

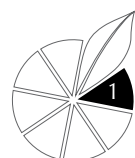
ANNUAL REPORT 2016

TOGETHER
FOR TOMORROW

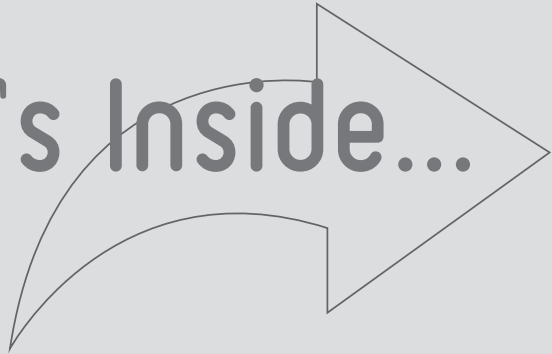
ANNUAL REPORT

ANNUAL REPORT 2016

Infrastructure Development Company Limited



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Letter of Transmittal

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Notice of The 20th Annual General Meeting

The Twentieth Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on Saturday, 10 June 2017 at 5:00 p.m. at The Westin Hotel, Silver Room (Level-2) Gulshan, Dhaka.

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About IDCOL

Infrastructure Development Company Limited (IDCOL) was established on May 14, 1997 by the Government of Bangladesh (GoB). The Company was licensed by Bangladesh Bank as a Non-Bank Financial Institution (NBFI) on January 5, 1998.

10-11

Company Information

UTC Building, Level 16, 8 Panthapath
Kawran Bazar, Dhaka-1215, G.P.O Box -619, Bangladesh
Tel: 9102171-8, + 8809666743265
Fax: 880-2-9102084, E-mail: contact@idcol.org
Website: www.idcol.org

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Vision

To help ensure economic development of the country and improve standard of living of the people through sustainable and environment-friendly investments.

14-15

Mission

To catalyze and optimize private sector participation in promotion, development and financing of infrastructure as well as renewable energy, and energy efficient projects in a sustainable manner through public-private-partnership initiatives.

16-17

Core Values

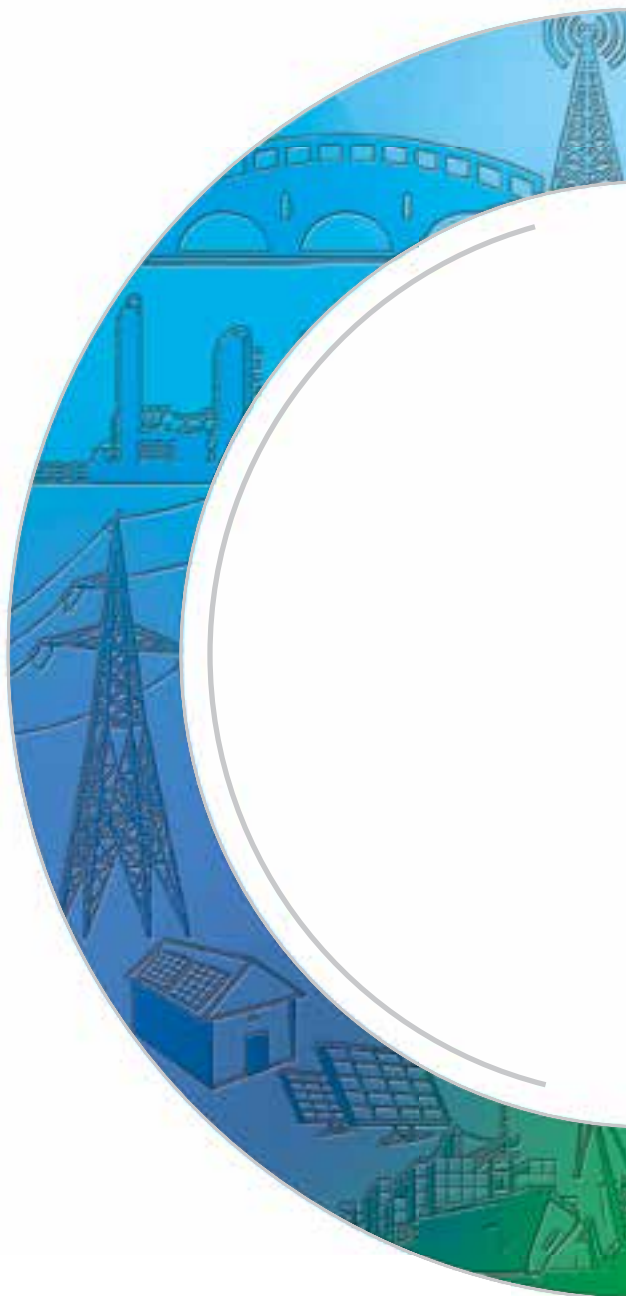
Committed to deliver services to the stakeholders;
believes in maintaining transparency and integrity;
and dedicated to perform as a development
Financial institution.

18-19

From Stepping Stones to Milestones

The Company was incorporated in 1997 and received license from Bangladesh Bank as NBFI in 1998. It celebrated the installation of 3 million Solar Home Systems by the Honorable Prime Minister in November 2014.





20-27

Boards of Directors

IDCOL is managed by a eight-member independent Board of Directors comprising four senior government officials, two prominent business personalities, one famous professional practitioner from the private sector and a full-time Executive Director and Chief Executive Officer.

28-43

Idcol Management

IDCOL has a tiny but highly skilled workforce dedicated towards the accomplishment of company's goals and objectives.

44-57

Directors' Report

IDCOL has a reputation for the highest standards of excellence, quality and reliability in all of its activities, and for respect, honesty and fairness in its dealings with its development partners, partner organizations, colleagues and other constituents.

58-59

Chairman's Statement

This year has been a year of success and accomplishments for IDCOL on the corporate governance, operational and financial fronts. Though faced with numerous challenges, we have been able to make reasonable income and profit compared to our competitors in the industry.

60-65

From the CEO's Desk

Every year IDCOL takes on new challenges to learn and grow, however the year 2016 was exceptionally challenging. With the shifting trend in the renewable energy industry of Bangladesh, due to new market developments, IDCOL had to reconsider many aspects of its current financing approach.

66-73

Corporate Governance

IDCOL's Board is committed to the Company to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices.

74-79

Credit Risk Management

IDCOL believes that Credit Risk Management plays a fundamental aspect of good governance which in turn enables the organization to deliver effective decision making to accomplish the strategic objectives of the organization.



80-89

Environmental & Social Compliance

IDCOL has an Environmental and Social Management Framework (ESMF) to identify the likely environmental and social impacts, propose suitable mitigation measures and implementation of these measures for its renewable projects.

90-95

Human Resource Management

IDCOL employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate.

96-107

Programs & Projects

IDCOL is a diversified financial institution providing a wide range of financing products and fee-based services in private-sector infrastructure, renewable energy, and energy efficient projects as its focus areas.

108-111

Corporate Social Responsibility

IDCOL as a premier development financial institution is always focusing on the socio economic development of Bangladesh through financing of infrastructure and renewable energy projects. Apart from project financing, IDCOL through its Corporate Social Responsibility (CSR) activities is helping the deprived segment of the society.

112-119

Financial Highlights

The Company has earned a profit of BDT 2,761 million before provision and tax. Out of which an amount of BDT 1,221 million and BDT 1,142 million have been provisioned for loans and income tax, respectively.

120-171

Auditor's Report and Audited Financial Statements

The financial statements give a true and fair view of the financial position of Infrastructure Development Company Limited as on 31 December 2016, and of its financial performance and its cash flows for the year than ended in accordance with Bangladesh Accounting Standards (BASs), Companies Act, 1994 and other applicable laws and regulations.

172-180

Events & Achievements

A glimpse of last year's events and achievements of IDCOL

181

Recognition and Awards

LETTER OF TRANSMITTAL

All Shareholders,

Subject: Annual Report for the year ended on December 31, 2016

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including the Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Statement of Cash Flows for the year ended on December 31, 2016 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary



NOTICE OF THE 20th ANNUAL GENERAL MEETING

The Twentieth Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on Saturday, 10 June 2017 at 5:00 p.m. at The Westin Hotel, Silver Room (Level-2) Gulshan, Dhaka.

Agenda for the meeting are:

1. To consider and adopt the Board of Directors' report of the Company and the Accounts of the Company with the Auditor's Report thereon for the year ended on 31 December 2016.
2. To declare the dividend of the Company for the FY 2016.
3. To consider increase of Company's paid up capital to Tk. 550 crore.
4. To elect Director(s) in place of those retire in accordance with the regulations 79 and 80 and are eligible for re-election in accordance with the regulation 81 of schedule I of the Companies Act, 1994.
5. To appoint auditor(s) and fixing-up their remuneration for the FY 2017.
6. Any other business.

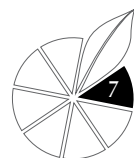
The meeting will be followed by Iftar.

You are requested to kindly attend the meeting.

By order of the Board of Directors



(M. Maftun Ahmed)
Company Secretary



About IDCOL





Infrastructure Development Company Limited (IDCOL) was established on May 14, 1997 by the Government of Bangladesh (GoB). The Company was licensed by Bangladesh Bank as a Non-Bank Financial Institution (NBFI) on January 5, 1998. Since its inception, IDCOL is playing a major role in bridging the financing gap for developing medium and large-scale infrastructure and renewable energy projects in Bangladesh. After a decade, the company now stands as the market leader in private sector energy and infrastructure financing in Bangladesh.

Company Information

Registered Office

UTC Building, Level 16,
8 Panthapath, Kawran Bazar,
Dhaka-1215, Bangladesh
Tel: 9102171-8, + 8809666743265
Fax: 880-2-9102084
E-mail: contact@idcol.org
Website: www.idcol.org

Business Hours

10:00 a.m. to 6:00 p.m.
Sunday to Thursday

Auditors

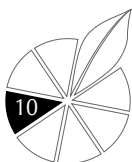
M/s Hoda Vasi Chowdhury & Co
Chartered Accountants

External Legal Panel

Huq & Company
Syed Ishtiaq & Associates
Sadat Sarwat & Associates
Law Valley
Hasan & Associates
Tanjib Ul Alam & Associates
Abdur Razzaque & Associates
Rahman's Chambers
Bhuiyan, Islam & Zaidi & Associates
Ahmed & Farooq LP
DFDL Bangladesh
Lex Juris
Vertex Chambers
Law Sift
MNA
Shakhawat Hossain & Associates
Azad & Company
ACNABIN Chartered Accountants
(for tax related advise only)
Lawyers & Jurists

Bankers

Bangladesh Bank
Janata Bank Limited
Agrani Bank Limited
Prime Bank Limited
Rupali Bank Limited
Commercial Bank of Ceylon PLC
The City Bank Limited
Eastern Bank Limited
Islami Bank of Bangladesh Limited
National Bank Limited
NCC Bank Limited
Trust Bank Limited
Dhaka Bank
Standard Chartered Bank



Constitution and Ownership Form

IDCOL is a non-banking financial institution registered as public limited company under the Companies Act 1994. The share capital of IDCOL is fully subscribed by the Government of Bangladesh.

Sl.	Name	No. of Shares	%
1	Economic Relations Division	49,999,000	99.9980%
2	Mr. Kazi Shofiqul Azam	550	0.00110%
3	Ms. Suraiya Begum ndc	50	0.00010%
4	Mr. Mahbub Ahmed	50	0.00010%
5	Dr. Ahmad Kaikaus	50	0.00010%
6	Ms. Nihad Kabir	50	0.00010%
7	Mr. Abdul Haque	50	0.00010%
8	Mr. Waliur Rahman Bhuiyan	10	0.00002%
9	Mr. Hedayetullah Al Mamoon ndc	50	0.00010%
10	Mr. Md. Mozammel Haque Khan	50	0.00010%
11	Mr. Md Nojibur Rahman	50	0.00010%
12	Mr. Mahmood Malik	40	0.00008%
Total		50,000,000	100%

Credit Rating of IDCOL

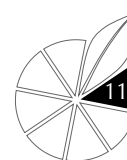
Long-term : AAA

Short-term : ST-1

AAA : Financial Institutions rated 'AAA' have extremely strong capacity to meet its financial commitments. These companies are judged to be the highest quality, with minimal credit risk.

ST-1 : Financial institution rated in this category are considered to have the highest capacity for timely repayment of obligations. Financial Institutions rated in this category are characterized with excellent position in term of liquidity, internal fund generation, and access to alternative sources of funds are outstanding.

Rated by : Credit Rating Agency of Bangladesh (CRAB)



Vision





To help ensure economic development of the country and improve standard of living of the people through sustainable and environment-friendly investments.

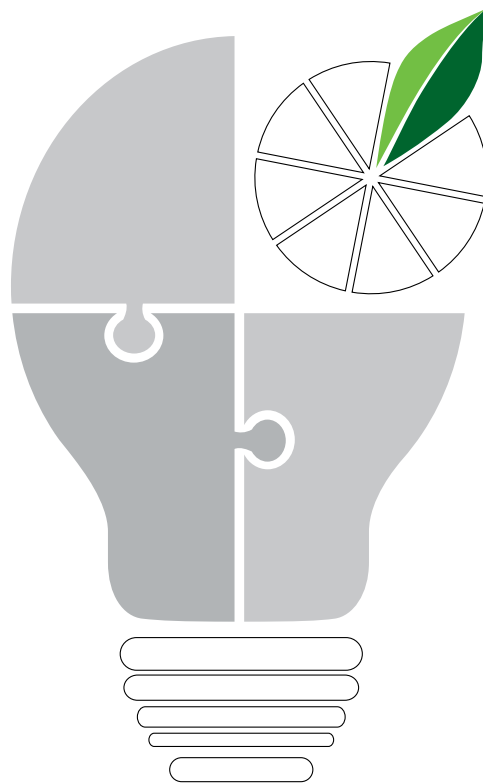
Mission

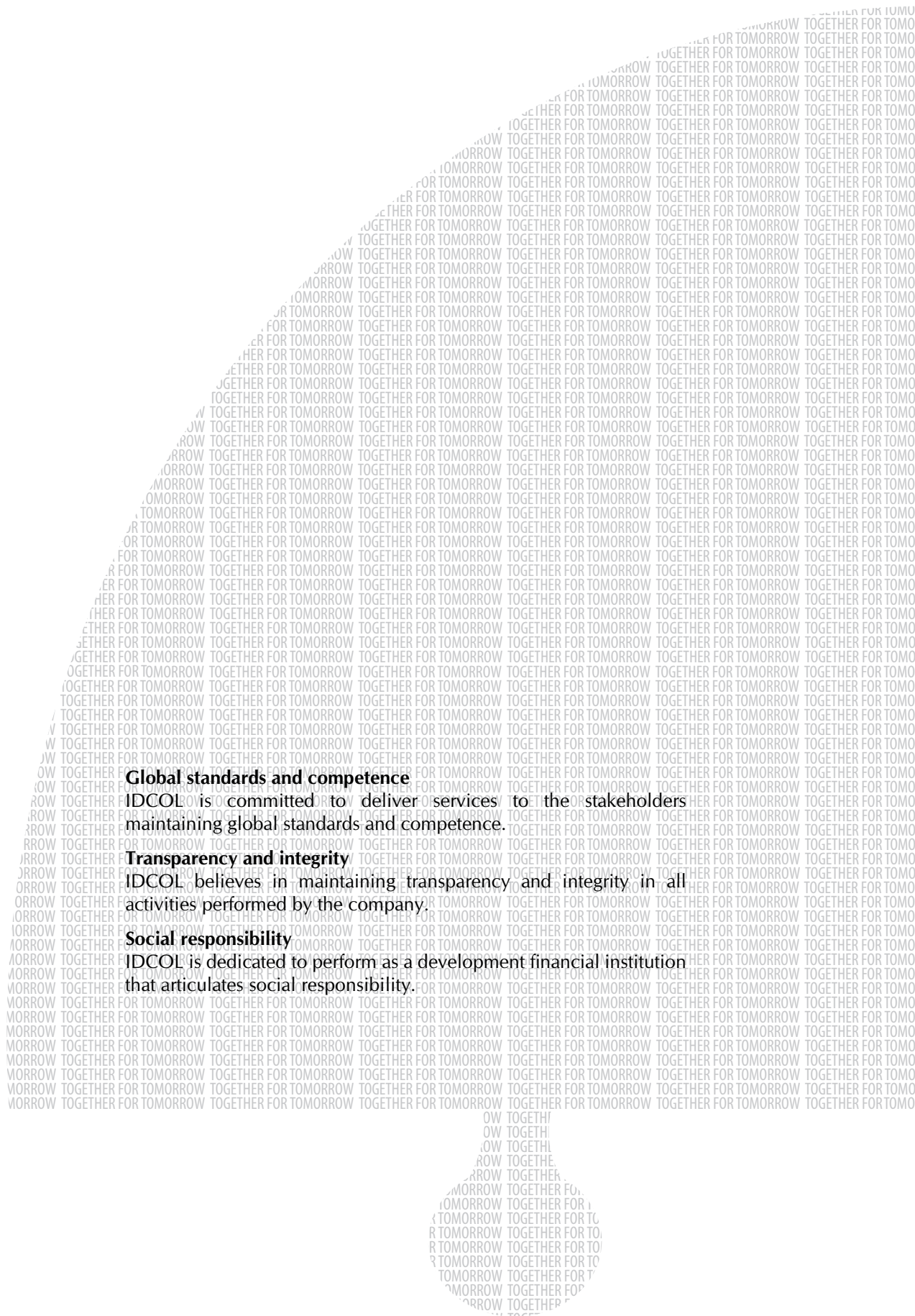




To catalyze and optimize private sector participation in promotion, development and financing of infrastructure as well as renewable energy, and energy efficient projects in a sustainable manner through public-private-partnership initiatives.

Core Values





Global standards and competence

IDCOL is committed to deliver services to the stakeholders maintaining global standards and competence.

Transparency and integrity

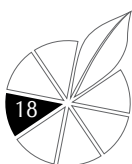
IDCOL believes in maintaining transparency and integrity in all activities performed by the company.

Social responsibility

IDCOL is dedicated to perform as a development financial institution that articulates social responsibility.

From Stepping Stones to Milestones

1997	14-May	Incorporation of the Company
	14-May	Signing of Project Agreement for USD 225 million with the International Development Association (IDA) under Private Sector Infrastructure Development Project (PSIDP)
1998	5-Jan	Licensing from Bangladesh Bank as NBF
2001	11-Apr	Financing of the 1st Independent Power Plant (IPP) Project 450 MW Meghnaghat Power Ltd.
2002	16-Jul	Signing of Project Agreement with the International Development Association (IDA) under Rural Electrification and Renewable Energy Development Project (REREDP)
	16-Jul	Signing of Financing Agreement for USD 7 million with the Global Environmental Facility (GEF) under the REREDP
2003	1-Jan	Commencement of the Solar Home System (SHS) Program
2004	14-Dec	Financing of the 1st ever Satellite Earth Station project in Bangladesh
2005	6-Sep	Inauguration of the installation of 50,000 SHSs by the Honorable Prime Minister
	22-Sep	Start of working as a full-fledged financial institution with the financing of 11.6 MW captive power plant of Shah Cement Power Ltd.
2006	5-Jan	Financing of the 1st ever land ports operated through the private sector on Build, Operate and Transfer (BOT) arrangement
	20-Mar	Signing of Financing Agreement with the GIZ-German Development Cooperation under Renewable Energy Project
2007	15-Feb	Extending BDT 30 million to Ranks Telecom Ltd., the largest private sector PSTN operator of the country
	30-Nov	Signing of Financing Agreement for USD 165 million with the Asian Development Bank (ADB) under Public Private Infrastructure Development Facility (PPIDF)
	19-Dec	Signing of the 1st Emission Reduction Purchase Agreement in Bangladesh
	26-Dec	Signing of Financing Agreement for EUR 25 million with KfW-German Financial Cooperation under Renewable Energy Project
2008	2-Dec	Launching of Shonchalok Facility for the Information and Communication Technology (ICT) sector



2009		
28-Oct	Extending BDT 260 million to Fiber@Home Ltd. for setting up the first nationwide telecommunication transmission network of Bangladesh	
26-Nov	Signing of Financing Agreement for USD 18 million with the Islamic Development Bank under Improving Rural Households Livelihood through Solar Energy Project	
20-Dec	Financing of the 1st Solar Based Irrigation Project	
2010		
23-Mar	Investing BDT 1 billion in senior, secured, non-convertible bond of Orascom Telecom Bangladesh Ltd.	
1-Apr	Opening of the 1 st Regional Office under the SHS Program	
8-Apr	Financing of the Central Effluent Treatment Plant at CEPZ	
12-Apr	Financing of the 1 st Solar Based Mini-Grid Project	
2012		
18-Feb	Inauguration ceremony for the installation of 1 million new Solar Home Systems and 20,000 Biogas plants under IDCOL Renewable Energy Programs by the Honorable Prime Minister	
26-Jun	Registration with UNFCCC to avail CDM benefits under the SHS Programs	
2013		
12-May	Celebration of the installation of 2 million Solar Home Systems and launching of the installation of 1 million Improved Cooked Stoves (ICS) Project by the Honorable Prime Minister	
2014		
5-Nov	Celebration marking the installation of 3 million Solar Home Systems by the Honorable Prime Minister	
2015		
Jan-Mar	Three Solar PV based mini-grid projects under IDCOL financing went into commercial operation	
2-Apr	IDCOL received the first ever CDM fund in Bangladesh under the United Nations Framework Convention on Climate Change (UNFCCC)	
15-Sep	IDCOL received NBR award as country's third (3rd) highest tax paying company	
2016		
26-Oct	IDCOL received "ICMAB Best Corporate Award 2015" in the category of NBFI	
24-Nov	IDCOL received NBR award as country's top tax payer in the category of NBFI	
29-Nov	IDCOL received "ICAB National Award for Best Presented Annual Reports 2015" in the category of "Public Sector Entities"	
30-Nov	Financed the first PPP Project in Healthcare Sector of Bangladesh-Sandor Dialysis Services Bangladesh Private Ltd.	

Board of Directors





IDCOL is managed by a eight-member independent Board of Directors comprising four senior government officials, two prominent business personalities, one famous professional practitioner from the private sector and a full-time Executive Director and Chief Executive Officer.

Board of Directors



Mr. Kazi Shofiqul Azam
Chairman, IDCOL

Mr. Hedayetullah Al Mamoon ndc
Director, IDCOL

Ms. Suraiya Begum ndc
Director, IDCOL

Dr. Ahmad Kaikaus
Director, IDCOL



DIRECTORS' PROFILE



Mr. Kazi Shofiqul Azam

Chairman, IDCOL

Kazi Shofiqul Azam became Secretary in-charge of the Economic Relations Division (ERD), Ministry of Finance on 28 December 2016. Prior to this he was the Additional Secretary, ERD and headed the World Bank and Administration & Middle East Wing one after another. Having joined the Bangladesh Civil Service as a member of Audit and Accounts cadre in 1983, he held several important positions in different Ministries and Divisions of the government. He had served as Joint Secretary (Budget) in Finance Division, Director (Finance) in BSFIC, Deputy Secretary (Development Budget) in Finance Division, Additional Controller General of Accounts, Director (Finance) of National Nutrition Project, Director, Works Audit Directorate, Chief Accounts Officer in Ministry of Home Affairs, Ministry of Health and Family Welfare etc.

As Secretary (in-charge) ERD, he represents the government in different local, regional and global platforms. He is an Alternate Governor of World Bank Group, Asian Development Bank and Asian Infrastructure Investment Bank (AIIB). He acts as the National Designated Authority (NDA) to the Green Climate Fund. He is a member of Board of Directors of International Centre for Diarrhoeal Disease Research, Bangladesh (icddr) and the Chairman of Infrastructure Investment Facilitation Company (IIFC). Presently he is also holding the directorship of the Boards of Basic Bank Ltd., Saudi-Bangladesh Industrial and Agricultural Investment Company Ltd. (SABINCO) and Bangladesh Foreign Trade Institute. He has recently been elected as IDB Executive Director in its Board. Mr. Azam also steers the development effectiveness agenda at the national, regional and international levels.

He obtained his Bachelor and Masters degrees from the Department of Finance, University of Dhaka. He also holds an INTOSAI Development Initiative (IDI) Diploma on Course Design and Instructional Technique organized by Asian

Organization of Supreme Audit Institute in Bangkok and has been recognized as an IDI Training Specialist.

He is a prolific lecturer on rules & regulation governing budgeting & expenditure control, fund release procedure, delegation of financial power etc. And is also widely known for his literary works. His works are regularly published in national dailies and in 'Omar Ekushe Book Fair' for last couple of years. So far he has authored seven books.



Mr. Hedayetullah Al Mamoon ndc

Director, IDCOL

Mr. Hedayetullah Al Mamoon ndc is the current Senior Secretary of Finance Division, Ministry of Finance. Mr. Hedayetullah Al Mamoon ndc was born on October 05, 1958 and earned his Bachelor's degree in Arts and his Master's in Public Affairs from University of Dhaka. Having secured the first place in BCS (Special) 1982, Mr. Mamoon started his career in Bangladesh Civil Service from June 19, 1983 and since then he held several important positions in different Ministries and Divisions of the government. Mr. Hedayetullah Al Mamoon ndc was appointed as the Secretary (in charge) in 2009 and within a few months, he became the Secretary of Ministry of Civil Aviation & Tourism followed by Secretary of Ministry of Cultural Affairs and Secretary of Ministry of Information respectively. In 2014, Mr. Mamoon was delegated the rank of Senior Secretary, Ministry of Commerce and served this position till February 2017 as he acknowledged his current new position as Senior Secretary of Finance Division, Ministry of Finance.

In addition to the above, Mr. Mamoon's former positions include Secretary, Bangladesh Public Service Commission; Additional secretary, Ministry of Establishment; Director General, Department of Social services; Managing Director of Dhaka WASA; Director, Bangladesh Parjatan Corporation; Deputy Secretary in Cabinet Division; Deputy Commissioner and District Magistrate, Sirajganj; ADC Manikganj and UNO and Magistrate in different areas of the country.



Ms. Suraiya Begum ndc

Director, IDCOL

Ms Suraiya Begum ndc joined as Senior Secretary at The Prime Minister's Office on 9 January, 2017. Earlier she was Secretary at Prime Minister's Office from February, 2015 to January, 2017.

She joined the Bangladesh Civil Service in 1982 and elevated through the ranks in the country's civil bureaucracy as Secretary to the Government. Over the years, she contributed significantly to several key sectors relating to development administration, public policy formulation and programs implementation towards achieving social and economic development, promoting gender, governance and inclusive growth.

Ms Begum served as Secretary at Statistics and Informatics Division and Implementation Monitoring and Evaluation Division (both under the Ministry of Planning), Ministry of Social Welfare and Ministry of Cultural Affairs. She worked in Ministry of Primary and Mass Education, Department of Cooperatives, Bangladesh Parjatan (Tourism) Corporation, Finance Division, Local Government Division, Ministry of Expatriates Welfare, Ministry of Labor and Employment, Ministry of Commerce, Ministry of Health and Family Welfare and Ministry of Foreign Affairs as different capacities. She also had a diplomatic experience as First Secretary at Bangladesh Deputy High Commission in Kolkata, India.

Ms Suraiya did her honors' and master's in Economics from Dhaka University and did MA in Health Management, Planning and Policy from Leeds University, United Kingdom. Ms Begum completed the renowned and prestigious Managing at the Top (MATT) course at the UK Civil Service College and the University of Birmingham, UK. She completed National Defense Course (NDC) as the first women participant in National Defense College, Dhaka.

Ms Suraiya Begum is the Chairperson of Bangladesh Civil Service Women Network and National Commissioner (Girl-in-Scouting) of Bangladesh Scouts. She is also the Vice President of DUEA (Dhaka University Economics Department Alumni Association).



Dr. Ahmad Kaikaus

Director, IDCOL

Dr. Ahmad Kaikaus joined the Power Division as Secretary-in-Charge on 15 December, 2016 and on 23 February, 2017 he became in charge of the office of Secretary. Prior to joining the Power Division, Dr. Ahmad worked for 3 years as the Deputy Chief of Party of the Policy Research and Strategy Support Program (PRSSP) at the International Food Policy Research Institute (IFPRI), which was funded by USAID. He has an unusual combination of civil service experience and high academic accomplishments with solid empirical research involvement, which made him well conversant of the development policy perspectives.

Dr. Kaikaus received his Master of Arts degree in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA, and PhD in Public Policy and Political Economy from the University of Texas at Dallas, Texas, USA. Dr. Ahmad has published research papers and survey reports for IFPRI and his one of the most renowned journal articles was in the World Development Journal on the structural transformation of Bangladesh economy.

Dr. Ahmad Kaikaus joined the Administration Cadre of Bangladesh Civil Service on 21 January 1986. He has worked different levels of field administration such as Assistant Commissioner, Upazila Magistrate, and Upazila Nirbahi Officer. He also worked on deputation in several organizations that include Directorate of Accommodation, Department of Narcotics Control and Bangladesh Services Limited. At the Ministerial level, Dr. Ahmad worked for the Ministry of Public Administration, Ministry of Post and Telecommunications, Economic Relations Division, Additional Secretary, Power Division and Chairman Bangladesh Energy and Power Research Council (EPRC). Kaikaus also worked as part-time faculty at Collin County Community College in Texas, USA and at the American International University, Bangladesh. He regularly attends as guest speaker at the Public Administration Training Centre, Bangladesh Civil Service Academy, and the Dhaka University.



DIRECTORS' PROFILE



Ms. Nihad Kabir

Director, IDCOL

Ms. Nihad Kabir is an advocate of the Supreme Court of Bangladesh. After completing her BA and MA in Law at Cambridge University in England, she was called to the Bar of England and Wales in 1989. She returned to Bangladesh shortly after, and joined the chambers of Syed Ishtiaq Ahmed and Associates, where she is now a senior partner. Ms. Kabir's area of expertise has been corporate commercial law, but she has used her knowledge of law in a variety of other fields. She has been a consultant at the Asian Development Bank, she is currently a member on the panel of experts for the Padma Bridge Project, a member of the World Bank South Asia Chief Economist's Advisory Council, the Current Secretary General of Ain O Salish Kendra (Law and Mediation Centre), Independent Director at Brac Bank, Director at bKash, Director at Palli Karma-Sahayak Foundation (PKSF) and Independent Director at Square Pharmaceuticals Limited- to name just a few. Previously she was also a member of the National Education Policy Committee of Bangladesh.



Mr. Abdul Haque

Director, IDCOL

Mr. Abdul Haque is the Managing Director and proprietor of Haq's Bay Automobiles Limited and the Director of Asia Pacific General Insurance Co. Limited. He is also the Honorary Consul, Consulate of the Republic of Djibouti in Bangladesh and was recognized as a Commercially Important Person (CIP) for four times by the Government of Bangladesh, for his outstanding performance in trade and business in the country.

Mr. Abdul Haque is deeply involved in different trade bodies at home and abroad. This background drove him towards building and promoting Japan-Bangladesh relationship. With a view to expedite trade and investment between Japan & Bangladesh, SHOO-KOO-KAI (The Japanese Commerce & Industry Association in Dhaka) appointed him as the Special Adviser, External Affairs. Business communities of Bangladesh elected him as the Director of Executive Committee of the Federation of Bangladesh Chambers of Commerce and Industry for six times with popular vote. He is the former President of Japan Bangladesh Chamber of Commerce & Industry (JBCCI), former Co-chairman of Japan-Bangladesh Committee of Commercial and Economic Co-operation (JBCCEC) and Founder & Former President of BARVIDA. He was also member of Executive Committee of SAARC Chamber of commerce and Industry (SCCI) and also served as the member of the Board of Directors of Bangladesh Road Transport Authority, Janata Bank and Teletalk Bangladesh Ltd.

Mr. Haque is also involved in many philanthropic works and voluntary services among which he is the Member of Foundation of Independent University, Bangladesh (IUB), Chairman of Foundation of Shaher Banu Ideal School & College, Barura, Comilla; Chairman of Munshi Jinnat Ali Welfare Trust and Chairman of Projukti Peeth (Socio-Economic Dev. Centre), Barura, Comilla.

Mr. Waliur Rahman Bhuiyan, OBE

Director, IDCOL

Mr. Waliur Rahman Bhuiyan is an active member of the business community. Presently he is the Executive Board Member of International Chamber of Commerce (ICC). Besides this he is the Director of Linde Bangladesh Limited, ACI Limited, and Eastland Insurance Company Limited, and also the current adviser of Robi Axiata Limited.

In the year 2007 he was decorated with Order of British Empire (OBE) by Her Majesty The Queen of Great Britain. And in July 2008, Mr. Bhuiyan served as Honorary Consul General of Finland in Bangladesh.

Mr. Bhuiyan's social engagement for the development of poor people in remote and unaddressed communities of Bangladesh is reflected through his participation as the Chief Adviser of Friendship, a Non-Government Organization, working in the remote areas of northern Bangladesh for creating equal opportunity for the underprivileged of the country.

Mr. Bhuiyan's former positions include Managing Director, BOC Bangladesh Ltd.; Adviser, Linde Bangladesh Ltd.; President, Foreign Investors' Chamber of Commerce & Industry (FICCI); Member, Bangladesh Better Business Forum; Director, Biman Bangladesh Airlines and Director, Chittagong Stock Exchange.

Born in 1952, Mr. Bhuiyan obtained a Masters in Economics and an MBA from University of Dhaka and has been the Academic Council Member of BRAC University.



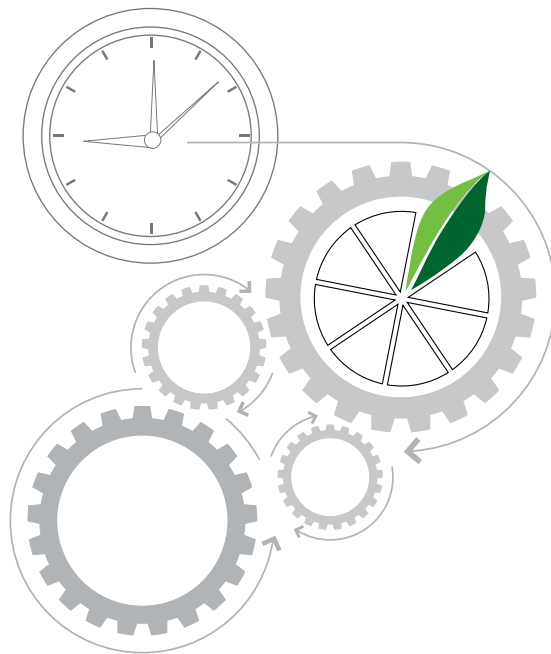
Mr. Mahmood Malik

Executive Director & CEO

Mr. Mahmood Malik is the Executive Director and CEO of Infrastructure Development Company Limited. Mr. Malik, a career banker, started his banking career with American Express Bank, Bangladesh in 1992 as relationship manager for Institutional Banking and joined Standard Chartered Bank in 1995. In 2003 he moved to Standard Chartered Bank, Dubai as the Regional Head of Transaction Sales for Financial Institutions for Middle East and South Asia. Before joining IDCOL he served as the Managing Director of Bangladesh Industrial Finance Company Limited (BIFC) and Industrial and Infrastructure Development Finance Company (IIDFC). Mr. Malik has extensive multinational, private sector domestic and international banking experience. He has an MBA in International Business and Marketing from University of Houston, Texas, USA.



IDCOL Management





IDCOL has a tiny but highly skilled workforce dedicated towards the accomplishment of company's goals and objectives.



TOP MANAGEMENT



Mr. S. M. Monirul Islam

Deputy CEO & CFO

Mr. S. M. Monirul Islam joined IDCOL in 1998 and worked as a key resource person of the Company since its inception. Mr. Islam holds substantial wealth of experience in financial management and he is an expert in negotiating and managing funds from the government and various development partners. He has been managing, apart from the company's own resources, about USD1 billion of development funds, in the forms of credit and grant, raised from development partners like The World Bank, Asian Development Bank (ADB), Islamic Development Bank (IDB), UK Department for International Development (DFID), German Development Bank (KfW), German Development Cooperation (GIZ), SNV - Netherlands Development Organisation, Global Partnership on Output Based Aid (GPOBA), Swedish International Development Cooperation Agency (SIDA), U.S. Agency for International Development (USAID), Bangladesh Climate Change Resilience Fund (BCCRF), etc.

Mr. Islam has been trained, home and abroad, on financial management and reporting, project financing, financial modeling, procurement, project evaluation and monitoring, prevention of money laundering and terrorist financing, micro-finance and ICT. Mr. Islam has led several delegations to different overseas forums and events and represented the organization as well as the country. He presented key notes and addressed a number of national and international seminars and workshops. Mr. Islam is a key person in designing and implementing promotion and capacity building initiatives under the development programs of the organization.

Apart from financial management, Mr. Islam also oversees the operations activities of the organization which include procurement, administration, people management and ICT.



Mr. Nazmul Haque

Director (Investment) & Head of Advisory

Mr. Nazmul Haque joined IDCOL in 2003 and was involved in structuring and financing of many large infrastructure projects in sectors like power, telecom, toll roads, ports, ICT, etc. Many of these projects were first of its kind in Bangladesh and vital for the national development. Mr. Haque also played a significant role in IDCOL's renewable energy program.

Mr. Haque is a leading expert in Project Appraisal Techniques and Financial Modeling and a key resource person in IDCOL's external training and capacity building initiatives. He has conducted training programs and presented papers in various international symposiums and conferences in Asia, Europe, North America and Africa. Currently, under the newly established Advisory Unit, Mr. Haque is working on replicating IDCOL's success stories in infrastructure and renewable energy development in a number of emerging African countries.



Mr. Md. Enamul Karim Pavel

Head of Renewable Energy

Mr. Md. Enamul Karim Pavel joined IDCOL in 2004 and played a key role in development and implementation of IDCOL's renewable energy programs/projects i.e. solar home system program, solar irrigation program, domestic biogas program, improved cook-stoves program, solar mini-grid, biogas and biomass based electricity projects, etc. IDCOL's solar home system program is the largest off-grid renewable energy program in the world, which is providing electricity to 9% population of the country living in off-grid areas of rural Bangladesh. He is also leading the renewable energy team to promote other renewable energy technologies in Bangladesh.

Mr. Pavel regularly negotiates with the development partners to arrange necessary financing for IDCOL's activities. He also maintains liaison with relevant ministries/departments of the Government of Bangladesh. He is an expert in financing modeling and a faculty in financing modeling course regularly offered by IDCOL. As an expert in renewable energy financing he trained officials from various African countries. Earlier, he also worked as the Head of Loan Department in addition to renewable energy activities.

Before joining IDCOL, he served in various administrative positions in the Government of Bangladesh and as a Marine Engineer in Bangladesh Shipping Corporation.



Mr. M. Maftun Ahmed

Company Secretary, IDCOL

Mr. M. Maftun Ahmed joined IDCOL in 2011 and worked as a key resource person of the company. He has vast experiences in company affairs and human resource management as he worked in different institutions over the years. He is involved in organizing the Board and other statutory meetings of the company and has performed all the company affairs under the Companies Act 1994. He is also responsible to supervise the implementation of compliance of different directives and regulations required by the Board of Directors. In addition, he works as a liaison with various regulatory bodies i.e. Bangladesh Bank, Auditors and Registrar of Joint Stock Companies, etc. He also oversees and manages the overall internal and external compliance issues and human resource management of the company.

M. Maftun Ahmed has completed M.Com (Accounting) from University of Rajshahi in 1997. He has completed MBA (Fin. & Banking) from a private University in 2009. In addition, he obtained MAAT from The Association of Accounting Technicians of Bangladesh in 2009.

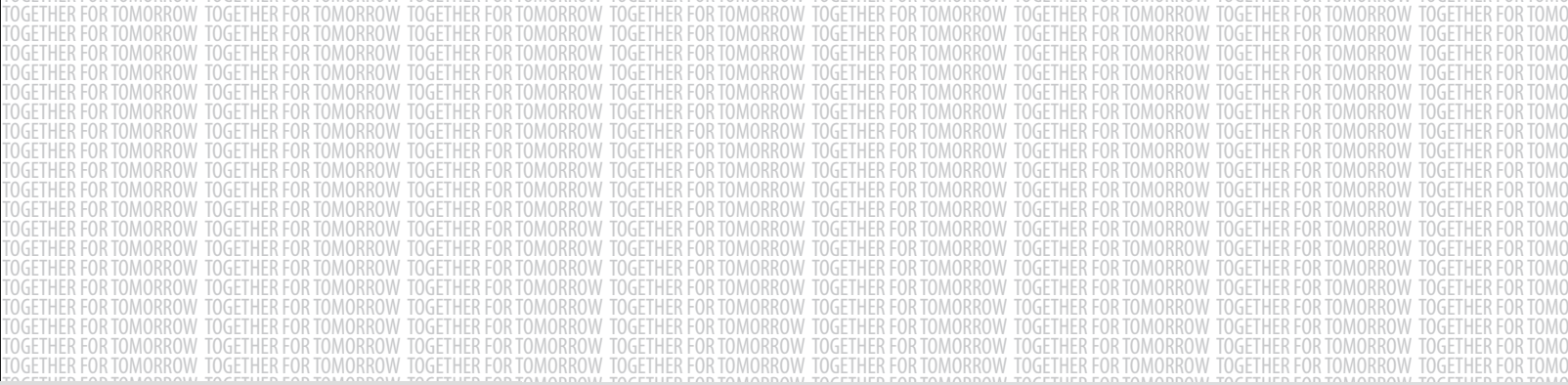
Before joining IDCOL, Mr. Ahmed served as Company Secretary at Infrastructure Investment Facilitation Company (IIFC) from 2001 to 2011.





Renewable Energy Department





Sitting from left:

Mr. Md. Serajul Hossain, Unit Head, SHS Program
Mr. Md. Wahidur Rahman, Unit Head (Technical), Renewable Energy
Mr. Md. Enamul Karim Pavel, Head of Renewable Energy
Ms. Farzana Rahman, Unit Head (Investment), Renewable Energy
Mr. Nazmul Haque Faisal, Unit Head, Corporate Affairs, Training, Promotion and Capacity Building
Dr. Ahmedul Hye Chowdhury, Environmental Specialist, Renewable Energy

Standing in first row from left:

Ms. Sadia Raisa Khan, Officer (Investment), Renewable Energy
Ms. Kamrunnahar Nitol, Relationship Officer, Biogas and Bio-fertilizer Program
Ms. Mithila Sanhita Majumder, Relationship Officer, SHS Program
Ms. Fariha Jannat, Assistant Relationship Manager, SHS Program
Ms. Sanjidaa Hoque, Relationship Officer, ICS Program
Ms. Syeeda Yeasmeen Meer, Assistant Manager (Investment), Renewable Energy
Ms. Mafruda Rahman, Assistant Manager, Corporate Affairs

Standing in second row from left:

Mr. Shibli Mohammad Faiz, Assistant Relationship Manager, Biogas And Bio-fertilizer Program
Mr. Mukaddim Sarwar, Assistant Manager, CEIP, SHS Program
Mr. Rashed Rahman Khan, Assistant Relationship Manager, SHS Program
Mr. Junaed Tazdik, Assistant Manager (Monitoring), SHS Program
Mr. Md. Mahfuzur Rahman, Manager (Technical), Renewable Energy
Mr. Mokaddim Jashim Bhuiyan, Senior Officer (Monitoring), SHS Program
Mr. Debashis Chakraborty, Officer (Investment), Renewable Energy
Mr. Imran Sayeed, Officer (Monitoring), SHS Program

Standing in third row from left:

Mr. Kazi Mustafizur Rahman, Officer (Investment), Renewable Energy
Mr. Kazi Ahsan Uddin, Assistant Manager (Monitoring), Renewable Energy
Mr. Shuvajit Mandal, Assistant Manager (Investment), Renewable Energy
Mr. Molla Anisur Rahman, Program Manager, CEIP, SHS Program
Mr. Rasel Ahmed, Assistant Manager, Promotion & Capacity Building
Mr. Abdullah Hell Baki, Assistant Manager (Monitoring), ICS Program
Mr. Md. Abdullah Al Matin, Assistant Manager (Technical), Renewable Energy
Mr. Asif Shahriar, Relationship Officer, SHS Program
Mr. Asif Hasan, Assistant Relationship Manager, Biogas and Bio-fertilizer Program

Not in the picture:

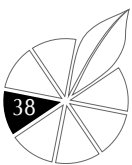
Mr. A F M Shahed, Manager (Monitoring), ICS Program
Mr. Fuad Sakib, Officer (Technical), Renewable Energy

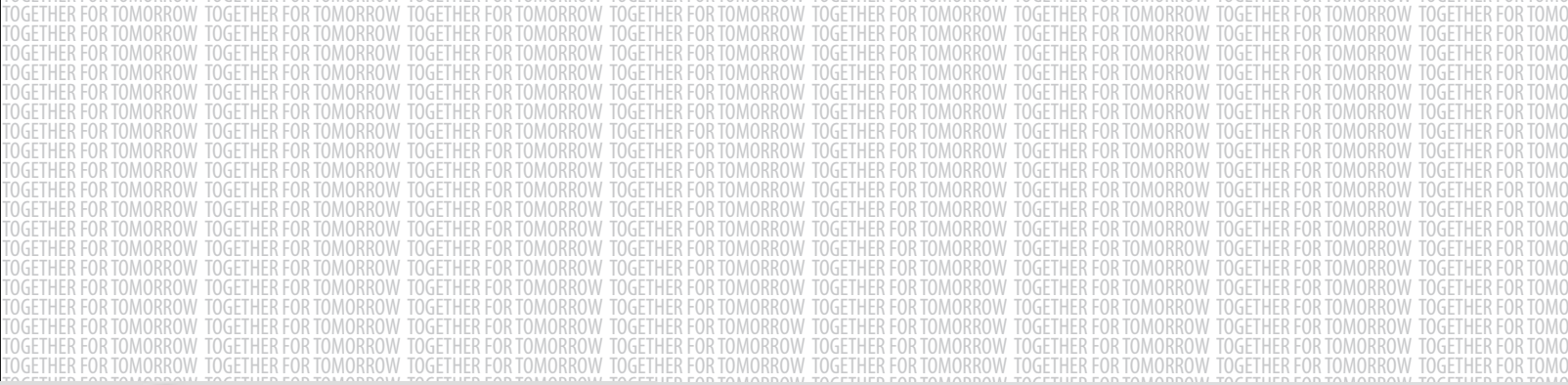
Infrastructure Department





Finance & Accounts Department





Standing in first row from left:

Mr. M. Mizanur Rahman

Unit Head, Accounts and Financial Planning

Ms. Charishma Masud Biswas

Officer, Finance & Accounts

Mr. S. M. Monirul Islam

Deputy CEO & CFO

Mr. Md. Ziaul Alam, ACA

Unit Head, Financial Reporting & Control

Standing in second row from left:

Mr. Md. Imrul Hasan

Assistant Manager, Finance and Accounts

Mr. Shek Mijanur Rahman Ryhan

Manager, Finance and Accounts

Mr. Tawhid Faraj

Assistant Manager, Finance & Accounts

Mr. Sakib Ahmed

Assistant Manager, Finance & Accounts

Not in the picture:

Ms. Nahida Akter Urme

Assistant Manager, Finance and Accounts

Risk and Special Asset Management, Credit Administration, Internal Audit and Legal Department



Operations Department





Directors' Report



IDCOL has a reputation for the highest standards of excellence, quality and reliability in all of its activities, and for respect, honesty and fairness in its dealings with its development partners, partner organizations, colleagues and other constituents.

Directors' Report

Dear Shareholders,

The Board of Directors of Infrastructure Development Company Limited (IDCOL) takes the pleasure to present the annual Audited Financial Statements of the company ended on 31 December 2016.

The Directors have given relevant disclosures and explanations regarding issues which are important to ensure compliance, good governance practices and transparency. We hope that this report will provide all required information about the company's annual performance during the period January -December 2016.

1. The Global Economy

The year 2016 witnessed several events that ended up impacting economies all over the world, for good and bad. The U.K. vote in favor of leaving the European Union (Brexit) in June, the slumping oil price due to production cut by Organization of Petroleum Exporting Countries (OPEC), the weaker-than-expected growth in the United States and the embracement of negative interest rate policy by the Bank of Japan significantly affected the global market and the banks. These developments had created a downward pressure on the global interest rates, as monetary policy is now expected to remain accommodative for longer.

The International Monetary Fund (IMF) projected the Global growth to slow to 3.1 percent in 2016 before recovering to 3.4 percent in 2017¹. However growth in emerging market and developing economies is expected to strengthen slightly in 2016 to 4.2 percent after five consecutive years of decline, accounting for over three-quarters of projected world growth this year. Despite many uncertainties the momentum in the global economy firmed up in the final quarter of last year (2016). Global GDP grew 2.7 percent year-on-year in Q4, above Q3's 2.5 percent² increase and marked the fastest growth in a year. A weak yen and an improving global backdrop supported a notable pick-up in Japan's economy, while private consumption in the United States benefited from a healthy labor market.

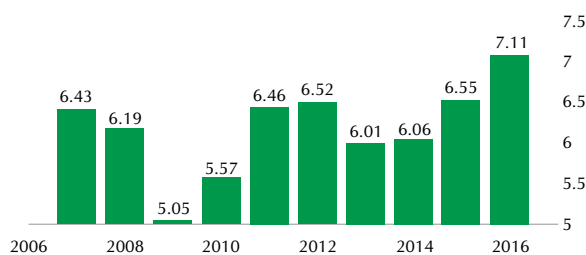
Meanwhile, China's economy accelerated on the back of strong manufacturing activity, and rising commodities prices supported gains in a number of emerging economies. Overall, the global economy grew 2.6% in 2016, down from 2015's 3.0%.

More generally, although financial conditions in emerging markets have continued to improve in recent months, underlying vulnerabilities remain among some large emerging market economies. High corporate debt, declining profitability, weak bank balance sheets—together with the need to rebuild policy buffers, particularly in commodity exporters—leave these economies still exposed to sudden shifts in investor confidence. It has been noticed that the asset prices and risk sentiment have generally recovered after the declines in the aftermath of the U.K. referendum. The equity prices even reached record highs in the United States in August and picked up in other advanced economies as well. But the notable exception are bank stocks, reflecting expectations of weakened future bank profitability, as interest rates are now expected to stay very low even longer than expected.

2. The Local Economy

The Bangladesh economy grew at an average rate of 6.20 percent over the last decade (FY2005-06 to FY2014-15). The GDP growth is estimated at 7.11 percent in FY2015-16, which is 8.55 percent higher compared to 6.55 percent in FY2014-15³. This is the first time that, growth has exceeded 7 percent mark after persistent growth of around 6 percent, thus reaching an all-time high GDP growth rate in 2016.

Figure 1: Bangladesh GDP Annual Growth Rate ⁴



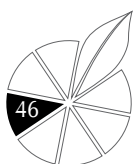
SOURCE: WWW.TRADINGECONOMICS.COM | BANGLADESH BANK

1 "IMF World Economic Outlook (WEO), October 2016" (<http://www.imf.org/external/pubs/ft/weo/2016/02/pdf/text.pdf>)

2 Senior Economist, Bouzanis, A. (2017, March 01). Economic Snapshot for the Major Economies. (<http://www.focus-economics.com/regions/major-economies>)

3 Finance Division, Ministry of Finance, GoB. (2016, November). Bangladesh Economic Review 2016. ([http://www.mof.gov.bd/en/budget1/16_17/ber/en/Ch-01%20\(English-2016\)_Final.pdf](http://www.mof.gov.bd/en/budget1/16_17/ber/en/Ch-01%20(English-2016)_Final.pdf))

4 Trading Economics (<http://www.tradingeconomics.com/bangladesh/gdp-growth-annual>)



Even though the country's overall GDP increased the agriculture growth decelerated to 2.79 percent in FY2015-16 from 3.33 percent in the year before, caused by the decline in crop and horticulture growth from 1.83 percent in FY2014-15 to 0.88 percent in FY2015-16. The growth in industry sector expanded to 11.09 percent in FY2015-16, up by 1.42 percentage points compared with the previous fiscal year. The growth in manufacturing sector, accounts for 66.62 percent of industry sector output and 21.01 percent of GDP, accelerated by 1.38 percentage points to 11.69 in FY2015-16 compared with previous fiscal year. The growth in large and medium-scale manufacturing sector accelerated to 12.26 percent from 10.70 percent in FY2014-15. Similarly, the growth rate of small-scale manufacturing sector accelerated to 9.06 percent from 8.54 percent in FY2014-15. Mining and quarrying and electricity, gas and water supply sectors of the broad industry sector performed robust. However, construction sector growth decelerated marginally to 8.54 percent in FY2015-16 compared to the growth rate of previous fiscal year. The contribution of broad industry sector to GDP in FY2015-16 reached at 31.54 percent at constant prices. Overall service sector growth has been estimated at 6.25 percent, up by 0.45 percentage point from FY2014-15. Among the broad service sector, except financial intermediation sector, all the sectors performed well compared with previous fiscal year. The share of service sector in GDP stood at 53.12 percent in FY2015-16.

The macroeconomic stability was ensured with the continuance of fiscal prudence, lower inflation, surplus current account balance and robust foreign exchange reverses. The Ministry of Finances, recognized a gradual decline in inflation, stating the year-on-year inflation in FY2015-16 to have slid down to 5.92 percent from 6.41 percent in FY2014-15. On the other hand, the final estimates of BBS identified the per capita national income to have reached at US\$1,465 in FY2015-16, up by US\$149, from US\$1,316 of previous year. Likewise, per capita GDP reached at US\$1,385 in FY 2015-16, from US\$ 1,236 a year earlier. Thus with the fall in inflation and rise in per capita national income the domestic savings reached 24.98 percent of GDP, significantly up by 2.82 percentage points from previous year. This boosted the national investment (mainly in private sector) in FY2015-16 causing it to

reach 29.65 percent of GDP, up by 0.76 percentage point in FY2014-15.

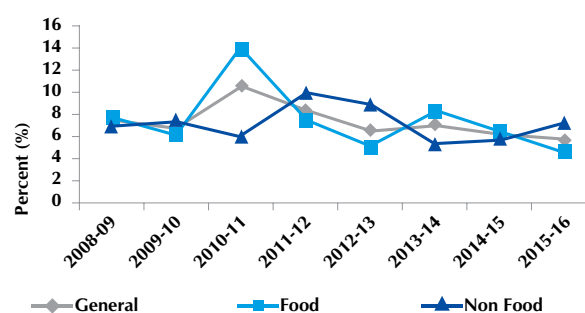
Exports recorded a growth rate of 9.77 percent while import grew 5.45 percent in FY2015-16. Despite slightly contraction of remittances inflow, the decrease in the deficit of trade, service and primary income account, the current account balance recorded a surplus of USD 3,706 million. Aided by the increase in foreign direct investment and medium and long term loans in capital and financial accounts, the foreign exchange reserve crossed the USD 30 billion mark. Exchange rate broadly remained stable during FY2015-16. Moreover, lending interest rate fell, which is expected to encourage investment further in the country.

3. Economic Indicators

3.1 Inflation

The CPI inflation rate in FY2015-16 was 5.92⁵ percent at the national level, which was 6.41 percent in FY2014-15. During this period, the-food inflation stood at 4.90 percent with a decrease of 1.78 percentage point compared to previous fiscal year. To contain inflation, the Government has taken a wide range of measures which include ensuring smooth supply of food, growth-supportive, inclusive and investment friendly cautious monetary policy.

Figure 2: Rate of Inflation at National level.⁶



5 Finance Division, Ministry of Finance, GoB. (2016, November). Bangladesh Economic Review 2016. ([http://www.mof.gov.bd/en/budget1/16_17/ber/en/Ch-01%20\(English-2016\)_Final.pdf](http://www.mof.gov.bd/en/budget1/16_17/ber/en/Ch-01%20(English-2016)_Final.pdf))

6 Finance Division, Ministry of Finance, GoB. (2016, November). Chapter 3, Prices, Wages and Employment. Bangladesh Economic Review 2016. ([http://mof.gov.bd/en/budget1/16_17/ber/en/Ch-03%20\(English-2016\)_Final.pdf](http://mof.gov.bd/en/budget1/16_17/ber/en/Ch-03%20(English-2016)_Final.pdf))

From the above Table and Figure, it is observed that during FY2015-16 the rate of inflation stood at 5.92 percent which was 6.41 percent in the previous fiscal year showing a fast decrease.

It is also noted that during FY2015-16, non-food inflation was higher than food inflation. It is worth mentioning that the general level of inflation stood at 7.60 percent in FY2008-09 which was 5.92 percent in FY2015-16, in a long 8 years showing a bit of fluctuation during the entire period.

In FY2015-16 the rate of inflation at the national level in July 2015 was 6.36 percent on a point-to-point basis. The present Government has taken a number of initiatives to lower the price level and to keep the prices of essential commodities such as rice, edible oil, pulse etc. stable. In this regard, the prime objective of the monetary policy for FY2015-16 aimed at attaining inclusive growth as well as containing average inflation at the level 6.2 percent at the end of the year. As a result, the rate of inflation decreased to 5.53 percent in June, 2016. During this period, food inflation declined to 4.23 percent in June, 2016 from 6.32 percent in June, 2015 showing a sharp decrease in the inflation rate.

Bangladesh Bank (BB) projects annual average inflation to be around 5.3-5.6 percent in FY17. Projected rise of global commodity prices in 2017, however, may continue exerting some upward pressure on domestic prices. Factoring in the declining trend in food and energy price in the international markets along with satisfactory domestic agricultural production and supportive monetary policy, the government expects that the general inflation in Bangladesh will ease substantially in the new fiscal year.

3.2 Remittance

Bangladesh received USD 13.6 billion remittance in 2016, which is far below from USD 15.3 million in the year 2015, according to the Bangladesh Bank data. Expatriates sent highest amount of remittance in the year 2015 and remittance inflow trend was slow from the beginning of the last year due to oil price fall in the international market. Slump in oil price hurt the overall earnings of the wage earners mostly from the gulf countries, which pushed remittance inflow to downward.

The Gulf countries, the largest labour market for Bangladeshi expatriates and also the main source of remittance, are going through an economic crisis

due to the oil price slump. As a result, remittance inflow from those countries declined which hit hard the overall remittance inflow in Bangladesh. Moreover, differences in exchange rate between institutions and curb market made the expatriates reluctant to send money through banking channel. The exchange rate in the curb market went up to Tk82 against dollar while market rate hovering at around Tk78.

Figure 3: Manpower Export and Remittance Inflow.⁷

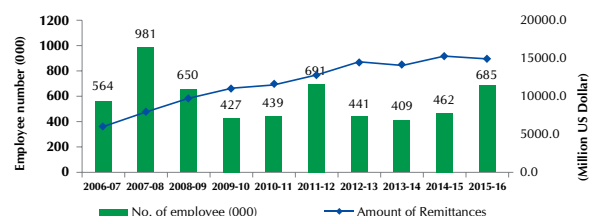


Figure 3 shows that in the recent past, there is an upward trend in both the number of manpower export and the amount of inward remittances. However in the fiscal year 2015-16, even though the number of manpower export remained high at 685,000, the amount of remittance declined compared to previous year. This is because the highest amount of remittance is still coming from Saudi Arabia, for which the oil price slump took a hard hit on Bangladesh's flow of remittance.

The ratios of remittances to GDP and export earning show a mixed trend. The remittance sent by Bangladeshi expatriates was 8.72 percent and 49.09 percent of the country's GDP and total export earnings respectively during FY2006-07. Within a decade in FY2015-16 it decreased to 6.74 percent of GDP and 43.60 percent of total export earnings.

Declining remittance would likely receive some support from the higher number of workers going abroad and the better economic prospects in the Middle East, aided by rising oil prices. Import is projected to remain buoyant, reflecting higher domestic demand, driven by both investment and consumption. Bangladesh Bank projects the FY17 overall balance surplus at USD 2.9 billion⁸, which would help the reserve coverage to remain around

⁷ Finance Division, Ministry of Finance, GoB. (2016, November) Chapter 3, Prices, Wages and Employment. Bangladesh Economic Review 2016 ([http://mof.gov.bd/en/budget1/16_17/ber/en/Ch-03%20\(English-2016\)Final.pdf](http://mof.gov.bd/en/budget1/16_17/ber/en/Ch-03%20(English-2016)Final.pdf))

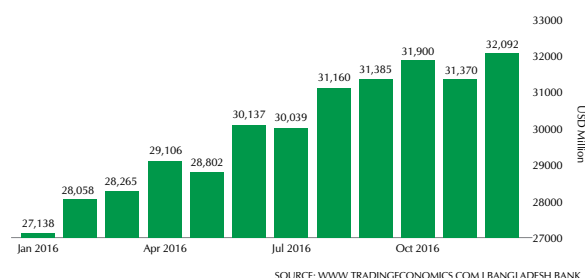
⁸ Bangladesh Bank. Monetary Policy Statement, January-June 2017. (https://www.bb.org.bd/monetaryactivity/mps/mps_current.pdf)

7-8 months of prospective imports of goods and services in FY17.

3.3 Foreign Exchange Reserve

Foreign Exchange Reserves in Bangladesh increased to USD 32,092 million in December from USD 31,370 million in November of 2016. Foreign Exchange Reserves in Bangladesh averaged USD 16,237.58 million from 2008 until 2016, reaching an all-time high of USD 32,092 million in December of 2016 .

Figure 4: Bangladesh Foreign Exchange Reserve⁹



This commendable development was initially brought about by exports and remittance outpacing imports (current account creating balance of payments surplus). More recently, the reserve buildup is attributable to increased foreign currency loans availed by private sector, foreign aid disbursement, foreign direct investment and financial inflows attracted by higher yield on taka-denominated assets (financial account creating balance of payments surplus).

This large stock of forex reserve provides an important source of self-insurance against potential balance of payments crisis and strengthens sovereign credit outlook. The latter attracts higher foreign investment, lowers country-risk premium charged on foreign borrowing and expands potential investor base for any sovereign bond Bangladesh decides to issue in the future.

4. Banking Sector and Sustainable Development Goals

On 1 January 2016, the 17 Sustainable Development Goals (SDGs) to eliminate poverty, battle against discrimination and unfairness, and wrestle against climate change came into force at an historic UN Summit. Over the next fifteen years, with these new Goals that universally apply to all, countries will mobilize efforts to end all forms of poverty,

fight inequalities and tackle climate change, while ensuring that no one is left behind.

The SDGs, also known as Global Goals, build on the success of the Millennium Development Goals (MDGs) and aim to go further to end all forms of poverty. Earlier in 2015, Bangladesh was recognized as a role model in the achievement of MDGs. The Millennium Development Goals Bangladesh Progress Report 2015¹⁰, showed that Bangladesh had registered remarkable progresses in the areas of poverty alleviation, ensuring food security, primary school enrolment, gender parity in primary and secondary level education, lowering the infant and under-five mortality rate and maternal mortality ratio, improving immunization coverage; and reducing the incidence of communicable diseases.

Now with the new Global Goals, and the broader sustainability agendas¹¹, Bangladesh Government aims to go much further than the MDGs, addressing the root causes of poverty and the broader need for development of the people of the country. Bangladesh in its Seventh Five Year Plan (7FYP) for the period of 2016-2020, has taken in to consideration several revolutionary steps including financial inclusion to achieve SDGs and to illustrate the global development agenda in the national plan.

Financial sector is an effective instrument for advancing in the achievement of SDGs in Bangladesh. Accelerated financial growth has been recognized as a key development strategy for ensuring higher quality of life, improved quality of education, faster poverty reduction and employment generation. And in fact it was because of the financial growth of the economy that Bangladesh transformed into a middle income country. Financial and Banking services like credit and deposit activities; financing for small enterprises, women and underprivileged; trade services and green banking activities can clearly be linked to attainment of SDGs.

A well-regulated and transparent banking system can provide the debt finance that is a critical element to implementing the SDGs. Banks can provide “green” or “sustainable” lending –not just in the context of large infrastructure projects but

⁹ Trading Economics (<http://www.tradingeconomics.com/bangladesh/foreign-exchange-reserves>)

¹⁰ Bangladesh Progress Report 2015, UNDP <http://www.bd.undp.org/content/bangladesh/en/home/library/mdg/mdg-progress-report-2015.html>

¹¹ Agenda for Sustainable Development, UNDP <http://www.bd.undp.org/content/bangladesh/en/home/post-2015/sdg-overview.html>

across the spectrum of economic activity, which is instrumental in the pursuit of energy efficiency goals, for instance. Banks and similar financial institutions can also play an important role in promoting access to finance by providing financial services to micro entrepreneurs and small enterprises, who often find access to finance as a major barrier for growth. Banks are also working on issuing green investment to nudge our financial system to serve our environment. Bangladesh Bank will provide a USD 200 million “Green Transformation Fund” to support green transitions in the export-oriented textiles and leather industries, supplemented by another USD 300 million from the World Bank.¹²

5. Infrastructure Scenario

In line with the vision 2021 of the Government of Bangladesh and as per its seventh five year plan (SFYP, 2016-2020), Bangladesh aims to attain an average annual GDP growth rate of 7.4 percent to achieve middle income country status by 2021. As per Asian Development Bank (ADB) Country Operations Business Plan (COBP) for 2016–2018 (which aligns ADB’s action plan with the Government’s vision), ensuring adequate infrastructure is essential to meet the envisioned growth target. Accordingly, in the SFYP, the Government identifies that accelerating the requisite GDP growth is dependent on assuaging the infrastructure constraint, especially power and energy, by focusing priority attention to infrastructure development.

Realizing the growth performance of the country, during June 2015, the World Bank upgraded Bangladesh to a ‘lower middle income’ country from a previous classification of ‘least developed’. However, like other international development partners as well as the Government of Bangladesh, World Bank has repeatedly urged investment in the infrastructure sector to meet the requisite aggregate national growth. As per World Bank’s estimates, till 2020, Bangladesh needs to make an aggregate investment of USD 100 billion in the infrastructure sector to meet its vision of becoming a middle income country by 2021. The World Bank also estimates that Bangladesh needs to raise its investment in infrastructure to around 10 percent of gross domestic product.

Realizing the need for infrastructure development, the Government of Bangladesh has consistently increased investment in the sector. For instance, the annual budget for FY 2015-16, shows that maximum importance has been given to transport, energy, education & religion, physical infrastructure, water supply and housing, rural development; health, nutrition & family planning and agriculture sectors. During the last four fiscal years, the highest allocation has been given to the transport sector. Padma Bridge was a national priority, the increased allocation for the Padma Multipurpose project to Tk 3,592.05 crore made the transport sector the highest recipient of ADP allocation in FY2015-16 as well, which was 21.11 percent of the total outlay.

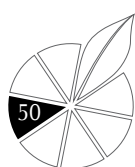
However, effectiveness of the budgetary allocations would depend on the manner the fund is capitalized. Moreover, a significant share of the infrastructure investment in the near and medium term will have to come from the private sector. As such, the budget for FY 2015-16 kept the trend of opening more space for private capital through new public-private partnership (PPP) programs.

Generally, the Government is dependent on the Annual Development Programme (ADP) to execute the public investment including the infrastructure sectors. At present, along with the ADP mechanism, Government has undertaken PPP policy to implement the large scale infrastructure and energy projects which greatly contributes to carry out the Government’s target in development sectors. In order to attract the attention of the private sector investment both in local and foreign, the Government has implemented comprehensive reform programs by forming Privatization Commission and the Board of Investment. Currently, the Government has unified both the Privatization Commission and the Board of Investment to a single organization called ‘Bangladesh Investment Development Authority’. Moreover, different investment-friendly rules and regulations have been promulgated by the Government to ensure congenial environment for private investment.

6. Renewable Energy Scenario

Given the global climate change scenario and carbon trading prospect, renewable energy has emerged as an alternative source of energy solution around the world. Bangladesh has enormous potential in developing renewable energy from

12 (15 January, 2016). BB announces monetary policy, The Daily Sun news, <http://www.daily-sun.com/printversion/details/106884/BB-announces-monetary-policy>



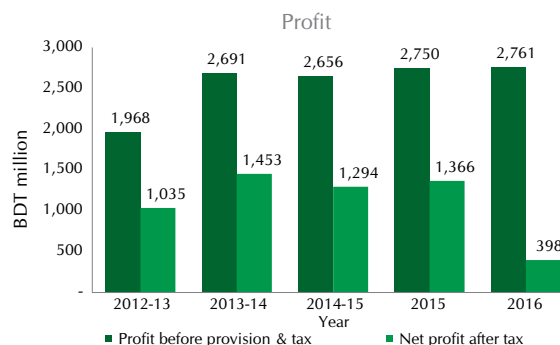
different sources, i.e., solar energy, biomass, and biogas. Other renewable energy sources include wind, bio-fuel, gasohol, geothermal, wave and tidal energy, which are expected to be explored in the future. In line with the international trend, the Government of Bangladesh has taken a systematic approach towards renewable energy development. As part of its initiatives, the Government has adopted Renewable Energy Policy (REP) in 2008 and formed a focal point called Sustainable and Renewable Energy Development Authority (SREDA) for coordinating the activities related to the development of renewable energy technologies and financing mechanisms. The policy envisions to achieve the targets for developing renewable energy resources to meet five percent of the total power demand by 2015 and ten percent by 2020. IDCOL is committed to play a pioneering role in attaining this vision of the government. Government is considering to enact the SREDA Act, which will replace the REP 2008. IDCOL is implementing and financing several renewable energy programs and projects, the likes of which include IDCOL's Solar Home System program, Biogas programs, Solar irrigation projects, Solar power based mini grid projects, solar powered solution for telecom BTSs, biogas and biomass based electricity, etc.

Besides, Bangladesh Bank has created a revolving fund of BDT 2 billion for refinancing of renewable energy projects, e.g.- solar energy, biogas, etc. through commercial banks and financial institutions at concessionary terms and conditions.

7. Operational performance of IDCOL

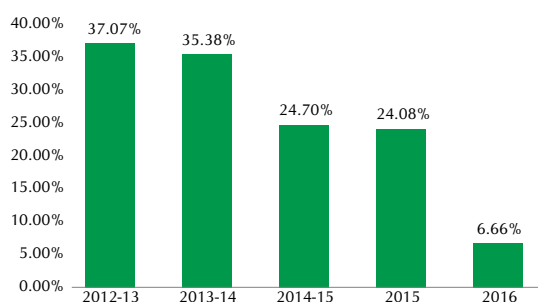
During the reporting period, the total revenue of the company was BDT 4,509 million out of which BDT 738 million was interest from infrastructure projects, BDT 1,657 million was interest from renewable energy projects, BDT 98.8 million was fees income from project finance, BDT 102.7 million fees income from renewable energy projects and BDT 1,730 million was interest income from short-term investments. During the same period, the company's operating and interest expenses were BDT 1,747.7 million and profit before tax and provision was BDT 2,761 million. Provision of BDT 1,221 million has been made for loans and advances and BDT 1,142 million for tax. Net profit after tax for the reporting period was BDT 398 million.

Figure 5: Company Profit (in BDT million)



The Board has proposed payment of BDT 200 million as cash dividends to government and issuance of bonus share of BDT 500 million to increase Company's paid up capital from BDT 5,000 million to BDT 5,500 million leaving a balance of 271 million as retained earnings to be carried forward to FY 2017. With a vision to become the national development finance institution, IDCOL is committed to making its capital structure as per global standards as soon as practicable. IDCOL's loan portfolio was diversified covering various infrastructure sectors like power, telecommunication, tourism etc. The after tax income of the company stood at BDT 398 million as opposed to BDT 1,366 million in the same period last year, a decrease by 71 percent. Shareholder's equity also experienced almost 5 percent growth over the last year. During the reporting period, the company maintained the role of the market leader in private sector energy and infrastructure financing in Bangladesh. Most of the revenues during the period came out of income from interests on loans and advances. Even with 9 percent increase in asset base and 5 percent increase in equity, the profitability indicators fared well with the ROA and ROE being 0.54 percent and 6.66 percent respectively. Even though the ROA and ROE of the company has gone down by 1.5 percent and 17.42 percent respectively as compared to the last half yearly results ended on 31 December 2015, it should be noted that the ROA and the ROE are among the highest in the industry. It is expected that the expansion in the asset and equity base of the company would enable it to reap the benefits in the form of enhanced returns in the years to come.

Figure 6: Company Return on Equity (in percentage)



Increasing concentration on particular sectors and supply of unsecured/part-secured loan to support GOB's initiative for development by IDCOL over the years are facing regulatory & sustainability challenges in terms of capital adequacy, stress testing, and market liquidity. Moreover, gradual development to a full functional NBF with limited product line & funding sources has also catalyzed the matter. Hence, to ensure sustainable growth and align with the future prospect, IDCOL has initiated process for appointing an international consultant for strategic planning and positioning of the company considering the future outlook. Besides, IDCOL is also exploring for multiple avenues of funding sources, in addition to the current use of DFI credit lines through MOF, and bi-laterally negotiating with the DFI and commercial credit lines in this regard.

In the meanwhile, IDCOL has enhanced its eligible sector for financing, added new business units & lending windows, and reinforced corporate governance environment with dedicated risk manager and segmentation of various task with dedicated units. Under the infrastructure window, to reposition under the changed dynamics of infrastructure landscape, IDCOL added separate business units to cater dedicated segments and increased its focus on energy efficiency and PPP & advisory services. On the other hand, under the renewable energy window, IDCOL focused on investment in solar-based irrigation and mini-grids, in addition to solar home system and other programs.

8. Infrastructure & PPP Projects

In 2016, IDCOL realized impressive growth under its Infrastructure & PPP investments with disbursements totalling BDT 6,340 million, an approximate growth of 43 percent over previous year. Under large infrastructure financing, IDCOL

disbursed USD 30 million in the 110 MW HFO based power plant of Summit Barishal Power Limited and USD 15 million in the 55 MW HFO based power plant of Summit Narayanganj Power Unit II Limited. In keeping with IDCOL's sector diversification strategy, USD 20 million was disbursed to Doreen Hotels & Resorts Limited, under the Four Points Sheraton brand in the tourism & hotel sector initiating IDCOL's first investment in tourism sector. Due diligence was also initiated for several industrial energy efficiency projects which included a vertical roller mill cement manufacturing plant at Mongla, Bagerhat.

Investments also included disbursements totalling BDT 420.2 million in favour of three automatic brick manufacturing plants with a combined capacity of 420,000 bricks/day, BDT 400 million for a LPG bottling plant at Mongla, Bagerhat and BDT 77 million under PPP project financing for establishment of two kidney haemodialysis centres at National Institute of Kidney Dialysis Unit (NIKDU) and Chittagong Medical College Hospital (CMCH) to provide low cost and affordable kidney dialysis services. The project has already started operation and is notably the first PPP project in the healthcare sector of Bangladesh and has been solely financed by IDCOL.

Apart from disbursements, a number of approvals were completed during the period. These included USD 32 million (BDT 2,560 million) for a 100,000 dead weight tonne first-of-its-kind private sector Dry Dock facility for ocean going vessel at Badalpura of Chittagong, BDT 1,184 million under industrial energy efficiency finance and BDT 1,000 million for a petroleum refinery project at Dangar Char of Chittagong. Approvals were also arranged for financing of two new environment friendly brick manufacturing plants at Patuakhali and Brahmanbaria along with a refrigerator manufacturing plant at Gazipur. As part of service diversification, the Infrastructure & PPP investment wing increased its presence in the syndication finance market. IDCOL held the syndication closing ceremony of Makrail Auto Bricks as Arranger of BDT 350 million to establish an environment friendly automatic brick plant of 120,000 brick/day capacity using tunnel kiln technology with coal gasification system at Makrail, Modhukhali, Faridpur. IDCOL was also mandated as Arranger & Agent for three new syndication finance transactions namely, a

100,000 brick/day capacity auto brick project at Brahmanbaria, a 54 MW HFO based power plant at Chittagong and a readymade garment project of Pretty Group to produce dress pant, bottom, jacket and blazer at Mawna, Gazipur.

9. Renewable Energy Projects

9.1 IDCOL Solar Home System Program

During January 2016 to December 2016, 56 Participating Organizations (PO) of IDCOL installed 193,918 Solar Home Systems (SHSs) in the rural areas of Bangladesh, leading the total number of installation to 4,112,904 at the end of December 2016. Till December 2016, IDCOL disbursed USD 631 million (BDT 41,587 million) as credit and channeled USD 186 million (BDT 5,983 million) as grant to all POs.

During the period January 2016 to December 2016, IDCOL also received over BDT 3,391 million as principal repayment and earned BDT 1,580 million as interest income and BDT 66.2 million as monitoring & administration fees.

9.2 IDCOL Biogas & Bio-fertilizer Program

As of December 2016, a total of 44,493 domestic sized biogas plants have been constructed under the program. During the reporting period, 3,721 plants have been constructed by the Partner Organizations. Till December 2016, IDCOL provided refinancing facility of BDT 599.49 million and channeled BDT 520 million as grant to the POs under the program.

Till December 2016, IDCOL earned BDT 113.47 million as interest, BDT 328.22 million as principal repayment and BDT 78.36 million as management fees.

9.3 IDCOL Improved Cook Stove (ICS) Program

IDCOL launched the 'Improved Cook Stove Program' in 2013. With the funding support from the World Bank. The objective of the program is to reduce the use of cooking fuel as well as ensure reduction of Indoor Air Pollution (IAP) through promoting supply of higher efficiency cook-stoves. The Program is being implemented through 66 POs working in 282 upazilas. 731,404 ICS have been installed under the program during January – December, 2016.

During January – December, 2016, IDCOL earned BDT 26.05 million as monitoring fees from the

program. The total grant amount disbursed for the program during this period is BDT 249.98 million.

9.4 Other Renewable Energy Projects

Till December 2016, seven of the previously approved solar mini-grid projects of IDCOL went into commercial operation. The combined capacity of these 7 mini-grids is 966 kWp. Once operational, these mini-grids have the potential to meet the electricity requirements of more than 3,247 households and commercial entities located in the isolated, off-grid areas of the country. In addition to this, as of December 2016, a total of 607 solar irrigation pumps went to commercial operation under IDCOL financing.

During the period, a total of BDT 626 million has been disbursed for renewable energy projects, of which BDT 257 million has been provided as loan and BDT 369 million as grant.

10. Status of IDCOL loans

As of 31 December 2016, overall collection rate of loans provided by IDCOL is around 92.66 percent. There were in total seventeen classified loan accounts of which ten were in bad, two were in doubtful and five were in sub-standard category. IDCOL had already initiated necessary legal measures against six of its classified borrowers to recover the due. The remaining classified loan accounts were closely monitored and necessary actions under the finance and security documents would be taken against the borrowers if they fail to settle their outstanding amount.

11. Private Sector Infrastructure Development Project (PSIDP)

During the reporting period, the company effectively monitored its loan to Meghnaghat Power Limited (MPL). All principal repayments, interests and fees due under the loan arrangements were duly received. IDCOL, on behalf of the government, received USD 2.77 million as interest and USD 3.87 million as principal repayment. IDCOL also earned USD 73,790 as monitoring fees.

12. Rural Electrification and Renewable Energy Development Project (REREDP) (work in progress)

During the reporting period, IDCOL, on behalf of the Government, received BDT 25.12 million

as interest and BDT 275 million as principal repayment. IDCOL further earned monitoring fees of BDT 0.78 million.

13. Short Term Investment Income

During the reporting period, IDCOL earned an amount of **1,730.1 million** from balance with banks and financial institutions, out of which **BDT 10.8 million** from short term bank deposit, **BDT 1,719 million** from fixed deposit and **BDT 0.5 million** from call money lending.

14. IDCOL's Debt Service Performance

During the reporting period, IDCOL's debt service obligation under all the loans were current. IDCOL made a total debt service of BDT 2,226 million under various projects which are as follows:

Table 1: Summary of IDCOL's Debt Service Performance

SL NO.	PROJECT	INTEREST AND FEES (BDT MILLION)	PRINCIPAL (BDT MILLION)
1	REREDP funded by IDA	834	383
2	PPIDF funded by ADB	447	241
3	JICA	203	-
4	Improving Rural Households' Livelihoods through Solar Energy Project in Bangladesh funded by IDB	34	84
	Total	1,518	708

15. Classified loan status

The percentage of classified loans as on 31 Dec'16 was 9.45 percent.

16. Our Regional Offices

IDCOL has 15 regional offices in Dhaka, Chittagong, Rangpur, Sylhet, Khulna, Barisal, Bogra, Barguna, Brahmanbaria, Faridpur, Mymensingh and Laxmipur under its renewable energy programs. Each of these offices are managed by a regional supervisor and some technical inspectors. Currently, a total of 212 technical inspectors and field auditors are conducting physical verification and managing operations of SHS, biogas plants, ICS, other renewable energy initiatives, training

activities financed by IDCOL and monitoring collection efficiency of unit offices of the partner organizations.

17. Investment Advisory

A new unit, PPP & Investment Advisory, has been established and made operational in 2016 under the Investment Department. The unit has two primary objectives, to invest in Public Private Partnership (PPP) projects developed by the PPP Authority of Bangladesh and to provide transaction, corporate, investment and other advisory services. While investment in PPP projects will complement the country's development of investment grade quality infrastructure projects, the unit's capacity building, investment and transaction advisory activities will expand IDCOL's service offerings.

Under Investment Advisory services, various workshop, seminars, and training programs are regularly arranged for capacity development of industry stakeholders. In 2016, IDCOL arranged seven training/workshop which included three training courses on 'Project Finance' and 'Financial Modeling' and two capacity development workshops on 'Financing Utility Scale Solar Projects' and 'Industrial Energy Efficiency'. More than 175 professionals from banks and financial institutions, project sponsors and development companies, international organizations and consulting firms were trained under these training and capacity building programs.

Given IDCOL's successful dissemination of Renewable Energy technologies in Bangladesh, many countries especially developing countries of Asia and Africa are keen to learn from IDCOL for replication of similar programs in their respective countries. In 2016, an experience sharing visit was arranged for trainees of Climate Finance Course, coordinated and delivered by International Institute for Environment and Development (IIED) in collaboration with the International Center for Climate Change and Development (ICCCAD) and the United Nations Development Programme (UNDP). Forty trainees from Afghanistan, Pakistan, Cambodia, Thailand, Nepal, United Kingdom and Switzerland participated in the program.

As part of IDCOL's strategy for service and market diversification, the PPP & Investment Advisory unit has initiated transaction advisory and



consultancy services. In this regard, Memorandum of Understanding (MoUs) have been executed with a number of local and foreign firms which includes Bureau Veritas (Bangladesh) Pvt. Limited, Embtronics Limited, DevConsultants Limited and Quality Growth Services Pvt. Limited of India. In addition IDCOL participated in two competitive bids for providing advisory services, one with in partnership with Quality Growth Services Pvt. Limited of India to provide consultation and training for obtaining OHSAS 18001:2007 certification for 163 sites of Bangladesh Power Development Board (BPDB) and the other in partnership with Royal Haskoning DHV of Netherlands to provide transaction advisory services for PPP Authority of Bangladesh.

18. Internal Control

The role of the internal audit committee is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. Internal auditors deal with matters that are integral to the survival and prosperity of any organization. Management will follow up on the status of actions on recommendations made by the internal control. The board reviews regular reports from the management on key operating statistics, legal and regulatory matters. The Board also approves any amendments to the company's policies. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

The Credit Risk Management unit of IDCOL has been actively working towards the company's adherence to a strong risk management framework. The unit is responsible for providing independent credit risk assessment and assisting the management in strengthening the company's risk strategy and in effect improving the quality of credit portfolio. The Company was maintaining centralized credit risk management through CRM Committee which was responsible for identifying relevant risks and required mitigation of the proposed loans. Supporting departments i.e. Credit Administration

Department, Environment Department and Legal Department was actively involved for managing risk avenues i.e. overdue management, CIB report analysis, environmental risk management, legal risk management etc.

19. Directors' responsibilities of preparation of financial statements

The Company Law requires the Directors to prepare financial statements for each financial year that gives a true and fair view on the state of affairs of the Company and the Group at the end of the financial year and on the profit or loss of the Group and the Company for the financial year. The Directors are responsible for preparing the Company's financial statements in accordance with the applicable laws and regulations. They have to select appropriate accounting policies, apply them consistently, make judgments and estimates that are reasonable and prudent and state whether applicable accounting standards have been followed. The Board confirms that the financial statements have been prepared under the applicable laws and regulations and as per requirements of regulatory authorities and provide the auditors with every opportunity to take whatever steps and undertake whatever inspections the auditors consider to be appropriate for the purpose of enabling them to give their audit report.

20. Going Concern

The financial statements have been prepared on a going concern basis assuming that the entity is able to continue as a viable entity for the foreseeable future and that there is no material uncertainty.

21. Directors' Statement Pursuant To the Disclosure and Transparency

- ◆ To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements:
- ◆ That in the preparation of the annual accounts for the year ended 31 December 2016, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- ◆ That such accounting policies have been selected and have been applied consistently and judgment and estimates have been made

that they are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31 December 2016, and of the profit of the Company for the year ended on that date;

- ◆ That proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1994, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- ◆ The annual accounts have been prepared on a going concern basis

22. Director's Meeting & Attendance

From 01 January to 31 December 2016, a total of 12 (twelve) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 80 percent. The core activities of the Board were carried out in scheduled meetings of the Board and its Committees. Those meetings were timed to link to key events in the company's corporate calendar and regular reviews conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which require decisions outside the scheduled meetings.

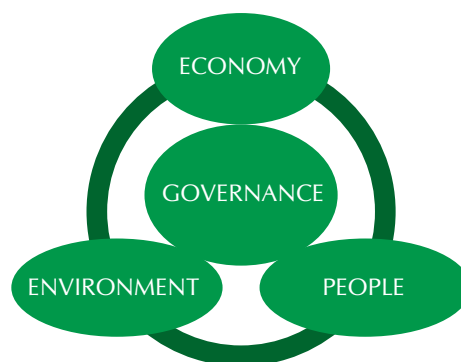
23. Corporate Governance

IDCOL has been practicing the principles of sound corporate governance. In addition to this, the Board lays strong emphasis on transparency, accountability and integrity. The board remains committed to guiding the strategic development of the group and supports the principle of collective responsibility for the success of the company. A separate detailed report on Corporate Governance is included as part of the Annual Report.

24. Framework

IDCOL has a solid governance framework through which it maintains its environmental, social and economic performance. All these components are essential for sustainable development and the future well-being of the nation. The component central to the framework governance, provides corporate direction and sets company principles and values that guide our business practices.

Figure 7: IDCOL's Governance Framework



25. Business Ethics

The day-to-day business activities are conducted in a fair, honest and ethical manner at IDCOL. Every person connected with IDCOL has individual responsibility for maintaining an ethical and healthy workplace. Managers and leaders throughout the company are additionally responsible for fostering a proper environment and encouraging ethical practices. IDCOL has a reputation for the highest standards of excellence, quality and reliability in all its activities, and for respect, honesty and fairness in its dealings with the development partners, partner organizations, colleagues and other constituents. The continued success and future growth depend on the maintenance of these standards.

26. Contribution to the National Exchequer and the Economy

During the year January-December 2016, the company contributed a total amount of BDT 1,141.9 million as corporate tax, BDT 12.44 million as Tax Deducted at Source (TDS), BDT 19.47 million as VAT and BDT 100 million as dividend to the government, in total BDT 1,273.81 million was paid to the national exchequer. By adopting a responsible behavior, as well as through sustainability added-value approach, IDCOL contributes most effectively in social, environmental and economic progress.

27. Responsibility towards Civil Society

As a responsible corporate citizen, IDCOL strives to play a positive role in society, by building a culture that promotes employee volunteering, and through corporate giving to support the communities in which it operates. IDCOL is committed to sharing

its business expertise by helping to build better understanding of the needs of individuals and the society at large.

28. Auditors

Hoda Vasi Chowdhury & Co. have been appointed as auditors for the Company's accounts for the half Year starting from January 2016 to December 2016. The Financial Institutions Act, 1993 stipulated that an auditor of a financial institution cannot be appointed for more than three consecutive years. Section 210 (10) of the Company's Act, 1994 also gives authority to shareholders of the company to fix the auditor's remuneration. So, the board recommended appointing Hoda Vasi Chowdhury & Co. as the auditor for IDCOL.

Acknowledgement

I would like to express my gratitude to our development partners, partner organizations and the Board for their continuous assistance, guidance and confidence in IDCOL. My sincerest thanks goes to the Management team and all the employees for their hard work, commitment and integrity which have brought the company to this level.

By order of the Board

Date: 30 April 2017



Chairman

Chairman's Statement



On behalf of the board of the directors, I am pleased to present the Annual Report along with the audited accounts of our company for the year ended 31 December 2016. In 2016, apart from ensuring delivery of a good financial performance, our Board focused on refining IDCOL's strategy for growth, involving detailed reviews of each business. This covered the market, products, emerging technologies, competition, risks, talent development, diversity and succession plans. Our exceptional people were fundamental to the delivery of 2016's successful results, including making reasonable income and profit compared to our competitors in the industry.

Overall Performance

Our strong financial performance was reflected in our performance during the year. Even with a 4.5% rise in operating expenses owing to an expansion in organizational capacity and introduction of competitive pay structure in IDCOL, the company demonstrated profit before tax of BDT 2,761 million which is 0.4% higher than last year. It is expected that IDCOL will be reaping the benefits from enhanced organizational capacity and a pool of dedicated employees in the form of increased income and profit in the coming years. We achieved a 0.54% return on assets while our total assets increased by BDT 6,048 million from last year. Shareholders' equity has also increased from BDT 5,673 million to BDT 5,971 million.

Board of Directors

IDCOL's board of directors appointed to act on behalf of the shareholders runs the day to day affairs of the business and oversees management's performance closely, ensuring that the company executes its strategy with financial discipline and with integrity. So far the Board members' collective effort has led the company in delivering long-term sustainable success for the benefit of all our shareholders.

IDCOL has a social mission built into the business model which makes it decide on business activities that are beyond profit motive. Therefore I believe it has a perfect mix of individuals from the public and the private sector with the relevant experience, skills and determination to take the company forward as a successful for-profit social enterprise.

Sustainability and responsibility

IDCOL has made significant progress in recent years but we also know there is more to do and we need to continue our efforts to understand and tackle the challenges and opportunities ahead. We at IDCOL follow a continuous progress approach, where we want to improve our performance step by step. With this in mind, we continuously strive to enhance our contribution to a sustainable future, so that our stakeholders and beneficiaries can fully trust in our

services. So far IDCOL has borne full responsibility to make a positive contribution to the economic and social well-being of our country and this has been proven in 2016 when IDCOL was awarded as Country's Top Tax Payer for the assessment year 2015-16 (fiscal year 2014-2015) in the category of "Non-Bank Financial Institutions" for depositing highest amount of taxes to the state as a gesture to influence others to be just as compliant.

Management and colleagues

I would like to thank all of our people for living IDCOL values and going the "extra mile" during 2016. Undoubtedly IDCOL leads a highly talented and experienced management team and we have over 300 colleagues. The commitment, skills and client service standards our colleagues deliver make the difference.

Strategic Direction:

During the last decade IDCOL has established itself as the face of solar home system in Bangladesh enriching lives of more than 12% of the population. It has created a strong rural outreach network with the help of its Participating organizations (POs). It has effectively disbursed funds of several multi-lateral funding agencies to investments in renewable energy and infrastructure projects. IDCOL has achieved great operational expertise and management efficiency in its renewable energy programs. Meanwhile, the Bangladesh economy and the business/macro-economic environment is changing and demand for various infrastructure requirements is rising. The socio-economic aspirations of the people are also changing. It is of significance that IDCOL suitably positions itself in this changing market.

Therefore, IDCOL has decided that this changing perspective should be pursued through a consciously derived Strategic Plan over the next 3 to 5 years. The ultimate goal is to leverage on the organizational strength to exploit the opportunities available. We are constantly exploring to introduce efficient technologies in renewable energy and enter different infrastructure sub-sectors to diversify revenue streams. We will consider additional opportunities wherein IDCOL will strengthen its current loan offerings as well as advisory services to boost fee based income.

Acknowledgement:

On behalf of the Board of Directors, I would like to thank the directors, management and all employees of IDCOL for their commitment and contribution during 2016. The year 2017 will continue to be a challenging one despite recent signs of economic recovery worldwide. I would also like to take the opportunity to thank shareholders, associates, clients, bankers, sub-contractors and suppliers for your continuing understanding and support to IDCOL.

From the CEO's Desk



We continue to work in a demanding economic environment where the next year holds new challenges for our organization. Every year IDCOL boldly faces such new challenges as it helps us to learn and grow. However the year 2016 has been exceptionally challenging for our Renewable Energy Program, due to the market distortion led by the unregulated commercial entities in the country, but as always we have successfully overcome the barrier to our organizational growth. We have adopted new strategies to redesign our business model that will not only add-value to our business success factors in the coming years, but will also strengthen our position in the market.

IDCOL being a state-owned development financial institution has a goal to ensure economic prosperity through sustainable and environment-friendly investments in the infrastructure and renewable energy sectors of the country. Thus before I move on to the operational success of the company, let me briefly summarize the current conditions and the prospects in the infrastructure and renewable energy sectors of the country.

Infrastructure and PPP sector development

In the globalized environment of trade and investment it is important for any country to be competitive, and the quality of infrastructure is a key input for it. Energy and transport are essential elements of the modern production and distribution processes and the efficiency and relative cost of these inputs are often a key determinant of competitiveness in the global economy. The World Economic Forum regularly updates countries position on competitiveness based on 12 pillars. Infrastructure (transport and energy infrastructure) is a key pillar for economies like Bangladesh.

The Global Competitiveness Report 2015-2016 published by World Economic Forum, assigned Bangladesh an infrastructure ranking of 123 among 140 countries. According to the said report, Bangladesh improved by only 0.2 points in terms of infrastructure, compared to 2014-2015 and still suffers from acute shortage of adequate infrastructure.

In the Seventh Five Year Plan (SFYP 2016-2020) the Government of Bangladesh rightly prioritized the need for improved power, energy, transport and other infrastructure for achieving its growth strategy to fulfill the Government's vision 2021 of transforming Bangladesh from a low-income economy to a middle income one. In particular,

highest priority was placed in improving the supply of electricity and subsequently major expansion programs in power and gas supplies were identified for implementation. Important programs for improving roads, highways, bridges, railways and water transport networks have been included in the Plan. In addition to this policies and institutional support among other things were also put into effect, to help leverage private investments alongside public investments in the energy and infrastructure sectors. The financing strategy emphasized both public funding as well as financing based on public-private partnership. Emphasis was also placed on improving efficiency and service delivery through a series of structural reforms involving pricing policy and institutional reforms.

Private sector participation is crucial for need assessment, project implementation and most importantly for financing. For more than a decade, IDCOL has been working in close co-operation with Bangladesh government, various international development partners and the private sector of the country to bridge the gap between government's infrastructure development targets and its financing requirements.

IDCOL by financing private sector-led infrastructure projects directly supports government's infrastructure development agenda. For the financial year 2016, Infrastructure disbursement grew by 43% (i.e. from BDT 4.45 billion in 2015 to BDT 6.34 billion in 2016) and the major infrastructure financing for the reporting year were for projects relating to power, energy, tourism, health and brick kiln. The power segment constitutes the chunk of 57% of the total loan portfolio as of December 2016 and it results to the generation of more than 1,665 MW of electricity which is about 11.1% of the National Electricity generation. In 2016, three large infrastructure projects comprising of Four Points Sheraton Hotel, 110 MW and 55 MW HFO fired power plants in Barisal and Narayanganj respectively, were approved and financed by IDCOL.

Alongside, IDCOL also facilitated various small and medium infrastructure financing including automatic brick manufacturing plants costing BDT 1,527 million which combinedly produces 800,000 bricks/day. The BDT 1,000 million LPG storage & bottling plant at Mongla, Chittagong's Petroleum Refinery project with production capacity of 10,000 barrel per day, as well as the country's first ever PET bottle recycling plant at Narayanganj worth BDT

226 million. Furthermore, IDCOL also disbursed USD 1 million for a captive power generation plant and agreed to finance BDT 1184 million for installing energy efficient equipment in a LEED platinum certified RMG Company. Last but not the least, IDCOL also approved BDT 90 million under its PPP initiative for establishment of two kidney haemodialysis centers at National Institute of Kidney Dialysis Unit (NIKDU) and Chittagong Medical College Hospital (CMCH) to provide affordable kidney dialysis services in the country. This is the country's first PPP based project in the healthcare sector, implemented under the PPP Authority and is solely financed by IDCOL.

In 2016, for the above mentioned projects IDCOL has disbursed BDT 420.2 Million for three automatic brick manufacturing plants, BDT 400 Million for a LPG bottling plant, BDT 39 million for PET bottle recycling plant and BDT 77 Million for two kidney haemodialysis centers.

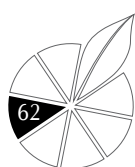
Renewable energy (RE)

Policymakers, civil society and industry of Bangladesh have increasingly recognized that transitioning to 'green economies' is not only critical from the perspective of environmental protection, but also that 'green growth' can create significant opportunities for economic advancement in the country.

In 2009, the Bangladesh Ministry of Environment and Forest published the "Bangladesh Climate Change Strategy and Action Plan" that introduced four major sources of funds for financing renewable energy investments in Bangladesh, namely The Bangladesh Climate Change Resilience Fund (BCCRF), The Global Environment Facility (GEF), The Pilot Program for Climate Resilience (PPCR) and The Bangladesh Climate Change Trust Fund (BCCTF). Not to mention Bangladesh is the first developing country to set up a coordination plan, as well as the first to come up with its own climate trust fund. Recognizing these initiatives, in September 2015 Prime Minister Sheikh Hasina was awarded the Champions of the Earth award by the United Nations. The bulk of the current programs instigated under these funds are being implemented by Infrastructure Development Company Ltd. (IDCOL) which have started to influence changes in the regulations, policies and information that guide the way Government of Bangladesh and wider society respond to renewable energy and climate change.

Bangladesh has enormous potential in generating power from renewable sources, especially from solar energy. IDCOL has played a pioneering role in this regard, through its flagship program, widely known as the Solar Home System (SHS) Program. The program has extensively contributed to the generation of clean electricity in the rural off-grid areas of the country and has replaced carbon emitting kerosene lamps, resulting into significant reduction in CO2 emission. IDCOL has financed installation of 4.1 million SHS by December 2016, with a total clean electricity generation capacity of 136 MW. The program has so far saved consumption of 1.14 million tons of kerosene worth USD 411 million (considering USD 0.30 per liter) and prevented 2.75 million ton of carbon emission in the atmosphere. In the next 15 years already installed 4.1 million solar home systems will save consumption of another 3.6 million tons of kerosene worth USD 1300 million, further preventing 8.68 million ton of carbon emission. Therefore, total saving in terms of reduction in kerosene use is almost 3 times of total credit investment of USD 603 million. IDCOL's Solar Home System program is recognized worldwide as a success of public money instigating off-grid solar market, making a significant impact on the country's off-grid population and leading the world for off-grid SHS energy access. The program apart from extending financial support executes voluntary agreement with the borrowers which enables it to closely monitor the market for compliance of renewable energy technologies and intervene to maintain required technical standards to ensure the quality and sustainability of the program.

Encouraged by the success of Solar Home System program of IDCOL, the Government of Bangladesh has initiated number of programs like, solar irrigation, solar mini/micro-grid, solar park, solar roof-top, solar boating and so on. Several fiscal incentives have been extended by the Bangladesh Government to Renewable Energy project developers and investors. Dedicated funding support has also been extended through government financial institutions like Bangladesh Bank and IDCOL, as well as through private commercial banks. Moreover, government has also exempted duties and taxes on certain renewable energy products, e.g. solar panel, solar panel manufacturing accessories, charge controller, inverter, LED light and solar operated light.



Financing Energy Efficiency

Our mission is to accelerate investment in sustainable clean energy as a means to combat climate change, create green jobs, reduce energy use, increase our national energy security and stimulate our economy.

As a part of our goal to finance energy efficiency projects, we have undertaken the Green Brick Program through which we hope to gradually replace all traditional brick kilns of the country with modern and environment friendly technologies. Towards achieving 10% conservation of total power generation as per Government's power system master plan 2016, IDCOL is collaborating with JICA to jointly finance projects related to energy efficient - equipment, household appliances and green building. At present IDCOL is preparing to apply for approval of six pilot sub projects amounting to BDT 12,570 million.

After introducing the use of energy efficient LED lights in the country through its Solar Home System (SHS) program, IDCOL is now working towards enabling people to conserve and make efficient use of scarce energy resources at a larger scale. IDCOL has taken initiatives to introduce energy efficient appliances such as fans, television, refrigerators, etc. under its solar mini-grid projects with a view to enable people to do more with less energy.

Operating Results

In the year 2016, company's Profit before tax and provision was BDT 2.761 billion which is 0.40 % higher than BDT 2.75 billion last year. Interest income from Renewable Energy project loan has overall declined by 5% mainly because of decline in the sale of SHSs. The decline in sales have been persistent from 2014, due to market saturation and uneven competition from the market where poor quality SHSs are offered at a lower price. In addition to this, in 2015, government initiated a safety net program (KABIKHA/TR program) distributing free SHS throughout the country causing serious setback on IDCOL SHS program. While the Renewable Energy program of IDCOL seek new strategic arenas to diversify its investment, the Infrastructure and PPP unit earned a 53.2% higher interest income on Infrastructure loan as the disbursement, mainly in the power sector grew significantly.

IDCOL's net profit after tax in FY 2016 stands to BDT 397.9 million that is 71 % lower than BDT 1,366.14 million last year. This decrease in

profit is mainly due to an increase in provision against loan and advances as well as for rise in operating expenses owing to an expansion of the organization's capacity in the form increase in manpower and office space. It is expected that IDCOL will be reaping the benefits of increased organizational capacity in the form of greater returns in the subsequent years. Moreover, income from other renewable energy and infrastructure projects are expected to grow given that a number of such projects have been approved recently, as well as a decent-sized pipeline awaits for approval.

Our Return on Asset during the year stood at 0.54% as opposed to 2.04 % in the previous year, whereas the Return on Investment during the year stood at 0.97% compared to 3.70% last year. This is due to an increase in both asset and equity base of the company by 9.03% and 5.30% respectively and a simultaneous decrease in net income by 71.0%. However, the comparative financial analysis shows that IDCOL currently belongs to the top among similar financial institutions in terms of return on equity and return on investment.

Organizational Growth

In order to cope up with the increase in business while maintaining the strict level of diligence, we have added new departments to ensure proper services, timely completion of tasks and better penetration to focused markets. At the same time, expansion of the work force has led to greater specialization in different areas resulting in more accountability and greater focus on individual tasks.

IDCOL's HR strategy and our track record as a responsible employer help us attract the top talents from the market. We invest in our employees to ensure their long-term commitment to the company. Our goal is to maximize individual potential, increase commercial effectiveness, reinforce the company's culture, expand our employee's professional opportunities, and help them contribute positively to the greater communities. Our employees undertake trainings in countries like Japan, Germany, China, etc. to bring home the knowledge and skill set required for implementing the pioneering projects that IDCOL undertakes.

Challenges and opportunities

Significant risks are involved during the implementation of infrastructure projects. Starting from the technical complexity of constructing and operating such projects to planning and approval

process, all are sources of risk. Such risks need to be identified, quantified and managed. It is frequently claimed that, with the right incentives, the private sector may be better able to identify and manage many of the key risks associated with larger projects. In other words, private sector can effectively provide insurance against a project's key delivery and performance risks more cheaply than the public sector. The public sector can then focus on what it does best, such as defining and monitoring the public services to be delivered. Thus, it is argued that allocating certain risks to the private sector can increase the overall efficiency in delivering the infrastructure and the associated public services.

While it is generally agreed that private sector involvement is key to infrastructure development in Bangladesh, the coordination among public and private sectors still remains a challenge. While lack of financing is often hailed as the core hindrance, but the major challenge faced by the infrastructure sector is the lack of strong framework for developing high quality, bankable projects. Furthermore, it takes a significant time for the government infrastructure projects to be awarded in the market, for which it remains to be a niche market opportunity for financing company like IDCOL. Nevertheless, the opportunities in the infrastructure sector are plenty as government continues to incentivize private investment through tax holiday, import duty exemption, investment repatriation, sovereign guarantee, and dedicated local infrastructure fund sources, which all are making Bangladesh a lucrative location for further investment.

In case of renewable energy sector the constraints to scaling up private climate finance in developing economies like Bangladesh are usually not the financial viability and maturity of technologies, but market failures and barriers, which include (a) low or subsidized energy pricing (for example, fossil fuel subsidies); (b) the small share that energy costs represent in operating costs; (c) limited financing for the high up-front investments; and (e) the inability of some potential investors to capture the returns from green investments. Although most renewable energy technologies are economically viable they may not yet be sufficiently financially viable to attract private investment. The incremental cost of renewable energy over fossil fuels is usually the most important barrier. However, this cost gap is closing with time, as solar photovoltaic [PV] costs have declined more than 50 percent in the past 15 years while the fossil fuel price has increased. Last

but not the least, increasing private climate finance flows require more than the announcement and promise of national green growth policy strategies. Building investor confidence needs clear, consistent and well-aligned policies over a long period of time. Industry, finance and other core ministries must also play leading roles in establishing a robust policy environment that ensures alignment across all policy objectives.

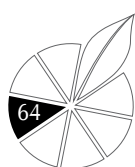
IDCOL's initiatives also focus on the technical and capacity building aspects of renewable energy, which will continue to bring about women welfare, income generation, child education and skill development of local entrepreneurs. We have used our innovative financial schemes to involve the community at the grass root level, to ensure that the rural people can procure renewable energy systems for their livelihood and income generating activities. IDCOL with its various initiatives will continue to act as a role model to demonstrate that renewable energy applications can be scaled up economically and rapidly to provide an affordable and climate-friendly energy solution for the country.

Strategic Initiatives:

In order to handle the currently faced challenges and to grow by taking those challenges as learning, IDCOL has developed a mid-term strategic and business plan in the year 2016. For this purpose, an agreement on 1 June 2016 with Deloitte Touche Tohmatsu India Private Limited has been signed. Key objective of the assignment was as below:

- ◆ Review and analyze the existing business portfolio, human resources, mandates, status and nature of financial resources, market positioning, fund raising strategy, competition, corporate structure and governance.
- ◆ Addressing required improvement, diversification, growth and sustainability in the overall business operations of IDCOL and developing a strategic and comprehensive business plan till year 2020.

IDCOL with the help of key experts group identified key intervention areas required across the organization for the next 3-5 years. Considering IDCOL has an advantage of low cost of source of funds, we are planning to expand our presence in the infrastructure sector. Our planning is to **rebalance the portfolio with 65% assets under infrastructure by 2020**. Such expansion would help IDCOL to reduce its concentration risk in the RE program.



We also have planned following strategic initiatives:

- ◆ Targeted disbursement of USD 1 Billion by 2020.
- ◆ Advisory services to be strengthened as it is a low risk service and IDCOL has relevant expertise in the power and allied sector.
- ◆ Proactive reach out plans, efficient collection process, innovative collection strategies and customer segmentation to be done to increase SHS recovery.
- ◆ Implementing twofold approach to build its brand and to gain visibility in the market space.

We are also working on reengineering processes to reduce the turnaround time and re-alignment of the Organization structure with streamlined process flows. The results of the process re-engineering exercise will flow into the new organization structure and an organization wide change management initiative has been planned for smooth implementation.

Looking Forward IDCOL

IDCOL is expanding its investment horizon to include more infrastructure and renewable energy sector projects. We are also undertaking projects to make sustainable improvements in social infrastructure mainly through investments in education, health and tourism sectors. In addition, our success in financing large infrastructure projects and renewable energy dissemination has encouraged other developing countries to replicate similar programs in their respective countries. We continue to provide knowledge and capacity building support to local companies as well as other countries for sustainable business development.

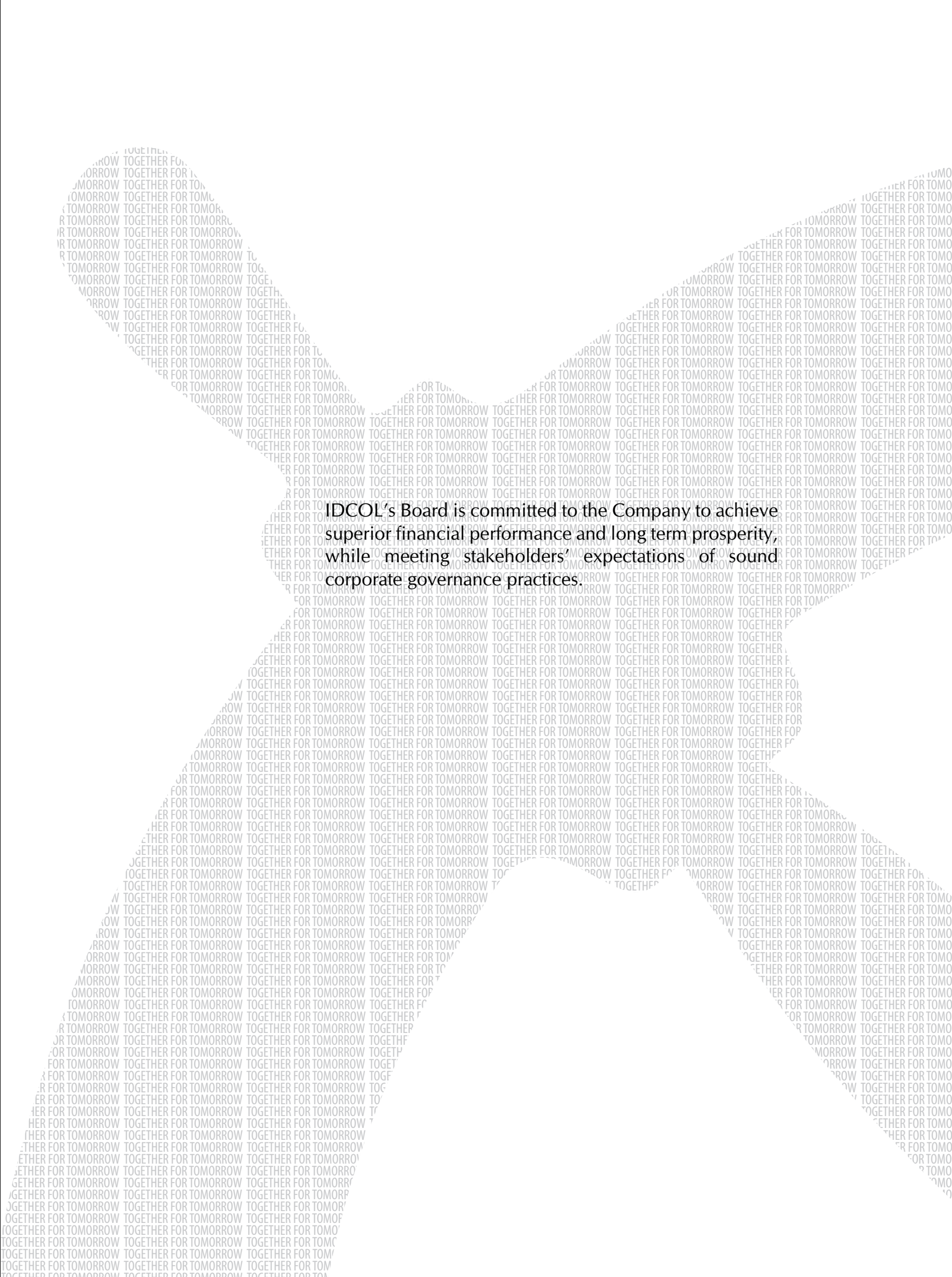
IDCOL aims to play the pioneering role not only with regard to providing suitable financial mechanisms for supporting renewable energies but also for energy efficiency measures. In this regard, IDCOL is working towards implementing global practices with regard to energy conservation and energy efficiency in the country. Given that the IDCOL SHS program is on verge of the maturity stage and further expansion of the program seems to be challenging, IDCOL is now focusing on other parameters of the program such as increasing collection efficiency and introducing product diversification.

Our humble submission

Relationship with the government, the multilateral bilateral development agencies and all our suppliers and partners is fundamental to our success. IDCOL's perception as a transparent and trustworthy partner is derived from its commitment to integrity. We are sincere in dealing with our stakeholders and the communities where we have an impact. I would like to end my message by thanking all our valued development partners i.e., the World Bank, ADB, JICA, SNV, KfW, GIZ, IDB, USAID, GPOBA, DFID and above all the Government of Bangladesh for their continuous support towards IDCOL. I also wish to convey my deep gratitude to all our partners, who form an extensive network of valuable business resources and ensure delivery of excellent performance. I appreciate our Board, which consists of successful individuals with diverse set of skills and experiences, for its continuous support and guidance. Finally, my utmost gratitude goes to my fellow colleagues for their united efforts, diligence, commitment and their ability to embrace change. In our journey towards excellence, it has been a highly rewarding experience to be recognized and acknowledged by local and international organizations. In FY 2016, IDCOL won the ICMAB Best Corporate Award 2015 in the category of 'Non-Bank Financial institutions and was also rewarded as the Country's Top Tax payer by the National Board of Revenue (NBR) for the assessment year 2015-16 (fiscal year 2014-2015) in the category of "Non-Bank Financial Institutions. In addition to these, IDCOL was honored with the United Nations Momentum for Change Award during a ceremony with UN Secretary General Ban Ki-moon at the Conference of Parties 22 (COP22) in Morocco's Marrakech. All these stands testament to our accomplishments during the year. The future is challenging but full of exciting opportunities. I envision progressive and strategic role played by IDCOL as it continues to excel in its current operations, explores innovative ideas and fosters valuable business relationships.

Corporate Governance





IDCOL's Board is committed to the Company to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices.

Corporate Governance

Corporate governance is a set of policies, processes and procedures guiding the way a corporation is directed and controlled. It covers stakeholders, the relationship between them, the company and the strategic vision of the company. The governance structure specifies the distribution of rights and responsibilities among different stakeholders of the corporation and specifies the rules and procedures for making decisions in corporate affairs. Corporate governance provides the structure through which corporations set and pursue their objectives, while reflecting the context of the social, regulatory and market environment. It is a mechanism for monitoring the actions, policies and decisions of the corporation.

Corporate governance protects the interests of all stakeholders while respecting duty of the Board and Management to oversee affairs of the company and promote long-term growth and profitability.

Board of Directors

Composition

IDCOL is managed by an eight member independent Board of Directors comprising four senior government officials and three prominent entrepreneurs from the private sector nominated by the Government and an appointed full time Executive Director & Chief Executive Officer.

Roles & Responsibilities

The Board is committed to the Company to achieve superior financial performance and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices. The Board determines the corporate governance structure of the Company. As with all business activities, the Board is proactive in respect of corporate governance and puts in place those arrangements which it considers are in the best interest of the Company and its shareholders and consistent with its responsibilities to other stakeholders.

The Board duly complies with the guidelines issued by Bangladesh Bank regarding the responsibility and accountability of the Board, its Chairman and Chief Executive, vide DFIM Circular No. 7 dated September 25, 2007.

The Board of Directors is in full control of the

Company's affairs and is also fully accountable to the shareholders. They firmly believe that the success of the Company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of IDCOL set out its strategic focus and oversees the business and related affairs of the Company. The Board also formulates the strategic objectives and policy framework for the Company. In discharging the above responsibilities, the Board carries out, inter alia, the following functions as per the charter of the Board and Bangladesh Bank's DFIM Circular No. 7, dated September 25, 2007.

Committees of the Board

The IDCOL Board may form special Committees comprising Board members or any other members from outside of the Company for special purposes. The following are the existing committees of the IDCOL Board-



Audit Committee

Composition

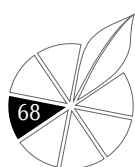
IDCOL has a four-member Audit Committee comprising the Senior Secretary of Finance Division as the Chairman and three private sector Directors of the Company.

The members are:

1. Mr. Mahbub Ahmed, Director
2. Mr. Waliur Rahman Bhuiyan, Director
3. Ms. Nihad Kabir, Director
4. Mr. Abdul Haque, Director

Roles & Responsibilities

The Audit Committee assures the independence of IDCOL's internal control functions and audit activities in compliance with the requirements



established in Development Credit Agreement, Agency and Administration Agreement, various Project Agreements and Boards' decisions.

This Committee is responsible-

1. To monitor the integrity of the company's financial statements and announcements;
2. To review internal financial control;
3. To monitor and review the internal audit function;
4. To recommend the appointment or replacement of external auditors and review the effectiveness of their work;
5. To develop and implement policies on the use of the auditors for non-audit services.

Credit Committee

Composition

The seven-member committee is currently headed by the Senior Secretary, Finance Division. The other six members are – Senior Secretary, Prime Minister's Office, Secretary, Power division, three members from the private sector Directors of the IDCOL Board and the CEO, IDCOL.

Members of the committee are:

1. Mr. Mahbub Ahmed, Director
2. Ms. Suraiya Begum ndc, Director
3. Dr. Ahmad Kaikaus, Director
4. Ms. Nihad Kabir, Director
5. Mr. Waliur Rahman Bhuiyan, Director
6. Mr. Abdul Haque, Director and
7. Mr. Mahmood Malik, Executive Director and CEO

Roles & Responsibilities

Credit Committee of IDCOL is primarily responsible for reviewing all project appraisal reports before submission to the Board for approval. The Committee reviews loan proposals and make recommendations to the Board. The approval of this Committee is mandatory before these documents are submitted to the Board for final approval. The Credit Committee shall analyze the credit proposal to see whether the proposal is consistent with IDCOL's credit policies and credit norms, guidelines/regulations of Bangladesh Bank, relevant laws etc. and has been presented by following all the required formalities. The Committee, in the light of its analysis, shall consider the positive and

negative sides of the proposal and shall give its opinion/recommendation.

The Credit Committee also makes recommendations for pricing of all IDCOL loans. Besides, the Committee also provides guidance to the IDCOL Board with regard to IDCOL's role as lender of last resort in private sector infrastructure projects implemented in Bangladesh. It is to be mentioned here that the Credit Committee shall only give recommendation /opinion about a proposal; credits will be finally approved by the IDCOL Board.

Organization Committee

Composition

The Organization Committee of IDCOL is a four-member committee represented by Chairman, IDCOL, Secretary, Economic Relations Division, Secretary, Power Division, one director nominated from private sector and CEO, IDCOL.

Members of the committee are:

1. Mr. Kazi Shofiqul Azam, Chairman
2. Dr. Ahmad Kaikaus, Director
3. Ms. Nihad Kabir, Director
4. Mr. Mahmood Malik, Executive Director and CEO

Roles & Responsibilities

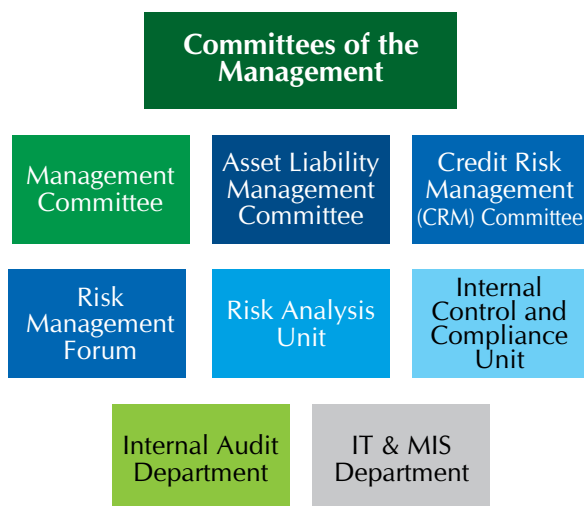
The Committee is responsible for overseeing the overall Human Resources strategy and policies of the Company, which is designed to provide:

- ◆ A rich supply of high caliber employees with the capability to lead the business now and in the future.
- ◆ Diversity of employees to reflect the available talent in the market place and consumer demographics.
- ◆ Training and development that will equip employees with the skills and knowledge to perform their duties efficiently.
- ◆ A high performance culture and employee engagement that will drive organization success.
- ◆ A level and composition of reward and recognition for employees that:
 - 0 will attract, retain and motivate employees with the requisite skills and expertise towards high performance;
 - 0 is linked to Company and individual performance;

- 0 maintains the integrity of the Company's remuneration strategies and practices;
 - 0 provides appropriate alignment between shareholder interests and employee interests;
 - 0 provides a framework for undertaking reviews of remuneration proposals; and
 - 0 is compliant with current governance and legislative requirements related to remuneration practices.
- ◆ The committee will guide, advise, review and recommend initiatives related to corporate matters within the following areas:
- Organization Structure (Organogram)
 - Staff Manual
 - Compensation
 - Human Resource Development
 - Performance Management
 - Succession Plan
 - Other matter that may be delegate by the Board from time to time

Committees of the Management

In an effective Corporate Governance Structure, the company management has a collective mandate under the leadership of ED & CEO to carry out daily operations to the best interest of the stakeholders. The management team of IDCOL is headed by Executive Director and Chief Executive Officer, Mr. Mahmood Malik. Several management committees have been formed to handle the company operations and identify and manage risks of the company. The following are the existing committees of the management-



Management Committee

Composition

The Board delegates responsibility for the day-to-day management of the Company to the Management Committee. The Executive Director & CEO is the Chairman of the Committee. The committee consists of the following members:

1. Mr. Mahmood Malik, Executive Director & CEO
2. Mr. S. M. Monirul Islam, Deputy CEO
3. Mr. Nazmul Haque, Director (Investment) and Head of Advisory
4. Mr. Md. Enamul Karim Pavel, Head of Renewable Energy
5. Mr. M. Maftun Ahmed, Company Secretary

Roles & Responsibilities

The Board delegates responsibility for the day-to-day management of the Company to the Management Committee. The Committee is responsible for ensuring that the business is operating effectively within the strategy and risk appetite agreed by the Board. Responsibility of the Committee includes all aspects of the ongoing operation of IDCOL. The Committee time-to-time delegates day-to-day operations to the Executive Officer.

Asset Liability Management Committee

Composition

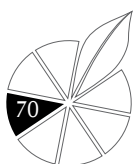
The committee comprises of the senior management of the company. Members of the committee are:

1. Executive Director & CEO
2. Deputy CEO
3. Chief Financial Officer
4. Director (Investment) and Head of Advisory
5. Head of Renewable Energy

Roles & Responsibilities

The functions of the Asset Liability Management Committee will be as under:

- ◆ To assume overall responsibilities of Money Market activities.
- ◆ To manage liquidity and interest rate risk of the Financial Institutions.
- ◆ To understand the risk elements involved within the business.



- ◆ To understand the market position and competition etc.
- ◆ To provide inputs to the Treasurer regarding market views and to update the balance sheet movement.
- ◆ To deal with the dealer's authorized limit.

Credit Risk Management (CRM) Committee

Composition

The CRM Committee evaluates all projects/proposals of financing activities of the Company from the risk point of view. Headed by the CEO, the committee consists of the following members:

1. Executive Director & CEO
2. Deputy CEO
3. Chief Financial Officer
4. Director (Investment) and Head of Advisory
5. Head of Renewable Energy

Roles & Responsibilities

The functions of the CRM Committee will be as under:

- ◆ Be responsible for the implementation of the credit risk policy/ strategy approved by the Board;
- ◆ Monitor credit risk and ensure compliance with limits approved by the Board;
- ◆ Recommend to the Board, for its approval, clear policies on standards for presentation of credit proposals, financial covenants, rating standards and benchmarks;
- ◆ Taking decisions in terms of capital allocation and defining limits in line with the risk strategy;
- ◆ Decide delegation of credit approving powers, prudential limits on large credit exposures, standards for facility collateral, portfolio management, facility review mechanism, risk concentrations, risk monitoring and evaluation, pricing of facilities, provisioning, regulatory/legal compliance, etc.;
- ◆ Lay down risk assessment systems, develop MIS, monitor quality of facility/investment portfolio, identify problems, correct deficiencies and undertake facility review/audit; and
- ◆ Undertake portfolio evaluations and conduct comprehensive studies on the environment to

test the resilience of the facility portfolio.

Risk Management Forum

Composition

Risk Management Forum is headed by the Deputy CEO (CC) and Chief Financial Officer of the Company. The forum consists of the following members:

1. Mr. S. M. Monirul Islam, Deputy CEO
2. Mr. Nazmul Haque, Director (Investment) and Head of Advisory
3. Mr. Md. Enamul Karim Pavel, Head of Renewable Energy
4. Ms. Farzana Rahman, Unit Head (Investment), Other Renewable Energy

Roles & Responsibilities

The role and responsibilities of the forum will be as under:

- ◆ Designing overall risk management strategy of the FI;
- ◆ Communicating views of the board and senior management regarding the Risk Management Culture and Risk Appetite all over the organization;
- ◆ Preparing risk management policies and procedures;
- ◆ Monitoring the prescribed/threshold limits of Risk Appetite set by the regulator and/or by the organization itself;
- ◆ Developing, testing, and observing the use of models to measure and monitor the risks;
- ◆ Developing and overseeing implementation of stress testing;
- ◆ Overseeing the Capital Management functions in accordance with the Risk Based Capital Adequacy measurement accord i.e. BASEL-II / III;
- ◆ Determining the most cost-effective way to minimize the risks;
- ◆ Highlighting the risky portfolios and deficiencies of the company on timely manner and reporting these analyses to the Executive Director & CEO as well as the Board of Directors with specific recommendations and suggestions;
- ◆ Reviewing the market conditions, identifying



the external threats and providing with recommendations for precautionary measures accordingly; and

- ◆ Developing overall information system/MIS to support risk management functions of the organization.

Risk Analysis Unit

Composition

The unit consists of the following members:

1. Mr. M. Maftun Ahmed, Company Secretary
2. Mr. Md. Ziaul Alam, ACA, Unit Head- Financial Reporting, Taxation & Control
3. Mr. Farhan Reza, Unit Head (Credit Administration)

Roles & Responsibilities

Risk Analysis Unit will be responsible solely to identify and analyze all sorts of risks appropriately and timely. The role and responsibilities of the unit are-

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

Internal Control and Compliance Unit

Composition

Internal Control and Compliance unit is headed by the Deputy CEO (Current Charge) and Chief Financial Officer of the Company. The unit consists of the following members:

1. Mr. S. M. Monirul Islam, Deputy CEO
2. Mr. Md. Enamul Karim Pavel, Head of Renewable Energy
3. Mr. M. Maftun Ahmed, Company Secretary
4. Mr. Md. Ziaul Alam, ACA, Unit Head- Financial Reporting, Taxation & Control

Roles & Responsibilities

The unit is mainly responsible for establishing and maintaining adequate internal control systems to ensure compliance of the Company, developing internal control process, procedures and policies to ensure that the company's business activities and associated risks are well managed.

Internal Audit Department

Composition

The department is mainly responsible for establishing and maintaining adequate internal control mechanism and ensure compliance with the policies and procedure of the Company. Currently, an Internal Auditor works under the department. The Internal Auditor is-

1. Mr. Md. Ziaul Alam, ACA, Unit Head- Financial Reporting, Taxation & Control

Roles & Responsibilities

The Internal Audit Department has the following responsibilities:

- ◆ Working with Board committees and management to ensure that a system is in place to identify and analyze all major risks, on a regular basis;
- ◆ Planning, organizing and carrying out the internal audit function including the preparation of an audit plan which fulfils the responsibility of the department;
- ◆ Providing management, audit committee and the Board with opinions on the internal controls in the organization;
- ◆ Carrying out an independent appraisal of the effectiveness of the policies, procedures and standards by which the financial, physical and information resources of the organization are managed; and
- ◆ Adding value by acting as a facilitator in business risk management and carrying out value for money reviews, thereby assisting the management and the Board in the effective discharge of their responsibilities;
- ◆ The Internal Auditor will report directly to the Board or Board committees;



The CEO, IDCOL or Deputy CEO will supervise the work of Internal Auditor in terms of making periodical reports to the Board or Board committees.

IT & MIS Department

Composition

Information Technology and Management Information Systems is an integral part of the Corporate Governance. A full-fledged department ensures adequate IT and MIS infrastructure and its security. The department includes the following members:

1. Mr. S. M. Monirul Islam, Deputy CEO
2. Mr. Mohammad Rashedul Islam, Assistant Manager (IT)
3. Mr. Murshed Ahmed, Junior IT Officer

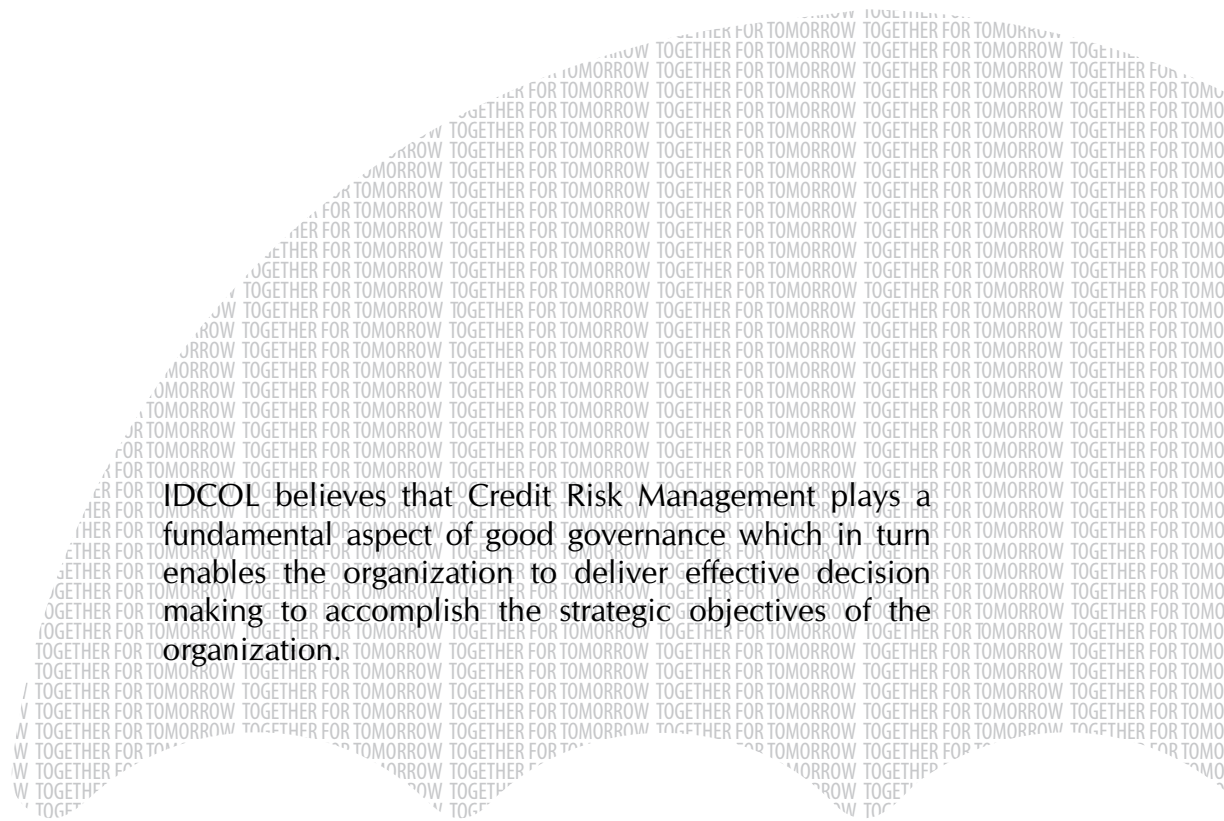
Roles & Responsibilities

The IT & MIS Department's primary objective is to streamline the management information systems with the strategic direction of the Company. In this regard, implementation of the organizational structure with well-defined roles for the responsibility of information, business processes, applications, infrastructure, etc. generates value for the stakeholders while mitigating the risks associated with incorrect deployment and use of Information Technology.



Credit Risk Management





IDCOL believes that Credit Risk Management plays a fundamental aspect of good governance which in turn enables the organization to deliver effective decision making to accomplish the strategic objectives of the organization.

CREDIT RISK MANAGEMENT

IDCOL believes that Credit Risk Management plays a fundamental aspect of good governance which in turn enables the organization to deliver effective decision making to accomplish the strategic objectives of the organization. With the continuous effort to attain and entrench sustainable risk governance and risk management culture in an independent and integrated set of processes, a comprehensive Credit Risk Management (CRM) framework has been established in IDCOL.

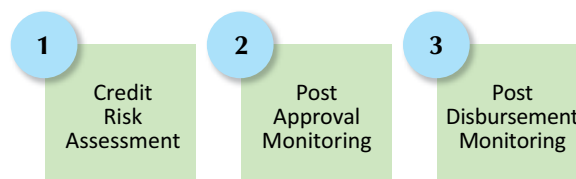
The framework clearly defines the lending process, risk identification, measurement, grading, and reporting along with mitigation techniques, specifying management of problem accounts, documentation and legal issues. It has been developed by adopting Bangladesh Bank guideline on Credit Risk Management dated 21 July 2005 and incorporating internal policies and taking into consideration of industry best practices. IDCOL, in addition to the Bangladesh Bank guideline, also complies with risk management criteria of its Development Partners.

Taking calculative risk with best possible mitigation measure is in the core of every business. In light of this, Credit Risk Management (CRM) Unit has been developed in the year 2014 to identify, measure and mitigate credit risk of IDCOL in accord of the framework. The CRM unit is distinct and has adapted the framework to ensure transparency and accountability within IDCOL. It is responsible to identify the major risk points on credit and to conduct post approval follow up for strengthening the portfolio.

CRM unit seek to contain and mitigate risks within the appetite set by the Board of Directors. As the outcome of any risk is uncertain, adherence to fundamentals of risk management, good judgment and precision in forecast coupled with strong corporate governance are the key to manage risks. Some major uncertainties that IDCOL may face in the coming year are change in regulatory policies and compliance, macro-economic factors, geopolitical events, political stability, natural calamity and risk of fraud. CRM Unit evaluates all proposals keeping these uncertainties in mind.

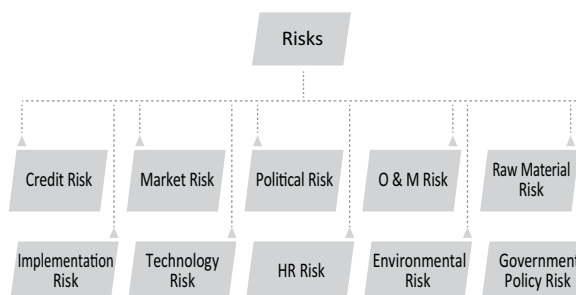
Moreover, the CRM unit is focusing towards ensuring compliance on regulation and supervision as defined by the regulators with full conjunction of international practice standards in leverage, governance and risk management to ensure resilience of IDCOL.

The key functions of the Credit Risk Management Unit, in a broader gauge are as follows:



Risks at IDCOL

CRM unit while assessing the proposals consider the followings:



With the continuous effort to strengthen and embed the practice of risk management culture and governance at enterprise level, IDCOL has segregated the broader challenge into components to identify and quantify the risks and to provide adequate mitigations to minimize future arising losses which may adversely affect the organization or the stakeholders. Some of the risks have long term impact while others have a short term impact. Therefore the dimensions of risks that needs to be managed at IDCOL is analyzed deeply and continuous effort is being given to minimize the effect.

Credit Risk Assessment Process:

The Credit Risk of IDCOL is effectively managed and minimized through the developed policies and procedures established by the Board of Directors, addressing various issues starting from market risk to environmental risk. The responsibility is clearly segregated between origination of business, assessment, approval, documentation, disbursement and recovery to ensure better risk management, internal control, transparency and accountability.

CRM unit is involved in risk assessment, identifying risk and probable mitigation.

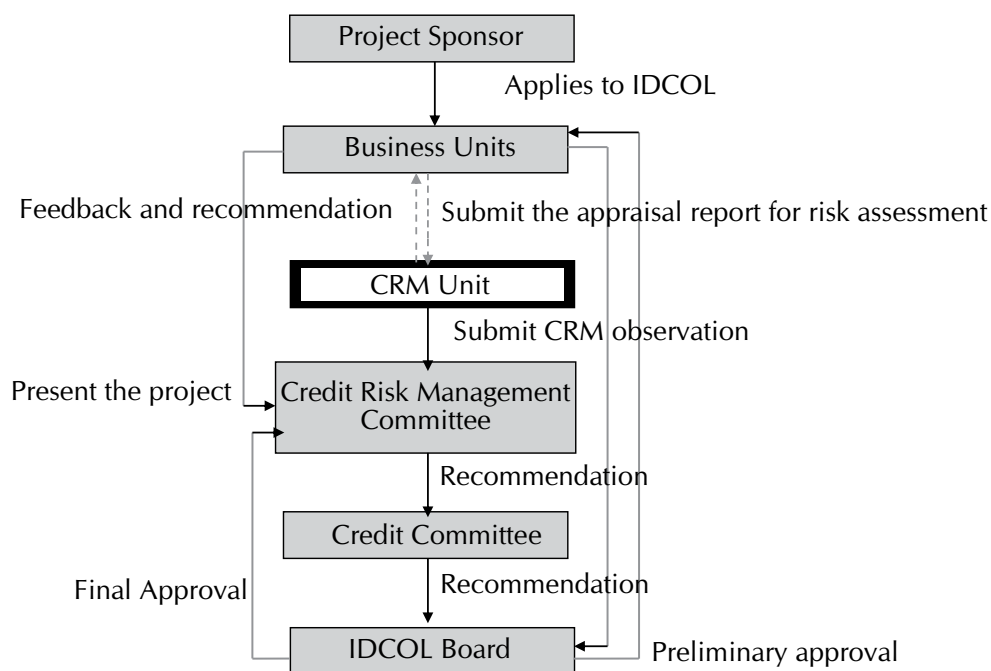




For a prudent practice, a separate Credit Risk Management Committee has been developed consisting of the top level management of IDCOL, upon approval of which, a project shall be deemed acceptable to the board of directors for consideration. The Credit Risk Management Committee has also been delegated with different credit authority for various programs and projects.

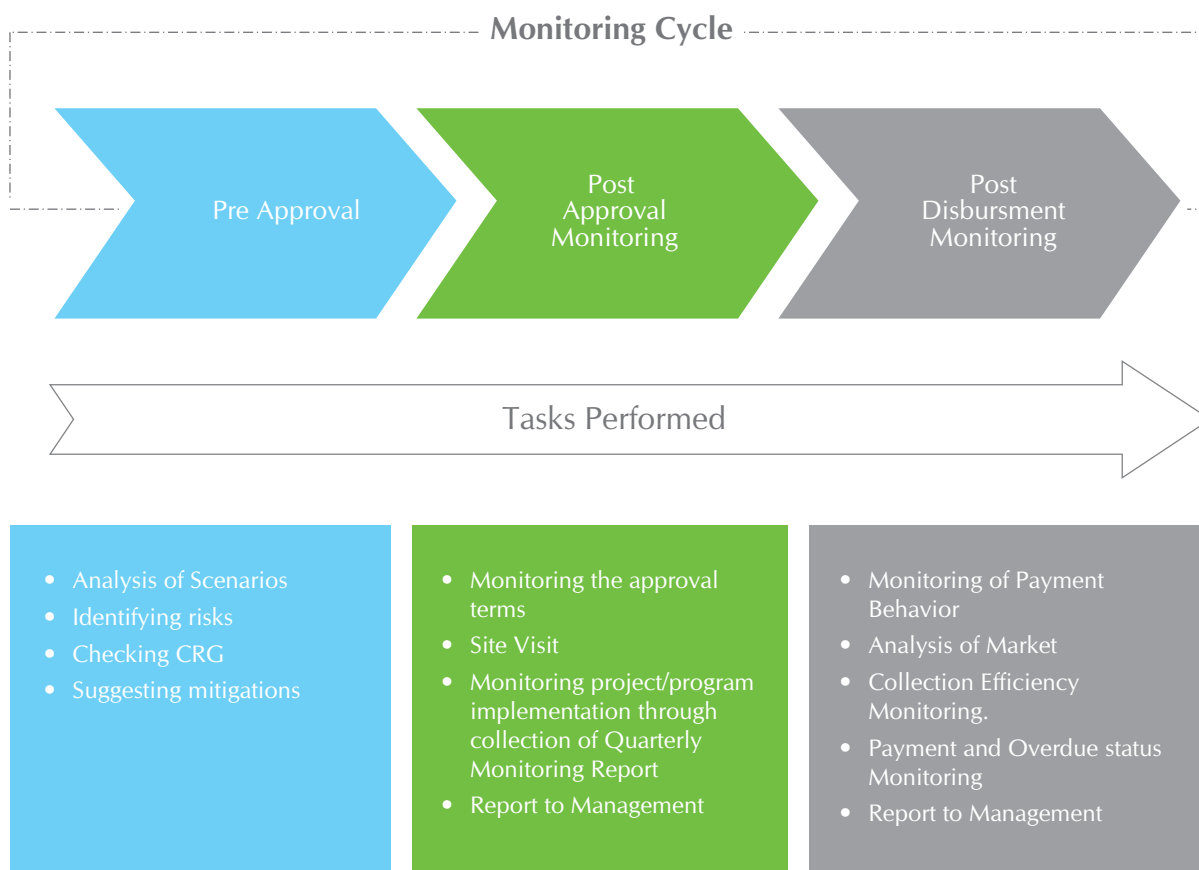
Board of Directors has the ultimate authority to approve or decline any credit proposal and to delegate authority to the management. IDCOL has structured credit approval process to ensure detail and in-depth project due diligence addressing associated risks and possible mitigations.

The credit approval process



Flowchart of Approval Process

Credit Monitoring



Post Approval Monitoring

With the belief that there is always room for improvement and to improvise the risk management culture and governance, IDCOL not only conduct due diligence during approval stage but also monitor the financed projects over the tenor to predict upcoming risks and to take possible risk measures. To monitor project status, quarterly reporting is done by the business units and is assessed by CRM unit. During the year 2016, IDCOL experienced affected growth in its financed programs due to growing competition in the market, natural calamity, tendency of fraud in the borrowers etc. for which IDCOL has taken necessary careful measures.

The comprehensive IDCOL risk management guideline covers principles of risk management

and the processes of reporting to carefully handle the upcoming risks. Risk is managed in two levels: operational level and management level. Issues are identified in the operation level, then are reported to the credit risk management team to identify probable risks, subsequently the team notify management about the identified risks along with the taken mitigation measures or seek management support to deal with the identified risks where clear guideline is not present.

Company has developed different formats to record risks so that it can monitor the risk management procedure and can identify where there is a scope of improvement.

IDCOL uses Asset Risk Rating Policy i.e. Credit Risk Grading (CRG) scale to both new and existing borrowers. It consists of 8 categories, of



which categories 1 to 5 represent various grades of acceptable credit risk and 6 to 8 represent unacceptable credit risk. Any client whose rating is equal and above 6, may not be considered for the loan. The company ensures review of CRG at least once in a year and periodical review as and when required. This process allows the management to monitor changes and trends in risk levels and manage risks to optimize returns.

Post Disbursement Monitoring

The Company also have strong monitoring process in place to observe portfolio health through

quarterly report on overdue and documentation status. It conducts quarterly management meetings for determining milestones so that overdue position can be predicted and controlled.

IDCOL continuously endeavors to improve the internal credit risk rating methodologies and credit risk management policies and practices, to reflect the true credit risk of the portfolio and to have proper control on the risk management in the Company.



Environmental & Social compliance





IDCOL has an Environmental and Social Management Framework (ESMF) to identify the likely environmental and social impacts, propose suitable mitigation measures and implementation of these measures for its renewable projects.

Environmental and Social Safeguards compliance in Renewable Energy initiative of IDCOL

Overview:

The major objective of Infrastructure Development Company Limited (IDCOL) is to increase the access to clean energy in rural areas through renewable energy. It is supporting:

Increase access to electricity in rural areas through renewable energy; (ii) large-scale dissemination of more efficient cook stoves and fuels for cooking; and (iii) improve technical and institutional efficiency in the power sector.

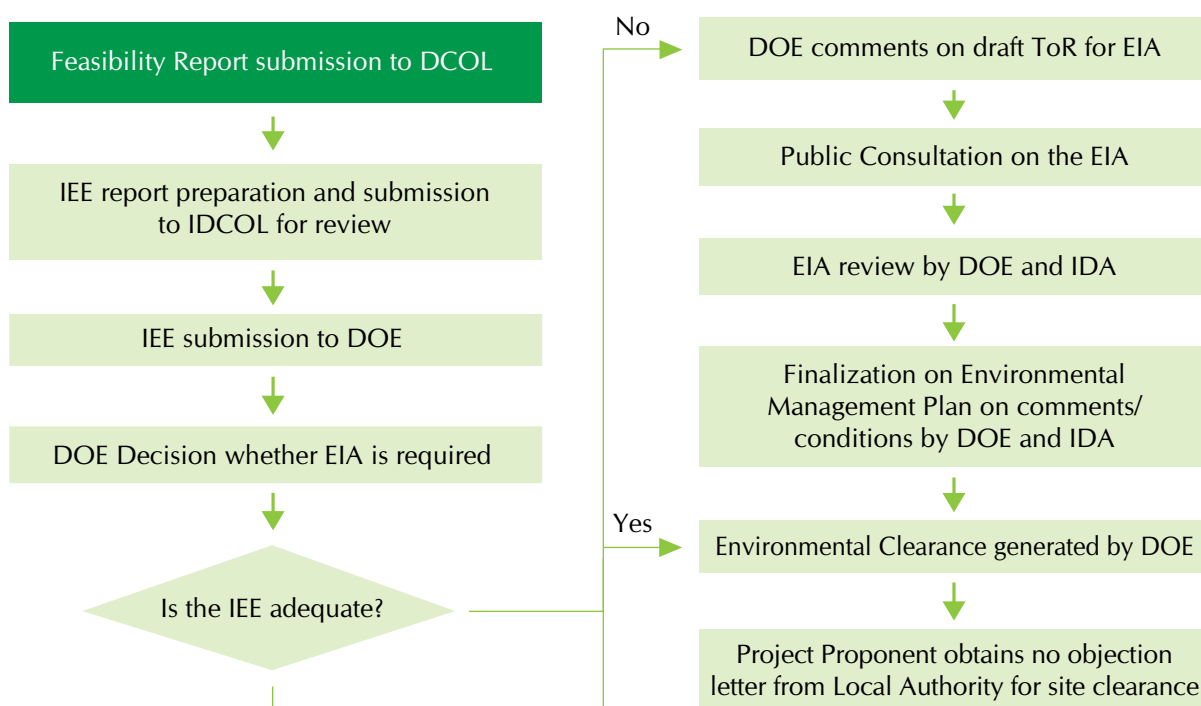
Earlier, IDCOL has an Environmental and Social Management Framework (ESMF) to identify the likely environmental and social impacts, propose suitable mitigation measures and implementation of these measures for its renewable projects.

The main objective of the ESMF is to ensure that activities under the proposed operations, which will address the following issues:

- ◆ Avoid, or minimize potential negative environmental and social impacts as a result of either individual subprojects or their cumulative effects;
- ◆ Enhance positive environmental and social outcomes;

- ◆ Protect environmentally sensitive areas from additional disturbance from project interventions;
- ◆ Protect human health;
- ◆ Compensate the GHG emission during operation of SHS due to Lead-acid battery;
- ◆ Ensure compliance with Environmental Conservation Rules (ECR), 1997 and safeguard policies and standards of the World Bank, ADB, JICA and KfW;
- ◆ Maintain gender neutral attitudes in construction and operation of sub-projects;
- ◆ Ensure the compliance of Labour Law 2006 and ILO requirements (as are applicable) by all entrepreneurs associated with the IDCOL Renewable Energy initiatives.
- ◆ Ensure women's participation in sub-project activities according to the skills and requirements.

From the following Figure 1, we can get an idea of considering ESMF issues in a project with an effective environmental clearance approaches in IDCOL and DOE (Department of Environment).



Identification of Risks and Impacts:

The ESMF has been developed for the renewable energy operation to ensure due diligence, to avoid any environmental degradation issues for the project- Solar Home System (SHS) component, and other renewable energy component including mini-grid, solar irrigation, domestic biogas, improved cook stove and biogas and biomass gasification based power projects

All components/projects with IDCOL's (Renewable Energy) involvement yield positive environmental impacts. The primary environmental, health, and safety issues involve gathering information about how the projects' equipment are manufactured, installed, and ultimately disposed-off. So, proper consideration of all environmental and social factors during design and implementation is of extreme concern.


In case of Solar Home System, there is an environmental issue of Sulphur-di-oxide (SO_2) emission and other gaseous substance during operation phase. Moreover, there is issue of significant emission of Lead oxide (PbO), Hydrogen sulfide (H_2S), etc. gaseous substances during battery manufacturing and recycling process.



Maintenance-free battery is used for mini-grid project, there is no air pollution during operation phase, but during recycling- there is risk of pollution. Ensuring proper disposal of expired PV panel (which contained aluminum, hydrochloric acid, silicon, and phosphine) is also appearing as a prime requirement for Environmental Health and Safety (EHS) context. Also, the possibility of GHG emission during manufacturing, operation and recycling of lead-acid batteries could be a matter of concern. So, required measures need to be adopted to mitigate as well as compensate.

In the context of social views- no land acquisition or displacement of people from public or private lands is permitted under IDCOL's renewable energy projects.

However, if indigenous populations (IPs) may come in contact with the project. The transactions with the IPs will be commercial in nature with willing-buyer willing-seller basis. Consultations with the IPs are done in their local languages to be able to persuade them to buy the products/services that the project is supporting.

The following major action has been undertaken under the existing ESMF of ongoing projects under IDCOL finance in respect of environmental and social compliances:

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
SHS- Construction and Operational Phase : 1. Improper management of expired batteries may lead to environmental pollution and health safety concern. 2. During manufacturing of lead-acid battery, there is significant risk of environmental and health safety hazards.	<ul style="list-style-type: none"> ✓ IDCOL has prepared "Policy Guidelines on Disposal of Warranty Expired Battery". The customers, POs, and manufactures should comply with this policy fully. ✓ IDCOL has deployed solar inspectors spreading over in 12 regional offices with coverage of the entire country to exclusively monitor the management of expired battery. ✓ IDOCL has required all battery suppliers and expired battery recyclers under SHS program to be ISO 14001:2004 and OHSAS 18001:2007 compliant in addition of the requirements of the DOE. At present there are 17 battery suppliers and 4 expired battery recyclers, who have complied with these requirements. 	4.09 million Solar Home Systems have been installed all over Bangladesh till December 2016, which replaced around 8.2 million of kerosene lamps and therefore reduce 919,775 tons of carbon di oxide (CO_2) per year. 

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
	<ul style="list-style-type: none"> ✓ IDCOL arranges quarterly EHS compliance meeting to raise awareness about EHS and assess the implementation of required EHs standards. ✓ Installation of effluent treatment plant (ETP) and air treatment plant (ATP) have been made mandatory for en-listed battery suppliers and expired battery recyclers 	
<p>Solar Irrigation- Construction and Operational Phase:</p> <ol style="list-style-type: none"> 1. Adverse Impact on ecosystem will not occur in general circumstances. However, moderate change in land use including tree clearing may be required depending on project site. 2. Excessive water use may cause impact on hydrology. 	<p>IDCOL has introduced a special environmental and social screening template, which covers most of the relevant aspects.</p> <p>IDCOL has emphasized the project to prepare a proper way to pump-up water and use plan reference from experience in the surrounding areas and results of hydrological surveys.</p> <p>IDCOL has conducted a survey by an expert about the water availability in various potential areas.</p>	 <p>629 solar irrigation pumps have been in operational by the end of December 2016, which replaced 2,075 tons of diesel burn shallow pumps; therefore reduces 5,562 tons of carbon di oxide (CO₂) each year.</p>
<p>Mini grid- Construction and Operal Phase:</p> <ol style="list-style-type: none"> 1. Mini-grid requires a considerable piece of land, there is scope of disturbance to site specific ecosystem in the Project area. 2. Due to operation of diesel fueled back-up generator there could be temporal noise and SOx emissions concern. 	<p>To address the possible adverse impacts, IDCOL has made mandatory for project sponsor to prepare a detailed environmental impact assessment (ESIA). In this regard, IDCOL has introduced a well-structured ToR for ESIA.</p>	 <p>Twenty Five (25) solar mini-grid (all projects located in isolated island in Bangladesh) have been approved by IDCOL, 20.81 MW of electricity will be generated. At this time eight projects have been in operational mode.</p>

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
Improve Cook Stoves	<p>IDCOL has required basic environmental and health compliance of manufacturing, operation and maintenance of ICS.</p>	 <p>974,671 Improve cooking systems have been installed by the end of December 2016, which reduces 2 million tons of carbon di oxide (CO₂) each year.</p>
Gasification of Biomass-Construction and Operational Phase: <ol style="list-style-type: none"> 1. Impact on ecosystem will not occur in ordinary circumstances. However, tree clearing may be required depending on project site. 2. Smoke from biomass gasification plant may cause air pollution. The smoke and dust may include hazardous substances and cause health disturbance to the workers. 	<p>IDCOL has required a detail environmental impact assessment and the proper implementation of Environmental Management Plan (EMP).</p>	 <p>One biomass based power project has been approved by IDCOL. 400 kW of electricity will be generated and calcium carbonate (CaCO₃) and about 918 tons of silica will be produced as byproduct.</p>
Biogas Power Generation-Operational Phase: <p>Waste water will be digested in the system, the environmental load will be reduced. However, improper slurry management may cause water pollution.</p>	<p>IDCOL has required the project proponent to install sufficient facilities and conduct the proper maintenance.</p>	 <p>Nine biogas-power generation projects have been approved by IDCOL. Approximately 600 kW of electricity and about 1000 tons of organic fertilizer will be produce as byproduct. Currently, five projects have been in operational mode.</p>

Organizational Capacity and Competency:

IDCOL has gained experience in implementing environmental management framework by complying with the safeguards requirement of the WB, ADB and the Department of Environment (DOE). IDCOL has established an independent Environment and Social Safeguards Management Unit (ESMU) to institutionalize the environmental and social management in its operation.



Lead auditor and skill certification (ISO 14001:2004 and OHSAS 18001:2007) training program for battery manufacturers and recycling facilities 2016.

Holistic Approach about Global Environmental Pollution

IDCOL is committed to reduce environmental pollution not only at national level but also at global context. In this regard it has adopted a holistic approach. For example, in case of imported lead-acid battery and PV panel, it has made mandatory for the suppliers to submit the environmental clearance certificate issued by the respective agency of the manufacturing country, ISO 14001, OHSAS 18001 and above all submission of EHS compliance report of the manufacturing plant, with a view to ensure that the expatriate manufacturing plant is considering the EHS compliance with due importance.

Grievance Redress

IDCOL has set-up a Call Center, which is being operated by two full-time officials. The prime responsibility of this call center is to note the

Training and Capacity Building of Stakeholders

From the inception, IDCOL prioritizes to build up the importance of awareness and capacity building of all RE stakeholders on various issues in relevant with Environmental health and safety (EHS). Considering the response from the stakeholders, IDCOL is considering to arrange such type of events on a regular basis.



grievances raised by the SHS, Bio-Gas, ICS customer and to adopt required measures to solve the grievances with due priority. The effectiveness of response of this call center is monitored by the senior officials on a regular basis.

Recognition

IDCOL received the first ever Clean Development Mechanism (CDM) fund for solar home system program in Bangladesh under the United Nations Framework Convention on Climate Change (UNFCCC).

Until February 2016, UNFCCC have issued 461,897 Certified Emission Reduction (CER) for IDCOL solar home system (SHS) program under an emission reduction purchase agreement signed by IDCOL with the World Bank.

Monitoring, Reports and Disclosure:

IDCOL believes in transparency and free flow of information. In this regard, it is following a structured monitoring and review process of disclosing the relevant information on environmental and social safeguards of RE project. The monitoring program has been shown in below:

Project component	Monitoring Issue	Reporting	Outcome
Solar Home System (SHS)	EHS compliances of all IDCOL en-listed battery suppliers with their effectiveness of ESMF implementation.	From January 2016 to December 2016, 16 manufacturing and 4 recycling plants have been visited by the IDCOL personnel	13 manufacturing plants were found to be satisfactory whereas rest 3 manufacturing and four recycling plants comply moderate satisfaction and need improvement.
	Basic EHS compliance of POs with emphasis on taking care of environmental and safety compliance during storage, collection and distribution of lead acid battery, PV panel and other accessories.	EHS presentation has been delivered to SHS operations committee (OC) meeting and requested to all POs to implement the EHS compliance in their offices (regional and local).	Out of 47 POs, 16 of them reported to comply the EHS compliance in their regional (some) offices and developing their practices in the other regional & local offices. Rest of the POs will comply the EHS practices very soon.
	Expired battery collection and distribution of new battery	Quarterly (collect monthly report from POs and battery recyclers and compile it quarterly)	From June 2016 to December 2016, IDCOL inspected 7,772 SHSs with warranty expired batteries (6 Years old). Out of these, 7,089 (91%) batteries were not replaced. Among these 7,089 batteries 79% (5,631) batteries were working well while 15% (1,087) were not in good condition but still functional and 5% of the batteries found in bad condition or non-functional. Out of 7,772 batteries, 683 (9%) expired batteries were replaced by the POs.
	Quarterly EHS Compliance meeting at IDCOL for raising awareness of battery recyclers and manufacturers and assess their status of EHS implementation based on the submitted quarterly report	1. Regular quarterly meeting have been conducted at IDCOL Head Office 2. One management meeting have been conducted with all battery & recyclers management	1. EHS activities need to develop all manufacturers of battery Industries & recyclers 2. Air & waste water need to monitor by the QC lab by the all manufacturers and a third party should test every six monthly.

Project component	Monitoring Issue	Reporting	Outcome
		3. Onecommittee (Manufacturers & recyclers) meeting have been conducted for further EHS development	3. According to ESMF all approved battery suppliers and recyclers under IDCOL SHS program are required to have ISO 14001:2004 and OHSAS 18001:2007 certificates. For that reason, on April 2015, IDCOL conducted an EHS training for buildup awareness to implement the EHS in proper manners. The suppliers expressed their satisfaction regarding the training and requested to arrange another. That's why IDCOL will arrange another training on May 2016.
Solar irrigation	Basic environmental, social and health safety compliance assessment Of solar irrigation project under construction or operation.	Observation report has been done for EHS compliance of three operational projects of AID - at Jhenaidah October 2016. http://idcol.org/social/97a0ce6c4defc65402ef191f9715b e12.pdf	No issues have been observed in the surrounding (forests, wetland, creeks, streams, undeveloped areas, residential areas, industrial areas, environmentally sensitive areas) environment of the three projects. Farmers of the project are using water for irrigation purpose in their traditional manner to cultivate crops. There was no depletion of underground water table in the project areas have been observed during the cultivation time and there was no major health and safety issues have been observed. There is no issues of resettlement in implementation of the projects were observed during the visit of the field area.
	Assessment of suitability of project site in respect of basic environmental and social aspects for each new solar irrigation project as is to be installed.	Till to date, 433 environmental and social screening reports have been reviewed	Till to date, 629 Solar Irrigation pumps have been approved by IDCOL. 602 pumps are in operations/ on trial and 27 pumps are under construction or in process to construction.

Project component	Monitoring Issue	Reporting	Outcome
Mini-Grid	EA/ESIA report review	Eight EA/ESIA report have been reviewed and finalized during year 2016. http://idcol.org/social/EIA-Report-SuperStar-SolarMini-grid-Manikgani.pdf	Till to date, 25 projects have been approved by IDCOL. Eight of the projects in operational (Most of them got the environmental site clearance for DOE and environmental clearance is under process), rest of the projects are under construction phase.
	Assessment of the suitability of project site in respect of basic environmental and social aspects for each new mini-grid project.	Eleven appraisal report have been prepared for new upcoming project for board approval	
Biogas to Electricity	Assessment of the suitability of project site in respect of basic environmental and social aspects for each new commercial biogas project	One appraisal report has been prepared	Till to date, 9 projects have been approved by IDCOL and all of the projects in operational and ten new projects in appraisal stage.

Human Resource Management





IDCOL employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate.

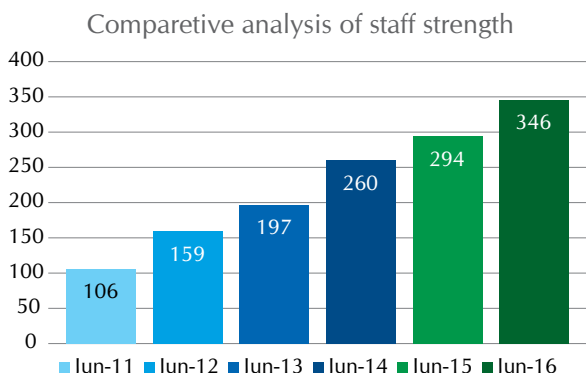
Human Resource Management

Our Human Capital

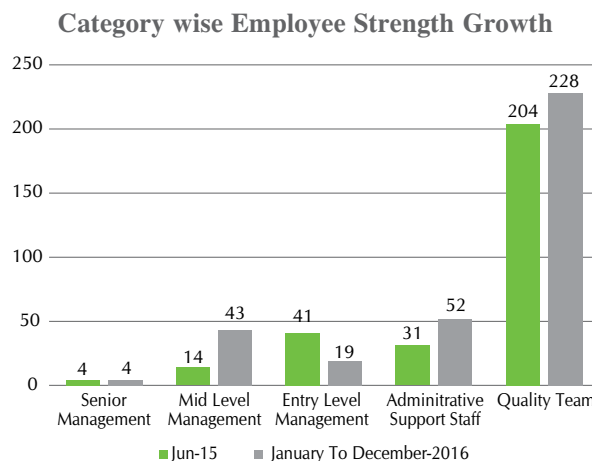
We believe employees are the most important assets of our organization. Our employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate. Here talent is rewarded, ambition is stoked and pride is earned. The way we stand up for our people help us to stand out from the competition.

Reflection of the Past Years

Since its inception, IDCOL's HR strategy focused on getting the right internal structures and processes in place, investing in employee development and engagement and supporting business growth and development. Getting the right internal structures and processes in place, IDCOL has seen rapid and significant growth over the past five fiscal years, with employee numbers increasing from 106 to 294. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.



Our category wise employee strength growth is shown below:



Core Values at Work

- ◆ **Strategically Focused:** We are strategically focused towards the vision of our organization and we work collectively for the best interests of the organization and the workforce.
- ◆ **Zero Tolerance of Corruption and Sexual Harassment:** We maintain zero tolerance policy on corruption and sexual harassment. We guide our employees to be transparent in performing tasks while respecting the security of confidential and personal information entrusted to the Company.
- ◆ **Result Oriented:** We are dedicated to quality, excellence and continuous improvement in our job and we work to ensure that the Company remains competitive in the market.
- ◆ **Professionalism:** We adhere to high professional standards of competency and conduct and we act with honesty and integrity.
- ◆ **Accountability:** We take full responsibility of our assigned tasks and we are accessible to answer anything related to our work.
- ◆ **Respectfulness:** We are strongly guided by the norms and values of our Company and here we respect individual differences.

Strategic HR Management

It is our strategy to use integrated HR instruments throughout the organization to find, bind and support our employees. As a modern corporation, our policies are guided by the organizational targets as well as social and economic changes. We aim to remain flexible, close to the market and mobile to maintain the success of our employees. We are accordingly consistent while developing our employee's skills and competencies. The mainstays of our HR management are talent management, performance management, rewards management, training and development, retention management and culture management. All these aspects are interlinked and thereby contribute to the overall IDCOL HR strategy.

Highlights of our People Practices Strategy

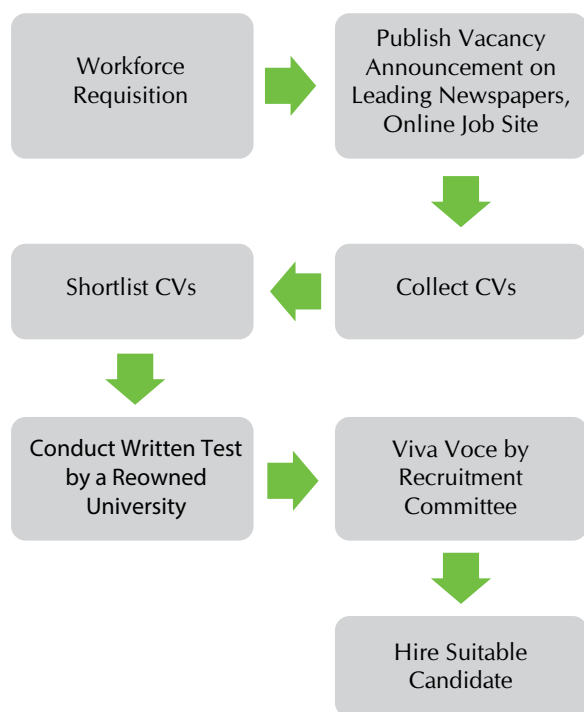
At IDCOL, we work collectively to achieve organizational excellence by collaborating standard people practices. The highlights of our people practices strategy are given below:



1. **A well balanced work place:** Here employees are provided with a challenging, rewarding, enjoyable and fulfilling career; whereas employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches.
2. **A place for continuous learning and development:** We foster learning as a way of life, encourage creativity and actively promote and invest in the skill and knowledge development of every employee.
3. **A well reputed organization that ensures service excellence:** We embrace best practices and we ensure service excellence by effectively managing change and objectively measuring performance for continuous improvement.

Recruitment: The Right People at the Right Place at the Right Time

We believe that the successful recruitment of potential candidates is crucial in order to maintain a vibrant and proficient workforce. The flow diagram of our recruitment process is given below:



Flow Diagram of Recruitment Process

At IDCOL, we recruit employees on the sole basis of the qualifications and abilities needed for the work to be performed. In this process any direct or indirect solicitation results disqualification of the candidature.

Competitive Employee Benefits Package

Our total compensation package is one of the key factors to the success of our recruitment and retention activities. As an employer, we provide a strong mix of direct compensation and benefits which include: cash compensation, performance bonus, festival bonus, provident fund, gratuity, LFA, hospitalization benefit, group life insurance benefit.

Training and Development

Capacity building of our employees is one of the key priorities; hence we encourage and support our employees to develop their required skills through in house meeting, outdoor training, seminar and workshop. We also organize exposure visit programs for our employees at home and abroad and during exposure visit programs, we focus on transferring corporate specific know how and advancing each of our employee.



IDCOL Officials at 11th China Solar Energy Utilization Conference and Jinan, China

Career Development

At IDCOL we offer lifelong learning opportunities to our employees by which they continue to learn and update their skills. By so doing, they become more productive to contribute to the competitiveness of our organization and also enhance their own employability. Lifelong learning and career development are therefore interdependent concepts and mean much more than just training. Thus, we promote lifelong learning program to our employees and aligned with that our career path guidelines allow them to move toward a personally determined and evolving preferred future.

Diversity Management

Diversity is about acknowledging and appreciating all the ways in which people differ, not just the obvious ones of gender, ethnicity and age, but also

the less visible differences such as background, personality and work style. We believe diversity is a strategic success factor for our business and therefore, sustainable diversity management has become a crucial factor of our organization. We aim to achieve as much diversity as possible among the workforce so that homogenous groups of employees can work more productively. In order to promote such diversity, we systematically integrate all aspects of modern HR concepts. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life.

Hence, we conduct our operations with honesty, integrity, openness, and with respect for the human rights and interests of our employees.

At IDCOL we leverage on the dynamics of our collective skills, knowledge and experience to achieve the best for the company. Our employees are guided to adopt best practices, methods and approaches in everything they do, so that we can remain competitive in the market.

We take all allegations of harassment seriously, including sexual, communal etc. and prohibit all forms of discrimination. It is our belief that creating



IDCOL employees are playing different sports in Annual Retreat 2016

Vigorous Workplace

At IDCOL we respect dignity of the individual and right of employees to freedom of association.

a work environment that enables us to attract, retain and fully engage diverse talents leads to enhanced innovation and creativity in our services.



Birthday celebration program of IDCOL

Well-being and Safety

We are committed to create a safe and healthy working environment for our employees. Hence we take into consideration circumstances related to work, such as working conditions and the environment. For this purpose, we organize numerous employee engagement programs for our employees, such as birthday celebration program, pahela boishak fish festival, annual retreat program etc.

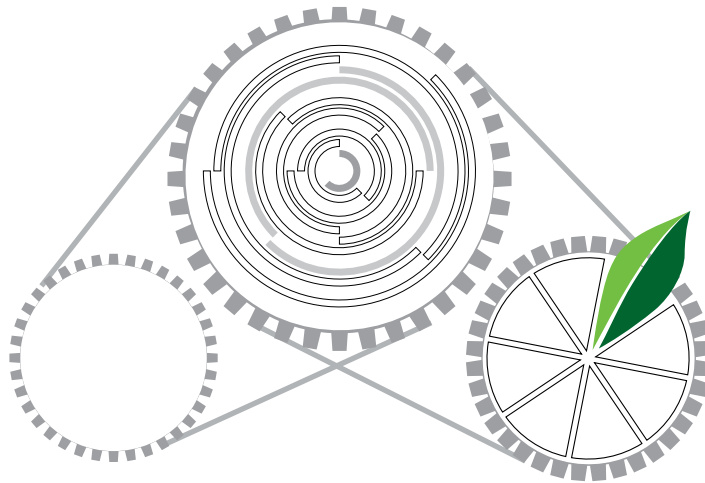
The Year Ahead

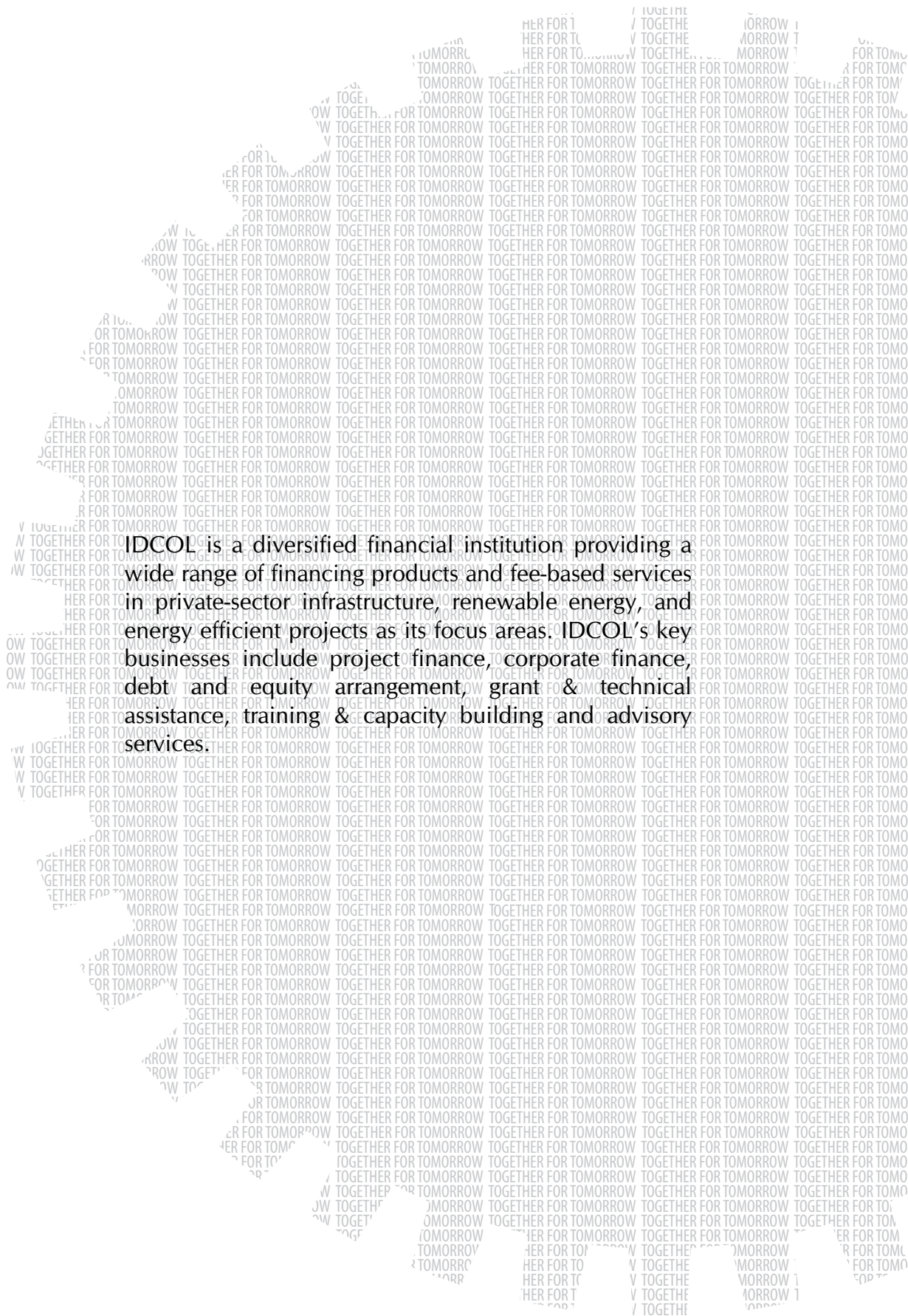
Planning for our future and creating strategies is an emerging priority for us. The upcoming year will continue to be a time of change for our development. Specific goal and priority includes:

- 1. Adopting Best Practices:** As we continue to move forward, we will be looking forward to exploring the market practices and adopting best practices for the Company and this process will continue with our journey.
- 2. Updating HR Technology:** We will also focus on updating our existing HR technology in order to adapt global best practices and we will also strive to address gaps that still exist in our current system and procedures.



Programs & Projects





IDCOL is a diversified financial institution providing a wide range of financing products and fee-based services in private-sector infrastructure, renewable energy, and energy efficient projects as its focus areas. IDCOL's key businesses include project finance, corporate finance, debt and equity arrangement, grant & technical assistance, training & capacity building and advisory services.

Infrastructure & Public Private Partnership (PPP)

11.1% National Electricity Generation

Power projects financed by IDCOL generates more than 1,665 MW of electricity

First Tourism Project Financing

IDCOL financed Four Points Sheraton, Dhaka, a 149 key Marriot operated five star hotel at Gulshan

USD 250+ Million Investment in Conventional Power Generation

An aggregate investment of USD 266 million has been made to 14 power plants, ranging from rental to IPP, engine based to combined cycle, HSD to natural gas

First PPP Project Financing

IDCOL financed the first PPP office initiated project in healthcare sector of Bangladesh, which will provide low cost dialysis services to un-affording patients and affordable dialysis to affluent patients while ensuring the same service quality

Notable projects financed during the year:



Summit Barisal Power Limited, a 110 MW HFO fired power plant at Rupatali, Barisal



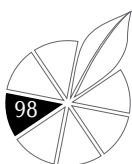
Sandor Dialysis Services Bangladesh Private Limited at the National Institute of Kidney Disease and Urology (NIKDU), first PPP project in healthcare sector of Bangladesh



Doreen Hotels and Resorts Limited, operating 149 key Four Points Sheraton Dhaka at Gulshan

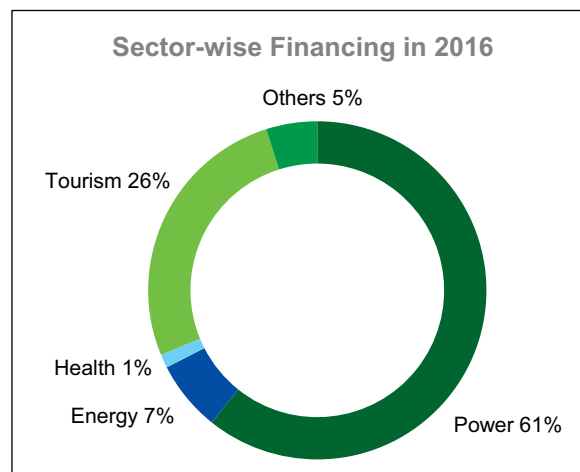
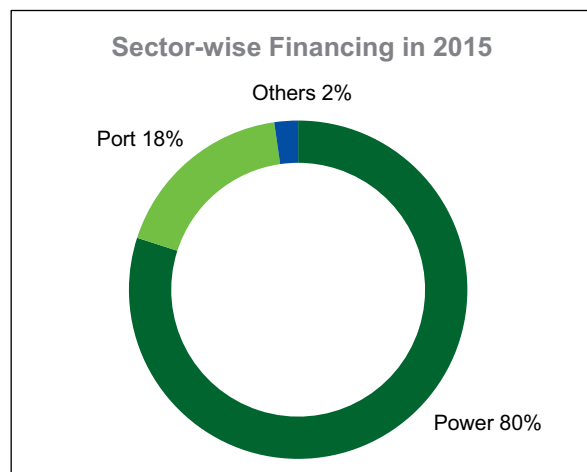


LPG storage, bottling & distribution plant by Sena Kalyan Sangstha at Mongla, Bagerhat having storage capacity of 7,000 MT



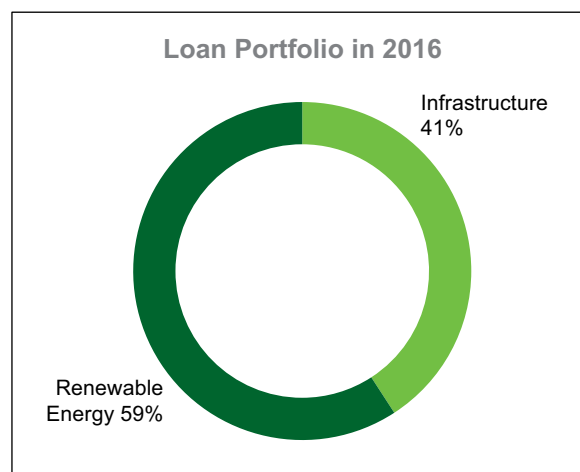
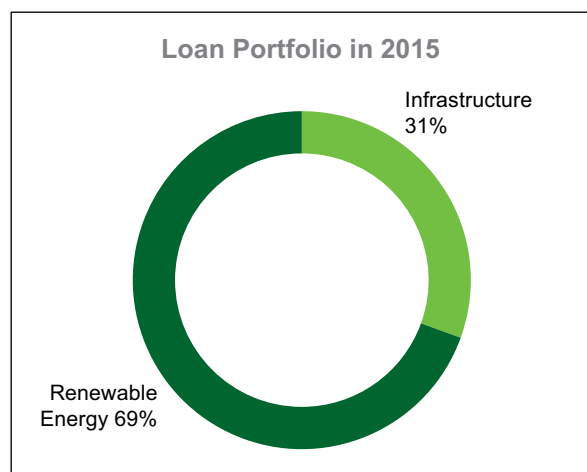
IDCOL continued its pivotal role in financing of infrastructure & Public Private Partnership (PPP) projects by providing long term multicurrency loan to medium & large scale projects like the previous years. The disbursement grew 43% over the last year from BDT 4.45 billion to BDT 6.34 billion and multiple sectors were focused compared to

usual concentration on power. Like many first of its kind project, IDCOL in this year has made its first investment to the tourism sector under social infrastructure category and to the first PPP office initiated project in Bangladesh. The comparative sector-wise financing has been shown through the following graphs:



Similarly, the department's loan portfolio grew 48% over the last year from BDT 11.14 billion to BDT 16.46 billion, which helps to increase its pie

in the company's loan portfolio to 41% from the 31% in the previous year.



Notably, the department earned an interest & fee income of BDT 738 million & BDT 99 million

respectively in 2016, which was 53% & 18% higher over the same from the previous year.

Renewable Energy

4.1 Million SHSs

The 4.1 million Solar Home Systems (SHS) installed under IDCOL SHS program provides clean electricity solution to 18 million rural people living in the off-grid areas of Bangladesh.

666 Solar Irrigation Pumps

IDCOL has approved 666 solar irrigation pumps of which 613 are already in operation.

25 Solar Mini Grids

IDCOL has approved financing for 25 solar mini-grid projects of which 9 are in operation and providing grid quality electricity in remote rural areas.

138 Solar Powered Telecom BTSs

IDCOL has financed solar powered solution for 138 telecom BTSs in off-grid areas.

In its drive towards promoting alternative sources of energy, IDCOL finances projects and programs that utilize various forms of renewable sources. Through startup subsidy, concessionary credit, and capacity development support, IDCOL complements the Government's mission of generating 5% of the country's total electricity from renewable sources by 2015 and 10% by 2020.

IDCOL Solar Home System (SHS) Program

IDCOL started SHS program in January 2003 to fulfill basic electricity requirement of the off-grid rural



Solar Home System providing electricity in rural off-grid areas

44,500 Biogas Plants

IDCOL has financed construction of over 44,000 domestic biogas plants which provides clean energy solution to more than 200,000 rural people of the country.

9 Biogas Based Power Projects

IDCOL has financed 9 biogas based power plants, having total capacity of 618 KW.

2 Biomass Based Power Plants

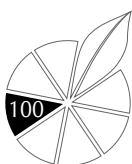
IDCOL financed two rice-husk based power plants having total capacity of 650 KW.

people of Bangladesh. IDCOL SHS program has been acclaimed as the largest off-grid electrification program in the world. Till date, about 4.1 million SHSs have been installed under the program in the remote areas where electrification through grid expansion was challenging and costly. Thus, the program has ensured supply of solar electricity to 18 million people i.e. 12% of the country's total population who previously used kerosene lamps for lighting purpose.

IDCOL initially received credit and grant support from the World Bank and GEF to start the program.



Studying at night with help of Solar Home System



Later, GIZ, KfW, ADB, IDB, GPOBA, JICA, USAID and DFID came forward with additional financial support for expansion of the SHS Program

At present, 56 Partner Organizations (POs) which are non-government organizations, micro-finance institutions, societies, foundations, and/or private entities are implementing the program.

IDCOL provides subsidy and concessionary credit to the POs. IDCOL also provides necessary trainings and promotional support and ensure quality of the program. POs select customers, extend loan, install the systems, and provide after sale service. IDCOL's total investment under the program is BDT 52,240 million (USD 696 million) out of which loan USD 600 million and grant USD 96 million.

The program has so far saved consumption of 1.14 million tons of kerosene worth USD 411 million approx. In addition, in the next 15 years already installed 4.1 million SHSs will save consumption of another 3.6 million tons of kerosene worth USD 1,300 million. Moreover, the program has contributed towards development of local support industries and creation of more than 75,000 direct or indirect jobs.

Due to SHSs, students now benefit from longer study hours at night in better lighting condition, small businesses enjoy extended operating hours, women feel more secured at night, and households suffer less from respiratory diseases. Information on education, health, safety and weather are also easily accessible through radio, television and mobile phones.

IDCOL Biogas & Bio-fertilizer Program



IDCOL Biogas & Bio-fertilizer Program helping domestic household of Bangladesh since 2006

IDCOL has been implementing its Biogas & Bio-fertilizer Program for domestic households in Bangladesh since 2006 with support from SNV Netherlands Development Organization, German Development Bank (KfW) and the World Bank.

Till March 2016, IDCOL has financed installation of approximately 44,500 biogas plants all over the country through its Partner Organizations which provides clean energy solution to around 200,000 beneficiaries.

The Program has lowered usage of firewood by approximately 43,000 tons per year which is worth USD 3.7 million. Biogas plants not only provide gas for cooking but also produce organic fertilizer for crops in the form of bio-slurry. Bio-slurry is also an excellent food source for fish.

Biogas plants constructed under the Program save approximately 38,000 tons of chemical fertilizer worth USD 9.2 million by generating around 260,000 tons of organic fertilizer each year. From 2014, IDCOL has launched fiberglass bio-digesters along with conventional brick-cement based biogas plants under the Program. Fiberglass bio-digesters can be relocated after installation, take less time to be deployed and can be fixed easily if damaged. Furthermore, they are factory made, do not require masonry during installation, and adverse weather conditions do not affect installation.

IDCOL Biogas & Bio-fertilizer Program has led to creation of direct and indirect jobs at different levels, such as quality inspectors, masons, supervisors and loan recovery agents. Furthermore, it has developed small-scale support industries which are directed towards manufacturing appliances and stoves for biogas users.

Solar Irrigation Program



Solar Irrigation Program-an innovative, economic and environment friendly solution for the agro- based economy of Bangladesh

Solar based irrigation system is an innovative, economic and environment friendly solution for the agro- based economy of Bangladesh. The program is intended to provide irrigation facility to off-grid areas

and thereby reduce dependency on fossil fuel. Till date, IDCOL has approved 666 solar irrigation pumps of which 613 are already in operation. The remaining pumps will come into operation shortly. IDCOL has a target to finance 50,000 solar irrigation pumps by 2025. The World Bank, KfW, GPOBA, JICA, USAID, ADB and Bangladesh Climate Change Resilience Fund (BCCRF) are supporting this initiative.

Solar Mini-grid Projects

Solar PV based mini-grid project is installed in remote areas of the country where possibility of grid expansion is remote in near future. The project provides grid quality electricity to households and nearby village markets and thereby encourages



Solar PV based Mini-Grid Project is installed in remote areas of the country where possibility of grid expansion is remote in near future

commercial activities in the project areas. So far, IDCOL has approved financing for 25 mini-grid projects of which 9 are already in operation and 4 would be going into operation shortly. IDCOL has a target to finance 50 solar mini-grid projects by 2018. The World Bank, KfW, GPOBA, JICA, USAID, ADB and DFID are providing financing support in these projects.

Biogas Based Electricity Projects

IDCOL has so far financed 9 biogas based power plants, the largest one having a capacity of 400kW. The plants uses poultry litters as feed material in



Biogas based power used in Poultry Firm. The Largest Biogas based plant has capacity of 400kW

the digesters for generation of gas which, in turn, is used for generation of electricity. Establishment of biogas based electricity plants in the poultry farms reduces dependency on fossil fuel by running captive generators. This also ensures bio-security and proper litter management in these farms. Moreover, slurry produced in the digesters as byproduct is a good bio-fertilizer.

Biomass Gasification based Power Projects

IDCOL provided concessionary loans and grant support to two rice-husk based power plants, first



Rice-husk based Power Plant of Dreams; Power at Gazipur

one with a capacity of 250 kW at Kapasia, Gazipur and the second one with a capacity of 400 kW at Thakurgaon. Both the plants use rice husk as fuel for power generation.

Solar Powered Solution for Telecom BTS

IDCOL has financed solar powered solution for 138 telecom BTSs in off-grid areas of Bangladesh. With over 3,000 BTSs located in off-grid areas and many others suffering from frequent power outages, solar powered solutions provide a novel approach to provide continuous power to telecom BTSs, ensuring uninterrupted voice and data connectivity.



Solar powered BTS of Grameenphone Limited

Energy Efficiency

BDT 4 Billion Financing Support

IDCOL has earmarked BDT 4 billion as soft loan for investment in environment friendly brick kilns

Green Brick Program

To support the government's initiative to gradually replace the country's polluting FCK based brick



Green Brick Program supporting government's initiative to gradually replace the country's polluting FCK based brick sector

sector with energy efficient and environment friendly ones, IDCOL launched its 'Green Brick Program' in 2013 with a plan to invest BDT 4 billion by 2017-18 for setting up modern brick kilns using latest state of the art technology. IDCOL provides long term concessionary financing to encourage potential sponsors to set up environment friendly brick kilns. In this regard, around BDT 1180 million has already been approved for 4 tunnel kiln and 1 HHK brick projects, with aggregate daily production capacity of 720,000 bricks. Most of the projects are expected to come into commercial operation shortly.

Improved Cook Stove Program

Indoor Air Pollution (IAP) resulting from traditional cook stoves effects 138 million people in Bangladesh and contributes to 78,000 premature deaths per year. To tackle this situation, IDCOL with support from the World Bank started Improved Cook Stove (ICS) Program in 2013 with the objective to reduce the use of cooking fuel as well as to ensure reduction of Indoor Air Pollution (IAP) especially for women

1 Million Improved Cook Stove (ICS)

More than 1 million Improved Cook Stove (ICS) have been installed under IDCOL ICS program saving 1.3 million ton fuel wood and reducing 2.2 million ton CO₂ emission per year.

and children through promoting supply of higher efficiency cook-stoves. The program achieved the installation target of 1 million ICS in Bangladesh almost two years ahead of the project completion period and IDCOL is now planning next phase of the program with the aim of installing 4 million stoves during next five year period i.e. during 2017 to 2021.



Improved Cooked Stoves (ICS) reduces Indoor Air Pollution (IAP)

Others

In addition to the Brick and ICS program, IDCOL has ventured into other energy efficiency sectors by financing an energy efficient PET Bottle recycling project. The project will produce around 13000 -15000 Metric Tons of plastic resins (i.e. food grade, fiber grade and flakes) each year and will sell the same at approximately 15 ~20% lower price compared to current market price.

Moreover, IDCOL is keen to expand its energy efficiency financing in sectors like: BMRE or installation of energy efficient equipment in industries, non-fired bricks, paper and plastic recycling and other relevant sectors.

Investment Advisory

Trained 1400 Professionals

IDCOL trained more than 1400 professionals under its Training and Capacity Building Program.

Supported 10 Delegation

IDCOL supported more than 150 professionals from over 10 delegation around the world including Uganda, Sudan, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Nepal, Thailand, UK, and Switzerland for implementing similar projects/ programs in their country.

Following its success in disseminating renewable energy in Bangladesh and expertise in financing infrastructure projects, IDCOL has established a dedicated advisory unit to provide knowledge support to various local/foreign institutions.

Training & Capacity Building

Since 1999, IDCOL has been organizing various workshops, seminars and training courses for the capacity development of its industry stakeholders. So far, IDCOL has arranged 23 Project Finance, 18 Financial Modeling Training courses and various capacity development workshops such as Investment in Energy Efficient Brick Project, Financing Utility Scale Solar Project, and Industrial Energy Efficiency etc. The courses are designed for officials from government organizations, banks and financial institutions project sponsors and development companies, international

organizations and consulting firms. Till date, more than 1400 professionals have been trained under its Training and Capacity Building Program of IDCOL.

Corporate & Transaction Advisory Services

IDCOL provides business related support services to its business partners based on specialized knowledge, best practices, and technology. So far IDCOL has provided advisory support to Bangladesh Infrastructure Finance Fund Limited (BIFFL), IDLC Finance Limited, and Acorn Infrastructure Services Ltd. (AISL), Green Energy Limited to provide investment advisory services, conduct financial, technical, legal, and environmental due diligences of infrastructure projects. In future IDCOL is planning to provide advisory services related to Debt and Equity Financing options, Business Valuation and Modeling, Corporate Restructuring, Mergers and Acquisition services etc.



Workshop on Individual Energy Efficiency organized by IDCOL

Experience Sharing Program

A number of emerging countries all over the world are interested to replicate IDCOL renewable energy model in their respective countries. Considering the huge demand in international market, IDCOL has started providing advisory services and on the job training on rural electrification and renewable energy program implementation to different

countries. So far, IDCOL has arranged Experience Sharing Program for 10 delegation teams from Uganda, Sudan, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Nepal, Thailand, UK, and Switzerland. More than 150 senior government and private sector officials were trained under such program.



Experience Sharing Program by IDCOL for interested parties to replicate IDCOL renewable energy model

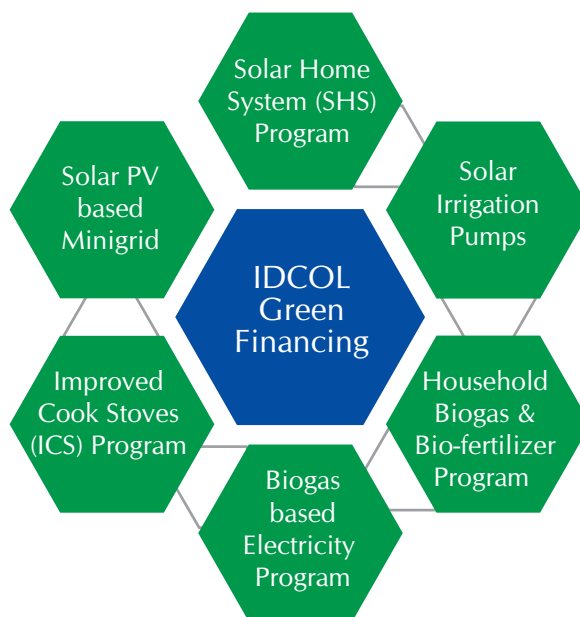
Green Financing by IDCOL

Green financing refers to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy. Following the same thought Infrastructure Development Company Limited (IDCOL) has started its journey to contribute and create a more sustainable economy of Bangladesh.

IDCOL is committed to help in ensuring economic development of the country and to improve the standard of living of the people through sustainable and environmental-friendly investments. Its renewable energy and energy efficiency projects/programs are providing access to sustainable energy services for productive use primarily for people living in remote areas of Bangladesh and contributing to reduction of greenhouse gas emissions by reducing use of fossil fuels.

IDCOL mainly finances Solar Home System (SHS), Solar irrigation, Solar mini-grid, Biogas based electricity, Biogas and bio-fertilizers Program and Grid-tied solar projects by sourcing fund from various donors. Each of the projects contribute towards the objectives by reducing carbon dioxide

emission, avoiding lock-in of long-lived high-carbon capital/infrastructure, increasing house-hold access to low emission energy. These as a result have millions of direct beneficiaries and help to increase the potentiality of Sustainable Development in the following ways:



Solar Home System (SHS):

- ◆ About 4.14 million SHSs have been installed till date providing better quality solar electricity to 18 million people who used kerosene lamps before as well as extra lighting hours at similar cost in the off-grid areas of Bangladesh.
- ◆ Easy access to electricity ensures that students in the off-grid rural areas benefit from longer study hours and this substantially increased the number of completed school years. As a result, the country will have a better future as the future generation have increased chance of a better life and living standard.
- ◆ The program reduced the consumption of kerosene substantially and thus decreased carbon dioxide emission. This has a positive effect on health as households now suffer less from respiratory diseases.
- ◆ Solar electricity also benefits small business as they can enjoy extended operating hours and earn more revenue.
- ◆ Rural women can now easily perform household chores and also feel secured during the night hours due to better lighting conditions.

Solar Irrigation:

- ◆ 321 solar irrigation pumps installed under IDCOL program are benefiting more than 9,800 farmers living in off-grid rural areas of Bangladesh which in turn contributes to food security through increasing agricultural yield during dry season/drought.
- ◆ Having reliable electricity at the right time in the season means farmers' cultivation costs are reduced, since less labor and less fertilizer are needed to prepare the land. Having the opportunity to irrigate the fields on time to increases productivity of land and ultimately boost yield of the farmers.
- ◆ With proper availability of irrigation system, farmers can harvest vegetable more than twice during this season which was not possible before. Also irrigation charges offered by the sponsors are lower than that of diesel run pumps. Moreover, farmers have enough free time to do some other works. All these have helped improve their household income.
- ◆ Through the replacement of diesel pump, the program also reduces government's burden of fuel subsidy for the agriculture sector as well

as for diesel imports, enabling increased public investment in other sectors such as health and education.

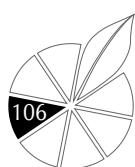
- ◆ The rural women of Bangladesh besides performing household chores also actively help their husband in agriculture especially during land preparation and seed sowing as these became less burdensome. This allows women to participate more actively in income-generating and social activities, giving them a sense of empowerment.

Solar Mini-Grid:

- ◆ Currently under IDCOL's solar mini grid project rural beneficiaries are purchasing electricity by the means of a prepaid meter. This helps them better monitor their energy consumption and motivates them for energy conservation, thus reducing wastage.
- ◆ Due to availability of grid quality electricity at an affordable rate, several educational institutions, health service centers and hospitals, major markets, computer service centers and several commercial enterprises are emerging in the remote off-grid areas, improving the lifestyle of communities.
- ◆ With increased electrification and lightning, rural women will be more active in their daily chores after sundown, since it gives them an increased sense of security. Hence many female entrepreneurs are emerging in the remote areas of Bangladesh.
- ◆ With the introduction of IDCOL's prepaid meter system based solar mini grid service, the consumers who usually paid more for diesel-powered micro-grids are now accessing clean energy as per their need at a much lower cost.

Solar grid-tied projects:

- ◆ Grid-tied solar projects will generate electricity using sunlight during day-time. It will not have any diesel generator or battery back-up and therefore, highly environment friendly.
- ◆ A massive portion of Government's subsidy on fossil fuel for electricity generation will be saved and national energy security will be sustained.
- ◆ Substantial state-of-the art technologies from developed countries will be transferred, facilitating replication and ensuring that Bangladesh follow a low-carbon growth path.



Biogas & bio-fertilizer Program

- ◆ The Program for household decreased the use of simple stoves burning biomass and coal and this reduced household air pollution. Therefore, children and women who spent most of the time in the house get relief from health problems.
- ◆ The Biogas plants provide gas for cooking purpose which is lowering the usage of firewood and as a result reducing the probability of deforestation.
- ◆ The by-product, slurry, generated from biogas plants is a rich source of organic fertilizer. Promoting use of organic fertilizer will reduce dependence on chemical fertilizer, contributing to improved soil fertility and food security.

Biogas based power generation:

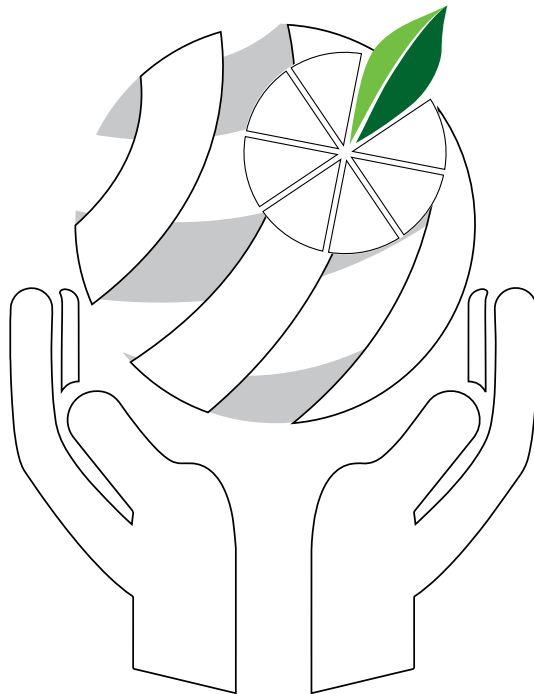
- ◆ Implementation of such projects will reduce potential environment hazards resulting from improper disposal of poultry, dairy and agriculture wastes.
- ◆ Market creation of bio-waste for electricity production, will diversify the source of income of rural households, as they can now earn extra revenue from agricultural and dairy waste.

- ◆ Establishment of biogas based electricity plants in the poultry farms reduced dependency on fossil fuel by running captive generators. This gives access to grid quality electricity at low cost.
- ◆ The rice husks, a by-product produced out of paddy, can also be utilized for electricity generation through the gasification process

Improved Cook Stoves (ICS):

- ◆ Children and women mostly live within the house whole day and they are the ones affected by the indoor air pollution. The implementation of the Improved Cook Stoves (ICS) program has helped reduce indoor air pollution and saved women and especially the children from health problems.
- ◆ Use of ICS means 100% clean cooking solutions and this is bringing down the statistics of child death due to diseases caused by indoor air pollution.

Corporate Social Responsibility





IDCOL as a premier development financial institution is always focusing on the socio economic development of Bangladesh through financing of infrastructure and renewable energy projects. Apart from project financing, IDCOL through its Corporate Social Responsibility (CSR) activities is helping the deprived segment of the society.

CORPORATE SOCIAL RESPONSIBILITY

Environment is one of the major concerns for IDCOL while providing financing support to any project. Before financing IDCOL assesses the environmental issues related to the project along with all other assessments and suggests the sponsors to take the necessary steps to address the issues. IDCOL follows a number of guidelines to ensure compliance with the Bangladesh Bank, Environment and Conservation Rules (ECR), 1997 of the Department of Environment and the Environmental and Social safeguard Framework (ESSF) of IDCOL established as per the requirements of the developing partners.

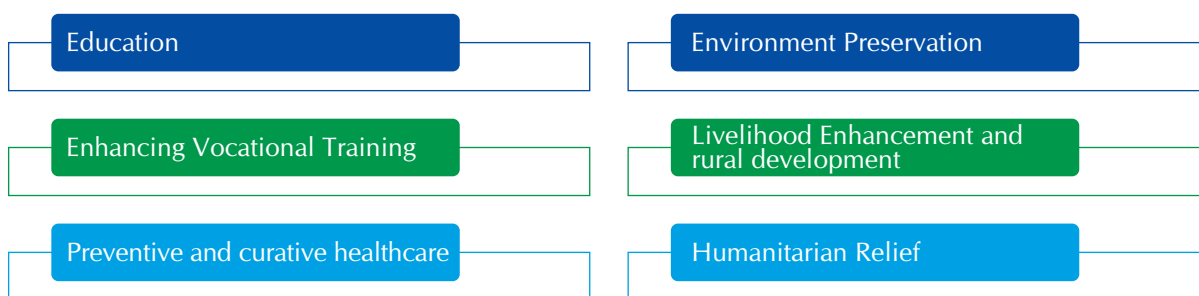
IDCOL as a premier development financial institution is always focusing on the socio economic

development of Bangladesh through financing of infrastructure and renewable energy projects. Apart from project financing, IDCOL through its Corporate Social Responsibility (CSR) activities is helping the deprived segment of the society.

To strengthen the CSR activities, IDCOL Board has recently approved a CSR Policy which will help IDCOL to make a meaningful and measurable impact in socio-economic development of Bangladesh through support in the critical areas of development that require investments and intervention.

CSR Focus Areas

The CSR policy focuses on the following areas:



Education: IDCOL aims to contribute to improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to stipends for students from low income family in reputed academic and vocational training institutions, support towards upgrading of facilities in academic and vocational institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments and engaging with students and parents leading to development of a better community, livelihood enhancement projects, etc.

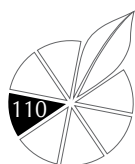
Enhancing vocational training: In the areas of vocational training IDCOL aims to provide specialized and skill based training such as painting, plumbing, driving, construction and cleaning, electrical or electronic maintenance etc., to migrant workers or unemployed individuals to develop their skills, which will help to empower and enhance their ability for better employment and livelihood.

Preventive and curative healthcare: In healthcare,

IDCOL aspire to deliver facilities to communities and other sections of the society in the form of assistance include grants toward costs of curative treatment of individual patients, towards costs of running hospitals and diagnostic centers engaged substantially in treatment of patients from underprivileged population segments and towards costs of preventive public health and hygiene initiatives like provision of safe drinking water, hygienic toilet facilities for poor households and for floating population in urban areas and so forth.

Environment preservation: IDCL aspire to develop the environment of the country through preservation of forestry which include but not limited to awareness program for the mass people about deforestation and its effect, teach people about importance of forestation in the environment and their role to save the forestation, funding research and innovations on environmental friendly projects and land preservation.

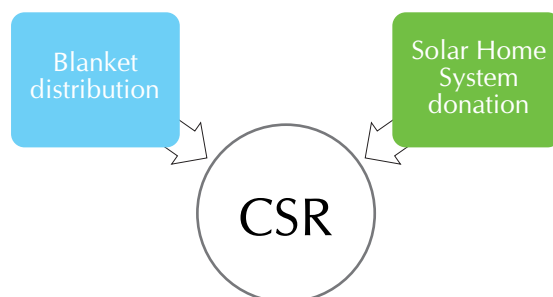
Livelihood Enhancement and Rural Development: IDCL aims to develop the livelihood of rural people



through rural development. These initiatives can be facilitated through management of natural resources and creation of sustainable income sources through micro-finance and micro-enterprise development and strength mechanisms for alternative livelihood.

Humanitarian Relief: IDCOL may support relief efforts during natural and other calamities in Bangladesh.

CSR Activity during the Year



In the year 2016, IDCOL as a part of Corporate Social Responsibility (CSR) extended a hand to help people of the Northern region to fight against this cold winter. IDCOL distributed 3,600 blankets worth of BDT 10 lakhs to the cold-stricken people of the Northern region on 29th November 2016

and around 3,300 blankets were distributed among the extremely poor, landless people of the Saghata & Fulchori upazilla of Gaibandha district. The rest of the blankets were distributed among the orphan children of Shishu Shargo Foundation in Panchgarh district.




IDCOL employees handing over blankets to the cold stricken people of Gaibandha district.

In continuation of its CSR activities, IDCOL donated 500 W Solar Home System (SHS) to Local Education and Economic Development Organization (LEEDO) to support the noble motive of the organization to nurture and take care of the most vulnerable and homeless orphan street children. Through LEEDO and similar kind of organizations, IDCOL aims to continue to support and aid the growth of the future generation of this country.



Financial Highlights





The Company has earned a profit of BDT 2,761 million before provision and tax. Out of which an amount of BDT 1,221 million and BDT 1,142 million have been provisioned for loans and income tax, respectively. Profit before provision and tax in FY 2016 is 0.40% higher than that in FY 2015 while net profit after tax in FY 2016 is 70.88% less than that in FY 2015. Growth in assets is 9% in FY 2016 while shareholder's equity has a growth of 5.25% in the reporting period.

VALUE ADDED STATEMENT

For the year ended December 31, 2016

Value added is the wealth IDCOL has created through extending loans and various services. The value added statement shows the total worth created and how the same was distributed to meet various obligations and reward those responsible for its creation. A portion also retained in the business for continued operation and expansion of IDCOL.

Particulars	2016		2015	
	Amount (Taka)	%	Amount (Taka)	%
Value added				
Net interest income	2,588,018,681	156.25%	2,755,169,675	105.17%
Fees earned	203,918,130	12.31%	125,291,906	4.78%
Investment income	-	0.00%	-	0.00%
Other income	178,332,691	10.77%	69,995,070	2.67%
Operating expense except salary & allowances, depreciation	(92,404,100)	-5.58%	(97,040,087)	-3.70%
Provision for loan, advances & investments	(1,221,486,568)	-73.74%	(233,704,969)	-8.92%
Total value added by the company	1,656,378,834	100%	2,619,711,595	100%

Distribution of Value added

Employees

As salary & allowances	102,773,649	6.20%	87,462,995	3.34%
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Provider of Capital

Dividend to ordinary shareholders	200,000,000	12.07%	100,000,000	3.82%
Dividend to preference shareholders	-	0.00%	-	0.00%

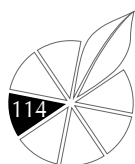
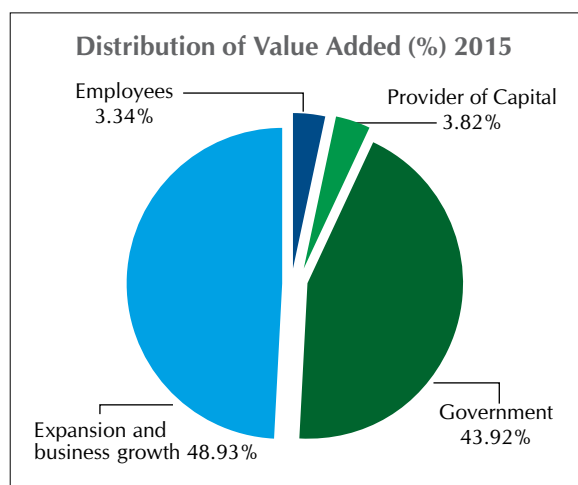
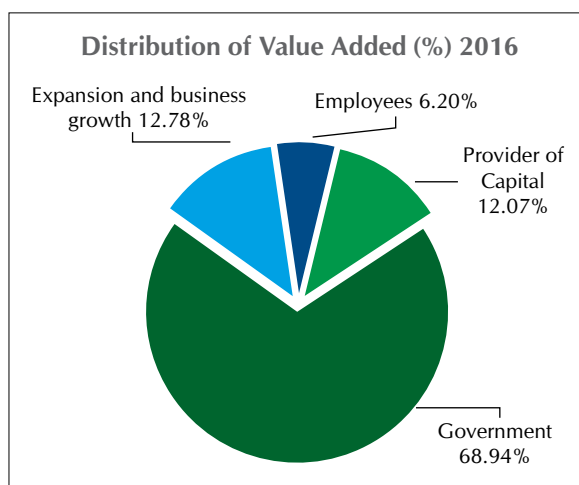
Government

Income tax	1,141,929,498	68.94%	1,150,484,632	43.92%
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Expansion and business growth

Retained earnings	197,871,235	11.95%	1,266,139,606	48.33%
Depreciation & amortization	13,804,452	0.83%	15,624,361	0.60%

Total distribution	1,656,378,834	100%	2,619,711,595	100%
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ECONOMIC VALUE ADDED (EVA) STATEMENT

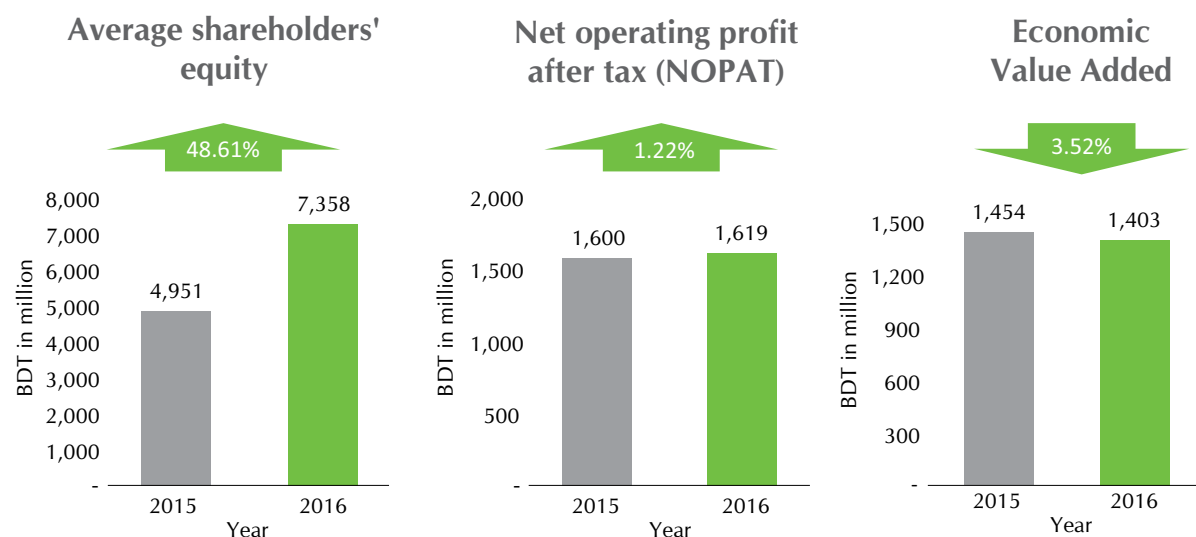
One of the most useful performance measurements to account for the ways in which business value can be added or lost is Economic Value Added or EVA. Another term for this metric is Economic Profit.

Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create value, and companies which earn lower returns than cost of capital are deemed harmful for shareholder value.

EVA has been calculated by the following formula:

$$\text{EVA} = \text{Net Operating Profit} - \text{Taxes} - \text{Cost of Capital}$$

Particulars	Amount in BDT	
	2016	2015
Net operating profit	2,761,287,301	2,750,329,207
Tax expense	1,141,929,498	1,150,484,632
Net operating profit after tax (NOPAT)	1,619,357,803	1,599,844,575
Charges for capital		
Capital employed	7,358,116,773	4,951,373,733
Average cost of capital (%)	2.94%	2.94%
Capital Charge	216,328,633	145,570,388
Economic Value Added	1,403,029,170	1,454,274,188
Capital employed as on June 30		
Shareholder's equity	5,970,954,645	5,673,083,410
Accumulated provision for doubtful accounts and future losses	2,091,085,562	981,109,929
Average shareholders' equity	7,358,116,773	4,951,373,733



Statement on Financial Statements by CEO and CFO

The financial statements of the Infrastructure Development Company Limited (IDCOL) are prepared in compliance with International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view. The form and substance of transactions and the Company's state of affairs reasonably presented. To ensure this, the Company has taken proper and adequate care in installing a system of internal control and accounting records. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

In this regard, we also certify to the Board that-

- (i) We have reviewed financial statements for the year and that to the best of our knowledge and belief:
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.
- (iii) Proper books of account as required by law have been kept by the Company;
- (iv) The expenditure incurred was for the intended purposes of the Company's business and projects;
- (v) Adequate provisions have been made for loans and advances and other assets which are, in our opinion, doubtful of recovery.



Chief Financial Officer



Executive Director & CEO



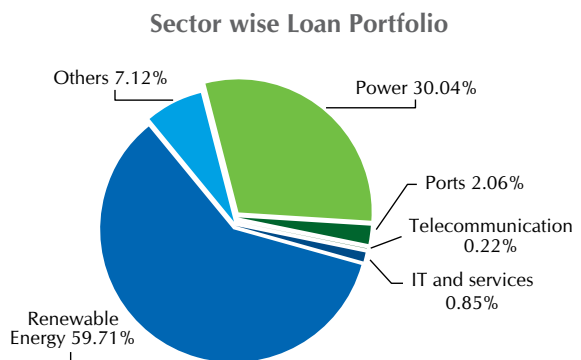
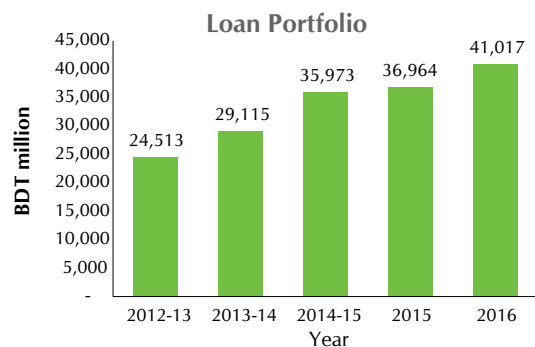
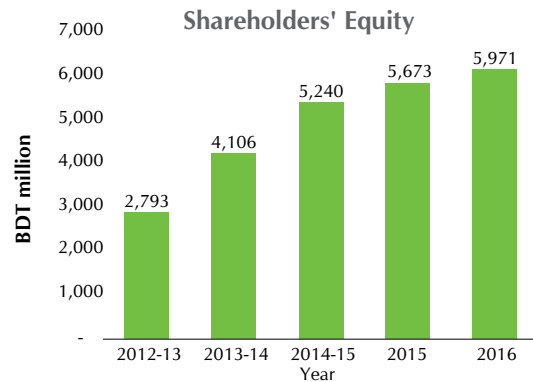
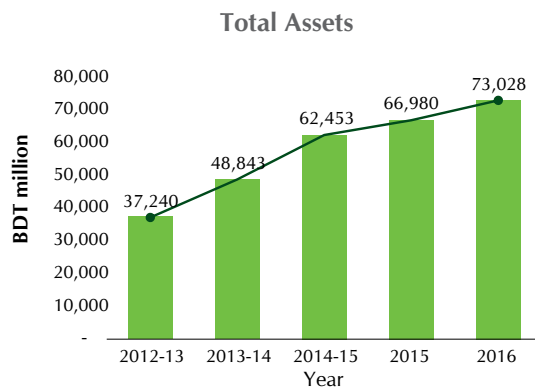
Key Operating and Financial Highlights

Particulars	2012-13	2013-14	2014-15	2015	2016
Financial Performance (BDT million):					
Long-term Investment	400	-	-	-	-
Short term Investment	9,337	13,932	22,111	24,900	27,069
Loan Portfolio	24,513	29,115	35,973	36,964	41,017
Power	2,904	3,850	9,612	9,282	12,320
Ports	82	101	96	95	844
Telecommunication	968	434	593	490	92
IT and services	299	229	139	139	350
Renewable Energy	20,074	24,261	25,177	25,746	24,490
Others	186	239	355	1,211	2,921
Total assets	37,240	48,843	62,453	66,980	73,028
Total Liabilities	34,431	44,737	57,213	61,307	67,057
Total equity	2,793	4,106	5,240	5,673	5,971
Net current assets	10,599	18,216	23,542	26,245	27,160
Operational Performance (BDT million):					
Total Revenue	2,851	3,870	4,097	4,324	4,509
Operating income	2,123	2,826	2,825	2,950	2,970
Operating expenses	156	135	170	200	209
Financial expenses	727	1,044	1,272	1,373	1,539
Profit before provision & tax	1,968	2,691	2,656	2,750	2,761
Net profit after tax	1,035	1,453	1,294	1,366	398
Financial Ratios:					
Debt equity ratio (Times)	11.33	10.17	10.06	9.86	10.35
Debt ratio (%)	84.97%	85.45%	84.42%	83.48%	84.61%
Current ratio (Times)	11.51	11.93	9.53	8.44	13.97
Return on assets (%)	2.78%	2.97%	2.07%	2.04%	0.54%
Return on Investment (%)	4.16%	4.99%	3.60%	3.70%	0.97%
Return on shareholders' equity (%)	37.07%	35.38%	24.70%	24.08%	6.66%
Profit Margin (%)	36.31%	37.54%	31.59%	31.54%	8.82%
Opex as % of Operating Income	7.35%	4.78%	6.00%	6.78%	7.04%
Earnings per share (BDT)	20.71	29.05	25.88	27.32	7.96
% of Classified Loans	0.81%	0.80%	1.58%	6.22%	9.45%
Equity Statistics:					
Number of shares (No.)	17,200,000	26,000,000	38,500,000	50,000,000	50,000,000
Paid up Capital (BDT million)	1,720	2,600	3,850	5,000	5,000
Shareholders' equity (BDT million)	2,793	4,106	5,240	5,673	5,971

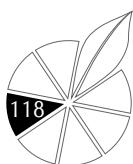
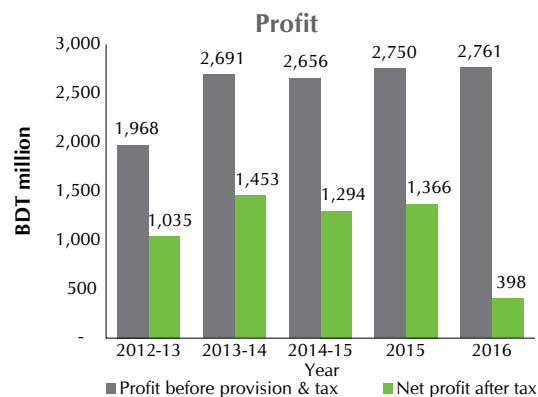
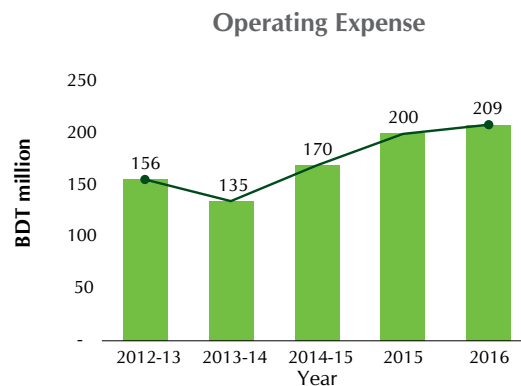
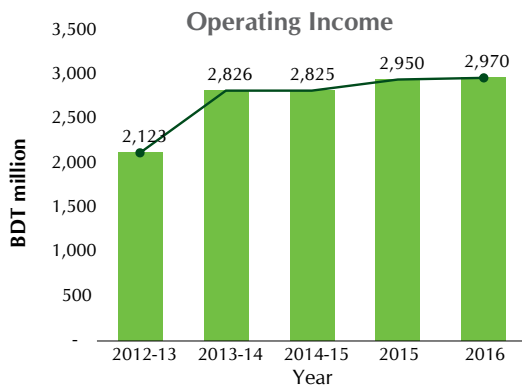


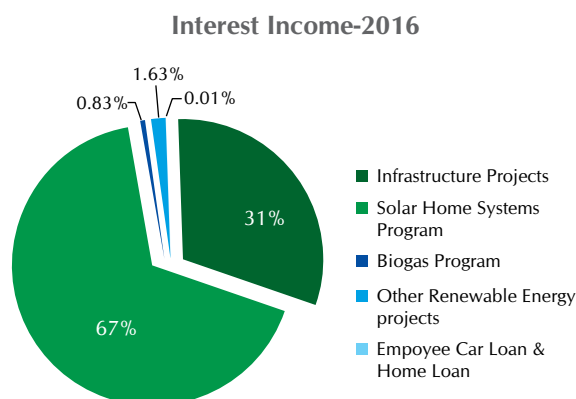
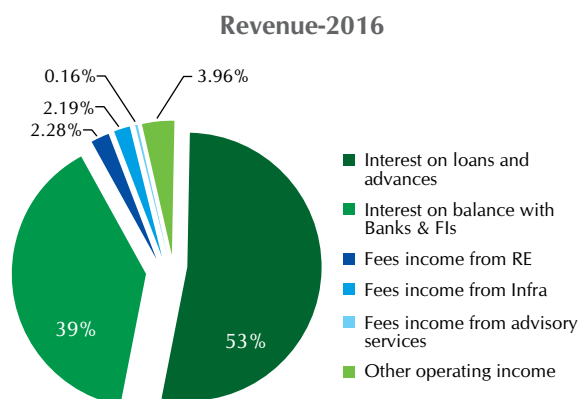
Key financial and operating highlights of IDCOL

1. Financial position of the company:

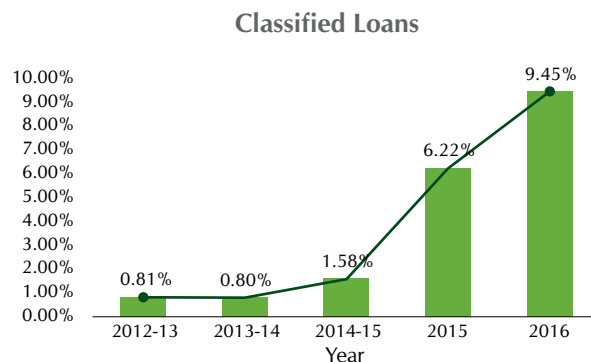
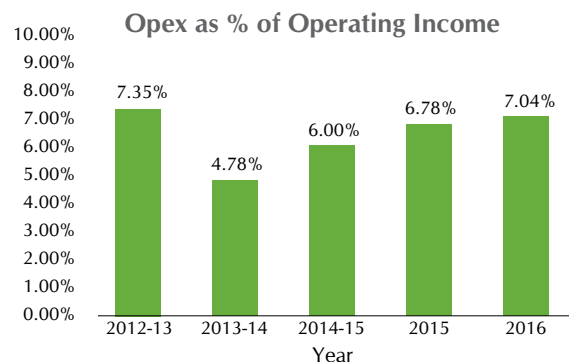
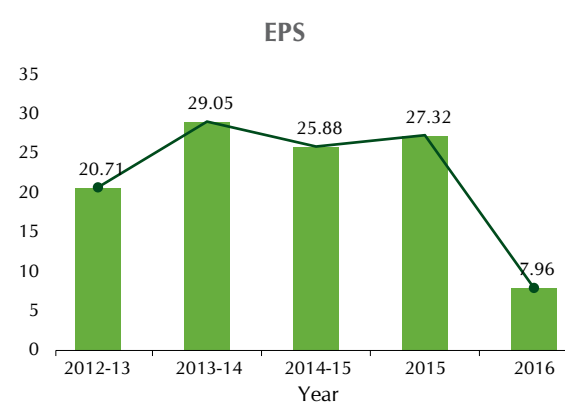
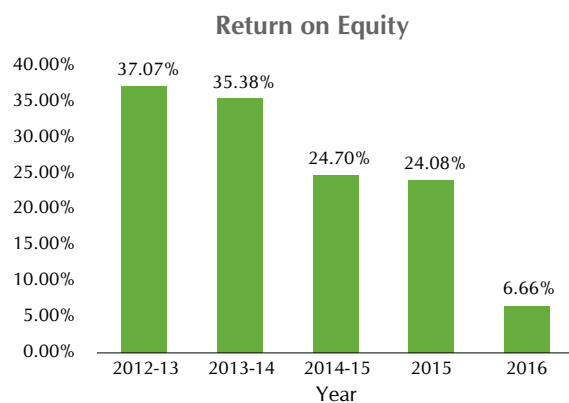
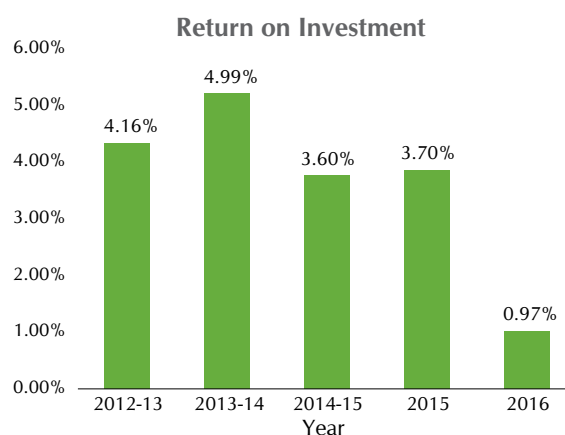
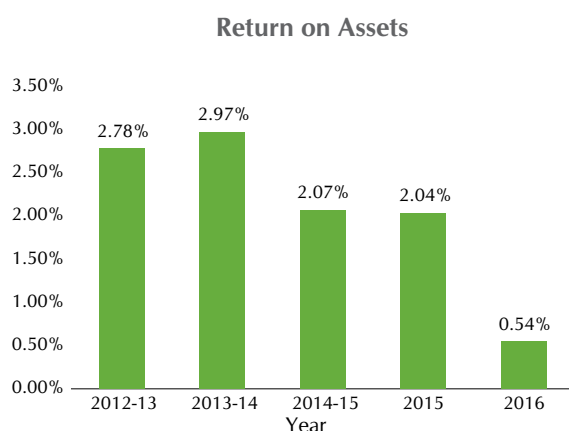


2. Operating performance of the company:



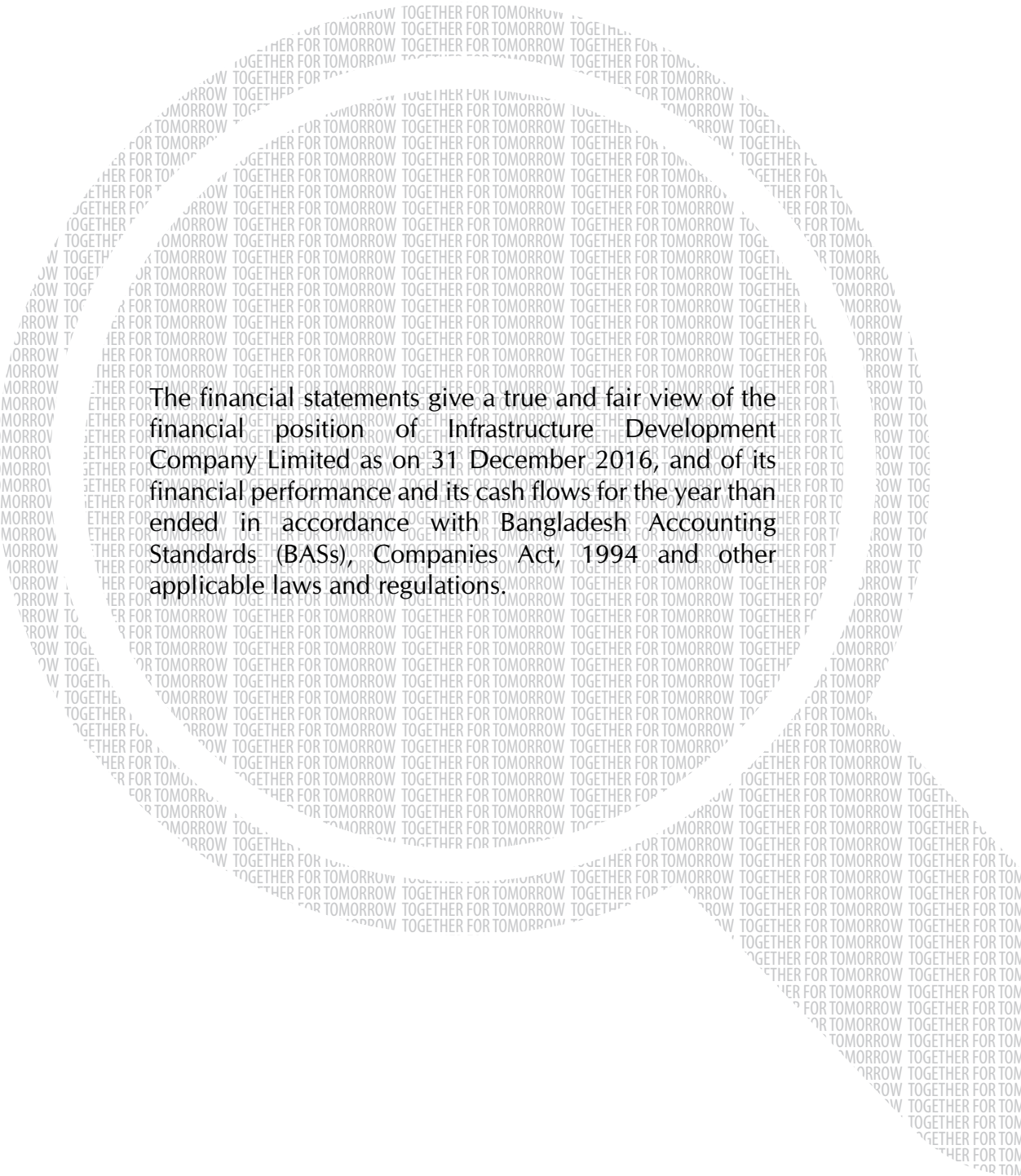


3. Financial Ratios:



Auditor's Report and Audited Financial Statements





The financial statements give a true and fair view of the financial position of Infrastructure Development Company Limited as on 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Accounting Standards (BASs), Companies Act, 1994 and other applicable laws and regulations.

Auditor's Report

To the Shareholders of Infrastructure Development Company Limited

We have audited the accompanying financial statements of Infrastructure Development Company Limited ("IDCOL" or the "Company"), which comprise the balance sheet as at 31 December 2016 and the profit and loss account, statement of changes in equity, cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management of IDCOL is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's 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 ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 auditor's 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, the auditor considers 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.

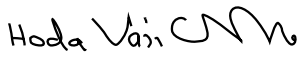
Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Infrastructure Development Company Limited as at 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs), as explained in Note 2.

Report on Other Legal and Regulatory Requirements

The financial statements comply with the Company's Act 1994, Financial Institution Act 1993, rules and regulation issued by Bangladesh Bank and other applicable laws and regulations. We also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- ii. 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;
- iii. the Company's statement of financial position and statement of comprehensive income dealt with by the report are in agreement with the books of account;
- iv. the expenditure incurred and payments made were for the purpose of the company's business;
- v. the financial position of the Company as at 31 December 2016 and the profit for the year then ended have been properly reflected in the financial statements and these financial statements have prepared in accordance with the generally accepted accounting principles;
- vi. the financial statements have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank to the extent applicable to the company;
- vii. adequate provisions have been made for loan and advances and other assets which are, in our opinion, doubtful of recovery;
- viii. the information and explanations required by us have been received and found satisfactory;
- ix. the company has complied with relevant laws pertaining to reserves and found satisfactory;
- x. the financial statements of the Company conform to the prescribed standards set in the accounting regulations issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh; and
- xi. we have reviewed over 80% of the risk weighted assets of the Company and we spent over 950 man hours for the audit of books and accounts of the Company.


Hoda Vasi Chowdhury & Co
Chartered Accountants
Dhaka, 30 April 2017



Infrastructure Development Company Limited

Balance Sheet

as at December 31, 2016

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
<u>PROPERTY AND ASSETS</u>			
Cash	3	186,829,878	33,677,951
Cash in Hand		5,617	3,623
Balance with Bangladesh Bank and its agent bank		186,824,261	33,674,328
Balance with other banks and financial institutions	4	29,177,573,149	26,409,399,009
In Bangladesh		29,177,573,149	26,409,399,009
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	-	-
Government securities		-	-
Others		-	-
Loans and advances		41,016,574,846	36,963,589,123
Loans, cash credit, overdraft etc.	7	41,016,574,846	36,963,589,123
Bill purchased and discounted		-	-
Fixed assets including land, building, furniture and fixtures	8	70,565,667	65,719,507
Other assets	9	2,576,354,164	3,507,397,043
Non-banking assets		-	-
Total assets		73,027,897,701	66,979,782,633
<u>LIABILITIES & CAPITAL</u>			
Liabilities:			
Borrowings from other banks and financial institutions	10	61,790,494,782	55,911,835,122
Deposit and other accounts		-	-
Other liabilities	11	5,266,448,272	5,394,864,107
Total liabilities		67,056,943,055	61,306,699,229
Capital/Shareholders' equity:			
Paid-up Capital	12	5,000,000,000	5,000,000,000
Statutory reserve		-	-
Retained earnings		970,954,645	673,083,410
Total shareholders' equity		5,970,954,645	5,673,083,403
Total liabilities and shareholders' equity		73,027,897,701	66,979,782,633



Off Balance Sheet Items

Off Balance Sheet Items

as at December 31, 2016

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
<u>Contingent Liabilities:</u>			
Acceptances and Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
<u>Other commitments:</u>			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items		-	-
Net Asset Value (NAV) per share		119	113

The annexed notes 1-33 form an integral part of these statements.


Chairman


Director

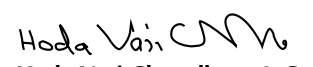

Director

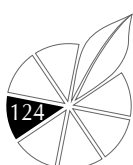

Executive Director & CEO


Company Secretary

As per our report of even date.

Dhaka, 30 April 2017


Hoda Vasi Chowdhury & Co
Chartered Accountants



Infrastructure Development Company Limited

Profit and Loss Account

for the year ended December 31, 2016

	Notes	Amount in Taka	
		Jan-Dec 2016	Jan-Dec 2015
Operating income			
Interest income	14	4,126,765,790	4,128,410,561
less: Interest on deposits, borrowings etc	15	1,538,747,109	1,373,240,886
Net interest income		2,588,018,681	2,755,169,675
Investment income	16	-	-
Fees, Commission & brokerage	17	203,918,130	125,291,906
Other operating income	18	178,332,691	69,995,070
Total operating income (A)		2,970,269,502	2,950,456,651
Operating expenses			
Salaries and allowances	19	73,922,684	64,414,979
Rent, taxes, insurance, electricity etc.	20	5,564,417	5,251,058
Legal expenses	21	3,508,043	368,000
Postage, stamp, telecommunication etc.	22	925,320	1,274,783
Stationery, printing, advertisement etc.	23	13,496,365	9,667,720
Chief Executive's salary and fees	24	11,038,781	10,634,546
Directors' fees	25	1,153,213	1,230,500
Auditors' fees	26	304,750	454,354
Depreciation and repair of Company's assets	27	13,804,452	15,557,695
Other operating expenses	28	85,264,176	91,273,808
Charges on loan losses	29	-	-
Total operating expenses (B)		208,982,201	200,127,443
Profit/(Loss) before provision & Tax (C) = (A - B)		2,761,287,301	2,750,329,207
Provision for loans and advances	30	1,221,486,568	233,704,969
Total provision (D)		1,221,486,568	233,704,969
Net profit/(loss) before Tax (E) = (C - D)		1,539,800,733	2,516,624,238
Tax expenses	31	1,141,929,498	1,150,484,632
Net profit/(loss) after tax		397,871,235	1,366,139,606
Appropriation:			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		397,871,235	1,366,139,606
Earnings Per Share (EPS)	32	7.96	27.32

The annexed notes 1-33 form an integral part of these financial statements.



Chairman



Director



Director



Executive Director & CEO



Company Secretary

As per our report of even date.

Dhaka, 30 April 2017

Hoda Vasi Chowdhury & Co
Chartered Accountants

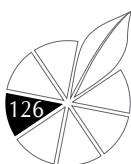


Infrastructure Development Company Limited

Cash Flow Statement

for the year ended December 31, 2016

	Amount in Taka	
	Jan-Dec 2016	Jan-Dec 2015
A. Cash flows from operating activities		
Interest received	4,126,765,790	4,128,410,561
Interest paid	(1,538,747,109)	(1,373,240,886)
Fees and commission received	203,918,130	125,291,906
Paid to employees and suppliers	(193,621,511)	(190,695,319)
Receipts from other operating activities	169,182,874	59,802,655
Cash generated from operating activities before changes in operating assets and liabilities	2,767,498,174	2,749,568,916
(Increase)/decrease in operating assets and liabilities		
Decrease /(Increase) advances, deposits and prepayments	21,576,577	24,643,830
Decrease /(Increase) advances income tax	(1,144,202,528)	(1,118,145,380)
Decrease /(Increase) accounts receivables	(228,792,324)	(160,968,285)
Decrease /(Increase) deferred expenses	-	66,666
Decrease /(Increase) Loans and advances	(4,164,496,657)	(5,328,275,778)
Increase / (Decrease) interest suspense account	49,018,866	235,912,654
Increase / (Decrease) payables and accrued expenses	171,521,094	(40,849,556)
Increase / (Decrease) Unearned Revenue- Monitoring Fees	(237,361)	-
Increase / (Decrease) employees' gratuity fund	12,139,909	(11,572,443)
	(5,283,472,423)	(6,399,188,293)
Net cash flows from operating activities	(2,515,974,249)	(3,649,619,377)
B. Cash flows from investing activities		
Acquisition of fixed assets	(1,359,341)	(1,095,760)
Proceeds from sale of assets	-	1,800,000
Net cash flows from investing activities (B)	(1,359,341)	704,240
C. Cash flows from financing activities		
Loan from Government of Bangladesh	5,878,659,660	6,903,742,110
Dividend paid	(440,000,000)	-
Net cash flows from financing activities	5,438,659,660	6,903,742,110
D Net increase in cash and cash equivalents (A + B + C)	2,921,326,073	3,254,826,972
E Cash and cash equivalents at the beginning of the year	26,443,076,960	23,188,249,993
F Cash and cash equivalents at the end of the year (D + E)	29,364,403,027	26,443,076,960
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	5,617	3,623
Money at call and short notice	-	-
Balance with Bangladesh Bank and its agent banks	186,824,261	33,674,328
Balance with other banks and financial institutions	29,177,573,149	26,409,399,009
	29,364,403,027	26,443,076,960



Infrastructure Development Company Limited

Statement of Changes in Equity

for the year ended December 31, 2016

Amount in Taka

Particulars	Paid up Capital	Statutory Reserve	Retained earnings	Total shareholders' equity
Balance as at 01 January 2016	5,000,000,000	-	673,083,410	5,673,083,410
Changes in accounting policy	-	-	-	-
Balance	5,000,000,000	-	673,083,410	5,673,083,410
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	397,871,235	397,871,235
Bonus shares	-	-	-	-
Cash dividend	-	-	(100,000,000)	(100,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2016	5,000,000,000	-	970,954,645	5,970,954,645

Particulars	Paid up Capital	Statutory Reserve	Retained earnings	Total shareholders' equity
Balance as at 01 January 2015	3,850,000,000	-	636,943,802	4,486,943,802
Changes in accounting policy	-	-	-	-
Balance	3,850,000,000	-	636,943,802	4,486,943,802
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,366,139,606	1,366,139,606
Bonus shares	1,150,000,000	-	(1,150,000,000)	-
Cash dividend	-	-	(180,000,000)	(180,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2015	5,000,000,000	-	673,083,410	5,673,083,408



Infrastructure Development Company Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)

as at December 31, 2016

	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand (including balance with Bangladesh Bank)	186,829,878	-	-	-	-	186,829,878
Balance with other banks and financial institutions	2,108,552,066	5,883,500,000	18,750,521,083	2,435,000,000	-	29,177,573,149
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and advances	487,742,250	1,737,791,082	7,425,372,828	24,490,157,855	6,875,510,831	41,016,574,846
Fixed assets	-	-	-	-	70,565,667	70,565,667
Other assets	373,167	6,340,056	2,318,272,297	226,463,957	24,904,687	2,576,354,164
Non-banking assets	-	-	-	-	-	-
Total assets	2,783,497,361	7,627,631,138	28,494,166,208	27,151,621,812	6,970,981,185	73,027,897,701
Liabilities:						
Borrowings from Government of Bangladesh	-	264,318,529	3,276,026,662	17,413,937,940	40,836,211,650	61,790,494,781
Deposits	-	-	-	-	-	-
Other Accounts	-	-	-	-	-	-
Provision and other liabilities	-	127,446,565	1,967,292,009	607,513,803	2,564,195,898	5,266,448,275
Total liabilities	-	391,765,094	5,243,318,672	18,021,451,743	43,400,407,548	67,056,943,056
Net Liquidity Gap	2,783,497,361	7,235,866,044	23,250,847,536	9,130,170,070	(36,429,426,363)	5,970,954,647

Infrastructure Development Company Limited

Notes to the financial statements

for the year ended December 31, 2016

1. Background:

1.1 Legal Status and nature of the company:

The Infrastructure Development Company Limited (IDCOL), a non-bank financial institution, was incorporated in Bangladesh on May 14, 1997 as a government owned public limited company under the Companies Act 1994. The Company was licensed by Bangladesh Bank as a non-bank financial institution (NBFI) on January 5, 1998. The registered office of the Company is located at UTC Building, Level-16, 8 Panthapath, Kawranbazar, Dhaka-1215.

1.2 Principal activities:

Since inception, IDCOL is playing a major role in bridging the financing gap for developing medium and large-scale infrastructure and renewable energy projects in Bangladesh. The company now stands as the market leader in private sector energy and infrastructure financing in Bangladesh. The primary objective of the company is to promote significant participation of the private sector in investment and operation, ownership and maintenance of new infrastructure facilities.

Infrastructure Projects

IDCOL provides long-term debt financing to viable privately-owned and operated infrastructure projects. To be eligible for IDCOL funding, projects must be included in the GoB's priority sector and use proven technology. Infrastructure sectors in the current priority sector include power generation telecommunications, information and communication technology, ports, social infrastructure, gas and gas related infrastructure, water supply, toll roads and bridges, shipyards and shipbuilding, hotel and tourism, mass transportation systems, urban environmental services etc.

Renewable Energy Projects

Under renewable energy program, IDCOL is implementing projects in four major areas- solar home systems (SHS), domestic biogas plants, improved cook stoves (ICS), and small-scaled renewable energy based power plants.

IDCOL started its SHS Program in 2003 with an initial target to finance 50,000 SHSs with financial assistance from the World Bank and GEF. Subsequently, a number of development partners participated in the program by providing refinancing and grant support. IDCOL provides soft loans and channels grants for the development of rural infrastructure, i.e. renewable energy. Under the program, IDCOL has a target to finance 6 million Solar Home Systems (SHS) by 2021. IDCOL's SHS Program is one of the fastest growing off-grid renewable energy program in the world. It has brought significant change in lives in remote rural areas of Bangladesh through providing access to electricity.

IDCOL has been implementing Biogas Program in Bangladesh since 2006. Initially, the program started as National Domestic Biogas and Manure Program (NDBMP) with the support from SNV, Netherlands Development Organization and KFW, German Development Bank. In 2012, the World Bank also joined to support the program under its Household Energy Initiatives. With the support from KFW and the World Bank, IDCOL restructured the Program in 2013. Under this program, IDCOL has a revised target to install 60,000 domestic size biogas plants in Bangladesh by 2018.

IDCOL launched the 'Improved Cook Stove (ICS) Program' in May 2013 with the initial target to install 1 million ICSs across the country by 2018. Under the program, IDCOL provides institutional development grant and technical assistance to its partner organizations (POs). IDCOL's principal objective is commercialization of ICS, which would allow the ICS market to develop and flourish after the completion of the Program.

Besides, IDCOL has been financing various small-scaled renewable energy projects including solar PV based irrigation pumps, solar PV based micro-grid projects, biomass gasification based power projects, biogas based power plants, solar powered solution for telecom BTS etc. IDCOL has a target to finance 1,550 solar irrigation pumps, 50 solar based mini-grid and 60 biogas and biomass based power projects by 2018.

Corporate Advisory Services

IDCOL has established an advisory wing to provide knowledge support to various local/foreign institutions



on infrastructure projects, renewable energy projects, public private partnership, etc. IDCOL has already provided advisory services to delegates from Ethiopia, Ghana, Sudan, Guinea and Uganda on renewable energy. In addition, IDCOL signed two different Memorandums of Understanding (MoU) with the Bangladesh Infrastructure Finance Fund Limited (BIFFL) and IDLC Finance Limited to provide necessary support in project due diligence and another one with to provide advisory services to design and launch new financial products for the suppliers under IDCOL Solar Home System (SHS) Program, respectively. Till date, IDCOL trained more than 1,400 professionals from local banks and businesses in twenty three training courses on project finance, eighteen courses on financial modelling, and four special courses for capacity building.

1.3 Resources

IDCOL has access to resources provided by the World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), German Development Bank (KfW), Department for International Development (DFID), Islamic Development Bank (IDB), German Development Cooperation (GIZ), United States Agency for International Development (USAID), SNV-Netherlands Development Organization, and the Government of Bangladesh (GoB) to place in projects across a range of infrastructure and renewable energy projects.

2. Significant Accounting Policies and Basis of Preparation

2.1 Basis of accounting

The financial statements of the Company have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Financial Reporting Standards (IFRS) applicable to the company as adopted by the Institute of Chartered Accountants of Bangladesh as Bangladesh Financial Reporting Standards (BFRS). The reported financial statements, i.e. Balance Sheet, Profit and Loss Account, Statement of Changes in Shareholder's Equity and Cash Flow Statement were prepared by capturing the transactions of Infrastructure Development Company Limited. The financial statements of projects accounts are being maintained and prepared separately showing movement of funds, i.e. loans and grants received from various donors, lenders, etc., realization of principal and interest from borrowers, loan and grants disbursed to borrowers, repayment of loans to donors, lenders, etc. These projects accounts are being audited and reported separately. The consolidated movement of funds of these projects are shown in note # 33.

2.2 Statement of compliance

The financial statements of IDCOL are prepared in accordance with Bangladesh Financial Reporting Standards (BFRS) and the requirements of the Financial Institution Act 1993, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Financial Institution Act 1993, and provisions and circulars issued by Bangladesh Bank differ with those of BFRS, the requirements of the Financial Institution Act 1993, and provisions and circulars issued by Bangladesh Bank shall prevail.

2.3 Other comprehensive income

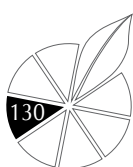
BFRS: As per BAS 1 elements of Other Comprehensive Income (OCI) can be presented in a separate statement i.e. Other Comprehensive Income or can be included in a single Statement of Comprehensive Income.

Bangladesh Bank: The scheduled banks and financial institutions in Bangladesh have been using certain prescribed templates of financial statements (including names of those financial statements) issued by Bangladesh Bank. Those templates do not include 'Other Comprehensive Income' nor are the elements of OCI allowed to be included in a Single Comprehensive Income Statement (Profit & Loss Account, as per BB format). As such the banks and financial institutions does not prepare a separate OCI Statement. However elements of OCI, if any, are shown in the statements of changes in equity.

2.4 Cash flow statement

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

Bangladesh Bank: As per DFIM circular no. 11 of 23 December 2009, cash flow is the mixture of direct and indirect methods. Money at call on short notice presented on the face of the balance sheet, and treasury bills, prize bonds are shown in investments.



2.5 Provision for loans and advances

BFRS: As per BAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exist 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 Bangladesh Bank circular (FID Circular no. 08 dated 03 August 2002 and FID Circular no. 03 dated 03 March 2006), a general provision at 1% for standard loan and 5% for SMA loans, should be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loan, doubtful loans and bad/losses should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Also a general provision at 1% should be provided for all off balance sheet exposure. Such provision policies are not specifically in line with those prescribed by BAS 39.

2.6 Cash and cash equivalent

BFRS: Cash and cash equivalent items should be reported as cash item as per BAS 7.

Bangladesh Bank: Some cash and cash equivalent items which includes 'money at call and short notice', is not shown as cash and cash equivalents.

2.7 Recognition of interest in suspense

BFRS: Loans and advances to customers are generally classified as 'loans and receivables' as per BAS 39 and interest income is recognized through effective interest rate method over the term of the loan. Once a loan is impaired, interest income is recognized in profit and loss account on the same basis based on revised carrying amount.

Bangladesh Bank: As per FID circular no. 08 dated 03 August 2002, once a loan is classified, interest on such loans are not allowed to be recognized as income, rather the corresponding amount needs to be credited to an interest in suspense account, which is presented as liability in the balance sheet.

2.8 Financial instruments: presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in BAS 39. As such full disclosure and presentation requirements of BFRS 7 and BAS 32 cannot be made in the financial statements.

2.9 Presentation of intangible asset

BFRS: An intangible asset must be identified and recognized, and the disclosure must be given as per BAS 38.

Bangladesh Bank: There is no regulation for intangible assets in DFIM circular no. 11 of 23 December 2009.

2.10 Off-balance sheet items

BFRS: There is no concept of off-balance sheet items in any BFRS; hence there is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.

Bangladesh Bank: As per DFIM circular no. 11 of 23 December 2009, off balance sheet items (e.g. Letter of credit, Letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.

2.11 Use of estimate and judgements

The preparation of these financial statements in conformity with Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) and Bangladesh Bank guidelines requires management to make judgement, estimates and assumptions that affect the application of accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.12 Functional and Presentation Currency

These financial statements are using the currency of the primary economic environment in which the company operates (the functional currency) and presentation currency is Bangladesh Taka which is also the functional currency of the company.

2.13 Revenue Recognition

Interest income from loans and other sources is recognized on an accrual basis of accounting on effective interest method.

Income on investment is recognized on an accrual basis. Investment income includes interest on bonds.

Fees & commission income is recognized on an accrual basis which includes fees received from borrowers of infrastructure financing and administering monitoring activities under renewable energy program.

2.14 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is charged on reducing balance method. Depreciation on additions to fixed assets is charged in full for the year and no depreciation is charged for the year in which an asset is disposed, irrespective of the date of acquisition, on reducing balance method. The rates of depreciation are as follows:

Category of assets	Rate of depreciation
Office space	10%
Furniture, fixture and decoration	10%
Computer and computer equipment	30%
Office equipment	10%
Vehicle	20%
Software	30%

2.15 Accounting for grant

Accounting for grant has been made in accordance with Bangladesh Accounting Standards (BAS) - 20 "Accounting for Government Grants and Disclosure of Government Assistance". Grant has been recognized as income to the extent of depreciation on grant funded assets.

2.16 Foreign Currency transactions (Exchange fluctuations and gains or losses)

Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into taka at the exchange rate prevailing at that date. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognized in profit and loss account as per ISA/BAS 21: the effects of changes in foreign exchange rates.

2.17 Write-off

A loan write off – as it applies to individual borrowers -simply meaning taking off the amount from the Balance Sheet against which provision has already been made for a reduction in the value of an asset or earnings by the amount of an expense or loss. When businesses file their income tax return, they are able to write off expenses incurred to run the business and subtract them from their revenue to determine their taxable income. Recovery of debts written off provided for its credited revenue. Income are recognized where amounts are either recovered and/or adjusted against securities/properties or advances.

2.18 Earning per Share (EPS)

As per BAS - 33, the company presents its basic earnings per share (EPS) for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year.

2.19 Related party disclosure

As per Bangladesh Accounting Standards (BAS 24) , parties to be related if one of the party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. All transactions were carried out in the ordinary course of business on an arm's length basis, no related party transactions were incurred during this financial year.

2.20 Employee benefits:

Defined contribution plan(provident fund)

The company operates a contributory provident fund scheme where employees contribute 10% of their basic salary with equal contribution by the company. The provident fund is considered as defined contribution plan being managed by a Board of Trustees.

Defined benefit plan(gratuity)

The company operates an unfunded gratuity scheme, provision in respect of which is made annually covering all permanent employees. The employees gratuity fund is being considered as defined benefit plan.

2.21 Internal Audit

Internal Audit function plays a crucial role in ongoing assessment and maintenance of internal control, risk management and governance in the organization. Internal audit team conducts audit in all partner NGO's and IDCOL regional offices. Internal audit use standard approach to determine their respective work plan and actions.



2.22 Fraud and Forgeries

To prevent fraud and forgeries internal audit team acts independently as the first contact point/information unit. As a counteractive course of action, preventive and corrective measures are recommended to the operation unit to take necessary action. All fraud related issues are recorded in the fraud register in a systematic manner for future reference.

2.23 Disclosure for BAS & BFRS Compliance:

	Name of the BAS	BAS #	Compliance status
1	Presentation of Financial Statements	1	Applied
2	Inventories	2	N/A
3	Statements of Cash Flow	7	Applied*
4	Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
5	Events after the Balance Sheet Period	10	Applied
6	Construction Contracts	11	N/A
7	Income Taxes	12	Applied
8	Property, Plant and Equipment	16	Applied
9	Leases	17	N/A
10	Revenue	18	Applied
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Applied
13	The Effects of Changes in Foreign Exchange Rates	21	Applied
14	Borrowing Costs	23	Applied
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	N/A
17	Separate Financial Statements	27	Applied
18	Investment in Associates and Joint Ventures	28	N/A
19	Financial Reporting in Hyperinflationary Economies	29	N/A
20	Financial Instruments: Presentation	32	Applied *
21	Earnings per share	33	Applied
22	Interim Financial Reporting	34	Applied
23	Impairment of Assets	36	Applied
24	Provisions, Contingent Liabilities and Contingent Assets	37	Applied
25	Intangible Assets	38	Applied
26	Financial Instruments: Recognition and Measurement	39	Applied *
27	Investment Property	40	N/A
28	Agriculture	41	N/A

	Name of the BFRS	BFRS #	Compliance status
1	First-time Adoption of IFRS	1	N/A
2	Share Base payment	2	N/A
3	Business combination	3	N/A
4	Insurance Contracts	4	N/A
5	Non-current assets held for sale and discontinued operation	5	N/A
6	Exploration for and Evaluation of Mineral Resources	6	N/A
7	Financial Instruments: Disclosures	7	Applied *
8	Operating Segments	8	Applied
9	Financial Instruments	9	N/A
10	Consolidated Financial Statements	10	Applied
11	Joint Arrangement	11	N/A
12	Disclosure of Interest in Other Entities	12	N/A
13	Fair Value Measurement	13	Applied

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

2.24 Basis of measurement

The financial statements have been prepared in accordance with Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS). The accounting policies, unless otherwise stated, have been consistently applied by the company and are consistent with those of the previous year.

2.25 Risk Management

In IDCOL, a well-structured and proactive risk management system is working within the company to address and manage the risks relating to credit, market, liquidity and operations along with the guidelines for managing core risks of financial institutions issued by the Bangladesh Bank (Central Bank), vide FID circular No. 10 dated September 18, 2005.

2.25.1 Credit Risk:

Credit risk is being managed through a framework set by policies and procedures developed by the management and approved by the IDCOL board. The approval process contributes in mitigating credit risk. Every proposal is reviewed by Credit Risk Management Unit, Credit Risk Management Committee, Credit Committee and Board of Directors as a part of risk governance in IDCOL. Moreover, IDCOL has a Credit Risk Manual implemented in accordance with guideline provided by Bangladesh Bank.

The responsibility is clearly segregated between origination of business and approval of the transaction in order to maintain the independence and integrity of the credit decision-making process. The project appraisal team after completing their detailed due diligence of the project submits the completed project appraisal report to Credit Risk Management (CRM) department. After the risk assessment of CRM, the project is submitted to CRM committee headed by CEO and comprising of functional unit heads. Once approved by the CRM Committee, it goes to Credit Committee for their review and approval and final approval obtained from the IDCOL Board.

2.25.2 Market Risk

Market risk arises from the fluctuation of returns caused by the macroeconomic factors that affect the overall performance of the financial market and organization as well. The Asset Liability Management Committee reviews the market trend of interest rates and matches the interest risks of the assets so that it can meet its obligations without making any losses. It also ensures that IDCOL has appropriate capital to cover potential losses from exposures to changes in interest rates. IDCOL management makes sure that lending and borrowing currency will always be same so that company does not have to bear any foreign currency risk.

2.25.3 Liquidity Risk

IDCOL has established strategies, policies and practices to manage liquidity risk in accordance with the risk tolerance and to ensure sufficient liquidity. The Asset Liability Management Committee (ALCO) of IDCOL actively monitors and controls liquidity risk exposures.

2.25.4 Operational Risk

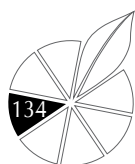
Managing operational risks requires timely and accurate information as well as a strong control culture. To do so, IDCOL has established an internal control & compliance unit to address operational risks and to frame and implement policies to encounter such risks. IDCOL also provides training for capacity building of the employees, ensures active participation of the senior management in identifying and mitigating key operational risks, maintains proactive communication between our revenue-producing units and our independent control and support functions and has built a network of systems throughout the firm to facilitate the collection of data used in analyzing and assessing our operational risk exposure.

2.25.5 Money Laundering Risk

A separate Central Compliance Unit (CCU) of IDCOL has been established which is responsible for managing money laundering risks following guidance notes on Prevention of Money Laundering and Terrorist Financing issued by Bangladesh Bank.

2.25.6 Information Technology and Communication Risk

IDCOL has a full-fledged department which ensures adequate IT and MIS infrastructure and its security. It streamlines the management information systems with the strategic direction of the Company while mitigating the risks associated with incorrect deployment and use of Information-Technology.



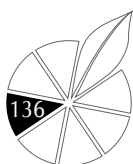
		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
3.0	CASH			
	Cash in hand	3.1	5,617	3,623
	Balance with Bangladesh Bank and its agent bank	3.2	186,824,261	33,674,328
			186,829,878	33,677,951
3.1	Cash in Hand			
	Local Currency		5,617	3,623
	Foreign Currencies		-	-
			5,617	3,623
3.2	Balance with Bangladesh Bank and its agent bank			
	Bangladesh Bank balance in local currency		62,293,743	33,674,328
	Bangladesh Bank balance in foreign currency		124,530,518	-
			186,824,261	33,674,328
3.3	Cash Reserve Ratio (CRR)			
	Required reserve @ 2.5% of average balance of term deposit		-	-
	Actual reserve		-	-
	Surplus		-	-
3.4	Statutory Liquidity Ratio (SLR)			
	Required reserve @ 5% of average liabilities excluding funds from banks/FIs		-	-
	Actual Reserve held		-	-
	Surplus		-	-
	Total Surplus		-	-

* As per Bangladesh Bank # FID (L) 1053/69/4, maintenance of CRR and SLR is exempted for IDCOL.

4.0 Balance with other banks and financial institutions

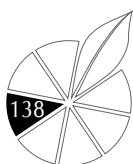
<i>Inside Bangladesh</i>			29,177,573,149	26,409,399,009
<i>Local currency</i>				
	Current and short-term deposits in local currency	4.1	1,642,272,191	736,608,827
	Fixed deposits in local currency	4.2	24,313,500,000	22,820,500,000
<i>Foreign currency</i>				
	Current and short-term deposits in foreign currency	4.3	466,279,875	772,565,855
	Fixed deposits in foreign currency	4.4	2,755,521,083	2,079,724,328
<i>Outside Bangladesh</i>			-	-
			29,177,573,149	26,409,399,009
4.1	Current and short-term deposits in local currency			
	Janata Bank Ltd.	4.1.a	1,338,277,771	534,135,230
	The City Bank Ltd.	4.1.b	16,694,220	23,969,683
	Prime Bank Ltd.	4.1.c	1,158,821	7,466,131
	National Credit and Commerce Bank Ltd.	4.1.d	11,071,501	10,128,556
	National Bank Ltd.	4.1.e	35,443	92,399
	Islami Bank Bd. Ltd.	4.1.f	129,092	113,963
	Agrani Bank Ltd.	4.1.g	261,996,143	55,607,085
	Eastern Bank Ltd.	4.1.h	909,351	105,095,781
	Standard Chartered Bank	4.1.i	11,999,850	-
			1,642,272,191	736,608,827

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
4.1.a Janata Bank Limited			
<u>Accounts under donor funded projects</u>			
IDA -5158-BD : REREDP-II		87,134,417	122,433,172
IDA -5514-BD : Additional Financing REREDP-II		323,736,960	39,561,972
IDB -151-BD :		7,595,344	7,632,316
PPIDF-II (SF)		6,105,517	78,783,268
<u>Company accounts</u>			
STD Account		913,705,532	285,724,501
		<u>1,338,277,771</u>	<u>534,135,230</u>
4.1.b The City Bank Limited			
<u>Accounts under donor funded projects</u>			
KfW - 2006.65.612 -NDBMP		14,814,107	23,175,689
<u>Company accounts</u>			
Imprest account		1,880,113	793,993
		<u>16,694,220</u>	<u>23,969,683</u>
4.1.c Prime Bank Limited			
<u>Company accounts</u>			
Salary account		495	6,580,317
<u>Accounts for Regional Offices</u>			
Barisal		131,212	78,628
Bogra		180,449	73,431
Chittagong		221,034	193,623
Dhaka		313,454	174,559
Faridpur		29,963	50,261
Rangpur		81,986	29,226
Khulna		117,549	148,961
Mymensingh		82,679	137,124
		<u>1,158,821</u>	<u>7,466,131</u>
4.1.d National Credit and Commerce Bank Limited			
<u>Revolving fund account under projects</u>			
PPIDF: ADB 2453-BAN (SF)		10,967,536	9,816,249
<u>Accounts for Regional Offices</u>			
Brahmanbaria		66,845	119,576
Laxmipur		37,120	192,731
		<u>11,071,501</u>	<u>10,128,556</u>
4.1.e National Bank Limited			
<u>Accounts for Regional Office</u>			
Sylhet		35,443	92,399
		<u>35,443</u>	<u>92,399</u>
4.1.f Islami Bank Bangladesh Limited			
<u>Accounts for Regional Office</u>			
Borguna		129,092	113,963
		<u>129,092</u>	<u>113,963</u>
4.1.g Agrani Bank Limited			
<u>Accounts under donor funded projects</u>			
P-075 : JICA		261,996,143	55,607,085
		<u>261,996,143</u>	<u>55,607,085</u>



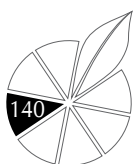
	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
4.1.h	Eastern Bank Limited <u>Revolving fund account under projects</u> P-075 : JICA	909,351	105,095,781
		909,351	105,095,781
4.1.i	Standard Chartered Bank <u>Company Account</u> Salary Account	11,999,850	-
		11,999,850	-
4.2	Fixed deposits in local currency <u>Fixed deposit receipt (three months' term) with:</u>		
	Al-Arafah Islami Bank Ltd.	-	390,000,000
	Dhaka Bank Ltd.	888,500,000	1,250,000,000
	EXIM Bank Ltd.	1,150,000,000	1,250,000,000
	First Security Islamic Bank Ltd.	-	140,000,000
	IFIC Bank Ltd.	1,400,000,000	1,220,000,000
	Jamuna Bank Ltd.	895,000,000	405,000,000
	Mercantile Bank Ltd.	-	330,000,000
	National Bank Ltd.	-	1,065,000,000
	NCC Bank Ltd. (PPIDF-1 revolving fund)	-	890,000,000
	One Bank Ltd.	500,000,000	-
	Premier Bank Ltd.	310,000,000	320,000,000
	Shahjalal Islamic Bank Ltd.	540,000,000	318,000,000
	Southeast Bank Ltd.	-	730,000,000
	Standard Bank Ltd.	200,000,000	934,000,000
	Trust Bank Ltd.	-	730,000,000
	United Commercial Bank Ltd.	-	115,000,000
	Janata Bank Ltd.	-	300,000,000
	Agrani Bank Ltd.	-	200,000,000
	<u>Fixed deposit receipt (six months' term) with:</u>		
	DBH Fin Corp. Ltd.	300,000,000	300,000,000
	First Lease & Finance	100,000,000	100,000,000
	First Security Islamic Bank Ltd.	1,000,000,000	610,000,000
	IDLC Finance Ltd.	300,000,000	300,000,000
	Lanka-Bangla Finance Ltd.	200,000,000	100,000,000
	Peoples Leasing	100,000,000	100,000,000
	Premier Bank Ltd.	380,000,000	180,000,000
	Premier Leasing & Finance Ltd.	150,000,000	-
	Prime Finance & Investment Ltd.	100,000,000	200,000,000
	Union Capital Ltd.	200,000,000	150,000,000
	AB Bank Ltd.	595,000,000	1,400,000,000
	Al-Arafah Islami Bank Ltd.	1,250,000,000	560,000,000
	IPDC of Bangladesh Ltd.	150,000,000	-
	Mercantile Bank Ltd.	-	190,000,000
	Mutual Trust Bank Ltd.	-	614,000,000
	National Bank Ltd.	1,250,000,000	185,000,000
	NCC Bank Ltd.	1,550,000,000	1,118,500,000
	NCC Bank Ltd. (PPIDF-1 revolving fund)	3,370,000,000	1,635,000,000
	IFIC Bank Ltd.	-	30,000,000

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
Habib Bank Ltd		650,000,000	300,000,000
Pubali Bank Ltd.		-	550,000,000
Standard Bank Ltd.		1,200,000,000	316,000,000
United Commercial Bank Ltd.		-	700,000,000
Uttara Finance Ltd.		200,000,000	200,000,000
The City Bank Ltd.		780,000,000	1,015,000,000
Jamuna Bank Ltd.		380,000,000	-
Trust Bank Ltd.		150,000,000	260,000,000
Janata Bank Ltd.		-	620,000,000
Agrani Bank Ltd.		-	200,000,000
Shahjalal Islamic Bank Ltd.		710,000,000	200,000,000
Union Bank Ltd.		200,000,000	100,000,000
Southeast Bank Ltd.		580,000,000	-
Fas Finance Ltd.		50,000,000	-
BD Finance		100,000,000	-
<i>Fixed deposit receipt (1 year term) with:</i>		-	-
Eastern Bank Ltd. (JICA revolving fund account)		760,000,000	-
Eastern Bank Ltd.		1,205,000,000	-
The City Bank Ltd		470,000,000	-
		24,313,500,000	22,820,500,000
4.3	Current and short-term deposits in foreign currency		
Janata Bank Ltd.		465,440,055.23	258,523,031
Commercial Bank of Ceylon (PPIDF-1 revolv. USD)		839,820	514,042,824
		466,279,875	772,565,855
4.4	Fixed deposits in foreign currency		
<i>Fixed deposit receipt (One/six months' term) with:</i>			
Janata Bank Ltd.		1,089,509,910	853,734,600
Commercial Bank of Ceylon		1,466,404,533	1,033,821,728
Brac Bank Ltd.		-	-
Dhaka Bank Ltd.		199,606,640	192,168,000
		2,755,521,083	2,079,724,328
4.5	Maturity grouping of Balance		
Up to one month		2,108,552,066	1,509,174,681
More than one month but less than three months		5,883,500,000	10,587,000,000
More than three months but less than one year		18,750,521,083	14,313,224,328
More than one year but less than five years		2,435,000,000	-
More than five years		-	-
		29,177,573,149	26,409,399,009
5.0	Money at call and short notice		
		-	-
		-	-
6.0	Investments		
Government		-	-
Others		-	-
		-	-



		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
7.0	Loans and advances			
	Inside Bangladesh			
	Long-term finance	7.1	40,356,306,290	36,491,017,196
	Short term financing	7.2	5,332,553	5,926,028
	Interest receivable on loans and advances	7.3	654,936,003	466,645,899
			41,016,574,846	36,963,589,123
	Outside Bangladesh		-	-
			41,016,574,846	36,963,589,123
7.1	Long-term finance:			
	Opening balance on Jan 01		36,491,017,196	31,250,523,324
	Add: Disbursement made during the year		8,507,755,650	11,056,507,630
	Add: Interest Capitalization during the year		32,927,183	252,202,117
			45,031,700,030	42,559,233,071
	Less: Realization during the year		(4,702,659,963)	(6,068,215,875)
	Add: Forex gain/ (Loss)		27,266,226	-
	Balance at 31 December		40,356,306,290	36,491,017,196
7.1.1	Sector wise disclosure of long term finance			
	Infrastructure loan		16,455,702,119	11,143,631,359
	Renewable energy project	7.1.1a	23,851,639,368	25,337,405,591
	Employee car loan		18,746,093	9,980,246
	Employee home Loan		30,218,710	-
			40,356,306,290	36,491,017,196
7.1.1a	Renewable energy project			
	Solar home system		22,663,412,756	24,346,155,792
	Biogas program		331,401,466	351,227,280
	Other renewable energy project		856,825,146	640,022,519
			23,851,639,368	25,337,405,591
7.2	Short term financing			
	Opening balance on Jan 01		5,926,028	5,675,636
	Add: Disbursement made during the year		6,303,600	11,949,000
			12,229,628	17,624,636
	Less: Realization during the year		(6,897,075)	(11,698,608)
	Balance at 31 December		5,332,553	5,926,028
7.3	Interest on loan and advance			
	Interest receivable on infrastructure loan		269,726,009	72,932,847
	Interest receivable on renewable energy loan	7.3.1	385,209,994	393,713,052
			654,936,003	466,645,899
7.3.1	Interest receivable on renewable energy loan			
	Solar Home System project		349,845,925	372,288,564
	Biogas project		6,707,459	6,175,408
	Other renewable energy project		28,656,610	15,249,080
			385,209,994	393,713,052

		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
7.4	Large Loan Disclosure			
	Grameen Shakti		6,620,937,345	7,463,320,945
	Rural Services Foundation		3,549,077,912	3,584,147,217
	Summit Barisal Power Ltd.		2,361,000,000	-
	Summit Meghnaghat Power Company Ltd.		1,962,227,100	2,147,041,713
	Regent Energy and Power Ltd.		1,963,171,500	2,178,630,163
	Energypac Confidence Power Venture Chittagong Ltd.		1,855,071,209	2,074,642,745
	Quantum Power Systems Ltd.		1,499,668,879	1,500,189,597
	Doreen Hotels and Resorts Ltd.		1,574,000,000	-
	Summit Narayanganj Power Unit II Limited		1,180,500,000	-
	Hilful Fuzul Samaj Kalyan Sangstha		1,053,788,869	1,150,844,036
			<u>23,619,442,814</u>	<u>20,098,816,416</u>
7.5	Particulars of Loans, Advances and leases			
a)	Loan considered good in respect of which the FI is fully secured		7,432,468,025	9,183,276,437
b)	Loan considered good in respect of which the FI is partially secured		33,584,106,821	27,780,312,686
c)	Loan considered good for which the FI holds no other security than the debtor's personal security.		-	-
d)	Loan considered good for which the FI holds no other security than the debtor's personal security.		-	-
e)	Loan considered good and secured by the personal security of one of more parties in addition to the personal security of the debtors.		-	-
f)	Loan adversely classified for which no provision is created.		-	-
			<u>41,016,574,846</u>	<u>36,963,589,123</u>
g)	Loan due by directors or officers of the FI or any of them either separately of jointly with any other persons.		48,964,803	9,980,246
h)	Loan due by companies and firms in which the directors of the FI have interest as directors, partners or managing agent or in case of private companies as members.		-	-
i)	Maximum total amount of advances including temporary advances made at any time during the year to directors and managers or officers of the FI or any of them either severally or jointly with any other persons.		-	-
j)	Maximum total amount of advances including temporary advances made at any time during the year to the companies or firms in which the directors of the FI have interest as directors partners r managing agents or in case of private companies as members.		-	-
k)	Due from other Bank/FI companies.		-	-
l)	Classified loans advances and leases		-	-
i)	Classified loans, advances and leases on which interest has not been charged		1,479,242,638	171,615,604
ii)	Provision on doubtful loans, advances and leases		109,847,514	3,489,390



	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
	Provision on bad loans, advances and leases	1,112,567,682	164,636,824
	Total provisions charged during the year	1,222,415,197	168,126,214
iii)	Amount written off loans, advances and leases	-	-
	Total amount realized against loans and leases previously written off	-	-
iv)	Provision kept against loans and advances classified as bad debts	-	-
v)	Interest credited to Interest Suspense Account	376,181,954	752,573,910
vi)	Cumulative amount of written off loans, advances and leases		
	Opening Balance	-	-
	Amount written off during the year	111,510,936	-
		111,510,936	-
7.6	Maturity grouping of loans and advances		
	Upto one month	487,742,250	106,287,447
	More than one month but less than three months	1,737,791,081	2,839,859,564
	More than three months but less than one year	7,425,372,828	8,494,204,903
	More than one year but less than five years	24,490,157,855	19,791,355,619
	More than five years	6,875,510,831	5,731,881,589
		41,016,574,846	36,963,589,123
7.7	Disclosure for significant concentration		
a)	Advances to allied concerns of Directors	-	-
b)	Advances to Chief Executive and other executives	48,964,803	9,980,246
c)	Advances to customers' group	-	-
	i) Power	2,319,973,171	9,281,662,531
	ii) Ports	844,255,889	94,511,301
	iii) Telecommunication	91,777,673	490,292,224
	iv) IT and services	349,657,828	139,375,090
	v) Renewable energy	24,490,121,939	25,746,427,820
d)	Industrial loans	-	-
e)	Hotel & Resorts	1,601,903,345	-
f)	Healthcare	79,946,966	-
g)	Other loans	1,189,973,232	1,201,339,910
		41,016,574,846	36,963,589,123
7.8	Geographical Location - wise Loans and Advances		
	Inside Bangladesh	41,016,574,846	36,963,589,123
	Dhaka Region	15,345,973,051	12,889,619,030
	Chittagong Region	9,003,705,596	9,032,519,606
	Khulna Region	3,989,936,253	3,871,685,952
	Rajshahi Region	1,597,767,478	1,749,332,738
	Barisal Region	6,013,021,164	4,213,881,221
	Rangpur	1,682,903,884	1,896,882,380
	Sylhet Region	3,383,267,420	3,309,668,195
	Outside Bangladesh	-	-
		41,016,574,846	36,963,589,123

			Notes	Amount in Taka	
				31-Dec-16	31-Dec-15
7.9	Classification of loans and advances				
	Unclassified:				
	Standard			35,553,188,146	33,583,357,726
	Special Mention Account			1,587,244,500	1,079,963,725
				37,140,432,646	34,663,321,451
	Classified:				
	Sub-Standard			2,396,899,562	2,128,652,068
	Doubtful			238,471,197	6,978,780
	Bad or loss			1,240,771,441	164,636,824
				3,876,142,200	2,300,267,672
				41,016,574,846	36,963,589,123
7.9.1	Particulars of required provision for loans and advances				
	Status	Base for provision	Rate (%)		
	General provision	37,096,022,356			
	Standard loans/ advances*	35,306,560,385	1%	353,065,604	330,486,561
	Interest receivable on standard loan	246,627,761	1%	2,466,278	2,768,555
	Special mention account(SMA)	1,542,834,210	5%	77,141,710	53,998,186
				432,673,592	387,253,302
	Specific provision	3,512,246,577			
	Sub-standard	2,179,983,866	20%	435,996,773	425,730,414
	Doubtful	219,695,029	50%	109,847,514	3,489,390
	Bad/loss	1,112,567,682	100%	1,112,567,682	164,636,824
				1,658,411,970	593,856,628
	Total provision required as on 31 December			2,091,085,562	981,109,929
	Movement of provision of loans and advances				
	Balance as on 01 January 2016			981,109,929	758,029,711
	Provision made during the year			1,221,486,568	223,080,218
	Adjustment during the year			(111,510,935)	-
	Balance as on 31 December			2,091,085,562	981,109,929
7.10	Net Loans and advances				
	Closing outstanding balance			41,016,574,846	36,963,589,123
	Less: Interest suspense (Note 11.3)			(408,198,395)	(359,179,529)
	Provision for loans and advances (Note 7.6.1, 11.5)			(2,091,085,562)	(981,109,929)
	Net loans and advances			38,517,290,889	35,623,299,693
7.11	Disclosure of disbursement of loan from donor funded projects during the year				
A.	PSIDP and REREDP funded by IDA			Annex -A	
	Loan extended from reflows under PSIDP (Credit No. 2995-BD)			498,391,724	-
	Loan extended from reflows under REREDP (Credit No. 3679-BD)			273,974,322	237,200,000
	Sub Total			772,366,046	237,200,000



		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
B.	REREDP-II funded by IDA (Credit # 5158)	Annex -B		
	a) Refinancing to Partner Organizations (POs)		-	10,634,315
	b) Loan to other renewable projects		148,157,378	147,279,396
	Sub Total		148,157,378	157,913,711
C.	Additional REREDP-II funded by IDA (Credit # 5514)	Annex-C		
	Refinancing to Participating Organizations (POs)		1,688,997,828	3,101,397,086
	Loan to other renewable energy projects		-	-
	Sub Total		1,688,997,828	3,101,397,086
D.	PPIDF funded by ADB (Loan No. 2453-BAN)	Annex-D		
	Refinancing to POs under Renewable Energy Project (REP)		-	-
	Sub Total		-	-
	PPIDF funded by ADB (Loan No. 2454-BAN)	Annex-D		
	Loan to large infrastructure projects (LIP)		-	2,334,000,000
	Sub Total		-	2,334,000,000
E	PPIDF funded by ADB (Loan No. 3045-BAN)	Annex-E		
	Loan to large infrastructure projects (LIP)		3,546,000,000	1,944,750,000
	Sub Total		3,546,000,000	1,944,750,000
	PPIDF funded by ADB (Loan No. 3046-BAN)	Annex-E		
	Refinancing to POs under Renewable Energy Project (REP)		73,707,291	479,355,172
	Sub Total		73,707,291	479,355,172
F.	REDP funded by JICA (Loan# BD-P75)	Annex-F		
	Refinancing to Participating Organizations (POs)		28,496,838	2,279,320,143
	Loan to other renewable energy projects		117,267,241	38,774,963
	Sub Total		145,764,079	2,318,095,106
	Grand Total		6,374,992,622	10,572,711,075
8	Fixed assets including land, building, furniture and fixtures			
	Cost			
	Opening balance on 1 January 2016		132,186,694	107,909,410
	Add: Purchased during the year		18,650,613	25,355,458
	Less: Disposal during the year		-	(1,078,174)
	Closing balance on 31 December		150,837,307	132,186,694
	Depreciation			
	Opening balance on 1 January 2016		66,467,188	51,770,033
	Add: Charged during the year		13,804,452	15,557,695
	Less: Adjustment during the year		-	(860,540)
	Accumulated balance on 31 December		80,271,640	66,467,188
	Written Down Value		70,565,667	65,719,507

Details of fixed assets are given in **Annexure -G**

		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
9	OTHER ASSETS			
	Advances, deposits and prepayments	9.1	91,299,550	112,801,277
	Advance income tax	9.2	1,776,719,649	2,919,328,618
	Accounts receivables	9.3	701,732,078	472,939,754
	Deferred Tax Asset	9.4	6,602,887	2,327,393
			<u>2,576,354,164</u>	<u>3,507,397,043</u>
9.1	Advances, deposits and prepayments			
	Advance:			
	Advance for SHS project		5,129,502	10,619,578
	Advance NDBMP project expense		4,126,072	29,950,612
	Advance under PUREP		177,220	177,220
	Advance under GPOBA II		5,763,175	-
	Advance for other RE projects		125,118	69,458
	Advance for training		809,615	-
	Advance for travelling		5,499,742	-
	Advance subsidy- NDBMP		22,640,558	33,923,188
	Advance for Land		18,301,800	
	Book for project finance course		685,365	845,490
	Corporate advisory advance		147,000	-
	Directors remuneration		140,000	70,000
	ELIB project expenses		-	-
	Rental advance		6,518,437	9,416,384
	Salary advance		17,333	1,001
	Advance against training /travelling expenses		20,080,291	22,024,290
	Advance for ICS Program		412,278	-
	Advance for corporate advisory service & others		-	173,859
	Others		726,044	5,530,198
			<u>91,299,550</u>	<u>112,801,277</u>
9.2	Advance income tax			
	Opening balance		2,919,328,618	1,818,256,191
	Add: Advance tax (Including TDS) paid during the year		1,144,202,528	1,118,145,380
	Less: Adjustment with Provision for Tax		(2,286,811,497)	(17,072,953)
			<u>1,776,719,649</u>	<u>2,919,328,618</u>
9.2.1	Assessment year wise break up:			
	AY 2014-2015		-	862,520,545
	AY 2015-2016		28,651,206	1,437,352,251
	AY 2016-2017		619,455,822	619,455,822
	AY 2017-2018		1,128,612,621	-
			<u>1,776,719,649</u>	<u>2,919,328,618</u>
9.3	Accounts receivables			
	Administration fees under renewable energy projects		31,819,465	1,476,985
	Fees and other receivable from infra. Project		3,389,371	3,449,436
	Fees and other receivable from advisory services		32,500	182,500
	Interest receivable on fixed deposit (FDR)		393,869,844	337,111,040
	Other receivables		16,896,677	21,611,140
	Receivable under RE projects		255,709,221	105,823,856
	Training fees receivable		15,000	15,000
	Receivable under REP-RO	9.3.1	-	3,269,796
			<u>701,732,078</u>	<u>472,939,754</u>



		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
9.3.1	Receivable under REP -Regional Office (RO)			
	Receivable under REP-Barguna		-	219,291
	Receivable under REP-Brahmanbaria		-	304,457
	Receivable under REP-Bogra		-	225,549
	Receivable under REP- Barisal		-	244,559
	Receivable under REP-Chittagong		-	395,687
	Receivable under REP-Dhaka		-	212,201
	Receivable under REP-Dhaka-Biogas		-	154,095
	Receivable under REP-Faridpur		-	237,941
	Receivable under REP-Khulna		-	265,222
	Receivable under REP-Laxmipur		-	255,464
	Receivable under REP-Mymensingh		-	304,839
	Receivable under REP-Rangpur		-	183,063
	Receivable under REP-Sunamgonj		-	267,428
			-	3,269,796
9.4	Deferred tax			
	Opening balance Jan 01		2,327,393	6,070,434
	Provision/(reversal) during the year		4,275,494	(3,743,041)
	Closing balance	Annex-G	6,602,887	2,327,393

10 Borrowings from other banks, financial institutions and agents

Inside Bangladesh

Unsecured long-term loans from the Government of Bangladesh

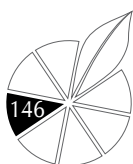
IDA financing under PSIDP- (Credit# 2995)	10.1	6,133,953,587	5,635,561,863
IDA financing under REREDP	10.2	29,431,252,048	27,769,710,495
ADB financing under PPIDF (Loan # 2453, 2454, 3045 & 3046)	10.3	18,037,217,497	14,717,132,517
IDB financing under REP (Credit # 151)	10.4	1,051,419,574	1,135,432,224
KfW financing under NDBMP (Credit # 2006.65.612)	10.5	259,879,471	259,879,471
JICA financing under REDP (Credit # P 75)	10.6	6,876,772,605	6,394,118,552
		61,790,494,782	55,911,835,122
Outside Bangladesh		-	-
		61,790,494,782	55,911,835,122

Abbreviations

IDA : International Development Association (The World Bank)
PSIDP : Private Sector Infrastructure Development Project
REREDP : Rural Electrification and Renewable Energy Development Project
ADB : Asian Development Bank
PPIDF : Public-Private Infrastructure Development Facility
IDB : Islamic Development Bank
KfW : German Development Bank
NDBMP : National Domestic Biogas and Manure Programme

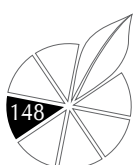
10.1	IDA financing under PSIDP (Credit # 2995)		
	Balance at Jan 01	5,635,561,863	5,635,561,863
	Add: Drawdown made during the year	498,391,724	-
		6,133,953,587	5,635,561,863
	Less: Repayment made during the year	-	-
	Balance at December 31	6,133,953,587	5,635,561,863

		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
10.2	IDA financing under REREDP			
	IDA credit # 4643	10.2a	4,979,743,917	5,362,359,221
	IDA credit # 3679	10.2b	2,111,132,700	1,837,158,378
	IDA credit # 5013	10.2c	9,270,489,433	9,270,489,433
	IDA credit # 5158	10.2d	8,279,491,084	8,198,306,377
	IDA credit # 5514	10.2e	4,790,394,914	3,101,397,086
			<u>29,431,252,048</u>	<u>27,769,710,495</u>
10.2a	IDA credit # 4643			
	Balance at Jan 01		5,362,359,221	5,744,974,525
	Add: Drawdown made during the year		-	-
			<u>5,362,359,221</u>	<u>5,744,974,525</u>
	Less: Repayment made during the year		(382,615,304)	382,615,304
	Balance at December 31		<u>4,979,743,917</u>	<u>5,362,359,221</u>
10.2b	IDA credit # 3679			
	Balance at Jan 01		1,837,158,378	1,599,958,378
	Add: Drawdown made during the year		273,974,322	237,200,000
			<u>2,111,132,700</u>	<u>1,837,158,378</u>
	Less: Repayment made during the year		-	-
	Balance at December 31		<u>2,111,132,700</u>	<u>1,837,158,378</u>
10.2c	IDA credit # 5013			
	Balance at Jan 01		9,270,489,433	9,270,489,433
	Add: Drawdown made during the year		-	-
			<u>9,270,489,433</u>	<u>9,270,489,433</u>
	Less: Repayment made during the year		-	-
	Balance at December 31		<u>9,270,489,433</u>	<u>9,270,489,433</u>
10.2d	IDA credit # 5158			
	Balance at Jan 01		8,198,306,377	8,040,392,666
	Add: Drawdown made during the year		81,184,707	157,913,711
			<u>8,279,491,084</u>	<u>8,198,306,377</u>
	Less: Repayment made during the year		-	-
	Balance at December 31		<u>8,279,491,084</u>	<u>8,198,306,377</u>
10.2e	GoB Loan RERED-II (AF) - IDA 5514			
	Balance at Jan 2016		3,101,397,086	-
	Add: Drawdown made during the year		1,688,997,828	3,112,031,401
			<u>4,790,394,914</u>	<u>3,112,031,401</u>
	Less: Repayment made during the year (adjustment)		-	10,634,315
	Balance at December 31		<u>4,790,394,914</u>	<u>3,101,397,086</u>
10.3	ADB financing under PPIDF (Loan # 2453 & 2454)			
	ADB credit # 2453 -REP	10.3a	5,733,442,481	5,733,442,481
	ADB credit # 2453 -SMIP	10.3b	345,249,165	345,249,165
	ADB credit # 2454 -LIP	10.3c	5,891,670,880	6,118,085,900
	ADB credit # 3045 -OCR	10.3d	5,509,000,000	1,962,500,000
	ADB credit # 3046 -SF	10.3e	557,854,971	557,854,971
			<u>18,037,217,497</u>	<u>14,717,132,517</u>



	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
10.3a	ADB credit # 2453 -REP		
	Balance at Jan 01	5,733,442,481	5,733,442,481
	Add: Drawdown made during the year	-	-
		5,733,442,481	5,733,442,481
	Less: Repayment made during the year	-	-
	Balance at December 31	5,733,442,481	5,733,442,481
10.3b	ADB credit # 2453 -SMIP		
	Balance at Jan 01	345,249,165	345,249,165
	Add: Drawdown made during the year	-	-
		345,249,165	345,249,165
	Less: Repayment made during the year	-	-
	Balance at December 31	345,249,165	345,249,165
10.3c	ADB credit # 2454 -LIP		
	Balance at Jan 01	6,118,085,900	6,274,630,808
	Add: Drawdown made during the year	-	6,939,254
		6,118,085,900	6,281,570,062
	Less: Repayment made during the year	(240,561,924)	217,004,144
	Add: Fair value adjustment (exchange loss)	14,146,904	53,519,982
	Balance at December 31	5,891,670,880	6,118,085,900
10.3d	ADB credit # 3045 -OCR		
	Balance at Jan 01	1,962,500,000	-
	Add: Drawdown made during the year	3,546,000,000	1,953,150,000
		5,508,500,000	1,953,150,000
	Less: Repayment made during the year	-	-
	Add: Fair value adjustment (exchange loss)	500,000	9,350,000
	Balance at December 31	5,509,000,000	1,962,500,000
10.3e	ADB credit # 3046 -SF		
	Balance at Jan 01	557,854,971	-
	Add: Drawdown made during the year	-	557,854,971
		557,854,971	557,854,971
	Less: Repayment made during the year	-	-
	Balance at December 31	557,854,971	557,854,971
10.4	IDB financing under REP (Credit # 151)		
	Balance at Jan 01	1,135,432,224	1,219,444,874
	Add: Drawdown made during the year	-	1,062,975
		1,135,432,224	1,220,507,849
	Less: Repayment made during the year	(84,012,650)	85,075,625
	Less: Fair value adjustment	-	-
	Balance at December 31	1,051,419,574	1,135,432,224
10.5	KfW financing under NDBMP (Credit # 2006.65.612)		
	Balance at Jan 01	259,879,471	259,879,471
	Add: Drawdown made during the year	-	-
		259,879,471	259,879,471
	Less: Repayment made during the year	-	-
	Balance at December 31	259,879,471	259,879,471

		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
10.6	JICA financing under REDP (Credit # P 75)			
	Balance at Jan 01		6,394,118,552	5,015,765,990
	Add: Drawdown made during the year		482,654,053	1,533,028,270
			6,876,772,605	6,548,794,260
	Less: Repayment made during the year		-	154,675,710
	Add: Fair value adjustment		-	-
	Balance at December 31		6,876,772,605	6,394,118,552
10.7	Maturity-wise grouping			
	Upto one month		-	-
	More than one month but less than three months		264,318,529	111,960,972
	More than three months but less than six months		816,283,185	333,843,704
	More than six months but less than one year		2,459,743,478	1,275,626,429
	More than one year but less than five years		17,413,937,940	14,711,738,134
	More than five years but less than ten years		30,860,487,477	30,835,762,276
	More than ten years		9,975,724,173	8,642,903,607
			61,790,494,781	55,911,835,122
11	OTHER LIABILITIES			
	Payable and accrued expenses	11.1	992,049,579	816,817,469
	Provision for income tax	31	1,714,937,327	2,855,543,832
	Employees' gratuity fund	11.2	14,850,839	2,710,930
	Interest suspense account	11.3	408,198,395	359,179,529
	Provision for loans and advances	30	2,091,085,562	981,109,929
	Grant assets received from donors	11.4	44,641,224	36,499,769
	Unearned Revenue- Monitoring Fees- MPL		-	237,361
	Provisions other than loans		685,365	2,765,289
	Dividend payable		-	340,000,000
			5,266,448,272	5,394,864,108
11.1	Payable and accrued expenses			
	Interest payable to GoB	11.1a	348,573,964	320,874,098
	REREDP PO's deposit (Loan # 3679)		127,298,358	78,713,780
	Initial deposit under REREDP (Loan # IDA - 5158)		153,493,602	125,910,495
	Security deposit from POs under NDBMP project		19,508,899	17,967,399
	Other payables		17,822,534	166,307,970
	SHS maintenance expenses -Disaster		3,852,610	2,005,530
	Income tax and VAT payable		1,615,509	-
	Initial deposit under REREDP (Loan # IDA 5514)		319,139,598	103,885,926
	Payable under corporate advisory service		25,048	525,048
	Payable to IDCOL Staffs		148,207	627,223
	Audit fee		258,750	-
	Credit Rating fee		312,500	-
			992,049,579	816,817,469
11.1a	Interest payable to GoB			
	Interest payable to GoB - PPIDF (Credit # 2453 & 2454)	11.1a.1	118,169,724	110,152,529
	Interest payable to GoB - REREDP	11.1a.2	138,809,637	136,792,016
	Interest payable to GoB - IDB (Credit # 151)		1,489,513	1,608,529
	Interest payable to GoB - JICA (Credit # P 75)		59,025,630	54,581,072
	Interest payable to GoB - OCR & SF (Credit # 3045 & 3046)		18,364,077	8,084,127
	Commitment Charge payable and others		12,715,383	9,655,825
			348,573,964	320,874,098



	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
11.1a.1	Interest payable to GoB - PPIDF (Credit # 2453 & 2454)		
	Payable against Credit # 2453 -SMIP	5,178,739	5,178,743
	Payable against Credit # 2453 -REP	79,224,488	79,224,484
	Payable against Credit # 2454 -LIP	33,766,497	25,749,302
		<u>118,169,724</u>	<u>110,152,529</u>
11.1a.2	Interest payable to GoB - REREDP		
	Payable against Credit # 4643	19,504,003	21,002,580
	Payable against Credit #5013	36,309,415	36,309,416
	Payable against Credit # 5158	75,733,141	74,931,106
	Payable against Credit # 5514	7,263,078	4,548,914
		<u>138,809,637</u>	<u>136,792,016</u>
11.2	Employees' gratuity fund		
	Balance at Jan 01	2,710,930	14,283,373
	Add: Provision made during the year	14,850,839	9,018,971
		<u>17,561,769</u>	<u>23,302,344</u>
	Less:		
	Settlement made during the year	-	-
	Transfer to BoT	2,710,930	20,591,414
		<u>2,710,930</u>	<u>20,591,414</u>
		<u>14,850,839</u>	<u>2,710,930</u>
11.3	Interest suspense account		
	Balance as on Jan 01	359,179,529	130,446,324
	Add: Amount transferred to "Interest Suspense" A/c during the year	376,181,954	752,573,910
		<u>735,361,483</u>	<u>883,020,234</u>
	Less: Transferred to Income during the year	(327,163,088)	(523,840,705)
	Amount waived/written off during the year	-	-
		<u>408,198,395</u>	<u>359,179,529</u>
11.4	Grant assets received from donors		
	Balance as on 1 January (Written Down Value)	36,499,769	22,432,486
	Add: Assets received during the year	17,291,272	24,259,698
		<u>53,791,041</u>	<u>46,692,184</u>
	Less: Amortization/disposal made during the year	(9,149,817)	(10,192,415)
		<u>44,641,224</u>	<u>36,499,769</u>
	<i>Donor Wise disclosures of cumulative grant assets</i>		
	Grant assets received from:		
	The World Bank	75,303,125	58,011,853
	KfW-NDBMP	4,125,239	1,221,623
	SNV - Netherlands Development Organization	1,221,623	4,125,239
	Total value at cost (a)	<u>80,649,987</u>	<u>63,358,715</u>
	Accumulated amortization:		
	The World Bank	32,231,280	23,393,265
	KfW-NDBMP	3,012,019	614,359
	SNV - Netherlands Development Organization	765,463	2,851,322
	Total amortization (b)	<u>36,008,762</u>	<u>26,858,946</u>
	Written down value (a - b)	<u>44,641,225</u>	<u>36,499,769</u>

12 Paid-up Capital

Authorized capital:

50,000,000 Ordinary shares @ Tk. 100 each

Issued, subscribed and paid-up capital

50,000,000 shares @ Taka 100 each

Detail of shareholding position of the company

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
Paid-up Capital			
Authorized capital:			
50,000,000 Ordinary shares @ Tk. 100 each		5,000,000,000	5,000,000,000
Issued, subscribed and paid-up capital			
50,000,000 shares @ Taka 100 each		5,000,000,000	5,000,000,000
Detail of shareholding position of the company			

Name of shareholders	No. of shares as at December 31, 2016	No. of shares as at December 31, 2015	Paid up capital as at December 31, 2016	Paid up capital as at December 31, 2015
Economic Relations Division (ERD), Ministry of Finance, Government of the People’s Republic of Bangladesh	49,999,000	49,999,000	4,999,900,000	4,999,900,000
Mohammad Mejbahuddin	550	550	55,000	55,000
Dr. Nasiruddin Ahmed	50	50	5,000	5,000
Md. Mozammel Haque Khan	50	50	5,000	5,000
Ghulam Hussain	50	50	5,000	5,000
Nazrul Islam Khan	50	50	5,000	5,000
Nihad Kabir	50	50	5,000	5,000
Monowar Islam ndc	50	50	5,000	5,000
Abdul Haque	50	50	5,000	5,000
Waliur Rahman Bhuiyan	10	10	1,000	1,000
Mahmood Malik	40	40	4,000	4,000
Mahbub Ahmed	50	-	5,000	-
Fazle Kabir ndc	-	50	-	5,000
	50,000,000	50,000,000	5,000,000,000	5,000,000,000

13 Income Statement

Income

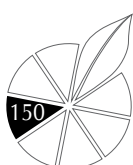
Interest and similar income (Note-14)	14	4,126,765,790	4,128,410,561
Investment income (Note-16)	16	-	-
Fees and commission (Note-17)	17	203,918,130	125,291,906
Other Operating income (Note-18)	18	178,332,691	69,995,070
		4,509,016,611	4,323,697,536

Expenses

Interest on deposits and borrowings (Note-15)	15	1,538,747,109	1,373,240,886
Administrative expenses (Note-19-26)	19-26	109,913,573	93,295,940
Other Operating expenses (Note-28)	28	85,264,176	91,273,808
Depreciation on Assets (Note-27)	27	13,804,452	15,557,695
		1,747,729,310	1,573,368,329
		2,761,287,301	2,750,329,207

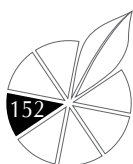
14 Interest Income

Interest on loans and advances	14.1	2,396,694,352	2,306,493,024
Interest on balance with other banks & financial institutes	14.2	1,730,071,438	1,821,917,536
		4,126,765,790	4,128,410,561



		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
14.1	Interest Income on loans and advances			
	Interest on Infrastructure loan	14.1.1	738,100,526	481,782,253
	Interest on Renewable Energy Project loan	14.1.2	1,656,652,191	1,822,399,806
	Interest on bridge financing		406,549	1,861,589
	Interest on employee car loan & home loan		1,535,086	449,376
			<u>2,396,694,352</u>	<u>2,306,493,024</u>
14.1.1	Interest Income on Infrastructure loan			
	Interest income-Infra-LIP		644,710,748	402,334,523
	Interest income-Infra-SMIP		90,152,571	79,447,730
	Interest income-Infra-PPP		3,237,207	-
			<u>738,100,526</u>	<u>481,782,253</u>
14.1.2	Interest Income on Renewable Energy Project loan			
	Interest on SHS project		1,597,722,624	1,753,620,032
	Interest on Biogas project		19,897,509	20,220,046
	Interest on Other renewable energy project		39,032,058	48,559,728
			<u>1,656,652,191</u>	<u>1,822,399,806</u>
14.2	Interest on balance with other bank & FIs			
	Interest on short term bank deposit		10,802,890	14,102,964
	Interest on fixed deposit		1,718,791,777	1,802,114,662
	Interest on call money lending		476,771	5,699,910
			<u>1,730,071,438</u>	<u>1,821,917,536</u>
15	Interest on deposits, borrowings etc.			
	Borrowing cost under REREDP	15.1	835,664,098	748,766,133
	Borrowing cost under PPIDF	15.2	462,252,538	405,247,938
	Borrowing cost under IDB (Credit # 151)		33,871,071	36,331,833
	Borrowing cost under JICA (Credit # P 75)		206,959,402	182,894,982
			<u>1,538,747,109</u>	<u>1,373,240,886</u>
15.1	Borrowing cost under REREDP			
	Interest against Credit # 4643		159,119,995	170,342,899
	Interest against Credit #5013		282,749,927	281,977,386
	Interest against Credit # 5158		255,835,165	253,239,038
	Interest against Credit # 5514		137,959,011	43,206,810
			<u>835,664,098</u>	<u>748,766,133</u>
15.2	Borrowing cost under PPIDF			
	Borrowing cost under PPIDF (Credit # 2453 & 2454)	15.2.1	397,976,322	369,554,899
	Borrowing cost under PPIDF II (Credit # 3045 & 3046)	15.2.2	64,276,216	35,693,039
			<u>462,252,538</u>	<u>405,247,938</u>
15.2.1	Borrowing cost under PPIDF (Credit # 2453 & 2454)			
	Interest against Credit # 2453 -SMIP		17,550,162	17,502,211
	Interest against Credit # 2453 -REP		268,482,948	267,749,388
	Interest against Credit # 2454 -LIP		111,943,212	84,303,300
			<u>397,976,322</u>	<u>369,554,899</u>

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
15.2.2	Borrowing cost under PPIDF II (Credit # 3045 & 3046)		
	Interest against Credit # 3045 - OCR	38,445,112	14,779,698
	Interest against Credit # 3046 -SF	17,014,573	3,841,313
	Commitment charge against Credit # 3045 - OCR	8,816,531	17,072,028
		64,276,216	35,693,039
16	Investment income		
	Orascom Telecom Bond	-	-
		-	-
17	Fees, Commission & Brokerage		
	Fees income from renewable energy project	17.1 102,701,058	38,169,850
	Fees income from Infra project	17.2 98,845,239	83,587,336
	Income from advisory services	2,371,833	3,534,720
		203,918,130	125,291,906
17.1	Fees income from renewable energy project		
	Fees for administering SHS program - CDM	39,727,940	-
	Fees for administering SHS program - GIZ	-	383,142
	Fees for administering SHS program - DFID	25,848,518	23,993,410
	Fees for administering SHS program - REREDP II	-	1,011,440
	NDBMP administration fees - SNV and KfW	5,987,120	12,156,858
	Fees for administering ICS-World Bank	30,342,480	-
	Enlistment of RE equipment	795,000	625,000
		102,701,058	38,169,850
17.2	Fees income from Infra project		
	Participation & arrangement fees	3,362,500	-
	Loan application, processing & documentation fees	2,561,250	677,100
	Due diligence fees	12,442,448	10,067,500
	Commission income	482,586	-
	Commitment charges	2,454,663	18,571,913
	Waiver, cancellation & prepayment fees	3,677,700	38,041,041
	Upfront fees	54,219,398	-
	Agency & monitoring Fees	19,644,694	16,229,782
		98,845,239	83,587,336
18	Other operating income		
	Exchange gain	23,231,502	30,984,439
	Deferred Income (Grant Income)	9,149,817	10,192,415
	Others	145,951,372	28,818,216
		178,332,691	69,995,070
19	Salary and allowances		
	Salary and allowances	67,545,915	59,736,497
	Gratuity	6,376,769	4,678,482
		73,922,684	64,414,979

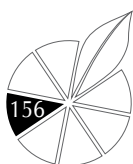


	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
20 Rent, taxes, insurance and electricity			
Rent		3,368,472	3,307,691
Insurance premium		933,242	768,095
Electricity & Utilities		708,168	920,358
Holding tax		554,535	254,914
		5,564,417	5,251,058
21 Legal expenses			
Professional and legal fees		3,508,043	368,000
		3,508,043	368,000
22 Postage, stamp, telecommunication, etc.			
Postage and courier		34,108	6,590
Telephone, Fax and E-mail		891,212	1,268,193
		925,320	1,274,783
23 Stationery, printing, advertisements, etc.			
Printing and stationeries		2,922,208	1,755,091
Marketing, promotion & Business dev. Exp.		9,340,888	7,213,359
Advertisement		1,233,269	699,270
		13,496,365	9,667,720
24 Chief Executive's salary and benefits			
Salary		6,380,829	4,131,418
Allowances		2,625,895	4,415,516
Bonus		1,393,974	674,475
Company's contribution to provident fund		638,083	1,413,137
		11,038,781	10,634,546
25 Directors' fees			
Honorarium for attending board meetings		998,881	1,070,000
Incidental expenses for attending meeting		154,332	160,500
		1,153,213	1,230,500
Directors' remuneration for attending each board meeting during the year was Tk. 10,000 per Director.			
26 Auditors' fees			
		304,750	454,354
		304,750	454,354
27 Depreciation and repair of Company's assets			
Office space		468,969	521,076
Furniture, fixture and decoration		663,868	521,486
Interior decoration at UTC building		1,713,501	2,036,766
Computer & computer equipment		3,787,919	4,374,725
Other office equipment		822,636	592,292
Software		656,576	1,091,070
Vehicle		5,690,983	6,420,279
		13,804,452	15,557,695

		Notes	Amount in Taka	
			31-Dec-16	31-Dec-15
28	Other operating expenses			
	Repair and maintenance		1,511,259	1,283,473
	Maintenance and utility of UTC building		866,851	575,395
	Training and exposure visit		1,288,477	2,574,382
	Bank and other charge		4,157,322	2,907,121
	AGM and Other Meeting expenses		614,681	2,252,916
	Office supplies and maintenance		924,411	984,312
	Conveyance and travelling expense		358,022	250,950
	Seminar, workshop & roadshows		495,912	452,454
	Entertainment		870,592	1,017,962
	Books and periodicals		23,575	125,159
	Vehicle fuel & Maintenance expense		6,315,249	5,691,914
	Recruitment cost		30,000	763,713
	Operations and logistics		1,708,500	1,668,509
	Tuition fee reimbursement		523,541	168,886
	Credit rating expenses		631,945	287,500
	Loss on disposal of fixed assets		-	189,407
	Corporate advisory service expense		-	1,423,948
	Leave Fare Assistance		3,985,761	4,733,385
	Fees to regulatory authorities		4,624,319	305,560
	Stamps and duties		3,210	17,604
	IT & Automation expense		346,325	1,336,141
	Pmt to Intern & Adhoc Employees		40,000	68,668
	Receivables & Principle of loan written off		-	867,700
	Expense for annual review program		4,572,016	3,481,634
	Other office expenses		500,000	125,000
	Provision other than loans		1,556,238	2,765,289
	Amortization expense		-	66,666
	IDCOL contribution under renewable energy Programme	28.1	49,315,970	54,888,161
			85,264,176	91,273,808
28.1	IDCOL contribution under renewable energy programme			
	Salary and allowances	28.3.1	28,850,965	23,048,016
	Monitoring expenditure	28.3.2	589,567	122,434
	Insurance, fees & marketing expenses	28.3.3	2,572,699	1,260,163
	Postage, stamp & telecommunication	28.3.4	934,233	1,317,166
	Stationery, supplies & printing	28.3.5	449,582	820,932
	Other operating expenses	28.3.6	15,918,924	28,319,450
			49,315,970	54,888,161
28.3.1	Salaries and allowances:			
	Salaries and allowances		20,376,895	19,656,390
	Gratuity		8,474,070	3,391,626
			28,850,965	23,048,016
28.3.2	Monitoring expenditure:			
	Physical Verification Exp. (Technical)-REP		589,567	122,434
	Collection Efficiency Monitoring Exp-REP		-	-
			589,567	122,434

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
28.3.3	Insurance, fees & marketing expenses:		
	Insurance	1,811,460	1,104,963
	Advertisement & promotion	761,239	155,200
		<u>2,572,699</u>	<u>1,260,163</u>
28.3.4	Postage, stamp & telecommunication:		
	Postage and courier	37,964	212,480
	Telephone, Fax and Internet	896,269	1,104,686
		<u>934,233</u>	<u>1,317,166</u>
28.3.5	Stationery, supplies & printing:		
	Stationeries & supplies	425,722	658,156
	Printing	23,860	162,776
		<u>449,582</u>	<u>820,932</u>
28.3.6	Other operating expenses:		
	Travelling & Conveyance	356,942	726,459
	Entertainment	458,735	607,275
	Meeting Expenses	170,507	3,898,415
	Repair & Maintenance	84,265	148,377
	Training, workshop & exposure visits	1,393,263	346,235
	Legal and professional fees	5,196,016	8,857,581
	Operations and logistics	86,800	101,450
	Other Expenses	1,418,326	147,462
	Recruitment Cost - REP	340,586	192,875
	Books, Periodicals & Newspaper - REP	12,480	12,504
	Exp for special events under REP	3,398,948	3,677,473
	Research & Development - REP	-	1,013,757
	SHS maintenance expenses -Disaster	1,847,080	7,040,840
	IT & automation Expense	120,750	51,750
	Leave Fair Assistance - REP	1,034,226	1,496,997
		<u>15,918,924</u>	<u>28,319,450</u>
29	Charges on loan losses	-	-
		-	-
30	Provision for loans and advances		
	Balance as on 1 January	981,109,929	747,404,960
	Add: Recoveries of amount previously written off	-	-
	Provision required and made for the year	1,221,486,568	233,704,969
		<u>2,202,596,497</u>	<u>981,109,929</u>
	Less. Written off/waived	111,510,935	-
		<u>2,091,085,562</u>	<u>981,109,929</u>
30.1	Provision for loans and advances		
	General provision	432,673,592	387,253,301
	Specific provision	1,658,411,970	593,856,628
		<u>2,091,085,562</u>	<u>981,109,929</u>
31	Provision for income tax		
	Balance at Jan 1	2,855,543,832	1,725,875,193
	Add: Provision made during the year	1,146,204,992	1,146,741,591
		<u>4,001,748,824</u>	<u>2,872,616,784</u>
	Less: Settlement of previous year's tax liabilities	2,286,811,497	17,072,953
		<u>1,714,937,327</u>	<u>2,855,543,832</u>

	Notes	Amount in Taka	
		31-Dec-16	31-Dec-15
Deferred tax expense	9.4	(4,275,494)	3,743,041
Current tax expense		1,097,042,816	1,146,741,591
Prior year tax		49,162,176	-
Tax expenses		1,141,929,498	1,150,484,632
32 Earnings Per Share (EPS)			
Profit attributable to ordinary shareholders			
Net profit for the year		397,871,235	1,366,139,606
Ordinary shares at 01 January		38,500,000	26,000,000
Bonus shares issued		11,500,000	12,500,000
Total number of shares at 31 December		50,000,000	38,500,000
Weighted average number of ordinary shares		50,000,000	50,000,000
Earnings per share		7.96	27.32
33 Consolidated movement of funds under projects			
Fund inflow			
Long term loans:			
Loan from IDA under PSIDP		6,210,400,000	6,210,400,000
Loan from IDA under REREDP		3,715,076,936	3,715,076,936
Loan from KfW under solar program		5,230,801	5,230,801
Loan from KfW under NDBMP		259,879,471	259,879,471
		10,190,587,208	10,190,587,208
Grants received for project implementation:			
Grant from World Bank (GEF, IDA, GPOBA) under REREDP		2,902,369,144	2,507,122,861
Grant from KfW under solar program		1,178,943,726	1,178,943,726
Grant from GIZ under solar program		1,075,300,229	1,075,300,229
Grant provided under JICA-REDP		193,538,048	154,049,690
Grant provided under ADB-PPIDF		256,712,856	256,712,856
Grant provided WB under USAID		334,997,762	247,792,668
Grant provided WB under BCCRF		392,175,142	84,803,371
Grant provided by DFID		1,597,995,429	1,216,673,629
Grant provided by SREPGen		9,229,200	833,450
Grant received under IDA 5158 (HE)		209,296,764	182,997,905
Grant received under IDA 5158 (AE)		382,416,445	375,298,411
Grant received under IDA 5514 (AE)		76,097,101	13,224,970
Grant from KfW under NDBMP		460,110,439	358,762,875
		9,069,182,285	7,652,516,641
Principal repayment and interest received from projects:			
Principal repaid by the projects financed under PSIDP		4,426,086,099	4,121,440,917
Principal repaid by the projects financed under REREDP		3,370,486,334	3,094,834,619
Interest paid by the projects financed under PSIDP		6,553,371,626	6,335,638,274
Interest paid by the projects financed under REREDP		1,308,686,863	1,283,567,200
		15,658,630,921	14,835,481,010
Interest from bank accounts		38,968,893	28,585,039
		34,957,369,307	32,707,169,898



Notes	Amount in Taka	
	31-Dec-16	31-Dec-15
Fund outflow		
<u>Loans and advances:</u>		
Projects financed under PSIDP	6,210,400,000	6,210,400,000
Loan to POs under REREDP	3,715,065,945	3,715,065,945
Loan to POs under KfW funded solar program	5,230,801	5,230,801
Loan to POs under KfW funded NDBMP	227,578,344	227,578,344
	10,158,275,090	10,158,275,090
<u>Grants utilized for project implementation:</u>		
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP	2,217,019,702	2,207,619,999
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP	541,434,573	388,188,826
KfW grants provided to POs under solar program	954,587,290	954,587,290
KfW grants used for project under solar program	210,758,222	210,758,222
GIZ grants provided to POs under solar program	898,001,844	898,001,844
GIZ grants used for project under solar program	147,676,979	147,676,979
ADB grants provided to POs under PPIDF	201,917,025	201,917,025
ADB grants used for project under PPIDF	54,845,950	54,845,950
JICA grants used for project under REDP	192,417,052	154,049,689
USAID grants provided to POs under REREDP	283,774,520	202,137,844
USAID grants used for project under REREDP	1,963,290	413,341
BCCRF grants provided to sponsors under REREDP	299,914,151	59,990,868
BCCRF grants used for project under REREDP	47,106,928	6,160,225
DFID grants provided to POs under RE	1,406,020,882	1,095,887,687
DFID grants used for project under RE	80,378,774	48,948,931
Grants provided to POs under IDA 5158 (HE)	347,451,517	98,551,905
Grants used for project under IDA 5158 (HE)	82,420,758	58,574,206
Grants used for project under IDA 5158 (AE)	382,416,445	375,298,411
Grants used for project under IDA 5514 (AE)	76,097,101	13,224,970
Grants provided to POs under SREPGen	1,389,432	573,300
Grants used for project under SREPGen	-	-
KfW grants provided to POs under NDBMP	330,698,800	279,905,800
KfW grants used for project under NDBMP	130,659,025	119,984,900
	8,888,950,260	7,577,298,212
<u>On lending by IDCOL from reflows:</u>		
Projects financed from reflows under PSIDP	6,780,796,118	6,280,520,208
Projects financed from reflows under REREDP	2,111,132,700	1,837,158,378
	8,891,928,818	8,117,678,585
Debt service of IDA loans	2,796,571,174	2,560,170,971
Refund, tax and charges	52,173,843	32,781,003
Balance at bank	4,169,470,120	4,260,966,037
	34,957,369,307	32,707,169,898

- 33.1 IDCOL has drawn an amount of USD 80,000,000 as sub loan from the World Bank under IDA Credit No. 2995-BD for financing Meghnaghat 450MW power plant. The loan amount was disbursed to the project company (AES Meghnaghat Ltd.) directly from the World Bank (IDA).

Notes	Amount in Taka	
	31-Dec-16	31-Dec-15

33.2 The World Bank (IDA) and KfW have provided the amount as loan under the project agreements signed among the GoB, donors and IDCOL. This loan is being used for providing refinance to Participating Organizations (POs) under IDCOL solar programme.

33.3 The donors provide two grants, for purchase of SHS: the buy-down grant to lower initial investment cost of SHS (Grant A), and the institutional development grant for institutional development of POs (Grant B). Both the components of grants decline as market expands and becomes commercially viable. In addition to grants for POs, donors also provides grants for project implementation cost which includes; monitoring, supervision, marketing, physical verification of SHS, technical audit, capacity building of POs, consultants' fees, etc.

33.4 Disclosure for balance at bank accounts maintained under projects		
Bd. Bank Repayment account in USD under IDA Credit# 2995-BD	2,054,776,113	2,210,609,544
Bd. Bank Repayment account in BDT under IDA Credit# 2995-BD	20,523	20,523
Janata Bank CONTASA account # 36002116 under GPOBA grants	-	50,964
Bd. Bank Repayment A/c in BDT under IDA Credit# 3679-BD	1,782,996,159	1,857,601,300
Janata Bank EURO account # 208 under KfW fund for solar program	-	9,399
City Bank BDT account # 31001069 under KfW fund for solar program	-	1,097
City Bank BDT account # 31001038 under GIZ fund for solar program SREGEN	1,001	259,226
Janata Bank CONTASA account # 36002256 under IDA 5158 (HE)	13,858,303	26,298,859
Janata Bank CONTASA account # 36002264 under ADB Grant (SF)	-	-
Agrani Bank CONTASA account # 373 under JICA-REDP	1,414,584	30,660
Ruplai Bank CONTASA account # 240000416 under USAID	49,586,921	45,554,136
Agrani Bank CONTASA account # 3791 under DFID	117,343,177	73,821,214
Agrani Bank CONTASA account # 0200002715167 under BCCRF	45,425,826	20,672,584
City Bank BDT account # 3101001984003 under NDBMP	29,504,719	(8,954,440)
Commercial Bank of Ceylon PLC, STD Account# 2809007305	7,905,940	-
Commercial Bank of Ceylon PLC, STD A/C no-2809005803	3,465,547	3,390,438
Trust Bank SND A/C # 0030-0320000426	32,612,574	31,600,533
Janata Bank Ltd.-STD A/C # 010236002347	17,083,342	-
Janata Bank Ltd.-STD A/C # 010236002355	13,475,392	-
Janata Bank CONTASA account # 36002272 under ADB Grant (EF)	-	-
	4,169,470,120	4,260,966,037

33.5 In consolidated movement of funds, amounts are cumulative and foreign currencies (USD and EURO) are converted into equivalent Bangladesh Taka applying exchange rates of BDT 78.70/USD and BDT 82.7373/EURO prevailing at December 31, 2016 and BDT 78.50/USD and BDT 85.2535/EURO prevailing at December 31, 2015.

33.6 General

- Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.
- Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.
- Cash flow statement rearranged, due to reclassification of loans and advances to operating activities from investing activities.

For Infrastructure Development Company Limited

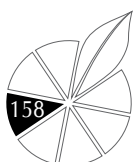

Chairman


Director


Director


Executive Director & CEO


Company Secretary



Infrastructure Development Company Limited

Schedule of Loan disbursement from reflows under PSIDP and REREDP project Funded by IDA

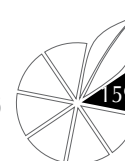
for the year ended December 31, 2016

Loan extended from reflows under PSIDP (IDA- Credit No. 2995-BD)

Name of Sponsor/POs	Project	Amount in Taka	
		2016	2015
Samuda Power Ltd.	Power Plant	35,831,724	-
Doreen Hotels and Resorts Ltd.	Hotels and Resorts	462,560,000	-
Sub Total (a)		498,391,724	-

Loan extended from reflows under REREDP (IDA- Credit No. 3679-BD)

Name of Sponsor/POs	Project	Amount in Taka	
		2016	2015
Baridhara Corporation Ltd.	Auto Bricks	-	30,000,000
NDBMP Refinancing	IDCOL Biogas Program	-	207,200,000
Pretty Autobricks Ltd.	Auto Bricks	83,974,322	-
Electro Group	Battery, Solar & Led & Lights	150,000,000	-
Makhrail Auto Green Bricks Ltd.	Auto Bricks	40,000,000	-
Sub Total (b)		273,974,322	237,200,000
Grand Total (a + b)		772,366,046	237,200,000



Infrastructure Development Company Limited

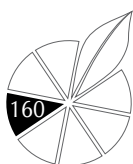
Schedule of Loan disbursement from REREDP- II project

Funded by IDA (Credit # 5158)

for the year ended December 31, 2016

(A) Loan under SHS Program (Cat-1)

SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	HS(Units)	Amount
1	Association for Development Activity of Manifold Social Work	-	-	-	-
2	Al-Falah Aam Unnayan Sangstha	-	-	-	-
3	Atmabiswas Souro Shakti Ltd	-	-	-	-
4	AVA Development Society	-	-	-	-
5	Bright Green Energy Foundation	-	-	-	-
6	Bengal Renewable Energy Limited	-	-	-	-
7	Bangladesh Rural Integrated Development for Grub-Street Economy	-	-	832	9,309,447
8	Clean Energy Foundation	-	-	-	-
9	Centre For Mass Education in Science	-	-	-	-
10	DESHA	-	-	-	-
11	Friends in Village Development	-	-	-	-
12	Green Housing & Energy Limited	-	-	-	-
13	Grameen Shakti	-	-	-	-
14	Hamko Corporation Limited	-	-	-	-
15	Hilful Fuzul Samaj Kalyan Sangstha	-	-	-	-
16	Integrated Development Foundation	-	-	-	-
17	Ingen Technology Ltd.	-	-	-	-
18	Jagorani Chakra Foundation	-	-	-	-
19	MAKS Renewable energy	-	-	-	-
20	NUSRA	-	-	-	-
21	Padakhep Manbik Unnayan Kendra	-	-	-	-
22	PAGE Development Center	-	-	-	-
23	Patakuri Society	-	-	-	-
24	Pally Bikash Kendra	-	-	-	-
25	Palli Daridra Bimochan Foundation	-	-	-	-
26	Polli Shakti Foundation Limited	-	-	-	-
27	Panna Rural Development Foundation	-	-	-	-
28	Resource Development Foundation	-	-	-	-
29	Rural Development Sangstha	-	-	-	-
30	Rural Energy and Development Initiative	-	-	-	-
31	Rimso Foundation	-	-	-	-
32	RISDA Bangladesh	-	-	-	-
33	Rural Services Foundation	-	-	-	-
34	SAIF Powertec Limited	-	-	-	-
35	Sancred Welfare Foundation	-	-	-	-
36	Samaj Unnayan Palli Sangstha	-	-	-	-
37	Shakti Foundation for Disadvantaged Women	-	-	-	-
38	Shubashati	-	-	98	1,324,868



SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	HS(Units)	Amount
39	SolarEn Foundation	-	-	-	-
40	SRIZONY Bangladesh	-	-	-	-
41	Sun Home Energy Limited	-	-	-	-
42	SunRim Energy Limited	-	-	-	-
43	Thengamara Mahila Shabuj Shangha	-	-	-	-
44	United Development Initiatives for Programmed Actions	-	-	-	-
45	Upakulio Biddutayan O Mohila Unnayan Samity	-	-	-	-
Sub Total (A)		-	-	930	10,634,315

(B) Loan to other RE Projects (Cat-1)

SL #	Name of sponsors	Plants	Taka	Plants	Taka
1	AID	-	-	4	5,494,402
2	Ali Nur	-	-	1	1,145,304
2	AVA Solar Minigrd	-	4,425,217	1	15,448,813
3	BGEF Irrigation	13	21,466,741	3	4,695,143
4	GHEL Minigrd	-	1,540,166	15	13,199,502.00
5	GHEL-Irrigation	-	-	-	1,346,115.00
6	Global Resource Augmentation and Management	1	2,336,232	18	6,353,249
7	GRAM Er Alo	-	3,799,453	1	14,995,314
8	Hydron Bangladesh Pvt. Ltd.	-	-	-	-
9	Kazi & Kazi Tea Estate Ltd.	-	3,378,520	1	10,906,370.00
10	Mazand Consortium Ltd.	-	-	5	10,004,660.00
11	Rahimafrooz Renewable Energy Ltd. (RREL)	4	4,088,454	5	5,847,384
12	RDF solar irrigation	39	74,237,767	15	21,597,262
13	RHECO	4	6,186,698	-	-
14	Samaj Unnayan Palli Sangstha	-	-	3	2,661,330.00
15	Survivor's Sancrad Solar System Ltd	-	-	-	-
16	Solar Electro Bangladesh Ltd. (SEBL)	-	-	1	20,518,510
17	Solargao Ltd.	14	6,499,137	14	6,558,199
18	Souro Bangla Ltd.	-	1,806,238	-	4,142,045.00
19	United Integrated Agro Ltd (UIAL)	1	15,125,449	-	-
20	UKAL	1	2,521,704	-	-
21	Zubaida Poultry Ltd	-	745,602	1	2,365,794.00
Sub Total (B)		77	148,157,378	88	147,279,396
Grand Total (A + B)			148,157,378		157,913,711

Refinancing to Participating Organizations (POs)

IDCOL has extended refinancing facility to the POs to the extent of 70%-80% of outstanding loans provided by the PO to the customers/households against installation of SHS. These POs, selected by IDCOL in due process, were found eligible during the audit to receive the refinancing facility as per the project agreements.

Loan to other renewable projects

This represents the amount extended under for financing of Solar PV based small scaled power plants and irrigation pumps under Remote Area Power Supply System. During the period, IDCOL has partially financed some existing solar photovoltaic (PV) based mini grid projects; 2 new bioelectricity plant of UIAL and UKAL along with 2 existing bioelectricity plants and 75 solar PV based irrigation pumps of Bright Green Energy Foundation, Global Resource Augmentation and Management, Solargao Ltd, RHECO, Resource Development Foundation and Rahimafrooz Renewable Energy Ltd. (RREL).

Infrastructure Development Company Limited

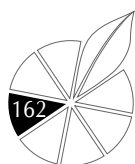
Schedule of Loan disbursement from Additional REREDP- II project

Funded by IDA (Credit # 5514)

for the year ended December 31, 2016

(A) Loan under SHS Program (Cat-1)

SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
1	Association for Development Activity of Manifold Social Work	-	-	-	-
2	Al-Falah Aam Unnayan Sangstha	-	-	294	4,832,416
3	Atmabiswas Souro Shakti Ltd	374	3,823,216	708	8,595,173
4	AVA Development Society	9,247	79,333,402	11,822	121,541,803
5	Bright Green Energy Foundation	5,049	47,101,856	11,468	112,465,431
6	Bangladesh Rural Integrated Development for Grub-Street Economy	-	-	3,231	38,665,418
7	Bengal Renewable Energy Limited	1,153	9,413,694	2,283	20,405,912
8	Clean Energy Foundation	1,006	9,791,731	1,218	12,368,293
9	Center for Development Innovation and Practices	1,067	11,040,160	-	-
10	Centre For Mass Education in Science	417	5,213,708	979	15,101,811
11	DESHA	1,384	12,792,760	3,884	45,061,449
12	ECO-Social Development Organisation	442	5,713,803	-	-
13	Friends in Village Development	913	9,022,834	649	6,959,870
14	Green Housing & Energy Limited	555	5,746,186	1,906	21,869,384
15	Grameen Shakti	65,381	663,684,790	78,269	914,767,200
16	Hamko Corporation Limited	1,609	16,579,299	3,244	33,959,320
17	Hilful Fuzul Samaj Kalyan Sangstha	-	-	-	-
18	Integrated Development Foundation	8,068	70,058,269	11,619	119,025,306
19	Ingen Technology Ltd.	1,233	14,648,984	6,516	76,557,984
20	Jagorani Chakra Foundation	753	7,769,564	1,809	19,265,983
21	MAKS Renewable energy	-	-	309	3,806,034
22	NUSRA	-	-	1,008	11,244,408
23	Padakhep Manbik Unnayan Kendra	476	5,871,021	2,816	38,685,676
24	PAGE Development Center	624	6,911,126	546	6,279,880
25	Patakuri Society	1,005	8,421,249	12,334	120,034,836



SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
26	Pally Bikash Kendra	908	9,540,869	2,591	28,794,294
27	Palli Daridra Bimochan Foundation	1,186	13,514,573	4,780	63,851,213
28	Polli Shakti Foundation Limited	785	7,310,752	916	10,469,327
29	Panna Rural Development Foundation	7,823	68,172,426	11,896	109,207,087
30	Resource Development Foundation	5,605	45,791,899	11,269	105,205,665
31	Rural Development Sangstha	823	6,679,715	1,140	14,505,356
32	Rural Energy and Development Initiative	1,713	16,155,713	4,424	43,209,675
33	Rimso Foundation	5,929	57,213,341	6,277	68,412,702
34	RISDA Bangladesh	3,029	25,872,283	5,836	51,360,967
35	Rural Services Foundation	23,676	209,298,025	27,785	250,865,604
36	SAIF Powertec Limited	9,684	80,984,508	11,387	114,266,055
37	Sancred Welfare Foundation	2,000	24,322,897	2,073	27,290,555
38	Samaj Unnayan Palli Sangstha	2,291	26,033,512	5,063	64,959,844
39	Shakti Foundation for Disadvantaged Women	-	-	312	3,530,327
40	Shubashati	-	-	371	5,081,652
41	SKS Foundation	1,701	18,196,812	-	-
42	SolarEn Foundation	-	-	10,559	116,074,655
43	SRIZONY Bangladesh	-	-	-	-
44	Sun Home Energy Limited	1,929	18,406,144	4,197	43,204,427
45	SunRim Energy Limited	1,095	10,080,892	2,480	25,437,626
46	Thengamara Mahila Shabuj Shangha	503	4,350,700	3,840	35,567,696
47	United Development Initiatives for Programmed Actions	861	37,016,389	1,286	15,305,066
48	Upakulio Biddutayan O Mohila Unnayan Samity	3,466	10,175,984	13,718	152,489,631
49	WAVE Foundation	464	6,942,742	67	814,075
	Sub Total (A)	176,227	1,688,997,828	289,179	3,101,397,086

Refinancing to Participating Organizations (POs)

IDCOL has extended refinancing facility to the POs to the extent of 70%-80% of outstanding loans provided by the PO to the customers/households against installation of SHS. These POs, selected by IDCOL in due process, were found eligible during the audit to receive the refinancing facility as per the project agreements.

Infrastructure Development Company Limited

Schedule of Loan disbursement from PPIDF project

Funded by ADB (Loan # 2453 & 2454)

for the year ended December 31, 2016

Refinancing to POs under Renewable Energy Project (Loan # 2453 -REP)

SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
		-	-	-	-
	Sub Total (a)	-	-	-	-

Loan to Large infrastructure projects (Loan # 2454 -LIP)

SL#	Name of Sponsor		Amount		Amount
1	Regent Energy and Power Ltd.	-	-	-	2,334,000,000
	Sub Total (b)	-	-	-	2,334,000,000

Infrastructure Development Company Limited

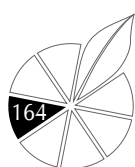
Schedule of Loan disbursement from PPIDF project

Funded by ADB (Loan # 3045 & 3046)

for the year ended December 31, 2016

Refinancing to POs under Renewable Energy Project (Loan # 3046 -Special Operation)

SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
1	RISDA Bangladesh	2,130	17,888,423.00	1,121	10,003,410
2	Padakhep Manbik Unnayan Kendra	36	591,192.00	239	3,032,077
3	Jagorani Chakra Foundation	-	-	380	4,134,999
4	Bengal Renewable Energy Limited (Xenegeia)	43	295,547.00	2,289	21,215,851
5	Thengamara Mahila Shabuj Shangha	-	-	1,118	10,318,187
6	Panna Rural Development Foundation	397	3,337,594.00	2,203	19,350,910
7	Bright Green Energy Foundation	498	4,587,929.00	2,104	21,009,433
8	AVA Development Society	93	651,032.00	1,988	18,472,138



SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
9	Patakuri Society	-	-	3,620	34,101,883
10	Rural Services Foundation	1,159	8,775,650.00	23,719	275,675,806
11	AVA Development Society	-	-	1,248	10,831,722
12	Rural Services Foundation	-	-	2,973	22,932,645
13	Grameen Shakti	1,806	16,480,904.00	3,743	28,276,111
14	Center for Development Innovation and Practices	100	1,052,000.00	-	-
15	Centre For Mass Education in Science	18	211,920.00	-	-
16	DESHA	105	874,241.00	-	-
17	ECO-Social Development Organisation	30	426,104.00	-	-
18	Friends in Village Development	61	558,960.00	-	-
19	Integrated Development Foundation	710	6,267,851.00	-	-
20	Rural Development Sangstha	29	149,200.00	-	-
21	Rural Energy and Development Initiative	131	1,113,877.00	-	-
22	Rimso Foundation	450	3,965,226.00	-	-
23	SAIF Powertec Limited	362	3,043,832.00	-	-
24	Samaj Unnayan Palli Sangstha	95	964,245.00	-	-
25	SKS Foundation	78	835,844.00	-	-
26	Sun Home Energy Limited	48	427,682.00	-	-
27	SunRim Energy Limited	42	372,072.00	-	-
28	WAVE Foundation	60	835,966.00	-	-
Sub Total (a)		8,481	73,707,291	46,745	479,355,172

Loan to Large infrastructure projects (Loan # 3045 -Ordinary Operation)

	Name of Sponsor		Amount		Amount
1	Lakdhanavi Bangla Power Limited	-	-	-	1,158,750,000
2	Summit Alliance Port Limited (SAPL)	-	-	-	786,000,000
3	Summit Barisal Power Limited	-	2,364,000,000	-	-
4	Summit Narayanganj Power Unit II Limited	-	1,182,000,000	-	-
Sub Total (b)		-	3,546,000,000	-	1,944,750,000

Refinancing to POs under ADB Loan # 3045 - Ordinary Operation

During the year, a loan of USD 30 million was made through direct payment to Summit Barisal Power Limited against WA-LI 003 for a 110 MW Heavy Furnace Oil (HFO) based power plant at Ruptali, Barisal and a loan of USD 15 million was made through direct payment to Summit Narayanganj Power Unit II Limited against WA-LI 004 for a 55MW Heavy Furnace Oil (HFO) based power plant at Rupgaonj, Narayanganj. A total of Tk. 7.37 crore was refinanced to 23 POs mentioned above for installation of 8,481 no. of SHS.

Infrastructure Development Company Limited

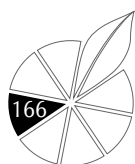
Schedule of Loan disbursement from RED project

Funded by JICA (Loan # BD-P 75)

for the year ended 31 December 2016

Refinancing to Participating Organizations (POs)

SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
01	Association For Development Activity of Manifold Social Work	-	-	-	-
02	Al-Falah Aam Unnayan Sangstha	-	-	181	3,045,944
03	Atmabiswas Souro Shakti Limited	-	-	623	8,488,856
04	AVA Development Society	-	-	6,844	64,455,026
05	Bright Green Energy Foundation	-	-	14,465	149,691,067
06	Bengal Renewable Energy Limited	-	-	3,184	33,412,500
07	Clean Energy Foundation	-	-	377	3,896,609
08	Center for Mass Education in Science	-	-	192	2,869,284
09	DESHA Shechsashebi Artho-Samajik Unnayan O Manobik kallyan Sangstha	-	-	1,609	17,491,474
10	Friends in Village Development Bangladesh (FIVDB)	-	-	349	3,802,331
11	Green Housing & Energy limited	401	4,265,901	-	-
12	Grameen Shakti	-	-	74,745	857,121,682
13	Hamko Corporation Limited	-	-	-	-
14	Hilful Fuzul Samaj Kallyan Sangstha	-	-	-	-
15	Integrated Development Foundation	-	-	3,874	34,065,442
16	Ingen Technology Ltd	-	-	1,790	21,229,452
17	Jagaroni Chakra foundation	-	-	2,111	23,161,483
18	MAKS Renewable Energy Company Limited	-	-	396	4,749,252
19	Network for Universal Services and Rural Advancement	1,605	16,467,417	1,570	17,377,188
20	Page Development Center	-	-	464	5,546,000
21	Padakhep Manabik Unnayan Kendra	-	-	-	-
22	Patakuri Society	-	-	5,314	48,757,318
23	Palli Bikash Kendra	-	-	1,322	14,765,505
24	Palli Daridro Bimochon Foundation	-	-	2,153	26,784,889
25	Padakhep Manabik Unnayan Kendra	-	-	577	8,051,746
26	Panna Rural Development Foundation	-	-	6,659	65,813,923
27	Palli Shakti Foundation Limited	-	-	687	7,219,058
28	Resource Development Foundation	567	7,763,520	9,591	95,415,999
29	Rural Development Sangstha	-	-	590	8,277,757
30	Rural Energy and Development Initiative	-	-	3,098	33,325,879
31	RIMSO Foundation	-	-	4,628	52,596,846
32	RISDA Bangladesh	-	-	3,747	36,017,290
33	Rural Services Foundation	-	-	30,152	314,758,776
34	SAIF Powertech	-	-	3,823	39,164,049
35	Sancred Welfare Foundation	-	-	924	11,635,568



SL#	Name of Participating Organizations	Amount in Taka			
		2016		2015	
		SHS(Units)	Amount	SHS(Units)	Amount
36	Samaj Unnayan Palli Sangstha	-	-	2,484	32,764,119
37	Shakti Foundation For Disadvantages Women	-	-	2,955	32,249,785
38	Shubashati	-	-	-	-
39	SolarEn foundation	-	-	9,107	98,800,396
40	SRIZONY Bangladesh	-	-	-	-
41	Sun Home Energy Limited	-	-	608	6,204,750
42	Sun Rim Energy Limited	-	-	1,200	11,735,535
43	Thengamara Mohila Sabuj Sangstha	-	-	4,829	49,808,581
44	Upakulio Biddutayan O Mohila Unnayan Samity	-	-	1,928	20,655,298
45	United Development Initiatives for Program Actions	-	-	1,129	14,113,486
Sub Total (A)		2,573	28,496,838	210,279	2,279,320,143

Refinancing to Participating Organizations (POs)

IDCOL has extended refinancing facility to the POs to the extent of 70%-80% of outstanding loans provided by the PO to the customers/households against installation of SHS. These POs, selected by IDCOL in due process, were found eligible during the audit to receive the refinancing facility as per the project agreements, during the audit.

(B) Disbursement detail under Solar Irrigation program

SI	Name of PO	Amount in Taka			
		2016		2015	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
1	AVA	-	-	6	5,361,003
2	Solargao Limited	8	7,621,772	-	-
3	RDF-2	2	3,538,887	20	33,413,960
4	GREL	28	13,291,442	-	-
5	AID-3	7	12,277,097	-	-
Sub-total (B)		45	36,729,198	26	38,774,963

This represents the amount extended under for financing of solar irrigation pumps under Remote Area Power Supply System. IDCOL has extended refinancing facility to the POs to the extent of 30% of outstanding loans provided by the PO to the customers against installation of Irrigation Plant. These POs, selected by IDCOL in due process, were found eligible during the audit to receive the refinancing facility as per the project agreements.

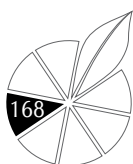
(C) Disbursement detail under Solar Minigrid program

SI	Name of PO	Amount in Taka			
		2016		2015	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
1	Solargao Limited	1	7,874,299	-	-
2	GHEL	1	22,452,593	-	-
3	Parasol	1	21,457,980	-	-
4	Baraka	1	9,366,366	-	-
5	SSREL	1	19,386,805	-	-
Sub-total (C)		5	80,538,043	-	-
Total under Other Renewable Energy program (B + C)			117,267,241		38,774,963
Grand Total (A + B + C)			145,764,079		2,318,095,106

Infrastructure Development Company Limited

Deferred tax assets

Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2016			
Fixed assets including land, building, furniture and fixtures	70,565,667	70,565,667	-
Gratuity provision	14,850,839	-	(14,850,839)
General provision other than loans	685,365	-	(685,365)
Total temporary difference	86,101,871	70,565,667	(15,536,204)
Applicable tax rate			42.5%
Deferred Tax Asset (see note: 9.4)			(6,602,887)
Year: 2015			
Fixed assets including land, building, furniture and fixtures	70,565,668	70,565,668	-
Gratuity provision	2,710,930	-	(2,710,930)
General provision other than loans	2,765,289	-	(2,765,289)
Total temporary difference	76,041,887	70,565,668	(5,476,219)
Applicable tax rate			42.5%
Deferred Tax Asset (see note: 9.4)			(2,327,393)



Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2016

Amount in Taka

Name of assets	Cost				Rate	Depreciation				Adjustment for Asset Written off	Written down value as on 31 December 2016
	Balance as on 1 Jan 2016	Addition during the year	Disposal during the year	Balance as on 31 December 2016		Balance as on 1 Jan 2016	Charged during the year	Adjustments during the year	Balance as on 31 December 2016		
Office space	19,412,311	-	-	19,412,311	10%	14,722,624	468,969	-	15,191,592	-	4,220,719
Furniture, fixture and decoration	8,299,388	677,717	-	8,977,105	10%	2,338,421	663,868	-	3,002,289	-	5,974,816
Interior decoration	23,977,634	-	-	23,977,634	10%	6,842,622	1,713,501	-	8,556,123	-	15,421,511
Computer & computer equipment*	26,123,887	2,106,150	-	28,230,037	30%	15,603,642	3,787,919	-	19,391,561	-	8,838,477
Other office equipment	9,652,719	7,871,746	-	17,524,465	10%	4,887,626	822,636	-	5,710,262	-	11,814,202
Software	6,191,420	-	-	6,191,420	30%	4,002,833	656,576	-	4,659,409	-	1,532,010
Vehicle	38,529,335	7,995,000	-	46,524,335	20%	18,069,418	5,690,983	-	23,760,401	-	22,763,934
Balance as at December 31, 2016	132,186,693	18,650,613	-	150,837,306		66,467,186	13,804,452	-	80,271,638	-	70,565,668
Balance as at December 31, 2015	127,199,560	5,216,359	229,225	132,186,693		60,300,049	6,229,257	62,120	66,467,186	-	58,737,980

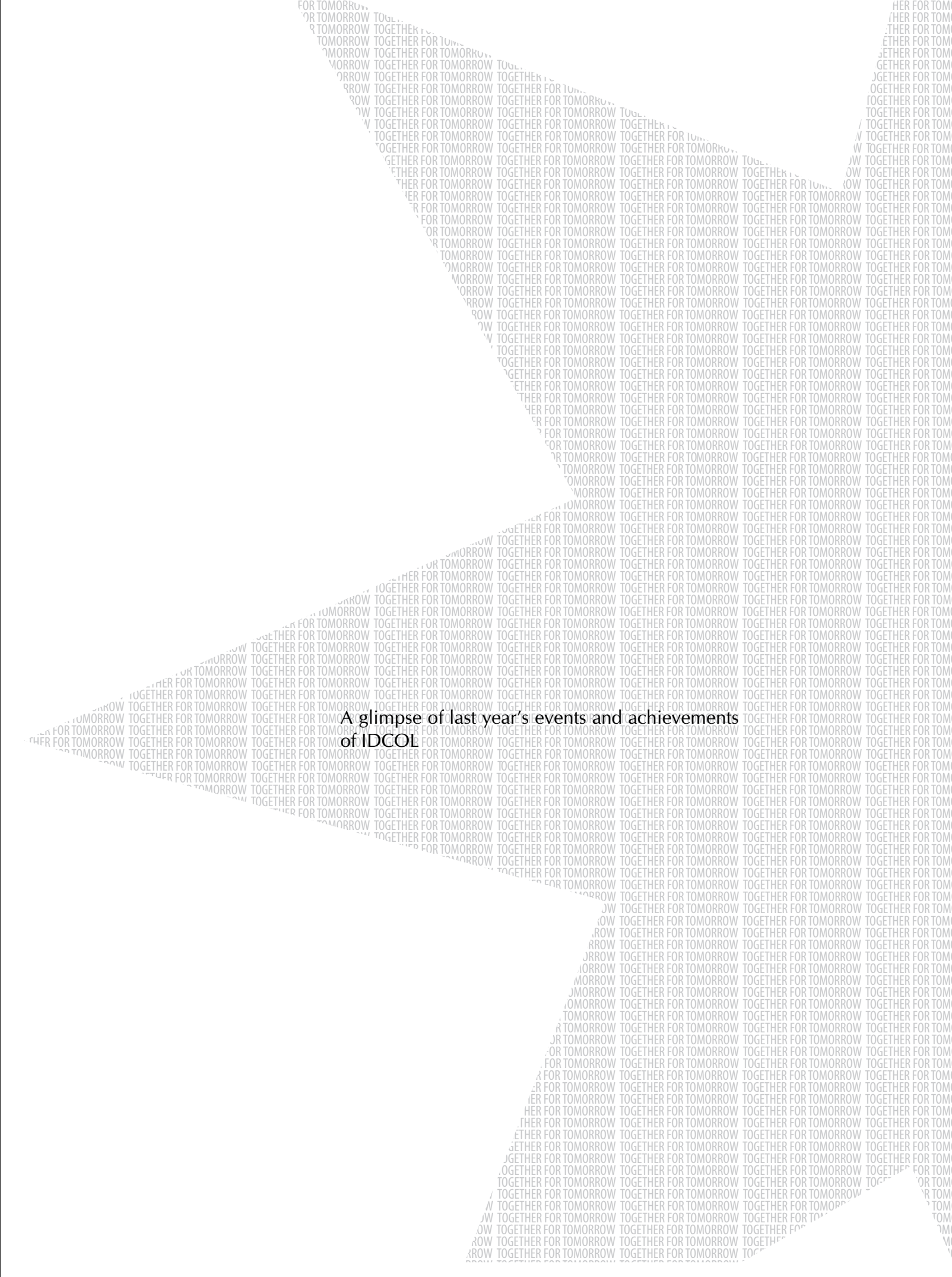
* Donor funded Grant assets disclosure

Name of assets	Cost				Rate	Depreciation			Adjustment for Asset Written off	Written down value as on 31 December 2016
	Balance as on 1 Jan 2016	Addition during the period	Disposal during the period	Balance as on 31 December 2016		Balance as on 1 Jan 2016	Charged during the year	Adjustments during the year		
The World Bank										
Furniture, fixture & decoration	3,572,020	264,881	-	3,836,901	10%	722,366	311,453	-	1,033,820	2,803,081
Interior decoration	12,175,237	-	-	12,175,237	10%	3,209,157	896,608	-	4,105,765	8,069,472
Computer & computer equipment	19,517,804	2,040,660	-	21,558,464	30%	11,859,474	2,909,697	-	14,769,171	6,789,293
Other office equipment	4,863,163	6,990,731	-	11,853,894	10%	1,377,362	606,605	-	1,983,967	9,869,927
Software	3,674,893	-	-	3,674,893	30%	1,845,815	548,723	-	2,394,539	1,280,354
Vehicle	14,208,736	7,995,000	-	22,203,736	20%	4,379,088	3,564,930	-	7,944,018	14,259,718
Balance as at December 31, 2016	58,011,853	17,291,272	-	75,303,125		23,393,264	8,838,016	-	32,231,280	43,071,845
Balance as at December 31, 2015	34,916,795	24,112,698	1,017,640	58,011,853		14,653,941	9,779,885	820,913	23,393,264	-
SNV										
Furniture, fixture & decoration	2,186,670	-	-	2,186,670	10%	1,201,068	98,560	-	1,299,628	887,042
Computer & computer equipment	851,224	-	-	851,224	30%	741,667	32,867	-	774,534	76,690
Other office equipment	688,567	-	-	688,567	10%	566,779	12,179	-	578,958	109,609
Software	398,778	-	-	398,778	30%	341,808	17,091	-	358,899	39,879
Balance as at December 31, 2016	4,125,239	-	-	4,125,239		2,851,322	160,697	-	3,012,019	1,113,220
Balance as at December 31, 2015	4,148,753	-	23,514	4,125,239		2,672,365	202,473	14,358	2,851,323	-

Name of assets	Cost			Rate	Depreciation				Adjustment for Asset Written off	Written down value as on 31 December 2016
	Balance as on 1 Jan 2016	Addition during the period	Disposal during the period		Balance as on 31 December 2016	Charged during the year	Adjustments during the year	Balance as on 31 December 2016		
křw										
Computer & computer equipment	1,032,216	-	-	30%	580,328	135,567	-	-	-	316,322
Other office equipment	189,407	-	-	10%	34,031	15,538	-	-	-	139,838
Balance as at December 31, 2016	1,221,623	-	-		614,359	151,104	-	-	-	456,160
Balance as at December 31, 2015	1,074,623	147,000	-		381,378	232,980	-	-	-	
										-
Balance as at December 31, 2016	63,358,715	17,291,272	-		26,858,944	9,149,817	-	-	-	44,641,225
Balance as at December 31, 2015	40,140,171	24,259,698	1,041,154		17,707,685	10,215,338	835,271	-	-	-

Events & Achievements





A glimpse of last year's events and achievements
of IDCOL

Events and Achievements

Experience Sharing Program for the Trainees of Climate Finance Course (2 February 2016)



IDCOL arranged an experience sharing session on renewable energy activities of IDCOL for the trainees of Climate Finance Course, coordinated and delivered by International Institute for Environment and Development (IIED) in collaboration with the International Center for Climate Change and Development (ICCCAD) and the United Nations Development Programme (UNDP) on 2 February 2016. Forty trainees from Afghanistan, Pakistan, Cambodia, Thailand, Nepal, UK, and Switzerland participated in the program.

MoU Signing between IDCOL and Bureau Veritas (Bangladesh) Pvt. Limited (10 May 2016)

Infrastructure Development Company Limited (IDCOL) and Bureau Veritas (Bangladesh) Pvt. Limited recently signed a MoU to provide Advisory Services for clients & development partners where Mr. Mahmood Malik, Executive Director & CEO of IDCOL; Mr. Nazmul Haque, Director (Investment) and Head of Advisory of IDCOL and Mr. Md. Golam Kibria, Country Chief Executive of Bureau Veritas along with other officials were present.



MoU Signing between IDCOL and Embtronics Limited (Partner-Delta Controls) (27 May 2016)



Infrastructure Development Company Limited (IDCOL) and Embtronics Limited (Partner-Delta Controls) recently signed a MoU to provide Advisory Services on Energy Management & Energy Efficiency for clients & development partners where Mr. Nazmul Haque, Director (Investment) and Head of Advisory of IDCOL and Mr. Samdad Tanveer, CEO of Embtronics Ltd. along with other officials were present.

IDCOL-CCEB Joint Workshop on- Industrial Energy Efficiency (IEE): Prospects and Incentives (25 May 2016)

Infrastructure Development Company Limited (IDCOL) and Catalyzing Clean Energy in Bangladesh (CCEB) of USAID jointly organized a day long workshop on “Industrial Energy Efficiency (IEE): Prospects and Incentives” on 25 May 2016 at IDCOL Head Office. The program is intended to promote industrial energy



efficiency measures in Bangladesh and build capacity of its potential stakeholders. 29 professionals from various banks, financial institutions and corporate organizations participated in the workshop.

19th Annual General Meeting (AGM)



19th Annual General meeting held in IDCOL Head Office on 1st June 2016.

Day long workshop on - Financing Utility Scale Solar Project

Infrastructure Development Company Limited (IDCOL) organized a day long workshop on “Financing Utility Scale Solar Project” on 21 July 2016 at IDCOL Head Office.



The program is intended to build project development capacity of its potential stakeholders. 28 professionals from various banks, financial institutions and corporate organizations participated in the workshop.

World Bank President Visit (October)

The World Bank Group President Jim Yong Kim visited Infrastructure Development Company Limited (IDCOL) Solar Home System (SHS) beneficiarys' home in Ujirpur, Barisal District. The purpose of Mr. Kim visit was to learn how solar power units and inexpensive "mini-grids" are changing the lives in Bangladesh. More than 4 million (financial assistance for 750,000 SHSs provided by World Bank) families in rural Bangladesh rely on solar home system to generate electricity for their homes. Mr. Mahmood Malik, ED & CEO of IDCOL and Mr. S.M Monirul Islam Lipon, Deputy CEO of IDCOL accompanied the president at the visit.



23rd Project Finance Training Program of IDCOL



Infrastructure Development Company Limited (IDCOL) organized its "23rd Project Finance Training Program" during 04-06 October 2016 at IDCOL Head Office. 24 professionals from various banks, financial institutions and corporate houses attended the training program. Executive Director & CEO of IDCOL, Mr. Mahmood Malik was present as chief guest in the certificate giving ceremony.

ICMAB Best Corporate Award 2015



IDCOL secured the First Position of ICMAB Best Corporate Award 2015 in the category of 'Non-Bank Financial institutions'. Mr. Abul Maal Abdul Muhit, MP, Hon'ble Minister, Ministry of Finance, Government of the People's Republic of Bangladesh handed over the award to Mr. Mahmood Malik, Executive Director & CEO, IDCOL in an award giving ceremony held at capital's Pan Pacific Sonargaon Hotel on 26 October 2016.

UN Momentum for Change Award-2016

Infrastructure Development Company Ltd (IDCOL) along with ME SOLshare Ltd, Upokulio Biddutayan O Mohila Unnayan Samity (UBOMUS) and Centre for Energy Research at United International University and MicroEnergy International, was honoured with the Momentum for Change Award on 16th November 2016 in Marrakech, Morocco.



IDCOL Awarded by National Board of Revenue (NBR) as Country's Top Tax Payer



IDCOL has been awarded as the country's 'Top Taxpayer' for the assessment year 2015-16 (fiscal year 2014-2015) in the category of "Non-Bank Financial Institutions" on 24 November 2016 at the award giving ceremony organized by the National Board of Revenue (NBR) in its new Headquarter at Agargaon in Dhaka. On behalf of IDCOL, Mr. S. M. Monirul Islam, CFO & Deputy CEO (Current Charge), received the prestigious tax card award at the award ceremony where Mr. Abul Maal Abdul Muhit,

Hon'ble Minister, Ministry of Finance, Government of the Peoples Republic of Bangladesh was present as the Chief Guest.

IDCOL Awarded for Best Presented Annual Reports 2015



IDCOL has been awarded the 1st Prize of the 'ICAB National Award for Best Presented Annual Reports 2015' in the category of "Public Sector Entities". The Trophy was handed over to Mr. Mahmood Malik, Executive Director & CEO, IDCOL at a ceremony organized at Pan Pacific Sonargaon Hotel, Dhaka on 29th November, 2016. Mr. Tofail Ahmed, MP, Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh graced the occasion as the Chief Guest.

First PPP Project in health care sector in Bangladesh



The dialysis center of Sandor Dialysis Services Bangladesh Private Limited at the National Institute of Kidney Disease and Urology (NIKDU) – IDCOL financed first PPP project in healthcare sector of Bangladesh was inaugurated on 30 November 2016. The project will provide low cost dialysis services to un-affording patients and affordable dialysis to affluent patients while ensuring the same service quality. Real time software will help doctors monitor patients from any corner of the world.

The inauguration ceremony was graced by Mr. Mohammed Nasim MP, Minister of Health and Family Welfare as Chief Guest, Mr. Rajeev Sindhi, Managing Director of Sandor, Mr. Jishnu Prasanna Mukherjee, First Secretary (Education) of the Indian High Commission, Dr. Abul Kalam Azad, Director General of DGHS, Dr. Mohammad Nurul Huda Lelin, Director of NIKDU and Mr. Mahmood Malik, CEO of IDCOL among others.

17th Financial Modeling Training Program of IDCOL



Infrastructure Development Company Limited (IDCOL) organized its “17th Financial Modeling Training Program” during 29 November-1 December at IDCOL Head Office. 24 professionals from various banks, financial Institutions and corporate houses attended the training program. The Executive Director & CEO of IDCOL, Mr. Mahmood Malik was present as chief guest in the certificate giving ceremony.

Signing ceremony with GREL



Infrastructure Development Company Limited (IDCOL) signed Financing Agreement with Gazi Renewable Energy Company Limited (GREL) on 8 December 2016 for setting up one hundred and eighty six (186) solar irrigation pumps at different districts of the country. Under the Project, GREL will install one hundred & thirty four pumps in Birganj upazila, six pumps in Kaharole upazila, four pumps in Khanshama upazila of Dinajpur district, forty two pumps in Badarganj upazilla of Rangpur district and will procure and operate nine (9) tractors and nine (9) trailers for providing tillage and carrying services in the project sites. Total cost of the project is BDT 49.25 crore. IDCOL has a target of financing 1,500 solar irrigation pumps by 2018 and 50,000 by 2025 to replace diesel operated pumps in rural Bangladesh.

Annual Conference and Retreat 2016



Annual Conference and Retreat was held in The Royal Tulip Resort and Spa, Cox's Bazar, Bangladesh from 22 to 25th December 2016. The aim of it was to have an open discussion between the employees and IDCOL management where the management ask about the problems faced by the employees, provide solutions and also hunt ideas for further improvement of work operations.

IDCOL announced as Joint Winner for Best Presented Annual Reports 2015 in the category of Public Sector Entities by the South Asian Federation of Accountants



IDCOL has been announced as Joint Winner for Best Presented Annual Reports 2015' in the category of "Public Sector Entities" by the South Asian Federation of Accountants. The Trophy was handed over to Mr. S M Monirul Islam, Deputy CEO, IDCOL at a ceremony organized at Pan Pacific Sonargaon Hotel, Dhaka on 27th January 2017. Honorable Finance Minister Mr. Abul Maal Abdul Muhith MP was present in the occasion as Chief Guest and Mr. Fazle Kabir, Governor Bangladesh Bank was present in the occasion as Special Guest.

Recognition and Awards



SAFA Best Presented
Annual Report Award 2015



ICAB National Award for Best Presented
Annual Report 2015



ICMAB Best Corporate Award 2015



Top Taxpayer Award for FY 2014-15

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Infrastructure Development Company Limited (IDCOL)

UTC Building, Level-16, 8 Panthapath, Kawran Bazar, Dhaka-1215, Bangladesh

Telephone: 9102171-8, Fax: +880-2-8116663, E-mail: contact@idcol.org, Website: www.idcol.org