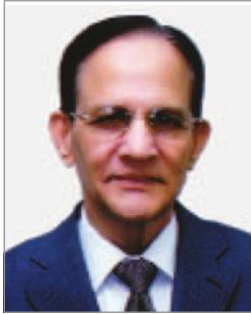
Mr. Islam started his banking career in AB Bank Limited in October, 1986 as Probationary Officer and completed M.A. in Economics from Rajshahi University. He spent above 22 years with AB Bank Ltd, Dhaka Bank Ltd, Prime Bank Ltd, SIBL and Southeast Bank Ltd. holding important positions at branch offices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



**Mr. Md. Iftikhar-uz-Zaman**  
Director, IIDFC Limited  
Managing Director  
Investment Corporation of Bangladesh

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

## Brief Profile of the Directors



**Mr. Ghulam Rahman**  
 Director, IIDFC Limited  
 Executive Vice Chairman  
 Eastland Insurance Company Limited

Mr. Ghulam Rahman is a veteran banker who started his banking career in the then United Bank Limited in 1961. During his 35 years long banking career, he worked in various banks i.e. United Bank, Janata Bank, National Bank and National Credit and Commerce Bank, in senior positions.

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

Mr. Rahman is a widely traveled person and underwent lots of training programs at home and abroad.



**Mr. Jamal Mohammad Abu Naser**  
 Director, IIDFC Limited  
 Chief Executive Officer  
 National Life Insurance Company Limited

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

## Brief Profile of the Directors



**Mr. Md. Manirul Islam**  
 Director, IIDFC Limited  
 Managing Director & CEO  
 Pragati Insurance Limited

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



**Mr. Md. Asaduzzaman Khan**  
 Director (Ex Officio)  
 Managing Director, IIDFC Limited

Mr. Md. Asaduzzaman Khan, a career central banker, joined IIDFC as Managing Director in July 2008 after taking voluntary retirement from the Bangladesh Bank where he was serving as Executive Director. He held key positions in Bangladesh Bank in its important departments including Banking Regulations and Policy Department (BRPD), Foreign Exchange Policy Department (FEPD), and Bank Supervision Departments. While in the Bangladesh Bank, Mr. Khan was appointed as Administrator of the problem-ridden Oriental Bank Ltd. (now ICB Islamic Bank Ltd.) with a mission to save the bank from the throes of bankruptcy. He successfully completed his mission within a period of only 18 months and handed over its ownership to new owners as per restructuring plan of the Central Bank. This spectacular achievement to resuscitate what looked like a dying bank within such a short period drew applause from home and abroad and is regarded as one of the important success stories of the Central Bank. A Diplomaed Associate of the Institute of Bankers, Bangladesh (DAIBB), Mr. Khan did his B.A. (Hons) and M.A. in Economics from the University of Dhaka and M.A. in Banking and Finance from the University of Wales, UK. He is also the Member Representative and Director of IIDFC Securities Ltd., a Director of IIDFC Capital Ltd. and a Director of ICB Capital Management Ltd.

## Executive Committee of the Board

### **Mr. Md. Matiul Islam**

Chairman

### **Mr. Anis A. Khan**

Vice Chairman, IIDFC Ltd.

Managing Director & CEO, Mutual Trust Bank Ltd.

Member

### **Mr. Sohail R. K. Hussain**

Managing Director & CEO, The City Bank Ltd.

Member

### **Mr. Selim R.F. Hussain**

Managing Director & CEO, BRAC Bank Ltd.

Member

### **Mr. Md. Mehmood Husain**

President & Managing Director, Bank Asia Ltd.

Member

## Audit Committee of the Board

### **Mr. Md. Abdus Salam**

CEO & Managing Director, Janata Bank Limited.  
Chairman

### **Mr. Asoke Das Gupta**

Vice Chairman, ONE Bank Limited  
Member

### **Mr. Pradip Kumar Dutta**

Managing Director & CEO, Sonali Bank Limited.  
Member

### **Mr. Md. Iftikhar-Uz-Zaman**

Managing Director, ICB  
Member

### **Mr. A F M Shariful Islam**

Managing Director, National Bank Limited.  
Member





## Committees of IIDFC

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



## Senior Management Team (SMT)

### IIDFC Ltd.

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

### IIDFC Securities Ltd.

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

### IIDFC Capital Ltd.

Mr. Md. Saleh Ahmed, Chief Executive Officer

### SENIOR MANAGEMENT TEAM



**Standing (L-R):** Mr. Syed Abed Hasan, Ms. Nandita Ayesha Zaman, Ms. Kanij Fatema, Mr. Md. Saleh Ahmed, Mr. Mohammad Jayed Hossain, Mr. Md. Shamim Ahamed, Mr. Ahmmed Ashique Mahmud, Mr. Md. Asaduzzaman Khan, Mr. Md. Junnur Rahman, Mr. A.T.M. Nasir Uddin, Mr. Refaet Ullah, Ms. Shahnaj Sultana, Mr. Arifur Rahman, Ms. Ashrafun Nessa, Mr. Shahanur Rashid, Ms. Taniza Mazed.

**Not in the Picture:** Mr. Md. Nizam Uddin Chowdhury, Ms. Naureen Hossain.



## IIDFC Staff Members



**Corporate Finance Department**



**SME Finance Department**



## **IIDFC Staff Members**



**Structured Finance Department**



**Finance & Accounts Department**



## IIDFC Staff Members



**Legal Department**



**Treasury Department**



## **IIDFC Staff Members**



**Human Resources Department**



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



**Administration Staff**



## IIDFC Staff Members



**Central Compliance Unit**



**CRMD and CAD**



## IIDFC Staff Members



CIB Cell



IT Department





## IIDFC Staff Members



ICC Department



Chittagong Branch



Uttara Branch



## IIDFC Staff Members



**Deposit Mobilization Team**



**IIDFC Securities Limited**



**IIDFC Capital Limited**

# Products & Services



## Lease Finance

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

## Term Lending

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

## Structured Finance

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

## SME Finance

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

## Factoring and Work Order Finance

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

## Home Loan

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

## Equity Financing

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

## Advisory Service

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

## Deposit Schemes

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

## CDM Project Development

The following Services are provided :

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

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

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

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

# Products & Services



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

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

#### Ongoing Projects:

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

#### CDM Projects in the Pipeline:

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

### Financing Mitigation Projects

#### 1. CDM Project:

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

#### 2. Energy Efficiency Improvement Project:

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

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



Brick Kiln owners at CER revenue distribution ceremony at IIDFC

### CDM Brick Kiln Project:

Bangladesh is one of the most climate-vulnerable countries in the world and is likely to become more vulnerable in future due to adverse effects of climate changes. The country faces different kinds of natural disasters like floods, cyclone, storm surges, salinity intrusion, draughts etc every year. These changes pose threats to the significant achievements Bangladesh has made over the previous decades in terms of increasing income, reducing poverty and achieving self sufficiency in the production of rice, the country's staple food crop.

To cope with the effects of climate change, Industrial and Infrastructure Development Finance Company (IIDFC) Ltd initiated a Clean Development Mechanism (CDM) project titled "Improving Kiln Efficiency in the Brick Making Industry in Bangladesh", in 2006 under the project an

environment friendly technology called HHK ( Hybrid Hoffmann Kiln) was introduced in the brick manufacturing plants to encourage climate change mitigation by way of constructing 16 new energy efficient brick kilns under two bundles. The objective was to reduce emission of carbon dioxide (CO<sub>2</sub>) gas and other local pollutants by almost 50 percent as compared to traditional brick Kilns. IIDFCL, being the first local financial institution, entered into Carbon Trading through signing Certified Emission Reduction Purchase Agreement (CERPA) with the World Bank & the Government of Denmark on 25th August, 2009 to sell a total of 249,000 tons of Certified Emissions Reductions (CER) to be generated from these 16 kilns.

Meanwhile, the CDM project helped reduction of 68,220 ton of CO<sub>2</sub> against which CERs of the corresponding number were issued by the United Nations Framework

Convention on Climate Change (UNFCCC), for the periods of 2011-12 and 2012-13 respectively after proper verification by the designated authority. IIDFC, as the Project Entity, successfully distributed the CER revenues among the participating HHK owners and a part was also retained by IIDFCL as fees for rendering services as the bundling agent.

During the period of September 2014- December 2015 the project is expected to generate more than 50,000 tons of CERs against which foreign exchange worth of USD 760,000 is likely to be earned. Apart from reducing greenhouse gas emissions, the projects are promoting sustainable practices, such as, round the year employment

opportunities, health and safety measures, and community benefit plan for the workers, periodic doctor's consultation, better environmental management system etc.

On 9th April, 2015 Asian Development Bank (ADB) has signed an Emission Reduction Purchase Agreement (ERPA) with IIDFCL. As the project entity, IIDFC has also signed Emission Reduction Transfer Agreement (ERTA) with the owners of the brick kilns in line with the agreement with the World Bank and the Danish Government, for the period from 1st January, 2016 to 31st December, 2019 for purchasing CERs.



*Production in progress at a Brick Manufacturing Unit using HHK Technology*



# RATINGS OF IIDFC



**National Credit Ratings Limited**

**NBFI**

Ratings are based on Audited Financial Statement up to December 31, 2015 along with the other relevant Quantitative as well as Qualitative information provided by the Client up to the Date of Rating Declaration.

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

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

## INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

SURVEILLANCE ENTITY RATING – 2016		
Date of Rating Declaration	Long Term	Short Term
29.06.2016	AA (Double A)	ST-2
Validity	28.06.2017	28.12.2016
Outlook	Stable	
SURVEILLANCE ENTITY RATING – 2015		
Date of Rating Declaration	Long Term	Short Term
30.06.2015	AA (Double A)	ST-2

### RATING RATIONALE

NCR has reaffirmed the above ratings of IIDFCL based upon the qualitative factors such as track record of governing body and management team with affluent experience and rich educational background and adequacy of framework, policies and guidelines for risk management, internal control, credit approval, maintenance of regulatory requirements etc. The ratings also favorably consider the increase in gross loan and advances and net interest based income, enhanced spread due to decline in cost of funds, decline in non-performing loan and properly maintained provisions for nonperforming loans. The ratings are, however, constrained by decline in profitability ratios like asset yield, NIM, ROE, ROA, moderate liquidity position indicated by negative liquidity gap under 3-12 months maturity bucket, decrease in total net revenue due to the fall of investment income. The ratings also take into consideration low interest rate environment and economic expansionary policies taken by the government. NCR, in the view of the company's recent operational performance and current economic position, considers the outlook of the company as 'Stable' indicating that the existing fundamentals may remain unchanged in near future.

### FINANCIAL DATA (TK IN MILLIONS)

Particulars	2015	2014
Total Assets	16,766.34	14,426.86
Risk weighted Assets (RWA)*	13,090.88	11,675.69
Required Capital (10% of RWA)*	1,309.09	1,167.57
Tier I Capital*	1,564.40	1,553.77
Tier II Capital*	92.39	113.44
Capital Surplus*	347.70	499.64
Gross Finance	12,966.39	12,218.86
Gross Finance*	10,893.58	9,991.42
Non Performing Loan (NPL)*	521.43	526.92
Provision Required against NPL*	386.38	386.15
Provision Maintained against NPL*	415.54	386.29
Excess Provision Maintained*	29.16	0.14
Total Net Revenue	533.30	561.23
Net Income	119.67	175.70
CRR*	165.78	163.19
SLR*	414.12	301.14
CAR (%)*	12.66	14.28
NPL/Gross Advances (%)	12.47	11.86
NPL/Gross Advances (%)*	4.68	5.12
ROE (%)	7.91	12.41
ROA (%)	0.77	1.29
NIM (%)	3.03	3.20
Asset Yield (%)	11.51	13.43
Cost of Fund (%)	9.41	12.41
Spread (%)	2.10	1.02
Finance / Deposit (%)	139.11	172.32

\* Performance on Solo Basis

### ASSESSMENT

- The total eligible capital was reported TK 1,656.79 million that included Core Capital (Tier-I) of TK 1,564.40 million and Supplementary Capital (Tier-II) of TK 92.39 million in 2015, representing a capital surplus of TK 347.70 million. Finally the CAR was posted 12.66% which was composed of Core Capital (Tier-I) of 11.95% and Supplementary Capital (Tier-II) of 0.71%.
- The consolidated gross lease and advances of IIDFCL increased to TK 12,966.39 million in 2015 from TK 12,218.86 million in 2014, registering a growth of 6.12%. The non-performing lease and advances of IIDFCL declined to TK 521.43 million in 2015 from TK 526.92 million in 2014, recording a fall of 1.04%, implies the quality of lease assets slightly improved in 2015. IIDFCL on solo basis maintained provision of TK 415.54 million against TK 386.38 million in 2015, showing excess provisions of TK 29.16 million (TK 0.14 million in 2014) in 2015. The gross NPL coverage on consolidated basis increased to 111.75% in 2015 from 103.84% in 2014. The gross NPL coverage on solo basis slightly declined to 33.33% in 2015 from 33.91% in 2014.
- The Net Interest Income on consolidated basis increased to TK 442.79 million in 2015 from TK 403.14 million in 2014, showing a growth of 9.84%. The other operating income declined by 42.74% and stood at TK 90.52 million in 2015 against TK 158.09 million in 2014. The total net revenue decreased to TK 533.30 million in 2015 from TK 561.23 million in 2014, registering a fall of 4.98%. IIDFCL evidenced net profit of TK 119.67 million in 2015 against TK 175.70 million in 2014, registering a fall of 31.89%. ROE and ROA went down to 7.91% and 0.72% in 2015 respectively from 12.41% and 1.29% in 2014 respectively.
- The intermediation efficiency slightly impaired during the year 2015 as the net interest margins (NIM) declined to 3.03% in 2015 from 3.20% in 2014. The yield on assets kept declining over the last two years and stood at 11.51% in 2015 against 13.43% in 2014. The cost of funds also moved downward and stood at 9.41% in 2015 against 12.41% in 2014. As a consequence, the spreads became wider and stood at 2.10% in 2015 against 1.02% in 2014.
- The company maintained TK 165.78 million of Cash Reserve Requirement (CRR) against the required reserve of TK 140.27 million in 2015, having a surplus of TK 25.51 million in 2015. IIDFCL also maintained Statutory Liquidity Reserve (SLR) of TK 414.12 million against the required reserve of TK 306.25 million in 2015, having a surplus of TK 107.88 million in 2015. The borrowing went up to TK 3,538.38 million in 2015 from TK 3,496.39 in 2014. The deposit increased to TK 9,320.70 million in 2015 from TK 7,090.86 million in 2014.

### PROFILE

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

### DISCLAIMER

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Tel: + 88-02-9359878 Fax: +88-02-9332769 website: [www.ncrbd.com](http://www.ncrbd.com)



## FINANCIAL HIGHLIGHTS

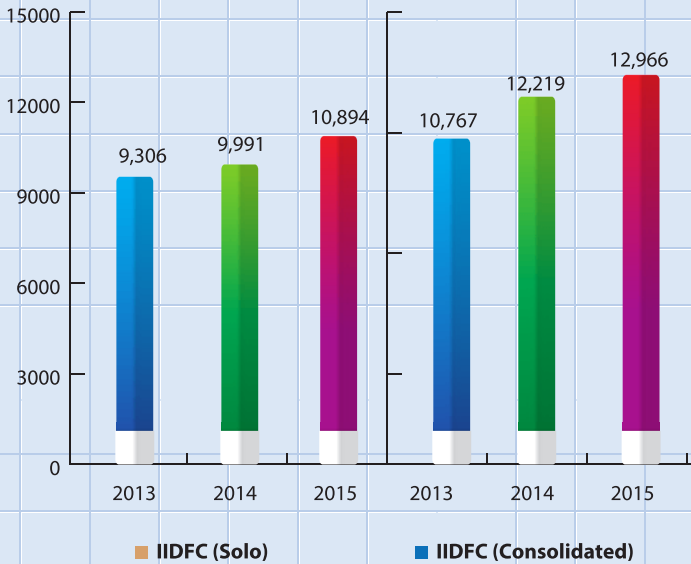
BDT in Million

Particulars / Year	IIDFCL (Solo)			IIDFCL (Consolidated)		
	2015	2014	2013	2015	2014	2013
<b>Profit and Loss Account</b>						
Operational Revenue	1,485.38	1,595.22	1,667.14	1,636.91	1,797.49	1,811.60
Operational Expenses	1,260.69	1,366.38	1,574.61	1,394.10	1,489.78	1,669.42
Operating Profit	224.69	228.84	92.53	242.81	307.72	142.18
Profit after Tax	110.63	132.25	74.53	119.67	175.70	102.96
<b>Balance Sheet</b>						
Total Leases, Loans & Advances	10,893.58	9,991.42	9,306.07	12,966.39	12,218.86	10,767.37
Provision for Investments	415.54	386.29	312.50	507.79	484.18	410.54
Leased Finance/Advances	2528.36	2,524.03	2,600.90	2528.36	2,524.03	2,600.90
Direct/Term finance etc.	8365.22	7,467.38	6,705.18	7730.19	6,476.32	5,155.35
Margin loan	-	-	-	2707.85	3,218.50	3,011.12
Investment in Shares	1584.66	251.83	193.08	1902.76	430.00	363.13
Shareholders' Equity	1564.40	1,553.77	1,421.52	1522.77	1,502.95	1,327.26
Reserve & Surplus	564.40	553.77	421.52	522.62	502.95	327.26
Paid up Capital	1000.00	1,000.00	1,000.00	1000.00	1,000.00	1,000.00
Total nos. of Shares (in quantity)	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000	100,000,000
<b>Ratios</b>						
Net Asset Value (NAV) Per Share (BDT)	15.64	15.54	14.22	15.23	15.03	13.27
Earnings Per Share (BDT)	1.11	1.32	0.75	1.2	1.76	1.03
Dividend Per Share (BDT)	1.50	1.50	-	-	-	-
Return on Average Equity (%)	7.10	8.89	5.43	7.91	12.41	8.08

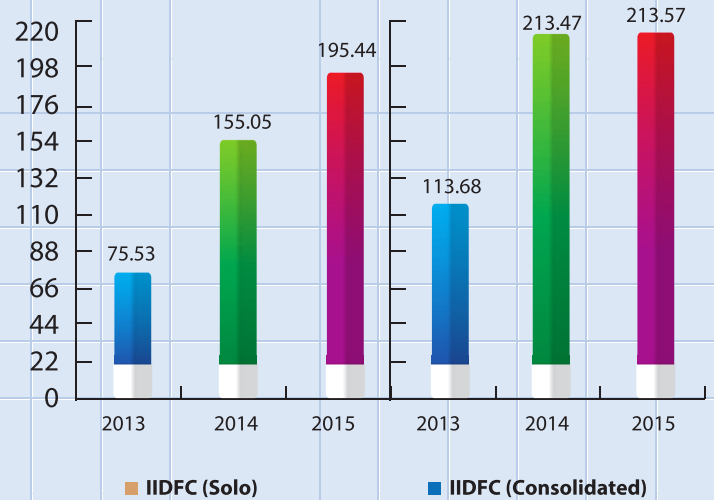


# FINANCIAL HIGHLIGHTS

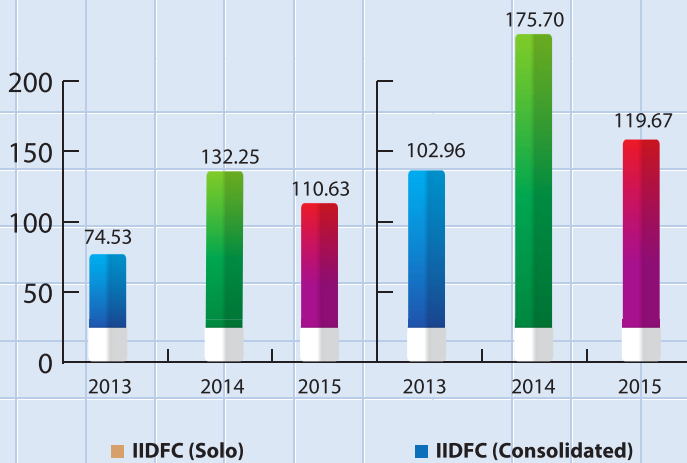
## Investment Growth (BDT in Million) (Loans and Leases)



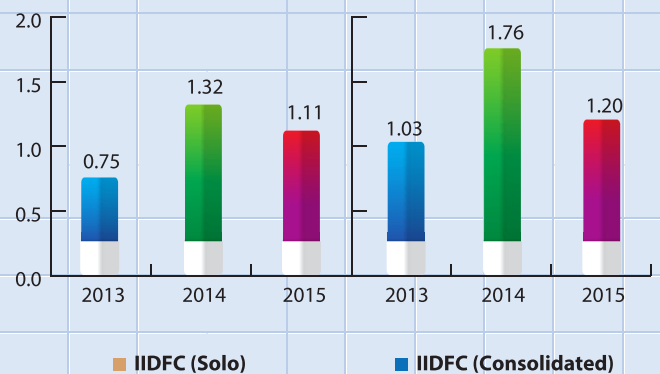
## Profit Before Tax (BDT in Million)



## Profit After Tax (BDT in Million)

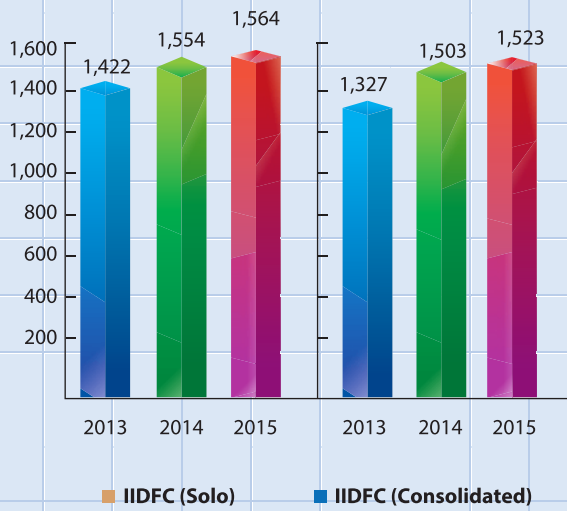


## Earning Per Share (BDT)

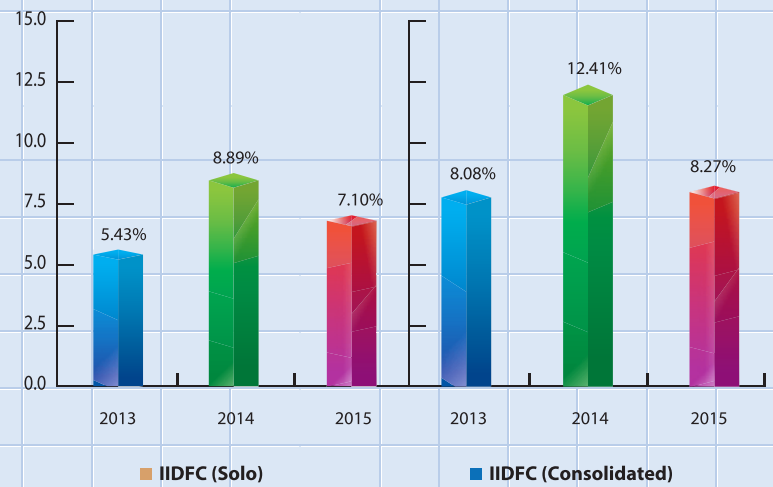


# FINANCIAL HIGHLIGHTS

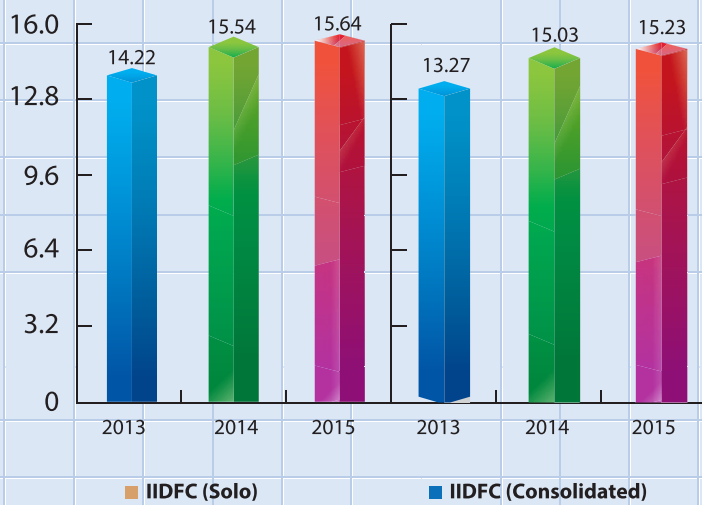
## Equity Growth (BDT in million)



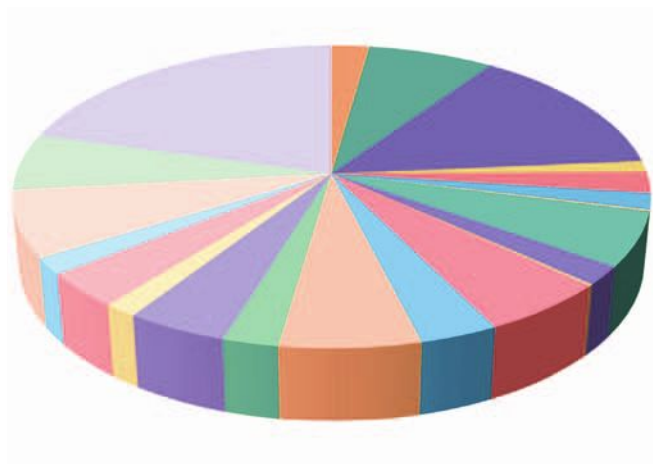
## Return on Average Equity (%)



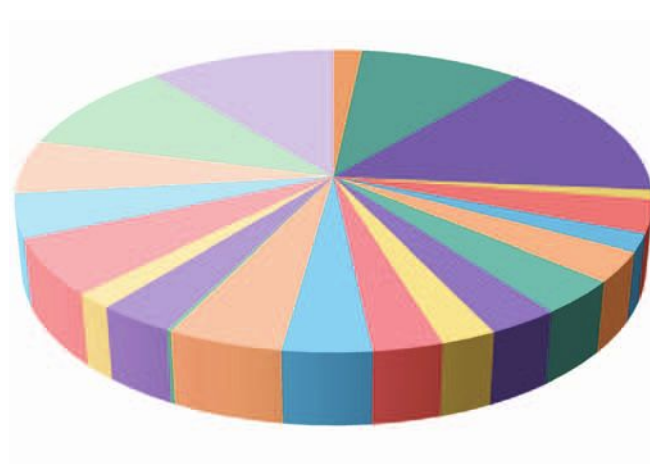
## Net Asset Value (NAV) Per Share



## SECTOR-WISE EXPOSURE



**Year 2015**



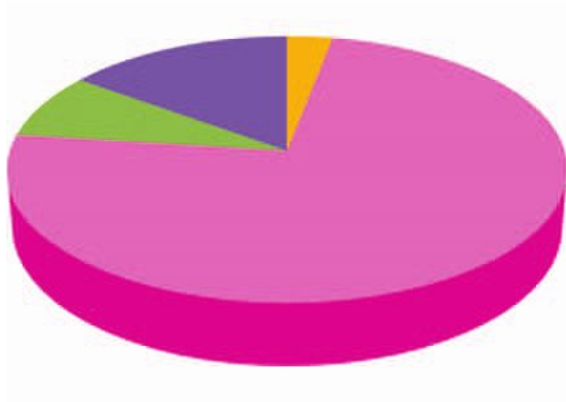
**Year 2014**

**Amount in Taka**

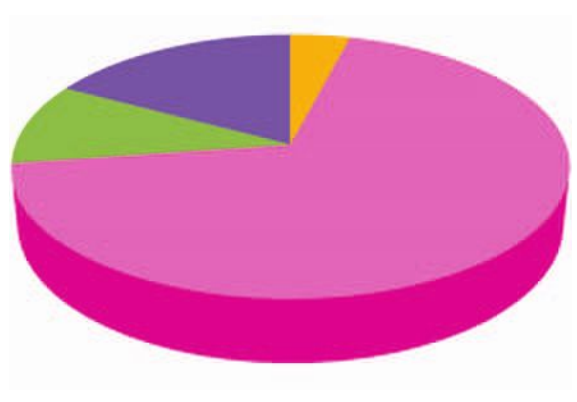
### Sector-wise Loans & Advances:

	Year 2015		Year 2014	
■ Agricultural Sector	242,022,238	2.22%	168,823,842	1.69%
□ Industrial Sector :				
■ Textiles	802,734,597	7.37%	955,795,300	9.57%
■ Garments	1,531,005,825	14.05%	1,516,340,475	15.18%
■ Jute & Jute Related Goods	127,851,393	1.17%	100,283,099	1.00%
■ Food Items Production/Processing Industries	247,164,017	2.27%	354,110,414	3.54%
■ Plastic Industries	187,032,675	1.72%	187,964,551	1.88%
■ Leather & Leather Goods	16,081,542	0.15%	318,407,976	3.19%
■ Iron, Steel and Engineering	632,725,332	5.81%	369,218,163	3.70%
■ Chemical and Pharmaceuticals	216,406,581	1.99%	309,743,394	3.10%
■ Cement/Clinker and Allied Industries	16,647,119	0.15%	242,094,993	2.42%
■ Service Sector (Hotel, Hospital, Clinic, Tourism etc.)	626,986,747	5.76%	306,419,914	3.07%
■ Paper, Printing & Packaging	374,276,005	3.44%	387,317,645	3.88%
■ Telecommunication and IT Industries	674,084,029	6.19%	507,235,829	5.08%
■ Glass and Ceramic Industries	270,096,090	2.48%	19,894,865	0.20%
■ Shipping and Building Industries	485,855,080	4.46%	336,655,274	3.37%
■ Electronics and Electrical Goods	162,106,122	1.49%	167,999,187	1.68%
■ Power, Gas, Water and Sanitary	400,909,886	3.68%	596,028,015	5.97%
■ Transport and Communication	192,378,115	1.77%	468,740,896	4.69%
■ Real Estate and Housing	774,407,987	7.11%	575,432,065	5.76%
■ Merchant Banking	659,840,416	6.06%	999,744,932	10.01%
■ Others	2,252,967,897	20.68%	1,103,166,852	11.04%
<b>Total</b>	<b>10,893,579,693</b>	<b>100.00%</b>	<b>9,991,417,681</b>	<b>100.00%</b>

## SOURCES OF FUND



**Year 2015**



**Year 2014**

Deposits : 74.00% ■  
 Overdrafts : 8.00% ■  
 Long Term Loan : 15.00% ■  
 Refinance from Bangladesh Bank : 3.00% ■

Deposits : 69.00% ■  
 Overdrafts : 10.00% ■  
 Long Term Loan : 17.00% ■  
 Refinance from Bangladesh Bank : 4.00% ■

## EARNING SPREAD

Year	Average Rate of Return	Average Cost of Borrowing	Earning Spread
2003	15.56%	8.70%	6.86%
2004	15.20%	9.85%	5.35%
2005	14.66%	11.95%	2.71%
2006	15.66%	13.18%	2.48%
2007	15.89%	12.87%	3.02%
2008	16.39%	13.27%	3.12%
2009	16.30%	12.46%	3.84%
2010	15.30%	11.14%	4.16%
2011	15.39%	13.71%	1.68%
2012	17.96%	14.82%	3.14%
2013	17.62%	13.67%	3.95%
2014	16.11%	11.33%	4.78%
2015	13.25%	10.08%	3.17%



## Directors' Report

### Dear Shareholders,

#### Introduction

1. I have the honor to present to you the Audited Financial Statement of the Company for FY 2015 with the following integral components, namely, Balance Sheet as at 31<sup>st</sup> December 2015, Profit and Loss Account, Statement of Cash Flow, Statement of Changes in Equity for the year ended 31<sup>st</sup> December 2015 and Liquidity Statement as on that date and the Auditors' observations thereon.

#### Basic Accounting Principles

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

#### Important observations of the Auditors

3. The Auditors' Report is unqualified. Some of their important observations are:
  - Adequate provisions have been made for advances and other assets which are doubtful of recovery.
  - The internal control and compliance of the Company is satisfactory and effective measures have been taken to prevent possible fraud and forgery.

## DIRECTORS' REPORT

- 80% of the risk-weighted assets have been audited.
- According to Bangladesh Bank's Guidelines, IIDFC exercises Stress Testing on its portfolio on quarterly basis.

### Economic Scenario

4. The Country has achieved a growth rate of 6.55% in 2014-15 and the targeted GDP growth during 2015-16 is 7.05%. The per capita income is expected to increase from USD 1317 in 2014-15 to USD 1466 in 2015-16. The industry and service sector have posted growth of 10.1% and 6.7% respectively as against a growth of 2.6% in the agriculture sector. The rate of inflation in December 2015 was 6.10% as compared to 6.11% over the same period last year. As on 31st December 2015, the foreign exchange reserve stood at USD 27.41 billion and exchange rate of Taka vis-à-vis Dollar also remained fairly stable. The economic indicators speak volume about the macro-economic stability of the Country.
5. GOB recognizes the pivotal role that the private sector should play in the capital accumulation. The private sector investment, which during the last few years has been hovering around 21% to 22% of GDP, is expected to escalate to 27% of GDP in the mid-term to help achieve the desired level of growth. The ongoing initiative to remove impediments to private sector investment include increased production and exploration of gas, simultaneous import of LNG to reduce energy deficit and generation of electricity to 24,000 MW by 2021. The two important steps initiated by the Government to accelerate private sector investment including foreign investment are the enactment of the Bangladesh Public-Private Partnership (PPP) Act, 2015 and the establishment of 46 economic zones of which the Mongla Economic Zone and Mirsarai Economic Zone are expected to be completed within this fiscal year. In addition, separate economic zone would be created for investments from India, China and Japan.

### Overall Performance of IIDFC

6. The Company's loans and advances increased from Tk. 999.00 crore to Tk. 1089.00 crore in 2015 registering a 9.00% increase. Taking investment in commercial papers of Tk. 122.14 crore into consideration, the Company's investment in earning assets increased to 21.25% as compared to 2014. The NPL rate was reduced from 5.27% to 4.79% in 2015.
7. IIDFC's Operating Profit was Tk. 22.47 crore in 2015 as against Tk. 22.88 crore in 2014. The profit-before-tax in 2015 was Tk. 19.54 crore as against Tk. 15.51 crore in 2014—an increase of 25.98%. This was due to substantially reduced provision of Tk. 2.92 crore in 2015 as against Tk. 7.38 crore in 2014. The total disbursement of fund during the year was Tk. 558.00 crore as against Tk. 345.00 crore in 2014—an increase of Tk. 213.00 crore. The strategy followed this year was to make short term lending of large sums to selected customers at a competitive rate by arranging separate matching funds at lower interest rates keeping a narrow spread of 2%-2.50% for IIDFC.

### Performance of Corporate Finance Department

8. The total disbursement of the Corporate Department was Tk. 466.17 crore as against Tk. 294.00 crore of 2014, an increase of around 58.56%. On the other hand, the total corporate portfolio which was Tk. 759.10 crore in 2014 increased by only 4.33% to Tk. 792.00 crore in 2015. There are two reasons for this marginal growth of portfolio. First, the bulk of the short term lending of Tk. 268.00 crore matured during the course of the year and, secondly, a number of valued customers prepaid their outstanding dues and migrated to banks and other financial institutions offering them facilities at cheaper interest rates. Our cost of funds during the first six months of 2015 was 10.84% and during the last six months of the year it came down to 9.16%. It was through short term lending of large sums to selected customers and arrangement of matching funds at low interest rate that the department has been able to earn an operating profit (before provisioning) of Tk. 15.15 crore and a pre-tax profit Tk. 13.03 crore.

### Performance of SME Finance Department

9. The total disbursement during the year was Tk. 91.87 crore as against Tk. 51.15 crore in 2014, an increase of 79.61%. The total portfolio of Tk. 216.48 crore as on 31st December 2014 was increased to Tk. 280.76 crore on 31st December 2015, a growth of 29.69%. The pre-tax profit of SME Department in 2015 was Tk. 4.68 crore as against Tk. 3.87 crore in 2014.

### Performance of Structured Finance Department

10. The performance of the Structured Finance Department (SFD) this year was more or less same compared to the previous year. The earnings by the department this year stood at Tk. 3.16 crore (fee base income of BDT 2.43 crore), against Tk. 3.63 crore of 2014. This year the department successfully closed 8 (eight) out of a total of 28 (twenty eight) syndication deals handled by the banks and the financial institutions of the Country.

# DIRECTORS' REPORT

- Performance of Treasury Department** 11. During 2015, Treasury Department succeeded in mobilizing funds of around Tk. 704.00 crore from the banking sector as well as from public deposit. Special mention should be made about the mobilization of short term funds of Tk. 122.00 crore at 6.50% to 7.00% for investment in commercial papers. The department also directly earned a revenue of around Tk. 0.60 crore by placing surplus low-cost borrowed funds in short term deposits at higher rates with banks and financial institutions. In order to reduce dependency on bank borrowings, the Company's focus this year was collection of fund from retail deposits. The ratio of Retail Deposits to Bank Borrowings stood at 45.03% and 54.97% respectively as on December 31, 2015. The future effort should be to further reduce the ratio of bank borrowings and increase the ratio of retail deposits.
- Carbon Revenue** 12. The total CER generated between September 2012 and August 2014 was 50,877 tons of CO<sub>2</sub> and the CER Revenue generated was USD 773,330.4. After cost deduction of USD 195,000 by the World Bank, total amount of foreign exchange credited to our FC Account was USD 578,330.4 from which an amount of USD 424,552.24 was distributed among the participating brick projects leaving a balance of USD 153,778.16 equivalent to Tk. 1.19 crore for IIDFC credited as carbon revenue in the books of account of 2015 as against Tk. 35.11 lacs in 2014.
- Performance of IIDFC Securities Limited** 13. The long term loan of IIDFC Securities Limited to the parent Company, which was Tk. 90.00 crore in 2014 has been reduced to Tk. 58.71 crore in 2015. The short term loan from ICB was also reduced to Tk. 11.12 crore in 2015 from Tk. 16.76 crore in 2014. The investment in securities which was Tk. 17.82 crore in 2014 stood at Tk. 31.81 crore in 2015. The Company, however, could generate after tax profit of only Tk. 0.70 crore which resulted from an operating income of Tk. 10.25 crore, less operating expenses of Tk. 8.89 crore and provision of Tk. 0.66 crore on account of corporate tax. The retained earnings of the Company stood at Tk. 7.07 crore as against Tk. 6.37 crore of previous year. However, as the Company did not maintain 100% provision against the negative equity, no dividend could be declared for the year 2015 as per BSEC Guidelines.
- Performance of IIDFC Capital Limited** 14. The other subsidiary, IIDFC Capital Limited, had an operating income of Tk. 3.26 crore and operating expense of Tk. 2.83 crore resulting in an operating profit before tax of Tk. 45.08 lacs and the net profit after tax of Tk.20.34 lacs. The accumulated loss of the Company came slightly down from Tk. 13.15 crore to Tk. 12.95 crore by the end of the year. The subsidiary Company suffered losses on account of high negative equity on margin loans and unrealized interest income. Nevertheless, the Company could reduce its loan liability to the parent Company and ICB from Tk. 13.01 crore in 2014 to Tk. 9.06 crore in 2015.
- Human Resources** 15. In December 2015, the number of employees of the Company was 84 as against 80 a year ago. Despite new recruitment of about 14 employees in various positions, the number of employees increased by 4 due to resignation of 9 executives from Corporate Finance, ICC, Carbon Finance, Structured Finance, SME, Monitoring, Administration, Accounts & Finance Division. Apart from following a comprehensive recruitment process for identifying the best among the available candidates, we allow our employees to participate in training programmes offered by ACTIVE, Bangladesh Bank, BBTA, BIBM, INTIMATE, BLFCA, IDCOL, etc. During 2015, as many as 33 staff members participated in the various training programmes to upgrade their professional skill and knowledge.
- Shareholders' Equity** 16. The Shareholders' Equity, which was Tk. 155.38 crore on December 31, 2014, stood at Tk. 156.44 crore as on December 31, 2015. The profit before provisioning slightly decreased from Tk. 22.89 crore in FY 2014 to Tk. 22.47 crore in 2015:
- Comparative Financial Performance** 17. The summary of the key financials of the Company as on December 31, 2015 as against those of December 31, 2014 is as follows.

## DIRECTORS' REPORT

Particulars	Figures in Taka	
	2015	2014
Profit before provision & tax	224,690,654	228,841,720
<b>Less:</b> Provision for Loans and Advances	29,246,150	73,789,163
<b>Less:</b> Provision for tax	84,811,581	22,802,729
<b>Profit after provision &amp; tax</b>	<b>110,632,923</b>	<b>132,249,828</b>
<b>Add:</b> Retained earnings brought forward	254,412,188	149,612,326
<b>Profit available for appropriation</b>	<b>365,045,111</b>	<b>281,862,154</b>
<b>Less:</b> Appropriations:		
Statutory Reserve	22,126,585	26,449,966
General Reserve	1,000,000	1,000,000
<b>Total Appropriations</b>	<b>23,126,585</b>	<b>27,449,966</b>
<b>Less: Cash Dividend Distributed for 2014</b>	<b>100,000,000</b>	-
<b>Retained earnings, carried forward</b>	241,918,526	254,412,188
Non-divisible Profit	<b>65,000,000</b>	<b>65,000,000</b>
<b>Profit available for dividend distribution</b>	176,918,526	189,412,188
Proposed Dividend (10% Cash & 5% Bonus Share)	150,000,000	150,000,000

**Proposed dividend** 18. The Directors recommended 15% dividend out of which 10% as cash and 5% as fully paid up bonus shares (i.e. BDT 100.00 million as cash dividend and 5,000,000 numbers of shares @ BDT 10.00 each as fully paid bonus shares) for the year 2015.

**Retirement and Re-election of Directors'** 19. By operation of Article 99 of the Company's Articles of Association, the representative Directors of the following Companies shall stand retired from office at this 15<sup>th</sup> Annual General Meeting:

Serial	Name	Nominated by
01	Mr. Pradip Kumar Dutta	Sonali Bank Limited
02	Mr. Sohail R K Hussain	The City Bank Limited
03	Mr. Selim R.F. Hussain	BRAC Bank Limited
04	Mr. A F M Shariful Islam	National Bank Limited

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

**Appointment of Auditors'** 20. The third consecutive term of the current Auditors M/s. S.F. Ahmed & Co., Chartered Accountants, shall expire at this Annual General Meeting. As per DFIM Circular No. 04 dated 30 April, 2015 of Bangladesh Bank the firm shall not be eligible for reappointment.

M/s. A. Qasem & Co., Chartered Accountants, has expressed their interest to be the Auditors of the Company for the year 2016 until the conclusion of the next Annual General Meeting. The Board of Directors may recommend M/s. A. Qasem & Co., Chartered Accountant, a member firm of Ernest Yong, to appoint as Auditors of IIDFC Limited subject to approval of Bangladesh Bank in due course. The audit fee may be fixed at Tk. 2,50,000.00 for the year 2016. The appointment of Auditors will be confirmed in the next AGM.

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

Thank you,  
On behalf of Board of Directors

  
**Md. Matiul Islam**  
Chairman





## Foreword

The year 2015 was a comparatively better year for the economy with a GDP growth rate of over 6.5% accompanied by other satisfactory macro-economic indicators. Political disturbances which had profound impacts on the economy in 2013 and part of 2014 considerably died down in 2015. But the lingering effects of these disturbances continued to cast their gloomy shadow on the decisions for new investments in 2015 and beyond. Non-availability of new connections for gas and electricity also served as dampers to fresh investment.

The lukewarm demand for money led to accumulation of huge idle funds with banks with no profitable outlets for investment. Inflow of a huge amount of cheaper foreign funds also contributed to the sluggish demand for local money. However, the last quarter of the year saw a renewed interest for local funds chiefly on account of narrowing gaps between costs of local and foreign currency loans following the downward revision of the interest structures of the banks in Bangladesh.

Because of the low demand for money, interest rates on both borrowing and lending continued to slidedown to progressively lower levels throughout the year. From their concern to invest idle money the commercial banks continued to lure the borrowers from competing banks and financial institutions with offer to provide money with lower interest rates. NBFIs, the weaker players in this 'beggar thy neighbor' game, saw many of their quality borrowers migrating to greener pastures laid out by the commercial banks. This made many NBFIs to remain content with lower volume of business and reduced profits during the year.

Our organization, IIDFC also encountered this rough weather but, under the able guidance of the learned Board of Directors, it showed strong resilience to overcome the odds by dint of hard work, perseverance and strong dedication of my colleagues. Our success is reflected in the positive growth in all the aspects of business of the company—resource mobilization, portfolio investment, pre-tax profits and so on.

Our portfolio, comprising of direct loans, leases, factoring, work order loans registered a healthy growth of 9% over the level of 2014--from BDT 999.14 crore to BDT 1089.35 crore. Simultaneously, the assets grew by 18%-- from BDT 1326.32 crore to BDT 1561.81 crore. Taking investment in commercial paper of BDT 158 crore into consideration, the company's earnings assets this year increased to 12.48% as compared to 2014.

Profit before tax also registered a spectacular increase--from BDT 15.50 crore in 2014 to BDT 19.54 crore in 2015. However, the depreciation concession which the company enjoyed upto 2014 has ceased to exist in 2015. It had the effect of slight reduction of after tax profit which stood at BDT 11.06 crore during the year. Nevertheless, our performance in terms of after tax profit stands out prominently in the upper echelon of profit chart of our peers in the investment market.

This year's pre-tax profit of BDT 19.54 crore was contributed by the departments with Corporate Finance Department, as usual, having the largest share of BDT 13.03 crore (66.68%) followed by SME Department which contributed BDT 4.62 crore (23.64%). Structured Finance Department earned fee income of BDT 2.43 crore this year and their contribution to net profit was BDT 1.44 crore. Carbon Finance Unit earned carbon revenue worth BDT 1.19 crore against only 35 lacs of the previous year. Our Treasury Department fetched a net treasury income of BDT 81 lacs by way of profitable placement of fund of matched tenures at different treasury outlets. Our Portfolio Management Unit did perform well also. Their earning by way of dividend income and buy/sale of shares amounted to BDT 67.44 lac, but their gains were offset by continuous erosion of share values on other accounts of the company. Other functional departments/units like Accounts Department, Internal Control and Compliance, Risk Management Unit, Monitoring Team, Law Department, Deposit Mobilization Team etc. also performed well and provided all necessary support to the Front Office in steering the company's profitability this year.

IIDFC's two subsidiaries-IIDFC Securities Limited (ISL) and IIDFC Capital Limited (ICL)-are still struggling to make a turnaround after the unprecedented market crash of 2010. IIDFC Securities and IIDFC Capital made a small after tax profit of BDT 1.55 crore and BDT 45 lac respectively this year. But because of the heavy losses sustained by the companies earlier, maintenance of full provision against irregular margin loans could not be possible; but the provision maintained by them is within the limit prescribed by the Bangladesh Securities and Exchange Commission.

I would like to express my deepest gratitude and thanks to our Board of Directors, in particular, to the honorable Chairman, Mr. M. Matiul Islam, for giving me unstinted support and guidance in all matters relating to the company's policy, operation, and business issues. I would also like to convey my thanks and gratitude to Bangladesh Bank, Bangladesh Securities and Exchange Commission, the Government of Bangladesh and other stakeholders for their continued support and cooperation. My thanks also go to our valued clients for their support and trust in us.

Lastly, I would like to put on record my highest appreciation and thanks to my colleagues of all the departments/units/branch for giving me all out support to steer the Company on the road to progress and prosperity in the coming years.



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



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

# **Auditors' Report To the Shareholders OF INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED**

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

We have audited the accompanying consolidated financial statements of Industrial and Infrastructure Development Finance Company (IIDFC) Limited and its subsidiaries, ('the Group'), as well as the separate financial statements of Industrial and Infrastructure Development Finance Company (IIDFC) Limited ('the Company) which comprise the consolidated and the separate statement of financial position (Balance Sheet) as at 31 December 2015 and the consolidated and the separate statement of comprehensive income (Profit & Loss Account), statements of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

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

## **Auditors' Responsibility**

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

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

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

## Opinion:

In our opinion, the consolidated financial statements of the group and the separate financial statements of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the state of the Consolidated Financial Position of the group and separate financial position of the company as at 31 December 2015 and of the results of its Consolidated and Separate financial performance and consolidated and separate statement of cash flows for the year then ended and comply with the Financial Institutions Act 1993, The Companies Act 1994, the rules and regulations issued by the Bangladesh Bank, the Securities and Exchanges Rules 1987 and other applicable laws and regulations.

## Report on Other Legal and Regulatory Requirements:

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

- (i) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- (ii) in our opinion, proper books of account as required by law have been kept by IIDFC Limited Group and the Company so far as it appeared from our examination of those books and proper returns adequate for the purpose of our audit have been received from branch not visited by us;
- (iii) the IIDFCL's consolidated and separate statement of financial position (Balance Sheet) and statement of comprehensive income (Profit and Loss Account) together with the annexed notes 1 to 43 dealt with by the report are in agreement with the books of account and returns;
- (iv) the expenditure incurred was for the purpose of the IIDFCL's business;
- (v) the financial position of IIDFC Limited as at 31 December 2015 and the profit for the year then ended have been properly reflected in the financial statements and the financial statements have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank;
- (vi) the financial statements conform to the prescribed standards set in the accounting regulations issued by the Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- (vii) adequate provisions have been made for advances and other assets which are, in our opinion, doubtful of recovery;
- (viii) the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible fraud, forgery and internal policies are being followed appropriately;
- (ix) the information and explanations required by us have been received and found satisfactory;
- (x) the IIDFC Limited has no overseas branches;
- (xi) 80% of the risk-weighted assets have been audited;
- (xii) We have spent approximately 785 man hours for the audit of books & accounts of IIDFC.

Dated, Dhaka;  
June 12, 2016

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

# BALANCE SHEET

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

As at 31 December, 2015

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

IAS 1. (38&39)

IAS 1.54, IAS 7.7

IAS 1.54(d)

IAS 1.54(i)

IAS 1.54(b)

IAS 1.54(b)

IAS 1.54(a)

IAS 1.54(c)

IAS 1.55& 1.57(a)

IAS 1.55& 1.57(a)

IAS 1.54(k)

IAS 1.54(m)

IAS 1.55,1.57(a)

IAS 1.54(r),1.78(e)

IAS 1.54(r),1.78(e)

IAS 1.54(r),1.78(e)

IAS 1.54(r),1.78(e)

IAS 1.54(r),1.78(e)

IAS 1.54(r),1.78(e)

IAS 1.54(r),1.78(e)

Notes	Amount in Taka	
	31-Dec-2015	31-Dec-2014
<b>PROPERTY &amp; ASSETS</b>		
3		
	<b>Cash</b>	
	In Hand (including foreign currencies)	21,908
	Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)	163,194,960
	<b>165,781,110</b>	<b>163,216,868</b>
4	<b>Balance with other Banks and Financial Institutions</b>	
	Inside Bangladesh	741,976,469
	Outside Bangladesh	-
	<b>808,745,269</b>	<b>741,976,469</b>
5	<b>Money at Call and Short Notice</b>	-
6	<b>Investments</b>	
	Government	-
	Others	251,834,240
	<b>1,584,657,867</b>	<b>251,834,240</b>
7	<b>Loans &amp; Advances</b>	
	Lease Receivables	2,463,981,286
	Advance for Lease Finance	60,051,877
	Direct/ Term Finance	7,314,526,239
	Secured Overdraft	71,556,061
	Bills Discounted and Purchased	81,302,218
	<b>10,893,579,693</b>	<b>9,991,417,681</b>
8	<b>Property, Plant &amp; Equipment</b>	16,221,045
8.1	<b>Intangible Asset</b>	2,362,945
9	<b>Other Assets</b>	2,096,218,827
	<b>Non-Banking Assets</b>	-
	<b>Total Assets</b>	<b>13,263,248,075</b>
<b>LIABILITIES &amp; CAPITAL</b>		
10	<b>Borrowings from Other Banks, Financial Institutions &amp; Agents</b>	3,289,648,155
11	<b>Deposits &amp; Other Accounts</b>	
	Current deposits & Other Accounts, etc	-
	Bills Payable	-
	Savings Bank Deposits	-
	Term Deposits	7,075,456,291
	Bearer Certificate of Deposits	-
	Other Deposits	8,413,758
	<b>9,319,021,782</b>	<b>7,083,870,049</b>
12	<b>Other Liabilities</b>	1,335,961,989
	<b>Total Liabilities</b>	<b>11,709,480,193</b>
	<b>Capital/ Shareholders' Equity</b>	
13	Paid-up Capital	1,000,000,000
14	Statutory Reserve	253,555,694
15	General Reserve	45,800,000
16	Other Reserve	-
17	Proposed Stock Dividend	-
18	Retained Earnings	254,412,188
	<b>Total Shareholders' Equity</b>	<b>1,553,767,882</b>
	<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>13,263,248,075</b>

# BALANCE SHEET

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

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

As at 31 December, 2015

	Notes	Amount in Taka	
		31-Dec-2015	31-Dec-2014
IAS 1.55			
IAS 37.28, 37.86	19		
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent liabilities</b>			
Letters of guarantee		107,835,380	117,411,680
LC Commitment		141,283,897	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<b>249,119,277</b>	<b>117,411,680</b>
<b>Others commitments:</b>			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>249,119,277</b>	<b>117,411,680</b>

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

  
**Md. Matiul Islam**  
Chairman

  
**Md. Asaduzzaman Khan**  
Managing Director

  
**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 12, 2016

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

# PROFIT & LOSS ACCOUNT

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

For the year ended 31 December, 2015

Ref.  
IAS 1.51(a)  
IAS 1.10(b)  
IAS 1.51(c)  
IAS 1.(38 & 39)

	Notes	Amount in Taka		
		31-Dec-2015	31-Dec-2014	
<b>A. OPERATING INCOME</b>				
IFRS 7.20(b)	Interest income	20	1,442,320,643	1,534,516,890
IFRS 7.20(b)	Interest paid on deposits, borrowings etc.	21	(1,090,814,804)	(1,214,766,064)
IAS 1.85	<b>Net interest income</b>		<b>351,505,839</b>	<b>319,750,826</b>
IFRS 7.20(9b)	Income from investment	22	505,716	19,273,281
IFRS 7.20(c)	Commission, exchange and brokerage	23	-	-
IAS 1.85	Other operating income	24	42,557,145	41,430,785
IAS 1.85	<b>Total operating income</b>		<b>394,568,699</b>	<b>380,454,891</b>
<b>B. OPERATING EXPENSES</b>				
IAS 1.104	Salaries & allowances	25	99,122,366	81,692,754
IAS 1.97	Rent, taxes, insurance, electricity etc.	26	18,531,515	17,439,358
IAS 1.97	Legal expenses	27	5,503,459	4,672,531
IAS 1.97	Postage, stamp, telecommunications etc.	28	2,227,575	1,925,503
IAS 1.97	Stationery, printing, advertisement etc.	29	5,946,991	5,301,137
IAS 1.97	Managing director's salary and fees	30	7,545,707	8,089,687
IAS 1.97	Directors' fees	31	493,000	525,000
IAS 1.97	Auditor's fees	32	200,000	610,000
IAS 1.98 (d)	Loans & advances written-off	33	-	-
IAS 1.104	Repair, depreciation and amortization of company's assets	34	11,606,006	10,169,647
IAS 1.97	Other expenses	35	18,701,427	21,187,555
IAS 1.85	<b>Total operating expenses</b>		<b>169,878,046</b>	<b>151,613,172</b>
IAS 1.85	<b>C. Profit before provision (A-B)</b>		<b>224,690,654</b>	<b>228,841,720</b>
IAS 1.97	<b>D. Provision for loans &amp; advances</b>	36		
	Specific provision		63,610,017	53,546,280
	General provision		(28,760,017)	1,147,677
	Provision for diminution in value of investments	12.1	(5,603,850)	19,095,206
	<b>Total provision</b>		<b>29,246,150</b>	<b>73,789,163</b>
IAS 1.85	<b>E. Profit before taxes (C-D)</b>		<b>195,444,504</b>	<b>155,052,557</b>
IAS 1.82(d)	<b>F. Provision for tax</b>			
	Current tax	37	83,800,000	31,400,000
	Deferred tax	37.2	1,011,581	(8,597,271)
	<b>Total provision</b>		<b>84,811,581</b>	<b>22,802,729</b>
IAS 1.85	<b>Profit after tax</b>		<b>110,632,923</b>	<b>132,249,828</b>
	Less: Appropriations			
	Statutory reserve		22,126,585	26,449,966
	General reserve		1,000,000	1,000,000
			23,126,585	27,449,966
IAS 1.85	<b>Retained surplus</b>		<b>87,506,338</b>	<b>104,799,862</b>
IAS 33.66	<b>Earnings per share (EPS)</b>	38	<b>1.11</b>	<b>1.32</b>

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



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Managing Director



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 12, 2016



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



# STATEMENT OF CASH FLOWS

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

## Industrial and Infrastructure Development Finance Company Limited Statement of Cash Flows For the year ended 31 December, 2015

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
IAS 1.(38&39)			
IAS 7.10	<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
IAS 7.31	Interest receipts in cash	1,389,718,196	1,562,946,554
IAS 7.31	Interest payments in cash	(1,116,382,219)	(1,236,341,778)
IAS 7.31	Dividend receipts in cash	10,448,228	8,466,623
IAS 7.14(d)	Cash payments to employees	(106,668,073)	(89,782,441)
IAS 7.14(c)	Cash payments to suppliers	(8,174,566)	(7,226,640)
IAS 7.35	Income taxes paid	(23,040,315)	(13,311,685)
IAS 7.14(b)	Receipts from other operating activities	63,105,733	41,430,785
IAS 7.14(c)	Payments for other operating activities	(57,287,727)	(50,640,240)
	<b>Cash generated from operating activities</b>	<b>151,719,257</b>	<b>215,541,178</b>
IAS 7.19(b)	<b>Increase/(decrease) in operating assets and liabilities</b>		
	<b>Statutory deposits</b>		
	Loans and advances to other banks	-	(3,837,101)
	Loans and advances to other customers	(935,062,012)	(681,506,133)
	Other assets	23,550,607	(206,425,179)
	Borrowings from Bank	94,305,479	(319,945,854)
	Deposits from other Banks/Borrowings	1,351,856,512	707,632,973
	Deposits from customers	883,295,221	758,096,468
	Other liabilities	(24,957,509)	(21,411,606)
		<b>1,392,988,299</b>	<b>232,603,569</b>
	<b>Net Cash from Operating Activities</b>	<b>1,544,707,556</b>	<b>448,144,747</b>
IAS 7.10	<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
	Investments In Subsidiary	-	(215,000,000)
IAS 7.16(d)	Proceeds from sale of securities	(30,517,400)	10,868,520
IAS 7.23(b)	Investment in securities	(1,332,823,627)	(58,756,010)
IAS 7.16(a)	Purchase of property, plant and equipment	(8,869,212)	(7,271,058)
IAS 7.16(a)	Payment against lease obligation	(3,653,507)	(5,285,315)
IAS 7.16(b)	Proceeds from sale of property, plant and equipment	493,233	243,056
	<b>Net cash used in investing activities</b>	<b>(1,375,370,514)</b>	<b>(275,200,807)</b>
IAS 7.10	<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
IAS 7.31	Dividend paid	(100,000,000)	-
	<b>Net cash from financing activities</b>	<b>(100,000,000)</b>	<b>-</b>
	<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>69,337,045</b>	<b>172,943,940</b>
IAS 7.18	<b>E Effects of exchange rate changes on cash and cash equivalents</b>	<b>-</b>	<b>-</b>
	<b>F Cash and cash equivalents at beginning of the year</b>	<b>905,193,337</b>	<b>732,249,396</b>
	<b>G Cash and cash equivalents at end of the year (D+E+F)</b>	<b>974,530,382</b>	<b>905,193,337</b>
IAS 7.45	<b>Cash and cash equivalents at end of the year</b>		
	Cash in hand	4,003	21,908
	Balance with Bangladesh Bank and its agents bank(s)	165,781,110	163,194,960
	Balance with other banks and financial institutions	808,745,269	741,976,469
	Money at call and short notice	-	-
		<b>974,530,382</b>	<b>905,193,337</b>

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

**Md. Matiu Islam**  
Chairman

**Md. Asaduzzaman Khan**  
Managing Director

**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 12, 2016

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

# STATEMENT OF CHANGES IN EQUITY

Ref.

IAS 1.51(a)

IAS 1.10(c)

IAS 1.51(c)

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


For the Year ended 31 December, 2015

		Amount in Taka				
	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Retained Earnings	Total
	Balance as on 1 January, 2015	1,000,000,000	253,555,694	45,800,000	254,412,188	1,553,767,882
IAS 1.106(b)	Changes in accounting policy (stock dividend from ICL)	-	-	-	-	-
IAS 1.106	Restated balance	1,000,000,000	253,555,694	45,800,000	254,412,188	1,553,767,882
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-
IFRIC 1.6(a)	Currency translation differences	-	-	-	-	-
IFRIC 1.6(a)	Net gains and losses not recognized in income statement	-	-	-	-	-
IAS 1.106(a)	Net profit for the year	-	-	-	110,632,923	110,632,923
IAS 1.106(d)	Dividend (Cash)	-	-	-	(100,000,000)	(100,000,000)
IAS 1.106(d)	Appropriations made during the year	-	22,126,585	1,000,000	(23,126,585)	-
	<b>Balance as at 31 December, 2015</b>	<b>1,000,000,000</b>	<b>275,682,279</b>	<b>46,800,000</b>	<b>241,918,527</b>	<b>1,564,400,805</b>

  
**Md. Matiuil Islam**  
Chairman

Dated, Dhaka;  
June 12, 2016

  
**Md. Asaduzzaman Khan**  
Managing Director

  
**Md. Shamim Ahamed FCA**  
Company Secretary

# LIQUIDITY STATEMENT

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

## Industrial and Infrastructure Development Finance Company Limited Liquidity Statement

As at 31 December, 2015

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	Total
<b>ASSETS:</b>						
Cash	4,003	-	-	-	-	4,003
Balances with Bangladesh Bank	165,781,110	-	-	-	-	165,781,110
Balances with other Banks	60,800,000	278,300,000	220,500,000	249,145,269	-	808,745,269
Money at Call and on Short Notice	-	-	-	-	-	-
Investments	52,600,000	501,600,000	951,600,000	78,857,867	-	1,584,657,867
Loans and Advances	1,338,300,000	2,751,500,000	2,143,200,000	2,799,000,000	1,861,579,693	10,893,579,693
Property, Plant & Equipment	1,300,000	2,300,000	3,400,000	4,500,000	2,160,235	13,660,235
Intangible Asset (Computer Software)	1,200,000	700,000	900,000	700,000	528,900	4,028,900
Other Assets	229,000,000	286,800,000	462,100,000	691,500,000	478,910,982	2,148,310,982
<b>Total assets</b>	<b>1,848,985,113</b>	<b>3,821,200,000</b>	<b>3,781,700,000</b>	<b>3,823,703,136</b>	<b>2,343,179,810</b>	<b>15,618,768,059</b>
<b>LIABILITIES:</b>						
Borrowing from other banks, Fin. Ins. & Agents	1,124,000,000	716,000,000	607,200,000	825,900,000	111,424,860	3,384,524,860
Deposit and other accounts	94,400,000	2,387,800,000	2,948,800,000	2,509,600,000	1,378,421,782	9,319,021,782
Provision and other liabilities	152,700,000	342,100,000	454,800,000	271,400,000	129,820,612	1,350,820,612
<b>Total liabilities</b>	<b>1,371,100,000</b>	<b>3,445,900,000</b>	<b>4,010,800,000</b>	<b>3,606,900,000</b>	<b>1,619,667,254</b>	<b>14,054,367,254</b>
<b>Net liquidity gap</b>	<b>477,885,113</b>	<b>375,300,000</b>	<b>(229,100,000)</b>	<b>216,803,136</b>	<b>723,512,556</b>	<b>1,564,400,805</b>



**Md. Matiuil Islam**  
Chairman

Dated, Dhaka;  
June 12, 2016



**Md. Asaduzzaman Khan**  
Managing Director



**Md. Shamim Ahamed FCA**  
Company Secretary

# CONSOLIDATED BALANCE SHEET

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51( c )

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

As at 31 December, 2015

IAS 1. (38&39)

	Notes	Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>PROPERTY &amp; ASSETS</b>			
IAS 1.54, IAS 7.7	<b>Cash</b>		
	In Hand (including foreign currencies)	47,011	41,598
	Balance with Bangladesh Bank and its Agent Bank(s) (including foreign currencies)	165,781,110	163,194,960
		<b>165,828,121</b>	<b>163,236,558</b>
IAS 1.54(d)	<b>Balance with Other Banks and Financial Institutions</b>		
	Inside Bangladesh	873,259,379	801,297,299
	Outside Bangladesh	-	-
		<b>873,259,379</b>	<b>801,297,299</b>
IAS 1.54(i)	<b>Money at Call and Short Notice</b>	5	-
IAS 1.54(b)	<b>Investments</b>	6.a	
	Government	-	-
	Others	1,902,757,040	429,998,083
		<b>1,902,757,040</b>	<b>429,998,083</b>
IAS 1.54(b)	<b>Loans &amp; Advances</b>	7.a	
	Lease Receivables	2,444,618,407	2,463,981,286
	Advance for Lease Finance	83,740,331	60,051,877
	Direct/Term Finance	7,597,891,984	6,323,460,694
	Secured Overdraft	45,853,258	71,556,061
	Bills Discounted and Purchased	86,442,761	81,302,218
	Margin Loans	2,707,846,901	3,218,504,791
		<b>12,966,393,642</b>	<b>12,218,856,927</b>
IAS 1.54(a)	<b>Property, Plant &amp; Equipment</b>	8.a	22,431,235
IAS 1.54(c)	<b>Intangible Asset</b>	8.1.a	4,533,678
IAS 1.55& 1.57(a)	<b>Other Assets</b>	9.a	831,139,034
IAS 1.55& 1.57(a)	<b>Non-banking assets</b>		-
	<b>Total Assets</b>		<b>16,766,342,130</b>
<b>LIABILITIES &amp; CAPITAL</b>			
IAS 1.54(k)	<b>Borrowings from Other Banks, Financial Institutions &amp; Agents</b>	10.a	3,538,382,569
IAS 1.54(m)	<b>Deposits &amp; Other Accounts</b>	11.a	
	Current Deposits & Other Accounts, etc.	-	-
	Bills Payable	-	-
	Savings Bank Deposits	-	-
	Term Deposits	9,314,724,232	7,082,451,058
	Bearer Certificate of Deposits	-	-
	Other Deposits	5,977,279	8,413,758
		<b>9,320,701,511</b>	<b>7,090,864,816</b>
IAS 1.55,1.57(a)	<b>Other Liabilities</b>	12.a	2,384,491,422
	<b>Total Liabilities</b>		<b>15,243,575,502</b>
	<b>Capital/ Shareholders' Equity</b>		
IAS 1.54(r),1.78(e)	Paid up Capital	13	1,000,000,000
IAS 1.54(r),1.78(e)	Statutory Reserve	14	275,682,279
IAS 1.54(r),1.78(e)	General Reserve	15.a	63,797,874
IAS 1.54(r),1.78(e)	Other Reserve	16	-
IAS 1.54(r),1.78(e)	Stock Dividend	17.a	-
IAS 1.54(r),1.78(e)	Retained Earnings	18.a	183,141,067
	Total Equity attributable to Shareholder of the Company		<b>1,522,621,220</b>
IAS 27.6, 27.26	<b>Non-controlling Interest</b>	18.a.3	145,408
	<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>16,766,342,130</b>

# CONSOLIDATED BALANCE SHEET

Ref.

IAS 1.51(a)

IAS 1.10(a)

IAS 1.51(c)

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

As at 31 December, 2015

IAS 1.55	OFF-BALANCE SHEET ITEMS	Notes	Amount in Taka	
			31-Dec-2015	31-Dec-2014
IAS 37.28, 37.86	<b>Contingent liabilities</b>	19		
	Letters of guarantee		107,835,380	117,411,680
	Letters of credit		-	-
	LC Commitment		141,283,897	-
	Irrevocable letter of credit		-	-
	Bills for collection		-	-
	Other contingent liabilities		-	-
			<b>249,119,277</b>	<b>117,411,680</b>
	<b>Others commitments:</b>			
	Money at call and short notice		-	-
	Forward assets purchased and forward deposits placed		-	-
	Undrawn note issuance and revolving underwriting facilities		-	-
	Undrawn formal standby facilities, credit lines and other commitments		-	-
			-	-
	<b>Total off-balance sheet items including contingent liabilities</b>		<b>249,119,277</b>	<b>117,411,680</b>

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



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Managing Director



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 12, 2016

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

# CONSOLIDATED PROFIT & LOSS ACCOUNT

Ref.

IAS 1.51(a)

IAS 1.10(b)

IAS 1.51(c)

IAS 1.(38&39)

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

For the year ended 31 December, 2015

	Notes	Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>A. OPERATING INCOME</b>			
IFRS 7.20(b)	Interest income	20.a 1,546,367,955	1,639,394,688
IFRS 7.20(b)	Interest paid on deposits, borrowings etc.	21.a (1,103,581,895)	(1,236,253,105)
IAS 1.85	<b>Net interest income</b>	<b>442,786,060</b>	<b>403,141,583</b>
IFRS 7.20(b)	Income from investment	22.a 4,662,345	61,895,826
IFRS 7.20(c)	Commission, exchange and brokerage	23.a 42,089,613	53,976,824
IAS 1.85	Other operating income	24.a 43,790,138	42,224,137
IAS 1.85	<b>Total operating income</b>	<b>533,328,155</b>	<b>561,238,369</b>
<b>B. OPERATING EXPENSES</b>			
IAS 1.104	Salaries & allowances	25.a 144,593,998	113,670,063
IAS 1.97	Rent, taxes, insurance, electricity etc.	26.a 34,621,884	41,256,692
IAS 1.97	Legal expenses	27.a 5,669,317	5,007,988
IAS 1.97	Postage, stamp, telecommunications etc.	28.a 4,316,087	4,049,648
IAS 1.97	Stationery, printing, advertisement etc.	29.a 6,427,588	5,872,846
IAS 1.97	Managing director's salary and fees	30 7,545,707	8,089,687
IAS 1.97	Directors' fees	31.a 601,100	603,200
IAS 1.97	Auditor's fees	32.a 395,250	780,833
IAS 1.98(d)	Loans & advances written-off	33.a 37,812,135	27,441,842
IAS 1.104	Repair, depreciation and amortization of company's assets	34.a 19,817,127	17,862,305
IAS 1.97	Other expenses	35.a 28,715,504	28,887,635
IAS 1.85	<b>Total operating expenses</b>	<b>290,515,697</b>	<b>253,522,739</b>
IAS 1.85	<b>C. Profit/(Loss) before provision (A-B)</b>	<b>242,812,459</b>	<b>307,715,631</b>
IAS 1.97	<b>D. Provision for loans &amp; advances</b>	36.a	
	Specific provision	63,610,017	56,642,982
	General provision	(28,760,017)	1,147,677
	Provision for diminution in value of investments	(5,603,850)	36,451,072
	Other provision	-	-
	<b>Total provision</b>	<b>29,246,150</b>	<b>94,241,731</b>
IAS 1.85	<b>E. Profit/(Loss) before taxes (C-D)</b>	<b>213,566,309</b>	<b>213,473,900</b>
IAS 1.82(d)	<b>F. Provision for tax:</b>	37.a	
	Current tax	93,361,499	47,089,286
	Deferred tax	537,038	(9,310,417)
	<b>Total provision</b>	<b>93,898,537</b>	<b>37,778,869</b>
IAS 1.82(f)	<b>G. Profit/(Loss) after taxes (E-F)</b>	<b>119,667,772</b>	<b>175,695,031</b>
	<b>Attributable to:</b>		
IAS 27.6, 27.26	Shareholders of the company	119,661,519	175,689,729
	Non-controlling interest	6,252	5,302
		<b>119,667,772</b>	<b>175,695,031</b>
	Less: Appropriations		
	Statutory reserve	22,126,585	26,449,966
	General reserve	1,000,000	1,000,000
		23,126,585	27,449,966
IAS 1.85	<b>Retained surplus</b>	<b>96,534,935</b>	<b>148,239,763</b>
IAS 33.66	<b>Earnings per share (EPS)</b>	38.a <b>1.20</b>	<b>1.76</b>

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

  
Md. Matiul Islam  
Chairman

  
Md. Asaduzzaman Khan  
Managing Director

  
Md. Shamim Ahamed FCA  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 12, 2016

  
S.F. Ahmed & Co.  
Chartered Accountants

# CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

For the year ended 31 December, 2015

IAS 1.(38&39)

IAS 7.10  
IAS 7.31  
IAS 7.31  
IAS 7.31  
IAS 7.14(b)  
IAS 7.14(d)  
IAS 7.14(c)  
IAS 7.35  
IAS 7.14(b)  
IAS 7.14(c)

### A CASH FLOW FROM OPERATING ACTIVITIES

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

IAS 7.19(b)

### Increase/(decrease) in operating assets and liabilities, Statutory deposits

Loans and advances to other banks  
Loans and advances to other customers  
Other assets  
Borrowings from bank  
Deposits from other banks/FI  
Deposits from customers  
Other liabilities

### Net cash from operating activities

IAS 7.10  
IAS 7.16(d)  
IAS 7.23(b)  
IAS 7.16(a)  
IAS 7.16(a)  
IAS 7.16(b)

### B CASH FLOW FROM INVESTING ACTIVITIES

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

IAS 7.10  
IAS 7.31

### C CASH FLOW FROM FINANCING ACTIVITIES

Dividend paid  
**Net cash from financing activities**

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

IAS 7.18

### E Effects of exchange rate changes on cash and cash equivalents

### F Cash and cash equivalents at beginning of the year

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


IAS 7.45

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

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

Amount in Taka	
31-Dec-2015	31-Dec-2014
1,493,765,508	1,665,801,710
(1,133,249,288)	(1,310,546,796)
15,096,619	31,626,892
42,089,613	53,976,824
(152,139,705)	(111,259,750)
(10,743,675)	(9,922,494)
(30,714,730)	(66,387,923)
62,982,147	42,215,802
(75,571,074)	(64,954,520)
<b>211,515,416</b>	<b>230,549,745</b>
-	(3,837,101)
(747,536,715)	(1,447,653,348)
(139,424,360)	104,388,555
41,995,649	(210,478,385)
1,351,856,512	707,632,973
877,980,183	758,512,744
81,288,152	79,063,347
<b>1,466,159,420</b>	<b>(12,371,215)</b>
<b>1,677,674,836</b>	<b>218,178,530</b>
(31,009,162)	30,330,796
(1,472,758,957)	(66,869,419)
(9,077,924)	(7,731,443)
(3,653,507)	(5,285,315)
13,378,357	1,122,987
<b>(1,503,121,193)</b>	<b>(48,432,394)</b>
(100,000,000)	-
<b>(100,000,000)</b>	-
74,553,643	169,746,136
-	-
964,533,857	794,787,721
<b>1,039,087,500</b>	<b>964,533,857</b>
47,011	41,598
165,781,110	163,194,960
873,259,379	801,297,299
-	-
<b>1,039,087,500</b>	<b>964,533,857</b>

  
**Md. Matiul Islam**  
Chairman

  
**Md. Asaduzzaman Khan**  
Managing Director

  
**Md. Shamim Ahamed FCA**  
Company Secretary

Signed as per annexed report on even date

Dated, Dhaka;  
June 12, 2016

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

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

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

For the year ended 31 December, 2015

Amount in Taka


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

	Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Stock Dividend	Retained Earnings	Non-controlling Interest	Total
IAS 1.106(b)	Balance as on 1 January, 2015	1,000,000,000	253,555,694	62,797,874	-	186,592,881	140,823	1,503,087,272
IAS 1.106	Changes in accounting policy	-	-	-	-	9,581	-	9,581
IFRIC 1.6(a)	Restated balance	1,000,000,000	253,555,694	62,797,874	-	186,602,462	140,823	1,503,096,853
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-	-
IFRIC 1.6(a)	Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-	-
IFRIC 1.6(a)	Currency translation differences	-	-	-	-	-	-	-
IFRIC 1.6(a)	Net gains and losses not recognized in income statement	-	-	-	-	-	-	-
IAS 1.106(a)	Net profit for the year	-	-	-	-	119,667,772	-	119,667,772
IAS 1.106(a)	Adjustment/Transfer to non-controlling Interest	-	-	-	-	(2,582)	4,585	2,003
IAS 1.106(d)	Dividend (Cash)	-	-	-	-	(100,000,000)	-	(100,000,000)
IAS 1.106(d)	Appropriations made during the year	-	22,126,585	1,000,000	-	(23,126,585)	-	-
	<b>Balance as at 31 December, 2015</b>	<b>1,000,000,000</b>	<b>275,682,279</b>	<b>63,797,874</b>	<b>-</b>	<b>183,141,067</b>	<b>145,408</b>	<b>1,522,766,628</b>

  
**Md. Matiul Islam**  
Chairman

Dated, Dhaka;  
June 12, 2016

  
**Md. Asaduzzaman Khan**  
Managing Director

  
**Md. Shamim Ahamed FCA**  
Company Secretary



IAS 1.51(a) **Industrial and Infrastructure Development Finance Company Limited and its subsidiaries**  
IAS 1.10(e) **Notes to the Financial Statements**  
IAS 1.51 (c) **For the year ended December 31, 2015**

IAS 1.138(a) **1.0 Reporting entity**

**1.01 Company's profile**

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

IAS 1.138(b) **1.02 Nature of business of the company**

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

IAS 1.138(b) **1.03 Information regarding Subsidiaries**

**IIDFC Securities Limited**

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

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

**IIDFC Capital Limited**

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

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

IAS 1.112(a) **2.0 Significant accounting policies and basis of preparation of financial statements**

IAS 1.117 **2.01 Basis of preparation**

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

IAS 1.16 **Statement of compliance**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2.01.01 Investments in shares and securities

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.02 Provision on loans and advances

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.03 Financial instruments - presentation and disclosure

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

## 2.01.04 Financial guarantees

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.05 Cash and cash equivalents

### BFRS:

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

### Bangladesh Bank:

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

## 2.01.06 Non-Banking assets

### BFRS:

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

### Bangladesh Bank:

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2.01.07 Statement of cash flows

### **BFRS:**

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

### **Bangladesh Bank:**

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

## 2.01.08 Balance with Bangladesh Bank (CRR)

### **BFRS:**

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

### **Bangladesh Bank:**

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

## 2.01.09 Off-balance sheet items

### **BFRS:**

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

### **Bangladesh Bank:**

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

## 2.01.10 Disclosure of appropriation of profit

### **BFRS:**

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

### **Bangladesh Bank:**

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

## 2.01.11 Other comprehensive income

### **BFRS:**

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

### **Bangladesh Bank:**

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

## 2.01.12 Loans and advance net of provision

### **BFRS:**

Loans and advances should be presented as net of provisions.

### **Bangladesh Bank:**

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

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

# NOTES TO THE FINANCIAL STATEMENTS

- IAS 27.12 **2.02 Basis of consolidation**
- The financial statements of the company and its subsidiaries have been consolidated in accordance with Bangladesh Financial Reporting Standards 10 'Consolidated Financial Statements'.
- IAS 27.20 All intra-group balances, transactions, income and expenses are eliminated in full.
- IAS 27.24 Subsidiaries are fully consolidated from the date on which control is transferred to the company. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.
- IAS 27.26
- IAS 27.28 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 non-controlling shareholder of the subsidiaries are shown separately in the consolidated Balance Sheet under the heading Minority Interest.
- IAS 1.8 **2.03 Integral components of financial statements**
- The Financial Statements of the Company include the following components:
1. Statement of financial position (Balance Sheet) as at 31 December, 2015.
  2. Statement of comprehensive income (Profit and Loss A/C) for the year ended 31 December, 2015.
  3. Statement of Cash Flows for the year ended 31 December, 2015.
  4. Statement of Changes in Equity for the year ended 31 December, 2015.
  5. Liquidity Statement as at 31 December, 2015.
  6. Notes to the Financial Statements.
- IAS 1.122 **2.04 Use of estimate & judgments**
- The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the Financial Statements.
- Provisions and accrued expenses are recognized in the Financial Statements in line with the 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 from the basis of making the judgments about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.
- IAS 1.111 **2.05 Statement of cash flows**
- The statement of cash flows has been prepared using the Direct Method as mentioned in line with Bangladesh Accounting Standard 7 'Statement of cash flows'.
- IAS 1.27 **2.06 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 **2.07 Reporting period**
- These Financial Statements cover one calendar year from January 01 to December 31, 2015.
- IAS 1.51(d) (e) **2.08 Presentation currencies**
- The figures of the financial statements are presented in Bangladeshi Currency (BDT) and have been rounded off to the nearest integer.

# NOTES TO THE FINANCIAL STATEMENTS

## 2.09 Books of accounts of branch

The Company has 1 (one) branch so far as on 31 December, 2015. Books of Accounts of the branch have been maintained at the Head Office of the Company.

IAS 1.119

## 2.10 Assets and basis of their valuation

IAS 7.45

### 2.10.01 Cash and cash equivalents

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

IAS 1.54

### 2.10.02 Investment in securities

Investment in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost. Adequate provision for diminution in value of shares has been made as per Bangladesh Bank guidelines. Market value of securities has been determined on the basis of the value of securities at the last trading day of the period (last trading day for the year was 31 December, 2015).

### 2.10.03 Loans, advances and provisions

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

#### a) Interest on loans and advances

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

#### b) Provision for loans and advances

Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are given below:

#### c) Rate of provision

Particulars	Rate of Provision
Standard-other than SME	1.00%
Standard-SME	0.25%
Special mention account(SMA)	5.00%
Sub-standard (SS)	20.00%
Doubtful (DF)	50.00%
Bad/loss (BL)	100.00%

#### d) Presentation of loans and advances

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

#### e) Write off loans and advances

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

## NOTES TO THE FINANCIAL STATEMENTS

### f) Securities against loan

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

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

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

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

IAS 16.73

### 2.10.04 Property, plant and equipment

#### 2.10.04.01 Owned assets

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

#### 2.10.04.02 Leased assets

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

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

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

IAS 16.13 (b&c)

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

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

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

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

#### 2.10.04.05 Intangible assets

IAS 38.24

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

IAS 38.21

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

IAS 38.24

IAS 38.33

IAS 38.74

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

IAS 38.88

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

IAS 8.118(b)

IAS 38.104

## NOTES TO THE FINANCIAL STATEMENTS

IAS 38.118(a) Amortisation is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:  
Computer software 5.6 years

### 2.10.04.06 Other assets

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

### 2.10.04.07 Non-banking assets

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

IAS 1.119 **2.11 Basis for valuation of liabilities and provisions**

IAS 37.85 **2.11.01 Provision for tax**

IAS 12.46 **a. Current tax**

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

IAS 12. (47&15) **b. Deferred tax**

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

IAS 19.120 **2.11.02 Employees' benefit obligation**

#### Defined contribution plan

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

#### Defined benefit plan

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

#### Other benefit program for employees

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

### 2.12 Write-off

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

### 2.13 Capital and shareholders' equity

#### 2.13.01 Capital management

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

# NOTES TO THE FINANCIAL STATEMENTS

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

## 2.13.02 Paid-up capital

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

## 2.13.03 Statutory reserve

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

## 2.13.04 Dividends on ordinary shares

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

## 2.14 Contingent liabilities and contingent assets

A contingent liability is –

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

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

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

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

## 2.15 Materiality, aggregation and off setting

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

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

IAS 1.119

## 2.16 Revenue recognition

### 2.16.01 Income from lease finance

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

### 2.16.02 Income from direct finance

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

### 2.16.03 Income from structured finance

Income from structured finance is recognized as and when received.



# NOTES TO THE FINANCIAL STATEMENTS

## 2.16.04 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

## 2.16.05 Income from margin loan

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

## 2.16.06 Dividend income

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

## 2.16.07 Other Operational income

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

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

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

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

## IAS 1.117(b) 2.18 Earnings per share

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

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

## IFRS 8.2 2.19 Presentation of operating segments

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

## IAS 37 2.20 Contingent assets & liabilities

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

## IAS 1.65 2.21 Liquidity statements

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2.22 Events after the reporting period

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

IAS 1.25–26  
IAS 10.14–16

## 2.23 Going concern

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

IAS 1.114(a)

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 2.25 Address of head office & branch office

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

## 2.26 Capital adequacy and market discipline

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

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

### Pillar – I: Minimum capital requirement

#### Credit Risk

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

#### Market risk

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

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

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

#### Operational risk

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

## 2.27 Stress testing

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
Ref.			
IAS 7.45	<b>3 Cash</b>		
IAS 1.77	Cash in hand (Note 3.1)	4,003	21,908
	Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	165,781,110	163,194,960
	<b>Total</b>	<b>165,785,113</b>	<b>163,216,868</b>
IAS 1.77	<b>3.1 Cash in hand</b>		
	Cash in hand represents the amount under "impress system of petty cash" to meet petty expenses both for head office as well as branch offices.		
IAS 1.77	<b>3.2 Balance with Bangladesh Bank</b>		
	Balance with Bangladesh Bank is a non-interest bearing account maintained with Central Bank to meet the Cash Reserve Requirement (CRR). CRR (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with The Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
IAS 1.77	<b>3.3 Cash Reserve Requirement (CRR)</b>		
	CRR has been calculated at the rate of 2.50% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
	Required reserve	140,269,918	121,076,081
	Actual reserve held	165,781,110	163,194,960
	<b>Surplus / (Deficit)</b>	<b>25,511,192</b>	<b>42,118,879</b>
IAS 1.77	<b>3.4 Statutory Liquidity Reserve (SLR)</b>		
	SLR has been calculated at the rate of 5.00% of total liabilities, including CRR of 2.50% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, Investment as Call Money, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.		
	Required reserve	306,246,561	264,224,128
	Actual reserve held (Note-3.4.1)	414,124,273	301,139,172
	<b>Surplus / (Deficit)</b>	<b>107,877,712</b>	<b>36,915,044</b>
IAS 1.77	<b>3.4.1 Actual Reserve held for SLR (note-3.4.1)</b>		
	Cash in hand	4,003	21,908
	Balance with Bangladesh Bank and its agent bank(s)	165,781,110	163,194,960
	Balance with other banks and financial institutions (Note-3.4.1.1)	248,339,160	137,922,304
	<b>Total</b>	<b>414,124,273</b>	<b>301,139,172</b>
IAS 1.77	<b>3.4.1.1 Balance with other banks and financial institutions for SLR</b>		
	Mutual Trust Bank Limited	21,440,306	19,893,509
	Union Bank Limited	100,000,000	-
	Bank Alfalah Ltd.	126,898,854	118,028,795
	<b>Total</b>	<b>248,339,160</b>	<b>137,922,304</b>
IAS 1.77	<b>3.a Consolidated cash</b>		
	IIDFCL	4,003	21,908
	IIDFC Securities Limited	35,073	14,669
	IIDFC Capital Limited	7,935	5,021
	<b>Sub-Total</b>	<b>47,011</b>	<b>41,598</b>
	Balance with Bangladesh Bank and its agent bank(s) (Note-3)	165,781,110	163,194,960
	<b>Total</b>	<b>165,828,121</b>	<b>163,236,558</b>

## NOTES TO THE FINANCIAL STATEMENTS

IAS 1.77

### 4 Balance with other Banks and Financial Institutions in Bangladesh

#### Current Accounts:

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

#### Sub-Total

#### Short-term Deposit Accounts:

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

#### Sub-Total

#### Fixed Deposits Receipts (FDR):

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

#### Sub-Total

#### Grand Total

Amount in Taka	
31-Dec-2015	31-Dec-2014
33	1,403
4,586	5,276
133,173	135,973
3,445	4,595
4,578	-
1,425	-
-	3,660
4,329,125	2,768,175
7,961	8,391
-	145
29,227	-
4,750	5,900
1,747	2,897
<b>4,520,050</b>	<b>2,936,415</b>
39,680	357,112
830	7,810
63,719,461	49,669,259
2,953	2,776
93,675	94,158
11,099	9,659
5,150	6,207
-	258,000
-	1,663
-	137,041
30,398	18,908
3,918	578,392
4,800	4,800
-	4,641
72,980	70,331
<b>63,984,944</b>	<b>51,220,757</b>
250,000,000	-
11,901,115	32,343,354
50,000,000	-
126,898,854	229,845,814
21,440,306	19,893,509
-	200,000,000
-	31,342,819
280,000,000	154,393,801
	20,000,000
<b>740,240,275</b>	<b>687,819,297</b>
<b>808,745,269</b>	<b>741,976,469</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>4.1 Maturity grouping of Balance with other Banks and Financial Institutions</b>		
	On demand	60,800,000	74,705,040
	Less than 3 months	278,300,000	305,078,251
	More than 3 months but less than 1 year	220,500,000	152,609,127
	More than 1 year but less than 5 years	249,145,269	209,584,051
	Above 5 years	-	-
	<b>Total</b>	<b>808,745,269</b>	<b>741,976,469</b>
IAS 1.77	<b>4.a Consolidated Balance with other Banks and Financial Institutions</b>		
	IIDFCL	808,745,269	741,976,469
	IIDFC Securities Limited (Note-4.a.1)	62,625,780	56,588,184
	IIDFC Capital Limited (Note-4.a.2)	1,888,330	2,732,646
	<b>Total</b>	<b>873,259,379</b>	<b>801,297,299</b>
IAS 1.77	<b>4.a.1 Bank Balance of IIDFC Securities Limited</b>		
	Southeast Bank Ltd.	5,237,299	14,570,050
	Standard Bank Ltd.	545,841	1,127,743
	Bank Asia Ltd.	190,906	689,990
	One Bank Ltd.	56,651,734	40,198,192
	Standard Chartered Bank Ltd.	-	2,209
	<b>Total</b>	<b>62,625,780</b>	<b>56,588,184</b>
IAS 1.77	<b>4.a.2 Bank Balance of IIDFC Capital Limited</b>		
	Southeast Bank Ltd.	263,510	384,193
	ONE Bank Ltd.	1,551,181	2,275,521
	Bangladesh Commerce Bank Ltd.	73,639	72,932
	<b>Total</b>	<b>1,888,330</b>	<b>2,732,646</b>
IAS 1.77	<b>5 Money at Call and Short Notice</b>		
	Banking Companies	-	-
	Non-Banking Financial Institutions	-	-
	<b>Total</b>	-	-
IAS 1.77	<b>6 Investments</b>		
	<b>A. Government Securities</b>		
	Treasury Bill	-	-
	National Investment Bond	-	-
	Bangladesh Bank Bill	-	-
	Government Notes/ Bond	-	-
	Prize Bond	-	-
	Others	-	-
	<b>Sub Total</b>	-	-
	<b>B. Other Investments</b>		
	Preference Shares (Note-6.1)	11,413,001	28,530,801
	Debenture and Bond (Zero Coupon Bond issued by Bank Asia Ltd.)	10,351,671	10,379,479
	Other investments (Note-6.2)	341,476,530	212,923,960
	Commercial Paper	1,221,416,666	-
	Gold etc.	-	-
	<b>Sub Total</b>	<b>1,584,657,867</b>	<b>251,834,240</b>
	<b>Total investments (A+B) :</b>	<b>1,584,657,867</b>	<b>251,834,240</b>
IAS 1.77	<b>6.1 Preference Shares</b>		

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

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>Opening Balance</b>	<b>28,530,801</b>	<b>45,648,601</b>
	Add: Addition/ adjustment during the year	-	-
	Less: Redemption during the year	17,117,800	17,117,800
	<b>Closing Balance</b>	<b>11,413,001</b>	<b>28,530,801</b>
<b>6.2</b>	<b>Other Investments</b>		
	<b>Quoted:</b>		
	1JANATAMF	978,276	568,394
	AIMS1STMF	3,291,564	-
	AB Bank	1,818,792	562,436
	Aftab Auto	943,885	11,198,125
	ACTIVEFINE	4,102,691	727,538
	ACI Limited	-	3,853,592
	ACIFORMULA	-	153,807
	Agrani Insurance	1,755,322	26,496
	Al-Arafah Bank	4,257,880	62,640
	AMCL (Pran)	-	1,402,853
	Aamra Technologies	19,127,392	10,735
	Apex Footwear Limited	575,581	-
	Apex Tanary Limited	1,223,017	-
	APOLOISPAT	-	4,074
	Asialns	-	998
	Bata Shoe	1,109,733	-
	Bay Leasing	-	464,264
	BARAKA Power Limited	23,402	-
	BD. Finance	-	32,804
	BDBuilding	-	165,096
	BDTHAI	-	6,157
	Bengal Windsore Thermoplastics Ltd.	1,323,487	-
	BEDL	-	140,331
	Beacon Pharmaceuticals Limited	1,492,049	-
	BGIC	-	71,861
	BSC	-	243,508
	Bank Asia Ltd.	100	2,587,065
	BEXIMCO Ltd.	6,403,165	3,987,057
	BXPHARMA	-	3,525,506
	BXSYNTH	-	1,186,295
	BSRM Steel Limited	926,866	-
	BRAC Bank	-	368,669
	CENTRALPHL	7,130,020	33,005
	City General Insurance	259,751	803,563
	City Bank	1,552,597	1,663,820
	Dhaka Bank	-	38,797
	Delta Life Insurance	3,900,768	4,743,418
	Dhaka Electric Supply Company Ltd.	4,998,407	-
	DESHBANDHU	-	13,637
	DBH 1st Mutual Fund	-	3,469,611
	Dulamia Cotton	-	30,936

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
Eastern Housing	3,168,494	6,373
Eastland Insurance Com. Ltd.	3,112,652	-
EBL 1st Mutual Fund	-	4,131,309
EBL	3,765,214	2,719
EBLNRBMF	5,000,001	6,207,914
Envoy Textiles Ltd.	528,343	605,592
EXIM Bank	3,159,174	529,318
Far East Knitting & Dyeing Industries Ltd.	5,185,954	-
First Lease Intern	-	355,164
First Security Bangladesh	-	16,770
Fu-Wang Ceramic	394,171	907,696
Fu-Wang Food	-	85,718
Generation Next Fashions Ltd.	1,178,252	-
GlaxoSmithKline	90,064	-
GHP Ispat Ltd.	3,207,311	-
GBB POWER	-	234
Global Insurance	-	5,409
Golden Son	-	480,632
Grameen Phone	22,693,501	-
Grameen MF One	-	2,571,529
Hwa Well Textile (BD) Limited	3,919,345	-
Hiedleberg Cement Ltd.	1,403,380	-
ICB1STNRB MF	321,572	-
ICBEPMF1st	-	8,026,545
ICB AMCL 3rd NRB M	431,884	573,751
ICB Second NRB MF	1,909,675	3,999,404
IDLC	-	6,023,237
IFIC Bank	1,490,736	68,403
International Leasing	927,284	6,360,435
Islami Bank	2,929,718	-
IFILISLMF1	-	551,925
Jamuna Bank	-	160
Jamuna Oil	3,881,916	-
Karnafuli Insurance	544,144	2,719,726
Keya Cosmetics	689,030	64,109
KPCL	17,281,719	2,199
Lafarge Cement	11,572,511	-
LINDE BD Limited	4,210,309	-
Lanka Bangla	1,704,844	7,835,060
MBL1ST MF	526,050	-
Mercantile bank	-	1,135,282
Mercantile Insurance	-	3,899,902
Megna Petroleum	3,013,533	14,992
Meghna Cement	-	598,909
Maksons Spining	-	25,181
Matin Spining Mills Limited	4,240,420	-
MALEKSPIN	-	2,670,454
Mercantile Insurance	411,268	-
Mercantile Bank	197,719	-
Midas Finance	-	17,882
MICEMENT	-	551,932
MTBL	15,856	15,856
Mobil Jamuna	4,792,930	-
National Bank	-	5,411,686
National Housing Finance	-	673,516
National Tubes	-	651,091
NCC Bank	1,027,050	2,723,243
Northern General Insurance Company Ltd.	445,489	-
NLI1STMF	10,000,100	10,000,000



## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
One Bank	5,597,589	7,791,766
Orion Pharma Ltd.	5,618,409	10,843,477
Orion Infution Ltd.	-	152,287
Olympic	9,787,790	766,097
Padma Oil	292,764	744
Peoples Leasing	158,001	1,399,083
PENINSULA	3,686,965	955,940
PHP1stMF	827,334	-
Prime Islami Life	-	2,336,120
Prime Bank	-	4,616
Prime Finance	982,622	220,573
Prime Textile	1,593,433	-
Pioneer Insurance	-	2,406,443
Popular 1st MF	837,656	-
Progressive Life Insurance Co. Ltd.	234,904	-
Premier Leasing & Finance Ltd.	44,656	-
Premier Cement Mills Ltd.	20,741	-
Power Grid	-	548,915
Phoenix Finance	979,470	111,792
PHP1STMF	-	504,872
Pubali Bank	-	1,156
Quasem Drycell	-	40,938
Reneta Limited	4,828,771	-
Republic Insurance	-	2,544,453
Rangpur Foundry	-	97,239
R N Spining	447,762	1,414,380
RAK Ceramics Ltd.	7,616,938	1,769,419
SIBL	-	6,217,534
SEBL 1st MF	10,655,128	10,000,000
Saiham Cotton	-	1,510,419
SAPORTL	555,652	5,746,479
Shahjalal Bank	2,583,116	7,928
Shasha Denims Ltd.	4,141,675	-
SIMTEX	239,478	-
SAIHAMCOT	638,299	-
SAIHAMTEX	3,352,372	-
SAIFPOWER	1,567,920	-
Southeast Bank	-	3,543,583
Standard Bank	4,639,939	4,431,577
Square Pharma	21,796,549	6,768,260
Square Textile	11,212,111	-
SP Ceramics	-	21,812
Summit Power	10,392,013	401,792
Summit Purbanchal Power Co. Ltd.	2,497,941	-
The Dacca Dyeing	-	2,470,384
Titas Gas	8,130,165	5,539,563
Trust Bank	-	7,514
UCBL	4,538,158	1,117,613
ULC	-	56,919
United Airways	-	120,981
United Power Generation	10,035,078	-
Uttara Finance	1,326,941	740,583
Uttara Bank	1,269,076	7,307,120
Western Marine Shipyard Limited	1,782,758	-
ZAHINTEX	-	335,244
<b>Sub Total</b>	<b>341,476,530</b>	<b>212,923,960</b>
<b>Unquoted</b>	-	-
<b>Total (Quoted and Unquoted)</b>	<b>341,476,530</b>	<b>212,923,960</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Market price of Quoted Investments as on 31st December, 2015:

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
1JANATAMF	978,276	946,357	31,920
AIMS1STMF	3,291,564	2,955,000	336,564
AB Bank	1,818,792	1,672,000	146,792
Aftab Auto	943,885	951,000	(7,115)
ACTIVEFINE	4,102,691	3,934,000	168,691
Agrani Insurance	1,755,322	1,700,000	55,322
Al-Arafah Bank	4,257,880	4,263,000	(5,120)
Aamra Technologies	19,127,392	14,421,000	4,706,392
Apex Footwear Ltd.	575,581	464,206	111,375
Apex Tanary Ltd.	1,223,017	1,031,200	191,817
BARAKA Power Ltd.	23,402	24,560	(1,158)
Bata Shoe Ltd.	1,109,733	1,185,930	(76,197)
Beacon Pharmaceuticals Ltd.	1,492,049	1,500,000	(7,951)
Bengal Windsor Thermoplastics Ltd.	1,323,487	1,098,300	225,187
BSRM Steels Limited	926,866	1,094,600	(167,734)
Bank Asia Ltd.	100	1,551	(1,451)
BEXIMCO Ltd.	6,403,165	5,800,000	603,165
CENTRALPHL	7,130,020	6,300,000	830,020
City General Insurance	259,751	258,000	1,751
City Bank	1,552,597	1,652,400	(99,803)
Delta Life Insurance	3,900,768	3,666,000	234,768
Dhaka Electric Supply Company Ltd.	4,998,407	4,040,400	958,007
Eastland Insurance Company Ltd.	3,112,652	2,153,594	959,058
Eastern Housing	3,168,494	2,792,000	376,494
EBL	3,765,214	3,775,200	(9,986)
EBLNRBMF	5,000,001	2,557,322	2,442,679
Envoy Textiles Ltd.	528,343	439,950	88,393
EXIM Bank	3,159,174	3,010,000	149,174
Far East Knitting & Dyeing Industries Ltd.	5,185,954	3,737,250	1,448,704
Fu-Wang Ceramic	394,171	376,200	17,971
Generation Next Fashions Ltd.	1,178,252	880,000	298,252
GHP Ispat Ltd.	3,207,311	2,877,000	330,311
GlaxoSmithKline	90,064	89,990	74
Grameen Phone	22,693,501	19,734,000	2,959,501
Hwa Well Textile (BD) Ltd.	3,919,345	3,570,800	348,545
Heidelberg Cement Bd. Ltd.	1,403,380	1,405,250	(1,870)
ICB1STNRB MF	321,572	323,510	(1,938)
ICB AMCL 3rd NRB M	431,884	410,000	21,884
ICB Second NRB MF	1,909,675	1,400,000	509,675
IFIC Bank	1,490,736	1,484,000	6,736
Islami Bank Limited	2,929,718	2,780,000	149,718
International Leasing	927,284	910,000	17,284
Jamuna Oil	3,881,916	3,130,532	751,384
Karnafuli Insurance	544,144	531,000	13,144
Keya Cosmetics	689,030	465,600	223,430
KPCL	17,281,719	17,601,500	(319,781)
Lanka Bangla	1,704,844	1,740,000	(35,156)
Lafarge Surma Cement	11,572,511	7,609,200	3,963,311
LINDE BD Limited	4,210,309	4,035,628	174,681

## NOTES TO THE FINANCIAL STATEMENTS

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
Mercantile bank	197,719	197,554	165
Mercantile Insurance Ltd.	411,268	418,849	(7,581)
Mobil Jamuna	4,792,930	4,243,500	549,430
Matin Spinning Mills Limited	4,240,420	4,070,000	170,420
MBL1STMF	526,050	627,000	(100,950)
Megna Petroleum	3,013,533	2,289,000	724,533
MTBL	15,856	17,258	(1,402)
NCC Bank	1,027,050	910,000	117,050
NLI1STMF	10,000,100	10,670,000	(669,900)
Northern General Insurance Company Ltd.	445,489	306,000	139,489
One Bank	5,597,589	5,756,151	(158,562)
Orion Pharma Ltd.	5,618,409	5,520,000	98,409
Olympic	9,787,790	11,016,000	(1,228,210)
Padma Oil	292,764	204,094	88,670
Peoples Insurance	158,001	160,000	(1,999)
PENINSULA	3,686,965	2,671,200	1,015,765
Premier Leasing & Finance Ltd.	44,656	41,500	3,156
Premier Cement Mills Limited	20,741	19,200	1,541
Prime Finance	982,622	741,000	241,622
Prime Textile	1,593,433	1,344,000	249,433
Progressive Life Insurance Co. Ltd.	234,904	213,123	21,781
Popular 1ST MF	837,656	840,000	(2,344)
Phoenix Finance	979,470	836,000	143,470
PHP1STMF	827,334	820,000	7,334
Reneta Limited	4,828,771	4,932,400	(103,629)
R N Spining	447,762	442,000	5,762
RAK Ceramics Ltd.	7,616,938	7,024,500	592,438
SIMTEX	239,478	220,000	19,478
SEBL 1st MF	10,655,128	10,856,000	(200,872)
Saiham Cotton	638,299	652,964	(14,665)
SAIHAMTEX	3,352,372	2,404,304	948,068
SAIFPOWER	1,567,920	1,529,720	38,200
SAPORTL	555,652	603,000	(47,348)
Shahjalal Bank	2,583,116	3,105,000	(521,884)
Standard Bank	4,639,939	4,398,042	241,897
Square Pharma	21,796,549	21,564,500	232,049
Square Textile	11,212,111	10,570,000	642,111
Shasha Denims Ltd.	4,141,675	4,110,000	31,675
Summit Power	10,392,013	10,457,853	(65,840)
Summit Purbanchal Power Com. Ltd.	2,497,941	2,484,000	13,941
Titas Gas	8,130,165	5,451,000	2,679,165
UCBL	4,538,158	4,260,000	278,158
United Power Generation	10,035,078	9,113,000	922,078
Uttara Finance	1,326,941	1,358,923	(31,982)
Uttara Bank	1,269,076	1,362,000	(92,924)
Western Marine Shipyard Limited	1,782,758	1,104,000	678,758
<b>Total:</b>	<b>341,476,530</b>	<b>310,713,663</b>	<b>30,762,867</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>6.3</b>	<b>Maturity grouping of Investments</b>		
	On demand	52,600,000	24,497,778
	Less than 3 months	501,600,000	23,690,833
	More than 3 months but less than 1 year	951,600,000	13,997,778
	More than 1 year but less than 5 years	78,857,867	97,297,778
	Above 5 years	-	33,594,063
	<b>Total</b>	<b>1,584,657,867</b>	<b>193,078,230</b>
<b>6.a</b>	<b>Consolidated Investments</b>		
	IIDFCL	1,584,657,867	251,834,240
	IIDFC Securities Limited (Note - 6.a.1)	318,099,173	178,163,843
	IIDFC Capital Limited	-	-
	<b>Total</b>	<b>1,902,757,040</b>	<b>429,998,083</b>
<b>6.a.1</b>	<b>Investment of IIDFC Securities Limited</b>		
	<b>Quoted :</b>		
	AB Bank Limited	665,817	1,082,961
	ACI Formulations Limited	10,646,602	1,600,170
	ACI Limited	4,977,766	-
	Active Fine Chemicals Limited	5,107,989	-
	AFC Agro Biotech Limited	-	580,800
	Agni Systems Limited	833,143	-
	Agricultural Marketing Company Ltd.	2,740,322	1,600,470
	Aims First Guranteed Mutual Fund	4,852,200	-
	Al-Arafah Islami Bank Ltd.	771,000	-
	Argon Denims Limited	-	1,802,480
	Asia Insurance Limited	1,795,118	1,785,484
	Asian Tiger Sandhani Life Growth Fund	545,211	-
	Bangladesh General Insurance Company Ltd.	761,286	817,199
	Bangladesh Steel Re-Rolling Mills Limited	639,200	-
	Bank Asia Limited	-	8,708,596
	Bangladesh Building System Ltd	1,392,628	339,611
	Bangladesh Submarine Cable Company Ltd	2,198,987	1,708,793
	Barakatullah Electro Dynamics Limited	-	199,000
	Bengal Windsor Thermoplastices Limited	2,125,650	668,453
	Bangladesh Export Import Company Limited	310,000	1,045
	Beximco Pharmaceuticals Ltd.	2,581,436	691,650
	Central Insurance Company Ltd.	1,192,740	1,192,740
	Deshbandhu Polymer Ltd.	1,312,500	-
	Dhaka Bank Limited	7,413,022	11,690,071
	Dhaka Electric Supply Co. Ltd.	5,992,318	976,100
	Dutch-Bangla Bank Limited	699,444	699,444
	Eastern Insurance Co.Ltd.	660,026	661,200
	Eastland Insurance Company Ltd.	1,780,197	1,766,584
	Emerald Oil Industries Limited	-	350,150
	Envoy Textiles Limited	791,829	452,736
	Export Import (EXIM) Bank of Bangladesh	-	209
	Fareast Islami Life Insurance Co. Ltd	11,679,282	12,247,029
	GBB Power Limited	1,313,693	1,307,000
	Global Heavy Chemical Limited	2,421,049	2,286,775
	Golden Harvest Agro Industries Limited	908,266	2,146,770
	Golden Son Limited	-	19,432
	Grameen Mutual Fund One	3,054,788	-
	Grameenphone Limited	27,801,845	9,288,716
	Heidelberg Cement Bangladesh Ltd.	10,996,979	-
	Hwa Well Textiles (BD) Limited	727,367	-
	H.R Textile Mills Limited	-	1,059,620
	IDLC Finance Limited	1,185,589	544,208
	ICB AMCL 2nd NRB Mutual Fund	-	708,052
	ICB Second NRB Mutual Fund	656,956	-
	IFIC Bank First Mutual Fund	-	4,608

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
International Leasing and Financial Services Limited	300,950	300,950
Islami Bank Bangladesh Limited	5,063,290	-
Islami Insurance Bangladesh Limited	1,019,141	1,019,140
Islamic Finance and Investment Limited	790,000	-
Jamuna Oil Company Limited	1,916,500	-
Karnafuli Insurance Co.Limited	3,205,460	3,205,460
Khulna Power Company Limited	1,840,421	2,823,552
Lafarge Surma Cement Limited	4,860,789	1,824,120
LankaBangla Finance Limited	9,658,169	-
Linde Bangladesh Limited	3,774,940	-
Malek Spinning mills Ltd	406,000	-
Matin Spinning Mills Ltd	4,617,360	-
Meghna Cement Mills Limited	2,372,801	1,487,660
Meghna Petroleum Limited	8,974,705	6,527,481
Mercantile Bank Limited	-	373,406
MJL Bangladesh Limited	4,978,703	2,466,327
Mutual Trust Bank Limited	985,000	466,856
N C C Bank Limited	1,940,471	3,198,603
National Bank Limited	3,851,045	4,851,629
NLI First Mutual Fund	747,547	-
One Bank Limited	6,496,918	12,323,115
Paramount Insurance Company Limited	-	63,400
Padma Oil Company Limited	693,680	-
Peoples Leasing & Financial Services Ltd	532,400	525,300
People's Insurance Company Limited	-	61,975
Pharma Aids Limited	-	616,405
Phoenix Finance and Investments Limited	385,518	461,850
PHP First Mutual Fund	399,130	399,130
Pioneer Insurance Co Limited	18,071,822	-
Popular Life First Mutual Fund	240,000	-
Popular life insurance Company Limited	65,560	-
Pragati Insurance Limited.	675,364	675,364
Pragati Life Insurance Limited	3,268,406	3,675,185
Prime Bank Limited	260,690	455,029
Premier Leasing & Finance Limited	-	216,550
Prime Finance 1st Mutual Fund	129,500	129,500
Prime Islami Life Insurance Limited	8,657,544	8,657,544
Pubali Bank Limited	-	2,330
Purabi General Insurance Co Limited	-	8,090
RAK Ceramics(BD) Ltd	8,757,037	1,289,500
Ratanpur Steel Re-Rolling Mills Limited	4,700,147	271,651
Reliance Insurance Limited	2,527,055	2,527,055
Renwick Jajneswar & Company Limited	278,492	-
Rupali Insurance Company Limited	487,412	487,412
Rupali Life Insurance Company Limited	1,317,966	1,548,405
S. Alam Cold Rolled Steels Limited	157,681	638,628
Shahjalal Islami Bank Limited	1,853,917	4,563
Shahjibazar Power Co. Ltd	1,419,500	-
Social Investment Bank Limited	443,550	2,656,320
Southeast Bank Limited	1,328,308	-
Square Textiles Limited	2,525,946	565,287
Square Pharmaceuticals Limited	-	4,400,905
Standard Bank Limited	3,290,812	2,362,278
Summit Alliance Port Limited	3,156,379	-
Summit Power Limited	2,447,891	692,601
Summit Purbanchol Power Co. Limited	4,823,494	-
Takaful Islami Insurance Limited	672,023	697,501
The City Bank Limited	1,211,950	1,360,673
The Premier Bank Limited	-	540,300

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
Titas Gas Transmission and Dist Company Limited	5,843,400	-
Trust Bank Limited	3,681,960	236,600
United Commercial Bank Limited	1,580,411	-
United Finance Limited	1,529,022	-
United Power Generation & Dist Company Limited	768,103	-
Uttara Bank Limited	9,129,228	3,219,637
Uttara Finance and Investment Limited	595,000	-
<b>Sub-Total</b>	<b>289,238,753</b>	<b>149,303,423</b>
Un-quoted :		
Dhaka Stock Exchange Limited (40% Un-quoted)	28,860,420	28,860,420
<b>Sub-Total</b>	<b>28,860,420</b>	<b>28,860,420</b>
<b>Total</b>	<b>318,099,173</b>	<b>178,163,843</b>

In pursuance to section 3.1.4 of the scheme of demutualisation of Dhaka Stock Exchange Ltd (DSE), 7,215,106 ordinary shares of BDT 10 each were allotted by DSE in favour of IIDFC Securities Limited. Out of total shares allotted, 2,886,042 ordinary shares of BDT 28,860,420 being 40% of total ordinary shares allotted were issued and credited to BO account of IIDFC Securities Limited for BDT 28,860,420 and value of cost of DSE membership has been adjusted to that extent. The remaining 4,329,064 shares being 60% ordinary shares of BDT 43,290,640 were credited to the "DSE Demutualisation Blocked Account" maintained by DSE. As per that aforesaid scheme, these 60% shares will be off-loaded in the following manner:

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

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

### Market price of Investmentst as on 31 December, 2015:

Details of Investment in quoted	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
AB Bank Limited	665,817	627,000	38,817
ACI Formulation Limited	10,646,602	8,650,320	1,996,282
ACI Limited	4,977,766	4,773,600	204,166
Active Fine Chemicals Limited	5,107,989	4,833,200	274,789
Agni Systems Limited	833,143	706,200	126,943
Agricultural Marketing Company Ltd.	2,740,322	2,450,400	289,922
Aims First Guaranteed Mutual Fund	4,852,200	4,334,000	518,200
Al-Arafah Islami Bank Ltd.	771,000	735,000	36,000
Asia Insurance Limited	1,795,118	722,780	1,072,338
Asian Tiger Sandhani Life Growth Fund	545,211	554,400	(9,189)
Bangladesh General Insurance Company Ltd.	761,286	356,900	404,386
Bangladesh Steel Re-Rolling Mills Limited	639,200	658,000	(18,800)
Bangladesh Building System Ltd	1,392,628	1,260,000	132,628
Bangladesh Submarine Cable Company Ltd	2,198,987	1,545,830	653,157
Bengal Windsor Thermoplastics Limited	2,125,650	1,725,900	399,750
Bangladesh Export Import Company Limited	310,000	290,000	20,000
Beximco Pharmaceuticals Ltd.	2,581,436	2,943,500	(362,064)
Central Insurance Company Ltd.	1,192,740	562,815	629,925
Deshbandhu Polymer Ltd.	1,312,500	817,500	495,000
Dhaka Bank Limited	7,413,022	5,807,186	1,605,836
Dhaka Electric Supply Co. Ltd.	5,992,318	4,514,370	1,477,948
Dutch-Bangla Bank Limited	699,444	645,600	53,844
Eastern Insurance Co.Ltd.	660,026	364,940	295,086
Eastland Insurance Company Ltd.	1,780,197	1,012,389	767,808
Envoy Textiles Limited	791,829	659,925	131,904
Fareast Islami Life Insurance Co. Ltd	11,679,282	7,190,625	4,488,657

## NOTES TO THE FINANCIAL STATEMENTS

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
GBB Power Limited	1,313,693	862,747	450,946
Global Heavy Chemical Limited	2,421,049	1,840,000	581,049
Golden Harvest Agro Industries Limited	908,266	629,750	278,516
Grameen Mutual Fund One	3,054,788	2,697,000	357,788
Grameenphone Limited	27,801,845	20,834,297	6,967,548
Heidelberg Cement Bangladesh Ltd.	10,996,979	10,117,800	879,179
Hwa Well Textiles (BD) Limited	727,367	679,716	47,651
IDLC Finance Limited	1,185,589	1,239,246	(53,657)
ICB Second NRB Mutual Fund	656,956	360,000	296,956
International Leasing and Financial Services Limited	300,950	91,000	209,950
Islami Bank Bangladesh Limited	5,063,290	4,726,000	337,290
Islami Insurance Bangladesh Limited	1,019,141	619,947	399,194
Islamic Finance and Investment Limited	790,000	775,000	15,000
Jamuna Oil Company Limited	1,916,500	1,571,000	345,500
Karnafuli Insurance Co.Limited	3,205,460	975,707	2,229,753
Khulna Power Company Limited	1,840,421	1,872,500	(32,079)
Lafarge Surma Cement Limited	4,860,789	2,984,000	1,876,789
LankaBangla Finance Limited	9,658,169	9,570,000	88,169
Linde Bangladesh Limited	3,774,940	3,385,602	389,338
Malek Spinning mills Ltd	406,000	314,000	92,000
Matin Spinning Mills Ltd	4,617,360	4,783,268	(165,908)
Meghna Cement Mills Limited	2,372,801	2,023,510	349,291
Meghna Petroleum Limited	8,974,705	5,794,985	3,179,720
MJL Bangladesh Limited	4,978,703	4,243,500	735,203
Mutual Trust Bank Limited	985,000	975,000	10,000
N C C Bank Limited	1,940,471	1,159,795	780,676
National Bank Limited	3,851,045	1,989,830	1,861,215
NLI First Mutual Fund	747,547	776,000	(28,453)
One Bank Limited	6,496,918	6,008,907	488,011
Padma Oil Company Limited	693,680	534,180	159,500
Peoples Leasing & Financial Services Ltd	532,400	294,151	238,249
Phoenix Finance and Investments Limited	385,518	209,000	176,517
PHP First Mutual Fund	399,130	277,193	121,937
Pioneer Insurance Co Limited	18,071,822	17,169,116	902,706
Popular Life First Mutual Fund	240,000	210,000	30,000
Popular life insurance Company Limited	65,560	53,830	11,730
Pragati Insurance Limited.	675,364	287,531	387,833
Pragati Life Insurance Limited	3,268,406	1,965,253	1,303,153
Prime Bank Limited	260,690	237,110	23,580
Prime Finance 1st Mutual Fund	129,500	52,500	77,000
Prime Islami Life Insurance Limited	8,657,544	2,880,926	5,776,618
RAK Ceramics(BD) Ltd	8,757,037	8,028,000	729,037
Ratanpur Steel Re-Rolling Mills Limited	4,700,147	4,089,600	610,547
Reliance Insurance Limited	2,527,055	1,995,917	531,138
Renwick Jajneswar & Company Limited	278,492	232,370	46,122
Rupali Insurance Company Limited	487,412	258,435	228,977
Rupali Life Insurance Company Limited	1,317,966	939,600	378,366
S. Alam Cold Rolled Steels Limited	157,681	119,600	38,081
Shahjalal Islami Bank Limited	1,853,917	1,930,500	(76,583)
Shahjibazar Power Co. Ltd	1,419,500	1,262,780	156,720
Social Investment Bank Limited	443,550	453,600	(10,050)

## NOTES TO THE FINANCIAL STATEMENTS

	Cost Price	Market Price	Prov. Required
	A	B	C=A-B
Southeast Bank Limited	1,328,308	1,320,000	8,308
Square Textiles Limited	2,525,946	2,241,218	284,728
Standard Bank Limited	3,290,812	2,295,400	995,412
Summit Alliance Port Limited	3,156,379	3,195,900	(39,521)
Summit Power Limited	2,447,891	2,501,100	(53,209)
Summit Purbanchol Power Co. Limited	4,823,494	4,692,000	131,494
Takaful Islami Insurance Limited	672,023	411,480	260,543
The City Bank Limited	1,211,950	1,224,000	(12,050)
Titas Gas Transmission and Dist Company Limited	5,843,400	3,886,800	1,956,600
Trust Bank Limited	3,681,960	3,856,000	(174,040)
United Commercial Bank Limited	1,580,411	1,597,500	(17,089)
United Finance Limited	1,529,022	1,560,000	(30,978)
United Power Generation & Dist Company Limited	768,103	701,000	67,103
Uttara Bank Limited	9,129,228	7,969,289	1,159,939
Uttara Finance and Investment Limited	595,000	609,000	(14,000)
<b>Sub-Total</b>	<b>289,238,753</b>	<b>234,184,366</b>	<b>55,054,387</b>
<b>Un-quoted :</b>			
Dhaka Stock Exchange Limited (Un-quoted)	28,860,420	28,860,420	-
	<b>318,099,173</b>	<b>263,044,786</b>	<b>55,054,387</b>

Reserve for unrealised loss on investment in securities of BDT 38,739,088 has been made which is equivalent to 70% of diminution in value of investment of BDT 55,054,392 as on 31 December 2015. As per BSEC's directive no. SEC/CMRRC/2009-193/181 dated 08 December 2015, minimum requirement of making such provision is @ 20% of total required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

IAS 1.77

7

### Loans & Advances

#### Inside Bangladesh:

	Percentage	Amount in Taka	
		31-Dec-2015	31-Dec-2014
Gross Lease Receivables		2,951,475,869	2,989,719,491
Less: Unearned Lease Income		506,857,462	525,738,205
<b>Net Lease Receivables</b>	<b>22.44%</b>	<b>2,444,618,407</b>	<b>2,463,981,286</b>
Advance for Lease Finance	0.77%	83,740,331	60,051,877
Direct/ Term Finance	75.58%	8,232,924,936	7,314,526,239
Secured Overdraft	0.42%	45,853,258	71,556,061
Bills Discounted and Purchased (Note-7.8)	0.79%	86,442,761	81,302,218
<b>Sub Total</b>	<b>100.00%</b>	<b>10,893,579,693</b>	<b>9,991,417,681</b>
<b>Outside Bangladesh:</b>			
Gross Lease Receivables		-	-
Less: Unearned Lease Income		-	-
Net Investment		-	-
Advance for Lease Finance		-	-
Direct/ Term Finance		-	-
Secured Overdraft		-	-
Factoring Finance		-	-
Margin Loan		-	-
<b>Sub Total</b>		-	-
<b>Total</b>	<b>100.00%</b>	<b>10,893,579,693</b>	<b>9,991,417,681</b>



## NOTES TO THE FINANCIAL STATEMENTS

		Percentage	Amount in Taka	
			31-Dec-2015	31-Dec-2014
7.1	<b>Details of Loans &amp; Advances</b>			
	<b>Lease Finance</b>			
	Corporate Clients	16.84%	1,834,368,914	1,899,895,633
	Small & Medium Enterprises (SME)	6.37%	693,989,824	564,085,653
	<b>Sub Total</b>	<b>23.21%</b>	<b>2,528,358,738</b>	<b>2,463,981,286</b>
	<b>Direct / term finance</b>			
	Syndication Finance	0.93%	101,258,515	148,824,251
	Corporate clients	55.86%	6,085,598,998	5,647,172,223
	Small & Medium Enterprises (SME)	14.72%	1,603,859,148	1,244,099,165
	Home Loan	3.89%	423,230,443	319,855,208
Bills Discounted and Purchased	0.79%	86,442,761	81,302,218	
Secured Overdraft	0.42%	45,853,258	71,556,061	
Employee Loan	0.17%	18,977,832	14,627,269	
<b>Sub Total</b>	<b>76.79%</b>	<b>8,365,220,955</b>	<b>7,527,436,395</b>	
<b>Grand Total</b>	<b>100%</b>	<b>10,893,579,693</b>	<b>9,991,417,681</b>	
IAS 1.61	7.2	<b>Maturity grouping of loans &amp; advances</b>		
On demand			1,338,300,000	1,377,498,762
Less than 3 months			2,751,500,000	2,042,339,488
More than 3 months but less than 1 year			2,143,200,000	2,279,625,404
More than 1 year but less than 5 years			2,799,000,000	2,753,096,838
Above 5 years			1,861,579,693	1,538,857,189
<b>Total</b>		<b>10,893,579,693</b>	<b>9,991,417,681</b>	
IFRS 8.20	7.3	<b>Sector/ Industry-wise Loans &amp; Advances</b>		
Agricultural sector		2.22%	242,022,238	168,823,842
Industrial sector:				
Textiles		7.37%	802,734,597	955,795,300
Garments		14.05%	1,531,005,825	1,516,340,475
Jutes & jute related goods		1.17%	127,851,393	100,283,099
Food items producer/processing industry		2.27%	247,164,017	354,110,414
Plastic industries		1.72%	187,032,675	187,964,551
Lather and lather goods		0.15%	16,081,542	318,407,976
Iron, steel and engineering		5.81%	632,725,332	369,218,163
Chemicals and pharmaceuticals		1.99%	216,406,581	309,743,394
Cement/ clinker and allied industries		0.15%	16,647,119	242,094,993
Service sector (Hotel, hospital, clinic, tourism, etc.)		5.76%	626,986,747	306,419,914
Paper, printing and packaging		3.44%	374,276,005	387,317,645
Telecommunication and IT industries		6.19%	674,084,029	507,235,829
Glass and ceramic industries		2.48%	270,096,090	19,894,865
Shipping and ship building industries		4.46%	485,855,080	336,655,274
Electronics and electrical goods		1.49%	162,106,122	167,999,187
Power, gas, water and sanitary		3.68%	400,909,886	596,028,015
Transport and communication		1.77%	192,378,115	468,740,896
Real estate and housing	7.11%	774,407,987	575,432,065	
Merchant banking	6.06%	659,840,416	999,744,932	
Others	20.68%	2,252,967,897	1,103,166,852	
<b>Total</b>	<b>100.00%</b>	<b>10,893,579,693</b>	<b>9,991,417,681</b>	

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
IFRS 8.20	<b>7.4 Geographical Location-wise Loans &amp; Advances</b>		
	<b>Inside Bangladesh</b>		
	Dhaka Division	71.63%	7,803,273,819
	Chittagong Division	25.01%	2,724,724,890
	Barishal Division	0.97%	105,268,135
	Rajshahi Division	0.20%	21,770,566
	Rangpur Division	0.10%	11,360,646
	Sylhet Division	1.84%	200,173,334
	Mymensingh Division	0.18%	20,088,887
	Khulna Division	0.06%	6,919,416
	<b>Sub Total</b>	<b>100.00%</b>	<b>10,893,579,693</b>
	<b>Outside Bangladesh</b>	-	-
	<b>Total</b>	<b>100.00%</b>	<b>10,893,579,693</b>
IAS1.77	<b>7.5 Classification of Loans &amp; advances as per Bangladesh Bank circular</b>		
	<b>Unclassified</b>	<b>31-Dec-2015</b>	<b>31-Dec-2014</b>
	Standard	93.79%	86.45%
	Special Mention Account (SMA)	1.43%	8.27%
	<b>Sub Total</b>	<b>95.21%</b>	<b>94.73%</b>
	<b>Classified</b>	<b>31-Dec-2015</b>	<b>31-Dec-2014</b>
	Sub-standard (SS)	1.03%	0.65%
	Doubtful (DF)	1.49%	0.96%
	Bad/ Loss (BL)	2.27%	3.67%
	<b>Sub Total</b>	<b>4.79%</b>	<b>5.27%</b>
	<b>Total</b>	<b>100%</b>	<b>100%</b>
	<b>7.6 Details of Large Loans &amp; Advances</b>		
	As per DFIM circular No.-10, dated 5 September, 2011, Outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances. Total capital of the company was Tk 1,564,400,806 as on 31 December, 2015 whereas Tk 1,553,767,882 as on 31 December, 2014.		
	Number of Clients	9	7
	Outstanding Amount	2,911,764,251	1,564,193,035
	Classified Amount	-	-
	Measures taken for recovery	-	-
IAS 1.77	<b>7.7 Particulars of Loans &amp; Advances</b>		
	1. Loans & advances considered good in respect of which the company is fully secured	4,621,166,752	4,401,219,557
	2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	4,888,426,609	3,788,435,017
	3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	777,948,338	805,440,328
	4. Loans & advances adversely classified for which provision has not been maintained	-	-

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	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	606,037,994	996,322,779
	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	34,850,000	73,789,162
	b. Amount of loans & advances written off	-	-
	c. Amount of collection against written of loans & advances	3,000,000	-
	d. Interest credited to interest suspense account	(32,900,000)	16,203,798
	11. Loans & advances written off:		
	a. Current year	-	-
	b. Cumulative to date	88,403,101	88,403,101
	c. Amount of written off loans for which law suits have been filed	88,403,101	88,403,101
IFRS 7.8©	<b>7.8 Bills Discounted and Purchased</b>		
	Inside Bangladesh	86,442,761	81,302,218
	Outside Bangladesh	-	-
	<b>Total</b>	<b>86,442,761</b>	<b>81,302,218</b>
IAS 1.61	<b>7.9 Maturity grouping of Bills Discounted and Purchased</b>		
	Within 1 month	1,056,257	2,462,752
	Over 1 month but within 3 months	29,408,706	38,024,563
	Over 3 months but within 6 months	20,539,461	24,546,589
	Over 6 months	35,438,338	16,268,314
	<b>Total</b>	<b>86,442,761</b>	<b>81,302,218</b>
	<b>7.a Consolidated Loans &amp; Advances</b>		
	IIDFCL	10,893,579,693	9,991,417,681
	IIDFC Securities Limited ( Note-7.a.1)	1,844,253,510	2,333,522,268
	IIDFC Capital Limited (Note-7.a.2)	863,593,391	884,982,523
		<b>13,601,426,594</b>	<b>13,209,922,472</b>
	Less: Inter Company Loans & Advances		
	IIDFC Securities Limited	587,101,422	-
	IIDFC Capital Limited	47,931,530	991,065,545
	<b>Total</b>	<b>12,966,393,642</b>	<b>12,218,856,927</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
7.a.1	<b>Loans &amp; Advance of IIDFC Securities Limited</b>		
	Margin Loan	1,844,253,510	2,333,522,268
7.a.2	<b>Loans &amp; Advance of IIDFC Capital Limited</b>		
	Margin loan	863,593,391	884,982,523
IAS 16.31	<b>8 Property, Plant &amp; Equipment (Details in Annexure-1)</b>		
	<b>Own Finance</b>		
	<b>A. Cost</b>		
	Motor Vehicles	21,965,652	18,374,242
	Furniture & Fixtures	10,462,789	10,822,883
	Office Equipments	30,582,242	29,397,367
	<b>Total</b>	<b>63,010,683</b>	<b>58,594,492</b>
	<b>B. Less: Accumulated Depreciation</b>		
	Motor Vehicles	17,378,536	14,135,982
	Furniture & Fixtures	6,637,932	5,941,321
	Office Equipments	25,333,980	22,296,144
	<b>Total</b>	<b>49,350,448</b>	<b>42,373,447</b>
	<b>C. Written Down Value at the end of the year (A-B)</b>	<b>13,660,235</b>	<b>16,221,045</b>
	<b>Lease Finance</b>		
	<b>D. Cost</b>		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	<b>E. Less: Accumulated Depreciation</b>		
	Furniture & Fixtures	-	-
	Office Equipments	-	-
	Motor Vehicles	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
	<b>F. Written Down value at the end of the year (D-E)</b>	<b>-</b>	<b>-</b>
	<b>G. Total Property, Plant &amp; Equipment (C+F)</b>	<b>13,660,235</b>	<b>16,221,045</b>
8.1	<b>Intangible asset - computer software (Details in Annexure-1)</b>		
	Cost	7,711,026	4,928,026
	Less: Accumulated amortisation	3,682,126	2,565,081
	<b>Net book value at the end of the year</b>	<b>4,028,900</b>	<b>2,362,945</b>
8.a	<b>Consolidated property, plant &amp; equipment (Details in Annexure-1.a)</b>		
	IIDFCL	13,660,235	16,221,045
	IIDFC Securities Limited (Note-8.a.1)	8,389,326	15,948,912
	IIDFC Capital Limited (Note-8.a.2)	381,674	2,834,753
	<b>Total</b>	<b>22,431,235</b>	<b>35,004,710</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>8.a.1</b>	<b>Property, plant &amp; equipment of IIDFC Securities Limited</b>		
	<b>A. Cost</b>		
	Motor vehicles	-	-
	Furniture & fixtures	12,646,800	17,616,182
	Office equipments	15,724,298	17,626,818
	<b>Total</b>	<b>28,371,098</b>	<b>35,243,000</b>
	<b>B. Less: Accumulated depreciation</b>		
	Motor vehicles	-	-
	Furniture & fixtures	6,277,001	6,977,948
	Office equipments	13,704,771	12,316,140
	<b>Total</b>	<b>19,981,772</b>	<b>19,294,088</b>
	<b>C. Written down value at the end of the year (A-B)</b>	<b>8,389,326</b>	<b>15,948,912</b>
<b>8.a.2</b>	<b>Property, plant &amp; equipment of IIDFC Capital Limited</b>		
	<b>A. Cost</b>		
	Motor vehicles	1,250,000	1,250,000
	Furniture & fixtures	819,914	3,599,374
	Office equipments	3,125,091	4,947,056
	<b>Total</b>	<b>5,195,005</b>	<b>9,796,430</b>
	<b>B. Less: Accumulated depreciation</b>		
	Motor vehicles	1,249,994	1,249,994
	Furniture & fixtures	438,247	1,563,941
	Office equipments	3,125,090	4,147,742
	<b>Total</b>	<b>4,813,331</b>	<b>6,961,677</b>
	<b>C. Written down value at the end of the year (A-B)</b>	<b>381,674</b>	<b>2,834,753</b>
<b>8.1.a</b>	<b>Consolidated intangible asset (Details in Annexure-1.a)</b>		
	IIDFCL	4,028,900	2,362,945
	IIDFC Securities Limited	354,778	654,808
	IIDFC Capital Limited	150,000	420,000
	<b>Total</b>	<b>4,533,678</b>	<b>3,437,753</b>
IAS 1.77	<b>9 Other assets</b>		
	Investment in shares of subsidiary companies:		
	In Bangladesh	1,599,862,970	1,305,800,000
	Outside Bangladesh	-	-
	Advance rent and advertisement	453,344	237,380
	Interest accrued on investment but not collected, commission on shares and debentures and other income receivables	5,466,852	8,209,302
	Security deposits	4,386,840	28,200
	Prepaid expenses	2,563,048	2,035,879
	Balance with BO account	5,287,042	14,367
	Others ( <b>Note 9.1</b> )	530,290,886	779,893,699
	<b>Total</b>	<b>2,148,310,982</b>	<b>2,096,218,827</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
IAS 1.78(b)	<b>9.1 Others</b>		
	Interest Accrual Receivable	96,938,393	44,335,946
	Advance for syndication purposes	-	438,000
	Deferred Tax	8,382,872	8,954,098
	Advance for suppliers	6,295,255	6,323,064
	Advance tax	408,849,490	385,809,175
	Expenses receivables	-	8,540
	Commission on bank guarantee	324,876	324,876
	Advance interest paid	9,500,000	39,500,000
	Current Account with IIDFC Capital Ltd.	-	294,200,000
	Receivables from IIDFC Securities Ltd.	-	-
	<b>Total</b>	<b>530,290,886</b>	<b>779,893,699</b>
	<b>9.a Consolidated other assets</b>		
	IIDFCL	2,148,310,982	2,096,218,827
IIDFC Securities Limited (Note-9.a.1)	210,029,523	203,090,590	
IIDFC Capital Limited (Note-9.a.2)	72,661,499	100,143,720	
	<b>2,431,002,004</b>	<b>2,399,453,137</b>	
<b>Less: Inter company assets</b>			
IIDFC Securities Limited	999,874,970	-	
IIDFC Capital Limited	599,988,000	1,624,421,287	
<b>Total</b>	<b>831,139,034</b>	<b>775,031,850</b>	
<b>9.a.1 Other assets of IIDFC Securities Limited</b>			
Cost of TREC holding	124,258,580	124,258,580	
Advance rent	1,303,125	1,520,625	
Stamp in hand	3,280	23,594	
Security deposits	361,856	577,820	
Advance tax	71,944,217	64,319,439	
Others	12,158,465	12,390,532	
<b>Total</b>	<b>210,029,523</b>	<b>203,090,590</b>	
<b>9.a.2 Other assets of IIDFC Capital Limited</b>			
License fee	30,196,209	30,196,209	
Security deposits	200,000	200,000	
Advance tax	40,434,648	40,385,011	
Others	1,830,642	29,362,500	
<b>Total</b>	<b>72,661,499</b>	<b>100,143,720</b>	
IFRS 7.7	<b>10 Borrowings from other Banks, Financial Institutions &amp; Agents</b>		
	<b>Inside Bangladesh:</b>		
	Refinance against SME loan from Bangladesh Bank	432,351,159	432,351,159
	From other scheduled Banks (Note - 10.1)	2,962,267,030	2,857,296,996
	<b>Sub Total</b>	<b>3,384,524,860</b>	<b>3,289,648,155</b>
	<b>Outside Bangladesh</b>	-	-
	<b>Total</b>	<b>3,384,524,860</b>	<b>3,289,648,155</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 10.1 From other scheduled Banks & Financial Institutions

#### Long term loan

Bank Asia Ltd.
Eastern Bank Ltd.
Janata Bank Ltd.
Trust Bank Ltd.
Uttara Bank Ltd.
Shahjalal Islami Bank Ltd.
Bank Alfalah Ltd
National Credit and Commerce Bank Ltd.
Commercial Bank of Ceylon Plc
Mutual Trust Bank Ltd.
Premier Bank Ltd.
Social Islami Bank Ltd.
Dutch Bangla Bank Ltd.
The UAE Bangladesh

#### Sub-Total

#### Overdraft and money at call short notice

Bank Alfalah Ltd.
BRAC Bank Ltd.
AB Bank Limited
Dhaka Bank Limited
Mercantile Bank Ltd.
ICB Islamic Bank Limited
Mutual Trust Bank Limited
NRB Bank Limited
NRB Commercial Bank Ltd.
Dutch bangla Bank Ltd
United Commercial Bank Limited
Basic Bank Ltd.
South Bangla Agreeculture & Commerce Bank Ltd.
Standard Bank Ltd
Premier Bank Ltd.
Prime Bank Ltd.
Janata Bank Ltd.
Pubali Bank
Megna Bank Limited
Eastern Bank Ltd.
Southeast Bank Ltd.
Jamuna Bank Ltd.

#### Sub-Total

#### Grand Total

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

Secured
Unsecured

#### Total

Amount in Taka	
31-Dec-2015	31-Dec-2014
-	44,993,219
70,000,000	-
91,666,667	-
-	129,019,296
87,354,704	215,463,831
94,028,464	354,943,292
29,166,665	45,833,337
165,753,952	9,139,262
-	58,254,622
160,427,172	168,106,886
-	219,293,822
-	142,589,369
104,297,354	374,014,475
33,667,654	50,000,000
<b>836,362,632</b>	<b>1,811,651,410</b>
106,283,703	174,881,344
550,000,000	-
-	50,000,000
-	100,000,000
3,576	76,406
50,000,000	60,000,000
49,400,981	602,929
-	150,000,000
130,000,000	-
370,000,000	-
70,000,000	200,000,000
-	50,000,000
200,000,000	-
150,000,000	-
150,000,000	-
7,617	-
150,000,000	-
150,000,000	140,000,000
-	100,000,000
208,522	-
-	20,000,000
-	84,907
<b>2,125,904,398</b>	<b>1,045,645,586</b>
<b>2,962,267,030</b>	<b>2,857,296,996</b>
-	-
2,494,524,860	2,699,648,155
890,000,000	590,000,000
<b>3,384,524,860</b>	<b>3,289,648,155</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>Maturity grouping of borrowings from other banks, financial institutions and agents</b>		
	Payable on demand	890,000,000	263,655,782
	Up to 1 month	234,000,000	101,256,563
	Over 1 month but within 6 months	994,400,000	569,998,921
	Over 6 months but within 1 year	328,800,000	488,585,184
	Over 1 year but within 5 years	825,900,000	1,151,165,184
	Over 5 years	111,424,860	714,986,521
	<b>Total</b>	<b>3,384,524,860</b>	<b>3,289,648,155</b>
<b>10.a</b>	<b>Consolidated borrowings from other Banks, Financial Institutions &amp; Agents</b>		
	<b>Inside Bangladesh</b>		
	IIDFCL	3,384,524,860	3,289,648,155
	IIDFC Securities Limited (Note-10.a.1)	698,291,746	1,067,723,215
	IIDFC Capital Limited (Note-10.a.2)	90,598,915	130,081,095
		<b>4,173,415,521</b>	<b>4,487,452,465</b>
	<b>Less: Inter company borrowings</b>		
	IIDFC Securities Limited	587,101,422	-
	IIDFC Capital Limited	47,931,530	635,032,952
	<b>Total</b>	<b>3,538,382,569</b>	<b>3,496,386,920</b>
<b>10.a.1</b>	<b>Borrowings of IIDFC Securities Limited</b>		
	<b>Inside Bangladesh</b>		
	IIDFC Ltd.	587,101,422	900,099,910
	Investment Corporation of Bangladesh	111,190,324	167,623,305
	<b>Total</b>	<b>698,291,746</b>	<b>1,067,723,215</b>
<b>10.a.2</b>	<b>Borrowings of IIDFC Capital Limited</b>		
	IIDFC Ltd.	47,931,530	90,965,635
	Investment Corporation of Bangladesh (ICB)	42,667,385	39,115,460
	Standard Bank Ltd.	-	-
	<b>Total</b>	<b>90,598,915</b>	<b>130,081,095</b>
IFRS 7.7	<b>11 Deposits &amp; other accounts</b>		
	Deposits from banks and financial institutions (Note-11.1)	3,596,856,512	2,245,000,000
	Deposits from customers	5,716,187,991	4,830,456,291
	<b>Sub-Total</b>	<b>9,313,044,503</b>	<b>7,075,456,291</b>
	Other deposit	5,977,279	8,413,758
	<b>Grand Total</b>	<b>9,319,021,782</b>	<b>7,083,870,049</b>
<b>11.1</b>	<b>Deposits from banks and financial institutions</b>		
	Duch Bangla Bank Limited	-	500,000,000
	AB Bank Ltd.	250,000,000	-
	BRAC Bank Limited	160,000,000	350,000,000
	The City Bank Ltd.	150,000,000	-
	Jamuna Bank Limited	-	-
	ICB Islamic Bank Limited	-	300,000,000
	IFIC Bank Limited	150,000,000	150,000,000
	Janata Bank Limited	50,000,000	50,000,000
	Mercantile Bank Limited	21,856,512	20,000,000
	NRB Bank Limited	-	100,000,000
	NRB Commercial Bank Limited	-	50,000,000
	Prime Finance & Investment Ltd.	20,000,000	-



## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	Rupali bank Ltd.	100,000,000	-
	South Bangla Agriculture and Commerce Bank Ltd.	420,000,000	-
	Shahjalal Islami Bank Limited	405,000,000	165,000,000
	Social Islami Bank Limited	820,000,000	150,000,000
	Modhumoti Bank Ltd.	750,000,000	-
	Midland Bank Limited	-	200,000,000
	Mutual Trust Bank Limited	-	60,000,000
	United Commercial Bank Limited	300,000,000	150,000,000
	<b>Total</b>	<b>3,596,856,512</b>	<b>2,245,000,000</b>
IAS 1.61	<b>11.2 Maturity grouping of deposits &amp; other accounts</b>		
	Payable on demand	-	-
	Up to 1 month	94,400,000	1,003,110,512
	Over 1 month but within 6 months	2,387,800,000	1,487,353,634
	Over 6 months but within 1 year	2,948,800,000	2,109,345,045
	Over 1 year but within 5 years	2,509,600,000	1,507,610,421
	Over 5 years but within 10 years	1,378,421,782	976,450,437
	Over 10 years	-	-
	<b>Total</b>	<b>9,319,021,782</b>	<b>7,083,870,049</b>
	<b>11.a Consolidated Deposits &amp; Other Accounts</b>		
	IIDFCL	9,313,044,503	7,075,456,291
	IIDFC Securities Limited	-	-
	IIDFC Capital Limited (Note-11.a.1)	1,679,729	6,994,767
	<b>Sub Total</b>	<b>9,314,724,232</b>	<b>7,082,451,058</b>
	Other Deposit	5,977,279	8,413,758
	<b>Total</b>	<b>9,320,701,511</b>	<b>7,090,864,816</b>
	<b>11.a.1 Deposits &amp; Other Accounts of IIDFC Capital Limited</b>		
	Deposits from Banks	-	-
	Deposits from Customers	1,679,729	6,994,767
	<b>Total</b>	<b>1,679,729</b>	<b>6,994,767</b>
IAS 1.77	<b>12 Other Liabilities</b>		
	Finance loss reserve (Note 12.1)	415,535,313	386,289,163
	Deferred tax	797,182	356,827
	Interest suspense account (Note 12.2)	135,309,798	168,209,798
	Lease rental advance	29,210,415	28,185,705
	Provision for current tax (Note 37)	397,162,079	313,362,079
	Liabilities for financial expenses	294,560,242	320,127,657
	Liabilities for expenses	747,412	12,296,863
	Liabilities for other finance	74,985,413	100,967,631
	Obligation under finance lease	2,512,758	6,166,265
	<b>Total</b>	<b>1,350,820,612</b>	<b>1,335,961,989</b>
IAS 37.84	<b>12.1 Finance Loss Reserve</b>		
	<b>Movement of specific provision on Classified Loans &amp; Advances</b>		
	<b>Opening Balance</b>	236,483,080	205,188,119
	Less: Provision fully provided loans & advances written-off during the year	-	-
	Add: Recoveries from previously written-off loans & advances	3,000,000	-

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
Add: Specific provision provided during the year		73,125,478	53,546,280
Less: Recoveries & provision no longer required		(12,515,461)	(22,251,319)
Add: Net charge to profit and loss account		-	-
<b>Closing balance</b>		<b>300,093,097</b>	<b>236,483,080</b>
<b>Provision for diminution in value of Investments</b>			
<b>Opening Balance</b>		<b>36,366,717</b>	<b>17,271,511</b>
Add: Provision during the year		(5,603,850)	19,095,206
<b>Closing Balance</b>		<b>30,762,867</b>	<b>36,366,717</b>
<b>Movement of general provision on unclassified Loans &amp; Advances</b>			
<b>Opening balance</b>		<b>113,439,366</b>	<b>90,040,371</b>
Add: General provision provided during the year		(28,760,017)	1,147,677
Add: Provision transferred from specific provision		-	22,251,319
<b>Closing Balance</b>		<b>84,679,349</b>	<b>113,439,366</b>
<b>Total</b>		<b>415,535,313</b>	<b>386,289,163</b>
<b>Particulars of required provision for Loans and Advances</b>			
<b>Status of classification</b>	<b>Base for provision</b>	<b>Rate</b>	
<b>Unclassified (General provision)</b>			
Standard - other than SME	7,928,753,224	1.0%	79,287,532
Standard - SME	2,287,971,227	0.25%	5,719,928
Special mention account (SMA)	147,578,770	5.0%	7,378,939
<b>Total</b>	<b>8,076,331,994</b>		<b>92,386,399</b>
<b>Classified (Specific provision)</b>			
Sub-standard (SS)	52,730,765	20.0%	10,546,153
Doubtful (DF)	113,101,195	50.0%	56,550,598
Bad/ loss (BL)	226,895,573	100.0%	226,895,573
<b>Total</b>	<b>392,727,533</b>		<b>293,992,324</b>
<b>Total provision required</b>			<b>386,378,722</b>
<b>Total provision made</b>			<b>415,535,313</b>
<b>Excess provision made</b>			<b>29,156,590</b>
<b>12.2 Interest suspense account</b>			
<b>Opening Balance</b>		<b>168,209,798</b>	<b>152,007,000</b>
Add: Amount transferred to interest suspense account during the year		21,345,672	67,844,684
Less: Amount recovered from interest suspense account during the year		54,245,672	51,641,886
Less: Amount written-off during the year		-	-
<b>Closing Balance</b>		<b>135,309,798</b>	<b>168,209,798</b>
<b>12.a Other Liabilities</b>			
IIDFCL		1,350,820,612	1,335,961,989
IIDFC Securities Limited (Note-12.a.1)		657,873,750	639,548,287
IIDFC Capital Limited (Note-12.a.2)		375,797,060	385,570,213
		<b>2,384,491,422</b>	<b>2,361,080,489</b>
<b>Less: Inter company liabilities</b>			
IIDFC Securities Limited	-	-	-
IIDFC Capital Limited	-	-	24,556,317
<b>Total</b>		<b>2,384,491,422</b>	<b>2,336,524,172</b>

IAS 37.84

# NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>12.a.1</b>	<b>Other Liabilities of IIDFC Securities Limited</b>		
	Provision for loans & advances-margin loan	55,346,619	57,780,643
	Provision for current tax	66,557,281	60,395,493
	Provision for deferred tax	(878,869)	(226,064)
	Payable to clients	38,595,751	31,522,275
	Payable to Southeast Bank Capital Services Ltd.	9,517,267	180,838
	Payable to DSE	50,130	2,216,095
	Interest suspense account	425,246,837	443,941,473
	Liability for expenses	24,082,979	4,267,714
	Reserve for risk fund	616,667	516,667
	Provision for diminution in value of investments	38,739,088	38,739,088
	Intercompany current account	-	214,065
	<b>Total</b>	<b>657,873,750</b>	<b>639,548,287</b>
<b>12.a.2</b>	<b>Other liabilities of IIDFC Capital Limited</b>		
	Finance loss reserve	36,902,356	40,107,383
	Deferred tax	-	-
	Interest suspense account	293,235,376	300,504,669
	Provision for diminution in value of investment	-	-
	Current tax	40,477,491	38,181,884
	Liabilities for expenses	3,212,532	1,076,882
	Liability for financial expenses	1,385,435	5,485,413
	Payable to IIDFC Limited	-	-
	Payable to IIDFC Securities Ltd.	583,870	213,982
	<b>Total</b>	<b>375,797,060</b>	<b>385,570,213</b>
IAS 1.79	<b>13 Share Capital</b>		
IAS 1.79(a)(i)	<b>Authorized Capital</b> (500,000,000 shares of Tk. 10 each)	<b>5,000,000,000</b>	<b>5,000,000,000</b>
IAS 1.79(a)(ii)	<b>Subscribed &amp; Paid-up Capital:</b> (100,000,000 shares of Tk. 10 each)	<b>1,000,000,000</b>	<b>1,000,000,000</b>
IAS 1.79(a)(ii)	<b>Paidup Share Capital as on 31 December, 2015 comprises the followings</b>		
	<b>Public Sector</b>		
	<b>Name of Shareholders</b>	<b>No. of Shares</b>	<b>Value</b>
	Sonali Bank Limited	7,329,110	73,291,100
	Janata Bank Limited	7,329,110	73,291,100
	Investment Corporation of Bangladesh	7,329,110	73,291,100
		<b>21,987,330</b>	<b>219,873,300</b>
	<b>Private sector</b>		
	AB Bank Ltd.	1,461,300	14,613,000
	Bank Asia Ltd.	7,329,110	73,291,100
	BRAC Bank Ltd.	7,329,110	73,291,100
	City Bank Ltd.	7,329,110	73,291,100
	Mutual Trust Bank Ltd.	7,329,110	73,291,100
	National Bank Ltd.	7,329,110	73,291,100
	ONE Bank Ltd.	7,329,110	73,291,100
	Southeast Bank Ltd.	7,329,110	73,291,100
	Eastland Insurance Co. Ltd.	7,329,110	73,291,100
	National Life Insurance Co. Ltd.	7,329,110	73,291,100
	Pragati Insurance Ltd.	7,329,110	73,291,100
	Mr. Md. Matiul Islam	3,260,270	32,602,700
		<b>78,012,670</b>	<b>780,126,700</b>
		<b>100,000,000</b>	<b>1,000,000,000</b>
			<b>21.99%</b>
			<b>78.01%</b>
			<b>100.00%</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
IAS1.135(d)	<b>13.1 Capital adequacy</b>		
	As per section 4(Gha) of the Financial Institutions Regulations 1994, the minimum paid up capital of the Financial Institution shall be Taka 100 crore. Provided that the sum of paid up capital and reserves shall not be less than the minimum capital determined under the Risk Based Assets of the Company.		
	Paid up capital	1,000,000,000	1,000,000,000
	Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
	<b>Excess/(Shortage) capital</b>	-	-
IAS1.135(d)	<b>13.2 Capital adequacy and market discipline</b>		
	As per Capital Adequacy and Market Discipline for Financial Institutions guideline of Bangladesh Bank, IIDFC calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk and operational risk under pillar-I. IIDFC maintains Capital Adequacy Ratio (CAR) of minimum 10%.		
	<b>Tier-1 (Core Capital)</b>		
	Fully paid-up capital/ capital lien with BB	1,000,000,000	1,000,000,000
	Statutory reserve	275,682,279	253,555,694
	Non-repayable share premium account	-	-
	General reserve	46,800,000	45,800,000
	Retained earnings	241,918,527	254,412,188
	Minority interest in subsidiaries	-	-
	Non-cumulative irredeemable preference shares	-	-
	Dividend equalization account	-	-
	Other (if any item approved by Bangladesh Bank)	-	-
	<b>Sub-Total</b>	<b>1,564,400,806</b>	<b>1,553,767,882</b>
	<b>Deductions from tier-1(Core capital)</b>		
	Book value of goodwill and any value of any contingent assets which are shown as assets	-	-
	Shortfall in provisions required against classified assets	-	-
	Shortfall in provisions required against investment in share	-	-
	Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities	-	-
	Any investment exceeding the approved limit	-	-
	Investments in subsidiaries which are not consolidated	-	-
	Other (if any)	-	-
	<b>Sub-Total</b>	-	-
	<b>Total eligible Tier-1 capital</b>	<b>1,564,400,806</b>	<b>1,553,767,882</b>
	<b>2. Tier-2 (Supplementary capital)</b>		
	General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)	92,386,399	113,439,379
	Assets revaluation reserves upto 50%	-	-
	Revaluation reserve for securities upto 50%	-	-
	All other preference shares	-	-
	Other ( if any item approved by Bangladesh Bank)	-	-
	<b>Sub-Total</b>	<b>92,386,399</b>	<b>113,439,379</b>
	Deductions (if any)	-	-
	<b>Total eligible Tier-2 capital</b>	<b>92,386,399</b>	<b>113,439,379</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>A</b>	<b>Total capital</b>	<b>1,656,787,204</b>	<b>1,667,207,261</b>
<b>B</b>	<b>Total risk weighted asset</b>	<b>13,090,883,416</b>	<b>11,675,694,544</b>
<b>C</b>	<b>Required capital</b>	<b>1,309,088,342</b>	<b>1,167,569,454</b>
<b>D</b>	<b>Surplus / (Deficit)</b>	<b>347,698,863</b>	<b>499,637,807</b>
	<b>Capital adequacy ratio (CAR)</b>	<b>12.66%</b>	<b>14.28%</b>
	On core capital (Tier-1)	<b>11.95%</b>	<b>13.31%</b>
	On supplementary capital (Tier-2)	<b>0.71%</b>	<b>0.97%</b>

Total risk weighted asset			Amount in Taka	
SL No.	Particulars		31-Dec-2015	31-Dec-2014
A.	Credit risk:			
	On balance sheet (From A.1)		11,886,770,852	10,848,040,101
	Off balance sheet (From A.2)		41,087,369	29,352,920
B.	Market risk (From B.1)		726,482,404	425,847,920
C.	Operational risk (From C.1)		436,542,792	372,453,603
	Total RWA (A+B+C)		<b>13,090,883,416</b>	<b>11,675,694,544</b>

### A.1 Risk weighted asset for credit risk on balance sheet exposer (As at 31 December, 2015)

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
a	Cash		0.00	4,003	-
b	Claims on Bangladesh Government & BB		0.00	165,781,110	-
c	Claims on other Sovereigns & Central Banks		0.00	-	-
d	Claims on Bank for International settlements		0.00	-	-
	International Monetary Fund and European Central Bank		0.00	-	-
	Central Bank		0.00	-	-
e	Claims on Multilateral Development Banks (MDBs)		0.00	-	-
	i). IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB		0.00	-	-
	EIF, NIB, CDB, IDB, CEDB				
	ii). Other MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
f	Claims on Public Sector Entities (Other than Government) in Bangladesh.	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-

## NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
g	Claims on NBFIs and Banks				
	i). Original maturity over 3 months	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	-	-
ii). Original maturity upto 3 months		0.20	808,635,269	161,727,054	
h	Claims on Corporate	1	0.20	914,511,273	182,902,255
		2	0.50	2,569,285,213	1,284,642,607
		3,4	1.00	1,082,582,581	1,082,582,581
		5,6	1.50	-	-
		Unrated	1.25	2,888,336,305	3,610,420,381
i	Securitization Exposures	1	0.20	-	-
		2	0.50	-	-
		3	1.00	-	-
		4	3.50	-	-
j	Claims under Credit Risk Mitigation	PSE	N/A	-	-
	(From Work Sheet 1(a))	NBFIs & Banks	N/A	-	-
		Corporate	N/A	-	-
		Retail & Small	N/A	-	-
		Consumer finance	N/A	-	-
		Residential Property	N/A	-	-
		Commercial Real Estate	N/A	-	-
k	Claims categorized as retail portfolio & Small Enterprises (Excluding Consumer Loan)		0.75	2,324,600,958	1,743,450,719
l	Consumer finance		1.00	-	-
m	Claims fully secured by residential property		0.50	423,230,443	211,615,222
n	Claim fully secured by commercial real estate		1.00	-	-
o	1. Past Due Claims		0.00	-	-
	(Risk weights are to be assigned net of specific provision)		0.00	-	-
	i). Where specific provisions are less than 20% of the outstanding amount of the past due claim		1.50	155,423,893	233,135,840
	ii). Where specific provisions are no less than 20% of the outstanding amount of the past due claim		1.00	111,997,971	111,997,971
	iii). Where specific provisions are more than 50% of the outstanding amount of the past due claim		1.00	409,433,378	409,433,378
	2. Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there against is less than 20% of the outstanding amount		1.00	-	-

## NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
	3. Loans and claims fully secured against residential property that are past due for more than 90 days and/or impaired and specific provision held there- against is more than 20% of outstanding amount.		0.75	-	-
p	Capital Market Exposure		1.25	363,241,202	454,051,503
q	Investment in venture capital		1.50	-	-
r	Unlisted equity investments and regulatory capital instruments issued by other FIs (other than those deducted from capital) held in the Banking book.		1.25	1,599,862,970	1,999,828,713
s	Investment in premises, plant and equipment and all other fixed assets		1.00	17,689,135	17,689,135
t	Claims on all fixed assets under operating lease		1.00		-
u	All Other Assets				
SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
i)	Claims on GOB & BB (eg. Advanced Income Tax, reimbursement of Patirakkha/ Shadharon Shanchoy Patra etc.)		0.00	408,543,260	-
ii	Staff Loan/ Investment		0.20	18,977,832	3,795,566
iii)	Cash items in process of collection		0.20	1,221,416,666	244,283,333
iv)	Other Assets (net of specific provision, if any)		1.00	135,214,595	135,214,595
	<b>Total</b>			<b>15,618,768,059</b>	<b>11,886,770,851</b>

### A.2 Risk weighted asset for credit risk on off balance sheet exposer (As at 31 December, 2015)

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
a.	Claims on Bangladesh Government & BB		0.00	-	-
b.	Claims on other Sovereigns & Central Banks		0.00	-	-
c.	Claims on Bank for International settlements, International Monetary Fund and European Central Bank		0.00	-	-
	Claims on Multilateral Development Banks (MDBs)				
	i). IBRD, IFC, ADB, AfDB, EBRD, IADB, EIB		0.00	-	-
	EIF, NIB, CDB, IDB, CEDB				
	ii). Other MDBs	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-
d.	Claims on Public sector entities (Other than Government) in Bangladesh.	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	0.50	-	-

## NOTES TO THE FINANCIAL STATEMENTS

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
e.	Claims on NBFIs and Banks				
	i). Maturity over 3 months	1	0.20	-	-
		2,3	0.50	-	-
		4,5	1.00	-	-
		6	1.50	-	-
		Unrated	1.00	-	-
ii). Maturity upto 3 months		0.20	-	-	
f.	Claims on corporate	1	0.20	-	-
		2	0.50	82,174,739	41,087,369
		3,4	1.00	-	-
		5,6	1.50	-	-
		Unrated	1.25	-	-

SL No.	Exposure type	Rating	Risk Weight	Exposure	RWA
g.	Claims against retail portfolio & Small Enterprise (Excluding consumer loan)		0.75	-	-
h.	Consumer finance		1.00	-	-
i.	Claims fully secured by residential property		0.50	-	-
j.	Claim fully secured by commercial real estate		1.00	-	-
k.	Investment in venture capital		1.50	-	-
l.	All other assets		1.00	-	-
	<b>Total</b>			<b>82,174,739</b>	<b>41,087,369</b>

### A.2.1 Credit conversion factors off - balance sheet exposures (As at 31 December, 2015)

SL No.	Market Risk	CCF	Notional Amount	Credit Exposure
a).	Direct Credit Substitutes	100%	-	-
b).	Lending of securities or posting of securities as collateral		-	-
c).	Other commitment with certain drawdown			
d).	Performance related contingencies	50%	107,836,277	53,918,139
e).	Commitments with original maturity over one year or less			
f).	Trade related contingencies	20%	-	-
g).	Commitment with original maturity of one year or less	20%	141,283,000	28,256,600
h).	Other commitments that can be unconditionally cancelled by any time	0%	-	-
i).	Foreign exchange contract		-	-
	<b>Total</b>		<b>249,119,277</b>	<b>82,174,739</b>

B.1 Market risk		Amount in Taka	
SL No.	Market risk	31-Dec-2015	31-Dec-2014
		Total Capital Charge	Total Capital Charge
A	Interest Rate Related Instruments	-	-
B	Equities	72,598,899	42,584,792
C	Foreign Exchange Position (if any)	-	-
D.	Commodities (if any)	-	-
	<b>Total</b>	<b>72,598,899</b>	<b>42,584,792</b>



## NOTES TO THE FINANCIAL STATEMENTS

### B.1.1 Capital charge on equities

SL No.	Particulars	Amount (Market Value)	RW	Capital Charge	Capital Charge
a.	Specific Risk	363,241,202	10%	36,324,120	21,292,396
b.	General Market Risk	363,241,202	10%	36,324,120	21,292,396
	<b>Total</b>	<b>726,482,404</b>		<b>72,648,240</b>	<b>42,584,792</b>

### C.1 Capital charge for operational risk (Basic indicator approach) (As at 31 December, 2015)

SL No.	Operational risk	Year, 2014	Year, 2013	Year, 2012	Capital Charge
		A	B	C	[(A+B+C) *15%]/3
a.	Gross income	380,454,891	249,937,119	242,693,573	43,654,279

Amount in Taka	
31-Dec-2015	31-Dec-2014

IAS 1.77	<b>14 Statutory reserve</b>	<b>Opening balance</b>	<b>253,555,694</b>	<b>227,105,728</b>
		Add: Addition during the year	22,126,585	26,449,966
		<b>Closing balance</b>	<b>275,682,279</b>	<b>253,555,694</b>

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

IAS 1.77	<b>15 General reserve</b>	<b>Opening Balance</b>	<b>45,800,000</b>	<b>44,800,000</b>
		Add: Addition during the year	1,000,000	1,000,000
		<b>Closing balance</b>	<b>46,800,000</b>	<b>45,800,000</b>

<b>15.a Consolidated general reserve</b>	IIDFCL	46,800,000	45,800,000
	IIDFC Securities Limited	16,997,874	16,997,874
	IIDFC Capital Limited	-	-
		<b>63,797,874</b>	<b>62,797,874</b>

<b>16 Other reserve</b>	<b>Opening balance</b>	-	-
	Add: Addition during the year	-	-
	<b>Closing balance</b>	-	-

<b>17 Stock dividend</b>	<b>Opening balance</b>	-	-
	Add: Interim stock dividend for the year	-	-
	Less: Converted into paid up capital	-	-
	<b>Closing balance</b>	-	-

<b>17.a Consolidated stock dividend</b>	IIDFC Limited	-	-
	IIDFC Securities Ltd.	-	-
		-	-

IAS 1.77	<b>18 Retained earnings</b>	<b>Opening balance</b>	<b>254,412,188</b>	<b>149,612,326</b>
		Net profit during the year	110,632,923	132,249,828
		Less: Statutory reserve	(22,126,585)	(26,449,966)
		Less: General reserve	(1,000,000)	(1,000,000)
		Less: Cash Dividend Distributed for the year 2014	(100,000,000)	-
		<b>Closing balance</b>	<b>241,918,527</b>	<b>254,412,188</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>18.1</b>	<b>Non-divisible profit</b>		
	Retained earnings includes Tk. 65,000,000 as non-divisible profit including minority interests. It represents stock dividend of Tk. 40,000,000 from IIDFC Capital Limited and Tk. 25,000,000 from IIDFC Securities Limited for the year 2010 & 2011.		
<b>18.a</b>	<b>Retained earnings carried forward</b>		
	IIDFCL	241,918,527	254,412,188
	IIDFC Securities Limited (Note-18.a.1)	70,721,887	63,711,774
	IIDFC Capital Limited (Note-18.a.2)	(129,493,094)	(131,527,413)
	<b>Sub-Total</b>	<b>183,147,320</b>	<b>186,596,549</b>
	Less: Non-controlling interest	6,252	3,668
	<b>Total</b>	<b>183,141,067</b>	<b>186,592,881</b>
<b>18.a.a</b>	<b>Non-divisible profit</b>		
	Retained earnings includes Tk. 65,000,000 as non-divisible profit including minority interests. It represents stock dividend of Tk. 40,000,000 from IIDFC Capital Limited and Tk. 25,000,000 from IIDFC Securities Limited for the year 2010 & 2011.		
<b>18.a.1</b>	<b>Retained earnings of IIDFC Securities Limited</b>		
	<b>Opening balance</b>	<b>63,711,774</b>	<b>21,675,423</b>
	Add: Prior year adjustment	9,582	-
	Add: Net profit during the year	7,000,530	42,036,351
	Less: Stock dividend	-	-
	<b>Closing balance</b>	<b>70,721,887</b>	<b>63,711,774</b>
<b>18.a.2</b>	<b>Retained earnings of IIDFC Capital Limited</b>		
	<b>Opening balance</b>	<b>(131,527,413)</b>	<b>(132,936,266)</b>
	Net profit during the year	2,034,319	1,408,853
	<b>Closing balance</b>	<b>(129,493,094)</b>	<b>(131,527,413)</b>
IAS 27.6, 27.26	<b>18.a.3</b>	<b>Non-controlling interest</b>	
	Share capital	137,030	135,030
	Retained earnings	6,252	3,668
	General reserve	2,126	2,126
	<b>Closing balance</b>	<b>145,408</b>	<b>140,823</b>

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

IAS 37.86

### 19 Contingent liabilities & capital expenditure commitments

#### Letter of guarantee:

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

Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others (Note-19.1)	249,119,277	117,411,680
<b>Sub Total</b>	<b>249,119,277</b>	<b>117,411,680</b>
<b>Letter of credit:</b>		
For import of equipments under lease finance	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>249,119,277</b>	<b>117,411,680</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>19.1 Others</b>		
	Bank Guarantee-Non Funded	107,835,380	117,411,680
	LC Commitment	141,283,897	-
		<b>249,119,277</b>	<b>117,411,680</b>
	<b>19.2 Capital expenditure commitments</b>		
	There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2015, or no capital expenditure authorized by the Board but not contracted as on 31 December, 2015.		
IAS 1.97	<b>20 Interest income</b>		
	Interest income from balance with other banks & financial institutions	1,730,415	1,921,411
	Interest income from lease finance	275,234,343	368,883,561
	Interest income from direct/ term finance	1,109,068,526	1,049,927,026
	Interest income from secured overdraft	51,316,312	94,096,317
	Interest income from bills discounted & purchased	4,971,046	19,688,575
	<b>Total</b>	<b>1,442,320,643</b>	<b>1,534,516,890</b>
	<b>20.a Consolidated interest income</b>		
	IIDFCL	1,442,320,643	1,534,516,890
	IIDFC Securities Limited (Note-20.a.1)	173,233,964	250,517,929
	IIDFC Capital Limited (Note-20.a.2)	38,542,508	55,733,503
		<b>1,654,097,115</b>	<b>1,840,768,322</b>
	Less: Inter company transaction		
	IIDFC Securities Limited	97,038,085	
	IIDFC Capital Limited	10,691,075	107,729,160
	<b>Total</b>	<b>1,546,367,955</b>	<b>1,639,394,688</b>
	<b>20.a.1 Interest income of IIDFC Securities Limited</b>		
	Interest income from margin loan	169,562,023	246,276,382
	Interest income from balance with other banks	3,671,941	4,241,547
	<b>Total</b>	<b>173,233,964</b>	<b>250,517,929</b>
	<b>20.a.2 Interest income of IIDFC Capital Limited</b>		
	Interest income from margin loan	38,346,545	55,563,565
	Interest income from balance with other banks & financial institutions	195,963	169,938
	<b>Total</b>	<b>38,542,508</b>	<b>55,733,503</b>
IFRS 7.20	<b>21 Interest paid on deposits, borrowings etc.</b>		
	<b>Interest on deposits</b>		
	Fixed deposits	521,017,098	568,261,415
	Short-term deposits	262,547,929	255,835,013
	Other deposits	-	73,714
	<b>Total</b>	<b>783,565,027</b>	<b>824,170,141</b>
	<b>Interest on borrowings</b>		
	For borrowings from other banks, financial institutions & agents	<b>307,249,777</b>	<b>390,595,923</b>
	Long term loan	251,807,790	313,163,572
	Overdraft facilities	8,839,709	13,770,281
	Money at call and short notice	46,602,277	63,662,070
	<b>Total</b>	<b>1,090,814,804</b>	<b>1,214,766,064</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
<b>21.a</b>	<b>Consolidated interest paid on deposits, borrowings etc.</b>		
	IIDFCL	1,090,814,804	1,214,766,064
	IIDFC Securities Limited (Note-22.a.1)	106,677,180	171,650,744
	IIDFC Capital Limited (Note-22.a.2)	13,819,071	51,209,931
	<b>Total</b>	<b>1,211,311,055</b>	<b>1,437,626,739</b>
	Less: Inter company transaction		
	IIDFC Securities Limited	97,038,085	
	IIDFC Capital Limited	10,691,075	107,729,160
	<b>Total</b>	<b>1,103,581,895</b>	<b>1,236,253,105</b>
<b>21.a.1</b>	<b>Interest paid on deposits, borrowings etc. of IIDFC Securities Limited</b>		
	Interest on borrowing from IIDFC Ltd .	97,038,085	163,231,138
	Interest on borrowing from bank & other financial institutions	9,639,095	8,419,606
	<b>Total</b>	<b>106,677,180</b>	<b>171,650,744</b>
<b>21.a.2</b>	<b>Interest paid on deposits, borrowings etc. of IIDFC Capital Limited</b>		
	Interest on borrowing from bank & other financial institutions	13,819,071	50,557,288
	Long Term Loan	-	652,643
	<b>Total</b>	<b>13,819,071</b>	<b>51,209,931</b>
IAS 18.35	<b>22 Income from investment</b>		
	Capital gain	(30,517,400)	10,868,520
	Interest income from Bank Asia zero coupon bond	3,909,192	(61,862)
	Interest income from Commercial Paper	16,665,696	-
	Dividend income	10,448,228	8,466,623
	<b>Total</b>	<b>505,716</b>	<b>19,273,281</b>
<b>22.a</b>	<b>Consolidated income from investment</b>		
	IIDFCL	505,716	19,273,281
	IIDFC Securities Limited	4,156,629	37,908,173
	IIDFC Capital Limited	-	4,714,372
	<b>Total</b>	<b>4,662,345</b>	<b>61,895,826</b>
<b>22.a.1</b>	<b>Income from investment of IIDFC Securities Limited</b>		
	Dividend income	4,648,391	23,160,269
	Capital gain on investment in securities	(491,762)	14,747,904
	<b>Total</b>	<b>4,156,629</b>	<b>37,908,173</b>
<b>22.a.2</b>	<b>Income from investment of IIDFC Capital Limited</b>		
	Dividend income	-	-
	Capital gain on investment in securities	-	4,714,372
	<b>Total</b>	<b>-</b>	<b>4,714,372</b>
IFRS 7.20©	<b>23 Commission, exchange and brokerage</b>		
	Commission on securities trading	-	-
	<b>Total</b>	<b>-</b>	<b>-</b>
<b>23.a</b>	<b>Commission, exchange and brokerage</b>		
	IIDFCL	-	-
	IIDFC Securities Limited	34,186,552	44,362,842
	IIDFC Capital Limited	7,903,061	9,613,982
	<b>Total</b>	<b>42,089,613</b>	<b>53,976,824</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
IAS 1.97	<b>24 Other operating income</b>		
	Syndication fee income	24,321,378	31,518,333
	Bank guarantee income	27,691	122,677
	Income from Carbon Finance	11,979,481	3,511,054
	Application & processing fees	1,842,217	1,740,828
	Transfer fees	267,197	478,303
	Notice pay received	345,792	827,211
	Profit from sale of fixed assets	26,297	8,335
	LC commission	27,317	-
	Collection against written off Loans	3,000,000	-
	Cancellation charges	719,775	3,224,044
	<b>Total</b>	<b>42,557,145</b>	<b>41,430,785</b>
	<b>24.a Consolidated other Operating Income</b>		
	IIDFCL	42,557,145	41,430,785
	IIDFC Securities Limited (Note-24.a.1)	1,025,577	511,359
	IIDFC Capital Limited (Note-24.a.2)	207,416	281,993
	<b>Total</b>	<b>43,790,138</b>	<b>42,224,137</b>
	<b>24.a.1 Other operating income of IIDFC Securities Limited</b>		
	BO & trading accounts maintenance income	487,900	396,700
	Income against CDBL charges	423,528	-
	Notice pay received	94,021	96,813
	Cheque dishonour charges	16,500	17,000
	Others	3,628	846
	<b>Total</b>	<b>1,025,577</b>	<b>511,359</b>
	<b>24.a.2 Other operating income of IIDFC Capital Limited</b>		
	Non Operating Income	116,402	8,133
	Underwriting commission	81,900	273,527
	Service Charge	9,114	333
	<b>Total</b>	<b>207,416</b>	<b>281,993</b>
IAS 1.104	<b>25 Salaries &amp; allowances</b>		
	Basic salary	50,413,426	33,397,082
	Allowances	32,288,173	26,581,552
	Festival bonus	6,874,562	6,862,946
	Incentive bonus	-	9,750,000
	Company's contribution to provident fund	4,152,289	3,578,085
	Group insurance	1,774,422	1,423,089
	Retirement benefits & gratuity	3,619,494	100,000
	<b>Total</b>	<b>99,122,366</b>	<b>81,692,754</b>
	<b>25.a Consolidated salaries &amp; allowances</b>		
	IIDFCL	99,122,366	81,692,754
	IIDFC Securities Limited (Note-25.a.1)	35,900,302	26,010,560
	IIDFC Capital Limited (Note-25.a.2)	9,571,330	5,966,749
	<b>Total</b>	<b>144,593,998</b>	<b>113,670,063</b>
	<b>25.a.1 Salaries &amp; allowances of IIDFC Securities Limited</b>		
	Basic salary	13,962,250	12,361,107
	Allowances	13,767,257	9,160,650
	Bonus	4,620,142	2,075,626
	Company's contribution to provident fund	1,233,158	1,088,647
	Group insurance	676,076	556,034
	Retirement benefits & gratuity	1,641,419	768,496
	<b>Total</b>	<b>35,900,302</b>	<b>26,010,560</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>25.a.2 Salaries &amp; allowances of IIDFC Capital Limited</b>		
	Basic salary	3,668,349	3,191,578
	Allowances	2,834,430	1,641,087
	Bonus	1,296,712	791,631
	Company's contribution to provident fund	340,710	249,941
	Group Insurance	167,569	92,512
	Retirement benefits & gratuity	1,263,560	-
	<b>Total</b>	<b>9,571,330</b>	<b>5,966,749</b>
IAS 1.97	<b>26 Rent, taxes, insurance, electricity etc.</b>		
	Rent, rates and taxes	15,079,741	14,420,180
	Insurance	596,648	411,379
	Electricity, gas and water	2,855,126	2,607,799
	<b>Total</b>	<b>18,531,515</b>	<b>17,439,358</b>
	<b>26.a Consolidated rent, taxes, insurance, electricity etc.</b>		
	IIDFCL	18,531,515	17,439,358
	IIDFC Securities Limited (Note-26.a.1)	14,407,647	18,726,621
	IIDFC Capital Limited (Note-26.a.2)	1,682,722	5,090,713
	<b>Total</b>	<b>34,621,884</b>	<b>41,256,692</b>
	<b>26.a.1 Rent, taxes, insurance, electricity etc. of IIDFC Securities Limited</b>		
	Rent, rates and taxes	12,951,347	17,009,784
	Insurance	15,680	36,996
	Electricity, gas and water	1,440,620	1,679,841
	<b>Total</b>	<b>14,407,647</b>	<b>18,726,621</b>
	<b>26.a.2 Rent, taxes, insurance, electricity etc. of IIDFC Capital Limited</b>		
	Rent, rates and taxes	1,531,315	4,561,316
	Insurance	-	140,148
	Electricity, gas and water	151,407	389,249
	<b>Total</b>	<b>1,682,722</b>	<b>5,090,713</b>
IFRS 7.20©	<b>27 Legal expenses</b>		
	Professional charges	785,280	405,416
	Legal expenses	4,718,179	4,267,115
	<b>Total</b>	<b>5,503,459</b>	<b>4,672,531</b>
	<b>27.a Consolidated legal expenses</b>		
	IIDFCL	5,503,459	4,672,531
	IIDFC Securities Limited	32,200	252,070
	IIDFC Capital Limited	133,658	83,387
	<b>Total</b>	<b>5,669,317</b>	<b>5,007,988</b>
IAS 1.97	<b>28 Postage, stamp, telecommunications etc.</b>		
	Postage and courier	88,717	103,788
	Phone, fax & internet	2,138,858	1,821,715
	<b>Total</b>	<b>2,227,575</b>	<b>1,925,503</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>28.a Consolidated postage, stamp, telecommunications etc.</b>		
	IIDFCL	2,227,575	1,925,503
	IIDFC Securities Limited	1,831,450	1,893,567
	IIDFC Capital Limited	257,062	230,578
	<b>Total</b>	<b>4,316,087</b>	<b>4,049,648</b>
IAS 1.97	<b>29 Stationery, printing, advertisement etc.</b>		
	Printing & stationery	2,126,431	3,235,003
	Advertisement	3,820,560	2,066,134
	<b>Total</b>	<b>5,946,991</b>	<b>5,301,137</b>
	<b>29.a Consolidated stationery, printing, advertisement etc.</b>		
	IIDFCL	5,946,991	5,301,137
	IIDFC Securities Limited	399,379	505,992
	IIDFC Capital Limited	81,218	65,717
	<b>Total</b>	<b>6,427,588</b>	<b>5,872,846</b>
IAS 1.97	<b>30 Managing director's salary and fees</b>		
	Basic salary	3,200,000	3,000,000
	Festival bonus	550,000	500,000
	Incentive bonus	-	750,000
	House rent allowance	1,600,000	1,500,000
	Medical allowance	160,000	150,000
	Entertainment allowance	160,000	150,000
	Car allowance ( Note-35.1 )	1,163,121	937,735
	Leave fare assistance	250,000	250,000
	Group insurance	338,860	316,780
	Earned leave	-	400,000
	Others	123,726	135,172
	<b>Total</b>	<b>7,545,707</b>	<b>8,089,687</b>
IAS 1.97	<b>31 Directors' Fees</b>		
	Directors' fees	493,000	525,000
	Other Benefits	-	-
	<b>Total</b>	<b>493,000</b>	<b>525,000</b>
	<b>31.a Consolidated directors' fees</b>		
	IIDFCL	493,000	525,000
	IIDFC Securities Limited	69,000	46,000
	IIDFC Capital Limited	39,100	32,200
	<b>Total</b>	<b>601,100</b>	<b>603,200</b>
IAS 1.97	<b>32 Auditor's fees</b>	<b>200,000</b>	<b>610,000</b>
	<b>32.a Auditor's fees</b>		
	IIDFCL	200,000	610,000
	IIDFC Securities Limited	92,000	95,833
	IIDFC Capital Limited	103,250	75,000
	<b>Total</b>	<b>395,250</b>	<b>780,833</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
	<b>33 Loans &amp; advances written-off</b>		
	Loans & advances written-off	-	-
	Interest waived	-	-
	<b>Total</b>	-	-
	<b>33.a Consolidated loans &amp; advances written-off</b>		
	IIDFCL	-	-
	IIDFC Securities Limited	24,672,446	26,292,981
	IIDFC Capital Limited	13,139,689	1,148,861
	<b>Total</b>	<b>37,812,135</b>	<b>27,441,842</b>
IAS 1.104	<b>34 Repair, depreciation and amortizations of company's assets</b>		
	<b>Repair of company's assets:</b>		
	Furniture & fixtures	909,271	292,953
	Softwares	586,451	534,884
	Office equipments	813,153	860,649
	<b>Sub Total</b>	<b>2,308,875</b>	<b>1,688,486</b>
	<b>Depreciation of company's assets</b>		
	Own assets	8,180,086	7,755,349
	<b>Sub Total</b>	<b>8,180,086</b>	<b>7,755,349</b>
	<b>Amortisation of company's assets</b>		
	Computer software	1,117,045	725,812
	<b>Total repair and depreciation of company's assets</b>	<b>11,606,006</b>	<b>10,169,647</b>
	<b>34.a Consolidated repair, depreciation and amortisation of company's assets</b>		
	Repair of company's assets		
	IIDFCL	2,308,875	1,688,486
	IIDFC Securities Limited	3,035,317	672,059
	IIDFC Capital Limited	223,827	215,326
	<b>Sub Total</b>	<b>5,568,019</b>	<b>2,575,871</b>
	<b>Depreciation of company's assets</b>		
	IIDFCL	8,180,086	7,755,349
	IIDFC Securities Limited	4,095,055	4,934,446
	IIDFC Capital Limited	586,922	1,300,797
	<b>Sub Total</b>	<b>12,862,063</b>	<b>13,990,592</b>
	<b>Amortisation of company's assets</b>		
	IIDFCL	1,117,045	725,812
	IIDFC Securities Limited	-	300,030
	IIDFC Capital Limited	270,000	270,000
	<b>Sub Total</b>	<b>1,387,045</b>	<b>1,295,842</b>
	<b>Total repair and depreciation of company's assets</b>	<b>19,817,127</b>	<b>17,862,305</b>
IAS 1.97	<b>35 Other expenses</b>		
	Office maintenance	2,101,688	2,362,352
	Traveling & conveyance	6,475,156	8,462,661
	Meeting expenses	1,298,614	2,221,671
	Entertainment	324,423	217,332
	Car running & maintenance expenses (35.1)	5,379,772	5,285,423



## NOTES TO THE FINANCIAL STATEMENTS

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
Bank charge & excise duty	536,235	526,082
Interest for lease facility	497,956	1,080,254
Training expenses	448,941	523,890
Membership fees & subscriptions	413,000	408,000
Books & periodicals	84,707	82,965
Capital issue expenses	880,334	16,925
PM relief fund	220,000	-
Eid tips	33,700	-
ADB project expenses	6,900	-
<b>Total</b>	<b>18,701,427</b>	<b>21,187,555</b>

### 35.1 Bangladesh Bank DFIM circular no:12 dated 18 November 2015 Expenses regarding Motor Car / Motor Cycle maintenance break up is given below:

Sl No	Name	Designation	Vehicle	Fuel	Maintenance	Total Expenditure
1	Mr. Md. Matiul Islam	Chairman	Motor Car	137,960	586,342	724,302
2	Mr. Md. Asaduzzaman Khan	MD	Motor Car	288,475	874,646	1,163,121
3	Mr. S.M. Anisuzzaman	SEVP	Motor Car	183,875	199,789	383,664
4	Mr. Ashique Mahmud	EVP	Motor Car	206,482	356,191	562,673
5	Mr. Sami Huda	SVP	Motor Car	183,923	336,608	520,531
6	Mr. Syed Abed Hasan	SVP	Motor Car	162,880	255,567	418,447
7	Mr. Shahanur Rashid	VP	Motor Car	186,943	382,926	569,869
8	Mr. Md. Nizam Uddin Chowdhury	VP	Motor Car	117,861	331,360	449,221
9	Ms. Shahnaj Sultana	VP	Motor Car	169,647	273,308	442,955
10	Mr. Md. Noor-ul-Alam	AVP	Motor Car	143,880	232,931	376,811
11	Mr. Refaet Ullah	VP	Motor Car	166,676	330,906	497,582
12	Mr. Md. Arifur Rahman	AVP	Motor Car	104,226	160,245	264,471
13	Ms. Nandita Ayesha Zaman	AVP	Motor Car	26,130	33,548	59,678
14	Mr. Md. Abdur Rahim	DM	Motor Cycle	55,558	-	55,558
15	Mr. Md. Masudur Rahman	DM	Motor Cycle	54,010	-	54,010
				<b>2,188,526</b>	<b>4,354,367</b>	<b>6,542,893</b>

### 35.a Consolidated other expenses

IIDFCL	18,701,427	21,187,555
IIDFC Securities Limited	7,777,129	6,304,423
IIDFC Capital Limited	2,236,948	1,395,657
<b>Total</b>	<b>28,715,504</b>	<b>28,887,635</b>

IAS 37.84

### 36 Provision for loans & advances

Provision for classified loans & advances	63,610,017	53,546,280
Provision for unclassified loans & advances	(28,760,017)	1,147,677
Provision for diminution in value of investments	(5,603,850)	19,095,206
Provision for off-balance sheet items	-	-
<b>Total</b>	<b>29,246,150</b>	<b>73,789,163</b>

### 36.a Consolidated provision for loans & advances

Provision for classified loans & advances	63,610,017	56,642,982
Provision for unclassified loans & advances	(28,760,017)	1,147,677
Provision for diminution in value of investments	(5,603,850)	36,451,072
Provision for off-balance sheet items	-	-
<b>Total</b>	<b>29,246,150</b>	<b>94,241,731</b>

## NOTES TO THE FINANCIAL STATEMENTS

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
IAS 37.84	<b>37 Provision for tax</b>		
	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.		
	<b>Provision for current tax</b>		
	<b>Opening balance</b>	<b>313,362,079</b>	<b>240,947,000</b>
	Add: Provision made during the year	83,800,000	31,400,000
	Add: Transferred from Deferred tax	-	41,015,079
	Less: Settlement during the year	-	-
	<b>Closing balance</b>	<b>397,162,079</b>	<b>313,362,079</b>
	<b>37.1 Provision for deferred tax</b>		
	<b>Opening balance</b>	<b>(8,597,271)</b>	<b>41,015,079</b>
	Add: Provision made during the year (Note-37.2)	1,011,581	356,827
	Less: Deferred tax no more required-transferred to current tax	-	41,015,079
	Less: Settlement during the year	-	-
	<b>Closing balance</b>	<b>(7,585,690)</b>	<b>356,827</b>
	<b>37.2 Deferred tax</b>		
	Deferred Tax Liability	440,355	356,827
	Less: Deferred Tax Asset	(571,226)	8,954,098
		<b>1,011,581</b>	<b>(8,597,271)</b>
	<b>37.a Consolidated provision for tax</b>		
	<b>Opening balance</b>	362,981,481	325,202,612
	Add: Provision made during the year Current tax	93,361,499	-
	Less: Settlement during the year Deferred tax	537,038	93,898,537
	<b>Closing balance</b>	<b>456,880,018</b>	<b>362,981,481</b>
IAS 33.70	<b>38 Earnings per share (EPS)</b>		
	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)	110,632,923	132,249,828
	Number of ordinary shares outstanding during the year	100,000,000	100,000,000
	<b>Basic earnings per share (in Taka)</b>	<b>1.11</b>	<b>1.32</b>
	No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
	<b>38.a Consolidated Earnings per share (EPS)</b>		
	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)	119,661,519	175,689,729
	Number of ordinary shares outstanding during the year	100,000,000	100,000,000
	<b>Basic earnings per share (in Taka)</b>	<b>1.20</b>	<b>1.76</b>
	No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		

## NOTES TO THE FINANCIAL STATEMENTS

IAS 24.17

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### Related party transactions

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

			Amount in Taka	
			31-Dec-2015	31-Dec-2014
Name of the parties	Nature of Loan/ Lease	Nature of Transactions	Outstanding Balance Taka	Outstanding Balance Taka
Southeast Bank Ltd.	Sponsor Shareholder	FDR Placement	11,901,115	32,343,352
Southeast Bank Ltd.	Sponsor Shareholder	Call Money Received	-	20,000,000
Southeast Bank Ltd.	Sponsor Shareholder	STD Account	39,680	357,112
Southeast Bank Ltd.	Sponsor Shareholder	Current Account	4,586	5,276
Janata Bank Ltd.	Sponsor Shareholder	Call Money Received	150,000,000	-
Janata Bank Ltd.	Sponsor Shareholder	Borrowings	91,666,667	-
Janata Bank Ltd.	Sponsor Shareholder	Term Deposit	50,000,000	50,000,000
Janata Bank Ltd.	Sponsor Shareholder	STD Account	5,150	6,207
Bank Asia Ltd .	Sponsor Shareholder	Borrowings	-	44,993,219
Bank Asia Ltd .	Sponsor Shareholder	FDR Placement	50,000,000	-
Bank Asia Ltd .	Sponsor Shareholder	STD Account	63,719,461	28,933,346
Bank Asia Ltd .	Sponsor Shareholder	Current Account	4,329,125	2,768,175
The City Bank Ltd.	Sponsor Shareholder	STD Account	11,099	4,526
The City Bank Ltd.	Sponsor Shareholder	Term Deposit	150,000,000	-
One Bank Ltd.	Sponsor Shareholder	STD Account	30,398	18,908
Sonali Bank Ltd.	Sponsor Shareholder	STD Account	72,980	70,331
AB Bank Ltd.	Sponsor Shareholder	Call Money Received	-	50,000,000
AB Bank Ltd.	Sponsor Shareholder	Term Deposit	250,000,000	-
AB Bank Ltd.	Sponsor Shareholder	STD Account	2,953	2,776
Mutual Trust Bank Ltd.	Sponsor Shareholder	Borrowings	160,427,172	168,106,886
Mutual Trust Bank Ltd.	Sponsor Shareholder	Term Deposit	-	60,000,000
Mutual Trust Bank Ltd.	Sponsor Shareholder	FDR Placement	21,440,306	19,893,509
Mutual Trust Bank Ltd.	Sponsor Shareholder	Overdraft	49,400,981	602,929
BRAC Bank Ltd.	Sponsor Shareholder	Term Deposit	160,000,000	350,000,000
BRAC Bank Ltd.	Sponsor Shareholder	Current Account	4,578	-
BRAC Bank Ltd.	Sponsor Shareholder	Short Term Borrowings	550,000,000	-
			<b>1,763,056,251</b>	<b>828,106,552</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 40 Board meetings

During the year total 10 Board meetings were held.

<b>No. Meeting</b>	<b>Date of Meeting</b>
175th Meeting	4-Feb-15
176th Meeting	5-Mar-15
177th Meeting	23-Apr-15
178th Meeting	4-Jun-15
179th Meeting	9-Jul-15
180th Meeting	28-Jul-15
181st Meeting	7-Sep-15
182nd Meeting	10-Nov-15
183rd Meeting	7-Dec-15
184th Meeting	29-Dec-15

### 41 Audit committee

#### a. Particulars of audit committee

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

<b>Name</b>	<b>Status in the board</b>	<b>Status in the committee</b>	<b>Other engagement</b>
Mr. Abdus Salam	Director	Chairman	Managing Director, Janata Bank Ltd.
Mr. Pradip Kumar Dutta	Director	Member	Managing Director, Sonali Bank Ltd.
Mr. Asoke Das Gupta	Director	Member	Vice Chairman, One Bank Limited
Mr. Md. Mehmood Hussain	Director	Member	Managing Director, Bank Asia Limited

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

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

<b>No. Meeting</b>	<b>Date of Meeting</b>
Eighteenth (18th)	5-May-15
Nineteenth (19th)	25-May-15
Twentieth (20th)	10-Nov-15
Twentyfirst (21st)	21-Dec-15

#### c. In the meeting amongst other the committee has discussed the following issues during the year 2015

- i) The audit committee reviewed the Financial Statements for the year ended December 31, 2014.
- ii) Reviewed and discussed the Management Letter provided by the external auditor S. F. Ahmed & Co. for the year ended December 31, 2014 on the annual audit of Financial statements of IIDFC Limited.
- iii) Reviewed and discussed the Bangladesh Bank inspection report on Internal Control and Compliance and management's response to thereon.
- iv) Reviewed and discussed the Bangladesh Bank detailed Inspection Report 2014 and management's response to the report.
- v) Reviewed various reports like stress testing, Basel, Risk Management Paper etc. and all reports provided by ICC Department.
- vi) Implementation of Core Risk Management Guidelines including Internal Control and Compliance Risk and status of compliance thereof.
- vii) The status of recovery of classified loan and providing the necessary instruction to the management to reduce NPL.
- viii) Reviewed financial performance of IIDFC all over the year and recommended to take necessary action for improving performance of the company.

## NOTES TO THE FINANCIAL STATEMENTS

### 42 Others

#### 42.1 Suit status as on 31.12.2015

Name of Client	Agreement No.	Nature of Case/ Suit	Suit Value (BDT in Lac)	Remarks
		Case or Suit Number		
Mitsumaru Bd. Ltd.	LA#018/2003-0	Artha Jari Suit No.136/13 (arising out of Artha Rin Suit No.137/10, filed on 25.08.2010)	108.97	13.10.2015 was fixed for submission of paper publication of auction notice u/s-33(1), which was not submitted due to non-publication. Date shifted to 29.10.2015 for Todbir. Next date is 04.01.2016 for next step. Earlier on 24.05.2015, hearing on the Petition for Property Attachment (of Mrs. Marufa Khatun) was held & order issued in favor of IIDFC. N.B.: Previously, Decree was passed in the original suit in favor of IIDFC on 28.01.2013. Later, Execution Case was filed on 28.07.2013.
Apparel Color Ltd.	LF#073/2007-1-1	Artha Jari Suit No.215/11, filed on 11.08.2011 (arising out of Artha Rin Suit No.307/2010)	94.01	Stayed u/s-44 of the Artha Rin Adalat Ain on 11.06.2012, due to rescheduling of the loan account. Filing of compromise petition is pending due to non-completion of legal formalities.
Shetu International Ltd.	DF#006/2005 DF#007/2005 DF#069/2005 LA#070/2005	Artha Rin Suit No.122/10, filed on 03.08.2010	369.68	This suit was filed along with Rupali Bank Limited, which is expected to be disposed off soon. Rupali Bank is looking after the suit as the lead financier.
Shetu International Ltd.	DF#006/2005 DF#007/2005 DF#069/2005 LA#070/2005	Artha Rin Suit No.09/11, filed on 31.01.2011	234.08	The Respondent Client claimed that the High Court Division issued an Extension Order of the earlier Stay Order on proceedings and he submitted the said Order on 14.09.2015. Next date is 10.01.2016 for next step.
Cab Bangla Ltd.	LA#003/2003	Artha Jari Suit No.35(Ka)/07 (arising out of Artha Rin Suit No.39/07, filed on 25.04.2007)	177.55	Jari Suit was filed for an amount of 177.55 Lac. Later on 17.04.2008, Order of six months civil imprisonment of all the five Directors was passed, but the Directors are absconded. Last date was 20.09.2015 for Todbir.
M/s. Lagaan	DF#060/2007 DF#054/2008	Artha Jari Suit No.144/12 (arising out of Artha Rin Suit No.43/12, filed on 20.02.2012)	66.87	Jari Suit was filed for an amount of 66.87 Lac. Later, the Court issued an order of Six months civil imprisonment of the client, who is absconded. Stayed u/s-44.
M/s. Swapna Enterprise	DF#053/2008-4	Artha Jari Suit No.293/12 (arising out of Artha Rin Suit No.91/12, filed on 04.04.2012)	111.82	Jari Suit was filed for an amount of 111.81 Lac. Later, the Court issued an order of Six months civil imprisonment of the client, who has fled to India. Stayed u/s-44 of the Artha Rin Adalat Ain, 2003 on 19.03.2014.
Swapna Steel Ltd.	DF#010/2009-2 DF#075/2009-1	Artha Jari Suit No.292/12 (arising out of Artha Rin Suit No.92/12, filed on 04.04.2012)	91.51	Jari Suit was filed for an amount of 91.51 Lac. Later, the Court issued an order of Six months civil imprisonment of all the Directors of the entity, who have fled to India. Stayed u/s-44 on 19.03.2014.
Bangladesh Dresses Ltd. (Unit-2)	LF#043/2007-3 RSD-3	Artha Rin Suit No.14/13, filed on 06.02.2013	698.77	Last date was 18.11.2015 for Argument, time petition of the opposite lawyer was granted for submitting of the High Court Division's Stay Order, as they claimed. Next date is 18.01.2016.

## NOTES TO THE FINANCIAL STATEMENTS

Name of Client	Agreement No.	Nature of Case/ Suit	Suit Value (BDT in Lac)	Remarks
		Case or Suit Number		
Ma Zipper & Elastic Ind. Ltd.	LF#080/2006-3	Artha Rin Suit No.15/13, filed on 06.02.2013	513.59	Last date was 15.11.2015 for Argument, time petition of the opposite lawyer was granted for submitting of the High Court Division's Stay Order. Next date is 13.01.2016. N.B.: In Mid June, 2015, Advocate Commission in the above two cases was cancelled by the Court and after cancellation of that, the client filed a Writ Petition before the High Court Division to get a stay order against the abovesaid Artha Rin suits. On this ground, the opposite lawyer submitted time petitions for more than three dates to linger the court procedures. On the respective last dates of the cases, the learned Judge warned the opposite lawyer to submit the stay order within the next date of the cases, in default the court will close the argument & pronounce the judgment.
Setu Computerized Labels Ltd.	LF#093/2008-0	Artha Jari Suit No.290/12 (arising out of Artha Rin Suit No.160/12, filed on 16.01.2012)	206.68	This suit was stayed u/s-44 of the Artha Rin Adalat Ain for a long time due to interim arrangement with the client. Recently, it has been revived. Next date is 09.02.2016 for hearing on the petition submitted by the opposite lawyer. N.B.: As per earlier arrangement with client, a Board Memo was placed to the IIDFC's 177th Board Meeting and the Board approved settlement of this loan account under some waiver.
Anudip Autos Ltd.		Artha Jari Suit No.159/14 (arising out of Artha Rin Suit No.303/13, filed on 21.11.13)	570.35	W/O (of IIDFC) on W/S (of the client) was filed on 29.10.2015. Next date is 14.01.2016. Earlier On 22.02.2015, the client filed a Misc. Case u/s-19(2) to revive the original Artha Rin Suit upon deposit of 10% of our claimed amount. On 08.06.2015, the Misc. Case was allowed & the original Suit was restored/revived. N.B.: Previously on 08.04.2014, Ex Parte Decree was passed in favor of IIDFC on 10.04.14 in the original Artha Rin Suit.
Southern Techno Promotion Ltd.	LF#092/2008-1	Artha Rin Suit No.266/13, filed on 31.10.2013	315.46	Decreed in favor of IIDFC on 16.10.2014. N.B.: As per new arrangement the client has paid Tk.1.65 Crore (Total Payment). Consequently, a Board Memo was placed to the Board for waiver of rest amount, which was approved. This loan account is expected to be closed soon.
J.I.T. Knit Ltd.	DF#038/2007	Artha Jari Suit No.46/12	1,606.56	This case was filed by South-East Bank Ltd. Petition for inclusion of IIDFC as Joinder Party was submitted on 22.06.14. Last date was 18.08.14 for petition hearing. The client submitted a Stay Order of High Court Division. N.B.: This loan account has been rescheduled.
Khansons Textiles Limited	UC#017	Artha Rin Suit No.2419/15, filed on 21.10.2015	999.19	Last date was 17.11.2015 for S/R. Date shifted to 15.02.2016.

## NOTES TO THE FINANCIAL STATEMENTS

Name of Client	Agreement No.	Nature of Case/ Suit	Suit Value (BDT in Lac)	Remarks
		Case or Suit Number		
Anudip Autos Limited	LA#017/04	Special Session Case No.70/12 [arising out of CR Case No.4527/10, filed on 09.06.2010]	9.23	Last date was 29.04.2015 for submission of Stay Order of the High Court Division. Order submitted. Next date is 13.03.2016 for next order.
Click House Studio Ltd.	LF#095/2010-0 RSD-1	CR Case No.731/12, filed on 04.04.2012	94.01	Last date was 28.10.2015 for return of W/A, WP&A issued by the Court. Next date is 08.03.2016 for return of WP&A.
CNG Distribution Company Ltd.	LA#033/04	CR Case No.610/15, filed on 23.03.2015	177.55	Last date was 06.09.2015 for return of W/A. Next date is 24.01.2016 for same. This loan account is expected to be closed soon.
Spirited Associates Ltd.	FAC#001/2007 LF#074/2008	CR Case No.390/12, filed on 13.02.2012	66.87	Last date was 28.12.2015 for return of W/A. Next date is 09.05.2016 for same. N.B.: Mr. S.M. Habibur Rahman is in bail, but Md. Salauddin have not appeared before the court yet.
M/s. Concord Enterprise	DF#056/2008	CR Case No.582/12, filed on 13.03.2012	91.51	Next date is 15.02.2016 for Return of W/A. Since, the rescheduling of this loan account has been approved, the instant case will be withdrawn on next date.
M/s. Maliha Fashion House	DF#139/2010	Session Case No.2128/13 [arising out of CR Case No.2108/12, filed on 12.09.2012]	206.68	Next date is 26.01.2016 for Judgment.
M/s. Toree Communications	DF#038/2011-0	CR Case No.87/13, filed on 08.01.2013	999.19	Next date is 21.01.2016 for submission of paper publication. This case will be withdrawn due to defective filling.
N.D. Printing & Embroidery Ltd.	DF#208/2010	Session Case No.10959/15 [arising out of CR Case No.231/13, filed on 07.02.2013]	18.00	This case was transferred to the trial court on 08.09.2015. Next date is 25.01.2016 for charge hearing.
Pharmamech Engineering Ltd.	DF#060/2008	CR Case No.487/13, filed on 21.03.2013	700.00	Last date was 21.09.2015 for submission of paper publication, which was not submitted due to non-publication. One of three accused, Md. Nuruzzaman got bail. Next date is 31.01.2016.
Khansons Textiles Ltd.	UC#017	CR Case No.1328/15, filed on 24.06.2015	700.00	This case was transferred to the trial Court on 08.12.2015. Next date yet to receive.
M/s. Jannatul Plastic Karkhana	DF#008/2008-1	CR Case No.2438/13, filed on 03.12.2013	14.11	Next date is 18.02.2016 for return of W/A.
Anudip Autos Limited	LA#017/04	Special Session Case No.70/12 [arising out of CR Case No.4527/10, filed on 09.06.2010]	9.23	Last date was 30.08.15 for hearing on Police Report & Naraji Petition, which was not held. Next date is 07.01.2016 for same.
Mercentile Bank Limited for Pacific Motors Ltd.		Money Suit No.06/15 [u/s-73 of the Contract Act], filed on 01.03.2015	369.68	This suit was filed along with Rupali Bank Limited, which is expected to be disposed off soon. Rupali Bank is looking after the suit as the lead financier.
		<b>Total Suit Value</b>	<b>9,621.16</b>	

## NOTES TO THE FINANCIAL STATEMENTS

### 42.2 Unacknowledged debt

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

### 42.3 Employees' information

A total number of 83 employees were employed in IIDFC as of 31 December, 2015. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2015.

IAS 1.98 (d)

### 42.4 Written-off of accounts

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

### 42.5 Subsequent events

No subsequent events are occurred after the balance sheet date.

### 42.6 Directors' responsibility statement

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

### 42.7 Date of authorization for issue

The consolidated financial statements as well as separate financial statements were authorized for issue by the Board of Directors on its 189<sup>th</sup> meeting held on June 12, 2016

## 43 General

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

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



# NOTES TO THE FINANCIAL STATEMENTS

Annexure - 1

## Industrial and Infrastructure Development Finance Company Limited Fixed Assets Schedule

As at 31 December, 2015

Ref. **Property, plant & equipment - own finance**

IAS 16.73

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Net book value as at 31 Dec, 2015	
		Balance as at 1 Jan, 2015	Additions during the Year	Sale/ transfer during the year		Balance as at 31 Dec, 2015	Charged during the year	Adjustment during the year		Balance as at 31 Dec, 2015
1	Motor vehicles	18,374,242	3,591,410	-	20%	14,135,982	3,242,554	-	17,378,536	4,587,116
2	Furniture & fixtures	10,822,883	2,17,852	577,946	10%	5,941,321	1,002,412	305,801	6,637,932	3,824,857
3	Office equipments	29,397,367	2,276,950	1,092,075	18%	22,296,144	3,935,120	897,284	25,333,980	5,248,262
<b>As on 31 December, 2015</b>		<b>58,594,492</b>	<b>6,086,212</b>	<b>1,670,021</b>		<b>42,373,447</b>	<b>8,180,086</b>	<b>1,203,085</b>	<b>49,350,448</b>	<b>13,660,235</b>
<b>As on 31 December, 2014</b>		<b>54,243,490</b>	<b>4,594,058</b>	<b>243,056</b>		<b>34,618,098</b>	<b>7,755,349</b>	<b>-</b>	<b>42,373,447</b>	<b>16,221,045</b>

Ref. **Intangible asset - computer softwares**

Serial No.	Particulars	COST			Rate	AMORTISATION			Net book value as at 31 Dec, 2015	
		Balance as at 1 Jan, 2015	Additions during the Year	Adjustment during the year		Balance as at 31 Dec, 2015	Charged during the year	Adjustment during the year		Balance as at 31 Dec, 2015
1	Computer softwares	4,928,026	2,783,000	-	18%	2,565,081	1,117,045	-	3,682,126	4,028,900
<b>As on 31 December, 2015</b>		<b>4,928,026</b>	<b>2,783,000</b>	<b>-</b>		<b>2,565,081</b>	<b>1,117,045</b>	<b>-</b>	<b>3,682,126</b>	<b>4,028,900</b>
<b>As on 31 December, 2014</b>		<b>2,251,026</b>	<b>2,677,000</b>	<b>-</b>		<b>1,839,269</b>	<b>725,812</b>	<b>-</b>	<b>2,565,081</b>	<b>2,362,945</b>

**Industrial and Infrastructure Development Finance Company Limited**  
**Consolidated Fixed Assets Schedule**

As at 31 December, 2015

**Consolidated Property, Plant & Equipment**

Ref. IAS 16.73

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Net book value as at 31 Dec, 2015	
		Balance as at 1 Jan, 2015	Additions during the Year	Sale/ transfer during the year		Balance as at 1 Jan, 2015	Charged during the year	Adjustment during the year		Balance as at 31 Dec, 2015
1	Motor vehicles	19,624,242	3,591,410	-	20%	15,385,976	3,242,554	-	18,628,530	4,587,122
2	Furniture & fixtures	32,038,439	326,664	8,435,600	10%	14,483,210	2,349,084	3,479,114	13,353,180	10,576,323
3	Office equipments	51,971,240	2,376,850	4,916,460	18%	38,760,026	7,270,425	3,866,610	42,163,841	7,267,789
	<b>As on 31 December, 2015</b>	<b>103,633,921</b>	<b>6,294,924</b>	<b>13,352,060</b>		<b>68,629,212</b>	<b>12,862,063</b>	<b>7,345,724</b>	<b>74,145,551</b>	<b>22,431,235</b>
	<b>As on 31 December, 2014</b>	<b>100,248,490</b>	<b>4,706,118</b>	<b>1,122,987</b>		<b>55,168,073</b>	<b>13,990,592</b>	<b>331,756</b>	<b>68,826,909</b>	<b>35,004,712</b>

Figures in Taka

**Intangible Asset**

Ref.

Serial No.	Particulars	COST			Rate	AMORTISATION			Net book value as at 31 Dec, 2015	
		Balance as at 1 Jan, 2015	Additions during the Year	Adjustment during the year		Balance as at 1 Jan, 2015	Amortized during the year	Adjustment during the year		Balance as at 31 Dec, 2015
1	Computer softwares	8,094,857	2,783,000	-	18%	4,657,104	1,687,075	-	6,344,179	4,533,678
	<b>As on 31 December, 2015</b>	<b>8,094,857</b>	<b>2,783,000</b>	<b>-</b>		<b>4,657,104</b>	<b>1,687,075</b>	<b>-</b>	<b>6,344,179</b>	<b>4,533,678</b>
	<b>As on 31 December, 2014</b>	<b>4,788,281</b>	<b>3,025,325</b>	<b>-</b>		<b>3,080,011</b>	<b>1,295,842</b>	<b>-</b>	<b>4,375,853</b>	<b>3,437,753</b>

Figures in Taka



**Mohammad Saleh Ahmed, Chief Executive Officer**

**IIDFC Capital Limited**



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

# AUDITORS' REPORT

## IIDFC Capital Limited Auditors' Report to the Shareholders For the year ended 31 December 2015

We have audited the accompanying financial statements of IIDFC Capital Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2015, statement of profit or loss and other comprehensive income (income and expenditure statement), statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

### Management's responsibility for the financial statements

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

### Auditors' responsibility

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

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

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

### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards, give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the results its operations and its cash flows for the year then ended and comply with the requirements of Companies Act 1994, Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) Rules 1996 and other applicable laws and regulations.

### We also report that:

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

Dhaka, Bangladesh  
Dated, April 18, 2016



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

# STATEMENT OF FINANCIAL POSITION

## IIDFC Capital Limited Statement of financial position (balance sheet) As at 31 December 2015

	Notes	2015 BDT	2014 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	381,674	2,834,753
Intangible asset	5	150,000	420,000
License fee	6	30,196,209	30,196,209
Deferred tax assets	19	232,729	410,991
<b>Total non-current assets</b>		<b>30,960,612</b>	<b>33,861,953</b>
<b>Current assets</b>			
Margin loans	7	863,593,391	884,982,523
Advances and receivables	8	42,232,561	69,536,520
Cash and cash equivalents	9	1,896,265	2,737,667
<b>Total current assets</b>		<b>907,722,217</b>	<b>957,256,710</b>
<b>Total assets</b>		<b>938,682,829</b>	<b>991,118,663</b>
<b>Equity and Liabilities</b>			
Share capital	10	600,000,000	305,800,000
Share money deposit	11	-	294,200,000
Retained earnings	12	(129,493,094)	(131,527,413)
<b>Shareholders' equity</b>		<b>470,506,906</b>	<b>468,472,587</b>
<b>Non-current liability</b>			
Term loan	13	90,598,915	130,081,095
<b>Total non-current liability</b>		<b>90,598,915</b>	<b>130,081,095</b>
<b>Current liabilities</b>			
Accruals and payables	14	4,698,186	6,562,297
Provision for income tax	15	40,477,491	38,181,884
Customers' deposits	16	1,679,729	6,994,766
Payable to broker and others	17	583,870	213,982
Loan loss reserve	18	330,137,732	340,612,052
<b>Total current liabilities</b>		<b>377,577,008</b>	<b>392,564,981</b>
<b>Total liabilities</b>		<b>468,175,923</b>	<b>522,646,076</b>
<b>Total equity and liabilities</b>		<b>938,682,829</b>	<b>991,118,663</b>

These financial statements should be read in conjunction with annexed notes

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Dated, April 18, 2016



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

# STATEMENT OF COMPREHENSIVE INCOME

## IIDFC Capital Limited Statement of profit or loss and other comprehensive income (income and expenditure statement)

For the year ended 31 December 2015

	Notes	2015 BDT	2014 BDT
<b>Operating Income</b>			
Interest income	20	38,346,545	55,563,565
Interest expense	21	(13,819,071)	(51,209,931)
<b>Net interest income</b>		<b>24,527,474</b>	<b>4,353,634</b>
Fees and commission income	22	8,119,687	12,997,225
Fees and commission expenses	23	(216,626)	(3,383,243)
<b>Net fees and commission income</b>		<b>7,903,061</b>	<b>9,613,982</b>
Other operating income	24	207,416	4,988,232
<b>Total operating income</b>		<b>32,637,951</b>	<b>18,955,848</b>
<b>Operating expenses</b>			
Salaries and allowances	25	9,571,330	5,966,749
Rent, taxes, insurance and electricity	26	1,682,722	5,090,713
Legal expenses	27	133,658	83,387
Postage, stamp and telecommunications	28	257,062	230,578
Stationery, printing and advertisement	29	81,218	65,717
Directors' fees	30	39,100	32,200
Auditors' fee	31	103,250	75,000
Repairs and depreciation of company's assets	32	1,080,749	1,786,123
Other expenses	33	2,236,948	1,395,657
Loan and bad debts written-off	34	13,139,689	1,148,861
<b>Total operating expenses</b>		<b>28,325,726</b>	<b>15,874,985</b>
<b>Operating profit/ (loss)</b>		<b>4,312,225</b>	<b>3,080,863</b>
Non-operating income	35	195,963	178,071
<b>Profit before income tax</b>		<b>4,508,188</b>	<b>3,258,934</b>
<b>Income tax expense</b>			
Current tax	36	2,295,607	1,946,557
Deferred tax	19	178,262	(96,476)
<b>Total comprehensive income for the year</b>		<b>2,034,319</b>	<b>1,408,853</b>

These financial statements should be read in conjunction with annexed notes

for IIDFC Capital Limited



**Md. Matiu Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Dated, April 18, 2016



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

# STATEMENT OF CHANGES IN EQUITY

## IIDFC Capital Limited Statement of changes in equity For the year ended 31 December 2015

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
	BDT	BDT	BDT	BDT
<b>Year 2014</b>				
Balance at 01 January 2014	305,800,000	-	(132,936,266)	172,863,734
Net profit/ (loss) for the year	-	-	1,408,853	1,408,853
Share money deposit made during the year	-	294,200,000	-	294,200,000
Dividend (bonus shares)	-	-	-	-
<b>Balance at 31 December 2014</b>	<b>305,800,000</b>	<b>294,200,000</b>	<b>(131,527,413)</b>	<b>468,472,587</b>
<b>Year 2015</b>				
Balance at 01 January 2015	600,000,000	-	(131,527,413)	468,472,587
Net profit / (loss) for the year	-	-	2,034,319	2,034,319
Dividend (bonus shares)	-	-	-	-
<b>Balance at 31 December 2015</b>	<b>600,000,000</b>	<b>-</b>	<b>(129,493,094)</b>	<b>470,506,906</b>

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Dated, April 18, 2016



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



# STATEMENT OF CASH FLOWS

## IIDFC Capital Limited Statement of cash flows For the year ended 31 December 2015

	2015 BDT	2014 BDT
<b>A. Cash flows from operating activities:</b>		
Cash received from interest and commission receipts	38,346,545	55,563,565
Cash received from fees and commission income	7,903,061	9,613,982
Cash received from other operating income	207,416	4,988,232
Cash received from non-operating income	195,963	169,938
Cash paid to employees	(9,571,330)	(5,966,749)
Cash paid for interest expenses	(16,091,952)	(84,456,482)
Cash paid for operating expenses	(2,820,216)	(8,206,542)
<b>Increase/(Decrease) in operating assets and liabilities</b>		
Cash paid to clients as margin loans	(2,224,877)	(14,823,624)
Received/(paid) from advances and receivable	27,338,596	(26,175,895)
Received/(paid) from customers' deposits	(5,315,037)	416,274
Received/(paid) from brokers and others	369,888	182,242
Income tax paid	(34,637)	(120,144)
<b>Net cash from operating activities</b>	<b>38,303,420</b>	<b>(68,815,203)</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(1,000)	-
Proceeds from disposal of property, plant and equipment	338,358	293,085
<b>Net cash used in investing activities</b>	<b>337,358</b>	<b>293,085</b>
<b>C. Cash flows from financing activities</b>		
Receipt/(repayment) of term loan	(39,482,180)	(213,166,482)
Refund of demand loan	-	(14,436,351)
Share money deposit made during the year	-	294,200,000
<b>Net cash from financing activities</b>	<b>(39,482,180)</b>	<b>66,597,167</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(841,402)</b>	<b>(1,924,951)</b>
<b>Opening cash and cash equivalents</b>	<b>2,737,667</b>	<b>4,662,618</b>
<b>Closing cash and cash equivalents</b>	<b>1,896,265</b>	<b>2,737,667</b>

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Signed in terms of our report of even date annexed

Dhaka, Bangladesh  
Dated, April 18, 2016



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

# IIDFC Capital Limited

## Notes to the financial statements

For the year ended 31 December 2015

### 1. Background

#### 1.1 Company profile

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

#### 1.2 Nature of business

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

### 2. Basis of preparation

#### 2.1 Statement of compliance

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

#### 2.2 Basis of preparation of the financial statements

These financial statements have been prepared on accrual basis following going concern concept under historical cost convention. The Company recognizes expenses in profit or loss account by function as per BAS/IAS-1.

#### 2.3 Functional and presentational currency

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

#### 2.4 Use of estimates and judgments

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

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

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

Note 14	Provision for income tax
Note 18	Deferred tax assets
Note 31	Depreciation of company's assets

# NOTES TO THE FINANCIAL STATEMENTS

## 2.5 Reporting period

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

## 2.6 Components of financial statements

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

## 3. Significant accounting policies

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

### 3.1 Revenue recognition

#### a. Interest income

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

#### b. Fees and commission income

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

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

#### c. Dividend income

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

#### d. Finance income

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

#### e. Other operational income

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

### 3.2 Financial instruments

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

# NOTES TO THE FINANCIAL STATEMENTS

## 3.2.1 Financial assets

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

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

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

## 3.2.2 Financial liabilities

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

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

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

## 3.3 Property, plant and equipment

### 3.3.1 Recognition and measurement

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

### 3.3.2 Subsequent costs

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

### 3.3.3 Depreciation

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 3.4 Intangible assets

Intangible fixed assets are accounted for according to BAS/IAS-38 "Intangible assets". Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred.

Intangible asset include acquired computer software's capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives.

### 3.5 Cash and cash equivalents

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

### 3.6 Statement of cash flows

Statement of Cash Flows (Cash Flow Statement) is prepared under direct method in accordance with BAS/IAS-7 "Statement of Cash Flows" as required by the Bangladesh Securities and Exchange Rules 1987.

### 3.7 Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of comprehensive income (profit and loss statement) in accordance with BAS/IAS-12 "Income taxes".

#### 3.7.1 Current tax

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

#### 3.7.2 Deferred tax

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

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

### 3.8 Employee benefit

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

#### 3.8.1 Defined contribution plan (provident fund)

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

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

## NOTES TO THE FINANCIAL STATEMENTS

### 3.8.2 Retirement benefit obligations (gratuity)

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

### 3.8.3 Group insurance benefits

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

### 3.9 Loan loss reserve

Diminution in value of margin loan has been made @ 65% of negative equity of margin loans as on 31 December 2015. As per BSEC's directive no. SEC/CMRRCD/2009-193/181 dated 8 December 2015, minimum requirement of making such provision per quarter installment is 20% of total 100% required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility. Provision is required to be kept on unrealized losses on margin loan @ 100% as per directive issued by BSEC. However, the BSEC, vide its directive no. SEC/CMRRCD/2009-193/181 dated 8 December 2015 has provided merchant banks the added benefit of allocating the 100% provision in five (5) equal quarterly installments.

	2015 BDT	2014 BDT
<b>4. Property, plant and equipment</b>		
Motor vehicle	6	6
Furniture and fixtures	381,667	2,035,433
Office equipment	1	799,314
	<b>381,674</b>	<b>2,834,753</b>
<b>Details are shown in Annex A</b>		
<b>5. Intangible asset</b>		
Software	150,000	420,000
	<b>150,000</b>	<b>420,000</b>
<b>Details are shown in Annex A</b>		
<b>6. License fee</b>		
License fee	<b>30,196,209</b>	<b>30,196,209</b>
<b>7. Margin loans</b>		
Client control account - SMDA	783,414,104	829,900,912
Rescheduling margin loan	74,542,694	51,097,110
Interest free block account	5,636,593	3,984,501
	<b>863,593,391</b>	<b>884,982,523</b>

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

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

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>8. Advances and receivables</b>		
<b>8.1 Advances</b>		
Income tax	40,434,648	40,400,011
Advance paid for professional services	370,700	370,700
Security deposit with CDBL	200,000	200,000
Other advances	13,200	20,000
	<b>41,018,548</b>	<b>40,990,711</b>
<b>8.2 Receivables against:</b>		
IIDFC Limited.	-	217,852
Segregated account	-	4,088,007
IIDFC Securities Limited	-	286,106
IIDFC Limited investment account	-	23,573,730
Others	-	115,085
	-	<b>28,280,780</b>
<b>8.3 Receivable from brokerage houses</b>		
IIDFC Securities Limited	1,214,013	-
BRAC EPL Stock Brokerage Limited	-	265,029
	<b>1,214,013</b>	<b>265,029</b>
	<b>42,232,561</b>	<b>69,536,520</b>
<b>9. Cash and cash equivalents</b>		
Cash in hand	7,935	5,021
<b>Bank balance with</b>		
Southeast Bank Limited	263,510	384,193
ONE Bank Limited	1,551,181	2,275,521
Bangladesh Commerce Bank Limited	73,639	72,932
	1,888,330	2,732,646
	<b>1,896,265</b>	<b>2,737,667</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT		
<b>10. Share capital</b>				
<b>Authorised</b>				
100,000,000 ordinary shares of BDT 10 each	<b>1,000,000,000</b>	<b>500,000,000</b>		
<b>Issued, Subscribed and Paid up</b>				
60,000,000 ordinary shares of BDT 10 each	<b>600,000,000</b>	<b>305,800,000</b>		
Paid up share capital at 31 December 2015 comprises the following:				
<b>Name of Shareholder</b>	<b>Number of Shares</b>	<b>Face value per share</b>	<b>% of share holding</b>	<b>Amount</b>
IIDFC Limited	59,998,800	10	100.00	599,988,000
Md. Matiul Islam	1,150	10	0.00	11,500
A.T.M. Nasir Uddin	10	10	0	100
Ashrafun Nessa	10	10	0	100
S.M. Anisuzzaman	10	10	0	100
Md. Shamim Ahmed	10	10	0	100
Mamun Rashid	10	10	0	100
	<b>60,000,000</b>		<b>100</b>	<b>600,000,000</b>
<b>11. Share money deposit</b>			-	294,200,000
Term loan and its interest with IIDFC Limited shall be converted into ordinary share capital by issuing new 29,420,000 ordinary share of BDT 10 each at par by way of right issue to the existing share holders of the company and deposited as share money deposit. Meanwhile, the Bangladesh Securities and Exchange Commission (BSEC) vide their letter Ref. no. BSEC/CI/CPLC(Pvt.)-242/2010/565 Dated: November 10, 2015 approved the enhancement of paid up capital by BDT 294,200,000.00 to BDT 600,000,000.00.				
<b>12. Retained earnings</b>				
Opening balance		(131,527,413)		(132,936,266)
Add: Net profit/(loss) for the year		2,034,319		1,408,853
Closing balance		<b>(129,493,094)</b>		<b>(131,527,413)</b>
<b>13. Term loan</b>				
IIDFC Limited (note 13.1)		47,931,530		90,965,635
Investment Corporation of Bangladesh -1 (note 13.2)		22,482,252		39,115,460
Investment Corporation of Bangladesh -2 (note 13.3)		20,185,133		-
		<b>90,598,915</b>		<b>130,081,095</b>
<b>13.1 IIDFC Limited</b>				
Opening balance		90,965,635		245,976,282
Add: Addition during the year		-		101,977,604
Less: Converted to share capital (principal amount)		-		(256,988,251)
Less: Repaid during the year		(43,034,105)		-
Closing balance		<b>47,931,530</b>		<b>90,965,635</b>

The above loan was taken from IIDFC Limited in the year with the interest rates ranging from 16% to 17%. Interest on such loan is being paid quarterly whereas principal amount will be paid at a time.



## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>13.2 Investment Corporation of Bangladesh (ICB-1)</b>		
Opening balance	39,115,460	-
Add: Addition during the year	-	47,009,102
Less: Paid during the year	(16,633,208)	(7,893,642)
Closing balance	<b>22,482,252</b>	<b>39,115,460</b>
<b>13.3 Investment Corporation of Bangladesh (ICB-2)</b>		
Opening balance	-	-
Add: Addition during the year	24,016,270	-
Less: Paid during the year	(3,831,137)	-
Closing balance	<b>20,185,133</b>	-
<b>14. Accruals and payables</b>		
Financial charges	3,212,532	5,485,413
CDBL charges	24,845	37,230
Office rent	-	619,395
Withholding VAT	12,000	33,408
Withholding income tax	8,000	50,302
Provident fund	-	48,296
Gratuity fund	1,263,560	-
Legal and professional fees	-	48,914
Utilities	-	29,693
Audit fee	72,000	75,000
IIDFC Securities Limited (current account)	100,219	72,042
Internet expenses	2,609	-
Others	2,421	62,604
	<b>4,698,186</b>	<b>6,562,297</b>
<b>15. Provision for income tax</b>		
Opening balance	38,181,884	36,301,034
Add: Provision made during the year	2,295,607	1,745,314
Prior year's adjustment	-	135,536
Closing balance	<b>40,477,491</b>	<b>38,181,884</b>
<b>16. Customers' deposits</b>		
Self-margin Discretionary Account (SMDA)	-	6,622,905
Non-margin Discretionary Account (NMDA)	452,074	371,861
Receivable in transit	1,209,504	-
Cheque issued in transit	18,151	-
	<b>1,679,729</b>	<b>6,994,766</b>
This represents uninvested funds lying with the company's account as at 31 December 2015.		
<b>17. Payable to stock brokers and others</b>		
IIDFC Securities Limited	583,870	213,982
	<b>583,870</b>	<b>213,982</b>
<b>18. Loan loss reserve</b>		
Interest income loss account (note 18.1)	293,235,376	301,460,456
Loan loss account (note 18.2)	36,902,356	39,151,596
	<b>330,137,732</b>	<b>340,612,052</b>
<b>18.1 Interest income loss account</b>		
Opening balance	301,460,456	218,306,982
Add: Addition during the year	9,948,852	83,153,474
Less: Adjustment during the year	(18,173,932)	-
Closing balance	<b>293,235,376</b>	<b>301,460,456</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT		
<b>18.2 Loan loss account</b>				
Opening balance	39,151,596	39,151,596		
Add: Addition during the year	-	-		
Less: Adjustment during the year	(2,249,240)	-		
Closing balance	<b>36,902,356</b>	<b>39,151,596</b>		
<b>19. Deferred tax assets</b>				
Opening balance	410,991	314,515		
(Adjustment) /addition during the year (note 19.1)	(178,262)	96,476		
Closing balance	<b>232,729</b>	<b>410,991</b>		
<b>19.1 Deferred tax assets</b>				
Deferred tax assets have been recognised and measured in accordance with the provision of BAS - 12: Income Taxes. Deferred tax asset is calculated as under:				
Particular	Carrying value of assets at 31 Dec 2014	Tax base	Taxable/ (deductible) temporary difference at 31 Dec 2015	At 31 Dec 2014
	BDT	BDT	BDT	BDT
Property, plant and equipment	531,673	1,152,283	620,610	1,095,976
Tax rate			37.50%	37.50%
			<b>232,729</b>	<b>410,991</b>
<b>20. Interest income</b>				
Interest on margin loan			45,287,059	138,717,039
Interest on affected small investors account			3,008,338	-
Transfer to interest income loss account			(9,948,852)	(83,153,474)
			<b>38,346,545</b>	<b>55,563,565</b>
<b>21. Interest expense</b>				
Term loan			13,819,071	50,557,288
Demand loan			-	652,643
			<b>13,819,071</b>	<b>51,209,931</b>
<b>22. Fees and commission income</b>				
Management fees (note 22.1)			4,807,286	5,434,755
Settlement fees (note 22.2)			3,266,601	7,340,970
Documentation fees			3,000	12,500
Yearly account maintenance fees			42,800	209,000
			<b>8,119,687</b>	<b>12,997,225</b>
<b>22.1 Management fees</b>				
Self-margin discretionary account (SMDA)			4,261,241	4,612,162
Non-margin discretionary account (NMDA)			23,350	822,593
IIDFC Investment account (IIDA)			522,695	-
			<b>4,807,286</b>	<b>5,434,755</b>

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

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>22.2 Settlement fees</b>		
Self-margin discretionary account (SMDA)	3,119,449	5,440,186
Non-margin discretionary account (NMDA)	23,335	1,900,784
IIDFC Investment account (IIDA)	123,817	-
	<b>3,266,601</b>	<b>7,340,970</b>
<p>This represents transaction fees realised by the company on the total trading turnover of portfolio customers ranging from 0.30% to 0.40% depending on agreement with respective brokerage houses where transactions are initiated.</p>		
<b>23. Fees and commission expenses</b>		
Self-margin discretionary account (SMDA)	-	2,423,174
Non-margin discretionary account (NMDA)	-	960,069
CDBL Transaction fee	216,626	-
	<b>216,626</b>	<b>3,383,243</b>
<p>This represents transaction fees paid by the company to its designated brokerage houses on the value of transactions done through the stock exchange. The rate of fees varies according to the agreement made with each brokerage houses by the company.</p>		
<b>24. Other operating income</b>		
Underwriting commission	81,900	273,527
Gains/losses from sale of quoted securities	-	4,714,372
IPO application commission	9,114	333
BO account closing income	12,500	-
Others	103,902	-
	<b>207,416</b>	<b>4,988,232</b>
<b>25. Salaries and allowances</b>		
Basic salary	3,580,753	2,652,520
Allowances	2,225,245	1,648,398
Festival bonus	608,843	452,195
Incentive bonus	687,869	339,436
Employers' contribution to provident fund	340,710	248,012
Group insurance	167,569	92,512
Retirement benefits and gratuity	1,263,560	-
Leave fare assistant	260,498	178,418
Earned leave encashment	99,400	224,034
Arrear salary	146,034	-
Car allowance to CEO	190,849	131,224
	<b>9,571,330</b>	<b>5,966,749</b>
<b>26. Rent, taxes, insurance and electricity</b>		
Rent, rates and taxes	1,531,315	4,561,316
Insurance	-	140,148
Electricity, gas and water	151,407	389,249
	<b>1,682,722</b>	<b>5,090,713</b>
<b>27. Legal expenses</b>		
Professional charges	34,760	83,387
Legal fees	98,898	-
	<b>133,658</b>	<b>83,387</b>
<b>28. Postage, stamp and telecommunications</b>		
Postage and courier	32,485	106,447
Newspapers, books, magazines etc	4,777	7,549
Phone, fax and internet	219,800	116,582
	<b>257,062</b>	<b>230,578</b>

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>29. Stationery, printing and advertisement</b>		
Printing and stationery	81,218	65,717
	<b>81,218</b>	<b>65,717</b>
<b>30. Directors' fees</b>		
Directors' fees	39,100	32,200
	<b>39,100</b>	<b>32,200</b>
<b>31. Auditors' fees</b>		
Statutory audit	103,250	75,000
	<b>103,250</b>	<b>75,000</b>
<b>32. Repairs and depreciation of company's assets</b>		
<b>Repairs of company's assets:</b>		
Furniture and fixtures	133,749	51,420
Software	-	61,000
Vehicles	90,078	102,906
	<b>223,827</b>	<b>215,326</b>
<b>Depreciation of company's assets:</b>		
Furniture and fixtures	81,991	410,327
Office equipment	504,931	890,470
Software	270,000	270,000
	<b>856,922</b>	<b>1,570,797</b>
	<b>1,080,749</b>	<b>1,786,123</b>
<b>33. Other expenses</b>		
Office maintenance	121,087	66,094
Travelling and conveyance	11,383	6,846
Entertainment	38,928	55,021
Car running and maintenance expenses	184,400	184,000
Bank charge and excise duty	26,038	27,262
Registration and subscriptions	164,883	153,818
Security service expenses	153,366	139,489
CDBL charge and registration fees	-	549,097
Uniform and liveries	-	23,600
Loss on disposal of PPE	1,528,799	-
Miscellaneous	8,064	190,430
	<b>2,236,948</b>	<b>1,395,657</b>
<b>34. Loan and bad debts written-off</b>		
Loss on bad loan	11,162,045	1,148,861
Interest waive account	1,977,644	-
	<b>13,139,689</b>	<b>1,148,861</b>
<b>35. Non-operating income</b>		
Bank interest:		
ONE Bank Limited	177,232	118,225
Southeast Bank Limited	16,500	48,997
Bangladesh Commerce Bank Limited	2,231	2,716
	<b>195,963</b>	<b>169,938</b>
<b>Other income</b>		
Gains on sale of fixed assets	-	8,133
	<b>-</b>	<b>8,133</b>
	<b>195,963</b>	<b>178,071</b>
<b>36. Current tax</b>		
Income tax provision during the year	2,295,607	1,745,314
Add: Prior year's adjustment	-	201,243
	<b>2,295,607</b>	<b>1,946,557</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 37. Related party transactions

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

Name of party	Relationship	Nature of transactions	2015	2014
			BDT	BDT
IIDFC Limited	Parent company	Share money deposit	-	294,200,000
		Investment in securities	-	23,573,730
IIDFC Securities Limited	Sister concern	Administrative cost	100,219	230,020
		Brokerage service	630,143	213,982

### 38. Others

- 38.1 These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.
- 38.2 Figures in these notes and annexed financial statements have been rounded to the nearest BDT.
- 38.3 Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current year's presentation.

for IIDFC Capital Limited



**Md. Matiul Islam**  
Chairman



**Mohammad Saleh Ahmed**  
Chief Executive Officer



**Md. Shamim Ahamed FCA**  
Company Secretary

Dhaka, Bangladesh  
Dated, April 18, 2016

# NOTES TO THE FINANCIAL STATEMENTS

## IIDFC Capital Limited Details of property, plant and equipment As at 31 December 2015

Annexure A

Category of asset	Cost			Rate (%)	To 1 Jan 2015	Depreciation		Total to 31 Dec 2015	Written down value at 31 Dec 2015
	Balance at 1 Jan 2015	Addition during the year	Sale/disposal			Balance at 31 Dec 2015	Charged for the year		
	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT	BDT
<b>Tangible assets</b>									
Motor vehicle	1,250,000	-	-	1,250,000	20	1,249,994	-	1,249,994	6
Furniture and fixtures	3,599,374	1,000	(2,780,460)	819,914	10	1,563,941	81,991	438,247	381,667
Office equipment	4,947,056	-	(1,821,965)	3,125,091	18	4,147,742	504,931	3,125,090	1
<b>Total at 31 December 2015</b>	<b>9,796,430</b>	<b>1,000</b>	<b>(4,602,425)</b>	<b>5,195,005</b>		<b>6,961,677</b>	<b>586,922</b>	<b>4,813,331</b>	<b>381,674</b>
<b>Total at 31 December 2014</b>	<b>10,300,327</b>	<b>-</b>	<b>(503,897)</b>	<b>9,796,430</b>		<b>5,879,825</b>	<b>1,300,797</b>	<b>6,961,677</b>	<b>2,834,753</b>
<b>Intangible asset</b>									
Software	1,500,000	-	-	1,500,000	18	1,080,000	270,000	1,350,000	150,000
<b>Total at 31 December 2015</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>		<b>1,080,000</b>	<b>270,000</b>	<b>1,350,000</b>	<b>150,000</b>
<b>Total at 31 December 2014</b>	<b>1,500,000</b>	<b>-</b>	<b>-</b>	<b>1,500,000</b>		<b>810,000</b>	<b>270,000</b>	<b>1,080,000</b>	<b>420,000</b>



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



**Ashrafun Nessa, Chief Operating Officer**

**IIDFC Securities Limited**



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



# AUDITORS' REPORT

## IIDFC Securities Limited Auditors' Report to the Shareholders For the year ended 31 December 2015

We have audited the accompanying financial statements of IIDFC Securities Limited (the company), which comprise the statement of financial position (balance sheet) as at 31 December 2015, statement of profit or loss and other comprehensive income (profit and loss statement), statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Management's responsibility for the financial statements

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

### Auditors' responsibility

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

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

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

### Opinion

In our opinion, the financial statements, prepared in accordance with Bangladesh Financial Reporting Standards as far as practicable, give a true and fair view of the state of the company's affairs as at 31 December 2015 and of the results of its operations and its cash flows for the year then ended and comply with the requirements of the Companies Act 1994, Bangladesh Securities and Exchange Commission Rules 1987 and other applicable laws and regulations.

### We also report that:

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

Dhaka, Bangladesh  
Dated, April 17, 2016



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

# STATEMENT OF FINANCIAL POSITION

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

As at 31 December 2015

	Notes	2015 BDT	2014 BDT
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	8,389,326	15,948,912
Intangible assets	5	354,778	654,808
Cost of TREC holding	6	124,258,580	124,258,580
		133,002,684	140,862,300
<b>Current assets</b>			
Advance against corporate income tax	7	71,944,217	64,319,439
Loans and advances	8	1,844,253,510	2,333,522,268
Investment in securities	9	318,099,173	178,163,843
Cash and bank balances	10	62,660,853	56,602,853
Other assets	11	13,826,726	14,512,572
		2,310,784,479	2,647,120,975
<b>Total assets</b>		<b>2,443,787,163</b>	<b>2,787,983,275</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	12	1,000,000,000	1,000,000,000
Retained earnings	13	70,721,886	63,711,773
General reserve		17,000,000	17,000,000
<b>Total equity</b>		<b>1,087,721,886</b>	<b>1,080,711,773</b>
<b>Non-current liabilities</b>			
Long term loan	14	587,101,422	900,099,910
Deferred tax liability / (assets)	15	(878,869)	(226,064)
		586,222,553	899,873,846
<b>Current liabilities</b>			
Short-term loan	16	111,190,324	167,623,305
Inter-company current account	17	(100,219)	214,065
Payable to clients		38,595,750	31,522,274
Accounts payable	18	9,567,397	2,396,934
Accrued expenses	19	21,446,700	3,295,795
Provision for corporate income tax	20	66,557,281	60,395,493
Loan loss reserve	21	480,593,456	501,722,116
Reserve for diminution in value of investment in securities	22	38,739,088	38,739,088
Other liabilities	23	3,252,947	1,488,586
		769,842,724	807,397,656
<b>Total liabilities</b>		<b>1,356,065,277</b>	<b>1,707,271,502</b>
<b>Total shareholders' equity and liabilities</b>		<b>2,443,787,163</b>	<b>2,787,983,275</b>

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

for IIDFC Securities Limited



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



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



**Md. Shamim Ahamed FCA**  
Company Secretary



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

Dhaka, Bangladesh  
Dated, April 17, 2016

# STATEMENT OF COMPREHENSIVE INCOME

## IIDFC Securities Limited

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

For the year ended 31 December 2015

	Notes	2015 BDT	2014 BDT
<b>Revenue</b>			
Interest income from margin loan		171,125,691	246,276,382
<u>Less:</u> Interest waived on loan to small investors	24	1,563,668	-
<u>Less:</u> Interest expense on borrowed fund		106,677,180	171,650,744
<b>Net interest income</b>		<b>62,884,843</b>	<b>74,625,638</b>
Brokerage commission	25	34,186,552	44,362,843
<u>Less:</u> Direct cost	26	3,455,391	4,300,728
		30,731,161	40,062,115
Capital gains/(losses) on sale of investment in securities		(491,762)	14,747,904
Income from bank deposit		3,671,941	4,241,547
Dividend income		4,648,391	23,160,269
Other operating income	27	1,025,577	511,359
		8,854,147	42,661,079
<b>Total operating income</b>		<b>102,470,151</b>	<b>157,348,832</b>
<u>Less:</u> Operating expenses	28	88,856,534	81,733,854
<b>Operating profit</b>		<b>13,613,617</b>	<b>75,614,978</b>
Diminution in value of investment in securities	22	-	(17,355,866)
Loan loss reserve	21	-	(3,096,702)
<b>Profit before tax</b>		<b>13,613,617</b>	<b>55,162,410</b>
<b>Income tax expense</b>			
Current tax		7,265,892	13,742,729
Deferred tax expense/(income)		(652,805)	(616,670)
		6,613,087	13,126,059
<b>Net profit for the year</b>		<b>7,000,530</b>	<b>42,036,351</b>
<b>Basic earnings per share</b>	29	<b>0.07</b>	<b>0.52</b>

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

for IIDFC Securities Limited




**Md. Matiul Islam**  
Chairman



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Director



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



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Dhaka, Bangladesh  
Dated, April 17, 2016

## STATEMENT OF CHANGES IN EQUITY

### IIDFC Securities Limited Statement of Changes in Equity For the year ended 31 December 2015

Particulars	Share capital	General reserve	Stock dividend	Retained earnings	Total
	BDT	BDT	BDT	BDT	BDT
<b>Year 2014</b>					
Balance at 01 January 2014	785,000,000	17,000,000	-	21,675,422	823,675,422
Right shares issued during the year	215,000,000	-	-	-	215,000,000
Net profit for the year	-	-	-	42,036,351	42,036,351
<b>Balance at 31 December 2014</b>	<b>1,000,000,000</b>	<b>17,000,000</b>	<b>-</b>	<b>63,711,773</b>	<b>1,080,711,773</b>
<b>Year 2015</b>					
Balance at 01 January 2015	1,000,000,000	17,000,000	-	63,721,356	1,080,721,356
Net profit for the year	-	-	-	7,000,530	7,000,530
<b>Balance at 31 December 2015</b>	<b>1,000,000,000</b>	<b>17,000,000</b>	<b>-</b>	<b>70,721,886</b>	<b>1,087,721,886</b>

for IIDFC Securities Limited



**Md. Matiul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



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



**Md. Shamim Ahamed FCA**  
Company Secretary



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

Dhaka, Bangladesh  
Dated, April 17, 2016

# STATEMENT OF CASH FLOWS

## IIDFC Securities Limited Statement of Cash Flows For the year ended 31 December 2015

	2015 BDT	2014 BDT
<b>A. Cash flows from operating activities</b>		
Receipt of interest	171,125,691	246,276,382
Interest paid on borrowing	(108,240,848)	(171,650,744)
Receipt of brokerage commission	34,186,552	44,362,843
Receipt of dividend	4,648,391	23,160,269
Capital gains on investment in securities	(491,762)	14,747,904
Payment to employees	(35,900,302)	(26,010,560)
Income tax paid	(6,613,087)	(13,126,059)
Receipts from other operating activities	4,697,518	4,752,906
Payment for other operating activities	(52,006,954)	(75,242,114)
<b>Cash generated from operating activities</b>	<b>11,405,199</b>	<b>47,270,827</b>
<b>Increase/(decrease) in operating assets and liabilities</b>		
Other assets	(6,938,932)	(18,374,182)
Inter-company current account	(314,284)	(3,659,578)
Disbursement of loans and advances	489,268,758	(109,403,964)
Payable to clients	7,073,477	(22,545,967)
Accounts payable	7,170,463	1,064,089
Accrued expenses	18,150,905	(42,282)
Other liabilities	(13,855,317)	119,424,625
<b>Net increase/ (decrease) in operating assets and liabilities</b>	<b>500,555,070</b>	<b>(33,537,259)</b>
Net cash from operating activities	<b>511,960,269</b>	<b>13,733,568</b>
<b>B. Cash flows from investing activities</b>		
Investment in shares	(139,935,331)	(8,113,409)
Acquisition of property, plant and equipment	3,464,531	(197,162)
<b>Net cash used in investing activities</b>	<b>(136,470,800)</b>	<b>(8,310,571)</b>
<b>C. Cash flows from financing activities</b>		
Issue of share capital	-	215,000,000
Payment of term borrowing	(369,431,469)	(221,695,850)
<b>Net cash used in financing activities</b>	<b>(369,431,469)</b>	<b>(6,695,850)</b>
<b>D. Net changes in cash and bank balances (A+B+C)</b>	<b>6,058,000</b>	<b>(1,272,853)</b>
<b>E. Opening cash and bank balances</b>	<b>56,602,853</b>	<b>57,875,706</b>
<b>F. Closing cash and bank balances</b>	<b>62,660,853</b>	<b>56,602,853</b>

for IIDFC Securities Limited



**Md. Matiuul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



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



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Company Secretary



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

Dhaka, Bangladesh  
Dated, April 17, 2016

# IIDFC Securities Limited

## Notes to the financial statements

For the year ended 31 December 2015

### 1. Background

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

### 2. Principal activities

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

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

#### 3.1 Accounting estimates

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

#### 3.2 Revenue recognition

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

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

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

Dividend is recognised as income when it is actually received.

#### 3.3 Presentation of currencies

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

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

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

#### Subsequent costs

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

#### Depreciation

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## IIDFC Securities Limited Notes to the financial statements For the year ended 31 December 2015

### 3.5 Intangible assets and amortisation of intangible assets

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

### 3.6 Investment in securities

Investments in listed securities have been valued at fair market price and any change in the book value has either been accounted for through the profit or loss account and other comprehensive income as prescribed in BAS-39 "Financial Instruments: Recognition and Measurement". In recognizing the loss so arrived has been provided for in line with the directives of Bangladesh Securities and Exchange Commission (BSEC) ref# SEC/CMRRD/2009-193/181 dated December 08, 2015.

Investment in unquoted shares are valued at cost in the absence of the fair value of those shares which the Company believes realistic.

### 3.7 Provision for current tax

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

### 3.8 Provision for deferred tax

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

### 3.9 Employees' benefit obligation

#### Defined contribution plan

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

#### Defined benefit plan

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

#### Other benefit program for employees

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

### 3.10 Books of account of branch offices

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

# NOTES TO THE FINANCIAL STATEMENTS

## IIDFC Securities Limited Notes to the financial statements For the year ended 31 December 2015

### 4. Property, plant and equipment

Category of assets	Cost			Rate (%)	Depreciation			Net book value at 31 Dec 2015 BDT	
	At 01 Jan 2015 BDT	Additions BDT	Sale/ disposal BDT		Total at 31 Dec 2015 BDT	Charge for the year BDT	Adjustment/ disposal BDT		Total to 31 Dec 2015 BDT
Furniture and fixtures	4,370,215	107,812	600,612	10	3,877,415	387,742	240,245	1,892,306	1,985,109
Office decoration	13,245,967	-	4,476,582	10	8,769,385	876,939	1,725,383	4,384,695	4,384,690
Office equipment	17,626,818	99,900	2,002,420	18	15,724,298	2,830,374	1,441,743	13,704,771	2,019,527
<b>Total at 31 Dec 2015</b>	<b>35,243,000</b>	<b>207,712</b>	<b>7,079,614</b>		<b>28,371,098</b>	<b>4,095,055</b>	<b>3,407,371</b>	<b>19,981,772</b>	<b>8,389,326</b>
<b>Total at 31 Dec 2014</b>	<b>35,506,974</b>	<b>112,060</b>	<b>376,034</b>		<b>35,243,000</b>	<b>4,934,446</b>	<b>112,811</b>	<b>19,294,088</b>	<b>15,948,912</b>

### 5. Intangible assets

Category of assets	Cost			Rate (%)	Amortisation			Net book value at 31 Dec 2015 BDT	
	At 01 Jan 2015 BDT	Additions BDT	Sale/ disposal BDT		Total at 31 Dec 2015 BDT	Charge for the year BDT	Adjustment/ disposal BDT		Total to 31 Dec 2015 BDT
Computer software	1,666,831	-	-	18	1,666,831	300,030	-	1,312,053	354,778
<b>Total at 31 Dec 2015</b>	<b>1,666,831</b>	<b>-</b>	<b>-</b>		<b>1,666,831</b>	<b>300,030</b>	<b>-</b>	<b>1,312,053</b>	<b>354,778</b>
<b>Total at 31 Dec 2014</b>	<b>1,318,506</b>	<b>348,325</b>	<b>-</b>		<b>1,666,831</b>	<b>300,030</b>	<b>-</b>	<b>1,012,023</b>	<b>654,808</b>



# NOTES TO THE FINANCIAL STATEMENTS

## IIDFC Securities Limited Notes to the financial statements For the year ended 31 December 2015

	2015 BDT	2014 BDT
<b>6. Cost of TREC holding</b>	124,258,580	124,258,580

In pursuance to section 3.1.4 of the scheme of demutualisation of Dhaka Stock Exchange Ltd (DSE), 7,215,106 ordinary shares of BDT 10 each were allotted by DSE in favour of IIDFC Securities Limited. Out of total shares allotted, 2,886,042 ordinary shares of BDT 28,860,420 being 40% of total ordinary shares allotted were issued and credited to BO account of IIDFC Securities Limited for BDT 28,860,420 and value of cost of DSE membership has been adjusted to that extent. The remaining 4,329,064 shares being 60% ordinary shares of BDT 43,290,640 were credited to the "DSE Demutualisation Blocked Account" maintained by DSE. As per that aforesaid scheme, these 60% shares will be off-loaded in the following manner:

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

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

### 7. Advance against corporate income tax

Advance tax paid	6,000,000	6,000,000
Income tax withheld by DSE (note 7.1)	51,325,876	44,989,693
Income tax withheld from dividend income	10,970,996	10,049,070
Income tax withheld from SND account	3,647,345	3,280,676
	<u>71,944,217</u>	<u>64,319,439</u>

#### 7.1 Income tax withheld by DSE

Stock -Dealer transactions	884,106	485,603
Stock-Broker transactions	50,441,770	44,504,090
	<u>51,325,876</u>	<u>44,989,693</u>

The amount has been deducted by Dhaka Stock Exchange Ltd from the transaction amount under Section 53 BBB of the Income Tax Ordinance 1984 which is the final tax liabilities of the company under section 82C of that ordinance.

### 8. Loans and advances

Margin loan-general (note 8.1)	824,960,327	2,061,984,886
Margin loan-affected small investors (note 8.2)	321,046,942	271,537,382
Margin loan-unrecovered interest free blocked account (note 8.3)	698,246,241	-
	<u>1,844,253,510</u>	<u>2,333,522,268</u>

#### 8.1 Margin loan-general

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

#### 8.2 Margin loan-affected small investors

Segregated loan	116,007,865	167,330,080
Interest-free blocked loan	9,565,895	14,036,610
General margin loan	195,473,182	90,170,692
	<u>321,046,942</u>	<u>271,537,382</u>

## NOTES TO THE FINANCIAL STATEMENTS

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

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

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

- 8.3 **Margin loan- unrecovered interest free blocked account:** Under the bailout program for the long outstanding negative equity margin loan accounts, the company sold the securities available in these accounts and recovered the outstanding margin loan as far as possible. Up to 31 December 2015, unrecovered margin loan of BDT 698,246,241 under this programme was transferred to a separate interest free blocked account.

### 9. Investment in securities

Details of investment in securities as on 31 December 2015 are as under :

	Amount in BDT			2014 Cost Price
	2015		Required Provision (c=b-a)	
	Cost Price (a)	Market Price (b)		
<b>Quoted:</b>				
AB Bank Limited	665,817	627,000	(38,817)	1,082,961
ACI Formulations Limited	10,646,602	8,650,320	(1,996,282)	1,600,170
ACI Limited	4,977,766	4,773,600	(204,166)	-
Active Fine Chemicals Limited	5,107,989	4,833,200	(274,789)	-
AFC Agro Biotech Limited	-	-	-	580,800
Agni Systems Limited	833,143	706,200	(126,943)	-
Agricultural Marketing Company Ltd.	2,740,322	2,450,400	(289,922)	1,600,470
Aims First Guaranteed Mutual Fund	4,852,200	4,334,000	(518,200)	-
Al - Arafah Islami Bank Ltd.	771,000	735,000	(36,000)	-
Argon Denims Limited	-	-	-	1,802,480
Asia Insurance Limited	1,795,118	722,780	(1,072,338)	1,785,484
Asian Tiger Sandhani Life Growth Fund	545,211	554,400	9,189	-
Bangladesh General Insurance Company Ltd.	761,286	356,900	(404,386)	-
Bangladesh Steel Re - Rolling Mills Limited	639,200	658,000	18,800	-
Bank Asia Limited	-	-	-	8,708,596
Bangladesh Submarine Cable Company Limited	2,198,987	1,545,830	(653,157)	1,708,793
Bangladesh Building Systems Limited	1,392,628	1,260,000	(132,628)	339,611
Barakatullah Electro Dynamics Limited	-	-	-	199,000
Bengal Windsor Thermoplastics Limited	2,125,650	1,725,900	(399,750)	668,453
Bangladesh Export Import Company Limited	310,000	290,000	(20,000)	1,045
Bangladesh General Insurance Company Limited	-	-	-	817,199
Beximco Pharmaceuticals Limited	2,581,436	2,943,500	362,064	691,650
Central Insurance Co Limited	1,192,740	562,815	(629,925)	1,192,740
Deshbandhu Polymer Ltd.	1,312,500	817,500	(495,000)	-
Dhaka Electric Supply Company Limited	5,992,318	4,514,370	(1,477,948)	976,100
Dhaka Bank Limited	7,413,022	5,807,186	(1,605,836)	11,690,071
Dutch-Bangla Bank Limited	699,444	645,600	(53,844)	699,444
Eastern Insurance Company Limited	660,026	364,940	(295,086)	661,200
Eastland Insurance Company Limited	1,780,197	1,012,389	(767,808)	1,766,584
Emerald Oil Industries Limited	-	-	-	350,150
Envoy Textiles Limited	791,829	659,925	(131,904)	452,736
Export Import (EXIM) Bank of Bangladesh	-	-	-	209
Fareast Islami Life Insurance Company Limited	11,679,282	7,190,625	(4,488,657)	12,247,029

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in BDT			2014 Cost Price
	2015			
	Cost Price (a)	Market Price (b)	Required Provision (c=b-a)	
<b>Quoted:</b>				
GBB Power Limited	1,313,693	862,747	(450,946)	1,307,000
Golden Harvest Agro Industries Limited	908,266	629,750	(278,516)	2,146,770
Global Heavy Chemicals Limited	2,421,049	1,840,000	(581,049)	2,286,775
Golden Son Limited	-	-	-	19,432
GrameenPhone Mutual Fund One	3,054,788	2,697,000	(357,788)	-
GrameenPhone Limited	27,801,845	20,834,297	(6,967,548)	9,288,716
Heidelberg Cement Bangladesh Ltd.	10,996,979	10,117,800	(879,179)	-
Hwa Well Textiles (BD) Limited	727,367	679,716	(47,651)	-
H.R.Textile Mills Limited	-	-	-	1,059,620
IDLC Finance Limited	1,185,589	1,239,246	53,657	544,208
ICB AMCL 2nd NRB Mutual Fund	-	-	-	708,052
ICB 2nd NRB Mutual Fund	656,956	360,000	(296,956)	-
IFIC Bank First Mutual Fund	-	-	-	4,608
International Leasing and Financial Services Ltd.	300,950	91,000	(209,950)	300,950
Islami Bank Bangladesh Limited	5,063,290	4,726,000	(337,290)	-
Islami Insurance Bangladesh Limited	1,019,141	619,947	(399,194)	1,019,140
Islami Finance and Investment Limited	790,000	775,000	(15,000)	-
Jamuna Oil Company Limited	1,916,500	1,571,000	(345,500)	-
Karnafuli Insurance Co Ltd.	3,205,460	975,707	(2,229,753)	3,205,460
Khulna Power Company Limited	1,840,421	1,872,500	32,079	2,823,552
Lafarge Surma Cement Ltd.	4,860,789	2,984,000	(1,876,789)	1,824,120
Lanka Bangla Finance Limited	9,658,169	9,570,000	(88,169)	-
Linde Bangladesh Limited	3,774,940	3,385,602	(389,338)	-
Malek Spinning Mills Ltd.	406,000	314,000	(92,000)	-
Matin Spinning Mills Ltd.	4,617,360	4,783,268	165,908	-
Meghna Petroleum Limited	8,974,705	5,794,985	(3,179,720)	6,527,481
Meghna Cement Mills Ltd.	2,372,801	2,023,510	(349,291)	1,487,660
Mercantile Bank Limited	-	-	-	373,406
MJL Bangladesh Ltd.	4,978,703	4,243,500	(735,203)	2,466,327
Mutual Trust Bank Limited	985,000	975,000	(10,000)	466,856
National Bank Limited	3,851,045	1,989,830	(1,861,215)	4,851,629
NCC Bank Limited	1,940,471	1,159,795	(780,676)	3,198,603
NLI First Mutual Fund	747,547	776,000	28,453	-
ONE Bank Limited	6,496,918	6,008,907	(488,011)	12,323,115
Paramount Insurance Company Ltd.	-	-	-	63,400
Padma Oil Company Limited	693,680	534,180	(159,500)	-
People's Insurance Company Limited	-	-	-	61,975
People's Leasing & Financial Services Ltd.	532,400	294,151	(238,249)	525,300
Pharma Aids Limited	-	-	-	616,405
Phoenix Finance and Investment Limited	385,518	209,000	(176,518)	461,850
PHP First Mutual Fund	399,130	277,193	(121,937)	399,130
Pioneer Insurance Co. Limited	18,071,822	17,169,116	(902,706)	-
Popular Life First Mutual Fund	240,000	210,000	(30,000)	-
Pragati Insurance Limited	675,364	287,531	(387,833)	675,364
Popular Life Insurance Company Limited	65,560	53,830	(11,730)	-
Pragati Life Insurance Company Limited	3,268,406	1,965,253	(1,303,153)	3,675,185
Premier Leasing & Finance Limited	-	-	-	216,550
Prime Bank Limited	260,690	237,110	(23,580)	455,029
Prime Finance First Mutual Fund	129,500	52,500	(77,000)	129,500
Prime Islami Life Insurance Limited	8,657,544	2,880,926	(5,776,618)	8,657,544

## NOTES TO THE FINANCIAL STATEMENTS

	Amount in BDT			2014
	2015			
	Cost Price (a)	Market Price (b)	Required Provision (c=b-a)	
<b>Quoted:</b>				
Pubali Bank Limited	-	-	-	2,330
Purabi General Insurance Co Limited	-	-	-	8,090
RAK Ceramics (Bangladesh) Limited	8,757,037	8,028,000	(729,037)	1,289,500
Reliance Insurance Limited	2,527,055	1,995,917	(531,138)	2,527,055
Ratanpur Stell Re-rolling Mills Limited	4,700,147	4,089,600	(610,547)	271,651
Renwick Jajneswar and Company Limited	278,492	232,370	(46,122)	-
Rupali Insurance Company Limited	487,412	258,435	(228,977)	487,412
Rupali Life Insurance Company Limited	1,317,966	939,600	(378,366)	1,548,405
S. Alam Cold Rolled Steels Ltd.	157,681	119,600	(38,081)	638,628
Shahjalal Islami Bank Ltd	1,853,917	1,930,500	76,583	4,563
Shahjibazar Power Co. Ltd.	1,419,500	1,262,780	(156,720)	-
Social Islami Bank Limited	443,550	453,600	10,050	2,656,320
Southeast Bank Limited	1,328,308	1,320,000	(8,308)	-
Square Pharmaceuticals Limited	-	-	-	4,400,905
Square Textiles Limited	2,525,946	2,241,218	(284,728)	565,287
Standard Bank Limited	3,290,812	2,295,400	(995,412)	2,362,278
Summit Power Limited	2,447,891	2,501,100	53,209	692,601
Sumit Alliance Port Limited	3,156,379	3,195,900	39,521	-
Sumit Purbanchol Co. Limited	4,823,494	4,692,000	(131,494)	-
Takaful Islami Insurance Limited	672,023	411,480	(260,543)	697,501
The City Bank Limited	1,211,950	1,224,000	12,050	1,360,673
The Premier Bank Limited	-	-	-	540,300
Trust Bank Limited	3,681,960	3,856,000	174,040	236,600
Titas Gas Transmission and Dist. Company Ltd.	5,843,400	3,886,800	(1,956,600)	-
Uttara Bank Limited	9,129,228	7,969,289	(1,159,939)	3,219,637
United Commercial Bank Limited	1,580,411	1,597,500	17,089	-
United Finance Limited	1,529,022	1,560,000	30,978	-
United Power Generation and Dist. Company Ltd.	768,103	701,000	(67,103)	-
Uttara Finance and Investments Limited	595,000	609,000	14,000	-
	289,238,753	234,184,366	(55,054,387)	149,303,423
<b>Un-quoted:</b>				
Dhaka Stock Exchange Limited	28,860,420	-	-	28,860,420
	318,099,173	234,184,366	(55,054,387)	178,163,843

### 10. Cash and bank balances

	2015 BDT	2014 BDT
Cash in hand (note 10.1)	35,073	14,669
Bank balances in		
Short-term deposit account (note 10.2)	62,625,780	56,588,184
	62,660,853	56,602,853
<b>10.1 Cash in hand</b>		
Head Office	26,110	6,760
Gulshan Branch	6,750	5,389
Chittagong Branch	2,213	2,520
	35,073	14,669
<b>10.2 Short-term deposit account</b>		
Southeast Bank Ltd	5,237,299	14,570,050
Standard Bank Ltd	545,841	1,127,743
Bank Asia Ltd	190,906	689,990
ONE Bank Ltd	56,651,734	40,198,192
Standard Chartered Bank	-	2,209
	62,625,780	56,588,184

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>11. Other assets</b>		
Advance against office rent	1,303,125	1,520,625
Advance against right offer	-	3,595,029
Stamp in hand	3,280	23,595
Security deposits (note 11.1)	361,856	577,820
Others (note 11.2)	12,158,465	8,795,503
	<b>13,826,726</b>	<b>14,512,572</b>
<b>11.1 Security deposits</b>		
CDBL	100,000	100,000
C&F Tower, Chittagong	233,856	449,820
BTCL	15,000	15,000
Elite Security Services Ltd	13,000	13,000
	<b>361,856</b>	<b>577,820</b>
<b>11.2 Others</b>		
Advance to employees	11,500	39,000
Advance to supply and service	430,000	-
Receivable from DSE- broker and dealer (note 11.2.1)	11,581,345	8,410,718
Receivable from Mbank- IIDFC Capital Limited	-	213,982
Receivable from clients against CDBL charges	135,620	131,803
	<b>12,158,465</b>	<b>8,795,503</b>
<b>11.2.1 Receivable from DSE - broker and dealer</b>		
Receivable from DSE -Broker:		
Categories A, B, G and N	9,488,931	824,073
Category Z	54,845	3,459,558
	<b>9,543,776</b>	<b>4,283,631</b>
Receivable from DSE -Dealer:		
Categories A, B, G and N	2,037,569	2,094,880
Category Z	-	2,032,207
	<b>2,037,569</b>	<b>4,127,087</b>
	<b>11,581,345</b>	<b>8,410,718</b>
<b>12. Share Capital</b>		
<b>12.1 Authorised capital</b>		
500,000,000 ordinary shares of BDT 10 each	5,000,000,000	5,000,000,000
<b>12.2 Issued, subscribed and paid-up capital</b>		
100,000,000 ordinary shares of BDT 10 each fully paid-up	1,000,000,000	1,000,000,000

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

Name of shareholder	Number of shares	% of holding	Price	Amount (BDT)
IIDFC Limited	99,987,497	99.988	10	999,874,970
Mr. Md. Matiul Islam	12,438	0.012	10	124,380
Mr. Faruq Ahmed Siddiqi	13	0.000	10	130
Mr. A F Nesaruddin	13	0.000	10	130
Mr. Md. Khalilur Rahman	13	0.000	10	130
Mr. Md. Shamim Ahamed	13	0.000	10	130
Mr. Md. Manirul Islam	13	0.000	10	130
	<b>100,000,000</b>	<b>100.000</b>		<b>1,000,000,000</b>

### 13. Retained earnings

Opening balance	63,711,773	21,675,422
Add: Prior year's adjustment for excess provision of audit fee	9,583	-
Adjusted opening balance	63,721,356	21,675,422
Add: Net profit for the year	7,000,530	42,036,351
Closing balance	<b>70,721,886</b>	<b>63,711,773</b>

### 14. Long-term loan

Term loan-up to 6 years	445,535,836	587,705,579
Term loan-up to 10 years	141,565,586	312,394,331
	<b>587,101,422</b>	<b>900,099,910</b>

The above loan was taken from IIDFC Limited @12.5% per annum. The year total loan settlement for the year is BDT 391,100,000 has been paid against term loan.

## NOTES TO THE FINANCIAL STATEMENTS

2015  
BDT

2014  
BDT

### 15. Deferred tax liability / (assets)

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

Particulars	Carrying amount of assets/liabilities	Tax base	Taxable/ (deductible) temporary difference	Taxable/ (deductible) temporary difference
	BDT	BDT	BDT	BDT
Furniture and fixtures	1,985,109	2,334,621	(349,512)	(152,734)
Office decoration	4,384,690	4,667,000	(282,310)	(683,095)
Office equipment	2,019,527	4,002,218	(1,982,691)	(213,556)
Computer software	354,778	251,319	103,459	403,489
			-	
	8,744,104	11,255,158	(2,511,054)	(645,896)
Applicable tax rate			35%	35%
Deferred tax liability / (assets)			(878,869)	(226,064)
<b>16. Short-term loan</b>				
Investment Corporation of Bangladesh :				
Opening balance			167,623,305	-
Add: Received during the year			17,663,853	201,450,292
			185,287,158	201,450,292
Less: Paid during the year			74,096,834	33,826,987
Closing balance			111,190,324	167,623,305
The above term loan was taken from Investment Corporation of Bangladesh at a simple interest rate of 7% per annum repayable in quarterly installments in three (3) years under the Government incentive package "Puji Bazaar Khotigrosto Khudro Biniogkarider Shohyaoto Tohobil"				
<b>17. Inter-company current account</b>				
IIDFC Capital Ltd			(100,219)	214,065
<b>18. Accounts payable</b>				
Merchant banks (note 18.1)			9,517,267	180,838
DSE - broker and dealer (note 18.2)			50,130	2,216,096
			9,567,397	2,396,934
<b>18.1 Merchant banks</b>				
IIDFC Capital Limited			630,143	-
Southeast Bank Capital Services Ltd			8,887,124	180,838
			9,517,267	180,838
<b>18.2 Payable to DSE - broker and dealer</b>				
Payable to DSE -broker:				
Categories A, B, G and N			44,671	1,775,756
Category Z			4,164	437,712
			48,835	2,213,468
Payable to DSE -dealer :				
Categories A, B, G and N			1,295	1,534
Category Z			-	1,094
			1,295	2,628
			50,130	2,216,096

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>19. Accrued expenses</b>		
Financial expenses	20,039,210	1,662,264
Office rent and service charges	845,372	900,012
CDBL charges	146,601	203,138
Online and data communication charges	98,744	96,329
Audit fees	92,000	95,833
Electricity bills	70,829	104,038
Suppliers	57,762	76,761
Security charges	22,489	21,459
Water and sewerage charges	14,820	13,260
Telephone bills -BTCL	13,000	34,559
Plantation	1,650	1,650
Fresh water	1,000	5,135
Legal and professional expenses	-	76,760
Others	43,223	4,597
	21,446,700	3,295,795
<b>20. Provision for corporate income tax</b>		
Opening balance	60,395,493	46,947,934
<u>Add:</u> Provision made during the year	7,265,892	13,742,729
	67,661,385	60,690,663
<u>Less:</u> Settlement of previous tax liability	1,104,104	295,170
Closing balance	66,557,281	60,395,493
Provision for corporate income tax is made on accounting profit for the year after adjustments for taxable allowances and disallowances as per tax laws.		
<b>21. Loan loss reserve</b>		
Loan loss account (note 21.1)	55,346,619	57,780,643
Interest income loss account (note 21.2)	425,246,837	443,941,473
	480,593,456	501,722,116
<b>21.1 Loan loss account</b>		
Opening balance	57,780,643	58,886,152
<u>Add:</u> Addition during the year	-	3,096,702
	57,780,643	61,982,854
<u>Less:</u> Adjustment made during the year	2,434,024	4,202,211
Closing balance	55,346,619	57,780,643
<b>21.2 Interest income loss account</b>		
Opening balance	443,941,473	354,640,778
<u>Add:</u> Addition during the year	-	134,300,000
	443,941,473	488,940,778
<u>Less:</u> Realised during the year	-	19,786,101
Adjustment during the year	18,694,636	25,213,204
Closing balance	425,246,837	443,941,473
<b>21.3 Required loan loss reserve</b>		
Negative equity	1,095,704,050	922,620,051
Minimum required reserve @ 20% of BDT 1,095,704,050	219,140,810	184,524,010
Provision made upto 2015	480,593,456	501,722,116
Percentage of loan loss reserve	44%	54%

Loan loss reserve of BDT 480,593,456 has been made which is equivalent to 44% of negative equity BDT 1,095,704,050 of margin loans as on 31 December 2015. As per BSEC's directive no. SEC/CMRRCD/2009-193/181 dated 08 December 2015, minimum requirement of making such provision is @ 20% of total required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>22. Reserve for diminution in value of investment in securities</b>		
Opening balance	38,739,088	21,383,222
Add: Reserve made during the year	-	17,355,866
Closing balance	38,739,088	38,739,088
<b>22.1 Required reserve for diminution in value of investment in securities</b>		
Unrealised loss	55,054,392	38,739,088
Minimum required reserve @ 20% of BDT 55,054,392	11,010,878	7,747,818
Reserve made upto 2015	38,739,088	38,739,088
Percentage of investment reserve	70%	100%
Reserve for unrealised loss on investment in securities of BDT 38,739,088 has been made which is equivalent to 70% of diminution in value of investment of BDT 55,054,392 as on 31 December 2015. As per BSEC's directive no. SEC/CMRRCD/2009-193/181 dated 08 December 2015, minimum requirement of making such provision is @ 20% of total required amount at the end of this accounting year. However, no cash dividend can be paid during the year in terms of said directive as the company has availed this facility.		
<b>23. Other liabilities</b>		
Reserve for risk fund	616,667	516,667
Provision for gratuity	2,409,915	768,496
Employer and employee contributions to provident fund	199,129	176,187
Others	27,236	27,236
	3,252,947	1,488,586
<b>24. Interest waived on loan to small investors</b>		
Interest waived on loan to small investors (phase-2)	1,563,668	-
	1,563,668	-
As per condition of Government's special incentive package of affected small investors (ASI) for incurring capital loss in 2011, the Board of Directors of the company in its 17th meeting approved waiver of interest charged of BDT 1,563,668 in 2011 for 112 nos of ASI accounts. This amount has been adjusted with interest income earned during the year.		
<b>25. Brokerage commission</b>		
Commission on securities trading	34,103,386	44,358,080
Commission on IPO processing	83,166	4,763
	34,186,552	44,362,843
<b>26. Direct cost</b>		
Laga charges	3,167,102	3,073,245
Howla charges	400	539,026
CDBL charges	287,889	688,457
	3,455,391	4,300,728



## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>27. Other operating income</b>		
BO and trading accounts maintenance income	487,900	396,700
Notice pay received	94,021	96,813
Charges for dishonoured cheques	16,500	17,000
CDBL	423,528	-
Others	3,628	846
	1,025,577	511,359
<b>28. Operating expenses</b>		
Salaries and allowances (note 28.1)	35,900,302	26,010,560
Rent, insurance, electricity, etc (note 28.2)	14,407,647	18,726,621
Legal and professional expenses	32,200	252,070
Postage, stamp, telecommunications, etc (note 28.3)	1,831,450	1,893,567
Stationery, printing, advertisement, etc (note 28.4)	399,379	505,992
Directors' fees (note 28.5)	69,000	46,000
Auditors' fees	92,000	95,833
Loans and advances written off (note 28.6)	24,672,446	26,292,981
Loss on disposal of assets	2,847,812	103,311
Repair and maintenance (note 28.7)	187,505	672,059
Depreciation (note 28.8)	4,095,055	4,934,446
Other expenses (note 28.9)	4,321,738	2,200,414
	88,856,534	81,733,854
<b>28.1 Salaries and allowances</b>		
Basic	13,962,250	12,361,107
House rent	6,981,182	6,180,593
Festival bonus	2,328,767	2,075,626
Performance bonus	3,003,875	-
Company's contribution to provident fund	1,233,158	1,088,647
Employee's recreation	1,463,228	-
Leave fare assistance	1,334,227	880,965
Retirement benefits and gratuity	1,641,419	768,496
Car allowance	720,000	720,000
Medical	698,065	617,974
Group insurance	676,076	556,034
Conveyance	1,382,902	394,449
Entertainment	244,126	223,636
Leave encashment	231,027	143,033
	35,900,302	26,010,560
<b>28.2 Rent, insurance, electricity, etc</b>		
Office rent and service charge	12,670,547	16,509,428
Electricity	1,232,524	1,393,242
Fees, renewal and registration	280,800	500,356
Water and sewerage	208,096	286,599
Insurance on fixed assets	15,680	36,996
	14,407,647	18,726,621

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
<b>28.3 Postage, stamp, telecommunications, etc</b>		
Data communication expenses	989,413	978,428
Mobile	508,059	506,724
Internet expenses	182,050	185,620
Telephone	99,169	148,985
SMS Service	-	38,000
Stamp charges	40,682	22,261
Postage and courier	12,077	13,549
	1,831,450	1,893,567
<b>28.4 Stationery, printing, advertisement, etc</b>		
Printing and stationery	271,761	348,695
Advertisement in newspaper	-	84,057
Paper, ribbon and cartridge	124,238	65,540
Table stationery	3,380	7,700
	399,379	505,992
<b>28.5 Directors' fees</b>		
Fees	60,000	40,000
VAT	9,000	6,000
	69,000	46,000
<b>28.6 Loans and advances written off</b>		
Loans and advances written off during the year	25,573,987	26,292,981
<u>Less: Amount recovered during the year</u>	901,541	-
	24,672,446	26,292,981
<p>A good number of investors in the capital market who availed margin loan from the company were not repaying the loan since big crash in the capital market in 2010. Equity of these margin accounts eroded day by day due to continuous fall of share price Index as well as accumulated interest charged on outstanding margin loan.</p> <p>During the year 2015, fifty two (52) number of such investors being unable to repay margin loan, applied for voluntary sale of securities from their portfolios, recover their outstanding margin loan by the sale proceeds and waiver of remaining margin loan liabilities and closure of the accounts. There being no other way for recovery of such loans, after sale of securities of these portfolios, outstanding unrecovered margin loan BDT 46,701,806 was adjusted with loan loss reserve account and BDT 25,573,987 margin loan was charged as written off loan loss as on 31 December 2015. Besides, during the year 2015 an amount BDT 901,541 (net) as bonus share/cash dividend was received in some of the margin loan account where unrecovered margin loan were written off in 2014. The recovered amount BDT 901,541 was adjusted with current years written off loan loss.</p>		
<b>28.7 Repair and maintenance</b>		
Office equipment	96,540	303,595
Furniture and fixtures	1,600	201,882
Computer software	67,005	120,322
Decoration and renovation	22,360	46,260
	187,505	672,059
<b>28.8 Depreciation</b>		
Office equipment	2,830,374	3,172,827
Office decoration	876,939	1,324,597
Furniture and fixtures	387,742	437,022
	4,095,055	4,934,446
<b>28.9 Other expenses</b>		
Office maintenance (note 28.9.1)	1,307,079	1,215,685
Dividend collection charge	1,925,670	-
Entertainment	507,586	422,902
Amortisation of intangible assets (note 5)	300,030	300,030
Reserve for risk fund	100,000	100,000
Travelling and conveyance - local	75,372	66,104
Bank charge	64,728	58,850

## NOTES TO THE FINANCIAL STATEMENTS

	2015 BDT	2014 BDT
Newspaper and magazine	15,743	14,533
Books and periodicals	11,530	9,610
Training expenses	14,000	8,000
Membership fees and subscriptions	-	4,700
	4,321,738	2,200,414
<b>28.9.1 Office maintenance</b>		
Sub-staff salary-contractual	766,736	638,765
Security charges	128,667	139,484
Cleaning charges	79,379	70,605
Uniform and other apparels	53,960	48,510
Plantation	19,800	19,800
Fresh water	10,165	12,895
Purchase of utensils	3,520	6,680
Others	244,852	278,946
	1,307,079	1,215,685

### 29. Earnings per share (EPS)

Earnings per share (EPS) is calculated in accordance with BAS 33: Earnings Per Share. The calculation of basic earnings per share as at 31 December 2015 was based on the profit attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the year ended 31 December 2015.

Basic earnings per share has been calculated as under:

Earnings attributable to ordinary shareholders net profit/(loss) after tax	7,000,530	42,036,351
Weighted average number of ordinary shares	100,000,000	81,032,877
Basic earnings per share	0.07	0.52

Particulars	Weightage	No. of Ordinary Shares	
Share outstanding as on 01 January	365	100,000,000	78,500,000
Right shares issued	43	-	2,532,877
		100,000,000	81,032,877

### 30. Employees' information

A total number of 36 employees were employed in IIDFC Securities Ltd as on 31 December 2015. Each of the employees received salary more than BDT 36,000 per annum during the year 2015.

### 31. General

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

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

for IIDFC Securities Limited



**Md. Matiuul Islam**  
Chairman



**Md. Asaduzzaman Khan**  
Director



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



**Md. Shamim Ahamed FCA**  
Company Secretary



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

Dhaka, Bangladesh  
Dated, April 17, 2016

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





A photograph of a sunset over a mountain range. The sun is low on the horizon, casting a bright orange and yellow glow across the sky. The sky is filled with scattered, light-colored clouds. The foreground shows a dark, rocky outcrop. The overall scene is serene and majestic.

**PHOTOGRAPHS  
FROM IIDFC'S ALBUM  
2015**

## PHOTOGRAPHS FROM IIDFC'S ALBUM

14<sup>th</sup> Annual General Meeting  
held on July 28, 2015



PHOTOGRAPHS FROM IIDFC'S ALBUM





## PHOTOGRAPHS FROM IIDFC'S ALBUM

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



Signing Ceremony for arrangement of Tier II Capital for Social Islami Bank Limited through issuance of SIBL Mudaraba Sub-ordinated Bond, Issue size BDT 3,000.00 milion



Signing Ceremony for Arrangement of working capital for Impress-Newtlex Composite Textiles Limited through issuance of Commercial Paper

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## PROJECTS UNDER IIDFC'S SYNDICATION ARRANGEMENT



Project site visit by Structured Finance Team at Runner Automobiles Limited wherein IIDFC arranged BDT 950.00 million through issue of Commercial Paper



Project site visit by Structured Finance Team to Shafiqul Alam Special Steel Mills Limited wherein IIDFC arranged BDT 1,350.00 million through issue of Commercial Paper

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## Corporate Financed Projects



BBS Cables Ltd., Jaina Bazar, Telehate, Sreepur, Gazipur



MASCO Industries Ltd, Tongi Gazipur

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## Corporate Financed Projects



Rangpur Metal Industries Limited, Vulta, Rupganj, Narayanganj



Runner Motors Limited, Valuka, Mymensingh

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## SME Finance & Projects



Bismillah Deco Tiles, Matuail, Dhaka



Mitali Enterprise, Keranigonj, Dhaka

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## SME Finance & Projects



Bismillah Plastic, Keranigonj, Dhaka



R E B Plastic Products, Mohammadpur, Dhaka

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## Workshop/Seminar



Executive Development Seminar-2015 at IIDFC Head Office. Mr. Md. Asaduzzaman Khan chaired the seminar and Mr. Md. Shah Alam, GM, DFIM of Bangladesh Bank attended as Guest Speaker



Participants of Executive Development Seminar-2015

# PHOTOGRAPHS FROM IIDFC'S ALBUM

## Banking Fair (November 24-28, 2015)



Honorable Chairman at IIDFC's Stall in the Banking Fair



# PHOTOGRAPHS FROM IIDFC'S ALBUM

Corporate Dayout-2014



**Celebration**



A flower banquet presented to Honorable Chairman by IIDFC staff members on his 86th birthday





## INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LIMITED

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

### PROXY FORM

I/we.....  
of.....  
.....being a member of Industrial and Infrastructure Development Finance Company Limited do hereby appoint  
Mr./Mrs./Ms.....  
of.....or failing him/her.....of.....  
as proxy to attend and vote for me/us and on my/our behalf in the 15<sup>th</sup> Annual General Meeting of the company to be held on **Wednesday, July 27, 2016 at 8.00 p.m. at Mutual Trust Bank's Head Office, MTB Center, Sun Floor, Level 5, 26 Gulshan Avenue, Plot 5, Block SE(D), Gulshan-1, Dhaka-1212**, Bangladesh and any adjournment thereof.  
As witness my/our hand this .....day of .....2016.

Revenue  
Stamp of  
Tk. 20.00

.....  
Signature of Shareholder

.....  
Signature of Proxy

[www.iidfc.com](http://www.iidfc.com)

## **INDUSTRIAL AND INFRASTRUCTURE DEVELOPMENT FINANCE COMPANY LTD**

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### **HEAD OFFICE:**

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122-124 Motijheel C/A, Dhaka-1000 Phone: +880-2-9559311, Fax: +880-2-9568987  
Email: [info@iidfc.com](mailto:info@iidfc.com)

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### **UTTARA BRANCH:**

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### **IIDFC SECURITIES LIMITED:**

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