

The
New
Faces
of
Developing
Bangladesh





The New Faces of Developing Bangladesh

Since 1997 as a government owned non-bank financial institution, the Infrastructure Development Company Limited (IDCOL) portrays an exemplary performance over the years. It started with a nominal paid-up capital of BDT 1 lac only. With an equity contribution of BDT 35 crore from the Government of Bangladesh (GoB), the company's paid up capital now stands at BDT 650 crore.

While Bangladesh is developing, IDCOL is playing a key role in bridging the financing gap for developing large infrastructure, renewable energy and energy efficiency projects. This momentous partaking in investment and operation, ownership and maintenance of new infrastructure facilities, has helped us attaining the success of being a partner of choice and the leader in the private sector energy & infrastructure financing in Bangladesh. Thus in the age of a newer face of Bangladesh, we are contributing from behind to bring smile on the faces of our people too.

We believe "When every sector shines, the country shines. As a logical sequence, we find shine on the face of every single citizen. So, we will inevitably work our best on keeping these shines on."

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Letter of Transmittal

All Shareholders,

Subject: Annual Report for the year ended on December 31, 2019

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, 2019 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary

Notice of the 23rd Annual General Meeting

The Twenty-Third Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on Wednesday, 2nd September 2020 at 5:30 p.m. via Zoom App.

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 2019.
2. To declare dividends of the Company for the FY 2019.
3. To consider increase of Company's paid up capital to Tk. 715 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 2020.
6. To approved increase of honorarium for IDCOL Board of Directors to attend meetings.
7. Any other business.

You are requested to kindly attend the meeting.

By order of the Board of Directors



(M. Maftun Ahmed)
Company Secretary

Integrated Report – Scope and Its Boundary

Integrated Reporting

Our 2019 Annual Report has been presented as an 'Integrated Report' with the aim of articulating how IDCOL, as an organization, has effectively managed its business to deliver consistent value to its stakeholders. It encompasses the efforts the company has undertaken towards contributing to economic prosperity, environmental sustainability and social well-being for a brighter and more optimistic future.

Scope and Reporting Boundary

As a forward-looking enterprise, in presenting the Integrated Report, we have referred to the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which is in congruence with the integrated reporting framework prototype issued by the International Integrated Reporting Council (IIRC).

In explaining the Company's operations and financial performance, financial information so disclosed has been extracted from the Audited Financial Statements for the FY 2019 with relevant comparative information. The financial statements consistently comply with the requirements of the followings:

- International Accounting Standards (IASs) and International Financial Reporting Standards (IFRS);
- Companies Act 1994;
- Financial Institutions Act 1993;
- Securities and Exchange Rules 1987;
- Income Tax Ordinance 1984;
- Relevant rules and regulations of the Central Bank (Bangladesh Bank);
- And other applicable laws and regulations of the land.

The disclosure of non-financial information has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise stated that it has been extracted from a reliable source.

The Sustainability requirements, as elaborated separately in our Sustainability Report, adhere to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework.

To report our corporate governance practices, we have drawn the current corporate governance practice of our company based on the consultancy support from our external consultant i.e. Deloitte India Ltd.

The scope of our Annual Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as IDCOL does not have operation or subsidiary in other countries. Furthermore, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of December 31, 2019.

External Assurance

The company has obtained external assurance on the following reports in the reporting period under consideration:

| Sl. | Description of Report | External Assurance |
|-----|--|--|
| 1 | Financial Statements Audit | ACNABIN Chartered Accountants |
| 2 | Financial Statements Comprehensive Audit | The Bangladesh Bank |
| 3 | Financial Statement of various Donor Funded Projects Audit | ACNABIN Chartered Accountants and Foreign Aided Project Audit Department (FAPAD) |
| 4 | Procurement Audit | The World Bank; FAPAD and The Bangladesh Bank |
| 5 | Environmental Audit | Development Partners (The World Bank, ADB, JICA, KFW, DFID, GIZ, etc.) |
| 6 | Entity Credit Rating | Credit Rating Agency of Bangladesh (CRAB) |
| 7 | Tax and VAT Consultant | Mosharaf Hossain & Associates |

Comparability & Materiality

All the information presented in this report is on the same basis as the 2019 report in terms of the measurement methods applied and time frames used. Ratios used are comparable across the industry. The

information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication to our stakeholders.

Availability of the Annual Report

The hard copy of the Annual Report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due period of notice. Separately, for the benefit of all stakeholders, our report has been made available on the website <http://www.idcol.org>.

Responsibility over the Integrity of the Integrated Report

I acknowledge the responsibility to ensure the integrity of the disclosure contained in this Integrated Report

presented herewith which comprise the discussion, analysis and disclosures pertaining to stewardship, which should be read in conjunction with the audited financial statements. In the opinion, the integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international reporting framework and addresses the material matter pertaining to the long term sustainability of the organization and present fairly the integrated performance of IDCOL and the impacts thereof.

Sd/-

Mahmood Malik

Executive Director & CEO



Company Information

General Information

| | |
|-----------------------------|---|
| Registered Office | UTC Building, 16 th Floor, 8 Panthapath, Kawran Bazar, Dhaka-1215, Bangladesh Tel: + 880-2-9102171-8 + 880-9666743265 Fax: + 880-2- 9102084 E-mail: contact@idcol.org Website: www.idcol.org |
| Business Hours | 10 am to 6 pm Sunday to Thursday |
| Auditors | ACNABIN Chartered Accountants |
| External Legal Panel | <ul style="list-style-type: none"> • 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 • MNA Associates • Shakhawat Hossain & Associates • Azad & Company • ACNABIN Chartered Accountants (for tax related advice only) • Lawyers & Jurists |
| Bankers | <ul style="list-style-type: none"> • 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 • Dhaka Bank Limited • Standard Chartered Bank |

Credit Rating of IDCOL

| | |
|------------|---|
| Long-term | : AA1 |
| Short-term | : ST-1 |
| Outlook | : Stable |
| AA1 | : Financial Institutions rated 'AA' have very strong capacity to meet their financial commitments. They differ from the highest-rated Financial Institutions only to a small degree. AA is judged to be of very high quality and is subject to very low 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) |
| Valid till | : 30 September 2020 |

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 2019. The preparation of the report for our shareholders coincides with one of the unprecedented massive health challenges that the world has seen. Following COVID 19 outbreak, the government has stepped up its efforts to address poverty and vulnerability. Looking back on the last four years, IDCOL has weathered some unexpected challenges, as it will with this current pandemic. The year 2019 was yet another robust year for IDCOL, with the company generating record revenue and net income, as well as setting numerous other records across its lines of business.

Overall Performance

The financial performance of IDCOL for 2019 has outshined our expectation as it regained its turnaround momentum with a growth in net income exceeding 95%. Even with a 75% rise in operating expenses owing to an expansion in organizational capacity the company demonstrated profit before provision & tax of BDT 4,013 million, 41% higher than last year. It achieved a 1.52% return on assets while its total assets increased by BDT 8,583 million from last year. Shareholders' equity has also increased from BDT 6,802 million to BDT 8,353 million.

Board of Directors

IDCOL's Board of Directors formulates broad goals and strategies, states clear objectives and policies to be implemented by the company. Board members' collective efforts have led the company in delivering long-term sustainable success for the benefit of all our shareholders.

Sustainability and Responsibility

As a Government owned financial institution, IDCOL has been working to support the government in meeting its national targets of SDGs. Achieving SDGs have significant resource implications for basic infrastructure, food security, climate change mitigation and adaptation, health and education. IDCOL plays a crucial role to create a sustainable investment practice that enables private business to achieve greater cost-efficiencies and profitability. IDCOL will continue its strong support to the government to successfully meet the SDG targets by 2030.

SREDA acknowledges that 44.8% of the country's present renewable energy generation was achieved through various interventions of IDCOL. Besides, IDCOL financed the generation of more than 2,007 MW of conventional electricity to the grid and further targets to unlock private equity in the power sector to ensure government's vision of electricity for all by 2021.

IDCOL has been making positive contributions to the economic and social well-being of our country and this has been confirmed in 2019 when IDCOL was awarded the accolade of Country's Top Tax Payer in the category of "Non-Bank Financial Institutions".

Strategic Direction

IDCOL being the global pioneer of the largest off-grid Solar Home System program, is supporting government

in implementing various renewable energy projects to achieve its national target of generating 10% of its power from renewable resources by 2020. Presently, industrial solar rooftops hold huge potential in Bangladesh, with the declining price trend of solar panel as well as upward movement in grid electricity tariff, solar roof-top has appeared to be an attractive solution to the industrial sector of Bangladesh. The textile, garment as well as poultry industries already depend largely on diesel generators for fulfilling their electricity requirements during load shedding. Solar roof top not only would reduce consumption of diesel but also reduce pressure on national grid.

IDCOL with the assistance from JICA is encouraging industries to adopt energy efficient equipment through concessionary and affordable finance options. It has so far funded such projects in cement, textile, readymade & garments, paper and pulp industries under green factories initiatives. IDCOL has committed to finance around USD 48 million (BDT 400 crores) in 2019 under energy efficiency & conservation projects. This commitment will be doubled in 2020.

Besides exploring new avenues of renewable energy IDCOL intends to increase its share in the infrastructure financing space, and for that IDCOL has been in discussions with various multilaterals for financial supports from them. So far, IDCOL has been able to manage two separate credit lines as potential sources of funds. Firstly, the USD 526 million credit line from ADB which have started from 2017 and would be used largely for infrastructure development activities. And secondly, the USD100 million credit line from JICA which is used for financing energy efficiency activities.

IDCOL also received accreditation to directly access Green Climate Fund as a Direct Access Entity (DAE), which allows it to finance climate change projects each worth up to USD 250 million. As a DAE it is now looking forward to compete internationally to source this fund to serve the climate vulnerable sectors and population of Bangladesh.

With the changing economy, the business environment of the country is also changing raising the need for various infrastructure. IDCOL has been able to position itself suitably in this changing context of people's increasing socio-economic aspirations. IDCOL will continue to pursue changing perspective through a consciously derived strategic plan over the next 3 to 5 years. The ultimate goal is to leverage the organizational strength to exploit the opportunities available.

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 2019. I would like to take the opportunity to thank shareholders, associates, clients, bankers and patrons for their continuing understanding and support for IDCOL.

I strongly believe IDCOL will take the renewable energy and infrastructure development to the next level in the coming years.



From the CEO's Desk

As COVID-19 continues, causing havoc to world economy and lives of billions across the globe, I would like to convey message of hope, commitment, appreciation and courage to our stakeholders, employees and extended communities. During this difficult time, we hope to stand with our partners and stakeholders and contribute to the economic survival of our country.

With this message, I present to you our Annual Report 2019, which provides comprehensive information on company's activities and financial performances in the last fiscal year. The year 2019 had been a year of progress against our strategic and financial objectives, as we continued to unlock our potential and focused on ensuring sustainable growth. However, it has also become increasingly clear that while the financial services industry remains an attractive sector, it is entering a period of significant change bringing both challenges and opportunities. Going forward, we will continue to identify areas of improvements and update our long-term priorities and bring in necessary changes that will enable us to respond more effectively to our operating environment.

We hope to capitalize on our dynamic business models, excellent partnerships and committed employees in the years to come. With our goal to ensure economic prosperity through sustainable and environment-friendly investments in the infrastructure, energy-efficiency and renewable energy sectors of the country, we aspire to support the Government of Bangladesh in implementing its 8th Five Year Plan and achieving the SDG targets.

2019 - Great Financial Performance

I am very pleased with the financial performance of 2019. IDCOL's loan portfolio had a YoY growth of more than 13% in 2019, which was highest among last five years. The financial performances of IDCOL in 2019 exceeded expectation as it continued its turnaround momentum with a growth in net income of 96% and normalized earnings per share of BDT 21.21.

Total operating income rose by 44% to BDT 4,551 million and profit before tax increased by 41% to BDT 4,013 million. During the year the asset efficiency increased to 1.52% proving IDCOL had been strategic in terms of its investment in 2019 which generated more net income on less investment. While, the growing investments in expanding its workforce caused the OPEX to Operating Income ratio to increase in last year, the outstanding return outweighs the increased cost and justifies the timely expansion to leverage the market opportunities.

Besides achieving remarkable earnings, IDCOL also focused on strengthening its governance structure over the years. In 2017, the Special Asset Management unit was formed for the collection, maintenance and reporting of the loans that are classified and non-performing in nature. This initiative proved to be effective and has led to a further decline in the classified loans by 28% this year compared to 2018.

Infrastructure Development

The Vision 2021 of the Government of Bangladesh which envisages transformation of our country from a low-income economy to a middle income one requires investment in infrastructure from current level of 2% to at least 6% of GDP. However, the level of investment needed is beyond the available public resources. Therefore, private sector intervention for project implementation and financing is required. Over the years, bilateral and multilateral agencies provided loans and technical assistance to IDCOL which directly supported the government's infrastructure development agenda by ensuring long-term funds for private-sector infrastructure projects.

In 2019, we continued our focus on expanding the infrastructure portfolio through product and sector diversification. Total infrastructure portfolio grew by 24% in 2019 to BDT 50,619 million. This accounted for 90% of total disbursement in 2019 and overall portfolio concentration of 74% by the end of 2019. Gas and HFO based power plants, telecommunications, LNG terminal, ICT and infrastructure backward linkage industries were the major investment sectors. In addition, IDCOL was the highest fund Arranger in 2019 for the private sector infrastructure projects in Bangladesh and arranged approx. USD 190 million long term loan from various local and international sources.

Asian Development Bank continued to be the major external funding source for infrastructure investments with its ongoing USD 526 million credit line. We have started negotiating credit lines with other multilateral agencies for infrastructure projects. Furthermore, as part of our fund diversification strategy, we have initiated preliminary discussion on the possibility of issuing an international bond.

Renewable Energy (RE)

The Government of Bangladesh is keen to increase share of clean electricity from Renewable Energy in the overall energy mix. Considering formidable potential of large scale solar installation in Bangladesh, various national and international investors are showing keen interest in this sector. IDCOL being the global pioneer in wide scale installation of off-grid Solar Home Systems, has so far disbursed more than BDT 48,000 million and contributes to 49.4% of total clean power generation from renewable energy in the country.

IDCOL's solar roof top projects are gaining momentum in the industrial sector, as it is a cost effective power alternative. With the declining price trend of solar panel as well as upward movement in grid electricity tariff, solar roof-top has appeared to be an attractive solution to the industrial sector of Bangladesh. The price of solar panel has declined by 70% since 2006 whereas the electricity tariff has increased by 8% per year, on average, since 1999. With the new prices hike in electricity tariff effective from March 2020, the solar roof-top tariff is expected to be more affordable and will

drive the industrial sector to adopt cleaner energy use.

Besides solar roof top projects, IDCOL is implementing and financing several renewable energy initiatives including solar irrigation pumps, off-grid solar mini-grids, grid-tied solar systems, biogas/biomass based power plants and domestic biogas plants. In 2019, IDCOL has received two credit lines from the World Bank and KfW namely, Scaling-up Renewable Energy Projects (SREP) and Renewable Energy Programme (REP) respectively. Under the credit facilities IDCOL is acting as the financial intermediary and providing financing to private sector and public-private partnership utility scale solar PV projects in Bangladesh. Furthermore, IDCOL has developed market for improved cook-stoves that are replacing inefficient traditional stove in rural households. Due to this, indoor air pollution has significantly declined reducing risk to diseases such as acute and chronic respiratory conditions, lung cancer, heart disease, stroke, and cataract in the rural household.

IDCOL has received several international recognitions for its achievements in the renewable energy sector including Financial Innovation Awards 2019 for the solar irrigation pump projects and Alliance for Rural Electrification Award for its solar mini-grid projects. The recognitions were given to IDCOL based on its successful introduction of green finance initiative to smallholder farmers and off-grid population in the rural Bangladesh. It hopes to leverage its broad operational expertise and management efficiency in implementing renewable energy interventions, to support Government of Bangladesh in achieving country's NDC targets and live up to its global climate ambitions.

Financing Energy Efficiency

Energy Efficiency (EE), while being a relatively new sector for us, has achieved momentum in the recent years. Our primary focus within this sector has so far been industrial energy efficiency, green building and energy efficient brick kilns. Going forward, we are also keen to promote and finance energy efficient household appliances. Under its EE initiative, IDCOL extends technical assistance and concessionary financing to a wide range of industrial sectors including cement, RMG, textiles, electronic appliance manufacturers, real estate developers etc. for implementing various EE measures.

Japan International Cooperation Agency (JICA) extended its second credit line of USD 85 million to IDCOL in 2019 for further investments in the EE sector. In addition, French Development Bank (AFD) approved additional financing of EUR 100 million for investment in EE, RE and environmental sectors. IDCOL has also made significant progress in availing USD 166 million financing from the Green Climate Fund (GCF) to promote various EE measures.

Advisory Services

IDCOL provides a wide range of fee-based advisory services with project advisory, capacity building, government

advisory, climate consulting and transaction advisory as its focus area. It combines high-quality financial, economic and technical expertise to support clients in feasibility study, financial model development, sectoral engagement, monitoring and evaluation, market study, implementation strategy design etc. We have restructured the Advisory Services unit in 2019 for efficient service delivery. IDCOL has been awarded a contract to provide consultancy services for the establishment of Renewable Energy Investment Facility (REIF) for the Tanzania Rural Energy Agency. IDCOL is doing the scoping study and framework development for the intended REIF which will enable the scaling up of private sector investment in Tanzania's rural / renewable energy sector.

Organizational Growth

With its superior work environment, training and capacity building initiatives and competitive compensation packages, IDCOL continued to thrive as the employer of choice in the financial market of Bangladesh. As a responsible employer, we invested in our employees to ensure their long-term commitment to the company, maximize individual potential, increase commercial effectiveness, reinforce the company's culture, and help them contribute positively to the greater communities. In 2019, we further expanded our employee base and upgraded the organogram for the best interest of our employees and the company.

In order to meet the accommodation need of the growing number of employees, IDCOL at the moment is constructing the highest LEED certified building in the Sher-A-Bangla- Nagar administrative area for its new office space. This green building having a strong environment conservation architecture will be highly energy and resource-efficient and will positively influence our climate and overall ecosystem.

Challenges and Opportunities

While it is generally agreed that private sector involvement is key to infrastructure development in Bangladesh, the coordination among public and private sectors remains rudimentary. Therefore, while lack of financing is often identified as the core hindrance, a major challenge faced by the sector is lack of a strong framework for developing high quality, bankable projects in a timely manner. With regards to financing, the major challenge infrastructure sector faces is that local currency loans are often expensive and offered for a shorter period. Nevertheless, the opportunities in the infrastructure sector are plenty. Various government support to incentivize private investment in infrastructure i.e. tax holiday, import duty exemption, investment repatriation, sovereign guarantee, and dedicated local infrastructure fund sources can make Bangladesh a lucrative location for further investment.

Bangladesh has enormous opportunity in the renewable energy sector compared to other developing countries. In addition to providing low cost financing, IDCOL also provides technical assistance and capacity-building

support to its stakeholders, ensuring welfare of female beneficiaries, supporting income generation activities of end users, facilitating education of children and capacity building of local entrepreneurs. IDCOL implements innovative financial schemes involving the community at grass roots level to help rural people procure renewable energy systems/services for their livelihood activities and income generation. IDCOL with its various initiatives will continue to act as a role model and demonstrate that renewable energy applications can be scaled up economically and rapidly to provide an affordable and climate-friendly energy solution for the rural poor.

Looking Forward

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 nations 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.

Our Humble Submission

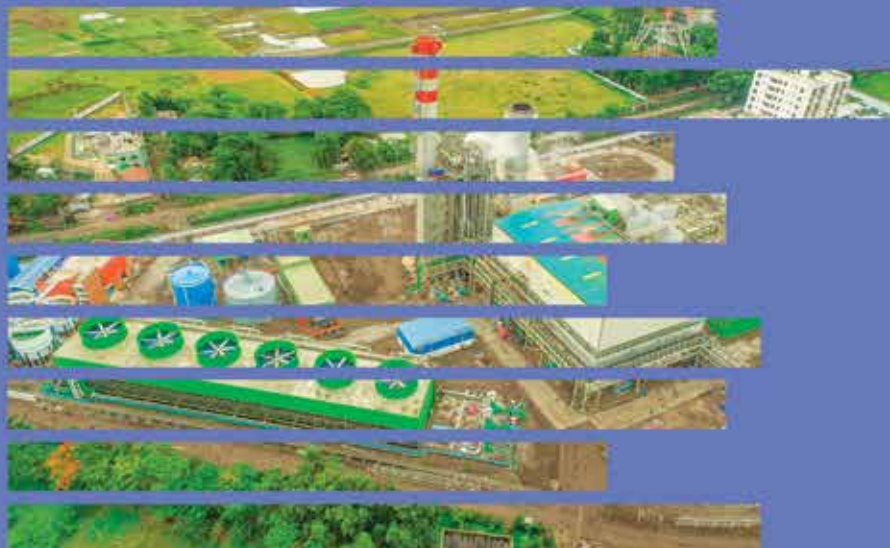
Relationship with the government, the multilateral and bilateral development agencies and above all our

customers 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 create an impact. I would like to end my message by thanking all our valued development partners i.e. the World Bank, ADB, JICA, AFD, KfW, GIZ, SNV, IDB, USAID, AFD, DFID and above all the Government of Bangladesh for their continued support to IDCOL. I also wish to convey my deep gratitude to all our customers and partners who form an extensive network of valuable business resources and ensure delivery of excellent performance. I would also like to extend my gratitude to the Board of Directors of IDCOL for their 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.

I very much look forward to a progressive and strategic role played by IDCOL in the coming years as it continues to excel in its operations, explores innovative ideas and fosters valuable business relationships. With this I again thank you all.



About IDCOL





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

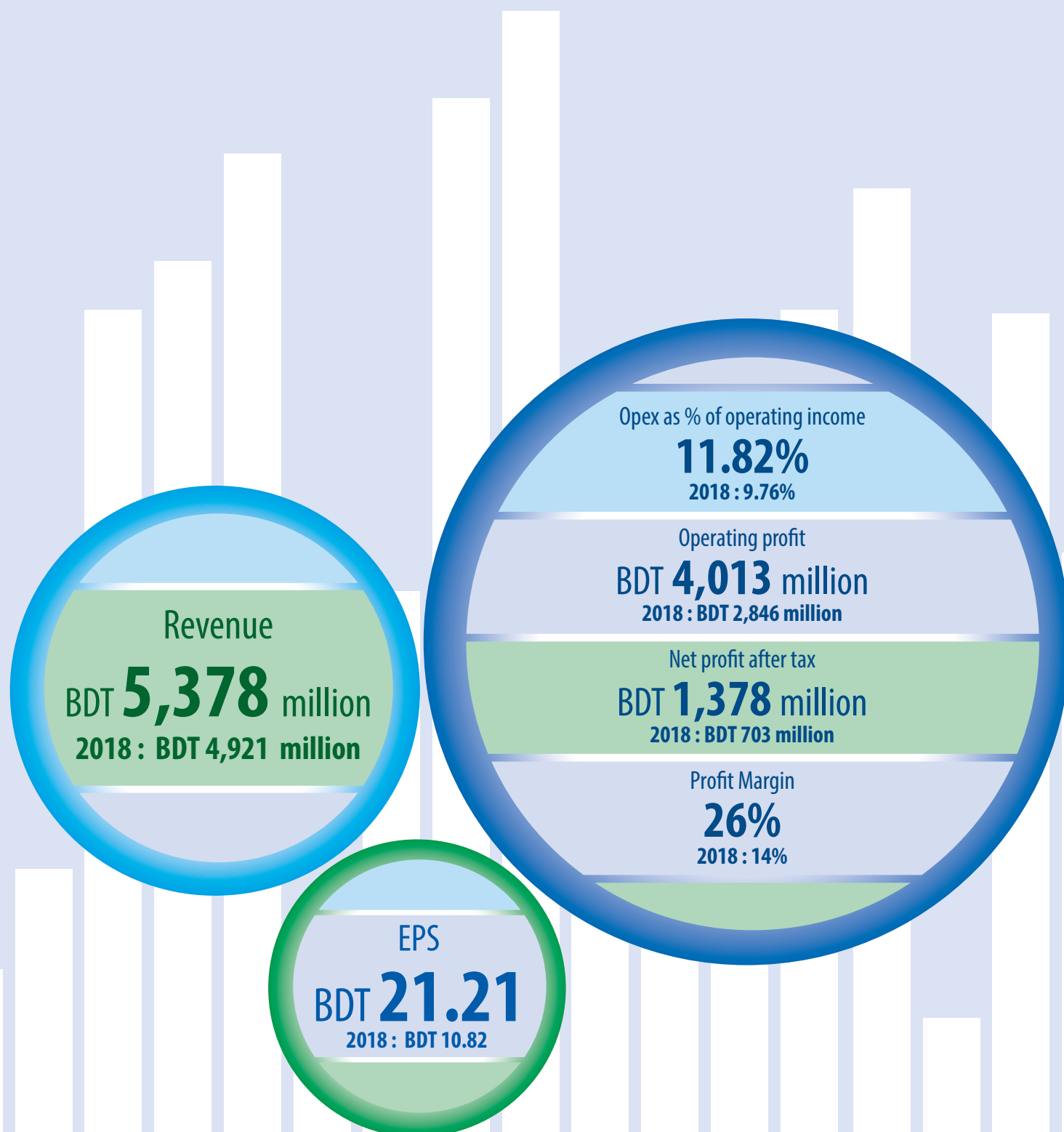
Global Standard and Competence: IDCOL is committed to deliver financial services to the clients maintaining global standards and competence.

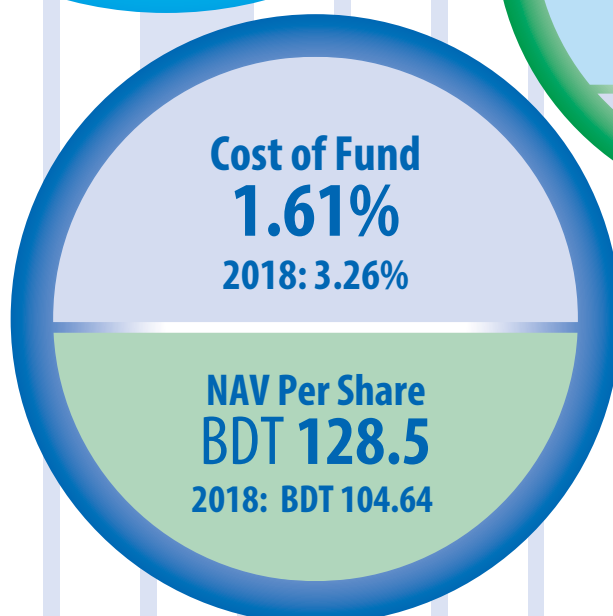
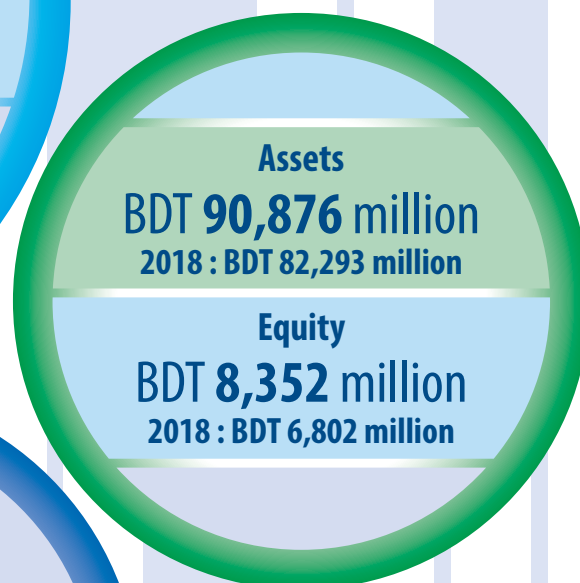
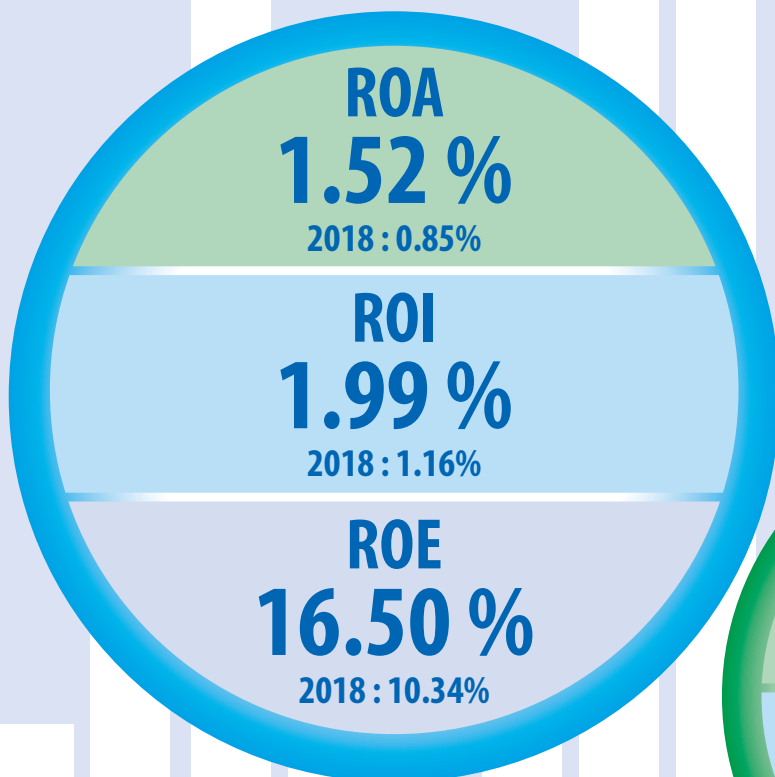
Transparency and Integrity: IDCOL believes in maintaining transparency and integrity in all activities performed by the Company.

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

About IDCOL

Performance at a Glance





About IDCOL

From Stepping Stones to Milestones

| 1997 | |
|--------|---|
| 14-May | Incorporation of the Company |
| 14-Nov | Signing of Project Agreement for USD 225 million with the International Development Association (IDA) under Private Sector Infrastructure Development Project (PSIDP) |
| 1998 | |
| 5-Jan | Obtained NBF license from Bangladesh Bank |
| 2001 | |
| 11-Apr | Financing of the 1 st 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) |
| 2003 | |
| 1-Jan | Commencement of Solar Home System (SHS) Program |
| 2004 | |
| 14-Dec | Financing of the 1 st ever Satellite Earth Station project in Bangladesh |
| 2005 | |
| 6-Sep | Inauguration of 50,000 SHSs installation ceremony by the Honorable Prime Minister |
| 22-Sep | Starting of work 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 1 st ever land port operated through 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 1 st 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 1 st 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 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 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 SHS Program |
| 2013 | |
| 12-May | Celebration ceremony of the installation of 2 million Solar Home Systems and launching of the installation of 1 million Improved Cooked Stoves (ICS) Project chaired by the Honorable Prime Minister |
| 2014 | |
| 5-Nov | Celebration ceremony marking the installation of 3 million Solar Home Systems chaired by the Honorable Prime Minister |
| 2015 | |
| Jan-Mar | Commercial operation of three Solar PV based mini-grid projects under IDCOL financing |
| 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(3 rd) 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 1 st PPP Project in healthcare sector of Bangladesh-Sandor Dialysis Services Bangladesh Private Ltd. |
| 2017 | |
| 27-Jan | IDCOL was awarded as the Joint Winner for "Best Presented Annual Reports 2015" in the category of "Public Sector Entities" by the South Asian Federation of Accountants |
| 14-Jun | IDCOL achieved the opportunity to advise BPDB for Designing, Developing, Formulating and Implementing systems on Occupational Health and Safety Assessment Series (OHSAS) and to assist BPDB for obtaining OHSAS 18001:2007 Certification. |
| 6-Jul | IDCOL received Global Climate Fund (GCF) accreditation in Songdo, South Korea |
| 19-Nov | IDCOL signed Third Public-Private Infrastructure Development Facility-Tranche 1 under Asian Development Bank |
| 25-Nov | IDCOL secured 2 nd position in "ICAB National Award for Best Presented Annual Reports 2016" in the category of "Public Sector Entities" |
| 6-Dec | IDCOL was awarded as the Winner for "Best Presented Annual Reports 2016" in the category of "Public Sector Entities" by the South Asian Federation of Accountants |

About IDCOL

| 2018 | |
|--------|---|
| 22-Feb | IDCOL financed its 1 st Solar Rooftop Project with a target of financing 300 MWp Solar Rooftop Projects by 2021 |
| 15-May | IDCOL signed MoU with Institute of Architects Bangladesh (IAB) to implement the green and energy efficient building of IDCOL |
| 30-May | IDCOL signed 2 nd Additional Financing of USD 55 million under Rural Electrification and Renewable Energy Development Project II |
| 07-Aug | IDCOL signed Master Facility Agreement (MFA) with Bangladesh Bank for availing fund for Infrastructure projects under IPFF II |
| 15-Oct | IDCOL financed its 1 st Utility Scale Power Project with 8 MW (AC) capacity |
| 24-Dec | IDCOL secured 3 rd position in “ICAB National Award for Best Presented Annual Reports 2017” in the category of “Public Sector Entities” |
| 31-Dec | IDCOL was awarded as the Joint Winner for “Best Presented Annual Reports 2017” in the category of “Public Sector Entities” by the South Asian Federation of Accountants |

| 2019 | |
|--------|--|
| 30-Mar | Installation of 50,000 biogas plants under IDCOL Biogas & Bio-fertilizer Program |
| 15-May | IDCOL received approval of USD 363,533 through a Project Preparation Facility (PPF) grant support from GCF for the program, “Promoting private sector investment through large-scale adoption of energy saving technologies and equipment for garment sector of Bangladesh.” which is 2 nd of its nature in Bangladesh. |
| 22-May | IDCOL signed MoU with IDLC Finance Limited to promote low-cost long-term financing for environment friendly projects |
| 14-Jun | IDCOL received approval of USD 337,740 through a Project Preparation Facility (PPF) grant support from GCF for the project “Climate Resilient Sustainable Coastal Forestry in Bangladesh.” which is 3 rd of its nature in Bangladesh. |
| 7-Jul | IDCOL received GCF approval for upgradation of its accreditation for Grant instrument under which it will be able to channel grant component in climate change programs/projects for an amount up to USD 250.00 million. |
| 9-Nov | First ever grid integration of solar irrigation pump was inaugurated by SREDA chairman in an IDCOL financed project in Kushtia. The installation will be able to feed excess energy of idle hours of solar irrigation to national grid and increase project viability. The pilot project will also be the key element in formulation of national grid integration guideline for solar irrigation pumps |
| 21-Nov | IDCOL won the “Financial Innovation Awards 2019” under the category of Best Sustainable Finance Initiative for the Solar Irrigation Pump Project by The London Institute of Banking and Finance |
| 30-Nov | IDCOL secured SAFA Best Presented Annual Report Award 2018 in the category of Public Sector Entities |
| 30-Nov | IDCOL secured 3 rd position in “ICAB National Award for Best Presented Annual Reports 2018” in the category of “Public Sector Entities” |
| 31-Dec | IDCOL became the Highest Fund Arranger (USD 190 m) in Bangladesh for private sector projects |
| 31-Dec | IDCOL financed installation of 3,214 MW through Independent Power Producer (IPP) |
| 31-Dec | Installation of 2 million Improved Cook Stoves (ICS) under IDCOL ICS Program |
| 31-Dec | Approval of 13 Rooftop Solar Projects with an aggregate capacity of 18.72 MW under IDCOL Rooftop Solar Projects |
| 31-Dec | COD of four solar PV based mini-grids with an aggregate capacity of 916 kWp under IDCOL Solar Mini-grid Projects |
| 31-Dec | Installation of 1,514 solar irrigation pumps which accumulates around 40 MWp in capacity |

Awards and Recognitions



'SAFA Best Presented Annual Report Award 2017' in the category of Public Sector Entities



ICAB National Award for 'Best Presented Annual Reports 2017' in the category of Public Sector Entities



ICAB National Award for 'Best Presented Annual Reports 2016' in the category of Public Sector Entities



'SAFA Best Presented Annual Report Award 2016' in the category of Public Sector Entities



'SAFA Best Presented Annual Report Award 2015' in the category of Public Sector Entities

About IDCOL



ICAB National Award for 'Best Presented Annual Reports 2015' in the category of Public Sector Entities



'Top Taxpayer Award FY 2014-15' by National Board of Revenue



The Karlsruhe Sustainable Financial Award 2014 by Association of Development Financing Institutions in Asia and Pacific & ETECH Germany in association with Economic Development Department of the City of Karlsruhe, Germany and endorsed by United Nations Environment Programme Finance Initiatives



'ICMAB Best Corporate Award 2015' in the category of Non-bank Financial Institutions



'Top Taxpayer Award FY 2013-14' by National Board of Revenue



'Asia Power and Electricity Award 2014' in the category of Solar Project of the Year



'The Karlsruhe Sustainable Financial Award 2013' by Association of Development Financing Institutions in Asia and Pacific & ETECH Germany in association with Economic Development Department of the City of Karlsruhe, Germany and endorsed by United Nations Environment Programme Finance Initiatives



'ICMAB Best Corporate Award 2014' in the category of Non-bank Financial Institutions

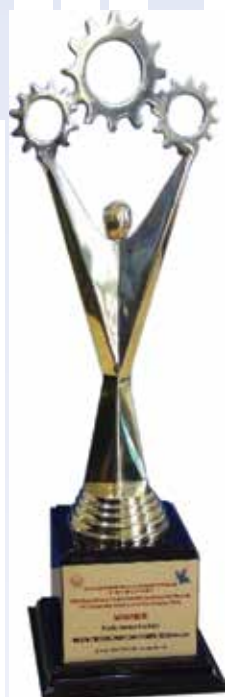


'Canada Business Award 2012' in the category of Best Green Company of Bangladesh by Canada BD Chamber of Commerce and Industry (CBCCI)



Best Innovation in Financial Services Award

About IDCOL



'SAFA Best Presented Annual Report Award 2018' in the category of Public Sector Entities.



ICAB National Award for 'Best Presented Annual Reports 2018' in the category of Public Sector Entities.



Top Taxpayer Award – 2019 by National Board of Revenue being the highest taxpayer under Non-Banking Financial category for AY 2018-19

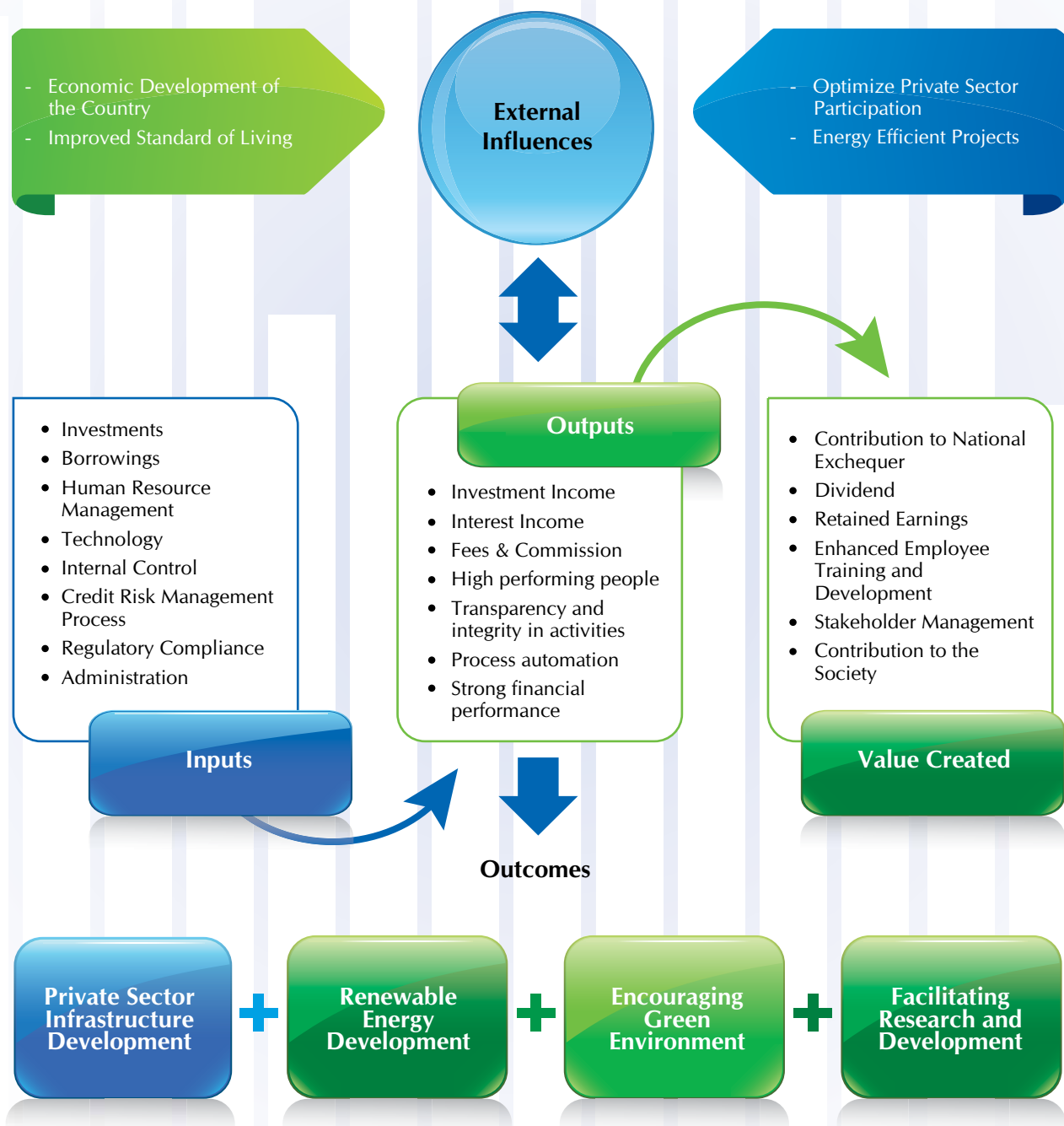


'Financial Innovation Awards 2019' in the category of Best Sustainable Finance Initiative for the IDCOL Solar Irrigation Pump Project by the London Institute of Banking and Finance (LIBF)

Value Creation Structure

Value is created by taking inputs from the capitals and transforming them through business activities and interactions to produce outputs and outcomes that, over the short, medium and long term, to create positive contribution for the organization, its

stakeholders, society and the environment. IDCOL incorporates its vision, mission and core values in all its activities to create the highest value for its stakeholders.



About IDCOL

Programs & Projects

Infrastructure & Public Private Partnership (PPP)

33% of National Private Electricity Generation

Power projects financed by IDCOL generates 3,214 MW of electricity

22% Export Container Handled by IDCOL Financed Port Projects

IDCOL has ventured into financing port projects and currently port projects financed by IDCOL cumulatively handle 268,000 TEUs p.a. This accounts for 22% of the total export container capacity of the country.

USD 122 Million Investment in Telecom Sector

An aggregate investment of USD 122 million has been made to mobile & PSTN operator, ANS and BWA service provider, IGW and ICX service provider, etc.

Invested in Country's One of the Only Two Offshore LNG Terminals

Invested in one of the only two offshore LNG Terminals of the country in Maheshkhali, Cox's Bazar with a capacity of 500 MMCFD (million cubic feet per day).

JPY 9.5 Billion Credit Line for Financing Energy Efficiency and Conservation (EE&C) Project (Phase II)

Japan Government has extended a loan amounting JPY 20.076 billion to the GoB for financing energy efficiency and conservation (EE&C) projects. JICA is working as the donor agency and this fund will be partially channeled through IDCOL as Implementing Financial Institution (IFI).

Presence in Healthcare Sector

IDCOL financed the 1st PPP project in healthcare sector providing low cost dialysis services to the underprivileged and affordable dialysis to the well-off patients.

Portfolio Diversification

IDCOL recently added social and tourism infrastructure, economic zone and infrastructure backward linkage projects to its eligible sector for financing. IDCOL has also invested in LPG plant, Oil & Gas Refinery and Hospital.

The loan portfolio crossed BDT 71 billion for infrastructure and PPP projects with its usual skewness to power sector. IDCOL also participated in various syndications and maintained its market presence with strong ties with participating banks and financial institutions. Moreover, apart from its regular

lending operation, focus has been placed for loan arrangement & subsequent agency operation. A good number of arrangement deals has been signed with various sponsors and projects which are expected to achieve commercial operation 2019 ~ 2020.



IDCOL financed setting up of a 163 MW Gas based power plant implemented by Kushiara Power Co. Ltd.



IDCOL invested in Summit LNG Terminal at Maheshkhali, Cox's Bazar with a supply capacity of 500 MMCFD.



IDCOL financed establishing a petroleum refinery with a capacity of 10,000 barrels per day by Partex Petro Limited at Chittagong



IDCOL financed an energy efficient Vertical Roller Mill (VRM) with a capacity of 8,000 MT per day for a cement factory by Meghna Cement Mills Limited at Mongla, Khulna



Financial Closure of 163 MW Kushiara Power Company Limited of USD 50 Million and BDT 3,900 Million

About IDCOL



Loan Closing Ceremony of 110 MW Karnaphuli Power Limited held at Hotel Inter Continental, Dhaka on 20 March 2019



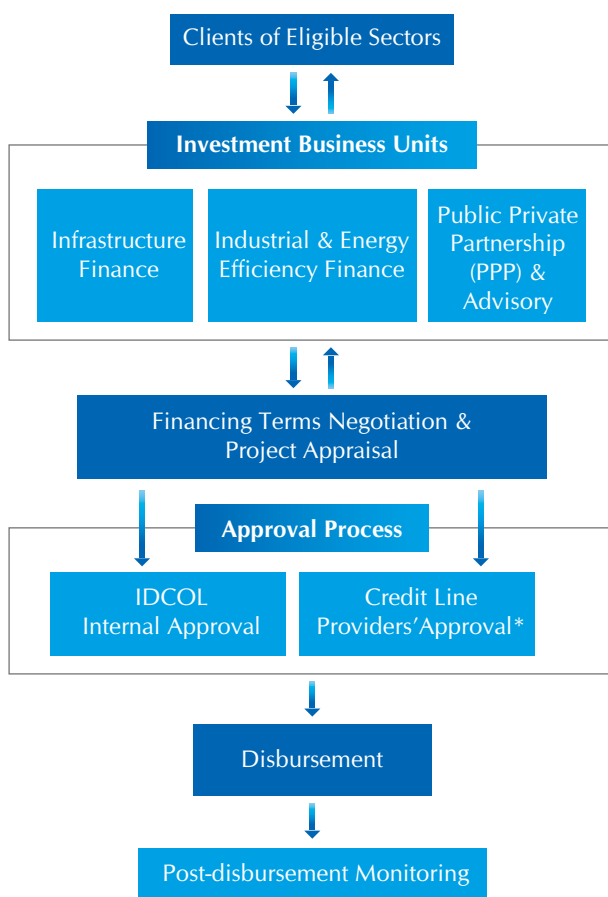
Loan Closing Ceremony of 149 MW Ace Alliance Power Limited held at Summit Power International Head Office in Singapore on 3rd July 2019



Financial Closure of 149 MW Midland East Power Limited of USD 67.25 Million, BDT 920 Million & Working Capital Facility of BDT 4,165 Million

Business Model

Infrastructure Finance (IF), Industrial & Energy Efficiency Finance (IEEF) and Public Private Partnership (PPP) are the three business units working under the Investment Department of IDCOL. These three units work independently but have a unified target of facilitating private sector infrastructure, industrial, energy efficient projects as well as PPP projects for accelerating the development of the country.



**Applicable when financing with external credit lines*

All the units follow similar integrated business model and can extend credit facility to eligible sectors (as per IDCOL's Lending Policy) through either availing external credit lines or using its own funds and reflow. There is a two-way communication between the clients and the business units where the client sometimes approach first for meeting its financing needs and also the business units at times sought out new projects and clients. All the projects to be financed by Investment department go through stringent appraisal after financing terms have been negotiated and different third-party advisors are appointed to help assess the feasibility of the project. After due diligence is completed, a project has to pass-through a three-tier internal approval process before disbursement. In addition, for all the projects that are financed using external credit lines, it might be

required to obtain an additional approval from credit line providers. The business units have to monitor the loans post-disbursement as well- especially to ensure they are serviced regularly and also comply with environmental and social standards. As the loans are gradually re-paid, these funds (reflow) are again utilized to finance new projects by the business units.

Risk and Opportunities of the Program

Opportunities: Bangladesh is ranked among the top ten fastest growing economies in the World in 2016 as per the report published by International Monetary Fund (IMF). The country has achieved a GDP growth rate of 8.1% in 2018-19 fiscal year which was higher than the GoB's set growth target and the highest in the country's history. The GoB has set its vision to become a middle-income country by 2021. To keep up the economy's present growth rate and attain these ambitious vision, increased investment in infrastructure especially from private sector is mandatory. This creates a unique opportunity for IDCOL's Investment Department which was formed with the vision to mobilize private sector investment in infrastructure.

Investment Department has developed three dedicated business units that have skilled professionals with in-depth expertise and knowledge in their relevant sectors and the ability to effectively offer financing to the market. Apart from its regular lending operation, the units are focusing on loan arrangements and subsequent agency operations. IDCOL also provides transaction, corporate, investment and other advisory and consultancy services which have enriched IDCOL's service offerings. All these together ensure that IDCOL's Investment Department is ready to make the best of the opportunities presented by the rapidly growing economy and changing infrastructure landscape of Bangladesh in the short, medium and long run.

Risks: One of the major risks faced by the Investment Department in financing large-scale, capital-intensive infrastructure projects is implementation risk. To minimize the risk, projects from sponsors with good track-record is prioritized and detailed appraisal is undertaken by experienced professionals to ensure the feasibility of the project. Stringent three-tier internal approval is practiced for all projects to further mitigate the risk of investing by IDCOL. Political instability is a major risk factor in timely implementation of these projects that affects both the sponsors and lenders.

Due to limited investment opportunities in different private sector projects those meet IDCOL's eligibility criteria in the past years, this Department has significantly higher exposure in the power sector which exposes the portfolio to concentration risk. However, this risk would hopefully be mitigated in

About IDCOL

the coming years as the Department is diversifying its portfolio into new eligible sectors.

Retention of key employees is an internal risk factor for the Department as there is huge market demand for the expertise and skill-set that can be acquired through working here. To address this risk and keep its employees motivated, Investment Department ensures that there is ample opportunity for learning and growth available for all.

Benefits Created for the End Customers through Investment Department

Supporting GoB's vision of Electricity for All: IDCOL, through its Investment Department has extended significant financing to the private sector power generation to support the Government of Bangladesh's (GoB) ambitious vision of ensuring Electricity for All Citizens by 2021. These power projects have not only added to the country's power generation capacity but also created direct and indirect employment opportunities and developed skilled professionals. Till date, IDCOL financed projects have added 3,214 MW installed power generation capacity to the national grid which is 33% of the total national private installed capacity and IDCOL is committed to increase its share in the coming years to make electricity more accessible to the people of Bangladesh.

Financing River Ports & ICD & CFS: IDCOL, in recent years have diversified its portfolio to include

port projects to cater to the increasing demand of the rapidly growing export-import business in Bangladesh. It has financed the country's first River Port which showcases its commitment towards encouraging innovation in infrastructure. IDCOL financed Inland Container Depots (ICD) and Container Freight Stations (CFS) projects at present handle 268,000 TEUs p.a. This accounts for 22% of the total export container capacity of the country and is contributing towards bringing down the congestion in the Chittagong Port.

Social & Tourism Infrastructure: IDCOL has ventured into social infrastructure by financing the first PPP project in the healthcare sector that provide low cost dialysis services to patients who are unable to bear the high expense of dialysis as well as affordable dialysis services to affluent patients while ensuring the same quality. In the tourism front, IDCOL has financed a 5-star international chain hotel in the capital city to address the increasing accommodation need of foreign business customers to the country.

Promoting Environment-friendly Projects: IDCOL is committed towards the preservation of environment and keeping in line with that, its Investment Department has been financing a number of environment-friendly auto-brick kiln and recycling projects for promoting greener and cleaner environment. Energy-efficient equipment are also being financed for supporting the national goal of achieving 10% energy conservation by 2020.

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 sector with energy efficient and environment friendly ones, IDCOL launched its 'Green Brick Program' in 2013 with a plan to invest BDT 4 billion 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

2.05 Million Improved Cook Stove (ICS)

2.05 million ICS have been disseminated under IDCOL ICS Program which are reducing use of solid fuels, Indoor Air Pollution (IAP) and GHG Emission.

BDT 2,240 million has already been approved for 8 tunnel kiln and 1 HHK brick projects, with aggregate daily production capacity of 11,40,000 bricks. Most of the projects are expected to come into commercial operation shortly. IDCOL has also collaborated with Frankfurt School of Finance & Management GmbH (Frankfurt School) under the project, 'Technical assistance (TA) for financing brick kiln in Bangladesh' supported by United Nations Environment Program (UNEP) through funding from the Climate and Clean Air Coalition (CCAC).



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

Energy Efficient Equipment Financing

IDCOL has so far financed BDT 6,320 million for setting up energy efficient VRM machines for the cement industry and various machines for the RMG sector. Beside own fund, IDCOL finances energy

efficient equipment under JICA funded Energy Efficiency & Conservation Promotion Financing Project.



Energy Efficient Vertical Roller Machine



Energy Efficient Equipment for Textile, RMG and Spinning Mills

About IDCOL

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



Improved Cooked Stoves (ICS) reduces Green House Gas Emission and Indoor Air Pollution (IAP)

Improved Cook Stove Program

IDCOL Improved Cook Stove (ICS) program was inaugurated by the Honorable Prime Minister of Bangladesh in May 2013 with the installation target of 1 million ICS in Bangladesh within December 2018. IDCOL received necessary financial support from the Government of Bangladesh and the World Bank.

ICS program started with a target to achieve 1 million ICS installation by 2018 and achieved it within

January 2017, almost two years ahead of the project completion period. Now, the Program is aiming to disseminate 5 million ICS by June 2023. As of December 2019, a total of 2.05 million ICS have been disseminated in 290 upazilas.

The primary objectives of the program are to reduce GHG emission by reducing use of cooking fuel, to reduce Indoor Air Pollution (IAP) and to ensure local capacity building and mass awareness for achieving 100% ICS coverage by 2030 as per Bangladesh Country Action Plan. The Program is being implemented by a dedicated Project Management Unit (PMU) whereas IDCOL Board is responsible for oversight, policy guidance and monitoring of the PMU. The overall structure of the component is given in the figure below:



IDCOL undertook R&D initiatives with BUET to upgrade the stoves under the program from Tier 1(>=15%) to Tier 3 (>=35%) level of thermal efficiency. These stoves can be produced in decentralized Upazila level production centers using local resources. With increase in thermal efficiency, the stoves burn lesser amount of fuel and therefore, GHG Emission and IAP decrease significantly. At present, all the stoves being disseminated under the Program are Tier 3 stoves.

The Risks and opportunities of the program is as follows:

Opportunities

Mass Awareness and Local capacity Building: IDCOL ICS Program with a network of 57 POs will establish a strong base which includes local capacity building and mass awareness for achieving 100% coverage of Improved Cook Stove (ICS) by 2030 as per Bangladesh Government's Country Action Plan for Clean Cookstoves. With 85% population living in the rural areas, Bangladesh has a great market potential for ICS, more than 30 million households. IDCOL ICS Program has a target of disseminating ICS in 5 million households by June 2023 of which 2.05 million ICS has already been installed.

Reducing Emission and Fuel Wood Saving: With installation of 5 million cookstoves by June 2023, IDCOL ICS Program will save 7.7 million ton fuel wood and reduce emissions of 6.1 million ton CO₂ per year. Notably, an ICS saves 1.54 ton fuel wood per year and decreases 1.22 ton CO₂ emission per year.

Through installation of 5 million stoves, the program will create mass awareness on ICS and local capacity which will significantly contribute towards achieving government's target of 30 million stoves. These 30 million stoves will save 46.2 million ton fuel wood and reduce emissions of 36.6 million ton CO₂ emission per year.

Achieving SDGs: This program directly contributed towards achieving several SDGs. Contribution towards SDG 7 (affordable and Clean Energy) is being made through installation of stoves with higher thermal efficiency.

An Indoor Air Pollution study (IAP) conducted under the ICS program showed that the Improved Cook Stoves reduce emission of particulate matters and CO 20% and 90%, respectively, compared to traditional stoves. Reducing IAP is directly contributing towards SDG 3 (Good Health and Well Being) and SDG 13 (Climate Action).

The women who use ICS need less time for collecting fuel and cooking which enable them to look after education of the children and to do economic activities which helps SDG 4 (Quality Education) and SDG 5 (Gender Equality).

Program Risks and Mitigation

Lack of awareness among the end-users: The households in Bangladesh are using traditional stoves for a long time and comfortable using it despite numerous demerits. As traditional stoves can be easily made, they don't want to spend money to buy a new cookstove. This behavioral shift is a primary challenge and to address this, the program considers awareness raising and demand creation activities as the most important aspect of the program. IDCOL provides the demand creation incentives under the program to support POs in conducting these activities.

Scarcity of Skilled Staffs: Through training and capacity building activities the program has ensured availability of skilled masons and technicians. However, the program is facing challenges to ensure retention of skilled staffs in promotion and sales. A significant portion of sales employees do not consider their work as a respectable profession and therefore, POs are facing high rates of employee dropouts. IDCOL is providing regular trainings on promotional activities to motivate the sales force of the PO.

Stove Usage Level: Some of the users tend to use the stove simultaneously with traditional stoves, or only use ICS for special occasions. As per IDCOL inspection data, such unused stove constitutes about 5% of the total installed stoves. For helping the users comfortably adopting ICS, IDCOL incorporated customer training programs under the program.

Lack of international standard Testing Facilities: There are a couple of testing labs in Bangladesh but none of these are ISO certified or internationally recognized for testing of cook-stoves. IDCOL undertook initiatives to establish three testing facilities for cookstoves in Bangladesh and also established a technical monitoring facility for testing cookstoves in its own premises.

IDCOL is planning to establish an ISO compliant testing facility at BUET which is essential to measure the impact of ICS in Bangladesh compared to the global standard.

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.

About IDCOL

Renewable Energy

4.13 Million SHSs

4.13 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.

1,630 Solar Irrigation Pumps

IDCOL has approved 1,630 solar irrigation pumps of which 1,514 are already in operation.

26 Solar Mini Grids

IDCOL has approved financing for 26 solar mini-grid projects. All are in operation and providing grid quality electricity in remote rural areas.

4 Rooftop Solar Plants Installed on the Rooftop of 4 Factories

IDCOL has already approved financing of 24 projects with total capacity of around 27.76 MWp. 4 projects from the approved ones are currently in operation.

53,162 Biogas Plants

IDCOL has financed construction of 53,162 domestic biogas plants which provides clean energy solution to more than 239,000 rural people of the country.

11 Biogas Based Power Projects

IDCOL has financed 11 biogas based power plants, having capacity that ranges from 10 KW to 400 KW.

2 Biomass Based Power Plants

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

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 this year.

IDCOL Solar Home System (SHS) Program

IDCOL started SHS program in January 2003 to fulfill basic electricity requirement of the off-grid rural people of Bangladesh by 2021. IDCOL SHS program has been acclaimed as the largest off-grid electrification program in the world. Till date, about 4.13 million SHSs have been installed under the program with an installed capacity of 185 MWp 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.



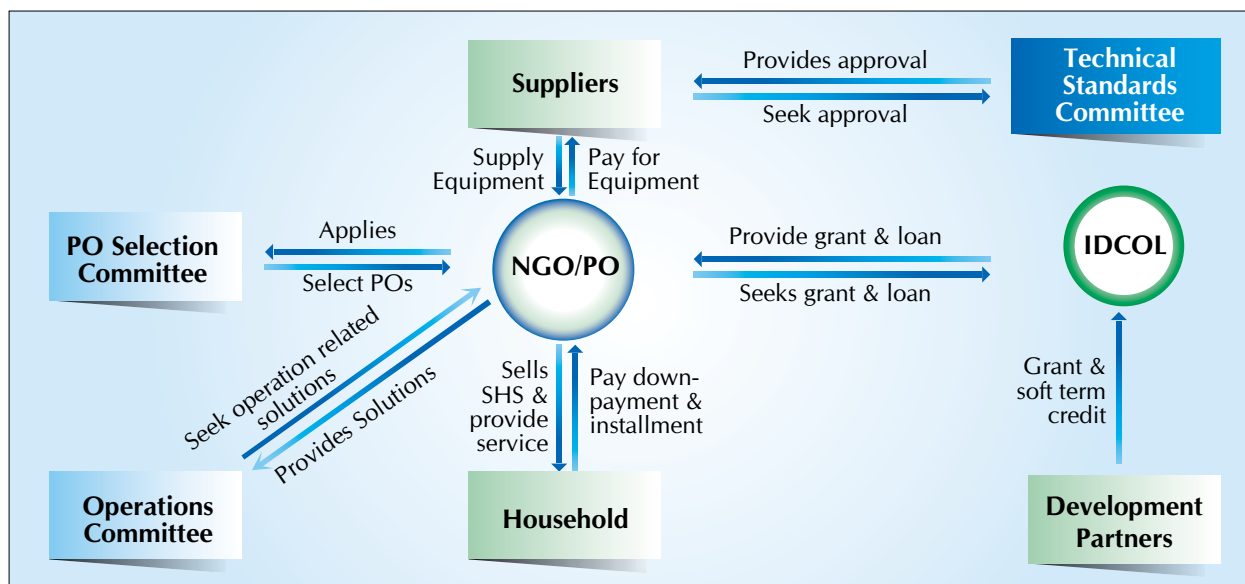
Solar Home System providing electricity in rural off-grid areas

Program Structure

IDCOL has developed a unique model for dissemination of SHS. The model has been proved effective and accepted by the beneficiaries under the

program. It introduced ownership model through micro-finance/cash sale rather than fee-for-service model.

The following figure shows the basic structure of the SHS program:



IDCOL initially received credit and grant support from the World Bank and GEF to start the program. 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 and installed a total of 4.13 million SHSs in rural areas of Bangladesh.

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.

Overall Impact of the Program

Social Impact: Bangladesh Institute of Development Studies (BIDS) conducted impact assessment of IDCOL SHS Program which has identified some interesting impacts of the program on rural community. These are discussed below.

- **Study Hours and Schooling:** According to BIDS, boys and girls in SHS households have longer study hours compared to their counterparts in non-SHS households. The SHS study also found that boys and girls in SHS households have completed more schooling than those in non-SHS households.



Studying at night with help of Solar Home System

- **Safety and Amenities:** BIDS study also revealed that SHS households enjoy higher safety, comfort and convenience compared to non-SHS households. For instance, SHS user household members have higher sense of security at night by replacing kerosene lamps with SHS light. In addition, the SHS households have access to various electronic appliances i.e. TV, radio, fan, mobile charger.

About IDCOL



Weaving handicraft at night with help of Solar Home System

- **Impact on Health:** SHS household member also suffer less from several types of preventable illness such as general ailment, respiratory diseases, and GI illness. Moreover, adoption of SHS was found to have an adverse effect on recent fertility which consequently has a positive effect on population control of our country.
- **Benefits for Women:** Women have been one of main target beneficiaries of SHS program. SHS has a positive influence on women's mobility, general and economic decision-making. Women are found to use more time for tutoring children, watching TV, socializing, visiting friends and neighbors with the adoption of SHS.
- **Employment Generation:** The program has contributed towards development of local support industries and creation of more than 75,000 direct or indirect jobs.

Kerosene Saving: The program has so far saved consumption of 3.31 million tons of kerosene worth USD 411 million (considering USD 0.30 per liter). In addition, already installed 4.13 million SHS will save consumption of another 3.6 million tons of kerosene worth USD 1300 million in the next 15 years. Therefore, total saving in terms of reduction in

kerosene use is almost 3 times of IDCOL's total credit investment.

IDCOL Biogas & Bio-fertilizer Program

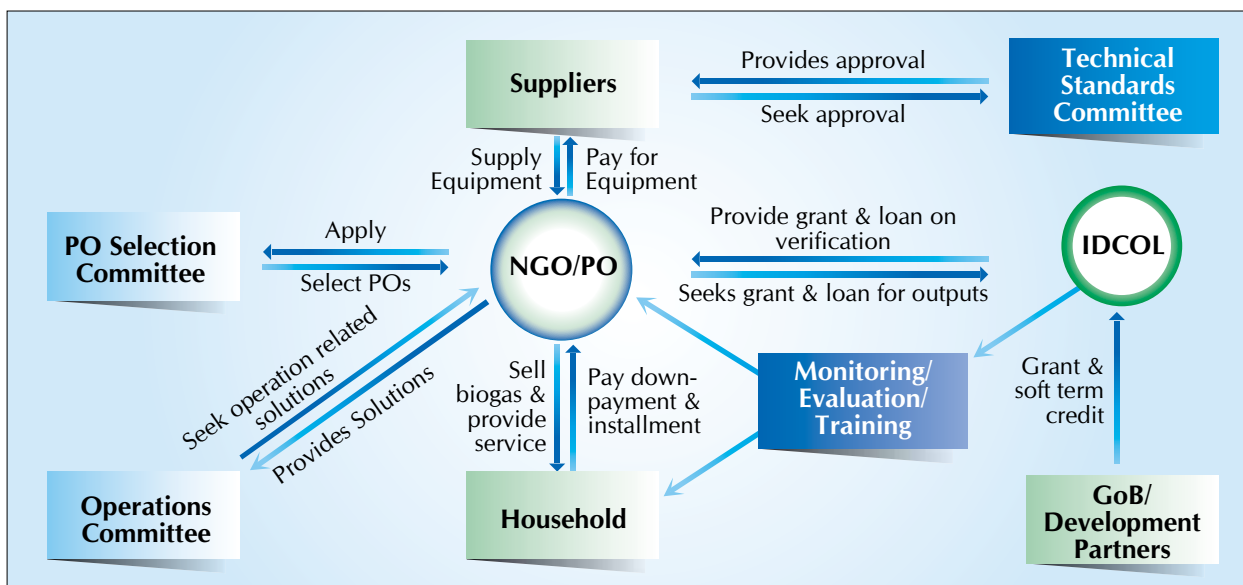
IDCOL has been implementing its Biogas & Bio-fertilizer Program for households in Bangladesh since 2006 with support from the World Bank, KfW Development Bank and SNV Netherlands Development Organization. IDCOL has registered the program as a CDM project under UNFCCC. The objective of the Program is to develop and disseminate biogas plants with the ultimate goal of establishing a sustainable and commercial biogas sector in Bangladesh. More than 53,162 biogas plants have been constructed till December 2019 through Participating Organizations. These plants provides clean energy solution to around 239,000 beneficiaries.



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

Program Structure

IDCOL currently promotes and finances biogas plants in the rural areas of Bangladesh through its partners which comprises of NGOs, MFIs and private entities known as Participating Organizations (POs). The POs identify project areas and potential customers, extend microcredit, procure appliances from IDCOL approved suppliers, construct the plants and provide maintenance and after-sales supports. An independent PO Selection Committee has the responsibility for selection of POs under the program. Technical Standards Committee finalize and upgrade the design of biogas plant and its technical standards, specification of raw materials to be used, set technical standards of appliances and give approval of those. Chaired by the ED and CEO of IDCOL and consisting of program-in-charges from all POs and representatives from IDCOL, the Operations Committee regularly meets to look after the operational aspects of the program. The basic program structure is as follows:



Bangladesh is considered to be a country with high potential in dissemination of biogas technology. Majority of households in Bangladesh use traditional biomass fuels such as fuel wood, dung, and agricultural residues for cooking in low-efficiency stoves. Based on survey of Bangladesh Bureau of Statistics (BBS), about 952,000 households own more than 5 heads of cattle which indicates a market for approximately 1 million biogas plants.



The Program has lowered usage of firewood by approximately 51,000 tons per year which is worth USD 4.07 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 45,200 tons of chemical fertilizer worth USD 10.2 million by generating around 315,000 tons of organic fertilizer each year. From 2014, IDCOL is financing fiberglass bio-digesters along with conventional brick-cement based biogas plants. Fiberglass bio-digesters can be relocated after installation, take less time to be installed 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.

The 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

Agricultural sector is one of the most crucial contributors to Bangladesh's economy in terms of employment, food security and GDP growth. There are about 1.4 million diesel run pumps currently operating in Bangladesh using 1 million tons of diesel per year. Given the energy shortage and fluctuating price of petroleum products, solar energy based irrigation pump can be an environment-friendly solution to address these challenges.



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

About IDCOL

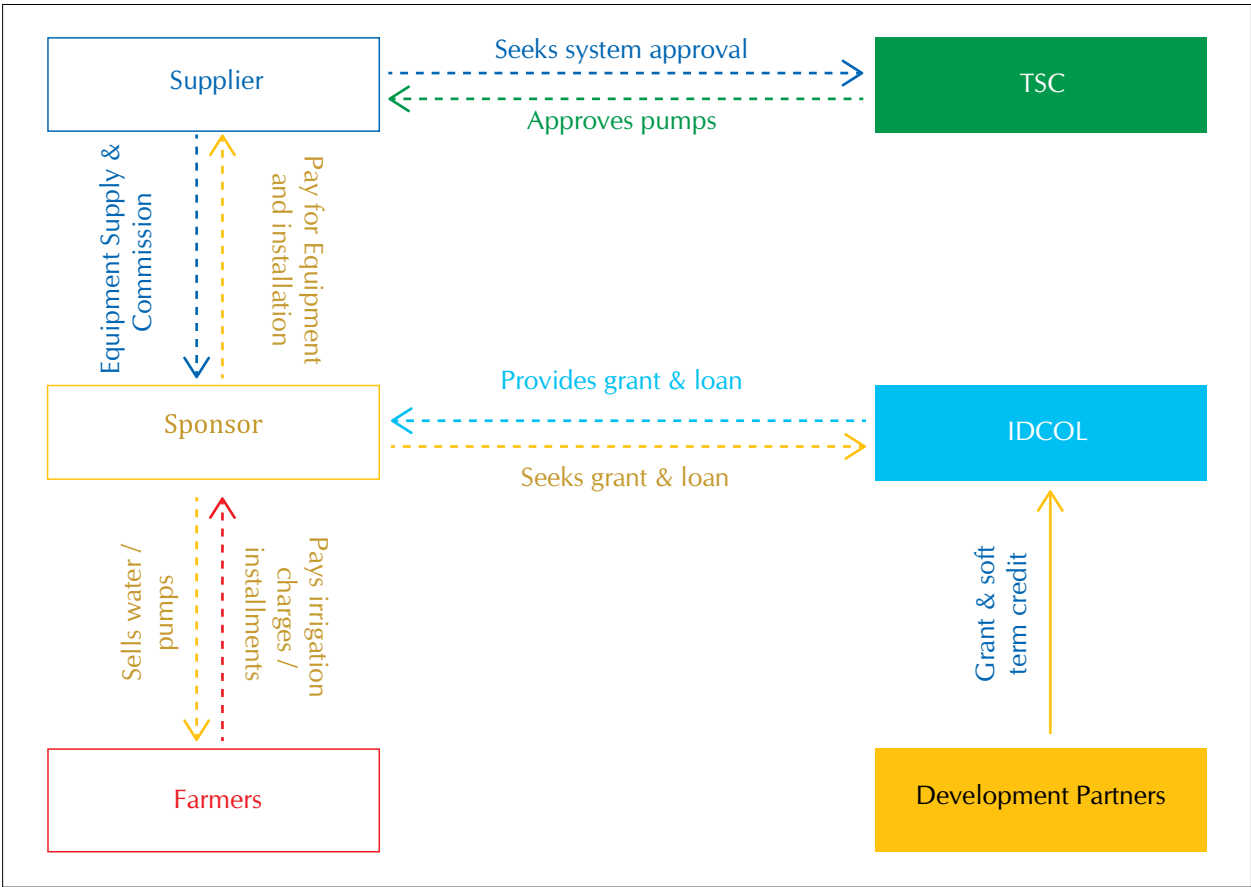
Solar based irrigation system is an innovative, economic and environment friendly solution for the agro- based economy of Bangladesh. IDCOL Solar program is intended to provide irrigation facility to off-grid areas and thereby reduce dependency on fossil fuel. Till date, IDCOL has approved 1,630 solar irrigation pumps of which 1,514 are already in operation. The remaining pumps will come into operation shortly. IDCOL has a target to finance 10,000 solar irrigation pumps by 2025. The World Bank, KfW, GPOBA, JICA, USAID, ADB and Bangladesh Climate Change Resilience Fund (BCCRF) are supporting this initiative.

Program Structure

IDCOL currently follows ‘fee for service’ model where farmers avail irrigation services from the pump by paying an agreed fee. IDCOL is also in the process of exploring ‘ownership model’ where farmers will be the owners of pumps instead of availing irrigation services. Hence, based on the “asset ownership” and “role in pump operations” two different business models have been developed as follows:

| Business Models | Asset Ownership | Pump Operations |
|-----------------------|-----------------|-----------------|
| Fee for Service Model | Sponsor | Sponsor |
| Ownership Model | Farmers | Farmers |

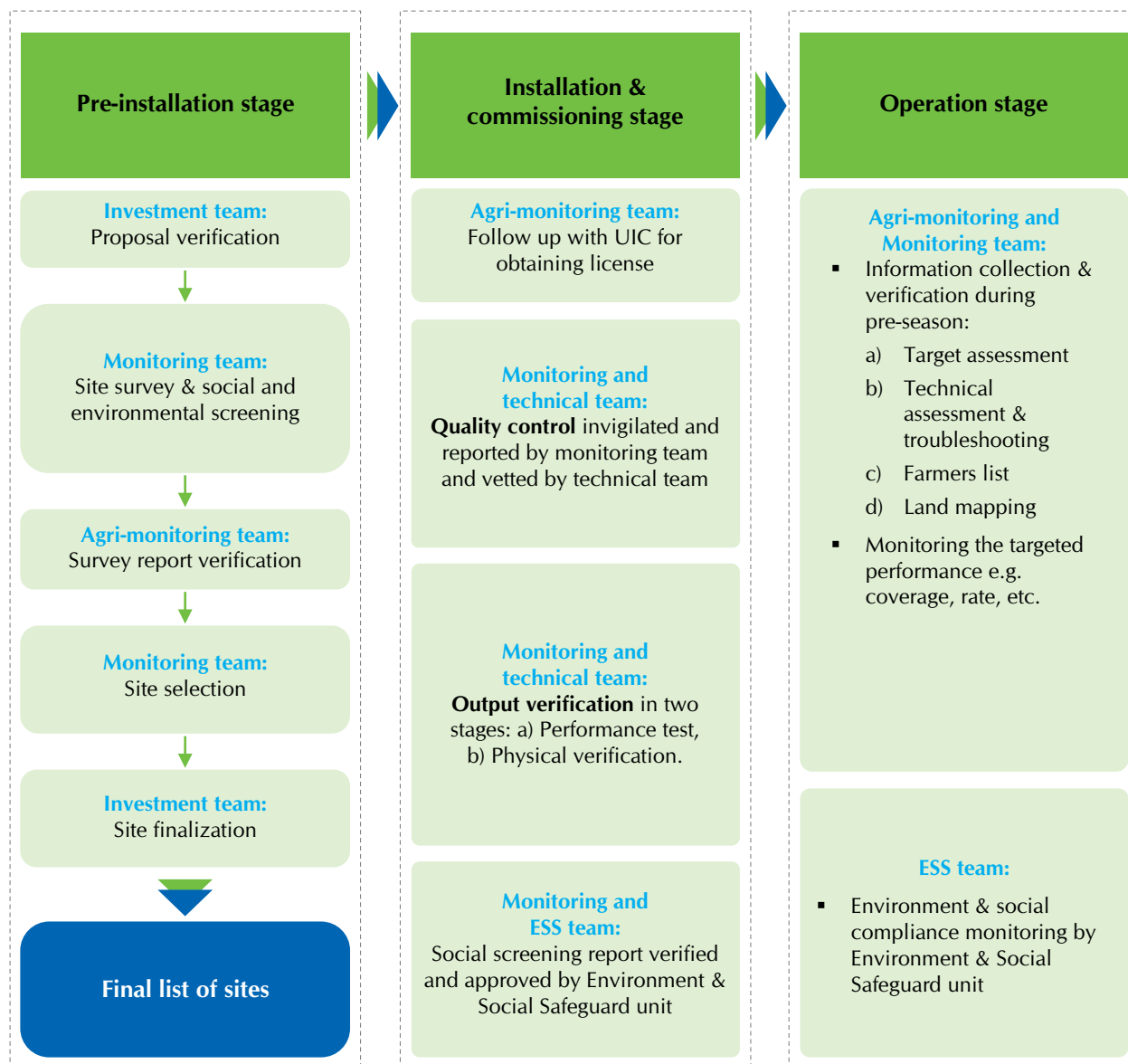
The program modality for “fee for service” and “ownership” model is presented in the following diagram:



Monitoring and Quality Control Process

For Monitoring and Quality Control under the program, IDCOL has dedicated Monitoring Unit as well as Agriculturists in order to monitor operational

performance of solar irrigation pumps during pre-approval and post-approval stages of projects, as shown in the following figure:



Major Program Results

- Partner Network Development:** IDCOL currently has about 30 sponsors under its solar irrigation program. These sponsors have dedicated work force and have engaged local human resources for implementing the program.
- Geographic Coverage:** IDCOL solar irrigation program has presence in five (5) divisions of the country and is covering 17 out of 64 districts in those divisions. IDCOL is currently working in 46 sub-districts of these 17 districts. IDCOL has a plan to expand program activities in all the sub-districts of the country.
- Product Development:** In 2011, there were only six (6) suppliers under the program which gradually increased to 18 in order to cater on the created demand for solar irrigation pumps. With the increased number of suppliers, multiple pumps of different country origins have been introduced under the program.
- Reduction in Costs:** Introduction of new ranges of products allowed pump price to reduce by about 40% than the prices during first phase of the program.

About IDCOL

- **Capacity Building:** Under the program, IDCOL trained more than 4,000 farmers, operators and sponsors' officials.
- **Testing and Standards:** The TSC now requires testing of solar pumps before providing approval. With the requirements of such testing going up, IDCOL established a technical monitoring facility which consists of necessary equipment and resources for carrying out tests of solar irrigation pumps at the laboratory as well as at the fields.
- **Reduction of CO₂ emission:** A single irrigation pump can replace about 4-5 diesel pumps and thus can reduce emission of CO₂ of about 8.06 tons per year. Thus, 10,000 solar irrigation pumps will be able to reduce about **22,300 tons of CO₂ per year** and about 446,000 tons of CO₂ in 20 years lifetime.
- **Financial Innovation Award:** Solar-powered irrigation systems are gaining popularity owing to IDCOL's cost-effective financing and innovative business models. In recognition of this innovation, IDCOL achieved prestigious Financial Innovation Award (FIA) 2019 under the Best Sustainable Finance Initiative category for implementing Solar Irrigation Pump.

Solar Mini-grid Projects

A large portion of the population of Bangladesh live in remote rural areas, far away from existing grid line and

sometimes are isolated from the mainland by river or sea. As such, it was challenging to reach out to those population with grid electricity. In this backdrop, solar mini-grids implemented by the private sector under IDCOL financing played an important role to complement the commitment of the Government to ensure electricity for all by 2021 by providing access to grid quality electricity for 24/7 to these rural population. Located in river and sea islands, 26 IDCOL solar mini-grids have not only provided improved electricity services to the rural inhabitants but also encouraged huge economic activities which otherwise is not possible to be served by SHS. IDCOL extended 50% of the project cost as grant and 30% as long-term concessionary loan to the private sector sponsors so that they can offer electricity services to the rural people at an affordable tariff. The remaining 20% of the project cost was put in as equity by the sponsors.

IDCOL sourced the required financing from the World Bank, KfW, GPOBA, JICA, USAID, ADB and DFID to implement these solar mini-grids.

Program Structure

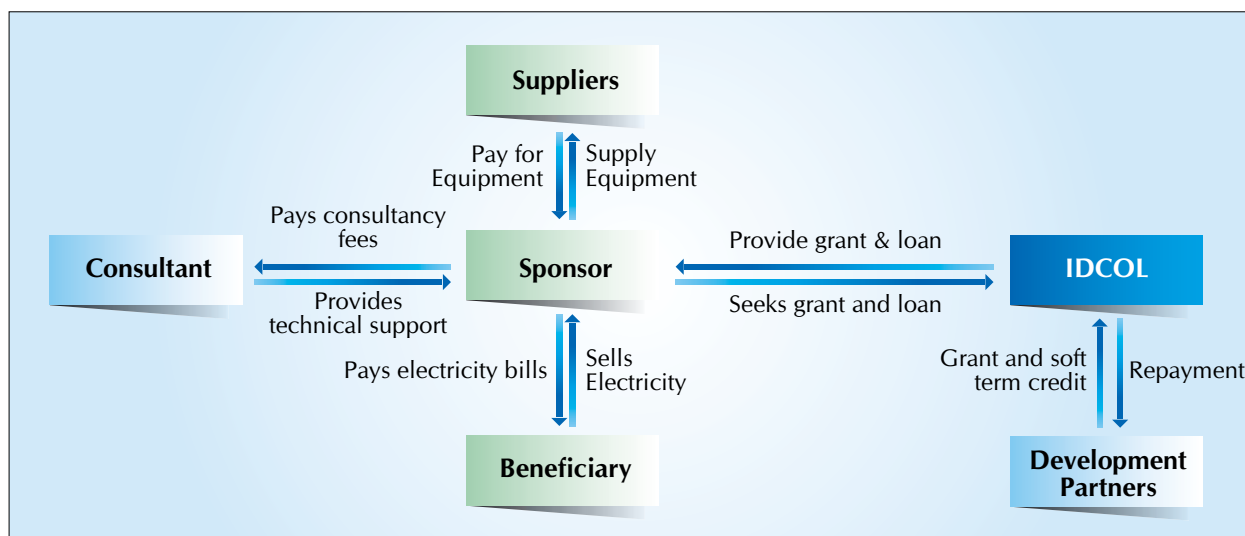
The prominent features of solar mini-grid projects are as follows:

- The sponsor is responsible for identifying suitable site, to procure equipment from suppliers, to ensure installation and commission of the plant and after implementation, to sell electricity to end-customers at a specific tariff.
- The sponsor is required to retain a technical consultant for providing design, supervision and other technical supports to the sponsor. However, if a sponsor has adequate technical capacity, it may not need to engage such technical consultant.
- IDCOL provides soft loan, grant, and technical as well as project development supports to the sponsors.
- The suppliers supply and install the required equipment and machineries e.g. solar PV panel, inverter, batteries, generator, pole and pole fittings, cable, etc. at site.



Solar mini-grids installed in remote islands of the country

The modality of a typical mini-grid project is provided below:



Major Program Results

- **Partner Network Development:** IDCOL currently has 20 sponsors under solar mini-grid projects which have dedicated workforce to run these plants.
- **Geographic Coverage:** 26 solar mini-grid projects are currently operational in river and sea islands in seven (7) divisions of the country.
- **Sustainable Business Model:** IDCOL has developed a business model that ensures affordable electricity tariff for customers as well as reasonable return for the sponsors under solar mini-grid projects with minimum return on equity being 13%-15% and payback period being 7 ~ 8 years. Besides, sponsors using prepaid metering system ensures 100% collection efficiency. IDCOL directs the sponsors to promote use of energy efficient appliances to reduce the monthly electricity bills for consumers.
- **Enlistment of New Suppliers:** Because of IDCOL solar mini-grid projects, several suppliers started manufacturing of 2V battery. Besides, few local suppliers have emerged that are capable to provide installation and commissioning services to these projects.
- **Establishing Regulatory Framework:** IDCOL is pursuing the government to establish a regulatory framework to safeguard private sector investments in solar mini-grids. Previously, IDCOL and SREDA successfully facilitated through Department of Environment to mark solar mini-grid projects in 'Green' category (power projects were marked as Red category by the Department of Environment).
- **Promoting Use of Energy Efficient Appliances:** IDCOL arranges training to raise awareness among customers about the benefits of using energy efficient appliances. Besides, IDCOL encouraged different manufacturers to keep energy efficient appliances available in the vicinity of solar mini-grid areas. Use of such appliances not only enables the customers to afford maximum electricity benefits but also allows the projects serve more customers with the electricity saved.
- **Economic Impact created by SMGs** Being a reliable source of electricity, solar mini-grids have successfully contributed towards creation of a vibrant economy in rural areas. Under the projects, about 14,445 connections have been made so far of which 73.5% are households and the remaining 26.5% are commercial entities engaged in different income generating activities and other productive uses. Customer of such categories include shops, workshops (steel, furniture, carpentry), ricemills, sawmills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospital/clinic, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosque, madrasahs, etc. Many entrepreneurs have been created in these areas because of successful mini-grid interventions. Total number of connections under SMGs are expected to be 20,538 which are estimated to provide electricity access to more than one lac rural population.
- **Reduction of CO₂ emission:** The solar mini-grid projects contributes towards CO₂ emission reduction target of the country by replacing need for diesel based power generation units. A typical solar mini-grid plant of 250 kWp capacity may cater to energy needs of about 750 customers including households, offices, shops,

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mosque, madrasa etc. Considering kerosene consumption per customer per month of about 2.70 liters while CO₂ emission factor from per liter of kerosene is about 2.41 kg/ liter, CO₂ emission reduction from a solar mini-grid is estimated to be about 58.6 tons in a year and 1,171 tons in 20 years.

IDCOL Rooftop Solar Program

According to Renewable Energy Policy 2008, 10% of power generation or about 2400 MW will be sourced from renewable energy by 2020. Bangladesh being a good recipient of solar irradiation plans to source most of it from solar energy. Installation of one (1) MWp solar power plant requires about 3 ~ 4 acres of land. Therefore, land constraint seems to be a challenge in achieving this target for a densely populated country like Bangladesh. However, availability of plenty open rooftops in different industries may address the space constraint issue for installing solar panels. IDCOL's rooftop solar program is designed to provide financing to private sector industries for implementing such projects.

With the rise of grid electricity prices and falling solar panel costs, the rooftop solar has become a very cost-effective power solution for the industries. The Government enacted net metering policy in 2018 which allows excess electricity from roof-top system to adjust against the grid electricity which increases investment viability of such system. In addition, rooftop solar based power solution helps promote green credentials for industries.

IDCOL extends 80% of the project cost as long-term concessionary loan while remaining 20% is injected by the sponsors as equity. The loan tenor is 10 years and the interest rate is 6% p.a. Till date, IDCOL has approved financing for 24 rooftop solar projects with cumulative capacities of 27.76 MWp and 04 projects with capacities of 3.10 MWp are now in operation. IDCOL has a target to finance a total capacity of 300 MWp by 2022. IDCOL is sourcing the required fund from the World Bank, KfW and its own sources for financing rooftop solar projects.



1.1 MWp Rooftop Solar Project at Far East Spinning Mills Ltd.



324 kWp Rooftop Solar Project of Megaroom Ltd.

Program Structure

IDCOL finances two types of business models under roof-top solar projects: (i) the CAPEX model and (ii) the RESCO or OPEX model.

CAPEX Model: In this model, the owner of the roof owns the rooftop PV assets and invests the required equity and arranges finance. The benefit of the borrower here comes from saved electricity generated through captive consumption of solar energy and saved electricity bills. Besides, any excess electricity after self-consumption that is generated from the system may be supplied to the distribution grid, and in exchange the owner can either import equal amount of electricity from the grid or receive price of net amount of exported electricity as per the net metering guideline.

RESCO/OPEX Model: In this model, a third-party renewable energy service company (RESCO) leases out rooftop space from a roof-owner to install the solar system, generate and sell entire electricity generation to the rooftop owner under a power purchase agreement executed between the RESCO and the roof-owner. In this case, the rooftop PV assets are owned and the required financing is arranged as equity and loan by the RESCO.

Major Program Results

- **Energy Security:** Solar is a sustainable source of electricity which helps ensure alternative source of electricity for the industry owners and thus helps towards ensuring energy security.
- **Financial Benefits:** Rooftop solar is cheaper than grid electricity. Once connected through the Net Metering, the beneficiary will be able to feed excess electricity to the grid which will be adjusted against the grid electricity bills. Given the costs of solar PV based system, rooftop solar projects have payback period of 6 ~ 7 years.
- **Green Initiative:** Using rooftop solar based power solution enhances green credentials for industries.

- **Project Benefits:** Rooftop solar projects are easy to implement, and the installed equipment require minimum maintenance. Therefore, the industries can enjoy environmental-friendly and cost-effective power solution without having to worry about technical complexities.
- **IDCOL Supports:** The attractive features of IDCOL Rooftop Solar program include concessionary financing with attractive terms as well as technical and monitoring support. As part of its due diligence, IDCOL reviews

technical design & equipment selection, conducts project cost verification, and monitors project performance during project operation period. The Technical Standard Committee (TSC) of IDCOL has established a pool of experts under the program who work as Independent Engineers and conduct technical review of the projects during project appraisal, construction and due diligence stages. Notably, these experts are also the leading solar energy experts of the country.

Biogas based Power Projects

IDCOL finances commercial biogas-based electricity projects by providing poultry and dairy farms up to 80% of the project as long-term concessionary loan. Such projects allow these farms to comply with the environmental compliance requirement of installing biogas plants while using the generated electricity for captive consumption. Since 2006, IDCOL has financed installations of eleven (11) large-scale biogas

projects. The capacity of each of these biogas systems ranges from 10 to 400 kW.

The World Bank, KfW, USAID and JICA are providing support to IDCOL for financing these projects. These projects may be located at grid or off-grid areas. The target sponsors are dairy or poultry farms which has adequate livestock to produce substrate to be fed into the biogas.



300KW Biogas based Electricity Project at Harishar, Batajur, Valuka, Mymensingh

Biogas based Power Projects

According to Livestock Department, total chicken population was 195 million in 2006. Currently, there are more than 150,000 poultry farms in Bangladesh with more than 90% having bird population between 1,000 - 5,000. About 1,500 farms have over 20,000 poultry birds of which about 30-35 farms have over 200,000 birds. The poultry industry has achieved more than 20 percent average annual growth over last few years. The poultry industry of Bangladesh produces about 20,000 ton poultry waste per day, polluting soil and water and creating environmental hazards.



Rice-husk based Power Plant at Thakurgaon

About IDCOL

IDCOL finances commercial biogas based electricity projects for captive consumption. Since 2006, IDCOL has financed 11 large-scale biogas projects with capacities ranging from 10 kW to 400 kW.

The World Bank, KfW, USAID and JICA are providing support to IDCOL for financing these projects. These projects may be located at grid or off-grid areas. The projects are implemented by poultry or dairy farms with sufficient livestock to produce substrate to be fed into the biogas digesters for producing electricity.

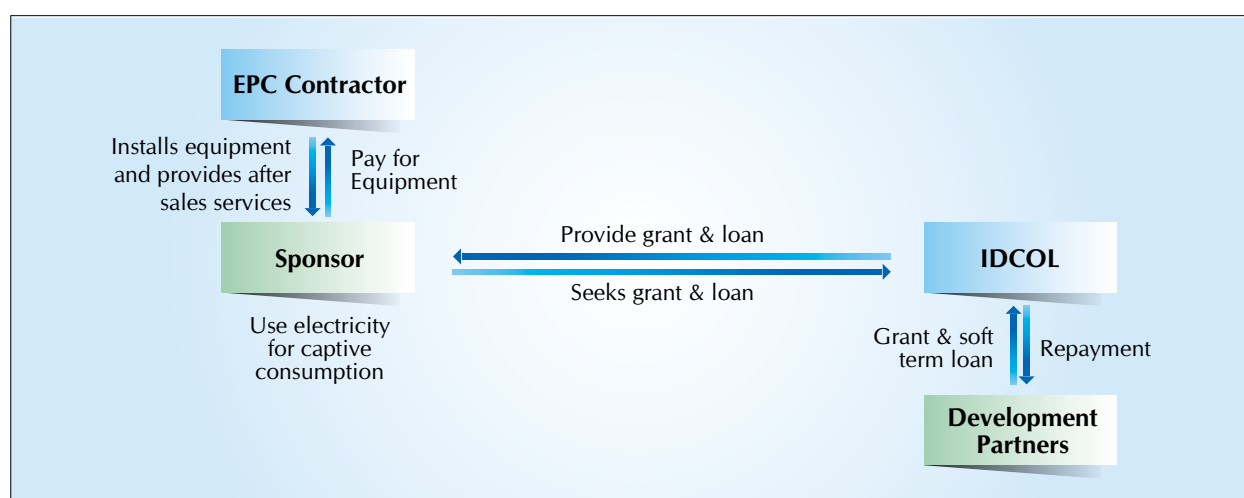
Program Structure

- The basic site selection criteria for biogas-based power projects considered by IDCOL for financing are:
 - ◆ Poultry or dairy farms
 - ◆ Located within grid/off-grid areas

- ◆ Located in areas which ensures adequate availability of raw materials
- ◆ Concentration of customers/requirement of captive consumption

- The sponsor procures equipment from suppliers, ensure installation and commission of the plant and after implementation, use electricity generated from the plant for captive consumption.
- IDCOL provides soft loan, grant (up to 100 KW projects), and supervision supports to the sponsors.
- The suppliers supply and install the required equipment and machineries e.g. biogas generator, construction of digesters, etc. at site.

The modality of a typical biogas based power project is provided below:



Major Program Results

- Waste Management:** Biogas based power projects involve anaerobic digestion of poultry and dairy wastes and as such, these projects provide an opportunity of sustainable handling of waste disposal for poultry and dairy farms. This ensures improved water and soil quality by reducing odors, pathogens, and risk of water pollution.
- Alternative Source of Energy:** Generated electricity by these projects are used for fulfilling captive consumption requirements of poultry and dairy farms, replacing the consumption of grid electricity and diesel generator.
- Reduction of CO2 emission:** Biogas-based electricity projects reduce dependencies on fossil fuels and contribute to reduction of CO2 emission reduction.
- Financial Benefit:** The financing facilities offered by IDCOL ensures reasonable return for the sponsors under biogas-based power projects.
- IDCOL Supports:** In addition to extending concessionary financing, IDCOL provides technical and monitoring supports to the sponsors of the projects. As part of its due diligence, IDCOL conducts detail review of technical specifications, technical designs, project costs, environmental and social aspects related to the projects. Besides, IDCOL continues to monitor the project performance during post- operational stage.

Advisory Services

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. In addition, IDCOL also provides advisory services to different public and private sector entities related to strategic and operational policy formulation and implementation.

Trained more than 1600 Professionals

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 25 Project Finance, 20 Financial Modeling, 2 Financing Power Project 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. Till date, more than 1600 professionals have been trained under Training and Capacity Building Program of IDCOL.



Project Finance and Financial Modeling Training Program organized during April 23-25, 2019

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 delivered advisory support to Bangladesh Infrastructure Finance Fund Limited (BIFFL), IDLC Finance Limited, Acorn Infrastructure Services Ltd. to provide investment advisory services and conduct financial, technical, legal, and environmental due diligences of infrastructure projects. Furthermore, IDCOL has provided consultancy to Bangladesh Power Development Board (BPDB) and International Renewable Energy Agency (IRENA) for capacity building. IDCOL also prepared feasibility study for electrification of Rangabali upozila with renewable energy being awarded by Power Cell, Power Division, MoPEMR. 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.



IDCOL together with Quality Growth Services Pvt. Ltd, India has provided advisory services to BPDB for Designing, Developing, Formulating and Implementing systems on Occupational Health and Safety Assessment Series (OHSAS) and to assist BPDB for obtaining OHSAS 18001:2007 Certification

About IDCOL

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 supported more than 170 professionals from over 18 delegations around the world including Uganda, Sudan, Rwanda, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Afghanistan, Myanmar, Nepal, Thailand, UK, and Switzerland for implementing similar projects/programs in their country.



Study Visit of Rwanda delegation on 10 June 2019 to learn about the innovative business approaches of IDCOL Renewable Energy initiatives

Installation of Renewable Energy Systems under TR/KABITA program

Background:

On 21 July 2014, the Government decided that 50% of the TR/KABITA allocation would be used in the implementation of renewable energy projects. In this regard, a guideline was issued by the Ministry of Disaster Management and Relief on 9 December 2014. The project during FY 2014-15 & FY 2015-16 (85%) was implemented by local administration engaging local level suppliers. IDCOL was not involved in the process at that time.

Based on IDCOL and its Partner Organizations' (PO) experience and ability in implementing globally acclaimed renewable energy program like the Solar Home System (SHS) program, a decision was taken in a meeting held at the honorable Prime Minister's Office on 23 February 2016 to involve IDCOL in TR/KABITA Program;

Accordingly, on 3 April 2016, the Ministry of Disaster Management and Relief (MoDMR) issued a revised guideline under which IDCOL and its POs have been implementing the program from the last part of FY 2015-16.

System Installation Status:

Under the TR/KABITA program, a total of about 12.50 lakh renewable energy systems have been installed till FY 2018-19 through IDCOL POs.

Program Implementation Process:

According to the circular issued by the Ministry, IDCOL is responsible for allocating POs in different upazilas and city corporations (one PO in each upazila/city corporation) for implementation of renewable energy portion of TR/KABITA Program. IDCOL allocates or reallocates POs in upazilas and city corporations from time to time and informs it to the Ministry of Disaster Management and Relief, Department of Disaster Management as well as to the respective district and Upazila administration.

Upazila office and the respective PO have to sign an agreement as per the format approved by the Ministry to start the work. Upazila office provides work order to the PO along with the list of beneficiaries, their addresses and type of renewable energy systems to be installed as approved by the concerned district

committee. 50% of the work order value is also given to the PO as advance at the time of issuance of the work order.

The PO has to install the systems as per approval of IDCOL Technical Standards Committee and submit the detail report to the Upazila office. The Upazila Nirbahi Officer (UNO) and the Upazila Project Implementation Officer (PIO) physically inspect the installed systems and upon their satisfaction provide 40% of the work order value to the PO. The remaining 10% of the money is retained by the Upazila office which is released after 3 years of satisfactory services to the beneficiaries by the PO.

To ensure post-installation service for 3 years after installation, each PO has to set-up its branch office in respective upazila with adequate number of technical staff. POs also have to provide 3 years warranty for the supplied equipment which is ensured by IDCOL. IDCOL monitors and ensures proper installation of renewable energy systems against the technical standards set by the Technical Standards Committee and report to the Ministry of Disaster Management and Relief, Department of Disaster Management, and Sustainable and Renewable Energy Development Authority (SREDA) from time to time.

Other Aspects of the Program

- **Call Centre:** IDCOL has a dedicated Call Centre which remains open every day from 8 AM to 9 PM except Friday and other government holidays to ensure customer service regarding any technical

problem and after sales service. Dedicated short code (16653) has been taken for the Call Centre. TR/KABITA customers receive a voice call or a text message every alternate month. An integrated software has been developed through which a number of complaints resolved and complaint resolution lead time can be tracked online.

- **Training for the PIOs:** As a part of IDCOL's roadmap for capacity building of the PIOs under Department of Disaster Management, IDCOL has provided training to 344 PIOs in 18 batches to cover all Upazilas. The training has predominantly covered maintenance aspects of the solar home system, solar AC system, solar street lights etc. IDCOL has provided a complete manual with lecture handouts to each of the trainees.
- **District level Monitoring Committee:** District level monitoring committee has been formed headed by the Deputy Commissioner in every district upon getting approval of the Cabinet Division as requested by IDCOL. IDCOL regional offices are maintaining constant liaison with the District Relief and Rehabilitation Officers (DRRO) to arrange the meetings. The committee meets every three months interval to discuss TR/KABITA implementation update, after sales service, and technical and other problems and take action where necessary.

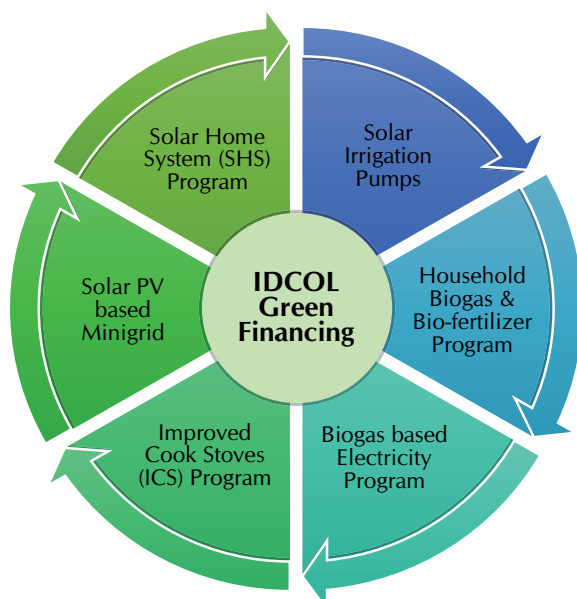


Green Financing by IDCOL

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 the 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 the reduction of greenhouse gas emissions by reducing the 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 4.13 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 long 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 has increased the 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 the small business as they can enjoy extended operating hours and earn more revenue.
- Rural women can now easily perform household chores and also feel secure during the night hours due to better lighting condition.

Solar Irrigation

- 1514 solar irrigation pumps installed under IDCOL program are benefiting more than 75,700 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 the productivity of land and ultimately boost the yield of the farmers.
- With 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 microgrids are now accessing clean energy as per their need at a much lower cost.

Solar Roof-top

- Bangladesh is a good recipient of solar irradiation and it can generate significant electricity from solar power. Installation of one mega-watt-peak solar power plant requires approximately 3.5~4 acres of land. However, the availability of plenty of open rooftops may address the space constraint issue for installing solar panels.
- Recognizing that rooftop solar projects can be a power generation source, IDCOL has started financing industrial rooftop solar systems in urban areas with concessionary loan facility.
- Till now it has approved 24 rooftop solar projects out of which 4 projects went into commercial operation. The combined capacity of these 4 rooftop solar systems is 27.76 MWp.

Solar grid-tied projects

- Grid-tied solar projects will generate electricity using sunlight during day-time and supply the generated electricity to the national grid, consequently increasing the capacity of the national grid and ensuring demand fulfilment for the subscribers.
- IDCOL arranged financial facilities for Engreen for a 3MWp grid-tied solar project at Sharishabari. The project went to commercial operation on August 02, 2017.
- IDCOL has also financed for Sympa Solar Power Ltd for a 8 MW grid-tied solar project at

Majhipara, Tetulia, Panchagar. The project is currently in operation.

- 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 follows a low-carbon growth path.

Biogas & bio-fertilizer Program

- The Program decreased the use of traditional stoves burning biomass thereby reducing household air pollution. As such, 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 deforestation.
- Bio-slurry, which is generated from the biogas plant is a rich source of organic fertilizer. Usage of bio-slurry reduces dependence on chemical fertilizer, contributing to improved soil fertility and food security.

Biogas based power generation

- Implementation of such projects will reduce potential environmental 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 and dairy farms reduced dependency on fossil fuel by running captive generators. This gives access to grid quality electricity at low cost.

Improved Cook Stoves (ICS)

- IDCOL with support from the World Bank and the Government of Bangladesh started Improved Cook Stove (ICS) Program in 2013 with installation target of 1 million ICS by December 2018. The program achieved this target almost two years ahead of the project completion period in January 2017. IDCOL is now implementing phase-II of the program for the dissemination of 5 million ICS by June 2023.
- Indoor Air Pollution (IAP) resulting from traditional cookstoves affects 143 million people in Bangladesh and contributes to 107,000 premature deaths per year.
- IDCOL ICS Program aims to create a sustainable market for the adoption of higher efficiency

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cookstoves in the country. The objectives of the program are to reduce GHG emissions, solid fuel used for cooking and the impact of Indoor Air Pollution (IAP) - which substantially affects women and children.

- On March 2018, IDCOL received the approval of the Green Climate Fund (GCF); the first clean cooking program in the world to have received such fund.

Green Climate Fund

At the 2009 UN Climate Change Conference in Copenhagen, the developed countries committed to jointly mobilize 100 billion USD a year by 2020 to address the needs of developing countries and to help them adapt to climate change and grow in a climate-compatible manner. The new Green Climate Fund (GCF) will play a key role in the process and a significant portion of this commitment will flow through this funding entity.

In order to access GCF, the National Designated Authority (NDA) of Bangladesh that is the Ministry of Finance, nominated IDCOL to go through the accreditation process to become a Direct Access Entity (DAE), to administer the GCF funds and manage the local projects. In the 17th Board meeting of GCF held on 6th July 2017, IDCOL was approved to become the 1st Direct Access Entity (DAE) from Bangladesh. Primarily, IDCOL was accredited for the funding instrument of "Senior Loan" & was able to receive up to 250 million dollars for each GCF project. Later, on 7th July 2019, IDCOL upgraded its accreditation status to access "Grant" of up to 250 million dollars per project.

As an accredited entity, IDCOL will be able to access the GCF fund directly for any climate change mitigation/adaptation project to be implemented in Bangladesh. IDCOL will be able to channel the fund directly to private/public sector entity or through private sector banks and financial institutions.

As of 12th September 2018, IDCOL has successfully executed the Accreditation Master Agreement (AMA) with GCF. Subsequently, project specific Funded Activity Agreement (FAA) will be executed for each approved project proposal of IDCOL.

At present, IDCOL holds a strong pipeline of climate change projects specializing in the domain of both adaptation and mitigation. Within this pipeline, IDCOL has submitted its first Funding proposal to GCF on 23rd January 2020. Subsequently, concept notes (CNs) have been submitted for several other projects and two of these CNs have already received approval from GCF for progressing further to develop them into full funding proposals. The pipeline projects are as follows:

- Promoting private sector investment through large scale adoption of energy-saving technologies and equipment for the textile sector of Bangladesh (Expected Program size: USD 169.70 million, Executing Entity: IDCOL)

- Promoting private sector investment through large scale adoption of energy saving technologies and equipment for garment sector of Bangladesh (Expected Program size: USD 250.00 million, Executing Entity: BRAC Bank, City Bank, IDLC Finance, Southeast Bank)
- Climate Resilient Sustainable Coastal Forestry in Bangladesh (Expected Program size: USD 80.00 million, Executing Entity: Bangladesh Forest Department, Ministry of Environment, Forest & Climate Change, GoB)
- Scaling up solar powered irrigation to ensure food security and enhance resilience in drought prone areas of Bangladesh (Expected Program size: USD 118.21 million, Executing Entity: IDCOL)
- Ensuring Clean Energy to the Industrial Sector of Bangladesh through Sustainable Rooftop Solar Programme (Expected Program size: USD 169.00 million, Executing Entity: IDCOL)
- Enhancing climate resilience of heritage sites in Bangladesh coastal region (Expected Program size: USD 50.00 million, Executing Entity: Department of Archaeology, Ministry of Cultural affairs, GOB)

IDCOL, as a Direct Access Entity (DAE) under the Green Climate Fund can avail grant support in the form of Project Preparation Facility (PPF) for preparation of each individual project. On 05th November 2018, IDCOL received approval for project preparation grant of USD 301,562.00 through Project Preparation Facility (PPF). This fund has been sanctioned to start the necessary groundwork to assess and plan the most appropriate technologies to use, and best way to design and implement the Program titled "Promoting private sector investment through large scale adoption of energy-saving technologies and equipment for the textile sector of Bangladesh". The fund is the first of its kind to enter Bangladesh, and through IDCOL, such type of PPF fund will inaugurate its arrival into the country.

Consequently, two other projects have received PPF grant support from GCF titled, "Promoting private sector investment through large scale adoption of energy-saving technologies and equipment for garment sector of Bangladesh" on 15 May 2019 & "Climate Resilient Sustainable Coastal Forestry" on 14 June 2019.

Events & Achievements



IDCOL arranged Bangladesh Clean Energy Summit 2019 with cooperation from Ernst & Young

IDCOL with the cooperation from Ernst & Young, LLP, India (EY) organized an international summit titled 'Bangladesh Clean Energy Summit 2019' with a view to accelerating the transition towards clean and sustainable economy. There was a two day long conference on clean energy along with an exhibition focusing on energy efficiency, renewable energy, green building and green finance. The exhibition was held in Bangabandhu International Conference Center (BICC) on 10-11 March 2019. More than 100 local and international exhibitors displayed their products in the exhibition and more than 4,000 visitors visited the exhibition. About 50 international participants from 13 countries and over 400 local participants participated in this two day workshop.

Mr. A H M Mustafa Kamal, FCA, MP, Honorable Finance Minister, attended the function as the Chief Guest while Dr. Tawfiq-e-Elahi Chowdhury, Bir Bikram, Advisor to the Honorable Prime Minister, Bangladesh, on Energy Power and Mineral Resources; Mr. Md. Abul Kalam Azad, Principal Coordinator (SDG affairs), Prime Minister's Office of Bangladesh and Dr. Ahmad Kaikaus, Senior Secretary, Power Division, Ministry of Power, Energy and Mineral Resources were present as the Special Guests.

About IDCOL



IDCOL congratulated the newly appointed Honorable Finance Minister, Mr. A H M Mustafa Kamal, FCA, MP

Infrastructure Development Company Limited congratulated the newly appointed Honorable Finance Minister, Mr. A H M Mustafa Kamal, FCA, MP. Mr. Monowar Ahmed, Secretary, ERD and former Chairman, IDCOL, Mr. Mahmood Malik, Executive Director and CEO, IDCOL, Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL, Mr. Nazmul Haque, Director (Investment) & Head of Corporate Advisory, IDCOL, Mr. Md. Enamul Karim Pavel, Head of Renewable Energy, IDCOL and Mr. M. Maftun Ahmed, Company Secretary, IDCOL, were present in the event.



IDCOL paid cash dividend of Taka 20 Crore from the profit made during FY 2018 to the Government of Bangladesh

Infrastructure Development Company Limited declared dividends of Tk. 70 Crore from the profit made in FY 2018. Out of that, an amount of Tk. 20 crore has been paid to the Government as cash dividend while Tk. 50 crore has been used to increase the company's paid up capital to Tk. 650 crore by issuance of bonus shares. Mr. Monowar Ahmed, Secretary, ERD and former Chairman, IDCOL handed over the cash dividend cheque to Honorable Finance Minister Mr. A H M Mustafa Kamal, FCA, MP. Among others, Mr. Mahmood Malik, Executive Director and CEO, IDCOL, Mr. S.M. Monirul Islam, Deputy CEO & CFO, IDCOL, Mr. M. Maftun Ahmed, Company Secretary, IDCOL, Mr. Nazmul Haque Faisal, Sr. Vice President (Corporate Affairs), IDCOL, were present in the event.



IDCOL's 22nd Annual General Meeting (AGM) was held on 28 April 2019 at conference room, Economic Relations Division, Ministry of Finance, Sher-e-Bangla Nagar, Dhaka

IDCOL's 22nd Annual General Meeting (AGM) was held on 28 April 2019 at conference room, Economic Relations Division, Ministry of Finance, Sher-e-Bangla Nagar, Dhaka. Mr. Monowar Ahmed, Chairman, IDCOL and Secretary, Economic Relations Division presided over the meeting. Dividend of Tk. 70 Crore from the company's profit made during FY 2018 was declared during the meeting. Out of that, an amount of Tk. 20 crore has been paid to the Government as cash dividend while Tk. 50 crore has been used to increase the company's paid up capital to Tk. 650 crore by issuance of bonus shares.



IDCOL Secured SAFA Best Presented Annual Report Award 2018 in the category of Public Sector Entities.

IDCOL Secured SAFA Best Presented Annual Report Award 2018 in the category of Public Sector Entities. Mr. Mahmood Malik, ED & CEO, IDCOL, received the award on behalf of IDCOL.

About IDCOL



IDCOL secured the Third Position under public sector entities category in the 18th ICAB National Award for Best Presented Annual Reports-2018

IDCOL secured the Third Position under public sector entities category in the 18th ICAB National Award for Best Presented Annual Reports-2018. Mr. Mahmood Malik, ED & CEO, IDCOL, and Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL received the award.

IDCOL Awarded as Country's Top Tax Payer

IDCOL has been awarded as the country's 'Top Taxpayer' for the assessment year 2018-19 in the category of "Non-Bank Financial Institutions" on 14 November 2019 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. Mahmood Malik, ED & CEO, IDCOL received the prestigious tax card award at the award ceremony.



Presentation of Awards to IDCOL Chairman

Mr. Monowar Ahmed, Chairman of IDCOL being presented the SAFA Award, Financial Innovation Award and Highest Tax Payer Award by Mr. Mahmood Malik, ED & CEO, IDCOL.



IDCOL Organized a Side Event during the 2019 Annual Meetings of the World Bank Group in Washington DC

The Government of Bangladesh and IDCOL, with support from the Energy and Extractives Global Practice team of the World Bank organized a side event on 16th October 2019 during the 2019 Annual Meetings of The World Bank Group in Washington DC. The event titled “Bangladesh’s Success Story on Renewable Energy and Clean Cooking Solutions” showcased the success story of IDCOL initiatives.

Mr. S. Vijay Iyer, VP and COO, Multilateral Investment Guarantee Agency (MIGA); Ms. Aparna Subramani, Executive Director for Bangladesh, Bhutan, India and Sri Lanka; Mr. Muhammad Musharraf Hossain Bhuiyan, Alternate Executive Director for Bangladesh, Bhutan, India and Sri Lanka and Mr. Guangzhe Chen, Senior Director, Transport Global Practice attended the event as World Bank dignitaries.

Mr. Monowar Ahmed, Chairman, IDCOL and Secretary, Economic Relations Division and Mr. Abdur Rouf Talukder, Director, IDCOL and Secretary, Finance Division, Ministry of Finance were present on behalf of the Government of Bangladesh.

Ms. Shahin Ahmed Chowdhury, Member (Senior Secretary), Industry and Energy Division, Planning Commission; Ms. Dymphna van der Lans, CEO, Clean Cooking Alliance and Mr. S. M. Monirul Islam, Deputy CEO and CFO, IDCOL participated in an interactive panel discussion. Mr. Md. Enamul Karim Pavel, Head of Renewable Energy, IDCOL presented the IDCOL story to the audience. The participants included high level officials from Government of Bangladesh, officials from the World Bank, and delegations from other countries.



IDCOL Won Financial Innovation Award 2019

IDCOL won the prestigious Financial Innovation Award (FIA) 2019 under the category of Best Sustainable Finance Initiative for implementing Solar Irrigation Pump Projects. The award was given by The London Institute of Banking and Finance (LIBF), a 140 year old registered charity and a professional body, incorporated by Royal Charter. Mr. S.M. Monirul Islam, Deputy CEO & CFO, IDCOL received the award on 21 November 2019 in a ceremony held at the Hilton London Bankside, United Kingdom.

IDCOL and HSBC UK were nominated as finalists under the category. The award was given to IDCOL based on the successful introduction of green finance initiative to smallholder collectives and farmers through an innovative business model. IDCOL is the first organization from Bangladesh that received this prestigious award.

About IDCOL



Financial Closing Ceremony of Kushiara Power Company Limited

The closing ceremony of a syndicated deal of USD 50 million and BDT 3,900 million for Kushiara Power Company Limited was held on 25 April 2019, organized by IDCOL as Lead arranger and Agent. Participants of the syndication are IDCOL, NCC Bank Limited and Pubali Bank Limited.



Financial Closing Ceremony of Karnaphuli Power Limited

The syndicated term loan closing ceremony of raising USD 35 million and BDT 2,240 million for Karnaphuli Power Limited (KPL) was held at Hotel InterContinental, Dhaka on 20 March 2019. IDCOL was the Lead Arranger for this syndicated financing facility. Financiers to this transaction include IDCOL, The City Bank Limited, Prime Bank Limited, Bank Asia Limited, Eastern Bank Limited, and Dhaka Bank Limited. Dr. Ahmad Kaikaus, Senior Secretary, Power Division, Ministry of Power, Energy and Mineral Resources was the Chief Guest of the ceremony while Engineer Khaled Mahmood, Chairman, Bangladesh Power Development Board (BPDB), was the Special Guest.



Financial Closing Ceremony of Ace Alliance Power Limited

Loan Closing Ceremony of 149 MW Ace Alliance Power Limited held at Summit Power International Head Office in Singapore on 3rd July 2019. IDCOL played the role of Lead Arranger in this transaction. IDCOL extended USD 24.3 million financings together with multilateral development partners- OFID and ICD who extended USD 44.3 million financings to the Project.



Financial Closure of Midland East Power Limited

The financial closing ceremony of Midland East Power Limited, a concern of Youth Group, took place in Dhaka on 05 May 2019. IDCOL and Eastern Bank Limited (EBL) were Joint Mandated Lead Arrangers and arranged the syndicated term credit facility of USD 67.25 Million, BDT 920 Million and Working Capital Facility of BDT 4,165 Million.

About IDCOL



Fund Raising for Energon Renewables (BD) Limited

IDCOL has been mandated for raising fund up to USD 95 million for a 100 MW (AC) Solar Park at Bora Durgapur, Mongla, Bagerhat by Energon Renewables (BD) Limited, a concern of Orion Group on 02 October 2019. Mr. Mahmood Malik, Executive Director & CEO of IDCOL and Mr. Salman Obaidul Karim, Managing Director of Orion Group signed the agreement on behalf of their respective organizations at a simple ceremony held at The Westin Dhaka. Lieutenant General Sabbir Ahmed, Director of Orion Group and Mohammad Ferdous Jaman, Company Secretary of Orion Group and Mr. Nazmul Haque, Director (Investment) of IDCOL, were also present on the occasion along with other officials of the organizations.



Signing of MoU between IDCOL and IDLC

A Memorandum of Understanding (MoU) was signed between IDCOL and IDLC Finance Limited (IDLC) on 22 May 2019. The objective of the MoU is to jointly promote low-cost long-term financing to eligible borrowers of IDCOL & IDLC, having strong credit standing, for their eligible projects i.e. Renewable Energy, Energy Efficient Technology, Waste Management, Recycling, Environment-friendly Brick Production, Green Industry/Building, Workplace Safety, etc. Mr. Mahmood Malik, Executive Director & CEO of IDCOL and Mr. Arif Khan, Managing Director & CEO, IDLC signed the MoU on behalf of their respective organization.



IDCOL & IDLC to jointly finance PSF project of Debonair Group

IDCOL and IDLC signed an MoU on promoting Sustainable Financing held at a ceremony at the IDLC Head Office on May 22, 2019, and this is the first transaction under the MoU. The new environment-friendly project of Debonair Synthetic Fiber Ltd will set up a Polyester Staple Fiber (PSF) industry producing both recycled and virgin grade polyester staple fibers from the PET flakes and chips of recycling, Virgin and Semi-Virgin quality. The project is the backward integration of their existing export-oriented outerwear & homeware manufacturing units.



IDCOL participated in Renewable Energy India Expo (REI), 2019

Infrastructure Development Company Limited (IDCOL), participated in the 13th edition of Renewable Energy India Expo (REI), 2019 in its endeavor to strengthen its presence in Green Energy Sector. It is Asia's one of the largest Renewable Energy Expos that ran from September 18 to September 20, with 45 participating countries, and over 700 plus exhibitors. Top industry stakeholders like The World Bank, Indo-German Energy Forum, EY, KPMG, Tata Cleantech were part of the forum. Discussions on innovative technologies for high-performance solar panels, energy solutions, electric vehicles were conducted. Participants from green economy communities congregated to discuss industry trends, challenges and market insights.

About IDCOL



IDCOL Chairman visited Tungipara, Gopalganj for attending meeting with Partner Organizations (POs) of IDCOL under TR/KABITA Program

Ms. Fatima Yasmin, Secretary, ERD, Ministry of Finance and honorable Chairman, IDCOL attended a meeting with Partner Organizations (POs) of IDCOL under TR/KABITA Program held in Tungipara Upazilla Auditorium, Tungipara, Gopalganj. Senior officials from Solar Home System Department, IDCOL were present in the event.



IDCOL Solar Irrigation Pump was visited by Head of Division for Financial Development Cooperation, German Federal Ministry for Economic Cooperation and Development

Mr. Lars Nieder, Head of Division for Financial Development Cooperation, German Federal Ministry for Economic Cooperation and Development (Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung (BMZ)) along with officials from German Embassy, Dhaka & KfW Office, Dhaka visited Infrastructure Development Company Limited (IDCOL) financed Solar Irrigation site of Mazand Consortium Limited at Jashore on 2 December 2019. German Development Bank KfW provided the grant support for the project and the loan was sourced from IDA fund of The World Bank.



Events under GCF Project

IDCOL conducted a stakeholder consultation workshop to assess the importance of energy efficiency in the textile sector of Bangladesh and its influence on Environment, Society and Gender.”



“IDCOL conducted a dissemination and validation workshop to assess the impacts of energy efficiency on Environment, Society and Gender in textile sector of Bangladesh.”



IDCOL conducted a stakeholder consultation workshop to assess the importance of energy efficiency in garment sector of Bangladesh and its influence on Environment, Society and Gender.”

About IDCOL



"IDCOL conducted a dissemination and validation workshop to assess the impacts of energy efficiency on Environment, Society and Gender."



Green Climate Fund (GCF) and the World Bank signed a Funded Activity Agreement (FAA) of USD 20 million to scale-up IDCOL Improved Cook Stove (ICS) Program at a ceremony held in Songdo, South Korea, in August 2019. This is the first GCF approved clean cooking program in the world.

Workshop on Rooftop Solar at Radisson Blu, Chittagong

Infrastructure Development Company Limited (IDCOL) organized a workshop on installation of the rooftop solar system at Radisson Blu Chattogram on 20th September 2019. The objective of the workshop was to promote the rooftop solar technology among the members of Chittagong chamber of commerce and industries.



Mr. M A Mannan MP, Honorable Planning Minister graced the occasion as chief guest. Md. Abdul Karim, Former Principal Secretary to the Government of Bangladesh, Member of SREDA Mr. Siddique Zobair, Dr. Atiur Rahman, Former Governor, Bangladesh Bank and Chittagong Chamber of Commerce President Mr. Mahbubul Alam were also present at the event.



Infrastructure Development Company Limited (IDCOL) distributed blanket at Tetulia Sadar, Trinoyi and Shalbahan Union of Tetulia

To support the cold victims of northern rural people, Infrastructure Development Company Limited (IDCOL) undertook a blanket distribution program at Tetulia Sadar, Trinoyi and Shalbahan Union of Tetulia on 6 January 2020. Over 3,000 blankets were distributed by the team to help the under-privileged that cannot afford blanket or clothes on their bare bodies. A team of volunteers from IDCOL, led by Mr. Rasel Ahmed, Manager, IDCOL

identified such needy and distributed blankets among them. All of them were happy to receive the blankets and were also excited that now they would be able to have a sound sleep in cold winter nights.

All the beneficiaries appreciated the efforts undertaken by IDCOL team and thanked IDCOL for their humanitarian act. Local Government officials and other local leaders attended the blankets distribution program. IDCOL as part of its CSR activities every year extends support to the cold and flood victims of Bangladesh.



1st Regional Conference of WePOWER

IDCOL participated in the 1st regional conference of WePOWER - Women in Power Sector Professional Network in South Asia during 20-21 February 2019 in Kathmandu, Nepal. The South Asia Gender and Energy Facility (SAGE) at the World Bank, in collaboration with multiple stakeholders, has been establishing the network where IDCOL will be participating as a strategic partner. Five pillars were identified for engagement through WePOWER – STEM education, recruitment, development, retention, and policy and analysis.

About IDCOL



International Conference on 'Returning Mothers- Rediscovering the Lost Talent Pool'

IDCOL HR had the privilege to participate as a keynote speaker in the international conference on 'Returning Mothers - Rediscovering the Lost Talent Pool' organized by IEEE Women in Engineering and the World Bank Group on Energy and Extractives on 13th and 14th of November 2019 at Sri Venkateswara College of Engineering, Bengaluru, India.



2nd Partnership Forum of WePOWER

IDCOL participated in the 2nd Partnership Forum of WePOWER during 20-21 November 2019 in Manila, Philippines. ADB's South Asia Regional Department, in collaboration with the World Bank's South Asia Energy and Social Development Units and Energy Sector Management Assistance Program (ESMAP), organized this Second Partnership Forum of the Women in Power Sector Professional Network in South Asia to support workforce participation of women in energy projects and institutions, and promote normative change regarding women in Science, Technology, Engineering, and Mathematics (STEM) education.



IDCOL Annual Retreat-2019

IDCOL arranged annual retreat-2019 program at the Palace Luxury Resort, Bahubal, Habiganj.



IDCOL arranged annual retreat-2019 for its regional employees in Ocean Paradise Hotel & Resort, Cox's Bazar.

About IDCOL



IDCOL arranged annual retreat-2019 for its regional employees in Grand Sultan Tea Resort & Golf, Sreemangal.



In-house training on Self-paced Learning Course on IDCOL Gender Responsiveness

IDCOL arranged gender sensitization workshop for the IDCOL employees on 15 October 2019 to first understand the role gender plays and to acquire the knowledge and skills necessary for advancing gender equality while designing and implementing various interventions. The workshop was conducted by Nurun Nahar Begum, Gender Consultant, World Bank Bangladesh and Tanuja Bhattacharjee, Energy Specialist, World Bank Bangladesh.



Training on Grid Connected Rooftop Solar Project

Infrastructure Development Company Limited (IDCOL), with support from E&Y, arranged training sessions on Grid Connected Rooftop Solar Project for its officials and active EPCs of Grid Connected Rooftop Solar Projects. Mr. Nithyanandam Yuvaraj Dinesh Babu, with a demonstrated history of working in the renewables and environment industry, Mr. Arvind Karandikar, Director, Nexus Energytech Pvt. Ltd., and Shuaib M Kamili, with 10 years of consulting experience across the spectrum in the renewable energy sector in India conducted the sessions that started on 30th June 2019 and concluded on 3rd of July, 2019.

This training workshop propagated discussions on health & safety, energy, solar system design, available resources, inverter and balance of system, and industry practices.



Corporate Governance

Hall of Fame: Former Chairman of IDCOL Board of Directors



Dr. Masihur Rahman

| Duration From | Duration To |
|---------------|-----------------|
| 14 May 1997 | 14 January 2002 |



Mr. Anisul Huq Chowdhury

| Duration From | Duration To |
|-----------------|--------------|
| 14 January 2002 | 22 July 2003 |



Mr. Mirza Tasadduq Hussain Beg

| Duration From | Duration To |
|---------------|------------------|
| 22 July 2003 | 24 February 2005 |



Mr. Md. Ismail Zabihullah

| Duration From | Duration To |
|------------------|------------------|
| 24 February 2005 | 23 November 2006 |



Mr. M. Rafiqul Islam

| Duration From | Duration To |
|------------------|---------------|
| 23 November 2006 | 22 March 2007 |



Mr. Md. Aminul Islam Bhuiyan

| Duration From | Duration To |
|---------------|-----------------|
| 22 March 2007 | 2 November 2008 |



Mr. M Musharraf Hussain Bhuiyan

| Duration From | Duration To |
|-----------------|-----------------|
| 2 November 2008 | 26 October 2011 |



Mr. Iqbal Mahmood

| Duration From | Duration To |
|-----------------|-----------------|
| 26 October 2011 | 18 January 2013 |



Mr. Md. Abul Kalam Azad

| Duration From | Duration To |
|-----------------|------------------|
| 18 January 2013 | 20 February 2014 |



Mr. Mohammed Mejbahuddin

| Duration From | Duration To |
|------------------|-----------------|
| 20 February 2014 | 30 January 2017 |



Mr. Kazi Shofiquil Azam

| Duration From | Duration To |
|-----------------|------------------|
| 30 January 2017 | 20 November 2018 |



Mr. Monowar Ahmed

| Duration From | Duration To |
|------------------|---------------|
| 20 November 2018 | 25 March 2020 |

Profile of Shareholders other than Directors



Dr. Ahmad Kaikaus

Principal Secretary to the HPM

Dr. Ahmad Kaikaus assumed the office of Principal Secretary to Prime Minister on 31 December 2019. Previously, he was Senior Secretary at Power Division in the Ministry of Power, Energy and Mineral Resources. He also served as Secretary and Additional Secretary at this Division. He was the first Chairman of Bangladesh Energy and Power Research Council. Dr. Kaikaus played an instrumental role in implementing policies and strategies of the Government in the power sector through which Bangladesh has attained 100% electrification. He also worked at the Ministry of Public Administration, Posts and Telecommunications Division and Economic Relations Division.

Dr. Kaikaus worked as an international hire in the International Food Policy Research Institute (IFPRI) where he was the Deputy Chief of Party of its Policy Research and Strategy Support Program. His academic experience includes teaching as a part-time faculty member at Collin County Community College in Texas, USA and at American International University, Bangladesh.

Dr. Kaikaus has a Master of Arts in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA, and a PhD in Public Policy and Political Economy from the University of Texas at Dallas, Texas, USA.

His research focus covers interdisciplinary subjects such as governance, poverty, labor market, migration, cluster-based economic transformation, fish value chain, rural non-farm economy, public expenditure for economic development and so on. Dr. Kaikaus has published research papers and survey reports for IFPRI. The Making of Blue Revolution in Bangladesh: Enablers, Impacts and the Path Ahead of Aquaculture (IFPRI: 2019) contains a chapter contributed by him.

Mr. Abu Hena Md. Rahmatul Muneem

Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue (NBR), Ministry of Finance



Mr. Abu Hena Md. Rahmatul Muneem joined as Senior Secretary, Internal Resources Division & Chairman, National Board of Revenue, Bangladesh on January 6, 2020. He is highly accomplished and professional civil servant with an experience of 34 years in both the central and field administration. Having a diverse administrative broad-based knowledge and experience, he joined the Bangladesh Civil Service (Administration) on 21 January 1986. Prior to assuming this post on January 4, 2020, he was the Senior Secretary of Energy and Mineral Resources Division, Bangladesh.

In his academic attainments, he realized his Bachelor and Master degree in Geology from the University of Dhaka. Later on he did Diploma in Development Planning degree under Academy for Planning and Development and an MBA (Finance) under Northern University Bangladesh. Professionally, he worked in the field Administration as Upazila Nirbahi Officer (UNO), Additional District Magistrate, Charge Officer (Zonal Settlement Office) and Divisional Commissioner. During his responsibilities in the field of administration, he played a pivotal role to steer the smooth implementation of Sustainable Development Goals (SDGs), Social Safety Network, Digital Bangladesh through ICT expansion, co-ordination among the different departments, monitoring local Government activities, disaster management, fast-track and priority projects of Honorable Prime Minister. He also served in the Ministry of Power, Energy and Mineral Resources, Ministry of public Administration, Ministry of Home Affairs, Ministry of Civil Aviation and Tourism and other departments in different capacities.

After joining the civil service, Mr. Muneem took part in different training programmes that encompasses Foundation Training Course, special course on Law and Administration, Advanced Course on Administration and Management (ACAD), Managing at the top-2 (MATT-2), Energy Management Training Course and as a part of the official duty, he attended in different negotiation meetings, workshops, summits and seminars.

Mr. Muneem was born in a noble Muslim family of Sirajganj Sadar, Sirajganj. In his personal life he is married and he is blessed with one son and one daughter.



Dr. Md. Jafar Uddin

Secretary, Ministry of Commerce
Government of the People's Republic of Bangladesh

Dr. Md. Jafar Uddin joined Ministry of Commerce on 16 September 2019. Previously he was the Secretary of the Ministry of Youth & Sports from 26 February 2019 to 16 September 2019. Before that he has joined Ministry of Youth & Sports as Secretary in charge on 26 February 2019. He worked as Additional Secretary (Budget & Macro-Economy) in Finance Division prior to joining as Secretary in Charge. He is a member of Bangladesh Civil Service. He obtained Doctor of Business Administration (DBA) from the University of the East, Manila, Philippines in 2008, Master of Arts in Government Financial Management from the University of Ulster, United Kingdom in 2000 and Master of Commerce with Bachelor of Commerce (Honors) in Finance from the University of Dhaka, Bangladesh in 1983.

He has about 32 years of professional experience. He joined Bangladesh Civil Service: Audit and Accounts and started his professional career as Assistant Accountant General in 1988 and since then he successfully performed his duties as Chief Accounts Officer with reputation in a number of Ministries/ Divisions namely Ministry of Housing and Works, Ministry of Power and Mineral Resources, Ministry of Fisheries and Livestock, Ministry of Information, Ministry of Agriculture and Directorate of Commercial Audit as Director. He also worked in Finance Division as Deputy Secretary, Joint Secretary and Additional Secretary. He contributed significantly to the formulation of Medium-Term Budget Framework and Social Safety Net Programs.

Moreover, he worked in the Ministry of Foreign Affairs as Director (Audit and Finance) and subsequently also worked as Counsellor and acted as Charge de affaires in the Embassy of Manila, the Philippines. In addition, he served in Bangladesh Krishi Bank, Janata Bank and Bangladesh Bank prior to joining Civil Service. He also worked in BRAC on lien, the largest NGO in the world.

As Secretary, Ministry of Commerce, Dr. Jafar is acting as Chairman: Business Promotion Council, Bangladesh Aroma Tea Company, Vice Chairman: Board of Governors, Bangladesh Foreign Trade Institute (BFTI) and Member: Consumers' Right Council, Bangladesh Accreditation Board under the Ministry of Industry.

Dr. Jafar has received many professional training from different local and foreign institutions and attended International conferences and seminars. The countries visited include: UK, Italy, Spain, India, Korea, Singapore, Malaysia, Belgium, Ireland, Uzbekistan, Thailand, China, Myanmar, Philippines, Sri Lanka, Nepal, Cambodia, Indonesia, France, Vietnam, Switzerland, Peru, Germany, Czechoslovakia, Australia Japan, Saudi Arabia, Brunei, United States of America and Turkey.

He was a member to the Board of Directors of Janata Bank Limited, Bangladesh Commerce Bank Ltd., Bangladesh Institute of Management, Petrobangla and Institute of Public Finance. In addition, he was also National Project Director (Inclusive Budgeting and Financing for Climate Resilience Project), Managing Director, National Human Resource Development Fund and Chairman, Executive committee (Institute of Public Finance), Vice-Chairman, National Sports Council (NSC) and Member, Board of Directors, Bangladesh Krira Shikkha Protishthan (BKSP). He was a Part-time Faculty of BRAC University. He is a resource person to various Government institutions and academy.

Mentionable, he is a renowned sports personality and he used to play volleyball in the First Division Dhaka Volleyball League during 1980s. He is blessed with one daughter and one son, namely Samia Afroz (Bristy) and Md. Khalek Imtiaz (Shurid). He is married to Mrs. Sadia Nuzhat who is a homemaker.

Mr. Md. Shahabuddin Patwary Additional Secretary, ERD



Md. Shahabuddin Patwary, Additional Secretary (World Bank), Economic Relations Division, Ministry of Finance is the Managing Director of Infrastructure Investment Facilitation Company (IIFC) with effect from 9 January 2020 for interim period.

He joined ERD, Ministry of Finance as the World Bank Wing Chief on 17 December, 2019. Prior to this new assignment he worked in the Bangladesh Embassy, Washington, DC as Economic Minister from October 2014 to October 2019. Before having been posted in the Embassy he worked in the Ministry of Commerce in different capacities from October, 2009 to August 2014. He was also posted in the Bangladesh High Commission, London as Commercial Counselor during June 2003 to October 2007. He also worked in the Audit and Accounts Department in various capacities since his joining the Department as a member of 1986 BCS: Audit and Accounts since 20 December, 1989.

Mr. Patwary had his Bachelor Degree in Electrical and Electronic Engineering from BUET in 1986, and completed Masters in Government Financial Management in 2000 from Ulster University, UK. He is married and blessed with two daughters.

Shareholding Structure of IDCOL

IDCOL is committed to ensuring that the board is comprised of members as per the criteria set out by the mandate of the government, also consider their contribution and conduct at the board meeting. IDCOL is managed by a nine member independent

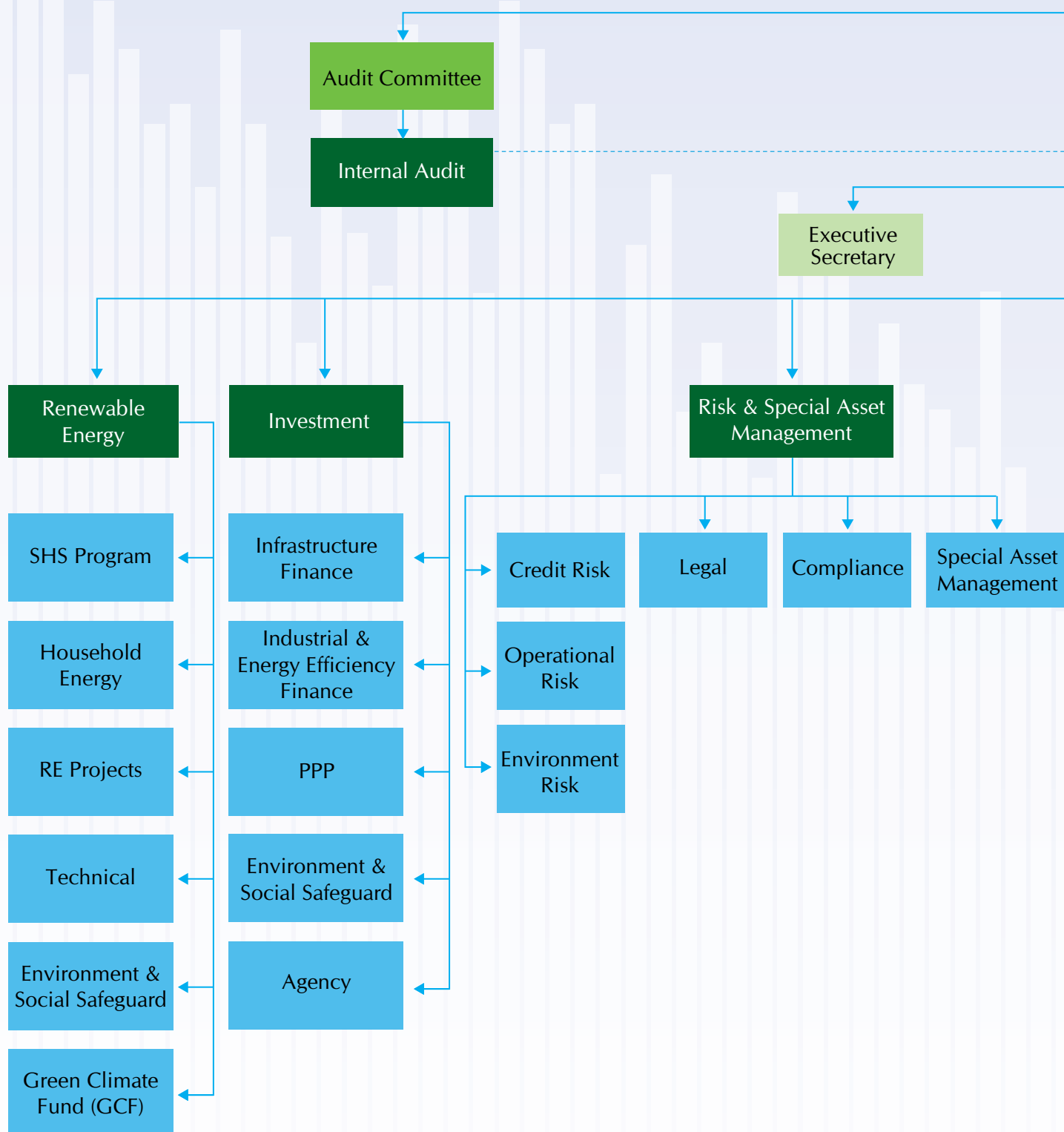
Board of Directors comprising five senior government officials and three prominent entrepreneurs from the private sector nominated by the Government and an appointed full-time Executive Director & Chief Executive Officer.

| Director's Name | No. Of Shares (Own) | Total Face Value Of Shareholdings (In Taka) |
|--|---------------------|---|
| Ms. Fatima Yasmin, Chairman | 500 | 50,000 |
| Mr. Md. Shah Kamal, Director | 50 | 5,000 |
| Mr. Adbur Rouf Talukder, Director | 50 | 5,000 |
| Dr. Sultan Ahmed, Director | 50 | 5,000 |
| Mr. M. Tofazzel Hossain Miah, Director | 50 | 5,000 |
| Ms. Nihad Kabir, Director | 50 | 5,000 |
| Mr. Abdul Haque, Director | 50 | 5,000 |
| Mr. A. K. M. Nurul Fazal Bulbul, Director | 10 | 1,000 |
| Mr. Mahmood Malik, ED and CEO | 30 | 3,000 |
| Board Members who retired during 2019 | | |
| Mr. Monowar Ahmed, Chairman | 500 | 50,000 |
| Dr. Ahmad Kaikaus, Director | 50 | 5,000 |
| Mr. Sajjadul Hassan, Director | 50 | 5,000 |

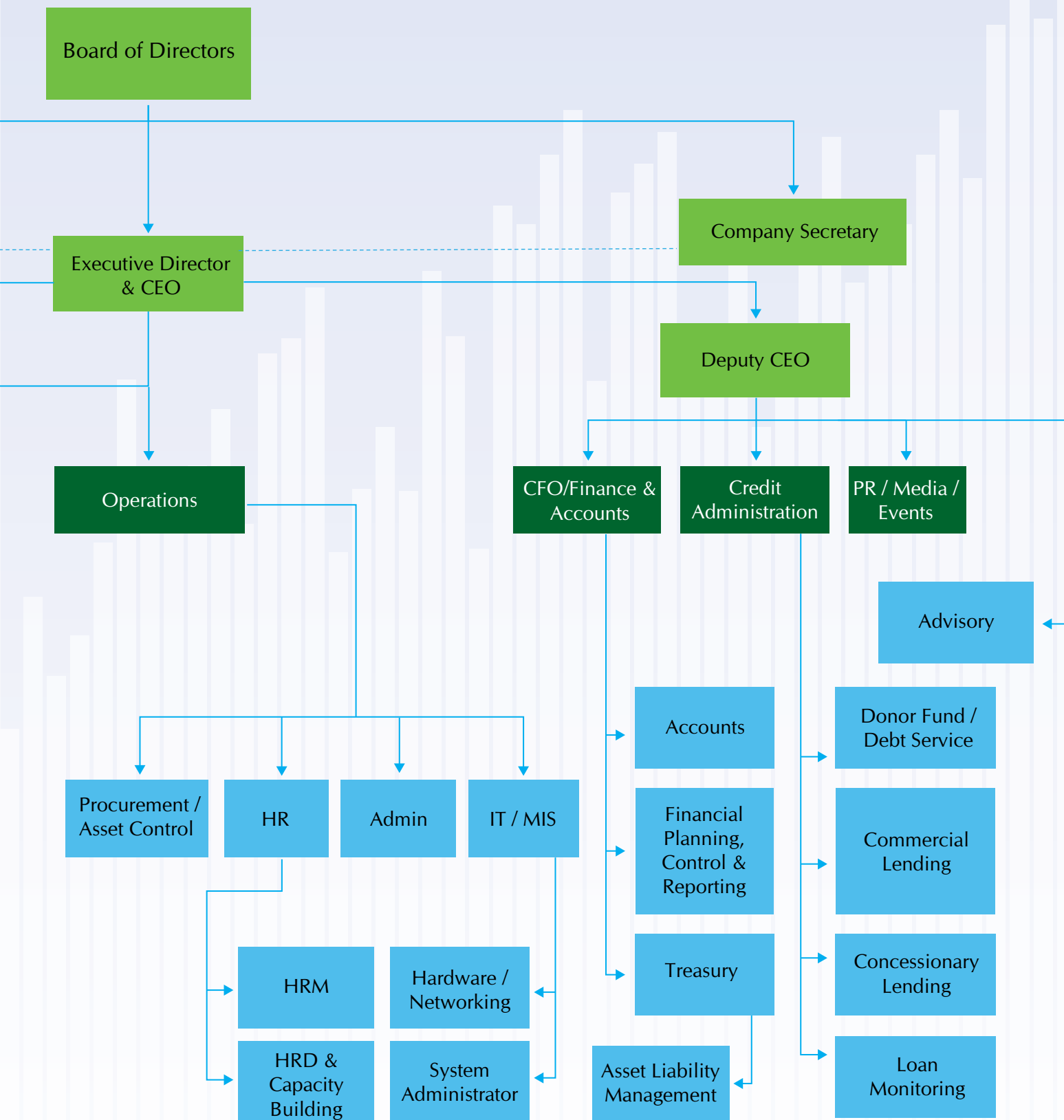
Shareholding Structure of IDCOL

| Serial No | Name | No. of Shares | Amount in BDT | Percentage |
|-----------|---|-------------------|----------------------|-------------|
| 1 | Economic Relations Division, Ministry of Finance | 64,999,000 | 6,499,900,000 | 99.99846% |
| 2 | Ms. Fatima Yasmin, Secretary, Economic Relations Division (ERD), Ministry of Finance | 500 | 50,000 | 0.00077% |
| 3 | Mr. Md. Shah Kamal, Former Senior Secretary, Government of Bangladesh | 50 | 5,000 | 0.00008% |
| 4 | Mr. Abdur Rouf Talukder, Secretary, Finance Division, Ministry of Finance | 50 | 5,000 | 0.00008% |
| 5 | Dr. Sultan Ahmed, Secretary, Power Division | 50 | 5,000 | 0.00008% |
| 6 | Mr. M. Tofazzel Hossain Miah, Secretary Prime Minister's Office | 50 | 5,000 | 0.00008% |
| 7 | Ms. Nihad Kabir, Senior Partner, Syed Ishtiaq Ahmed & Associates | 50 | 5,000 | 0.00008% |
| 8 | Mr. Abdul Haque, Managing Director, Haq's Bay Automobiles Ltd. | 50 | 5,000 | 0.00008% |
| 9 | Mr. A. K. M. Nurul Fazal Bulbul, Vice-chairman Central Depository Bangladesh Limited (CDBL) | 10 | 1,000 | 0.00002% |
| 10 | Dr. Ahmad Kaikaus, Principal Secretary to the HPM, Prime Minister's Office | 50 | 5,000 | 0.00008% |
| 11 | Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary & Chairman, National Board of Revenue | 50 | 5,000 | 0.00008% |
| 12 | Dr. Md. Jafar Uddin, Secretary, Ministry of Commerce | 50 | 5,000 | 0.00008% |
| 13 | Mr. Md. Shahabuddin Patwary, Additional Secretary, Economic Relations Division (ERD) | 10 | 1,000 | 0.00002% |
| 14 | Mr. Mahmood Malik, ED and CEO, IDCOL | 30 | 3,000 | 0.00005% |
| | Total | 65,000,000 | 6,500,000,000 | 100% |

Corporate Governance



Note: IDCOL in its 260th Board meeting held on 3 December 2019 approved the organogram



Board of Directors



Ms. Fatima Yasmin
Chairman, IDCOL

Mr. Md. Shah Kamal
Director, IDCOL

Mr. Abdur Rouf Talukder
Director, IDCOL

Dr. Sultan Ahmed
Director, IDCOL



Mr. M. Tofazzel Hossain Miah
Director, IDCOL

Ms. Nihad Kabir
Director, IDCOL

Mr. Abdul Haque
Director, IDCOL

Mr. A.K.M. Nurul Fazal Bulbul
Director, IDCOL

Mr. Mahmood Malik
Executive Director & CEO

Profile of Directors



Ms. Fatima Yasmin

Chairman, IDCOL and Secretary, Economic Relations Division (ERD)

Ms. Fatima Yasmin, a career civil servant, joined the Economic Relations Division (ERD), Ministry of Finance as the Secretary on 23 February 2020. She is the first female Secretary of ERD appointed by the Government. Prior to this current assignment, she worked as the Vice-Chairman of Export Promotion Bureau (EPB), Ministry of Commerce and served as the Director General of the Institute of Public Finance (IPF), Finance Division, Ministry of Finance.

Ms. Yasmin joined the Bangladesh Civil Service in 1991. She worked for the Finance Division and Economic Relations Division of the Ministry of Finance. She also worked for Ministries of Agriculture, Women and Children Affairs, and Defense. During her civil service career, she worked for ERD for a substantial period with World Bank, United Nations, Asian Development Bank and Islamic Development Bank. Outside government she worked for Asian Development Bank,

European Union and UN's International Jute Organization during her civil service.

Ms. Yasmin was a Hubert H. Humphrey Public Policy Fellow of the US State Department at the Rutgers University, USA. She did her Masters in Development Economics from Australian National University (ANU), Canberra, Australia and Masters in Business Administration from Institute of Business Administration (IBA), University of Dhaka, Bangladesh.

Mr. Md. Shah Kamal

Director, IDCOL and Former Senior Secretary,
Government of Bangladesh



Md. Shah Kamal is the former Senior Secretary, Government of Bangladesh. He obtained B.Com (Hons) and M.com degree with first class from University of Dhaka. He is an officer of BCS (Bangladesh civil service) administration cadre of 1984 batch and joined the civil service in 1986. In his long career, Mr. Kamal has served in different capacities in field administration and policy sphere for the Government of Bangladesh such as Assistant Commissioner and Magistrate, Upazila Nirbahi Officer (UNO), Additional Deputy Commissioner, Deputy Commissioner and Joint Secretary in different ministries. He was the first administrator of Narayanganj City Corporation, he also served as Administrator of Gazipur City Corporation. He also served as Additional Secretary in Ministry of Primary and Mass Education and Local Government Division. He is involved in many social and humanitarian organizations. He is now serving as the National Commissioner (SD) of Bangladesh Scouts. He has been awarded "Golden Tiger" and "Silver Hilsha", the top most national-level medal for extraordinary contribution in Scouts activity. He has participated and contributed in many international seminars, workshop, conference and meeting for Government of Bangladesh. He was trained from different reputed universities and training institute of home and abroad, such as Harvard University, USA, University of Copenhagen, Denmark, University of Korea, Seoul, Wolverhampton University, England, National University Singapore, London School of Economics, Srampatum University, Thailand, Civil Officers Staff College, Singapore. Administrative college, China etc. He has expertise on project management, disaster management and Local Government System. He is a recognized professional expert on Local government of Bangladesh.



Mr. Abdur Rouf Talukder

Director, IDCOL and Secretary,
Finance Division, Ministry of Finance

Mr. Abdur Rouf Talukder has been the Secretary of Finance Division, Ministry of Finance since July 17, 2018.

Born in August 1964, in Dhaka, Mr. Talukder joined the Bangladesh Civil Service in 1988 (1985 batch). He worked in a wide range of government positions in his long illustrious career but his specialization in public finance and economic management has brought him back to Finance Division at almost every rank of his career. He is the only civil servant in Bangladesh who has experiences of working in Finance Division as Assistant Secretary, Senior Assistant Secretary, Deputy Secretary, Joint Secretary and Additional Secretary before being elevated to the position of

Secretary. In the Finance Division, he has contributed to important areas like budgetary management, macroeconomic management etc. He was instrumental in implementing the Medium Term Budget Framework (MTBF) during 2005-06 and new Budget and Accounting Classification System (BACS) in 2017-18. He is a passionate advocate of reform in Public Financial Management (PFM) including the introduction of IT in PFM and one of the key contributors in drafting the Public Money and Budget management Act, 2009. He also contributed to the introduction of payroll automation for the government employees and EFT for pensioners.

Apart from his long career in the Finance Division, Mr. Talukder has worked in the Ministry of Industries, Ministry of Food, and Ministry of Information. He also worked in Bangladesh High Commission, Malaysia as First Secretary (Commercial).

Mr. Abdur Rouf Talukder has long experience in designing and implementing projects under the Annual Development Programme (ADP). He has worked in the Financial Management Reform Project (FMRP) as MTBF Specialist while he was a Deputy Secretary.

Again, in the later part of his career, he led the team of officials in designing and implementing the Skills for Employment Investment Program (SEIP) which is a comprehensive approach to the skill development of the country. He has served as the first Executive Project Director of SEIP and then went on to become the National Project Director.

As Secretary of Finance Division, he is Director, Board of Directors of Bangladesh Bank (Central Bank of Bangladesh); Chairman of Bangladesh Infrastructure Finance Fund Limited (BIFFL); Chairman, National Human Resource Development Fund (NHRDF); Deputy Chairman, Saudi Bangladesh Industrial & Agricultural Investment Company Limited (SABINCO); Vice-Chairman, Committee of Mutawallis of Islamic Development Bank-Bangladesh Islamic Solidarity Educational Wakf (IDB-BISEW); Member, Bangladesh Institute of Development Studies (BIDS); Director, Board of Biman Bangladesh Airlines Ltd.; Director, Infrastructure Development Company Ltd. (IDCOL); Member, Bangladesh Judicial Service Commission; Director, Hotel International Ltd.

Mr. Talukder holds an M.Sc. in Development Management with major in Public Economic Management and Finance from the University of Birmingham, UK and an MBA from Institute of Business Administration (IBA) of the University of Dhaka. In addition, he attended many professional training courses specialized in public financial management. Some of the highlights are Financial Programming and Policies (FPP), IMF Institute, Washington DC, USA; Public Financial Management: Issues and Solutions, Crown Agents Training & Professional Development Center, London, UK; Fiscal Economics and Economic Management (FEEM), Financial Management Academy (FIMA), Dhaka; Information System Project Management Training, Civil Service College, UK etc.



Dr. Sultan Ahmed

Director, IDCOL and Secretary,
Power Division, Ministry of Power, Energy & Mineral Resources

Dr. Sultan Ahmed has been having an excellent academic feat in science, engineering and technology, and an outstanding experience of solid works in development administration. This has made him an expert official with a unique blend of general and technical abilities. Mr Sultan studied civil engineering and transportation engineering at Bangladesh University of Engineering and Technology (BUET), and read sciences at Bhola Government High School and Government BM College, Barisal. He graduated in water resources development engineering at Indian Institute of Technology, Roorkee (IIT-Roorkee). He pursued Doctor of Philosophy in water resources development at BUET. Dr Sultan also studied engineering and technology in water resources development and management at Asian Institute of Technology, Thailand, IHE-Delft,

The Netherlands, Lund University, Sweden, Tsukuba Science University, Japan, and Gothenburg University, Sweden. He received extensive training in systemic instruments on administration, law, policy, institution, development, and management, etc at home and abroad. He has been a policy and institution expert on land, water, environment, and climate change, and an EIA reviewer.

Dr Sultan, a career bureaucrat, has been having more than 30 years of working experience with the Government of Bangladesh, the biggest institution of the country, in various capacities such as Assistant Engineer, Assistant Secretary, Senior Assistant Commissioner and Magistrate, Senior Assistant Secretary, Deputy Secretary, Joint Secretary, Additional Secretary, etc. in different ministries and public offices. He has a good experience of presiding over criminal courts and extensive knowledge on the Penal Code, the Code of Criminal Procedure, the Evidence Act—major substantive laws of the country. He has vast experience of public hearing, and judicial and administrative inquiry. He is a trainer in various public training institutions. He worked at CEGIS, a scientifically independent center of excellence in providing intellectual and professional services in water, land, RS, GIS, database and environment development and management that functions under the aegis of the Ministry of Water Resources, as a Director of Business, HRD and Administration and a senior professional on policy and institution for a period of over eight years. Dr Sultan has been serving at the Department of Environment as its Director General since January 2018, and worked beforehand as Director (Natural Resources Management and Research) at the Department since January 2012.

Due to Dr Sultan's continuous stride and effective environmental regulation and awareness campaign, the environment conservation, protection and development have got a visible sustainable shape: a culture of environmental compliance all over the country is a culmination of continuous effort put forward by Dr Sultan with the specialized institutional strength of Department of Environment. He has been a successful project director of Strengthening and Consolidation of Community Based Adaptation in the Ecologically Critical Areas for Conservation of Ecosystem and Climate Adaptation Project which was effectively completed under his able leadership that put a 'community engaged ecosystem based management of natural resources model' at some haor (wetlands) and coastal fragile ecosystems. The number of project portfolios has increased at Department of Environment due to his persistent and effective persuasion.

Dr Sultan represented Department of Environment as part of Bangladesh Delegation in numerous bilateral and global negotiations on environmental conservation and development, climate change adaptation and mitigation, and sustainable development, etc. He participated in the Conference of the Parties (COP) of the UNFCCC of COP21 in Paris, COP22 in Marrakech, COP24 in Katowice and developed keen skills on global negotiation. He participated in most of the Working Group meetings of Climate and Clean Air Coalition (CCAC) for reduction of short-lived climate pollutants (SLCPs) since its establishment in 2012 as Bangladesh focal point.

Dr Sultan is a member of Bangladesh Administrative Services of the 8th Batch. He is a South Asian Water (SAWA) fellow, and a fellow of the Institute of Engineers, Bangladesh. He has been found to be always keen about updating his knowledge in subjects he has been specialized, and also in others including science, technology, literature and ethnic matters. He has the ability to work long hours, of forward thinking, communicating and influencing, and analytical thinking and judgment. He is a good communicator, motivator and at the personal level, a very good friend of his colleagues. He is having a very pleasing personality with high moral values and integrity.



Mr. M. Tofazzel Hossain Miah

Director, IDCOL and Secretary,
Prime Minister's Office

Mr. M. Tofazzel Hossain Miah has been the Secretary, Prime Minister's Office since 11th January, 2020. Prior to his present position he worked as Private Secretary to the Hon'ble Prime Minister for almost two years.

A man of noble bearing Mr. Tofazzel was born in Pirojpur District. He obtained both his Honours & Master's degree in English Literature from the University of Dhaka. He also has a postgraduate degree in Early Childhood Development (ECD) from BRAC University. Mr. M. Tofazzel Hossain Miah started his carrier in Bangladesh Civil Service administration cadre in 1991. He served in various capacities of the government including Director General, Prime Minister's office; Director General, Private Export Processing Zones; Deputy Commissioner and

District Magistrate in Dhaka, Cumilla and Panchagarh. Apart from that, he was Private Secretary to Principal Secretary, Director of Board of Investment, Additional Deputy Commissioner in Sylhet and Upazila Nirbahi Officer of Monohardi in Narsingdi district. He also held key positions in different Ministries/Divisions/Directorate of the Government including Ministry of Public Administration, Local Government Division, Ministry of Primary and Mass Education and Power Division.

Mr. Tofazzel has the exposure to many trainings both at home and abroad. He received certificate on excellent performance on Land Administration. He had undergone special trainings on Project Management and Governance in UK, Vietnam and India. He represented Bangladesh in many countries including South Korea, Malaysia, Thailand, Germany, USA, UAE, Czech Republic, Switzerland, Portugal, Spain and China. In addition, he is a prolific speaker on Development and Governance.

Mr. Tofazzel Hossain Miah is married and blessed with one daughter and one son.

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 the 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) 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, founder and current President of Bangladesh Reconditioned Vehicles Importers & Dealers Association, and former Co-chairman of JBCCEC. He was also a member of Executive Committee of SAARC Chamber of commerce and Industry. He also served as a 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, Cumilla; Chairman of Munshi Jinnat Ali Welfare Trust and Chairman of Projukti Peeth (Socio-Economic Dev. Centre), Barura, Cumilla.



Mr. A. K. M. Nurul Fazal Bulbul

Director, IDCOL

Mr. A. K. M. Nurul Fazal Bulbul, born in 1960 at Wari in Dhaka is popularly known in Bangladesh society as a social and corporate Personality. He completed his Bachelor of Commerce (Honors) and Masters in Business Management from the University of Dhaka in 1985. Later on, he obtained LLB and enrolled in the Supreme Court Bar. Started his career as Management and Tax Consultant. Then he started supply & trading business in 1991 and established Meena Printers & Packaging in 1995.

He is the Co-founder of (1) EXIM Bank Ltd., (2) Sunlife Insurance Co., (3) Japan-Bangladesh Medical Associates, (4) Ei Floor Group etc. He is Vice Chairman of Central Depository Bangladesh Ltd. (CDBL) and Director of Infrastructure Investment Facilitations Company (Govt. owned PPP service Provider Company) from 2011 and BCI Board. He is the Advisor of Japan-Bangladesh

Hospital, Sunlife Insurance Co., AML Group and Doreen Power Generation Co. etc. He served as Founder Board Audit Chairman of EXIM Bank for more than a decade. He was the Director of FBCCI, SAARC Chamber, OIC Business Forum, Central Zakat Board and FBCCI Foundation. In mid 1990 he served as Group Management Consultant / Advisor of Akij Group. Navarra Group. Padma-Sonali Group & Swedish Motors as well. He achieved 4 (Four) times CIP status.

He is the Trustee of the two reputed University of Bangladesh and Secretary of Research & Training, Bangladesh Association of Banks (An apex body of 38 private Banks of the country) Vice Chairman of Islamic Banks Consultative Forum (IBCF -An apex body of Islamic Banking Industry of the country). He is working as Secretary General of Gulshan Central Mosque & Eidgah Society.

Apart from corporate affairs, he is vastly involved in CSR activities and sports through EXIM bank Foundation as Secretary General and El-Noon Foundation as Coordinator. Also, he served as Editorial Chief of one national daily. He had been the moderator of many national seminars and workshops as well as participated in many international seminars and summits. He has two popular publications. He received many prestigious awards. He is one of the Patrons of Army Golf Club and permanent Member of the most prestigious ancient - Dhaka Club Ltd and involved with many national organizations such as Anjuman, NATTAB. BOA, BFRD, BIRDEM, Cancer Society, Peace Council, IRS, Gulshan Eidgah Society. Commonwealth Society. NGHSA, SEACO. Private University Association and Bangladesh Bar Council.

The Government appointed him as "Chief of Bangladesh Mission to London Olympic, 2012" and Delhi Commonwealth Games, 2010. He is the President of Bangladesh Handball Federation since 2008. He widely visited more or less one hundred countries and cities of the world.

His father late M. Noor was imminent Gazetted Civil Servant and mother late Fazilatun Noor was a social worker. His wife Advocate Shaila Bulbul was ex APP of Dhaka Judge Court and Notary Public for whole Bangladesh. His only son Ahmed Halls Arafat and two daughters Nalisa Mena and Nafsa Madina are still studying under Cambridge. His sister and brothers are well established in their respective field. His Fore-father from Munshigonj-Bikrampur and his Grand-father late Ayet Ali Master was a popular school teacher the then British India and a Sincere flower of British-Indian independence movement.

N F. Bulbul was elected General Secretary of National Student League In 1984 then he elected unanimous president. He played a significant role in the democratic movement in 1990 and took the charge of the Chairman of the central youth league. With this continuation, he was elected as a member of the central secretariat in Bangladesh Awami League Central Committee for two terms from 1992 to 2002. Long decade he served as Founder Executive Committee Member of the Father of the Nation Bangabandhu Sk. Mujib Memorial Museum at Dhanmondi.

Mr. Mahmood Malik

Executive Director & CEO, IDCOL

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 a 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 the 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 the University of Houston, Texas, USA.



IDCOL Management





Sitting from the Left

Mr. S. M. Monirul Islam, Deputy CEO and CFO
Mr. Mahmood Malik, Executive Director & CEO
Mr. Nazmul Haque, Head of Investment

Standing from the Left

Mr. Md. Enamul Karim Pavel, Head of Renewable Energy
Mr. M. Maftun Ahmed, Company Secretary
Mr. Mohammed Javed Emran, Chief Risk Officer

Profile of IDCOL Management



Mr. S. M. Monirul Islam
Deputy CEO and 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 a 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 keynotes 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 heads the advisory service functions. Besides, he oversees the operations activities of the organization as well which include procurement, administration, people management and ICT.

Mr. Nazmul Haque
Head of Investment

Mr. Nazmul Haque completed his MBA from North South University and joined IDCOL in 2003. He leads IDCOL's infrastructure and energy efficiency financing initiatives and is actively involved in structuring and financing of many large infrastructure projects in sectors like power, telecom, toll roads, ports, ICT etc. Many of these projects are first of its kind in Bangladesh and vital for the national development. Mr. Haque also played a significant role in developing IDCOL's large renewable energy interventions.

Mr. Haque is a leading expert in Project Finance, Financial Modeling and Public Private Partnership. He is a key resource person in IDCOL's external training and capacity building initiatives and trained more than 1500 local and foreign participants from banks & FIs, private sector, development partners, government agencies etc. Mr. Haque represented IDCOL in various local and international platforms and presented papers in various symposiums and conferences in Asia, Europe, North America and Africa.



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 projects and programs on solar home system, solar irrigation, solar rooftop, domestic biogas, improved cook-stoves, solar mini-grid, bio-electricity etc. IDCOL's solar home system program is the largest off-grid renewable energy program in the world, which is providing electricity to 12% population of the country living in rural Bangladesh.

Mr. Pavel 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 and Asian countries. He 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. 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. Mohammed Javed Emran
Chief Risk Officer

Joined in 2017, Mr. Mohammed Javed Emran is the first CRO of IDCOL. He is playing a vital role in embedding risk management culture throughout the organization. Under his leadership, the Credit Risk Management unit, Compliance unit, Special Asset Management Unit and the Legal unit is ensuring the best possible measures to safeguard IDCOL's assets.

Mr. Javed started his career as Management Trainee Officer in Dhaka Bank Limited and in his long tenor with the bank, he was the credit incharge of Islampur Branch and eventually was posted to the Syndication & Structured Finance Unit. Later in his career, he worked in the Structured Finance Unit of The City Bank Limited for a short period, after which he joined Trust Bank Limited where he was the impetus to the formation and development of Syndication & Structured Finance Unit. Prior to joining IDCOL he was the Head of Syndication & Structured Finance Unit managing over BDT 10 billion portfolios in various sectors like power, telecom, textiles, pharmaceuticals, paper, iron & steels and hotel & resorts, hospitals, etc.

Mr. Javed completed his Bachelor's and Master's in Economics from the University of Dhaka. He earned his MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka. He has also participated in various training and workshops across the globe.



Mr. M. Maftun Ahmed
Company Secretary



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 the 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



- 1 ➤ Md. Enamul Karim Pavel, Head of Renewable Energy
- 2 ➤ Farzana Rahman, Executive Vice President & Unit Head, Renewable Energy Projects
- 3 ➤ Md. Wahidur Rahman, Senior Vice President & Unit Head, Technical
- 4 ➤ Md. Nazmul Haque, Senior Vice President & Unit Head, Corporate Affairs
- 5 ➤ Dr. Ahmedul Hye Chowdhury, Senior Vice President & Unit Head, Environment and Social Safeguard Specialist (Renewable Energy)
- 6 ➤ Md. Serajul Hossain, Vice President & Unit Head, Solar Home System Program
- 7 ➤ M. Mosleh Uddin, Vice President & Unit Head, Green Climate Fund
- 8 ➤ Asif Shahriar, Assistant Manager, Biogas & Bio-fertilizer Program
- 9 ➤ Md. Ashaduzzaman, Program Manager, Solar Home System Program
- 10 ➤ Rashed Rahman Khan, Manager, Biogas & Bio-fertilizer Program
- 11 ➤ Shadman Bin Zahir, Assistant Manager, Renewable Energy Projects
- 12 ➤ Md. Jobair Bin Habib, Senior Officer, Renewable Energy Projects
- 13 ➤ [Name not listed]
- 14 ➤ [Name not listed]
- 15 ➤ [Name not listed]
- 16 ➤ [Name not listed]
- 17 ➤ [Name not listed]
- 18 ➤ [Name not listed]
- 19 ➤ [Name not listed]
- 20 ➤ [Name not listed]
- 21 ➤ [Name not listed]
- 22 ➤ [Name not listed]
- 23 ➤ [Name not listed]



- 13 ➤ Faisal Mahmud Khan, Senior Officer, Renewable Energy Projects
- 14 ➤ Md. Belal Siddiqui, Manager (Agriculture-Monitoring), Renewable Energy Projects
- 15 ➤ Shibli Mohammad Faiz, Assistant Vice President & Unit Head, Biogas and Bio-fertilizer Program
- 16 ➤ Molla Anisur Rahman, Assistant Vice President, Solar Home System Program
- 17 ➤ Mohammad Bin Monjil, Assistant Manager, Technical
- 18 ➤ Md. Raisul Islam, Assistant Manager, Renewable Energy Projects
- 19 ➤ Hassan Muhaiminul Aziz, Manager (Monitoring), Renewable Energy Projects
- 20 ➤ Kazi Ahsan Uddin, Manager (Monitoring), Renewable Energy Projects
- 21 ➤ Mofazzal Hossain, Manager (Agriculture-Monitoring), Renewable Energy Projects
- 22 ➤ Sadia Raisa Khan, Assistant Manager, Renewable Energy Projects
- 23 ➤ Md. Imran Hossain, Assistant Vice President, Renewable Energy Projects
- 24 ➤ Md Noor Hasan, Site Engineer, IDCOL Green Building Project
- 25 ➤ Md. Abdullah Hell Baki, Manager, Improved Cook Stoves Program
- 26 ➤ Md. Jarish Hasan, Project Engineer, IDCOL Green Building Project
- 27 ➤ Sanjidaa Hoque, Assistant Manager, Improved Cook Stoves Program
- 28 ➤ Mukaddim Sarwar, Manager, Renewable Energy Projects
- 29 ➤ Zia Uddin Jewel, Senior Officer, Technical
- 30 ➤ Mushfiqur Rahman, Management Trainee, Solar Home System Program
- 31 ➤ Tanushka Mumtahina Billah, Senior Officer, Green Climate Fund
- 32 ➤ Fariha Jannat, Manager, Solar Home System Program
- 33 ➤ Tasmia Khan, Senior Officer, Renewable Energy Projects
- 34 ➤ Sajjad Uddin Mahmud, Assistant Manager, Technical
- 35 ➤ Md. Abdullah Al Faisal, Management Trainee, Solar Home System Program
- 36 ➤ Raquib-ul-Mesbah, Senior Officer, Technical
- 37 ➤ Muntasir-Al-Khaledunnabi, Junior Officer, Technical
- 38 ➤ Mafruda Rahman, Manager, Green Climate Fund
- 39 ➤ A F M Shahed, Vice President, Improved Cook Stoves Program (not in the picture)
- 40 ➤ Rasel Ahmed, Assistant Vice President, Promotion and Capacity Building (not in the picture)
- 41 ➤ Md. Abdullah Al Matin, Assistant Manager, Renewable Energy Projects (not in the picture)
- 42 ➤ Mashiur Rahman, Junior Officer, Technical (not in the picture)

Infrastructure Department



- 1 > Nazmul Haque, Head of Investment
- 2 > Raihan Uddin Ahmed, Senior Vice President & Environment Specialist, Infrastructure
- 3 > Mohammed Zahidul Haque, Senior Vice President & Unit Head, Industrial & Energy Efficiency Finance
- 4 > Sifat Monzur, Vice President & Unit Head, Infrastructure Finance
- 5 > Md. Mehedi Hasan, CFA, FRM, Senior Assistant Vice President & Unit Head, Public Private Partnership
- 6 > Abu Shoaib Khan, Senior Officer, Industrial & Energy Efficiency Finance
- 7 > Md. Ashadur Rahman Bhuiyan, CFA, Manager, Industrial & Energy Efficiency Finance
- 8 > Md. Ashraf-Ul-Islam, Assistant Vice President, Industrial & Energy Efficiency Finance
- 9 > Md. Hamid Iqbal, Assistant Manager, Infrastructure Finance
- 10 > Md. Aqil Ahmed, Assistant Manager, Public Private Partnership



- 11 ➤ Charles Amit Mohonto, Senior Officer, Public Private Partnership
- 12 ➤ Mithila Sanhita Majumder, Assistant Manager, Public Private Partnership
- 13 ➤ Maliha Rabeta, Management Trainee, Industrial & Energy Efficiency Finance
- 14 ➤ Amit Kumar Dutta, Manager, Infrastructure Finance
- 15 ➤ Rawfoon Iqbal, Assistant Manager, Infrastructure Finance
- 16 ➤ Md. Raful Islam Sworan, Management Trainee, Infrastructure Finance
- 17 ➤ Shadman Sakib Mozumder, Senior Officer, Public Private Partnership
- 18 ➤ Zeesha Samah, Senior Officer, Infrastructure Finance
- 19 ➤ Sumaya Mahmud, Assistant Manager, Infrastructure Finance
- 20 ➤ Tanvir Ebne Bashar, Manager, Industrial & Energy Efficiency Finance

Finance & Accounts and
Credit Administration Department





- 1 > S. M. Monirul Islam, Deputy CEO & CFO
- 2 > Farhan Reza, Senior Vice President & Unit Head, Credit Administration
- 3 > Mizanur Rahman, CPA, ACMA, CGMA, Vice President & Unit Head, Finance & Accounts
- 4 > Shek Mijanur Rahman, Senior Assistant Vice President, Finance and Accounts
- 5 > Nazmul Hasan, Management Trainee, Finance & Accounts
- 6 > Rezwana Ali Tanima, Assistant Manager, Credit Administration
- 7 > Md. Abir Chowdhury, Management Trainee, Credit Administration
- 8 > Sabbir Ahmmmed, Junior Officer, Credit Administration
- 9 > Mokaddim Jashim Bhuiyan, Assistant Manager, Credit Administration
- 10 > Zabir Ibne Raquib, Assistant Vice President, Credit Administration
- 11 > Md. Imrul Hasan, Manager, Finance and Accounts
- 12 > Becky Christopher Rozario, Management Trainee, Finance & Accounts
- 13 > Junaed Tazdik, Manager, Credit Administration

Risk Management Department



- 1 ➤ Mohammed Javed Emran, Chief Risk Officer, Risk & Special Asset Management
- 2 ➤ Merina Kashem, Senior Vice President & Unit Head, Credit Risk management
- 3 ➤ Kazi Ishfak Ahmad (Barrister-at-Law), Manager, Legal Affairs
- 4 ➤ Nadia Shahrin, Assistant Manager, Credit Risk Management
- 5 ➤ Khondker Ajwad Hossain, Assistant Manager, Credit Risk Management
- 6 ➤ Khandkar Imran Bin Khaled, Assistant Manager, Credit Risk Management



- 7 > Tanvir Ahmed (Barrister-at-Law), Assistant Manager, Legal Affairs
- 8 > Bibi Ayesha Begum, Management Trainee, Compliance
- 9 > Md. Rifat Bin Rahman, Assistant Manager, Compliance
- 10 > Kazi Ibrahim Md. Adnan (Barrister-at-Law), Assistant Manager, Legal Affairs
- 11 > F. M. Anwarul Kabir, Assistant Manager, Credit Recovery
- 12 > Md. Shaikat Azad, Assistant Vice President & Unit Head, Compliance
- 13 > Jannatul Ferdous Sobi, Junior Officer, Legal Affairs (Renewable Energy Projects)

Operations Department





- 1 ➤ S. M. Monirul Islam, Deputy CEO & CFO
- 2 ➤ M. Maftun Ahmed, Company Secretary
- 3 ➤ Mohammad Rashedul Islam, Senior Assistant Vice President, IT & MIS
- 4 ➤ Ashrafuzzaman Khan, Manager, Administration
- 5 ➤ Md. Rezaul Rahman, Junior Officer, Administration
- 6 ➤ Md. Monirul Haque, Junior Officer, Administration
- 7 ➤ Md. Kawsar Hossain Khan Robin, Junior Officer, IT

- 8 ➤ Sajjad Bin Siddique, Assistant Manager, Procurement
- 9 ➤ Md. Ashadur Rahman Akand, Junior Officer, IT
- 10 ➤ Tahmina Shafiq, Manager, Human Resources
- 11 ➤ Saifullah-AL-Munsur, Senior Officer, Procurement
- 12 ➤ Raisa Rahman, Senior Officer, Human Resources
- 13 ➤ Shuvendu Sarkar, Senior Officer, Human Resources
- 14 ➤ Abu Nasir, IT Assistant (not in the picture)

Internal Audit



- 01 ➤ Md. Shahriar Rana, FCCA, CIA, Vice President & Unit Head, Internal Audit
- 02 ➤ Rezoan Al Mahmud Suzan, Assistant Manager, Internal Audit
- 03 ➤ Chandra Shekhor Mondal, Junior Audit Officer
- 04 ➤ Mohammad Abdul Hannan, Junior Audit Officer

Advisory Services



- 01 ➤ S. M. Monirul Islam, Deputy CEO & CFO
- 02 ➤ Shibli Mohammad Faiz, Assistant Vice President
- 03 ➤ Ashraf Hossain Bhuiyan, Manager, Advisory Services

Directors' Report

Dear Shareholders

It is the pleasure of the Board of Directors of Infrastructure Development Company Limited (IDCOL) to present to you the annual Audited Financial Statements of the company for the year ended on 31 December 2019.

The Directors have given relevant disclosures and explanations in the report regarding important issues to ensure compliance, good governance practices and transparency. We hope that this report will provide all the required information about the company's annual performance during the period January - December 2019.

1. The Global Economy¹

The growth rate of the global economy is expected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020 and 3.4 percent in 2021. However, this forecasted growth may be hindered by the decline in the global economic activity due to the outbreak of COVID-19 coupled with the impact of on-going geopolitical tensions, trade policy uncertainties and stress factors in key emerging market economies that weighted on global economic activity- mainly manufacturing and trade- even in the second half of 2019. Despite these headwinds, some indications emerged toward year-end that global growth may be bottoming out.

High frequency indicators for the fourth quarter in 2019 tentatively suggested momentum stabilized at a sluggish pace, helped by the broad-based shift earlier in the year toward accommodative monetary policy and fiscal easing in some countries (including China, Korea, and the United States). Business sentiment and the outlook of purchase managers in the manufacturing sector ceased deteriorating, but remained pessimistic overall. Importantly, the new orders subcomponent of the surveys picked up, particularly in emerging market economies. Consistent with the surveys, world trade growth appeared to be bottoming out. Service sector activity, on the other hand, weakened somewhat but remained in expansionary territory, supported by still-resilient consumer spending—which, in turn, helped maintain tight labor markets, low unemployment, and modestly rising wages.

The main considerations for the global growth forecast from the backdrop of recent developments include: carryover from weaker-than anticipated second half outturns for 2019 among key emerging market economies; signs of tentative steadiness in manufacturing in the last quarter, some weakening in still-resilient service sector activity; accommodative financial conditions, uncertain prospects regarding

tariffs, social unrest, and geopolitical tensions. An overview of world output growth projection is given in the following table (please note that these growth projections do not take into consideration the impact of COVID-19).

Table 1: World Output Growth Projection

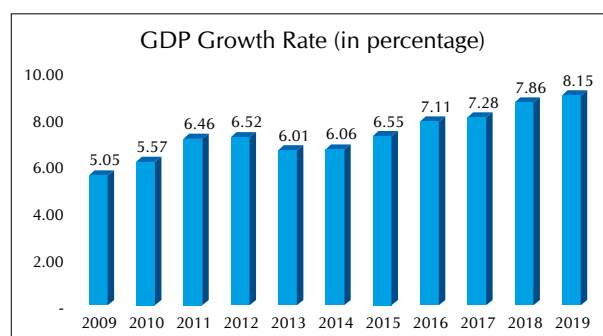
| Year | Estimated (in percentage) | | Projection (in percentage) | |
|--|------------------------------|------|-------------------------------|------|
| | 2018 | 2019 | 2020 | 2021 |
| World Output | 3.6 | 2.9 | 3.3 | 3.4 |
| Advanced Economics | 2.2 | 1.7 | 1.6 | 1.6 |
| USA | 2.9 | 2.3 | 2.0 | 1.7 |
| Euro Area | 1.9 | 1.2 | 1.3 | 1.4 |
| Japan | 0.3 | 1.0 | 0.7 | 0.5 |
| Emerging Market and Developing Economics | 4.5 | 3.7 | 4.4 | 4.6 |
| Emerging and Developing Asia | 6.4 | 5.6 | 5.8 | 5.9 |
| China | 6.6 | 6.1 | 6.0 | 5.8 |
| India | 6.8 | 4.8 | 5.8 | 6.5 |
| UK | 1.3 | 1.3 | 1.4 | 1.5 |

(Source: World Economic Outlook Update, January 2020)

2. The Local Economy

The economy of Bangladesh has experienced sustainable growth over the last decade- reflected through the average GDP growth rate of more than 6 percent achieved during this period. As per the published data of Bangladesh Bureau of Statistics (BBS), the country recorded its highest GDP growth rate of 8.15 percent in FY 2018-19, surpassing the 7.86 percent growth achieved in FY 2017-18². In FY 2018-19, Bangladesh also exceeded the 7 percent mark in GDP growth rate for the fourth consecutive time. High growth rate of manufacturing sector under broad industry sector has contributed significantly towards achieving the high GDP growth in last fiscal year.

Figure 1: Bangladesh GDP Annual Growth Rate (From FY 2008-09 to FY 2018-19):³



² Finance Division, Ministry of Finance, GoB. Bangladesh Economic Review 2019

³ Bangladesh Bureau of Statistics (<http://www.bbs.gov.bd/site/page/dc2bc6ce-7080-48b3-9a04-73cec782d0df/>)

¹ World Economic Outlook, January 2020 (<https://www.imf.org/en/Publications/WEO/Issues/2020/01/20/weo-update-january2020>)

Growth of GDP by Sectors

Production based estimate of GDP encompasses 3 broad sectors which are agriculture, industry and service. Moreover, overall GDP consists of 15 sectors. The growth rates of GDP by sectors at constant prices have been shown in the following table:

Table 2: Sectoral Growth Rate of GDP at Constant Prices (Base Year 2005-06)

(In percentage)

| Sector/ Sub-sector | 2013- 14 | 2014- 15 | 2015- 16 | 2016- 17 | 2017- 18 | 2018- 19 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| 1. Agriculture and Forestry | 3.81 | 2.45 | 1.79 | 1.96 | 3.47 | 3.92 |
| 2. Fishing | 6.36 | 6.38 | 6.11 | 6.23 | 6.37 | 6.21 |
| 3. Mining and Quarrying | 4.68 | 9.6 | 12.84 | 8.89 | 7 | 5.88 |
| 4. Manufacturing | 8.77 | 10.31 | 11.69 | 10.97 | 13.4 | 14.20 |
| 5. Electricity, Gas and Water Supply | 4.54 | 6.22 | 13.33 | 8.46 | 9.19 | 9.58 |
| 6. Construction | 8.08 | 8.6 | 8.56 | 8.77 | 9.92 | 10.25 |
| 7. Wholesale and Retail Trade | 6.73 | 6.35 | 6.5 | 7.37 | 7.45 | 8.14 |
| 8. Hotel and Restaurants | 6.7 | 6.83 | 6.98 | 7.13 | 7.28 | 7.57 |
| 9. Transport, Storage & Communication | 6.05 | 5.96 | 6.08 | 6.76 | 6.58 | 7.19 |
| 10. Financial Intermediations | 7.27 | 7.78 | 7.74 | 9.12 | 7.9 | 7.38 |
| 11. Real Estate, Renting and Business Activities | 4.25 | 4.4 | 4.47 | 4.8 | 4.98 | 5.23 |
| 12. Public Administration and Defence | 6.89 | 9.82 | 11.43 | 9.15 | 8.47 | 6.40 |
| 13. Education | 7.26 | 8.01 | 11.71 | 11.35 | 7.01 | 7.66 |
| 14. Health and Social Works | 5.06 | 5.18 | 7.54 | 7.63 | 7.02 | 11.79 |
| 15. Community, Social and Personal Services | 3.27 | 3.28 | 3.3 | 3.62 | 3.65 | 3.72 |
| At Constant Price GDP Growth Rate | 6.06 | 6.55 | 7.11 | 7.28 | 7.86 | 8.15 |

Source: Bangladesh Bureau of Statistics (BBS)

The economy of Bangladesh has been able to maintain a sustainable growth. The economy grew at a rate of 8.15 percent in FY 2018-19, satisfactorily up from 7.86 percent recorded in the previous fiscal year. The per capita national income reached US\$ 1,909 in FY 2018-19, up by US\$ 158 of a year earlier. Private sector credit grew at 12.54 percent. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 8.2 percent in FY 2019-20 which is expected to be achieved through the implementation of prudent fiscal management, effective and efficient monetary policy and ongoing reform programs taken by the Government.

3. Future Outlook

The recent outbreak of COVID-19 has created an economic disruption that will impact the growth in the coming years. An escalation in the COVID-19 outbreak could cut global economic growth in half and plunge several countries into recession in 2020. Nevertheless, in the year 2018, Bangladesh fulfilled all three eligibility criteria for graduation from the UN's Least Developed Countries (LDC) list for the first time and is on track for graduation in 2024⁴. Bangladesh's economy will reach 26th by 2029 & 25th position in the Economic League Table (WELT) by 2034 from the current 40th. Bangladesh's economy will further climb from the 40th place in the World Economic League Table in 2020.⁵

According to the report of the United Nations on global economy, the projected growth rate of Bangladesh will be the highest in South Asia in 2020. However, Bangladesh would face inflation in the year 2020. Rate of the Consumer Price Inflation may reach 5.9 percent in the current year which was 5.1 percent in the previous year. Besides, mentioning the progress in achieving the Sustainable Development Goals (SDGs), the report pointed out that LDCs collectively remain far from attaining at least 7 percent GDP growth annually which was spelled out in target 8.1 percent of SDG.

The World Bank predicts Bangladesh's economy to expand for the next two fiscal years supported by strong domestic demands, exports, remittance, and investment. The annual rate of GDP growth is forecast to slow to an average of 7.3 percent between 2020 and 2025. Large infrastructure projects and new initiatives in the energy sector are expected to contribute to growth. Investments are expected to rise due to low-interest rates and improved infrastructure. Bangladesh can accelerate and sustain economic growth by taking advantage of the global recovery to undertake institutional and market reforms. Proper implementation of strong macroeconomic policy reforms will help to boost growth.⁶

4. Economic Indicators

Savings and Investment

During FY2017-18, domestic savings reached 23.93 percent of GDP, where the rate was 22.83 percent in the previous year. Similarly, national savings as percent of GDP increased to 28.41 percent

4 Moving Out of LDC Category: Bangladesh well on track (<https://www.thedailystar.net/frontpage/moving-out-lbccategory-bangladesh-well-track-1549405>)

5 BD economy to graduate from 40th to 26th by 2029 (<https://www.dhakatribune.com/business/2020/01/29/bd-economy-to-graduate-from-40th-to-26th-by-2029>)

6 Bangladesh to be among fastest growing LDCs in 2018: UN, December, 2015 (<https://www.thedailystar.net/business/bangladesh-be-among-fastest-growing-lfdc-2018-un-1505173>)

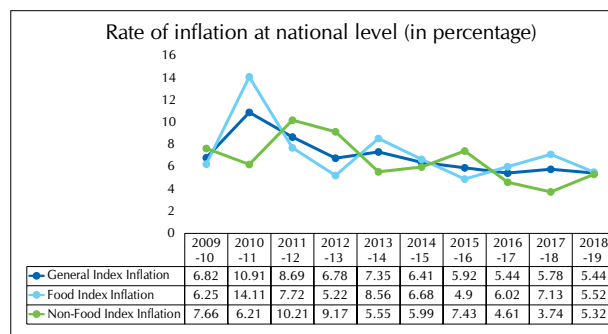
Corporate Governance

from 27.42 percent. On the other hand, during the FY2018-19, investment as a percentage of GDP has increased to 31.56 percent which is 0.33 percent higher than the previous year. Public sector and private sector investment increased to 8.17 percent and 23.40 percent of GDP respectively in FY2018-19, which were 7.97 percent and 23.26 percent of GDP respective in FY2017-18.

Inflation

The CPI inflation rate in FY2018-19 was 5.44 percent at the national level, which was 5.78 percent in FY2017-18.⁷ During this period, the average food inflation stood at 5.52 percent which was 7.13 percent in the preceding fiscal year. The government has taken a number of initiatives to lower the price level and to keep the prices of essential commodities stable. In this regard, the monetary policy for FY2018-19 aimed at attaining inclusive growth as well as containing average inflation below the targeted level of 5.6 percent in the MTMF.

Figure 2: Rate of Inflation at National Level⁸



Revenue Collection

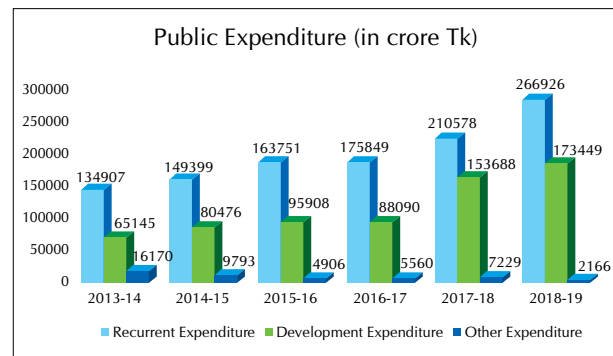
According to the Bangladesh Economic Review-2019, the revised target of revenue collection was set at Tk. 3,16,599 crore during FY 2018-19 which is 12.48 percent of GDP. Of this target, NBR Tax Revenue was Tk. 2,80,000 crore which is 11.04 percent of GDP, Non-NBR Tax Revenue was Tk. 9,600 crore which is 0.38 percent of GDP and Non-Tax Revenue was Tk. 27,000 crore which is 1.06 percent of GDP. According to NBR statistics, against the targets, revenue collection stood at Tk. 1,16,825.75 crore, which is 42 percent of the revised target and 7 percent higher than the revenue collection of the last fiscal year.

Government Expenditure

According to the revised budget, in FY 2018-19 the total Government expenditure target was estimated at Tk. 4,42,541 crore which is 17.45 percent of GDP. Of this, the Annual Development Program (ADP) expenditure was Tk. 1,73,449 crore which is 6.84 percent of GDP. According to the provisional

estimate of iBAS+ + , the total expenditure stood at Tk. 1,74,114 crore, of which operating expenditure was Tk. 1,27,659 crore and ADP expenditure was Tk. 41,424 crore.

Figure 3: Public Expenditure (Source: Budget in Brief, Finance Division, M/O Finance.)



Budget Balance and Financing

In the revised budget of the current fiscal year the total budget deficit was estimated at Tk. 1,25,942 crore (5 percent of GDP). To meet this budget deficit, Tk. 43,397 crore would be collected from external sources and Tk. 78,758 crore would be collected from domestic sources. Out of the domestic sources, there is a plan to get Tk.30,908 crore from the banking system and the remaining Tk. 47,850 crore from the non-bank sector.

Interest Rate

At the end of February 2019, the weighted average lending rate of commercial banks decreased to 9.4 percent compared to 9.55 percent in February 2018. Also, an increase of 5.34 percent was seen in the deposit rate, where the rate was 5.18 percent in the preceding year. The interest rate spread slightly decreased to 4.06 percent from 4.37 percent at the end of February 2018.

Capital Market

At the end of February 2019 the number of listed securities in Dhaka Stock Exchange (DSE) stood at 580 where it was 572 in June, 2018. The market capitalization of DSE stood at Tk. 4,15,073.77 crore at the end of February 2019 compared to Tk. 3,84,734.78 crore at the end of June 2018, showing a rise of 7.89 percent. The DSE Broad Index (DSEI) increased by 5.67 percent from 5,405.46 points at the end of FY2017-18 to 5,711.83 points at the end of February 2019. At the end of February 2019, the number of listed securities in Chittagong Stock Exchange (CSE) stood at 323 whereas it was 312 in June, 2018. The market capitalization of CSE stood at Tk. 3,43,200.99 crore at the end of February 2019 showing a rise of 9.88 percent from the previous year end. CSE All Share Price Index reached 17,473.48 points at the end of February 2019 which was 16,558.50 in June 2018.

⁷ Finance Division, Ministry of Finance, GoB. Bangladesh Economic Review 2019

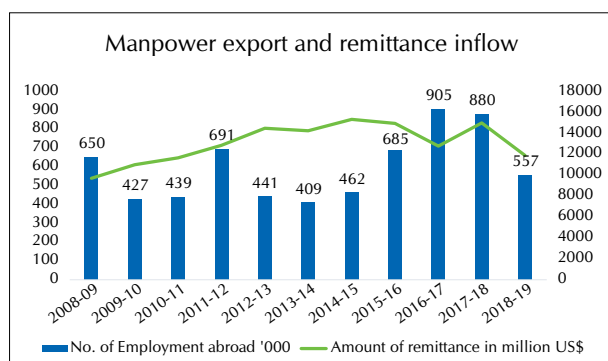
⁸ Finance Division, Ministry of Finance, GoB Chapter 3, Prices, Wages and Employment. Bangladesh Economic Review 2019

Remittance

Bangladesh received US\$11,868.97 million remittance in 2019, which was higher from \$10,761 million in the year 2018, according to the Bangladesh Bank data. Remittance received in 2019 was 10.3 percent higher than the previous year. About 5.08 lakh Bangladeshi employees went abroad in quest of jobs in FY2018-19 which was 8.08 lakh in the previous fiscal year.

A sizeable portion of Bangladeshi labor force is employed in the Middle-East and many other countries of the world. The manpower export has witnessed increasing trend in the recent years. Year-wise data of inward remittances sent by Bangladeshi expatriates is shown in the following figure

Figure 4: Manpower Export and Remittance Inflow.⁹



Export

In the FY2018-19, the export earnings was US\$ 30,903 million, which is 12.57 percent higher than the export earnings in the FY2017-18. Significant contribution of ready-made garments and knitwear made for the country's total export earnings continued during FY2018-19. Export earnings from petroleum products, agricultural product and chemical products, handicraft products, ready-made garments and knitwear have increased over the same period of last fiscal year. On the other hand, export earnings from jute goods, raw jute, and leather have decreased during the same period.

Import

In FY2018-19, the total import payments was US\$40,895 million which was 5.63 percent higher than the import payments of the previous fiscal year. In terms of the value of total imported commodities, China secured the first position for our import in FY2018-19. 29.43 percent of the total imported commodities were came from China. India was the second largest source of import (13.49 percent) and Singapore secured the third position (3.62 percent).

Balance of Payments (BoP)

Trade Deficit has decreased significantly to US\$10,695

million in the FY2018-19 compared to US\$11,679 million in FY2017-18 due to high import payments. The overall balance recorded the deficit of US\$499 million in February 2019 due to deficit in US\$4,270 million of current account balance. The overall balance recorded the deficit of US\$978 million in the same period of the previous fiscal year.

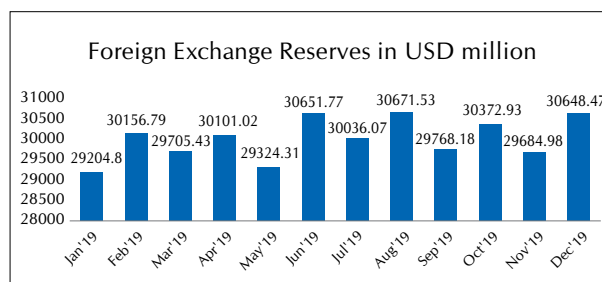
Exchange Rates

The weighted average inter-bank rate stood at Tk.83.85 per US\$ in FY2018-19, which was Tk. 82.10 per US\$ in FY2017-18, resulting in a depreciation of 2.83 percent.

Foreign Exchange Reserve

Bangladesh Bank maintained stability in retaining foreign exchange reserves. The amount of foreign exchange reserve was US\$32.92 billion on 30 June 2018. At the end of 30 April 2019, the gross foreign exchange reserve stood at US\$32.12 billion.

Figure 5: Bangladesh Foreign Exchange Reserve¹⁰



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.

5. Capital Market Review

During January to June 2019, amid higher trading volume, price declined in the capital market- reflecting external and domestic factors. The daily average turnover increased to BDT 6.5 billion during January to June 2019 from 4.6 billion in July to December

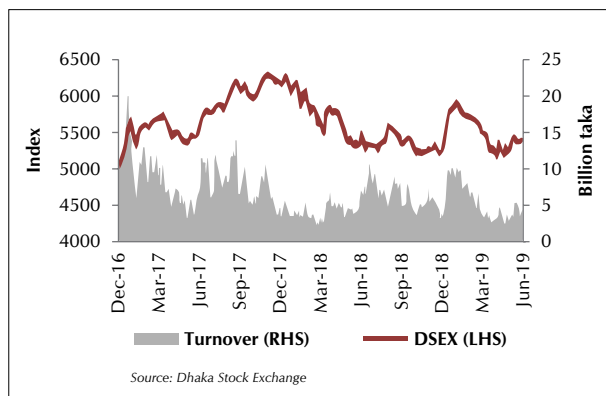
⁹ Finance Division, Ministry of Finance, GoB Chapter 3, Prices, Wages and Employment. Bangladesh Economic Review 2019

¹⁰ (<https://www.ceicdata.com/en/indicator/bangladesh/foreign-exchange-reserves>)

Corporate Governance

2018.¹¹ The DSEX index and turnover graph is given in the following.

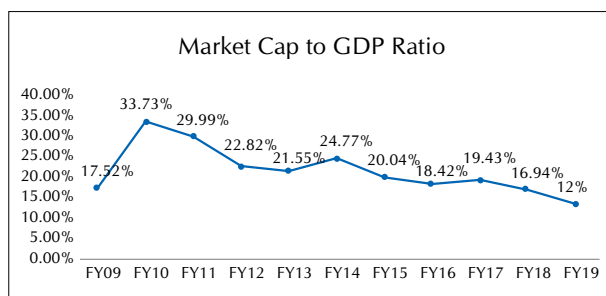
Figure 6: DSEX Index and Turnover



From the chart, it is seen that Dhaka Stock Exchange (DSE) broad index DSEX remaining little charged by the end of FY2019 from its level at end FY2018 amid usual day to day turnover variability. Trading volumes remained stuck at low levels, with occasional episodes of trading coming almost to half.

The ratio of DSE market capitalization to the country's GDP has hit a 13-year low month due to sharp fall in share prices and lack of capital raising by issuing IPO and right shares.¹² The ratio of DSE market cap to GDP came down to around 12 percent on December 2019, which was 16.94 percent in 2018 and 19.43 percent in 2017.¹³

Figure 7: Market Cap to GDP Ratio^{14 15}



6. Financial Sector and Sustainable Development Goals

Sustainable Development Goals (SDGs) specify 17 universal goals, 169 targets and 230 indicators leading up to 2030. Out of the 17 SDGs, Bangladesh has made considerable progress on reducing extreme

poverty (SDG-1) measured by \$1.9 a day or by national poverty line. In 2018, the proportion of population living below the international poverty line was 11.3 percent which was 19.6 percent in 2010.¹⁶ On the opposite, the proportion of population living below the national poverty line was 21.6 percent compared to 31.5 percent in 2010. In the same way, the trends of coverage of social safety net program rose to 58.1 percent in 2019 compared to 24.6 percent in 2010. Bangladesh is moving steadfastly toward ensuring access of 100 percent of poor household (by 2021) to electricity (SDG-7) well ahead of target time i.e. 2025. Almost 92.2 percent people now have access to electricity in 2019 which was 55.26 percent in 2010. Besides, Bangladesh has made an upward shift in the average annual growth rate (SDG-8) to 7.0 percent plus in recent years (FY 2015-2018), attained 7.86 percent in FY 2018 and estimated to attain 8.13 percent in FY 2019.

Financial sector of Bangladesh, mostly dominated by the banking sector, plays a major role in the economic growth. Five out of seventeen goals of SDGs are directly and more intensively while other goals are indirectly/loosely related with the activities of the banking sector of Bangladesh. Financial growth is crucial for ensuring better quality of education, accelerated poverty reduction and employment generation. So, different financial institutions can play a vital role in implementing the SDGs of Bangladesh. The key challenges of Bangladesh financial sector to support SDGs are lower investment and saving rates, lower quality of human resource, lower total factor productivity and emerging land constraint. Recent shocks and emerging challenges require improvement in the financial sector governance.

The starting time of the Sustainable Development Goals (2016-2030) and the 7th Five Year Plan (2016-20) was a mere coincidence but it provided the country a good opportunity to integrate SDGs in the 7th FYP. All the 17 goals were integrated into the plan - 14 goals (82%) are thematically fully aligned 3 goals (Goal 14, Goal 16 and Goal 17) of the SDGs (18%) are partially aligned with the 7th FYP. Thus achievement of Plan objectives and targets will contribute towards achievement of SDGs. Bangladesh's achievement in implementing the 7th FYP will be rewarding internationally for fulfilling the global commitments.¹⁷

7. Infrastructure Scenario

Infrastructural development is one of the determinants of a developed country. In achieving the vision of

¹¹ Monetary policy statement Fiscal Year 2019-2020

¹² DSE market cap-GDP ratio hits 13-yr low (<https://www.newagebd.net/article/94156/dse-market-cap-gdp-ratio-hits-13-yr-low>)

¹³ State of the Bangladesh Economy and the Budget Challenges (www.cpd.org.bd)

¹⁴ Capital market continues to lose its depth (<https://thefinancialexpress.com.bd/stock/capital-market-continues-to-lose-its-depth-1532577108>)

¹⁵ DSE market cap-GDP ratio hits 13-yr low (<https://www.newagebd.net/article/94156/dse-market-cap-gdp-ratio-hits-13-yr-low>)

¹⁶ SDGs implementation: Where does Bangladesh stand? (<https://thefinancialexpress.com.bd/views/sdgs-implementation-where-does-bangladesh-stand-1575730124>)

¹⁷ Sustainable Development Goals: Bangladesh Progress Report 2018 (<http://www.thefinancialexpress.com.bd/views/achieving-sdgs-bangladesh-bank-strategies-financial-inclusion-goal-1537803180>)

being a middle income country within 2021 and a developed country within 2041, infrastructure development will play a significant role. Therefore, a massive improvement of the infrastructure sector should be prioritized. To achieve the Government of Bangladesh's vision of 2021, the country has to accomplish the average annual GDP growth rate by 7.4 percent. It is a challenging accomplishment and it could be achieved only if the country is well developed in the sector of infrastructure. The World Bank estimates that Bangladesh must spend USD 7.4 billion to USD 10 billion a year until 2020 to bring its power grids, roads and water supplies up to the standard needed to serve its growing population. The transportation sector alone will require between USD 36 to USD 45 billion of investments. World Bank has identified some determinants that will help Bangladesh to achieve its growth aspiration of becoming upper-middle income country by 2021 and the implementation of structural reform is one of the determinants. Improving infrastructure allows new productive sectors to develop and generate jobs.

Realizing the importance of infrastructure, the Government of Bangladesh along with the international development partners have insisted for investment in the infrastructure sector to meet the requisite aggregate national growth. The Government of Bangladesh, itself has regularly increased its investment in the infrastructure sector. In the annual budget for FY2019-20, the Government of Bangladesh has allocated BDT 202,721 crore for the Annual Development Program (ADP). The sectoral allocation of the ADP for FY 2019-20 is given in the following table:

Table 3: Sectoral Allocation of ADP for FY 2019-20
(Crore Taka)

| Ministry/Division | Budget 2019-20 | Revised Budget 2018-19 |
|--|----------------|------------------------|
| (a) Human Resource | 55,615 | 42,173 |
| 1. Ministry of Primary and Mass Education | 9,270 | 6,427 |
| 2. Ministry of Health and Family Welfare | 9,937 | 8,261 |
| 3. Directorate of Secondary and Higher Education | 8,927 | 6,149 |
| 4. Others | 27,481 | 21,336 |
| (b) Agriculture and Rural Development | 43,489 | 38,929 |
| 5. Local Government Division | 29,777 | 26,620 |
| 6. Ministry of Water Resources | 6,257 | 6,018 |
| 7. Ministry of Agriculture | 1,823 | 1,807 |
| 8. Others | 5,632 | 4,484 |
| (c) Energy Infrastructure | 27,930 | 26,385 |
| 9. Power Division | 26,014 | 24,176 |

| Ministry/Division | Budget 2019-20 | Revised Budget 2018-19 |
|--|----------------|------------------------|
| 10. Energy and Mineral Resources | 1,916 | 2,209 |
| (d) Communication Infrastructure | 52,805 | 38,600 |
| 11. Ministry of Railway | 12,599 | 7,847 |
| 12. Road Transport and Highways Division | 25,163 | 19,803 |
| 13. Bridges Division | 8,561 | 6,344 |
| 14. Others | 6,482 | 4,606 |
| 15. Others | 22,882 | 20,913 |
| Total ADP | 202,721 | 167,000 |

Source: Finance Division

According to 7th Five Year Plan, Bangladesh currently invests about 2% of its GDP in infrastructure sector which needs to be raised to 6% to meet the country's growth ambitions. It means at least USD 15 billion is needed to be invested for achieving the growth. The Government of Bangladesh has put emphasis on strengthening bilateral economic ties with different countries such as Japan, China, India, etc. for securing their investment into Bangladesh infrastructure sector. Increasing the private sector's investment in the infrastructure sector is also crucial to attain the GDP target. Public Private Partnership (PPP) is an important strategy taken by the Government to develop the infrastructure scenario of Bangladesh. The government has planned to take 30 percent ADP projects under the PPP in the next FY. Some 78 projects have been recommended for inclusion in the ADP to be implemented under the PPP for 2019-20 fiscal year. The number is 37 in the revised ADP of the current fiscal year¹⁸. Different developments partners have been actively investing in the private sector infrastructure to mobilize additional investment from financial institutions. In order to attract the local and foreign private sector investors by removing hindrances investment, the Government 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.

8. Renewable Energy Scenario

Due to global warming and global climate change situation, renewable energy has arisen as an alternative source of energy solution around the world. Likewise other countries, the prospect of renewable energy

¹⁸ Govt prioritizing PPP development in next FY (<https://thefinancialexpress.com.bd/economy/govt-prioritising-ppp-development-in-next-fy-1558616695>)

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in Bangladesh is very promising, especially in case of solar energy, biogas, biomass etc. Bangladesh mostly started emphasizing on solar power in recent year and, 61.5 percent renewable energy has been measured from solar sources. In 2019, about 26.61 MW of renewable energy was installed¹⁹ on-grid grid and 18.261 MW was installed off-grid. Both of those energy sources were solar.

Some other sources of renewable energy include wind power, hydro power, geothermal energy, tidal power, ocean wave energy etc. which will be a great source of energy in the near 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 planned to produce electricity through coal, dual fuel and nuclear power to reduce the dependence on natural gas. Besides, necessary steps have been taken to produce environment friendly electricity from renewable energy. The Government has established 'Sustainable and Renewable Energy Development Authority (SREDA)' in 2014 under sustainable and renewable energy development authority act, 2012. SREDA was established for effective utilization and conservation of renewable energy in both the Private and Public sector. For monitoring and coordinating renewable energy and energy efficiency related issues, different agencies are working with SREDA. Currently, 572.63 MW electricity is being generated from renewable sources. Additionally 543.08 MW renewable projects are under construction and 1416.41 MW renewable projects are under planning.²⁰

IDCOL is committed to play a pioneering role in attaining this vision of the Government. The 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 rooftop projects, Solar irrigation projects, Solar power based mini grid projects, Solar powered solution for telecom BTSs, Biogas and biomass based electricity, etc. As part of encouraging more usage in renewable energy sector, the Power Cell is now at the final stage of finalizing the net metering policy to unlock the opportunity for the end users for trading electricity to the Government.

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.

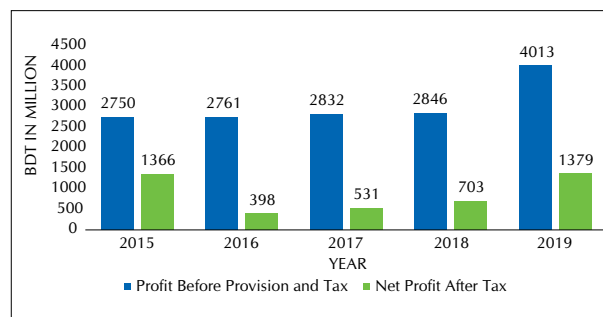
¹⁹ <https://tbsnews.net/opinion/sdg-7-affordable-and-clean-energy-too-ambitious-achieve-41193>

²⁰ Bangladesh Economic Review 2019 Chapter 10: Power and Energy

9. Operational Performance of IDCOL

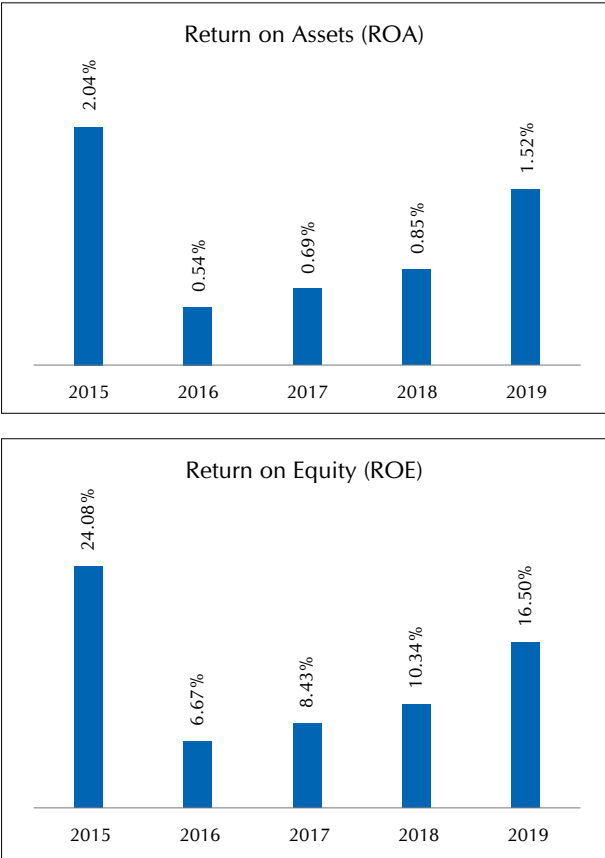
During the reporting period, the total revenue of the company was BDT 5,378 million out of which BDT 3,441 million was interest from infrastructure projects, BDT 168 million was interest from renewable energy projects, BDT 248 million was fees income from infrastructure project finance, BDT 160 million was fees income from renewable energy projects, BDT 13 million was fees income from advisory services and BDT 1,165 million was interest income from short-term investments. During the same period, the company's operating and interest expenses were BDT 1,365 million and profit before tax and provision was BDT 4,013 million. Provision of BDT 1,645 million has been made for loans and advances/investments and BDT 990 million for tax. Retained earnings at the end of the reporting period was BDT 1,853 million.

Figure 8: Comparison of Profit before Provision and Tax and Net Profit after Tax from FY 2015 to FY 2019



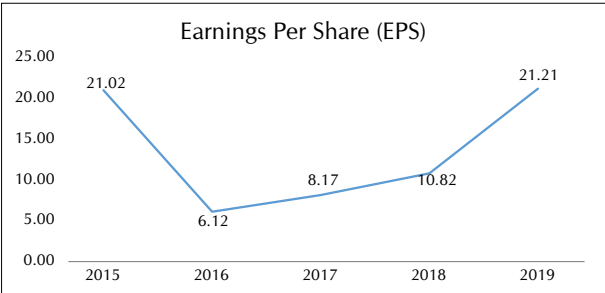
The Board has proposed the payment of BDT 1,300 million dividend for the financial year in the form of BDT 650 million as cash dividend to the Government and BDT 650 million as bonus share to raise company's paid up capital from BDT 6,500 million to BDT 7,150 million. From the profit earned in previous financial year, the company had paid dividend of total BDT 700 million in the form of BDT 200 million as cash dividend and BDT 500 million as bonus share to increase its paid up capital from BDT 6,000 million to BDT 6,500 million. The after tax income of the company stood at BDT 1,379 million for the reporting period as opposed to BDT 703 million in the same period last year, marking an increase of 95.97 percent. Shareholder's equity also experienced around 22.80 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. IDCOL's loan portfolio was diversified covering various infrastructure sectors like power, telecommunication, tourism etc. Majority of the revenues during the period came out of income from interests on loans and advances.

Figure 9: Return on Assets and Return on Equity from FY 2015 to FY 2019



With 10.43 percent increase in asset base and 22.80 percent increase in equity in FY 2019, the profitability indicators fared well with ROA and ROE of 1.52 percent and 16.50 percent respectively. The ROA and ROE of the company has gone up by 0.67 percent and 6.16 percent respectively as compared to FY 2018. It should be noted that given the asset size, the ROA is consistent with the market average and the ROE is one of the highest among similar financial institutions. 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.

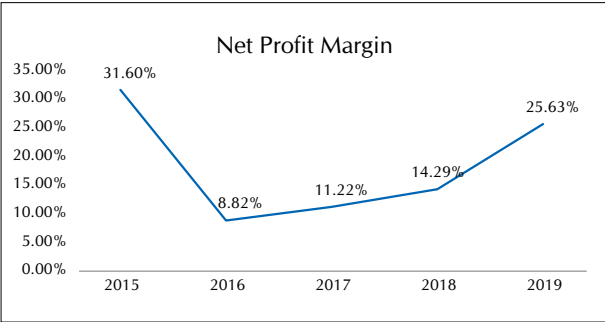
Figure 10: EPS from FY 2015 to FY 2019



The earning per share (EPS) for the year stood at Tk. 21.21 which was Tk. 10.82 in FY 2018. Besides Profit

margin has increased to 25.63 percent from 14.29 percent.

Figure 11: Net Profit Margin from FY 2015 to FY 2020



Increasing concentration on particular sectors and supply of unsecured/part-secured loan to support the 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 NBFi with limited product line & funding sources has also catalyzed the matter. Hence, to ensure sustainable growth and align with the future prospect, IDCOL has developed a strategic plan considering the existing risk and opportunities as well as future outlook. Besides, IDCOL is also exploring multiple avenues of funding sources, in addition to the current use of DFI credit lines through Ministry of Finance (MOF), IDCOL is bi-laterally negotiating with the DFIs and commercial credit lines.

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 has increased its focus on energy efficiency and PPP & advisory services and added separate business units to cater these dedicated segments. On the other hand, under the renewable energy window, IDCOL has focused on investing in solar roof top and mini-grids, in addition to solar home system, solar-based irrigation and other programs.

10. Comparison of Actual and Budgeted Performance of IDCOL

The actual interest and operating revenue for the FY2019 is BDT 5,377.61 million which was 0.36 percent lower than the revised budget for the FY2019. Similarly, the actual interest and operating expenses are 7.95 percent lower than the budgeted figure. The actual profit before tax and provision for the FY2019 is BDT 4,012.63 million which is 2.52 percent higher than the budgeted figure of BDT 3,914.1 million.

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Table 4: Actual and Budgeted Performance of IDCOL

| Particulars | FY 2019 Actual | FY 2019 Budget | Variance |
|---------------------------------|-------------------|-------------------|--------------------------------|
| | Million Tk | Million Tk | Actual/ Budget 2019 % |
| Interest & Operating Revenue | 5,377.61 | 5,397.00 | -0.36% |
| Interest & Operating Expenses | 1,364.98 | 1,482.90 | -7.95% |
| Profit before tax and provision | 4,012.63 | 3,914.10 | 2.52% |
| Provision for loans | 1,644.51 | 1,230.10 | 33.69% |
| Profit after provision for loan | 2,368.12 | 2,684.00 | -11.77% |
| Provision for tax | 989.63 | 1,574.60 | -37.15% |
| Net Profit after tax | 1,378.49 | 1,109.20 | 24.28% |

However, the actual net profit after tax and provision is BDT 1,378.49 million which is BDT 269.29 million higher than the budgeted net profit after tax and provision.

11. Infrastructure & PPP Projects

To cater to the increasing demand and to provide better services to its customers, Investment department enhanced the scope of work of its three units- Infrastructure Finance (IF), Industrial and Energy Efficiency Finance (IEEF) and Public Private Partnership (PPP) in the year 2019. To attain IDCOL's target of additional USD 1 billion investment in infrastructure by 2020, the department focused on building a strong pipeline for the organization in 2019. This is evident from the BDT 953 crore approval obtained in 2019.

The major approvals obtained during the reporting period include:

- USD 20 million for a 115 MW HFO fired power plant to be implemented by Energypac Group & EMA Power Investment Limited, UAE;
- USD 10 million for development of a 113 MW HFO fired power plant at Shajahanpur, Bogra by Confidence Power Bogra Limited;
- USD 10 million for development of a 113 MW HFO fired power plant at Mithapukur, Rangpur by Confidence Power Rangpur Limited;
- BDT 164 crore for developing an economic zone by Meghna Group of Industries;
- BDT 170 crore for setting up of energy efficient Vertical Roller Mill (VRM) machine for a cement industry in Gazipur;
- BDT 81 crore for Pacific Blue (Jeans Wear) Limited, a concern of Al Muslim Group, under JICA funded Energy Efficiency & Conservation Promotion Financing Project;

- BDT 98 crore for Nassa Super Garments Limited under IDCOL's own energy efficiency window;
- BDT 50 crore for setting up one of the country's only two offshore LNG Terminals with a capacity of 500 MMCFD (million cubic feet per day) to be implemented by Summit LNG Terminal Co. (Pvt.) Ltd.;

In the year 2019, Infrastructure & PPP projects made disbursements totaling BDT 1,470 crore that included the following projects:

- USD 50 million for an 163 MW gas based power plant to be implemented by Kushiara Power Company Limited;
- USD 36 million for an 220 MW Gas/212 MW HSD based combined cycled power plant to be implemented by Nutan Bidyut (Bangladesh) Limited;
- BDT 170 crore for setting up of energy efficient Vertical Roller Mill (VRM) machine for a cement industry in Gazipur;
- BDT 124 crore for procurement of ancillary equipment and related civil construction for setting up of energy efficient Vertical Roller Mill (VRM) machine for a cement industry in Mongla, Khulna by Meghna Cement Mills Ltd.;
- BDT 74 crore for setting up of energy efficient Vertical Roller Mill (VRM) machine for a cement industry in Chittagong by Shun Shing Cement Mills Limited;
- BDT 50 crore for setting up edible oil refinery plant at Narayanganj by Sena Edible Oil Industries Ltd.;
- BDT 80 crore for the expansion of ceramic manufacturing lines of DBL Ceramics Limited;
- BDT 50 crore for setting up country's one of the only two offshore LNG Terminals with a capacity of 500 MMCFD (million cubic feet per day) to be implemented by Summit LNG Terminal Co. (Pvt.) Ltd.

IDCOL also participated in various syndications and maintained its market presence with strong ties with participating banks and financial institutions. A number of arrangement deals has been signed with various sponsors and projects are expected to be into commercial operation by 2020-21. Notable closing and arrangement deals of IDCOL are as follows:

- Closed arrangement of syndicated deal for the debt financing of USD 50 million and BDT 390 crore term loan facility for establishment of 163 MW Gas fired Combined Cycle based power plant located at Fenchuganj, Sylhet by Kushiara Power Company Limited;
- Closed arrangement of syndicated deal for the

debt financing of USD 35 million and BDT 224 crore term loan facility for establishment of 110 MW HFO based power plant located at Shikalbaha, Chattogram by Karnaphuli Power Limited;

- Closed arrangement of syndicated deal for the debt financing of USD 68.60 million term loan facility for establishment of 149 MW Dual Fuel (HFO/Gas) based power plant located at Gazipur, Dhaka by Ace Alliance Power Limited;
- Closed arrangement of syndicated deal for the debt financing of USD 67.25 Million, BDT 92 crore and Working Capital Facility of BDT 416.5 crore term loan facility for establishment of 150 MW HFO based power plant located at Brahmanbaria by Midland East Power Limited;
- Mandated as Lead Arranger for the debt financing of USD 32 million term loan facility for establishment of 115 MW HFO based power plant located at Thakurgaon by Energypac Group & EMA Power Investment Limited, UAE;
- Mandated as Lead Arranger for the debt financing of USD 95 million term loan facility for establishment of 100 MW (AC) solar park at Bora Durgapur, Mongla, Bagerhat;
- Mandated as Joint Lead Arranger for the debt financing of BDT 46.50 crore term loan facility for the establishment of a Polyester Staple Fiber (PSF) industry by Debonair Synthetic Fiber Ltd.
- Mandated as Joint Lead Arranger for the debt financing of BDT 502.50 crore term loan facility for the development of Sirajganj Economic Zone Limited.
- Mandated as Joint Lead Arranger for the debt financing of BDT 225 crore term loan facility for the DBL Industrial Park Ltd.

12. Renewable Energy Projects

IDCOL Solar Home System Program

During January 2019 to December 2019, 56 participating organizations (PO) of IDCOL installed 859 Solar Home Systems (SHSs) in the rural areas of Bangladesh, leading the total number of installation to 4,136,371 at the end of December 2019. Till December 2019, IDCOL disbursed USD 504.5 million (BDT 41,727 million) as credit and channeled USD 96.62 million (BDT 7,042 million) as grant to all POs.

During the period January 2019 to December 2019, IDCOL received BDT 2,880 million as principal repayment.

IDCOL Biogas & Bio-fertilizer Program

As of December 2019, a total of 53,162 biogas plants have been constructed under the program. During the reporting period, 4,012 plants have been constructed by the Participating Organizations. Till December

2019, IDCOL provided refinancing facility of BDT 656.44 million to the POs.

Furthermore, till December 2019, IDCOL earned BDT 141.62 million as interest and received BDT 476.58 million as principal repayment.

IDCOL Improved Cook Stove (ICS) Program

IDCOL launched the 'Improved Cook Stove Program' in 2013 with the funding support from the World Bank and Bangladesh Government with the installation target of 1 million ICS in Bangladesh within December 2018. After successful implementation of the first phase of the program, IDCOL has now started the second phase with a target of installing additional 4 million ICS by June 2023. Till December 2019, a total of 2.05 million ICS have been installed under the program.

The objectives of the program are to reduce GHG emission by reducing use of cooking fuel, to reduce Indoor Air Pollution (IAP), and to ensure local capacity building and mass awareness. This will ensure achievement of 100% clean cooking coverage across the country as per Bangladesh Country Action Plan by 2030. IDCOL ICS reduces emission of PM (Particulate Matters) and CO (Carbon Monoxide) by 20% and 90%, respectively and directly contributes towards achieving 5 SDGs relating to affordable and clean energy (SDG 7), climate action (SDG 13), good health and wellbeing (SDG 3), gender equality (SDG 5) and quality education (SDG 4).

A total of 2.05 million ICS has been installed under the program till December, 2019 among which 362,000 ICS have been installed during January – December, 2019. The total grant amount disbursed for the program during January-December, 2019 is BDT 138.8 million.

Other Renewable Energy Projects

Till December 2019, 26 solar mini-grid projects out of previously approved 26 solar mini-grid projects of IDCOL went into commercial operation. The combined capacity of these 26 mini-grids is 5 MWp. All these mini-grids will meet the electricity requirements of more than 20,000 households and commercial entities located in the isolated, off-grid areas of the country. In addition, as of December 2019, 1,514 solar irrigation pumps went to commercial operation under IDCOL financing.

Recently IDCOL has started financing industrial rooftop solar systems in urban areas. Till now it has approved 24 rooftop solar projects out of which 4 projects went into commercial operation. The combined capacity of these 4 rooftop solar systems is 3,097 KWp.

During the period, a total of BDT 1,901 million has been disbursed for renewable energy projects, of which BDT 1,432 million has been provided as loan and BDT 469 million as grant.

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13. Status of IDCOL Loans

As of 31 December 2019, the overall collection rate of IDCOL loans was around 95.07 percent. There were thirty one classified loan accounts in total of which twenty three were in bad, and eight were in sub-standard category. The classified loan accounts were closely monitored and necessary actions under the finance and security documents have been taken against the borrowers to recover the outstanding amount.

Short Term Investment

During the reporting period, IDCOL earned an amount of BDT 1,164.59 million from balance with banks and financial institutions, out of which BDT 31.92 million from short term bank deposit, BDT 1,129.70 million from fixed deposit and BDT 2.97 million from call money operations.

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 4,246 million under various projects which were as follows:

Table 5: Debt service performance of IDCOL

| SL NO. | PROJECT | INTEREST AND FEES (BDT MILLION) | PRINCIPAL (BDT MILLION) |
|--------------|--|---------------------------------|-------------------------|
| 1 | REREDP funded by IDA | 69 | 1,738 |
| 2 | PPIDF funded by ADB | 778 | 1,145 |
| 3 | JICA | 0 | 501 |
| 4 | Improving Rural Households' Livelihoods through Solar Energy Project in Bangladesh funded by IDB | 2 | 884 |
| Total | | 778 | 3,468 |

Classified loan status

Outstanding against classified loans as a percentage to total loan outstanding was 4.54% as on 31 Dec'19.

15. Our Regional Offices

IDCOL has 17 regional offices in Dhaka, Chattogram, Rangpur, Sylhet, Khulna, Barisal, Bogura, Barguna, Cumilla, Faridpur, Mymensingh, Noakhali, Rajshahi, Thakurgaon, Kushtia, Jamalpur and Jashore under its renewable energy department. 9 of these offices, which accommodate more than one program, are managed by a Divisional Manager each (Dhaka Office has 2 Divisional Managers). The rest 8 are headed by a Regional Manager each. Each office has 5-20 quality inspectors for inspection and quality maintenance. The regional offices are clustered into 3 Zones, each headed by a Zonal Manager. Currently, a total of 243 quality inspectors and field auditors are conducting physical verification and managing

operations of SHS, biogas and bio fertilizer, ICS, renewable energy projects, training and capacity building activities financed by IDCOL and monitoring collection efficiency of unit/branch offices of the partner organizations.

16. Green Climate Fund

At the 2009 UN Climate Change Conference in Copenhagen, the developed countries committed to jointly mobilize 100 billion USD a year by 2020 to address the needs of developing countries and to help them adapt to climate change and grow in a climate-compatible manner. The new Green Climate Fund (GCF) will play a key role in the process and a significant portion of this commitment will flow through this funding entity. In order to access GCF, the National Designated Authority (NDA) of Bangladesh that is the Economic Relations Division (ERD), Ministry of Finance, nominated IDCOL to go through the accreditation process to become a Direct Access Entity (DAE), to administer the GCF funds and manage the local projects. In the 17th Board meeting of GCF held on 6th July 2017, IDCOL was approved to become the 1st Direct Access Entity (DAE) from Bangladesh. Primarily, IDCOL was accredited for the funding instrument of "Senior Loan" & was able to receive up to 250 million dollars for each GCF project. Later, on 7th July, 2019, IDCOL upgraded its accreditation status to access "Grant" of up to 250 million dollars per project.

At present, IDCOL holds a strong pipeline of climate change projects specializing in the domain of both adaptation and mitigation. Within this pipeline, IDCOL has submitted its first Funding proposal to GCF on 23rd January, 2020. Subsequently, concept notes (CNs) have been submitted for several other projects and two of these CNs have already received approval from GCF for progressing further to develop them into full funding proposals.

IDCOL, as a Direct Access Entity (DAE) under the Green Climate Fund can avail grant support in the form of Project Preparation Facility (PPF) for preparation of each individual project. On 05th November 2018, IDCOL received approval for project preparation grant of USD 301,562.00 through Project Preparation Facility (PPF). This fund has been sanctioned to start the necessary groundwork to assess and plan the most appropriate technologies to use, and best way to design and implement the Program titled "Promoting private sector investment through large scale adoption of energy saving technologies and equipment for textile sector of Bangladesh". Consequently, two other projects have received PPF grant support from GCF.

17. Advisory Services Unit

Advisory Services unit (previously operated under Investment department as Investment Advisory unit) was restructured and started its operation from December

2019. While IDCOL's initiatives complement the country's development of infrastructure, renewable energy, energy efficient and PPP projects, the unit's capacity building, investment and transaction advisory activities expand IDCOL's service offerings.

In line with IDCOL's success in the renewable energy dissemination in Bangladesh, other developing countries are keen to replicate similar programs in their respective countries. In this regard, IDCOL provided knowledge support to more than 170 professionals from 18 delegations around the world which includes Uganda, Sudan, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Afghanistan, Myanmar, Nepal etc. Subsequently in 2019, IDCOL has arranged two training and experience sharing programs on renewable energy for high level delegations from Rwanda and Mozambique comprising senior public and private sector officials.

As part of IDCOL's strategy for service and market diversification, the Advisory Services unit of IDCOL provides consultancy and transaction advisory related services to different public and private organizations. IDCOL works closely with clients at various stages of project development to understand their financing needs and requirements, helping them make informed decisions. We leverage our in-depth understanding of the financial markets and extensive relationships with international finance institutions to provide optimum and cost effective solutions. Previously IDCOL provided advisory services to Bangladesh Power Development Board (BPDB), International Renewable Energy Agency (IRENA), Power Cell of Bangladesh. In addition, IDCOL has partnered with different foreign and local Consulting bodies to develop long term partnership for mutual business development and for offering financial and consultancy related services.

Under Advisory Services unit, various workshop, seminars, and training programs are regularly arranged for capacity development of industry stakeholders. More than 1600 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.

18. Internal Audit

The role of the internal audit is to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. Internal audit achieves this by providing insight and recommendations based on analyses and assessments of data and business processes. Internal auditors deal with matters that are integral to the survival and prosperity of any organization. With commitment to integrity and accountability, internal auditing provides value to governing bodies and senior management as an

objective source of independent advice. Management follows up on the status of actions or recommendations made by the internal audit unit.

The scope of the internal audit unit of IDCOL is also broad and involves governance, risk management and management controls over efficiency/effectiveness of operations (including safeguarding of assets), the reliability of financial and management reporting and compliance with laws and regulations. Our internal auditors are also involved conducting proactive audits & reviews to identify control breakdowns and financial loss. Internal auditors are not responsible for the execution of company activities; they advise management and the Board of Directors regarding how to better execute their responsibilities. However, internal auditors of IDCOL have relevant professional backgrounds to aid the performance of their duties.

19. Risk Management

At IDCOL, a strong risk culture is promoted throughout the organization to enable effective risk management. It is built on the best practices of Corporate Governance enabling the institution to accomplish and engrain sustainable risk governance and risk management culture. Risk Management culture is essential to strike the perfect balance between risk and return. The embedded risk management culture enables IDCOL to manage the identified and unidentified risks, IDCOL inherits as a Financial Institution, in a prudent manner to emphasize business growth in a risk minimized method.

The corporate functions of IDCOL incur the risk, whereas the Risk Management Unit, provides independent risk assessment of each business proposal in guidance of the Risk Management Framework. IDCOL has a structured credit approval process to ensure detail and in-depth project due diligence addressing associated risks and possible mitigations. Upon completion of the assessment the proposal is submitted to the Chief Risk Officer, which is forwarded to the Credit Risk Management Committee for recommendation and approval to the Credit Committee and Board of Directors.

The Risk and Special Asset Management team, is accountable for the measuring and suggesting mitigation of the identified risks resulting in improvised decision making to enhance the measures to better protect IDCOL from the risk arising from its business. The Risk and Special Asset Management team has been segregated into four units, namely, Credit Risk Management Unit (CRM), Legal Unit, Compliance Unit and Special asset Management Unit (SAM). Every Unit has a set of framework which guides the process of risk identification, measurement, mitigation and reporting. To embed the risk management culture and elevate the Risk Management Framework across IDCOL, The roles and responsibilities for risk

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management are defined under a three line defense umbrella. Each line of defense has a set out process and responsibilities for better risk management.

Overall, in conjunction with the CRM, SAM, Compliance and Legal unit, IDCOL is continuously striving to maximize risk adjusted return to ensure stable growth of IDCOL. From pre-approval stage to the disbursement of each tranche of fund, the vital input of all units strengthens the risk management framework embedded throughout IDCOL.

20. Credit Rating

A credit rating is an analysis of the financial condition to meet obligations or the creditworthiness of a company. A company is given a short term as well as long term rating showing the likelihood of the borrower defaulting within a year or any given time in the extended future. This enables investors to evaluate the ability of a company to meet its short and long term obligations and as well as the interest rate at which the company would need to repay its loans. Credit assessment and evaluation of a company is carried out by a credit rating agency.

IDCOL's credit rating is done by the Credit Rating Agency of Bangladesh (CRAB) which has assigned "AA1" rating in the long term and "ST-1" rating in the short term. This implies that IDCOL has strong capacity of timely repayment of its financial obligations with very low credit risks.

21. Directors' Responsibilities of Preparation of Financial Statements

Under the provision of Company Law, the Directors are required to prepare financial statements for each financial year that gives a true and fair view on the state of affairs of the Company at the end of the financial year and on the profit or loss of 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. Hence, the Directors are required 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.

22. 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.

23. 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, our Directors make the following statements:

- That in the preparation of the annual accounts for the year ended 31 December 2019, 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 2019, 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;
- That the annual accounts have been prepared on a going concern basis.

24. Integrated Reporting

Annual Report 2019 of IDCOL has been presented as an integrated report in accordance with the international IR framework issued by International Integrated Reporting Council (IIRC) on a basis that is consistent over time. It provides an insight into the nature and quality of IDCOL's relationships with its key stakeholders by providing transparency, accountability and how it provides value to its stakeholders. It includes all material matters without material error and incorporates the efforts the company has taken towards economic prosperity, environmental sustainability and social well-being for a brighter future.

25. Director's Meeting & Attendance

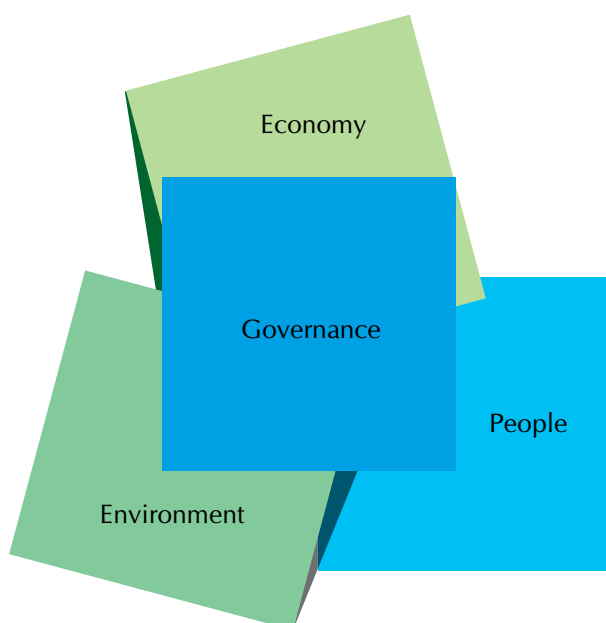
From 01 January to 31 December 2019, a total of 16 (sixteen) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 84 percent. The core activities of the Board were carried out in scheduled meetings of the Board and its Committees. Those meetings 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.

26. 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.

27. Sustainability

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. A separate detailed Sustainability report is included as part of the Annual Report.



28. 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.

29. Contribution to the National Exchequer and the Economy

During January-December 2019, the company contributed a total amount of BDT 989.63 million as corporate tax, BDT 31.74 million as Tax Deducted at Source (TDS) and BDT 61.73 million as VAT and BDT 200 million as dividend to the government. Consequently, an amount of BDT 1,283.1 million was deposited 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.

IDCOL has been awarded the Tax Payer's Award in FY 2015, FY 2016 and FY 2018.

30. Responsibility towards Civil Society

As a responsible corporate citizen, IDCOL strives to play a positive role in the 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 share its business expertise by helping to build better understanding of the needs of individuals and the society at large.

31. Auditors

ACNABIN Chartered Accountants have been appointed as auditors for the Company's accounts for the year starting from January 2019 to December 2019. 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 Companies Act, 1994 also gives authority to shareholders of the company to fix the auditor's remuneration. So, the board recommended appointing ACNABIN Chartered Accountants 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 and guidance and for having confidence in IDCOL. My sincerest thanks goes to the Management team and all the employees of the company for their hard work, commitment and integrity which have brought IDCOL to this level.

By order of the Board
Date: 13 August, 2020

Sd/-
Fatima Yasmin
Chairman
IDCOL Board

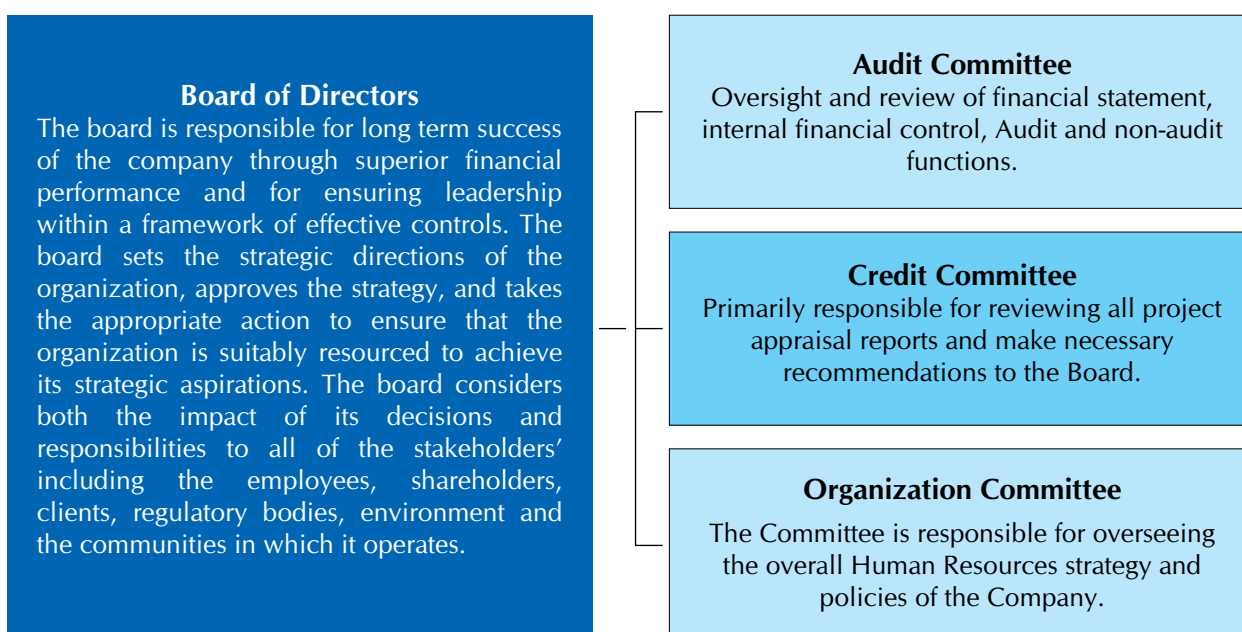
Corporate Governance

Directors' Responsibility

Board Committees

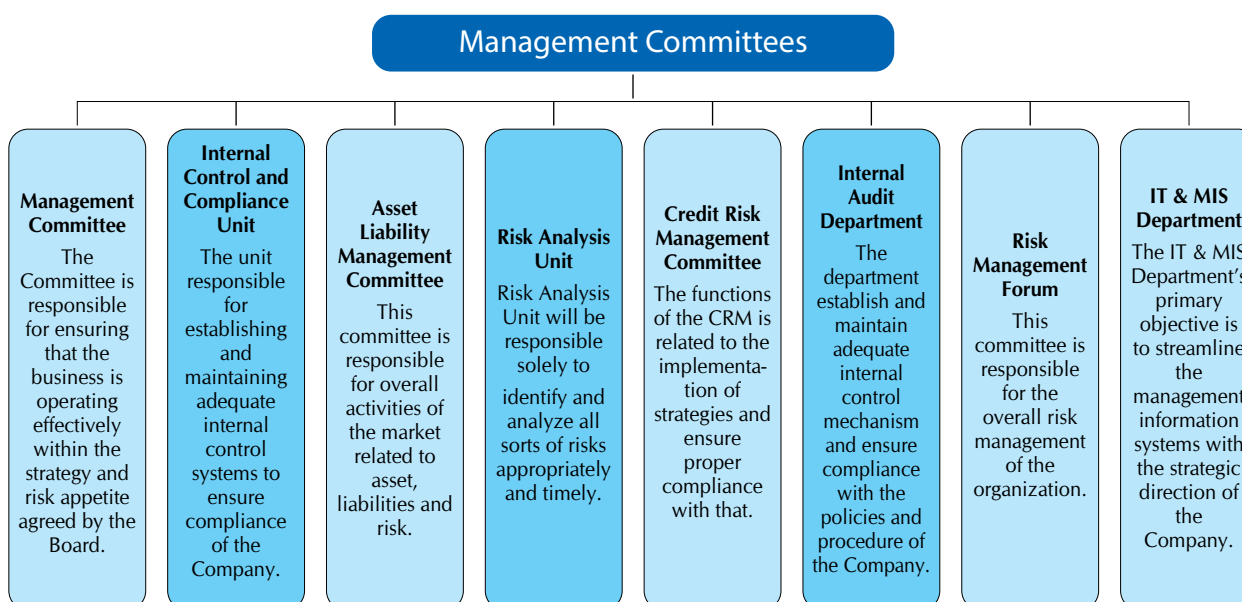
IDCOL is committed to high standards of corporate governance and has a corporate governance framework which supports our long-term performance and sustainability as well as protects and enhances our stakeholders' interests. IDCOL believes that effective governance is achieved through a culture of transparency and openness between Management, Board and across the organization. We regularly review

our corporate governance arrangements and practices to ensure they reflect developments in regulation, market practice and stakeholder expectations. This section while detailing the required governance and regulatory assurances and disclosures also provides an insight into how governance operates at IDCOL and how effective governance supports and guides our culture and behavior.



Management Committees

The committees are responsible for executing various strategies approved by the board.



Matters reserved for the decision of the board and the delegated authorities

As per the memorandum of IDCOL roles of the chairman and CEO is separated and one person cannot play a dual role.

The board discharged some of its responsibilities directly and delegated certain other responsibilities to its committees to assist it in carrying out its function of ensuring independent oversight. Certain matters are reserved to the Board for approval under the Delegation of Authority Policy, including decisions relating to company strategy and major policies, equity raisings, guarantees, external debt facilities and other transactions of various types involving amounts over specified limits or with the potential to have a material impact on the company. The matters reserved to the Board also include the selection and appointment process of the Company’s Chief Executive Officer, and the approval of other key executive appointments, as well as planning for executive succession.

The Delegated Authority sets out those matters the Board has passed on to management in order to efficiently operate the business. The Board delegated authority for the operational management of the organization to the Chief Executive Officer (CEO) for further delegation by him in respect of matters that are necessary for the effective day to day running and management of the business. The boards hold the CEO accountable in discharging his/her delegated responsibilities. Delegations are made within the broader corporate governance framework and IDCOL’s standards of business governance. Under the delegated authority and the corporate governance framework, management is required to report regularly to the Board in relation to certain specified types of authority exercised by management under the policy and on matters which come or may come within the scope of matters which are reserved for the Board.

Board Key Roles and Responsibilities

Chairman

Responsible for leading the board, developing the culture and ensuring its effectiveness in all aspects of its role. Promotes a high standard of integrity and governance across the organization and ensures effective communication between the board, management, and stakeholders.

Directors

provide guidance and supports to the chairman as

required and in coordination with the chairman acts as the ambassador of the board in its relationship with government, regulators and stakeholders.

Executive Director and CEO

Responsible for management of all aspects of the organization’s business, developing the strategy in conjunction with the chairman and the board and leading its implementation.

Board Meetings 2019

In 2019, 16 board meetings were held

| | | | |
|---------------------------|-------------------------------|---------------------------|---------------------------------|
| 248 th Meeting | 3 rd February 2019 | 256 th Meeting | 5 th September 2019 |
| 249 th Meeting | 6 th February 2019 | 257 th Meeting | 15 th September 2019 |
| 250 th Meeting | 3 rd March 2019 | 258 th Meeting | 1 st October 2019 |
| 251 st Meeting | 24 th April 2019 | 259 th Meeting | 6 th November 2019 |
| 252 nd Meeting | 28 th April 2019 | 260 th Meeting | 3 rd December 2019 |
| 253 rd Meeting | 9 th May 2019 | 261 st Meeting | 10 th December 2019 |
| 254 th Meeting | 27 th June 2019 | 262 nd Meeting | 10 th December 2019 |
| 255 th Meeting | 31 st July 2019 | 263 rd Meeting | 18 th December 2019 |

Corporate Governance

| Board Attendance | | | | | | | | | | | | | | | | |
|-------------------------------------|--|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Name of the Chairman and Directors’ | Board Meetings | | | | | | | | | | | | | | | |
| | 248 th | 249 th | 250 th | 251 st | 252 nd | 253 rd | 254 th | 255 th | 256 th | 257 th | 258 th | 259 th | 260 th | 261 st | 262 nd | 263 rd |
| | Mr. Monowar Ahmed, Chairman | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Mr. Md. Shah Kamal, Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ |
| | Dr. Ahmad Kaikaus, Director | ✓ | ✓ | | | | ✓ | ✓ | ✓ | | | ✓ | ✓ | | | |
| | Mr. Sajjadul Hasan, Director | ✓ | ✓ | ✓ | ✓ | | ✓ | ✓ | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Mr. Abdur Rouf Talukder, Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Mr. A.K.M. NurulFazal Bulbul, Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Ms. Nihad Kabir, Director | ✓ | | ✓ | | ✓ | | | | ✓ | | ✓ | ✓ | | ✓ | ✓ |
| | Mr. Abdul Haque, Director | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| | Mr. Mahmood Malik, ED & CEO | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Credit Committee Meetings 2019

During 2019, 5 Credit Committee meetings were held.

| | |
|---|--------------------------------|
| 69 th Credit Committee Meeting | 8 th April 2019 |
| 70 th Credit Committee Meeting | 8 th July 2019 |
| 71 st Credit Committee Meeting | 8 th September 2019 |
| 72 nd Credit Committee Meeting | 3 rd November 2019 |
| 73 rd Credit Committee Meeting | 2 nd December 2019 |

Audit Committee and Organization Committee Meetings 2019

During 2019, 5 Audit Committee and 2 Organization Committee Meetings were held.

| | |
|--|---------------------------------|
| 17 th Audit Committee Meeting | 13 th February 2019 |
| 18 th Audit Committee Meeting | 6 th April 2019 |
| 19 th Audit Committee Meeting | 26 th September 2019 |
| 20 th Audit Committee Meeting | 19 th November 2019 |
| 21 st Audit Committee Meeting | 17 th December 2019 |
| Organization Committee Meeting | 24 th January 2019 |
| Organization Committee Meeting | 17 th November 2019 |

Conducting Board Meeting

Code Compliance

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 confirmed that throughout the year the company has complied with the code provision set out in IDCOL and has been reviewed by the external auditors.

Corporate Governance

Board meeting procedure of IDCOL is structured in a way that helps the members keeping the flow orderly. Four members' presence is mandatory for conducting a meeting. IDCOL's board meetings follow agendas and any pertinent information is disseminated before the meeting so that members have an opportunity to review the information and make informed decisions. Topics are introduced by the chair or committee

chairs, and are then opened for discussion and debate to all members. Meeting attendees should follow protocol to ensure that everyone has an opportunity to voice an opinion without the meeting dragging on excessively. If items take too long to get to a resolution, they are postponed, to respect all board members' time.



Time Commitment

IDCOL's board of directors are committed to devoting sufficient time to discharge their responsibilities and considerably more for those who chair or are members of multiple committees.

Appointment, retirement and re-election of Directors

As a government-owned organization IDCOL has no authority over the appointment of the board member of its own. The board members are appointed on the basis of the government directives. It mandated to allow 9 members in the board including the

Chairman and the Chief Executive Officer. In the annual general meeting, it is mandatory for the 50% of the board members to resign from the post who and those members may be re-elected at the vote of the members for next one year.

Director Induction

All new directors and chairman receives an extensive, formal and tailored introduction program to enable them to function as effectively and adjust quickly as possible while building a deep understanding of our business and market. Each induction typically consists of a board meeting with present Chairman,

present directors, directors to be retired, as well as the members of the management committee. The induction program is completed within the first month of the director's appointment. The total process is regularly reviewed and take into account director's feedback to ensure they are continually improved.

Ongoing Development Plan

Sustaining and highly engaged, well informed, effective and functional board requires not only a thorough induction or information sharing so that directors understand the business and issues as quickly as possible but also a well-managed process of ongoing engagement, training and development. Since the directors of IDCOL are nominated by the government, the necessity of combination of mandatory training to ensure each director's contribution to the board remain well informed and relevant is placed in the hands of the government. But government always make sure that at least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.

Board Effectiveness

An effective Board of Directors is at the heart of the governance structure of a well-functioning and well-governed company, acting as the ultimate internal monitor. Ideally, the Board guides long-term corporate strategy, puts the key agents in place to implement it, and monitors performance against the strategy set out. However, almost by definition, Boards of Directors operate out of sight of the public and most investors. While the nature of confidential board deliberations makes it impossible to demand full transparency of board meetings, there needs to be trust and confidence in the proper functioning of the Board. Since the company's directors are directly appointed by the government so the responsibility of evaluating them is beyond the jurisdiction of IDCOL.

Annual Evaluation of the CEO

The board of directors conduct performance appraisal of CEO which then be reflected in the performance bonus and increment assessment.

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 board places significant reliance on its committee by delegating a broad range of roles and responsibilities. It therefore remains crucial that effective linkages are in place between the committees and the board as a whole. Mechanisms are in place to facilitate those linkages including ensuring that there are no gaps or

unnecessary duplications between the remit of each committee. The following figure depicts the existing committees of the IDCOL Board;



Audit Committee

Composition

1. Mr. Abdur Rouf Talukder, Chairman
2. Dr. Sultan Ahmed, Member
3. Ms. Nihad Kabir, Member
4. Mr. Abdul Haque, Member
5. Mr. A.K.M. Nurul Fazal Bulbul, Member

Role & 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

1. Dr. Sultan Ahmed, Chairman
2. Mr. M. Tofazzel Hossain Miah, Member
3. Mr. Abdur Rouf Talukder, Member

Corporate Governance

4. Mr. A.K.M. Nurul Fazal Bulbul, Member
5. Ms. Nihad Kabir, Member
6. Mr. Abdul Haque, Member
7. Mr. Mahmood Malik, Member

Role & 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 makes 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

1. Ms. Fatima Yasmin, Chairman
2. Dr. Sultan Ahmed, Member
3. Mr. Abdur Rouf Talukder, Member
4. Ms. Nihad Kabir, Member
5. Mr. Mahmood Malik, Member

Role & 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:
 - ◆ will attract, retain and motivate employees with the requisite skills and expertise towards high performance;
 - ◆ is linked to Company and individual performance;
 - ◆ maintains the integrity of the Company's remuneration strategies and practices;
 - ◆ provides appropriate alignment between shareholder interests and employee interests;
 - ◆ provides a framework for undertaking reviews of remuneration proposals; and
 - ◆ 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 delegated by the Board from time to time

Status of Compliance with Corporate Governance Guidelines as per SEC notification no. SEC/CMRRCD/2006-158/134/Admin/44

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued a notification regarding compliances on Corporate Governance for listed companies. Besides, the Securities and Exchange Commission issued another notification no. SEC/

CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 which shall be complied within 31 December 2018 (given in pg-256-264). Notably, IDCOL is not yet listed with any stock exchange so this notification does not apply. However, IDCOL voluntarily complies with many of the requirements. The status report on compliance with those conditions is furnished below:

| Condition No. | Title | Complied status (put in the appropriate column) | | Remark |
|---------------|---|---|--------------|----------------|
| | | Complied | Not complied | |
| 1 | Board of Directors | | | |
| 1.1 | Board's Size: | √ | | |
| 1.2 | Independent Director: | | | Not Applicable |
| 1.2 (i) | One fifth (1/5) of the total number of directors | - | - | " |
| 1.2 (ii) a) | Does not hold any share or holds less than 1% share of the total paid-up shares | - | - | " |
| 1.2 (ii) b) | Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship | - | - | " |
| 1.2 (ii) c) | Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies | - | - | " |
| 1.2 (ii) d) | Not a member, director or officer of any stock exchange | - | - | " |
| 1.2 (ii) e) | Not a shareholder, director or officer of any member of the stock exchange or an intermediary of the capital market | - | - | " |
| 1.2 (ii) f) | Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm | - | - | " |
| 1.2 (ii) g) | Not be an independent director in more than 3 (three) listed companies | - | - | " |
| 1.2 (ii) h) | Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI | - | - | " |
| 1.2 (ii) i) | Not been convicted for a criminal offence involving moral turpitude | - | - | " |
| 1.2 (iii) | Nominated by the board of directors and approved by the shareholders in the AGM | - | - | " |
| 1.2 (iv) | Not remain vacant for more than 90 (ninety) days | - | - | " |
| 1.2 (v) | Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded | - | - | " |

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| Condition No. | Title | Complied status (put in the appropriate column) | | Remark |
|---------------|---|---|--------------|------------------------|
| | | Complied | Not complied | |
| 1.2 (vi) | Tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only | - | - | " |
| 1.3 | Qualification of Independent Directors: | | | Not applicable |
| 1.3 (i) | Knowledge of Independent Directors | - | - | " |
| 1.3 (ii) | Background of Independent Directors | - | - | " |
| 1.3 (iii) | Special cases for qualifications | - | - | " |
| 1.4 | Individual Chairman of the Board & CEO: | √ | | |
| 1.5 | The Directors Report to Shareholders: | | | |
| 1.5 (i) | Industry outlook and possible future developments in the industry | √ | | |
| 1.5 (ii) | Segment-wise or product-wise performance | √ | | |
| 1.5 (iii) | Risks and concerns | √ | | |
| 1.5 (iv) | Discussion:, on Cost of Goods sold, Gross Profit -Margin and Net Profit Margin | - | - | Not applicable |
| 1.5 (v) | Discussion on continuity of any Extra-Ordinary gain or loss | √ | | |
| 1.5 (vi) | Basis for related party transactions | √ | | |
| 1.5 (vii) | Utilization of proceeds from public issues, rights issues and/or through any others | - | - | Not applicable |
| 1.5 (viii) | Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing | - | - | " |
| 1.5 (ix) | Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements | - | - | No such event occurred |
| 1.5 (x) | Remuneration to directors including independent directors | √ | | |
| 1.5 (xi) | Fairness of Financial Statements | √ | | |
| 1.5 (xii) | Proper books of accounts maintained | √ | | |
| 1.5 (xiii) | Adoption of appropriate accounting policies and estimates | √ | | |
| 1.5 (xiv) | Followed IAS/BAS/IFRS and BFRS in preparing financial statements | √ | | |
| 1.5 (xv) | The system of internal control sound in design & effectively implemented & monitored | √ | | |
| 1.5 (xvi) | No significant doubt upon its ability to continue as a going concern | √ | | |
| 1.5 (xvii) | Reporting of significant deviations from the last year's in operating results | √ | | |
| 1.5 (xviii) | Key operating and financial data of at least preceding 5 (five) years | √ | | |
| 1.5 (xix) | Dividend declared | √ | | |
| 1.5 (xx) | Number of the board meeting held & attendance reporting | √ | | |
| 1.5 (xxi) | Pattern of shareholding: | | | |
| 1.5 (xxi) a) | Parent/Subsidiary/Associated Companies and other related parties | - | - | Not applicable |

| Condition No. | Title | Complied status (put in the appropriate column) | | Remark |
|---------------|---|---|--------------|--------|
| | | Complied | Not complied | |
| 1.5 (xxi) b) | Directors, CEO, CS, CFO, HIA and their spouses and minor children | √ | | |
| 1.5 (xxi) c) | Executives | √ | | |
| 1.5 (xxi) d) | 10% or more voting interest | √ | | |
| 1.5 (xxii) | Appointment/re-appointment of director: | √ | | |
| 1.5 (xxii) a) | Resume of the director | √ | | |
| 1.5 (xxii) b) | Expertise in specific functional areas | √ | | |
| 1.5 (xxii) c) | Holding of directorship and V membership of committees of the board other than this company. | √ | | |
| 2 | Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit (HOI) | | | |
| 2.1 | Appointment of CS, CFO & H IA | √ | | |
| 2.2 | Attendance of CFO and CS at the meeting of the Board of Directors | √ | | |
| 3 | Audit Committee | | | |
| 3 (i) | Constitution of Audit Committee | √ | | |
| 3 (ii) | Assistance of the Audit Committee to Board of Directors | √ | | |
| 3 (iii) | Responsibility of the Audit Committee | √ | | |
| 3.1 | Composition of Audit Committee: | √ | | |
| 3.1 (i) | At least 3 (three) members | √ | | |
| 3.1 (ii) | Appointment of members of the Audit Committee | √ | | |
| 3.1 (iii) | Qualification of Audit Committee members | √ | | |
| 3.1 (iv) | Term of service of Audit Committee members | √ | | |
| 3.1 (v) | Secretary of the Audit Committee | √ | | |
| 3.1 (vi) | Quorum of the Audit Committee | √ | | |
| 3.2 | Chairman of Audit Committee: | | | |
| 3.2 (i) | Board of Directors shall select the Chairman | √ | | |
| 3.2 (ii) | Chairman of the Audit Committee shall remain present in the AGM | √ | | |
| 3.3 | Role of the Audit Committee: | | | |
| 3.3 (i) | Oversee the financial reporting process | √ | | |
| 3.3 (ii) | Monitor choice of accounting policies and principles | √ | | |
| 3.3 (iii) | Monitor Internal Control Risk management process | √ | | |
| 3.3 (iv) | Oversee hiring and performance of external auditors | √ | | |
| 3.3 (v) | Review the annual financial statements before submission to the Board for approval | √ | | |
| 3.3 (vi) | Review the quarterly and half yearly financial statements before submission to the Board for approval | √ | | |
| 3.3 (vii) | Review the adequacy of internal audit function | √ | | |
| 3.3 (viii) | Review statement of significant related party transactions | √ | | |
| 3.3 (ix) | Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors | √ | | |

Corporate Governance

| Condition No. | Title | Complied status (put in the appropriate column) | | Remark |
|---------------|--|---|--------------|-------------------------|
| | | Complied | Not complied | |
| 3.3 (x) | Disclosure about the uses/ applications of funds raised by IPO/RPO/Right issue | - | - | No such events occurred |
| 3.4 | Reporting of the Audit Committee: | | | |
| 3.4.1 | Reporting to the Board of Directors: | √ | | |
| 3.4.1 (i) | Activities of Audit Committee | √ | | |
| 3.4.1 (ii) a) | Conflicts of interest | √ | | |
| 3.4.1 (ii) b) | Material defect in the internal control system | √ | | |
| 3.4.1 (ii) c) | Infringement of laws, rules and regulations | √ | | |
| 3.4.1 (ii) d) | Any other matter | √ | | |
| 3.4.2 | Reporting to the Authorities | √ | | |
| 3.5 | Reporting to the Shareholders & General Investors | √ | | |
| 4 | Engagement of External/Statutory Auditors: | | | |
| 4 (i) | Appraisal or valuation services or fairness opinions | √ | | |
| 4 (ii) | Financial information systems design and implementation | √ | | |
| 4 (iii) | Book-keeping | √ | | |
| 4 (iv) | Broker-dealer services | √ | | |
| 4 (v) | Actuarial services | √ | | |
| 4 (vi) | Internal audit services | √ | | |
| 4 (vii) | Services that the Audit Committee determines | √ | | |
| 4 (viii) | Audit firms shall not hold any share of the company they audit. | √ | | |
| 4 (ix) | Audit firm shall not certify on compliance of corporate governance | √ | | |
| 5 | Subsidiary Company: | | | |
| 5 (i) | Composition of the Board of Directors At | | | Not applicable |
| 5 (ii) | least 1 (one) independent director to the subsidiary company | - | - | " |
| 5 (iii) | Submission of Minutes to the holding company | - | - | " |
| 5 (iv) | Review of Minutes by the holding company | - | - | " |
| 5 (v) | Review of Financial Statement by the holding company | - | - | " |
| 6 | Duties of Chief Executive Officer and Chief Financial Officer: | | | |
| 6 (i) a) | Reviewed the truthfulness of the financial statement and certified to the Board | √ | | |
| 6 (i) b) | Reviewed compliance of the accounting standard | √ | | |
| 6 (ii) | Reviewed the absence of fraudulent or illegal transactions or violation of the company's code of conduct | √ | | |
| 7 | Reporting and Compliance of Corporate Governance: | | | |
| 7 (i) | Obtain certificate regarding the compliance of conditions of Corporate Governance Guidelines | - | - | Not applicable |
| 7 (ii) | Annexure attached, in the directors' report | - | - | " |

Statement of Compliance with the Good Governance Guideline issued by Bangladesh Bank

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the DFI M Circular no. 7 dated 25 September

2007 taken appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

| Condition No. | Particular | Complied status (put √ in the appropriate column) | | Remarks (If any) |
|--|---|---|--------------|------------------|
| | | Complied | Not complied | |
| 01 | Responsibilities and authorities of the Board of Directors The responsibilities of the Board of Directors are mainly related to and developing strategy. Those are as: | | | |
| A. Work Planning and Strategic Management | | | | |
| | i. The Board shall determine the vision/ mission of the Company. Board shall also determine the strategy and work plan for enhancement of institutional efficiency and other policy matters on an annual basis. The Board shall make necessary amendments on the strategy on a quarterly basis. | √ | | |
| | ii. The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM). | √ | | |
| | iii. The Board shall determine the Key Performance Indicators for chief executive along with other top-level executives and re-assess on a half-yearly basis. | √ | | |
| B. Formation of Sub-committee | | | | |
| | For making a timely decision, the Executive Committee and Audit Committee can be formed. No alternative director shall be included in this committee. | √ | | |
| C. Financial Management | | | | |
| | i. Annual budget and statutory financial reports shall be authorized by the Board of Directors. | √ | | |
| | ii. The Board shall review the company's statement of income and expense, statement of loan/lease, liquidity requirement, capital adequacy of provision, action taken for legal cases and recovery of default loan. | √ | | |
| | iii. The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, the decision relating to the purchase of land, building, and vehicle shall remain with the Board. | √ | | |

Corporate Governance

| Condition No. | Particular | Complied status (put ✓ in the appropriate column) | | Remarks (If any) |
|--|---|---|--------------|------------------|
| | | Complied | Not complied | |
| | iv. The bank account of the Company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007). | ✓ | | |
| D. Loan/Lease/Investment Management | | | | |
| | i. The policies, strategies, procedures etc. in respect of loan appraisal of loan/ lease/investment proposal sanction, disbursement, recovery, rescheduling, and write-off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/lease/ investment and such delegate should desirably be made among the CEO and other top management of the company. | ✓ | | |
| | ii. No Director shall interfere directly or indirectly in the process of loan approval | ✓ | | |
| | iii. Core Risk Management Guidelines shall be approved by the Board of Directors of the Company. | ✓ | | |
| E. Risk Management | | | | |
| | Approval shall be taken from Board of Directors for syndicate loan/lease/investment and large loan, lease or investment. | ✓ | | |
| F. Internal Control & Compliance | | | | |
| | Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/ lease/ investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon. | ✓ | | |
| G. Human Resources Management (HRM) | | | | |
| | Policies relating to recruitment, promotion, transfer disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman or the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except for the position MD, DMD and GM or equivalent. | ✓ | | |
| H. Appointment of Managing Director and Increase of Salaries & Allowances | | | | |
| | Board of Director shall appoint a competent Managing Director with the approval of the Bangladesh Bank. The board shall approve any increment of salaries and allowance of the Managing Director. | ✓ | | |

| Condition No. | Particular | Complied status (put ✓ in the appropriate column) | | Remarks (If any) |
|---------------|--|---|--------------|------------------|
| | | Complied | Not complied | |
| 01 | Benefit to the Chairman | | | |
| | Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in,. the business-interest of the company subject to the approval of the Board. | ✓ | | |
| 02 | Responsibilities and Duties of Chairman | | | |
| | i. The chairman shall not personally possess the jurisdiction to apply policy-making or executive or operational and routine affairs of the Company. | ✓ | | |
| | ii. The Minutes of the Board meetings shall be signed by the Chairman. | ✓ | | |
| | iii. Chairman shall sign-off the personal for appointment of Managing Director and revision of his salaries & allowances. | ✓ | | |
| 03 | Responsibilities of Managing Director The Managing Director or Chief Executive officer of the company or whatsoever be called, shall work under the following area: | | | |
| | i. Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for the achievement of financial and other business targets by means of the business plan, efficient implementation of administration and financial management. | ✓ | | |
| | ii. Managing Director shall ensure compliance of the Financial Institution Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities. | ✓ | | |
| | iii. All recruitment/ promotion/ training, except recruitment/ promotion/training of DMG & GM (as equivalent to EVP) shall be vested upon the Managing Director. He shall act such in accordance with the approved HR policy of the Company. | ✓ | | |
| | iv. Managing Director may re-schedule the job responsibilities of employees. | ✓ | | |
| | v. Managing Director shall sign all the letters/ statements/ relating to compliance of policies and guidelines. However, Departmental/unit heads may sign daily letters/ statements as set out in DFIM circular no.2 dated 06 January 2009 if so authorized. | ✓ | | |

Corporate Governance

Organizational Highlights

| Sl. No. | Particulars | | 2019 | 2018 |
|---------|---|-------------|--------|--------|
| 1 | Paid-up capital | BDT million | 6,500 | 6,000 |
| 2 | Total capital | BDT million | 9,045 | 7,629 |
| 3 | Surplus/(shortage) capital | BDT million | 864 | 1,011 |
| 4 | Total Assets | BDT million | 90,876 | 82,293 |
| 5 | Total deposits | BDT million | Nil | Nil |
| 6 | Total loans & advances | BDT million | 68,799 | 60,742 |
| 7 | Total contingent liabilities and commitments | BDT million | Nil | Nil |
| 8 | Loans to deposit ratio (total loans/total deposits) | % | N/A | N/A |
| 9 | % of classified loans against total loans | % | 4.54 | 7.15 |
| 10 | Profit after tax and provision | BDT million | 1,378 | 703 |
| 11 | Classified laons, advances and leases during the year | BDT million | 2,533 | 3,401 |
| 12 | Provisions kept against classified loans, advances and leases | BDT million | 1,926 | 2,955 |
| 13 | Provision surplus/(deficit) against classified loans, advances and leases | BDT million | 1,250 | 334 |
| 14 | Cost of fund | % | 1.61 | 3.26 |
| 15 | Interest earning assets | BDT million | 82,012 | 77,908 |
| 16 | Non-interest earning assets | BDT million | 8,864 | 4,385 |
| 17 | Return on investment (ROI) | % | 1.99 | 1.16 |
| 18 | Return on asset (ROA) | % | 1.52 | 0.85 |
| 19 | Income from investment | BDT million | 3.89 | Nil |
| 20 | Operating profit per share | in BDT | 61.73 | 43.79 |
| 21 | Earnings per share | in BDT | 21.21 | 10.82 |
| 22 | Price earning ratio | Times | N/A | N/A |

Report on Internal Control over Financial Reporting

The Board sets out the responsibility of the management in establishing adequate internal control over financial reporting

Management of IDCOL is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by or under the supervision of the CEO and the Deputy CEO & CFO and effected by the Board of Directors, the Management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as adopted by ICAB and other applicable rules and regulations. It includes those policies and procedures that:

- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions related to operations;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as adopted by ICAB and our receipts and expenditures are made only in accordance with authorizations of our management and directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our financial statements.

Due to its inherent limitations, internal control over financial reporting may not prevent or detect

misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated, under the supervision of and with the participation of the CEO & ED and the CFO, the effectiveness of our internal control over financial reporting as of 31 December 2019.

Based on that evaluation, management concluded that as of 31 December 2019, internal control over financial reporting was effective. Also, based on the results of our evaluation, management concluded that there were no material weaknesses that have been identified in internal control over financial reporting as of 31 December 2019.

Our internal control over financial reporting as of 31 December 2019 has been audited by ACNABIN Chartered Accountants., who also audited our Consolidated Financial Statements for the year ended 31 December 2019. The Auditor also assesses the effectiveness of our internal control and determines the degree and extent of reliance on the internal control system.

Sd/-

Mahmood Malik

Executive Director & CEO
Dhaka, 13 August, 2020

Sd/-

S. M. Monirul Islam

Deputy CEO & CFO

Audit Committee Report

IDCOL's Audit Committee is a sub-committee of The Board and was formed in compliance with Bangladesh Bank guidelines and international best practices on Corporate Governance with a view to providing independent oversight of the Company's financial reporting, non-financial corporate disclosure, effectiveness of internal control system etc. as set out in the Audit Committee Charter.

The board audit committee consists of five members of IDCOL board of directors whose responsibilities include helping auditors remain independent of management.

Objective of the Audit Committee

By effectively carrying out its functions and responsibilities, the audit committee helps to ensure that management properly develops and adheres to a sound system of internal controls, that procedures are in place to objectively assess management's practices and internal controls, and that the outside auditors, through their own review, objectively assess the company's financial reporting practices. The objective of the committee is to assist the Board in fulfilling its corporate governance responsibilities, particularly:

- Ensuring the reliability and integrity of information for inclusion in company's financial statements;
- Compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations;
- Establishing the integrity of company's internal control framework;
- Safeguarding the independence of the external and internal auditors;
- Confirming that the management has selected accounting policies that are in line with applicable accounting standards; and
- Reviewing interim financial releases i.e., quarterly and half-yearly unaudited financial statements and recommend the same to the Board of Directors for approval.

The engagement partner of the external audit firm is invited to attend each Annual General Meeting and to be available to answer shareholders questions about the conduct of the audit and the preparation and content of the auditor's report.

Composition of the Board Audit Committee

The Board Audit Committee consists of five Directors of the Company and the chairman and members of the Audit Committee are appointed by the board. In order to fulfil a quorum, at least two members of

the committee must be present in the meeting. The Committee comprises the following members as of the date of this report:

Mr. Abdur Rouf Talukder (Secretary of Finance Division, Ministry of Finance), is the Chairman of the Audit Committee, possessing of vast experience. Four other members are Mr. Dr. Sultan Ahmed (Secretary, Power Division), Ms. Nihad Kabir (Advocate, Supreme Court of Bangladesh), Mr. Abdul Haque (Renowned Business Person) and Mr. A. K. M. Nurul Fazal Bulbul (Reputed Business Person). They also possess significant experience in finance, accounting, legal affairs, compliance and audit.

All the members of the Committee are financially literate. The qualifications and the biographical details of the current members of the Committee are set out in detail in their brief profile on page no. 80-83 of this annual report.

The Chief Executive Officer (CEO), Deputy CEO and Chief Financial Officer (CFO), Head of Internal Audit (HIA), representatives of the external auditors and representatives of the Bangladesh Bank (BB) are invited to attend the Committee Meetings.

Audit Committee Charter

Purpose

The Committee will represent and assist the Board in fulfilling its oversight responsibility to the shareowners relating to the integrity of the company's financial statements and the financial reporting process, the systems of internal accounting and financial controls, the internal audit function, the annual independent audit of the company's financial statements, the company's compliance with legal and regulatory requirements, and its ethics programs as established by management and the Board.

The Committee shall also oversee the independent auditors' qualifications and independence. The Committee will evaluate the performance of the Company's internal audit function (responsibilities, budget and staffing) and the Company's independent auditors. In so doing, it is the responsibility of the Committee to act independently while maintaining free and open communication between the Committee, the independent auditors, the internal auditors and management of the Company.

The Committee shall also oversee the Company's risk management process to ensure that Company has proper risk management culture and risk control mechanism in line with Internal Control and Compliance Framework Guidelines as well as various circulars issued by the Bangladesh Bank.

Authority

The Committee is established by, and reports to, the Board. The Committee's functions and powers are as set out in this Charter or otherwise delegated to it by the Board, in accordance with the Company's Constitution.

The Committee's primary role is to review and make recommendations to the Board. The Board may, however, delegate certain other matters to the Committee from time to time.

The Committee shall periodically assess the adequacy of this Charter and shall report the results of such review to the Board and, if considered appropriate, make recommendations to the Board to amend the Charter.

Meetings and Structure

The Committee will meet as often as deemed necessary or appropriate in its judgment and at such times and places as the Committee shall determine, taking into account requests from any Committee member, the Executive Director and CEO or the Company Secretary.

Two members of the Committee shall constitute a quorum. The Chairman of the Committee shall be responsible for finalizing the agenda, presiding over meetings and coordination of reporting to the Board. In the absence of the Chairman of the Committee, the responsibilities of the Chairman may be performed by any other member of the Committee.

The Company Secretary or designate will act as Secretary of the Committee and will attend meetings of the Committee, as required.

Responsibilities and Duties

The primary responsibility of the Committee is to oversee the company's financial controls and reporting processes on behalf of the Board and report the results of its activities to the Board. Management is responsible for preparing the company's financial statements, and the independent auditors are responsible for auditing those financial statements. The Committee in carrying out its responsibilities will also examine if its policies and procedures are flexible, in order to best react to changing conditions and circumstances. The Committee will take the appropriate actions to set the overall corporate "tone" for quality financial reporting, sound business risk practices, and ethical behavior.

The following shall be the principal recurring processes of the Committee in carrying out its oversight responsibilities. The Committee may perform such other duties and responsibilities as are consistent with its purpose and as the Board or the Committee deems appropriate.

- 1. Independent Auditors:** The Committee will have a clear understanding with management and

the independent auditors that the independent auditors are ultimately accountable to the Committee and the Board. The Committee shall have the sole authority and responsibility to hire, evaluate and, where appropriate, replace the independent auditors and, in its capacity as a Committee of the Board, shall be directly responsible for the appointment, compensation and general oversight of the work of the independent auditors. The Committee shall discuss the auditors' qualifications and independence from management and the company, including whether the auditors' performance of permissible non-audit services is compatible with their independence. This process will include, at least annually, the Committee's receipt of a report by the independent auditors describing their internal control procedures, and any material issues raised by the most recent internal quality-control review, or inspections by the independent auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the independent auditors, and any steps taken to deal with any such issues; and (to assess the auditors' independence) receipt of a report on all relationships between the independent auditors and the Company, or persons in a financial reporting oversight role at the Company, that may reasonably be thought to bear on independence.

- 2. Audit Services:** The Committee shall discuss with the internal auditors and the independent auditors the overall scope and plans for their respective audits including their respective responsibilities and the adequacy of staffing and compensation. The Committee shall approve in advance audit engagement fees and the terms of audit services to be provided by the independent auditors.

- 3. Review of Annual Audited Financial Statements:** The Committee shall meet and review with management and the independent auditors regarding the financial statements to be included in the Company's Annual Report, including (a) the clarity of the disclosures in the financial statements; and (b) the Company's disclosures on critical accounting policies.

The Committee will review and discuss with the independent auditors the matters required to be communicated to the Committee by the independent auditors under auditing standards established from time to time, including any difficulties the independent auditors encountered in the course of their audit work, including any

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restrictions on the scope of the auditors' activities or on access to requested information, and any significant disagreements with management, and management's response to such difficulties. The Committee will also review and discuss with management and the independent auditors the annual report on internal controls by the executive management, and the report on the effectiveness of the Company's internal controls prepared by the independent auditors.

Based on these reviews, the Committee will make a recommendation to the Board as to whether the audited financial statements should be included in the Company's Annual Report.

4. **Risk Oversight:** The Committee will oversee risks related to the Company's financial statements, the financial reporting process, accounting and legal matters. The Committee will oversee the internal audit function, the Company's ethical compliance programs and the Company's quality, safety, environmental assurance and information technology security programs. The Committee will periodically receive reports on and discuss governance of the Company's risk management process and will review significant risks and exposures identified to the Committee by management, the internal auditors or the independent auditors (whether financial, operating or otherwise), and management's steps to address them.
5. **Complaint Procedures:** The Committee shall establish and oversee procedures for handling complaints regarding accounting, internal accounting controls, auditing, and procedures for confidential, anonymous submission of concerns by employees regarding accounting and auditing.
6. **Compliance Programs:** The Committee shall periodically review and discuss with management, the internal auditors, and the independent auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethics and compliance programs
7. **Investigative Authority:** In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company.

Outside Advisors

The Committee shall have the authority, to the extent it deems necessary or appropriate, to appoint, retain, dismiss or replace independent advisors to assist it in fulfilling its responsibilities. The Company shall provide for appropriate funding, as determined by

the Committee, for payment of compensation to any advisors employed by the Committee.

Inclusion of Bangladesh Bank Directives

All kinds of circular, directives and guidelines provided by Bangladesh Bank from time to time related to this matter will be part of the Charter.

Activities of the Audit Committee in the Year 2019

The audit Committee carried out among others the following activities in the year 2019:

- Discussed with the external auditors and management prior to finalization of financial statements of IDCOL for the year ended December 31, 2018;
- Reviewed draft audited financial statements of IDCOL for the year ended December 31, 2018 along with the auditor's report thereon;
- Reviewed the proposal of external auditors for appointment and recommended the same to the board;
- Reviewed the Bangladesh Bank Inspection Report on corporate head office of IDCOL as of December 31, 2018, and management responses to the report;
- Reviewed Audit Plan of Internal Audit Department for the year 2019;
- Reviewed the internal audit reports issued by the Internal Audit Unit during the year 2019;
- Reviewed the Management Letter issued by external auditors, ACNABIN Chartered Accountants, on annual audit of financial statements of IDCOL for the year ended December 31, 2018;
- Reviewed the departmental activities of the company;
- Reviewed the report on the non-performing / default clients;
- reviewed the report on business operations;
- reviewed the revised annual budget of the company;
- reviewed the quarterly financial statement of the company;
- reviewed the overdue status of company's portfolio;

The Committee concurs with and accepts the audit report on the financial statements and has recommended for approval thereof to the Board. The Board has subsequently approved the financial statements, which will be open for discussion at the forthcoming Annual General Meeting.

The Audit Committee and Internal Audit

IDCOL's Internal Audit Unit is tasked with reviewing the company's system of internal controls including the conduct of regular audits of all operational units. Internal Audit is operationally independent in that its members are not involved in the company's operational activities and that the Head of Internal Audit, in addition to his direct reporting, also has direct access to the Audit Committee and the Chair of the board.

The Audit Committee is responsible for approving the annual audit plan of IA and reviewing the plan's subsequent implementation. The internal audit reports or summaries thereof prepared by the IA Unit are reviewed on a regular basis by the Committee.

Reporting of the Audit Committee

The Audit Committee reports directly to the Board of

Directors and the Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities-related laws, rules and regulations and
- Any other matter which should be disclosed to the Board of Directors immediately.

No such issues arose at IDCOL during the year ended 31 December 2019.

Sd/-

Abdur Rouf Talukder

Chairman, Audit Committee

13 August, 2020

Report on Internal Control

Whilst the Board acknowledges that total elimination of risks is not possible, the system of internal controls that is in place is designed to manage risks in meeting the IDCOL's business objectives. The system can only provide reasonable and not absolute assurance against material misstatement, loss or fraud.

Introduction

The Board of Directors recognizes the importance of a sound internal control system with a view to ensuring good corporate governance practice thereby safeguard the shareholders' investments and the Company's assets. The system of internal control that we have in place enables us to drive our business operations in a more efficient and effective manner and ensures sound financial reporting and control procedures, as well as compliance with the relevant laws and regulations.

The following statement on internal control has been prepared in accordance with the regulatory requirements not only to comply with the regulatory requirements but also to articulate the practical internal control effectiveness to the existing and potential stakeholders.

Responsibility

The Board affirms its overall responsibility for the IDCOL's system of internal control and risk management, and for reviewing the adequacy and integrity of these systems. However, in view of the inherent limitations in any system, such system of internal control is designed to manage rather than to eliminate risks that may impede the achievement of the Company's objectives. The system can therefore only provide reasonable and not absolute assurance against material misstatements, frauds or losses. The system of internal control covers risk management and financial, organizational, operational and compliance controls. The Board confirms that there is an on-going process of identifying, evaluating and managing significant risks by the management. This process has been put in place for the year and is reviewed periodically by the Board through its Audit Committee which is supported by the Internal Auditors.

While the 'tone at the top' is set by the Board, it is the role of the management to implement the policies adopted by the Board. In fulfilling its responsibilities, management identifies and evaluates the risks faced by the Company - for consideration by the Board - and design, implement and monitor an appropriate system of internal control.

Description of the Internal Control System

Control Environment

The control environment sets the tone of an organization, influencing the control consciousness of its people. It is the foundation for all other components of internal control, providing discipline and structure. Control environment factors include the integrity, ethical values and competence of the company's people; management's philosophy and operating style; the way management assigns authority and responsibility, and organizes and develops its people; and the attention and direction provided by the Board of directors.

Identification and Evaluation of Risks and Control Objectives

Naturally, the Company faces a variety of risks from various sources that are assessed. A precondition to risk assessment is the establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks to the achievement of objectives, forming a basis for determining how the risks should be managed. Because the economic, industry, regulatory and operating conditions will continue to change. Mechanisms are needed to identify and deal with the special risks associated with change.

Control Activities

Control activities are the policies and procedures that help ensure that management directives are carried out. They help ensure that necessary actions have been taken to address risks to the achievement of the entity's objectives. Control activities occur throughout the organization, at all levels and in all functions. They include a range of activities as diverse as approvals, authorizations, verifications, reconciliations, reviews of operating performance, security of assets and segregation of duties.

Information and Communication Processes

Pertinent information must be identified, captured and communicated in a form and time frame that enables people to carry out their responsibilities. Information systems produce reports, containing operational, financial and compliance-related information, that make it possible to run and control the business. They deal not only with internally generated data, but also information about external events, activities and conditions necessary to informed business decision-making and external reporting. Effective communication must also occur in a broader sense, flowing down, across and up the organization. All personnel must receive a clear message from the

top management that control responsibilities must be taken seriously. They must understand their own role in the internal control system, as well as how individual activities relate to the work of others. They must have a means of communicating significant information upstream. There also needs to be effective communication with external parties, such as customers, suppliers, regulators and shareholders.

Processes for Monitoring the Effectiveness of Internal Control System

Internal control systems need to be monitored, a process that assesses the quality of the system's performance over time. This is accomplished through ongoing monitoring activities, separate evaluations or a combination of the two. Ongoing monitoring occurs in the course of operations. It includes regular management and supervisory activities, and other actions personnel take in performing their duties. The scope and frequency of separate evaluations will depend primarily on an assessment of risks and the effectiveness of ongoing monitoring procedures. Internal control deficiencies are reported upstream, with serious matters reported to top management and the Board.

Internal Control Process

The key processes that the Board has established in reviewing the adequacy and integrity of IDCOL's system of internal controls include the following:

Risk Management Framework

The risk management process seeks to identify measure, monitor and control risk. It also seeks to ensure that risk exposures are adequately managed and that the expected returns compensate for the risks taken.

This process is regularly reviewed through its Credit Risk Management Committee (CRMC) consisting of the senior management of IDCOL which ensures the proper management of risks and takes the appropriate measures to mitigate any identified weaknesses in the control environment.

For effective risk management, a set of tools has clearly been identified and embedded organization wide so as to minimize and better mitigate the risks generated from business activities. These tools are reviewed regularly and updated constantly to ensure consistency with the vision and mission of the organization.

In order to define and create additional risk identification centers, the Risk and Special Asset Management (SAM) Unit in IDCOL has been segregated in four units namely Credit Risk Management (CRM) Unit, Compliance Unit, Special

Asset Management (SAM) Unit and Legal Unit. Each unit has a defined and unique set of risk identification methodology.

Overall, in conjunction with the CRM, SAM, Compliance and the legal unit, IDCOL is continuously striving to minimize risk so as to retain Company goal. From pre-approval stage to the disbursement of each tranche of the fund, the vital input of all units strengthens the risk management framework embedded throughout IDCOL.

Internal Audit Function

The internal audit performs a regular review of IDCOL's operational processes and system of internal controls. Internal audit adopts a risk-based approach in determining the auditable units and frequency of audits.

Regular Review of Audit Plan

The results of the audits conducted by the internal auditor are reported to the Board Audit Committee. The follow-up actions and the review of the status of actions taken as per the auditors' recommendations are carried out by the management via various management committees.

The Audit Committee holds regular meetings to deliberate on the findings and recommendations for improvement highlighted by both the internal and external auditors as well as the regulatory authorities. The minutes of the meetings of the Audit Committee are subsequently tabled to the respective Boards for notation. The copy of the minutes of the meetings of the Audit Committee is also sent to Bangladesh Bank regularly within the stipulated time.

Further details of the activities undertaken by the Audit Committee of the Company are set out in the Audit Committee Report.

Compliance Framework

Compliance risk in IDCOL is defined as the risk of impairment to IDCOL's reputation and financial condition from failure to meet laws and regulations, internal policies and expectations of stakeholders.

Company's state of compliance with laws, regulations and internal policies and procedures are reported to the Credit Risk Management Committee (CRMC). In addition, IDCOL has in place a reporting process wherein any incident affecting the reputation of IDCOL is escalated to the senior management immediately after the occurrence of the incident. The escalation process ensures the adequate oversight and guidance is provided by the Board in managing reputational risk.

Compliance in collaboration with the business operating units continuously assesses and

Corporate Governance

recommends improvements to control by carrying out root cause analysis on common incidences of non-compliance, negligence and fraud.

To mitigate compliance risk, briefings as well as various awareness and learning initiatives are conducted to ensure continuous compliance with existing controls and to embed a compliance culture within the entity.

Board Committees

Specific responsibilities have been delegated to the relevant Board Committees, all of which have written terms of references. These committees have the authority to examine and/or consider all matters within their scope of responsibilities and make recommendations to the Board for approval, if such is required. The Board Committees are as follows:

- Organization Committee;
- Audit Committee; and
- Executive Committee.

Management Committee (MC)

The Management Committee, comprising key management personnel of IDCOL and chaired by the CEO & ED, manages the strategic direction and provides strategic guidance to the functional units. Being a forum where all strategic and operational matters are discussed, the MC meets regularly and special meetings are convened to discuss urgent issues.

Authority Limits

Delegation of authority including authorization limits at various levels of management are documented and designed to ensure accountability and responsibility.

Internal Policies and Procedures

Policies, procedures and processes governing IDCOL's operations are documented and are made available to employees. These policies, procedures and processes are reviewed and updated to cater to changes in laws and regulations as well as changes to the business and operational environment. Furthermore, a review of the policies, procedures and processes are also carried out to ensure that appropriate controls are in place to manage operational risks.

There is a clear procedure for investment appraisals including equity investment and capital expenditure.

Budgeting Process

A detailed budgeting process is established to prepare budgets and business plans annually for approval by the Board. The budget and business plans as well as strategic initiatives are discussed by the senior management and the Board at an annual business planning and budgetary session.

A reporting system on actual performance against approved budgets is in place and significant variances are followed up by the Management and reported to the Board.

Performance Review

Regular and comprehensive information is shared by the Management for monitoring of their performance against the strategic business plan approved by the Board, covering all key financial and operational indicators as well as key strategic initiatives undertaken by IDCOL during the year.

The Management Committee and the Board receive and review the monthly accounts and financial information reports at their monthly or regular meetings.

Human Capital Management

IDCOL acknowledges that one of the key constituents of any internal control system is its people and that our system of internal controls is dependent on the responsibility, integrity and judgment that people apply to their work.

Hence, IDCOL has in place policies and procedures that govern recruitment and appointment, performance management, talent management, succession planning, compensation and reward as well as policies and procedures that govern discipline, termination and dismissal.

Code of Ethics and Conduct

The Code of Ethics and Conduct sets out the standards of services and ethical business practices, and aims to maintain confidence in the security and integrity of the business practices. It is a requirement that all employees of IDCOL understand and observe the Code.

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)/ International Financial Reporting Standards (IFRS) 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 is 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.

Sd/-
Mahmood Malik
Executive Director & CEO

Sd/-
S. M. Monirul Islam
Chief Financial Officer

Corporate Governance

Corporate Governance Disclosure Checklist

| Particulars | | Page Number |
|--|---|--------------------|
| 1. Board of Directors, Chairman and CEO | | |
| 1.1 | Company's policy on the appointment of directors disclosed. | 114-120 |
| 1.2 | Adequate representation of non-executive directors i.e. one-third of the board, subject to a minimum of two | 80-83, 75 |
| 1.3 | At least one independent director on the board and disclosure/affirmation of the board on such director's independence. | N/A |
| 1.4 | Chairman to be independent of CEO | 80-83 |
| 1.5 | Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors | 114-120 |
| 1.6 | Existence of a scheme for annual appraisal of the board's performance and disclosure of the same. | 114-120 |
| 1.7 | Disclosure of policy on an annual evaluation of the CEO by the Board. | 114-120 |
| 1.8 | Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the board's performance | N/A |
| 1.9 | At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting. | 80-83 |
| 1.10 | Disclosure of a number of meetings of the board and participation of each director (at least 4 meetings are required to be held) | 114-120 |
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| | * Ensure effective coordination of external audit function | |
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|--|---|--------------------|
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Risk Management

Statement of the Chief Risk Officer

The acceptance of risk is an integral part of any business. Management of that risk in a prudent manner is, therefore, critical to IDCOL's continuing profitability. Efficient and effective Risk Management at IDCOL is essential to strike the right balance between risk and return. It is a continuous effort in IDCOL to increase shareholders value by developing and growing IDCOL's business within the determined risk appetite.

The embedded risk management structure across the organization fosters a risk-aware culture, which in turn, aids cognizance to build and enhance the risk management capabilities that assist in delivering the growth plans in a controlled environment.

To achieve the optimum level of return and better address the inherent risk along with all business risk arising from the business activities of IDCOL, a structured risk governance framework is in place. Under the leadership of the Chief Risk Officer, the Risk and Special Asset Management team is thriving in the identification measurement and mitigation of the risks identified to aid in business decisions essential for the sustainable growth of IDCOL. At IDCOL, Development of strategies, policies, risk management tools and guidelines to minimize risks embedded in the daily businesses and activities of the institution is of high priority. The risk appetite is continuously rationalized to better accommodate the changing markets and control metrics are developed to maintain goal congruency.

2019 Key Highlights

In the year 2019, the portfolio of IDCOL has seen considerable growth. Growing business results in a higher level of assumed risks and for the mitigation of the same, the risk management techniques, policies and strategies have been amended and developed to better identify and mitigate the risk arising from growing businesses. The following has been accorded for the better management of the risk:

- Development of risk strategy and recovery strategy to better manage Non-performing loans.
- Development of operational risk grading system to identify measure and mitigate day to day risks arising from the business of IDCOL.
- Review of the CRM Guideline and lending policy to accommodate the changing markets.
- Development of the Risk Management Committee and Risk Management Forum to review strategies and policies developed for the mitigation of risks.

- Review of the delegation of the Credit Risk Management Committee to ensure accountability
- Review of multiple standard operating procedures to clearly define tasks to mitigate inherent and embedded risk of the business.

IDCOL's Risk Appetite

As part of risk management culture, well-defined risk appetite is in place at IDCOL which is yearly reviewed to enhance the ability of IDCOL to absorb the changing market conditions. IDCOL's risk appetite expresses the aggregate level of risk that IDCOL is willing to assume within the risk capacity to achieve its business objectives. It is an integral part of the business planning process to promote the appropriate alignment of risk, capital and performance targets considering the risk capacity and appetite constraints from each kind of risk. To accommodate the growing business environment and economy, the risk appetite statement set forth by the lending policy is reviewed annually. The development of the risk appetite is kept in conjunction with the strategic, financial, regulatory requirements and capital planning of IDCOL. Having development mandate in the Infrastructure sector of the country, IDCOL risk appetite is designed to strike the right balance between the development role and sound risk management in a narrow gauge.

The Board of Directors and Senior Management regularly receive and review reporting on the risk profile undertaken against the appetite set forth. A separate Risk management Committee along with Risk Management Forum with the representation of the senior management is in place to better monitor and suggest mitigations for the expected and unexpected risks.

Risk Policies and Strategies

IDCOL recognizes that an effective risk management framework involves more than just robust controls. The eventual objective of all policies and strategies developed across the institution is to ensure all anticipated and unanticipated risks are measured, monitored, assessed and controlled in accordance to the risk appetite and culture embedded in IDCOL. The Board of Directors and Senior Management review and endorse IDCOL's risk management framework which includes the establishment of policies for the control of risk. The framework is further strengthened by developed standards, guidelines, processes, procedures and control that governs the day to day activities of IDCOL.

Risk Management

Risk Identification, Measurement and Mitigation

The approach to risk management is based on well-established governance processes and relies on both individual responsibility and collective oversight, supported by comprehensive reporting. The approach begins with proactive participation in all significant risk matters by the independent risk management units. Hence, the Risk and Special Asset Management team has been segregated into four units, namely, Credit Risk Management Unit, Legal Unit, Compliance Unit and Special Asset Management Unit. Every Unit has a set of the framework which guides the process of risk identification, measurement, mitigation and reporting. Risk identification is a continuous process at IDCOL and is achieved through:

- Systematic Assessment of risk arising from lending activities of IDCOL.

- Continuous monitoring of projects implemented and awaiting implementation.
- Assessment of Risk and scrutiny in new business activity and processes.
- Administration of the project status after implementation to identify project operational risks arising from day to day operations of the business.

All risk arising points are thoroughly measured and mitigated, after which the decision of the risk being consumed is undertaken. Comprehensive risk assessment and enhanced due diligence is of prime responsibility of the Risk and Special Asset Management Unit. Additionally, a separate committee is in place represented by management members, upon approval of which any proposal is deemed suitable to be placed in the board for approval.

Risks at IDCOL:

| Type of Risk | Impact Limited to | Mitigated by |
|-----------------------------------|---|---|
| Credit Risk | Arising from counterparty or borrower's inability to service debt HIGH | <ul style="list-style-type: none"> - Guidelines, Policies and Strategies - Risk Management Tools - Risk Appetite - Adequate Security |
| Operational Risk | Arising from inadequate or failed internal system, process and people or from external events. MEDIUM | <ul style="list-style-type: none"> - Risk Management Tools - Standard Operating Procedures - Risk Management Framework - Close Monitoring - Sophisticated Governance Structure |
| Regulatory Compliance Risk | Arising from failure to comply with a regulatory requirement MEDIUM | <ul style="list-style-type: none"> - Review of reports via sub-committees developed - In house training - Embedded Risk Management Culture |
| Market Risk | Arising from unanticipated changes in the underlying market factors LOW | <ul style="list-style-type: none"> - Stress Testing & Scenario Analysis |
| Liquidity Risk | Arising from unanticipated withdrawals and deposits, additional pledging and collateral requirements. LOW | <ul style="list-style-type: none"> - Asset Liability Management Committee |

| Type of Risk | Impact Limited to | Mitigated by |
|---------------------------|--|--|
| Legal Risk | <p><i>Arising from Defective Transaction, Civil, criminal or regulatory enforcement against IDCOL, Change in Law, etc.</i></p> <p>LOW</p> | <ul style="list-style-type: none"> - Risk Management Framework - Credit Risk Management Guideline - Capable in-house legal team - External Legal Counsel |
| Environmental Risk | <p><i>Financial loss associated with environmental issues.</i></p> <p>LOW</p> | <ul style="list-style-type: none"> - Standards and guidelines - Developed Frameworks - Additional Due Diligence - In house environmental specialist |

The major risk arising from the business of IDCOL is Credit Risk, hence the impact is categorized as high. However, enhanced risk management framework embedded at the enterprise level enables the identification, measurement and mitigation of the same in a prudent manner resulting in the steady growth of IDCOL assets. The decreasing trend of the Non-performing loan at IDCOL is a clear indication of the claims set forth. Additionally, all operations give way to operational risks. Management of the same is crucial for sustainable business growth. At IDCOL, the impact of operational risk on overall business is limited to medium category. Proper mitigation techniques, already mentioned above, siphons off the embedded risk and reduces the impact of the same. Having no depository relationship, the originating points of market risk and liquidity risks at IDCOL is limited, hence, the impact is categorized as low. Also,

the developed framework and in house expertise of IDCOL enables the limitation of the risks associated with legal and environment to be categorized as low.

The unceasing efforts of the Risk Management Units enable IDCOL to augment and embed the risk management culture across the institution. All Risk Management Committees and the Senior Management is actively reviewing the Framework, policies and guidelines to aid in adapting to new strategies, which in turns helps to better manage, identify, measure and mitigate risks arising from the activities of the institution.

Sd/-

Mohammed Javed Emran
Chief Risk Officer

Risk Management

Risk Management Report

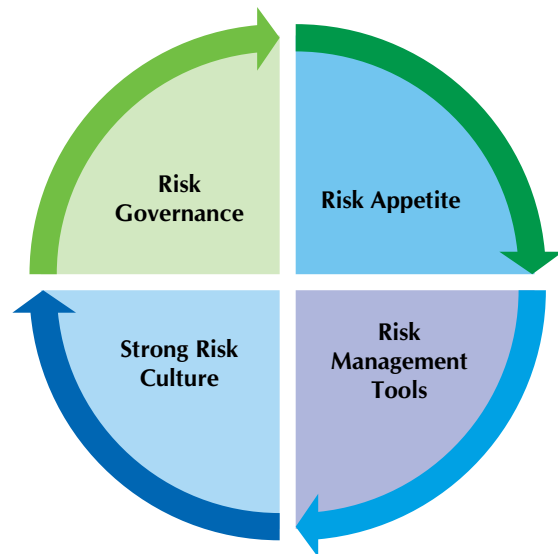
Risk Management at IDCOL is of paramount importance, and hence a strong risk culture is promoted and embedded throughout the organization. The current financial year has seen further maturity of the risk management system with additional focus on ensuring the effectiveness of mitigation to manage key business area risks in addition to regular testing of key financial controls occurring across IDCOL's business.

Cohesion between all risk & control functions (Risk, Financial Control and Compliance) continues to be a priority to support an integrated assurance process. IDCOL applies the risk management process which informs the strategic choices made by the authority. This, in turn, aligns the organization's strategic objectives with the application of the risk management process to realize the expected outcomes.



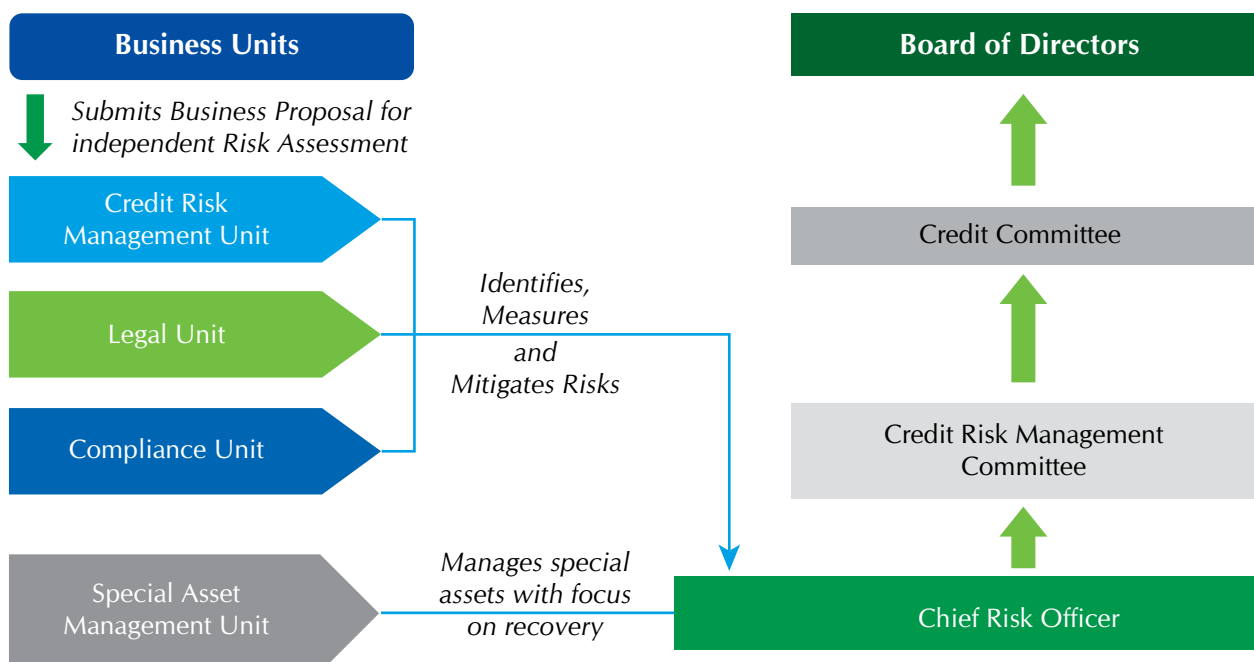
To emboss the risk management culture across the organization and develop a more resilient financial institution, an inclusive and robust Risk Management framework has been established in IDCOL. The Risk Management Framework is based on the following:

In congruence with the mission statement of IDCOL, the framework is equipped with strong governance policy. Which is congregated to clearly set out boundaries, limiting the growth to obtain sustainability in a prudent manner, the risk appetite statement has been developed. With the aid of risk management tools, a strong risk culture is established to ensure that the risk decisions taken are appropriate and efficient and that they are effectively controlled within the established risk appetite. The Framework is forward-looking with a view of economic, business and credit conditions enabling IDCOL to proactively manage the portfolio.



Risk Management Framework

Risk Governance



The Risk Governance structure of IDCOL facilitates risk identification and escalation while providing assurance to the Board along with assigning clear roles and responsibilities and facilitating implementation with guidelines and tools. The embedded risk governance structure of IDCOL ensures detail and in-depth project due diligence addressing associated risks and possible mitigations. Additionally, there is Risk Management Forum and Risk Management Committee in place to review the strategic decision made from time to time.

Major risks originate from the core business of IDCOL, i.e lending. The corporate functions of IDCOL incur and own the risk, whereas the Risk Management Units, provides an independent risk assessment, of each business proposal in guidance of the Risk Management Framework. Upon completion of the assessment the proposal is submitted to the Chief Risk Officer, which is forwarded to the Credit Risk Management Committee. A separate Credit Risk Management Committee has been developed consisting of the top-level management, 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.

The competent Board of Directors has the ultimate authority to approve or decline any credit proposal and to delegate authority to the management.

Risk Appetite

The ever-changing markets of Bangladesh entails a wide yet defined array of sectors where the financing will be both profitable and sustainable. To enhance

goal congruency of the institution, it is essential for the risk appetite to be designed in a prudent manner to maximize risk-adjusted returns. IDCOL is, and intends to remain, a successful, sustainable institution by implementing the key directions of its strategic plan. IDCOL is committed to intelligent risk-taking, whereby the risks will be identified, assessed and managed within a risk management framework ensuring that risks are understood and managed effectively in order to achieve the desired goals. The risk boundaries are clearly defined along with the lending windows and terms to be offered at par with market standards keeping the competitive business edge integral. Developed as per Bangladesh Bank’s Guideline, the lending policy of IDCOL is revised from time to time.

IDCOL’s risk appetite framework is composed of the qualitative and quantitative terms required for the organization to achieve its strategic and financial objective. A well-articulated risk appetite is essential for any financial institution as it generates value for its stakeholders through rewards received against calculative risk-taking. The lending policy of IDCOL acts as a guide in determining the amount and types of risks the organization is willing to prudently undertake.

The risk management process in IDCOL comprises the arrangement of resources to ensure the achievement of strategy and business plans, including the optimum usage of available opportunities that meet the risk appetite criteria set by the Board. The risk appetite of IDCOL enables the financing, in a calculative manner, in the following sectors:

| Sector | Product | Area |
|----------------|--|--|
| Infrastructure | <ul style="list-style-type: none"> Long-term local and foreign currency loans Short-term local currency loans Debt and equity arrangement | <ul style="list-style-type: none"> Power Telecommunications Information & Communication Technology Ports Social Infrastructure Gas and Gas related Infrastructure Water Supply and Sewage Toll Roads and Bridges Shipyards and Shipbuilding Hotel and Tourism Mass Transportation Systems Infrastructure Backward Linkage Industry |

Risk Management

| Sector | Product | Area |
|--------------------------|--|--|
| Renewable Energy | <ul style="list-style-type: none"> Concessionary financing and grant supports Technical assistance and quality assurance Capacity development of stakeholders Arranger of Carbon Credits | <ul style="list-style-type: none"> Solar Home System Biogas Improved Cook Stoves Grid Tied Solar Plant Solar Mini-grid Solar Irrigation Solar Roof-top Other Renewable Energy Programs/ Projects |
| Energy Efficiency | <ul style="list-style-type: none"> Concessionary/market-based financing Capacity development | <ul style="list-style-type: none"> Brick kiln Energy Efficient Boiler and Industrial Machines Green Building Other Energy Efficiency Components |
| Advisory Services | <ul style="list-style-type: none"> Corporate advisory services Training on Project Finance & Financial Modeling Training and Capacity Building on Renewable Energy | <ul style="list-style-type: none"> Project Advisory Financial Advisory Government Advisory Climate Consulting Transaction Advisory Capacity Building |

In addition to defining products and sectors, group exposure limit and sector-specific exposure limit has also been devised to reduce concentration risk. Sector-specific limits enable IDCOL to diversify its portfolio in a balanced manner to set off industries with high inherited risks with industries with lower risk profiles. The Risk-based grading system enables IDCOL to quantify the risks assumed in every business generation and mitigate the same using in-depth risk-based pricing mechanism.

Risk Management Tools

IDCOL continues to remain proactive and prudent with regards to its risk management tools and is in the continuous development of the same to augment and enrich the risk management culture at the enterprise level. Risk Management tools support the entire risk management process by enabling IDCOL to address, identify, prioritize and respond to uncertainties by generating metrics and tracking risks. A well-defined and clearly identified set of tools are inevitable to maximize risk-adjusted returns.

As part of a strong risk culture, IDCOL is relentlessly in the process of developing and adopting new tools to better integrate the resources to obtain maximized returns. The tools are reviewed regularly and updated



constantly to ensure consistency with the risk appetite and compliment the goal of IDCOL.

At IDCOL, identification, measurement and mitigation of all core risks are set forth by different guidelines, developed from time to time. In order to strengthen the robust risk management culture, a well-defined

set of standards and processes has been developed to maximize risk-adjusted return while reaching an optimal risk adherence. Every process in IDCOL is backed by manuals and SOPs designed specifically to reduce redundancy and siphon any opportunity that gives way to operational risks.

There are multiple processes in place to reduce risks arising from the day to day activities of the institution. IDCOL has developed streamlined processes with a sophisticated and comprehensive solution that delivers transparency and efficiency by integrating across the systems and has automated processes to save time. Every function of the institution is guided by guidelines, standards and processes. Additionally, to assess the cohesion of the asset portfolio and as part of the requirement from the central bank, IDCOL also undertakes stress tests to fend scenario analysis of the portfolio in the adverse situation of the economy or company from the external market or natural forces.

All units under the umbrella of the risk and special asset management units are responsible for the monitoring and reporting of risks originating at different points

in a business transaction. The reports along with the observations are discussed in different forums and the Audit Committee.

Strong Risk Culture

In order to design an efficient risk management system, the processes used to control the IDCOL's risks are interconnected in a holistic system. The system integrates the main roles and responsibilities of the internal control system of the company in a consistent process and helps to demonstrate effective coordination and communication in the area of risk management.

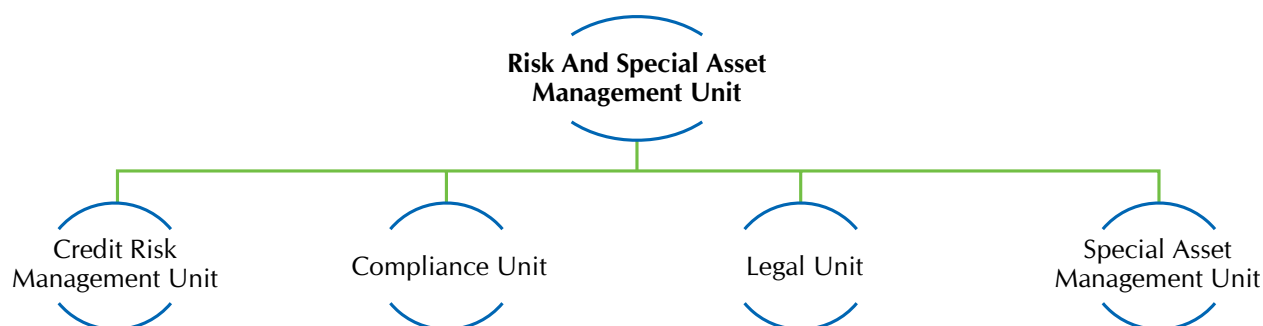
To embed the risk management culture and elevate the Risk Management Framework across IDCOL, the roles and responsibilities for risk management are defined under a three-line defense umbrella. Each line of defense has a set-out process and responsibilities for better risk management. The set-out responsibilities enhance the reporting and mitigation of material risk at the enterprise level.

| Line | Area | Key Responsibility |
|----------------------|--|---|
| 1 st Line | <i>The business units of IDCOL engaged in booking business for IDCOL that owns and manage risks</i> | <ul style="list-style-type: none"> Conduct due diligence as per IDCOL guideline and requirement Propose business in accordance with the Risk Appetite Ensure project and sponsors meet criteria set forth by the 2nd line of defense |
| 2 nd Line | <i>The units directly involved in Risk Management, independent of the first line.</i> | <ul style="list-style-type: none"> Identify, monitor and mitigate risk issues as guided by Risk Management Guidelines and Policies to provide independent risk assessment. Oversee and Challenge first-line defense mechanism and review of projects and sponsors Propose risk appetite in regular intervals to promote the health of IDCOL loan portfolio Set risk data reporting requirements and develop a criterion for the third-party service provider. Monitor the status of project implementation to identify any risks arising from project implementation Monitor the projects operating to foresee any material risk. |
| 3 rd Line | <i>Independent assessment by the Internal Audit Function to review and assure the directives provided by guidelines to the first and second line of defense.</i> | <ul style="list-style-type: none"> Assess independently the adequacy of the process developed by the first and second line of defense. Ensure that all line of defense are following the established risk management process. |

To ensure a proactive risk management environment and to embed risk management at the enterprise level, the Risk and special Asset Management Unit has been segregated into four separate units. Each unit

is assigned with different segments of the framework to assure the effective and efficient identification, measurement and mitigation of risks.

Risk Management



Credit Risk Management Unit

The Credit Risk Management Unit is independent of the Business Unit. It is a separate unit, headed by the Unit Head, CRM, and is primarily responsible for the assessment of Credit Risks along with all other risks which arise from the business of IDCOL. The credit assessment in IDCOL has been developed to better identify, measure and mitigate financial and non-financial risk. With the aid of the robust framework, the policies, procedures, guidelines and processes established at IDCOL addresses numerous issues starting from credit risk to environmental risk. The responsibility is clearly segregated between the origination of business, assessment, approval, documentation, disbursement and recovery to ensure better risk management, internal control, transparency and accountability. Credit Risk Management at IDCOL, has siphoned the broader challenge into components to better measure and assess the risks and to provide adequate mitigations measures.

Compliance Unit

Compliance unit works as a bridge between the central bank of Bangladesh and IDCOL as it rides all the directives and updates of the central bank towards the organization. Compliance team ensures full compliance of the policies and guidelines set forth by Bangladesh Bank. This unit works for proper implementation of all the directives of Bangladesh Bank to the day to day activities through compliance with internal guidelines of IDCOL.

Additionally, compliance unit also ensures timely submission of required monthly, quarterly and annual report to the regulatory body. Additionally, compliance unit addresses and satisfies queries raised by the central bank.

Legal Unit

To attain a comprehensive risk management approach, a separate legal unit has been developed at IDCOL. The legal risk for a business may be defined as failing to: operate within the law, be aware of its legal obligations, honor contractual commitments, agree on remedies for compensation with a supplier in the event of default, show evidence that it has operated within the law, or recognize and effectively manage legal threats. The growing portfolio of IDCOL

requires constant legal assistance and services. Furthermore, a rich panel of external legal counsels consisting of renowned law firms also ensures proper risk resilience from all aspects. The external counsels provide various legal services in relation to the individual programs and projects that are being financed by IDCOL.

The in house legal team ensures uninterrupted Risk Management through their diversified assistance to the other units. Overall, in broader gauge, the core responsibilities of the legal team may be tapped to assisting in financing, operation and monitoring and litigation.

Special Asset Management Unit

As part of a strong risk culture, a specialized unit has been devised to better address loans that have not been repaid in a defined timeline by the central bank. The core task of the special asset management unit is to follow up and take necessary measures as deemed suitable by the management from time to time to recover assets that have been marked as special. Even though the non-performing loans at IDCOL is controlled to a greater extent, some contracts, due to market forces fail to comply with repayment and is hence classified. Categorization of the non-performing loans (NPL) is done following the regulations set forth by the central bank. Litigation is the eventual process that the unit follows to recover the assets that have been classified. The Special Asset Management (SAM) Unit, formed in 2017 is solely responsible for the collection, maintenance and reporting of the loans that are classified and non-performing in nature.

For better management of classified liabilities, SAM unit is continuously adopting advanced & specialized tools and mechanisms. A recovery strategy is also devised from time to time to guide the process of recovery. SAM also processes all the related issues like negotiations for settlement outside of Court, Written-off and Rescheduling for better result of reducing the NPL.

Overall, efficient risk management has enabled to ensure stable growth of IDCOL. From pre-approval stage to the disbursement of each tranche of the fund, the vital input of all units reinforces the risk management framework embedded at IDCOL.

Capital Adequacy and Market Discipline (CAMD)

1. Scope of Application:

| Qualitative Disclosures | |
|---|--|
| a) The name of the entity to which this guidelines applies | Infrastructure Development Company Limited (IDCOL) |
| b) b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group: (i) that are fully consolidated (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk - weighted) | IDCOL has no subsidiary companies. |
| c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group | Not applicable for IDCOL |
| d) The aggregate amount of capital deficiencies in all subsidiaries not included in the consolidation that are deducted and the name(s) of such subsidiaries. | Not applicable for IDCOL |

2. Capital Structure:

| Qualitative Disclosures | |
|--|--|
| Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or Tier 2. | Tier 1 capital consists of Paid up capital, Non-repayable share premium account, Statutory reserve, General reserve, Retained earnings, Minority interest in subsidiaries, Non-cumulative irredeemable preference shares, Dividend equalization account. |
| | Tier 2 capital consists of General Provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk, 50% Revaluation Reserve for Fixed Assets, 45% Revaluation Reserve for Securities and All Other Preference Shares. |
| | The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions: |
| | a) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital. b) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital. |

| Quantitative Disclosures | |
|---|--------------|
| Amount in Crore (BDT) | |
| Particulars | Consolidated |
| 1. Tier-1 (Core Capital) | |
| Paid-up Capital | 650.00 |
| Statutory Reserve | 0.00 |
| Non-repayable Share premium account | 0.00 |
| General Reserve | 0.00 |
| Retained Earnings | 185.28 |
| Minority interest in Subsidiaries | 0.00 |
| Non-cumulative irredeemable preference shares | 0.00 |

Risk Management

| Particulars | Consolidated |
|---|---------------|
| Dividend Equalization Account | 0.00 |
| Total Eligible Tier-1 Capital | 835.28 |
| 2 .Tier-2 (Supplementary Capital) | |
| General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure) | 69.27 |
| Assets Revaluation Reserves up to 50% | 0.00 |
| Revaluation Reserves for Securities up to 45% | 0.00 |
| Revaluation reserve for Equity Instruments up to 10% | 0.00 |
| All other preference shares | 0.00 |
| Total Eligible Tier-2 Capital | 69.27 |
| 3. Other Applicable Deductions from Capital | 0.00 |
| 4. Total Eligible Capital | 904.55 |

3. Capital Adequacy:

| Qualitative Disclosures | |
|---|---|
| A summary discussion of the FI's approach to assess the adequacy of its capital | Minimum capital requirements <p>Under the section 6 of FI Act 1993 Bangladesh Bank shall prescribe the minimum capital of every financial institution. And as per the Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (DFIM Circular No. 14/2011) that has come into force from January 01, 2012; FIs are required to maintain a CAR of minimum 10%.</p> <p>To be noted that IDCOL being a state-owned development financial organization has a goal to ensure economic prosperity through sustainable and environment friendly investments in the infrastructure and renewable energy sectors of Bangladesh. And to achieve the development objective of the Government, IDCOL is exempted from several sections of FI Act 1993; i.e. minimum capital requirement for FIs (section 6). Nevertheless IDCOL currently maintains the minimum capital prescribed under section 6 sub-section (1) and DFIM Circular No. 14/2011.</p> |
| | Capital calculation approach <p>With regard to regulatory capital computation approaches (Minimum Capital Requirement) the FI is following the prescribed approach of Bangladesh Bank. Below are risk wise capital computation approaches that IDCOL is currently applying:</p> <ol style="list-style-type: none"> 1. Credit Risk - Standardized Approach (SA) 2. Market Risk - Standardized Approach (SA) 3. Operational Risk - Basic Indicator Approach (BIA) |
| | Capital of the FI <p>Nevertheless IDCOL is exempted from the minimum capital requirement of Bangladesh Bank, in parallel to business growth, IDCOL has so far managed to maintain its capital more than the prescribed minimum capital requirement of Bangladesh Bank.</p> |

| | |
|--|---|
| | <p>Below are few highlights:</p> <ul style="list-style-type: none"> - Currently Bangladesh Bank prescribed Minimum Capital Adequacy Ratio (MCR) is 10%, whereas as on December 2019 the CAR of the FI was 11.06% - During the same period Minimum Capital Requirement (MCR) of the FI was BDT 835.11 crore and eligible capital was BDT 904.55 crore; i.e. the FI hold BDT 86.38 crore surplus capital. |
|--|---|

Quantitative Disclosures

Amount in Crore (BDT)

| Risk Category | Consolidated |
|--|-----------------|
| Details of Risk Weighted Assets (RWA) | |
| Credit Risk | |
| On-Balance sheet | 5,284.57 |
| Off-Balance sheet | 0.00 |
| Total Credit Risk | 5,284.57 |
| Market Risk | 2,358.53 |
| Operational Risk | 538.52 |
| Total RWA | 8,181.63 |
| Detail of Risk Wise Minimum Capital Requirement (MCR) | |
| Credit Risk | |
| On- Balance sheet | 528.46 |
| Off-Balance sheet | 0.00 |
| Total Credit Risk | 528.46 |
| Market Risk | 235.85 |
| Operational Risk | 53.85 |
| Total Minimum Capital Requirement | 818.16 |
| Total Maintained Capital | 904.55 |
| Total Capital Surplus | 86.38 |
| Detail of Tier wise Capital of the FI | |
| Tier-1 Capital | 835.28 |
| Tier-2 Capital | 69.27 |
| Total Capital | 904.55 |
| CAR on Total Capital basis (%) [Total capital/RWA] | 11.06% |
| CAR on Tier 1 Capital basis (%) [Tier 1 capital/ RWA] | 10.00% |

Sustainability Report



As the market leader in private sector energy and infrastructure financing in Bangladesh, IDCOL has responsibility to its stakeholders as well as to the communities in which it works and lives. Our commitment is built on a deeply entrenched sense of social responsibility among our stakeholders, employees, customers alike and that we grow stronger by serving the communities, improving business practices and individual lives around us.

IDCOL aims to follow the G4 guidelines with an effort to measure, disclose and be accountable to internal and external stakeholders in terms of governance, economic, environmental and social aspects including both positive and negative contribution.

Sustainability report intends to touch upon all significant environmental, economic and social impacts resulting from IDCOL's activities in the financial year 2019.

Organizational Profile

Infrastructure Development Company Limited (IDCOL) was established on 14 May 1997 by the Government of Bangladesh. The Company was licensed by the Bangladesh Bank as a non-bank financial institution (NBFI) on 5 January 1998. Since its inception, IDCOL is playing a major role in bridging the financing gap for developing medium

to large-scale infrastructure and renewable energy projects in Bangladesh.

IDCOL has a small and multi-skilled workforce comprising financial and market analysts, engineers, lawyers, IT experts, accountants and environmental and social safeguard specialists.

Stakeholder Engagement

IDCOL's stakeholders include the government, private sector, NGOs, multilateral and bilateral institutions, academics and the people of Bangladesh at large.

Report Profile

This report has considered the performances of the organization for the calendar year 2019. The previous report was published on 28th April 2019. Any query about this report may be addressed through the organization's main email address (contact@idcol.org).

Governance

IDCOL is managed by an eight-member independent Board of Directors comprising four senior government officials, three representatives from the private sector and a full-time Executive Director and Chief Executive Officer.

Environmental and Social Compliance

Compliance of Environmental and Social Safeguards at IDCOL Funded Renewable Energy Projects

From the beginning IDCOL is committed to ensure sustainable infrastructure projects financing. While adopting the Environmental Compliance Manual in 2000, it has appeared as a mentor to peer financial institutions in financing projects, by ensuring environmental and social compliances. As infrastructure and renewable projects financing involves a project cycle, IDCOL has developed a structured approach as detailed in the following sections.

1. Environmental and Social Safeguards Policy

IDCOL recognizes the significance of environmental, health, safety and social (E&S) safeguards for sustainable infrastructure development. So, it has adopted the following policy:

- Mainstream environmental and social (E&S) considerations in appraising and financing infrastructure projects to avoid/minimize adverse

impacts and risks to the environment and people that may be affected;

- Ensure compliance with all relevant E&S policy and legislative requirements and laws of the lands with which it engages and remain responsive to the E&S requirements of international best practices;
- Avoid/minimize the land acquisition and resettlement through selection of appropriate locations and design of projects;
- Where the land acquisition is unavoidable, compensate replacement value of such acquired land/property will be paid with land having equal value and quality along with other facilities such as housing and basic infrastructure facilities before displacement or replace; and
- Ensure protection of vulnerable groups, such as the economically and socially disadvantaged women and children, physically handicapped and indigenous people such as tribal people/ small ethnic community and take appropriate measures to restore their livelihood as relevant.

Sustainability Report

2. Guidelines

In principle, IDCOL is committed to ensure due compliance as required by the Department of Environment and Bangladesh Bank. In addition, due to keenness on sustainable project financing, it has also adopted requirements and best practices of Development Partners like The World Bank, Asian Development Bank (ADB), JICA, KfW and so on. In this regard, IDCOL has introduced Environmental and Social Safeguards Framework (ESSF) and Environmental and Social Management Framework (ESMF) for infrastructure and renewable energy projects respectively. Recently IDCOL introduced another guideline named 'Environmental and Social

Management System 'ESMS'' to evaluate Solar Roof-Top and Utility-scale Solar Grid Tied projects, against relevant statutory requirements as well as standard best practices.

3. Institutional Arrangement

In ensuring the satisfactory implementation of E&S compliances, IDCOL has adopted active and passive approaches. As an *Active approach*, it has deployed full-time Environmental Specialists in each department. In addition, under *Passive approach*, IDCOL management has ensured a satisfactory orientation on E&S in all tiers of operation and management.

4. Major Environmental & Social Focused Areas

IDCOL primarily focuses on following environmental and social aspects-

| <i>Environmental aspects</i> | <i>Social aspects</i> |
|--|---|
| <ul style="list-style-type: none"> Air pollution Water (surface & ground) contamination Noise generation Disturbance to biodiversity Disturbance to natural drainage Wastage of energy | <ul style="list-style-type: none"> Disturbance to community movement Involuntary resettlement Adverse impact to indigenous community Gender discrimination Child labor exploitation Risk on occupational Health safety Risk on physical cultural resources |

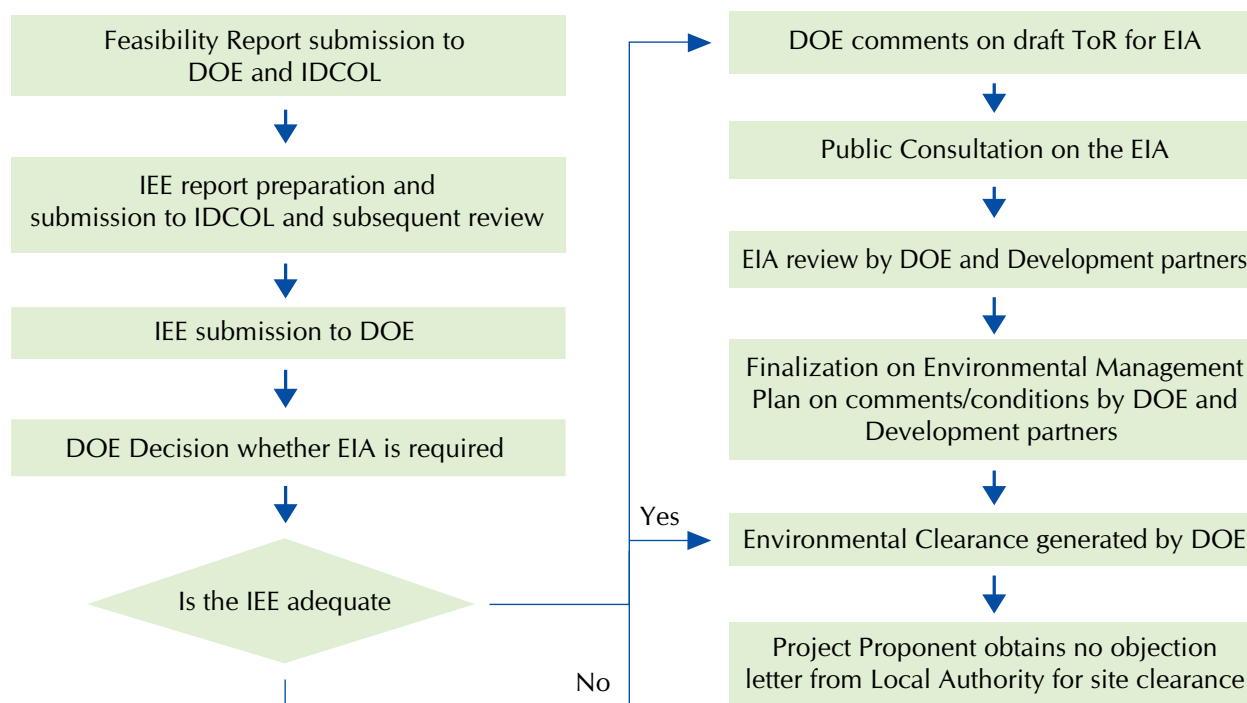
5. Implementation of Environmental and Social Compliance in Renewable Energy Project Cycle

There are primarily four stages in the project cycle. And each stage requires specific attention on E&S issues as has been detailed in following from following Table 1.

| Stage in project cycle | Required compliance practice |
|--|---|
| <i>Kick-off stage</i> | <ul style="list-style-type: none"> Understand the major E&S issues of the proposed project Aware sponsor about the potential E&S issues |
| <i>Project appraisal stage</i> | <ul style="list-style-type: none"> Assess the potential E&S issues in more detail context Prepare ToR of ESA/ESIA Cooperate sponsor in sourcing competent E&S Specialist to prepare ESA/ESIA |
| <i>Board approval and loan disbursement stage</i> | <ul style="list-style-type: none"> The ESA/ESIA is submitted to the Board |
| <i>Repayment stage</i> | <ul style="list-style-type: none"> Based on the scale and intensity of E&S issues, IDCOL official monitors the project and also it requires periodic E&S monitoring report from the sponsor. |


Figure 01 below gives an idea of how the environment and social impact assessments are carried out to address environmental and social compliance issues a project, under an effective environmental clearance for approaches in IDCOL and DOE (Department of Environment).

Figure 01: Environmental clearance approaches in IDCOL and DOE






6. Risks/ Impacts and its Mitigation measures with a focus on Renewable energy projects:

The following major actions have been undertaken under the existing ESMF & ESMS of ongoing projects under IDCOL finance in respect to 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 a 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 must comply with this policy. ✓ IDCOL has introduced the tracking mechanism of proper disposal of expired battery. ✓ IDCOL has deployed 1 solar inspector spreading over in 1 regional office with coverage of the entire country to exclusively monitor the management of expired battery. ✓ Financial incentives for POs and recyclers for recycling the expired battery properly. ✓ IDOCL requires all battery suppliers and expired battery recyclers under SHS program to be ISO 14001:2004 and OHSAS 18001:2007 compliant in addition to the requirements of the DOE. At present, there are 17 battery suppliers and 4 expired battery recyclers, who have complied with these requirements. |  <p>More than 5.2 million Solar Home Systems have been installed all over Bangladesh till February 2020, which replaced around 11 million of kerosene lamps and therefore reducing 1.2 million tons of carbon carbon dioxide (CO₂) per year.</p> |

Sustainability Report

| Impacts | Mitigation Measures taken by IDCOL | IDCOL Achievements |
|--|--|---|
| | <ul style="list-style-type: none"> ✓ 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 the 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 an impact on hydrology. | <ul style="list-style-type: none"> ✓ IDCOL has introduced a special environmental and social screening template, which covers most of the relevant aspects. ✓ IDCOL has emphasized the project to prepare a proper way to pump-up water and using plan reference from experience in the surrounding areas and results of hydrological surveys. ✓ IDCOL has conducted a survey by an expert about water availability in various potential areas. |  <p>1630 solar irrigation pumps have been in approved by the end of December 2019, which replaced 1304 tons of diesel burn shallow pumps; therefore reduces 3443 tons of carbon dioxide (CO₂) each year.</p> |
| <p>Mini-grid Construction and Operational Phase:</p> <ol style="list-style-type: none"> 1. Mini-grid requires a considerable piece of land, there is the scope of disturbance to the site-specific ecosystem in the Project area. 2. Due to the operation of a diesel-fueled back-up generator, there could be temporal noise concern. | <p>To address the possible adverse impacts, IDCOL has made mandatory for the project sponsor to prepare a detailed environmental impact assessment (ESIA). In this regard, IDCOL has introduced a well-structured ToR for ESIA and monitoring of impact mitigation based on Environmental and Social Management Plan (ESMP).</p> <p>Relevant environmental, health and social compliances of at least 2 operational Mini-grid projects.</p> |  <p>26 solar mini-grid (all projects located in an isolated island in Bangladesh) have been approved by IDCOL, 5 MW of electricity will be generated. Under the projects, about 14,445 connections have been made so far of which 73.5% are households and the remaining 26.5% are commercial entities engaged in different income-generating activities and other productive uses. Customer of such categories include shops, workshops (steel, furniture, carpentry), rice mills, sawmills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospital/clinic, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosque, madrasahs, etc.</p> |

| Impacts | Mitigation Measures taken by IDCOL | IDCOL Achievements |
|---|--|--|
| Improved Cook Stoves (ICS) Program | <p>IDCOL has required basic environmental and health compliance of manufacturing, operation and maintenance of ICS.</p> |  <p>2.07 million Improved Cook Stoves (ICS) have been installed as on February 2020, which reduces 2.52 million tons of carbon dioxide (CO₂) by each unit and save 3.18 million tons for fuelwood per year.</p> |
| Gasification of Biomass-Construction and Operational Phase: <ol style="list-style-type: none"> 1. Impact on the 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 the 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 a byproduct.</p> |
| Biogas Power Generation-Operational Phase: <p>Wastewater 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>Eleven (11) biogas-power generation projects have been approved by IDCOL. Approximately 900 kW of electricity and produce tons of organic fertilizer as a byproduct.</p> |

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Utility-Scale Solar grid-tied projects:

Grid-tied solar projects will generate electricity using sunlight during day-time and supply the generated electricity to the national grid, consequently increasing the capacity of the national grid and ensuring demand fulfilment for the subscribers.

IDCOL arranged financial facilities for Sympa Solar Power Ltd for 8 MWp grid-tied solar project at Majhipara, Tetulia, Panchagar. The project went to commercial operation on July 24, 2019. Thus such projects apart from enhancing commercial power generation capacity of the country will also contribute to combating global climate change issues; such as GHG emissions.



Picture: 8 MW Utility Scale Project by Sympa Solar Power Ltd.

Rooftop Solar Projects (RTS)

IDCOL's rooftop solar project financing scheme is designed for all industries and commercial establishments. The basic purpose of this project is to reduce the cost of electricity and gas or diesel burning and the promotion of green energy to reduce

the GHG emissions from the environment. Till date total 25 such projects have been approved with a cumulative capacity of around 29.62 MWp and four (4) projects with capacities of 3.10 MWp are now in operation.



Picture: IDCOL financed 1.1 MWp & 324 KWp Rooftop Solar Project at Far East Spinning Mills Ltd and Megaroom Ltd.



Battery Recycling Facility

Recently IDCOL financed a fully automated and environment-friendly lead-acid battery recycling facility of Panna Battery Ltd. situated at West Rasulpur, Kamrangirchar, Dhaka. The innovative project will stop improper disposal of lead-acid batteries. If lead-acid batteries are not properly disposed, these can contaminate land, water bodies

and groundwater bodies.

The plant will recycle scrap batteries and produce 15,000 MT lead per year. Recycling of batteries will allow in extracting of lead from scrap batteries repeatedly for reusing in new battery production. Thus, the recovery of lead decreases the lead dispersion in the environment and preserves the mineral reserves for the future.



Picture: IDCOL financed Lead-acid battery recycling plant by Panna Battery Ltd.



7. Comprehensive stakeholder consultation:

IDCOL considers stakeholders consultation as an important factor behind successful project financing. So, in all stages of the project cycle, it ensures due consultation. While consultation Indigenous people/ small ethnic community have been given priority. It acknowledges that historical and cultural ties with the land in which they live in carrying significant importance. Indigenous people maintain traditions that have been followed for generations which is an invaluable element of our national culture. IDCOL considers the basic limitations of indigenous communities-threatening culture, located in a remote part of the country and limited access to amenities and livelihoods. So, it tries to ensure that no project as

is funded by IDCOL is going to adversely affect these vulnerable communities even at a moderate level.



Photograph: Consultation with Farmers and local stakeholders for SIP projects

8. Organizational Capacity and Competency:

IDCOL has gained experience in implementing by complying with the safeguards requirement of the Department of Environment (DOE), Bangladesh Bank and all respective development partners. IDCOL has established an independent Environment and Social Safeguards Management Unit (ESSMU) to institutionalize the environmental and social management in its operation.



9. Training and Capacity Building of Stakeholders

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



Pictures: Training program for battery manufacturers and recycling facilities and EHS & Arsenic testing training for Solar Irrigation project.

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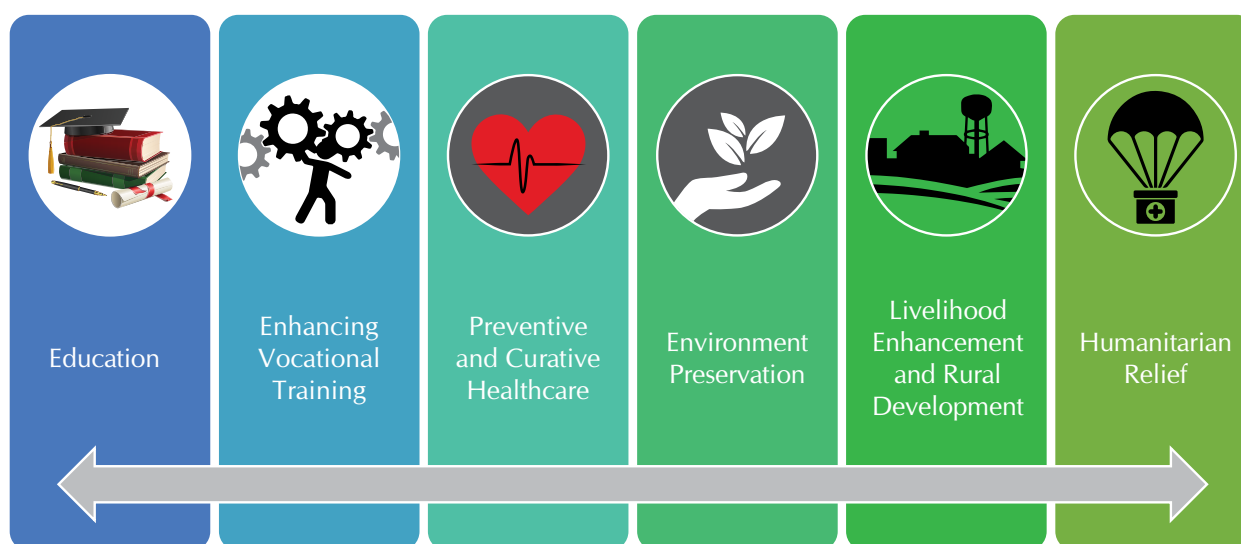
Corporate Social Responsibility

Since its inception, IDCOL has adhered to its social responsibility through making shared value and creating a sustainable impact in the society. As a responsible company, IDCOL believes that a business should use its diverse talent and resources to solve critical problems and serve the deprived people of the society. Over the years, IDCOL has advanced its commitment to better understand our societies

concerns and achieve sustainable business growth. All of these efforts have a dramatic effect on its Corporate Social Responsibility (CSR) philosophy. IDCOL CSR Program, initiated in line with the guidance of Bangladesh Bank, is designed to put focus on different CSR activities and ensure transparency. IDCOL envisions to actively foster this social responsibility culture in the near future.

CSR Focus Areas of IDCOL

The CSR policy focuses on the following areas



Education: IDCOL wishes to contribute towards 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 a 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 the 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 aspires 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 the floating population in urban areas and so forth.

Environment preservation: IDCOL wishes to develop the environment of the country through the preservation of forestry which includes but not limited to awareness program for the mass people about deforestation and its effect, teach people about the 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: IDCOL aims to develop the livelihood of rural people through rural development. These initiatives can be facilitated through the management of natural resources and the creation of sustainable income sources through micro-finance and micro-enterprise

development and strength mechanisms for alternative livelihood.

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

CSR Activity during the Year

To expand and carry out social activities in a focused way, IDCOL has taken the following CSR initiatives in 2019:

Support in Cold Affected Area

To support the cold victims of northern rural people, Infrastructure Development Company Limited (IDCOL) undertook a blanket distribution program at Tetulia Sadar, Trinoyi and Shalbahan Union of Tetulia on 6 January 2020. Over 3,000 blankets were distributed by the team to help the under-privileged that cannot afford blanket or cloth on their bare bodies. A team of volunteers from IDCOL, led by Rasel Ahmed, Manager, IDCOL identified such needy and distributed blankets among them. All of them were happy to receive the blankets and were also excited that now they would be



IDCOL employees handing over reliefs to the cold affected people of Panchagarh district

able to have a sound sleep in cold winter nights.

All the beneficiaries appreciated the efforts undertaken by IDCOL team and thanked IDCOL for their humanitarian act. Local Government officials and other local leaders attended the blankets distribution program. IDCOL as part of its CSR activities every year extends support to the cold and flood victims of Bangladesh.

Support to the Flood Victims

Every year destructive rain and flood made a lot of damage in various areas of Bangladesh. The gale-force water ripped the roofs off of homes, uprooted trees and brought down power lines in many areas.

IDCOL provided 800 portable improved cook stoves to the flood victims of Kajipur Upazilla under Sirajganj district and Dimla Upazilla under Nilphamari district. The portable stove helped the flood-affected people to move and cook easily in their temporary residence. Furthermore it allowed the people to cook with minimum firewood while ensuring less environment pollution.



IDCOL has distributed 800 improved cook stoves among the flood affected people of Kajipur upazilla under Sirajganj district and Dimla upazilla under Nilphamari district.

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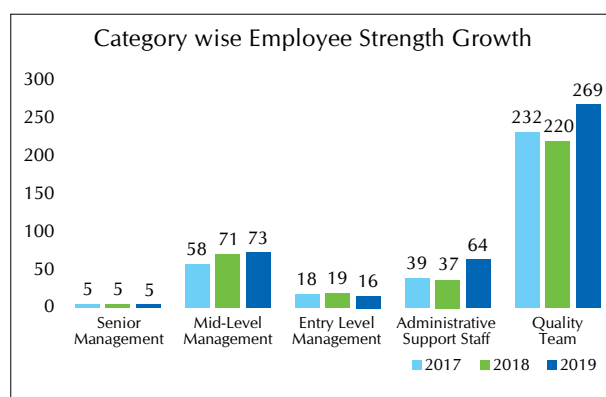
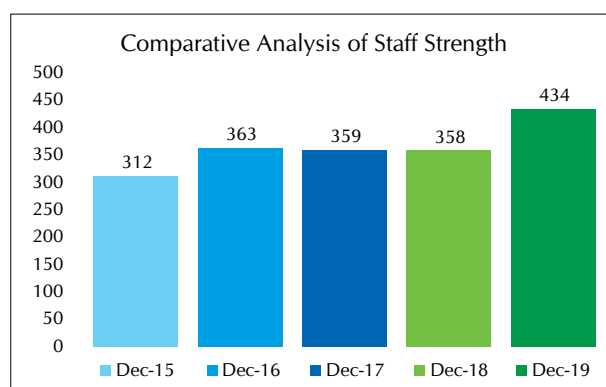
Human Resource Management

Human Capital

We believe our employees are the most important assets and are critical to our success. Our employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate. We have made a commitment to build the healthiest human system in our industry to enable them to thrive. As we work towards this, we are focused on fostering a culture in which our employees feel valued, empowered to share their views, and able to fulfil their potential. Here talent is rewarded, ambition is stoked and pride is earned. The way we stand up for our employees 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 years, with employee numbers increasing from 312 to 434. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.



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 a 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 for 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

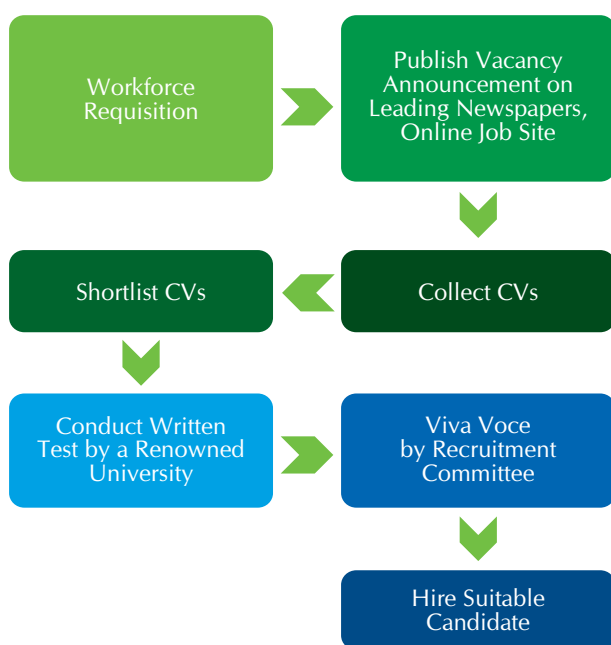
At IDCOL, we work collectively to achieve organizational excellence by collaborating standard people practices. The highlights of our people practices strategy are given below:

1. **A Well-balanced Workplace:** 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.

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 training, local 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 employees.

Formal induction programs are arranged for newly appointed employees. They receive an overview of the company, comprehensive guidance and associated policies, as well as their duties. We strengthen knowledge and skill on the concepts of gender equity, inclusion, equality and mainstreaming and approaches for gender-responsive planning and implementation of the energy program at IDCOL through Self –paced Learning Course on IDCOL Gender Responsiveness. Our in-house trainings are customized training courses that are carefully designed to address the need of the employees. Through the in-house training initiatives, we focus more on soft skill development of the employees. During the year, through e-learning course, all employees started to undertake mandatory training on Anti Money Laundering & Combatting Financing Terrorism.

| Category | No. of Training | No. of Participants |
|----------|-----------------|---------------------|
| In-house | 11 | 172 |
| Local | 09 | 12 |
| Foreign | 43 | 67 |
| Online | 01 | 15 |

Competitive Compensation & Benefit Package

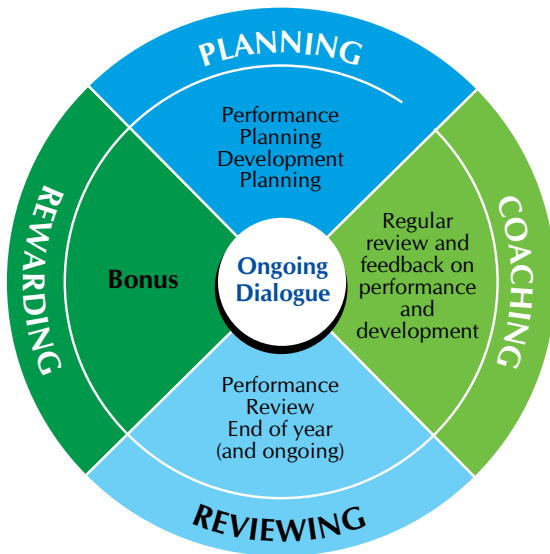
Our total compensation package is one of the key factors to the success of our recruitment and retention activities. We are committed to a compensation framework that is balanced and performance-oriented, and which aligns the interests of both the company and employees. Our compensation framework is designed to attract, motivate and retain the qualified talent to succeed while creating a tangible link between performance and pay. 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. The aim is to provide with compensation & benefit package that is competitive while ensuring that employees focus on delivering outstanding results in line with our business strategy, targets, risk awareness and corporate values.

Performance Review & Reward

Our success depends upon the performance, behavior and commitment of our employees. Our performance review and reward approach is designed in a way that supports the achievement of our strategic objectives by balancing reward programs for sustainable

Sustainability Report

performance. The review and reward strategy for our employees is based on a series of key principles: operate a thorough performance assessment process, focus on the strong link between pay and performance and recognize and reward our employees for outstanding positive behavior.



Performance objectives define what our employees need to achieve, how and when, in line with business and role priorities and are set at the start of the year through dialogue between employees and supervisors. Objectives are then tracked and updated by employees throughout the year as priorities change. This approach involves frequent, holistic and meaningful conversations throughout the year between a manager and employee. The conversations provide an opportunity to discuss progress, provide feedback and recognize behaviors, identify any support that may be needed, and address any issues that could be affecting the employee's sense of well-being.

Best Employee Award



Rewards and recognition are designed to encourage employees whose performance is outstanding either individually who contributes to the overall objectives of the organization. Best Employee Award is being instituted as an initiative intended to foster high-performance culture covering individuals. Some of the criteria like the ability to learn, quality of work, client handling, use of resources, punctuality, negotiating problems, diversity etc.

The following employees were selected as "Best Employees of the Year 2018":

1. Mr. Farhan Reza, Senior Vice President
2. Mr. Mohammed Zahidul Haque, Senior Vice President
3. Mr. A F M Shahed, Vice President
4. Mr. F. M. Anwarul Kabir, Assistant Manager

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.

Vigorous Workplace

At IDCOL we respect the dignity of the individual and right of employees to freedom of association. 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 a work environment that enables us to attract, retain and fully engage diverse talents leads to enhanced innovation and creativity in our services.

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, pohela boishak, pitha utshob, 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.

HR Program Highlights



In-house training on Self-paced Learning Course on IDCOL Gender Responsiveness



In-house training on Self-paced Learning Course on Managerial Effectiveness



Brown Bag Lunch (BBL) event on WePOWER at World Bank Dhaka Office



Birthday Celebration

Sustainability Report



Annual Retreat (RO Staffs) 2019



Annual Retreat (RO Staffs) 2019



Annual Retreat (HO Officials) 2019

Disaster Management

Bangladesh is vulnerable to natural disasters including cyclones, earthquakes, droughts, storm-surge and flooding. It also encounters manmade hazards such as fires and infrastructure collapses. Bangladesh has taken a holistic approach towards disaster management, where the emphasis has been given to working together with all stakeholders to build strategic, scientific and implementation partnerships with all relevant government departments and agencies, and other key non-government players including NGOs, academic and technical institutions, the private sector and donors. Significant progress has been made in terms of reducing the vulnerability of Bangladesh's people, for example through an upgraded early warning system, efficient preparedness and community-based response capacity. Through plans and policies, the government has made progress in preparing for these disasters by gradually shifting their disaster management approach to a comprehensive risk reduction methodology based on common disaster experiences, lessons learned, and the desire to reduce future impacts. The government has restructured and established the Disaster Management Department as the main organ or instrument in the field for implementing and coordinating various forms of disaster management activities. Disaster management committees have been formed and trained at all administrative levels who communicate disaster alerts and evacuation instructions.

IDCOL has taken necessary steps to support damages caused by natural disasters and a separate Disaster Management Fund Account (DMFA) is operated by IDCOL on behalf of all the stakeholders. The DMFA is audited by an external auditor each year and the Audit report is submitted before the Board for consideration.

Disaster Management Process for Projects

- **Infrastructure Projects**

Every infrastructure project has an insurance (including but not limited to machine breakdown, business interruption, third party liability, etc.) for risk mitigation. Depending on project location and its vulnerability due to climate change, necessary civil (consideration includes but not limited to landfilling, highest flood level, embankment and preparation, earthquake zoning) and technical (consideration includes but not limited to proximity to saline water, NFPA compliance, earthing and lightning protection) considerations are taken to mitigate the disaster risks. It is noteworthy to mention that requirement varies depending on the nature of the project.

- **Renewable Energy Projects**

Renewable Energy Projects of IDCOL include solar irrigation, solar mini-grid, biogas-based electricity and biomass-based power generation projects. Stringent measures have been taken in order to protect from natural disasters and disaster management policies have also been taken into consideration to avoid disruptions in operations.

- ◆ While formalizing the technical standards of renewable energy projects the type and frequency of natural calamity is taken into consideration.
- ◆ A contingency money amounting 2% of the project cost is to be set aside at the time of approval from the project fund in order to mitigate any cost overrun during the project lifetime including different types of disasters.
- ◆ IDCOL sponsors insure the capital machinery with insurance coverage on project assets for safeguarding losses from natural calamity

Infrastructure Development Company Limited (IDCOL) has been implementing its Solar Home System Program ("SHS Program") since 2002 and Biogas & Bio-fertilizer Program since 2006 through its Partner Organizations (POs). Up to December 2019, 4,136,372 Solar Home Systems (SHSs) have been installed under the Program and 53,162 biogas plants have been constructed under the program.

In the past, a large number of SHSs and biogas plants had been affected by natural disasters. Some of the SHSs were partly damaged e.g. panel or battery had been damaged and for the biogas plants, inlet had been damaged or crack was identified in the digester. In order to mitigate these recurring problems, a special disaster management fund was created so that IDCOL can support the customers from time to time in case of natural disasters.

The fund is provided in case of damage caused by natural disasters. In addition to the Natural Disaster, the Fund may be availed by the POs for SHS damaged by fire. In such cases, IDCOL will make an individual assessment of the damage caused by fire to the affected SHS customers. However, the Fund will not provide any support for operational damage of any SHS as well as for reconstruction of any biogas plant affected due to construction damage and/or operational damage.

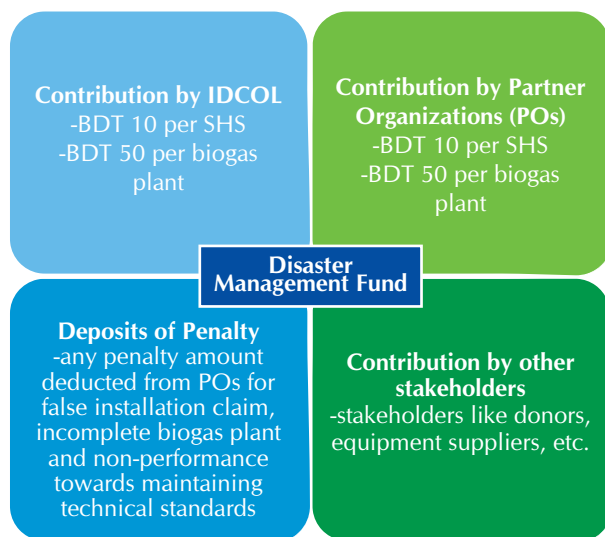
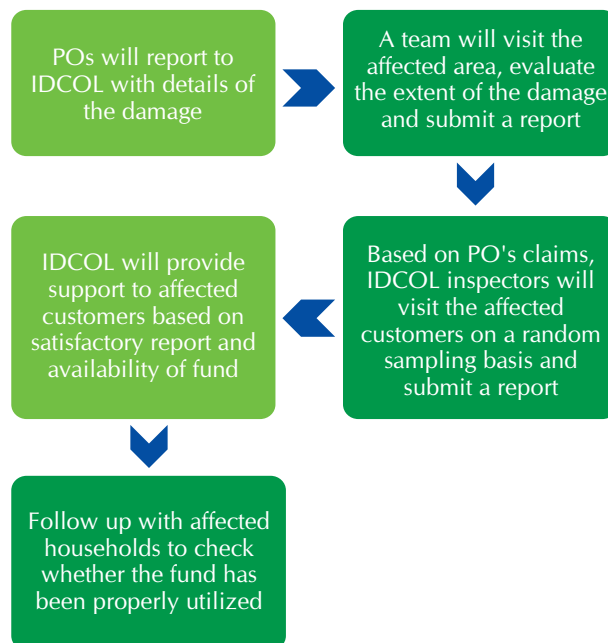


Figure: Sources of Fund

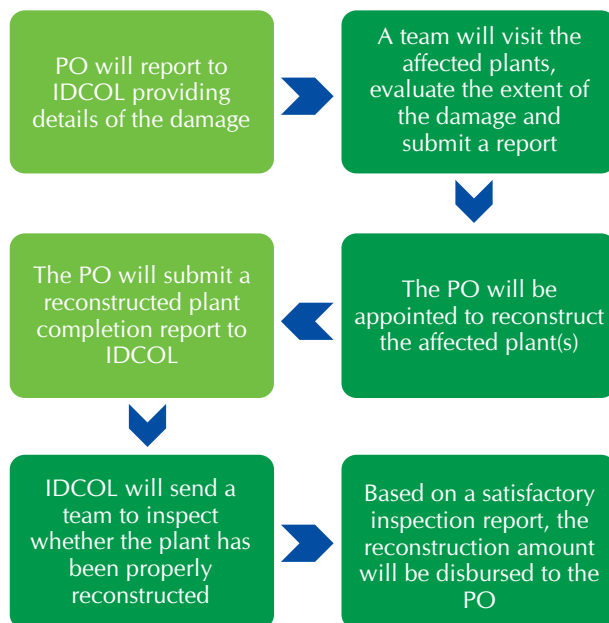
Solar Home System (SHS) Program



Impact Assessment

The impact of Natural Disaster event on the Program will be assessed through the following steps:

Biogas & Bio-fertilizer Program



Disaster Management Process for Management Information System (MIS)

In order to avoid any disruptions in the Management Information System during disasters, it is necessary to have a disaster management process for every company. IDCOL has taken this into consideration

and has a disaster recovery (DR) site located in Dhaka Regional Office which is directly connected to the Head Office through a dark fiber rented from a renowned internet service provider of the country. The DR site has two servers running all important services like those running in a primary site located in IDCOL head office.

Hence in case of any disasters such as fire, earthquake, etc., IDCOL will receive all data from the backup server located in its disaster recovery site. It will be able to access services present in its primary site immediately from its Disaster Recovery Site so as to avoid disruptions in its operations.

Disaster Management Policies for Physical Infrastructure

IDCOL has its office premises insured by the UTC building management authority. Addressable fire alarm systems are installed for the detection of a fire and there are hinges and fire extinguishers for immediate protection. All the vehicles used for the business are entitled to comprehensive insurance.

Hence, IDCOL manages to not only have disaster management policies for natural disasters but also for manmade hazards.

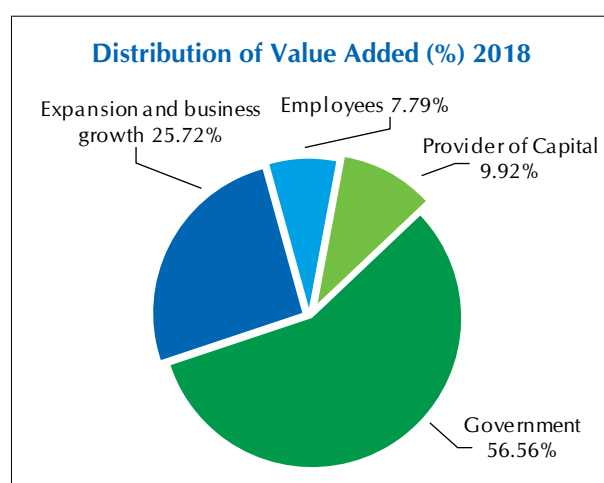
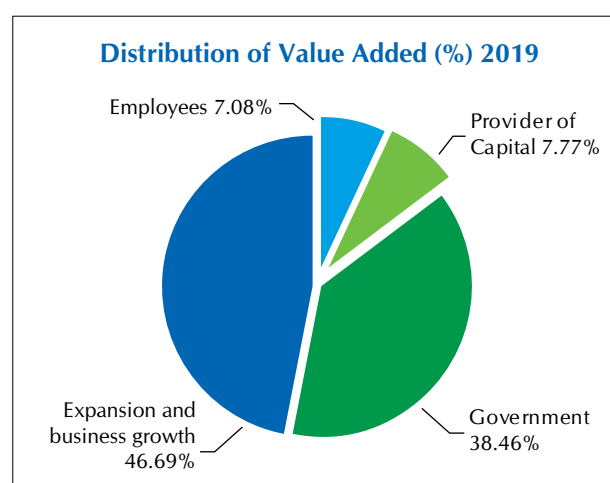
Sustainability Report

Value Added Statement

For the year ended December 31, 2019

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 | 2019 | | 2018 | |
|--|----------------------|-------------|----------------------|-------------|
| | Amount (Taka) | % | Amount (Taka) | % |
| Value added | | | | |
| Net interest income | 3,949,317,450 | 153.48% | 2,626,015,556 | 130.31% |
| Fees earned | 420,972,687 | 16.36% | 381,164,691 | 18.91% |
| Investment income | 3,888,889 | 0.15% | - | 0.00% |
| Other income | 176,414,217 | 6.86% | 146,809,469 | 7.29% |
| Operating expense except salary & allowances, depreciation | (332,938,770) | -12.94% | (135,920,174) | -6.74% |
| Provision for loan, advances & investments | (1,644,507,412) | -63.91% | (1,002,901,160) | -49.77% |
| Total value added by the company | 2,573,147,061 | 100% | 2,015,168,382 | 100% |
| Distribution of Value added | | | | |
| Employees | | | | |
| As salary & allowances | 182,109,637 | 7.08% | 157,055,460 | 7.79% |
| Provider of Capital | | | | |
| Dividend to ordinary shareholders | 200,000,000 | 7.77% | 200,000,000 | 9.92% |
| Dividend to preference shareholders | - | 0.00% | - | 0.00% |
| Government | | | | |
| Income tax | 989,625,362 | 38.46% | 1,139,748,445 | 56.56% |
| Expansion and business growth | | | | |
| Retained earnings | 1,178,495,020 | 45.80% | 503,409,769 | 24.98% |
| Depreciation & amortization | 22,917,042 | 0.89% | 14,954,707 | 0.74% |
| Total distribution | 2,573,147,061 | 100% | 2,015,168,382 | 100% |



Economic Value Added (EVA) Statement

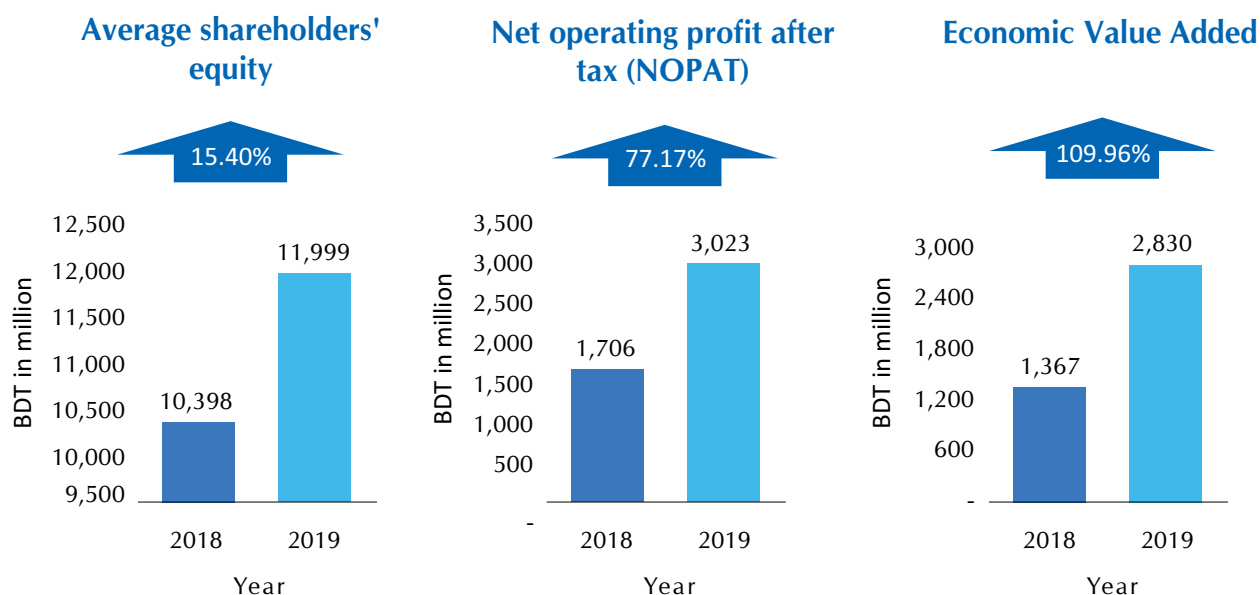
One of the most useful performance measurements to account for the ways in which business value can be added or lost is Economic Value Added or EVA. Another term for this metric is Economic Profit.

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 | |
|---|----------------|----------------|
| | 2019 | 2018 |
| Net operating profit | 4,012,627,794 | 2,846,059,375 |
| Tax expense | 989,625,362 | 1,139,748,445 |
| Net operating profit after tax (NOPAT) | 3,023,002,433 | 1,706,310,930 |
| Charges for capital | | |
| Capital employed | 11,998,631,653 | 10,397,566,766 |
| Average cost of capital (%) | 1.61% | 3.26% |
| Capital Charge | 193,177,970 | 338,960,677 |
| Economic Value Added | 2,829,824,463 | 1,367,350,253 |
| Capital employed as on 31 December | | |
| Shareholder's equity | 8,352,757,945 | 6,801,777,654 |
| Accumulated provision for doubtful accounts and future losses | 4,493,783,130 | 4,348,944,577 |
| Average shareholders' equity | 11,998,631,653 | 10,397,566,766 |



Financial Highlights
& Review

Key Operating and Financial Highlights

| Particulars | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|------------|------------|------------|------------|------------|
| Financial Performance (BDT million): | | | | | |
| Long-term Investment | 500 | - | - | - | - |
| Short term Investment | 12,713 | 17,166 | 26,886 | 27,069 | 24,900 |
| Loan Portfolio | 68,799 | 60,742 | 42,037 | 41,017 | 36,964 |
| Power | 22,759 | 18,477 | 13,767 | 12,320 | 9,282 |
| Ports | 2,597 | 2,592 | 733 | 844 | 95 |
| Telecommunication | 3,100 | 4,102 | 96 | 92 | 490 |
| Renewable Energy | 18,348 | 20,135 | 22,275 | 24,490 | 25,746 |
| Energy Efficiency | 7,886 | 3,506 | - | - | - |
| Others | 14,109 | 11,931 | 5,166 | 3,270 | 1,351 |
| Total assets | 90,876 | 82,293 | 76,636 | 73,025 | 66,980 |
| Total Liabilities | 82,523 | 75,491 | 70,338 | 67,057 | 61,307 |
| Total equity | 8,353 | 6,802 | 6,298 | 5,968 | 5,673 |
| Net current assets | 20,014 | 18,864 | 28,430 | 27,160 | 26,245 |
| Operational Performance (BDT million): | | | | | |
| Total Revenue | 5,378 | 4,921 | 4,730 | 4,509 | 4,324 |
| Operating income | 4,551 | 3,154 | 3,066 | 2,970 | 2,950 |
| Operating expenses | 538 | 308 | 234 | 209 | 200 |
| Financial expenses | 827 | 1,767 | 1,665 | 1,539 | 1,373 |
| Profit before provision & tax | 4,013 | 2,846 | 2,832 | 2,761 | 2,750 |
| Net profit after tax | 1,378 | 703 | 531 | 398 | 1,366 |
| Financial Ratios: | | | | | |
| Debt equity ratio (Times) | 9.09 | 9.93 | 10.09 | 10.35 | 9.86 |
| Debt ratio (%) | 83.57% | 82.10% | 82.94% | 84.62% | 83.48% |
| Current ratio (Times) | 15.19 | 8.59 | 13.36 | 13.97 | 8.44 |
| Return on assets (%) | 1.52% | 0.85% | 0.69% | 0.54% | 2.04% |
| Return on Investment (%) | 1.99% | 1.16% | 1.26% | 0.97% | 3.70% |
| Return on shareholders' equity (%) | 16.50% | 10.34% | 8.43% | 6.67% | 24.08% |
| Profit Margin (%) | 25.63% | 14.29% | 11.22% | 8.82% | 31.60% |
| Opex as % of Operating Income | 11.82% | 9.76% | 7.63% | 7.04% | 6.78% |
| Earnings per share (BDT) | 21.21 | 10.82 | 8.17 | 6.12 | 21.02 |
| % of Classified Loans | 4.54% | 7.15% | 10.91% | 8.70% | 6.22% |
| Equity Statistics: | | | | | |
| Number of shares (No.) | 65,000,000 | 60,000,000 | 55,000,000 | 50,000,000 | 50,000,000 |
| Paid up Capital (BDT million) | 6,500 | 6,000 | 5,500 | 5,000 | 5,000 |
| Shareholders' equity (BDT million) | 8,353 | 6,802 | 6,298 | 5,968 | 5,673 |

Financial Highlights & Review

Horizontal Analysis of IDCOL

Horizontal Analysis For the Last 5 Years Balance Sheet

| Particulars | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|--------------|-------------|--------------|-------------|-------------|
| Property and Assets | | | | | |
| Cash | 4119% | 353% | 2478% | 555% | 100% |
| Cash in Hand | 955% | 726% | 8% | 155% | 100% |
| Balance with Bangladesh Bank | 4119% | 353% | 2479% | 555% | 100% |
| Balance with other banks and Financial Institutions | 70% | 74% | 118% | 110% | 100% |
| Inside Bangladesh | 70% | 74% | 118% | 110% | 100% |
| Outside Bangladesh | - | - | - | - | - |
| Money at call and Short Notice | | | | | |
| Investment | | | | | |
| Government | - | - | - | - | - |
| Others | - | - | - | - | - |
| Loans and advances | 186% | 164% | 114% | 111% | 100% |
| Loans, cash credit, overdraft etc. | 186% | 164% | 114% | 111% | 100% |
| Bill purchased and discounted | - | - | - | - | - |
| Fixed assets including land, Building, Furniture and Fixtures | 207% | 132% | 141% | 107% | 100% |
| Other assets | 47% | 50% | 73% | 73% | 100% |
| Non-banking assets | - | - | - | - | - |
| Total Assets | 136% | 123% | 114% | 109% | 100% |
| Liabilities and Capital | | | | | |
| Liabilities | | | | | |
| Borrowings from Bangladesh Bank, Other Banks and Financial institutions | 136% | 121% | 114% | 111% | 100% |
| Term deposits | - | - | - | - | - |
| Other liabilities | 122% | 147% | 126% | 98% | 100% |
| Total Liabilities | 135% | 123% | 115% | 109% | 100% |
| Shareholders' Equity | | | | | |
| Paid up capital | 130% | 120% | 110% | 100% | 100% |
| Statutory reserve | - | - | - | - | - |
| Retained earnings | 275% | 119% | 119% | 144% | 100% |
| Total Shareholder's Equity | 147% | 120% | 111% | 105% | 100% |
| Total Liabilities and Shareholder's Equity | 136% | 123% | 114% | 109% | 100% |

Horizontal Analysis For the Last 5 Years

Profit and Loss Account

| Particulars | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|-------------|-------------|-------------|-------------|-------------|
| Operating income | | | | | |
| Interest income | 116% | 106% | 105% | 100% | 100% |
| Less: Interest expenses on deposits & borrowings | 60% | 129% | 121% | 112% | 100% |
| Net interest | 143% | 95% | 96% | 94% | 100% |
| Income from investment | - | - | - | - | - |
| Fees, Commission & brokerage | 336% | 304% | 84% | 163% | 100% |
| Other operational income | 252% | 210% | 440% | 255% | 100% |
| Total operating income | 154% | 107% | 104% | 101% | 100% |
| Operating expenses | | | | | |
| Salary and allowances | 258% | 165% | 123% | 115% | 100% |
| Rent, taxes, insurance, electricity etc. | 115% | 126% | 123% | 106% | 100% |
| Legal expenses | 9387% | 5860% | 2425% | 953% | 100% |
| Postage, stamp, telecommunication etc | 89% | 98% | 90% | 73% | 100% |
| Stationary, printing, advertisement | 67% | 74% | 94% | 140% | 100% |
| CEO's salary and fees | 151% | 112% | 118% | 104% | 100% |
| Director's fees | 171% | 145% | 101% | 94% | 100% |
| Audit fees | 48% | 45% | 68% | 67% | 100% |
| Depreciation, repairs and maintenance | 147% | 96% | 104% | 89% | 100% |
| Other expenses | 309% | 149% | 108% | 93% | 100% |
| Charges on loan losses | - | - | - | - | - |
| Total operating expenses | 269% | 154% | 117% | 104% | 100% |
| Profit/(Loss) before provision & Tax | 146% | 103% | 103% | 100% | 100% |
| Provision for loans and advances | 704% | 429% | 537% | 523% | 100% |
| Net profit/(loss) before Tax | 94% | 73% | 63% | 61% | 100% |
| Tax expenses | 86% | 99% | 91% | 99% | 100% |
| Net profit/(loss) after tax | 101% | 51% | 39% | 29% | 100% |
| Earning per share (EPS) | 78% | 40% | 35% | 29% | 100% |

Financial Highlights & Review

Vertical Analysis of IDCOL

Vertical Analysis For the Last 5 Years Balance Sheet

| Particulars | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------|----------------|----------------|----------------|----------------|
| Property and Assets | | | | | |
| Cash | 1.53% | 0.14% | 1.09% | 0.26% | 0.05% |
| Cash in Hand | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Balance with Bangladesh Bank | 1.53% | 0.14% | 1.09% | 0.26% | 0.05% |
| Balance with other banks and Financial Institutions | 20.27% | 23.79% | 40.61% | 39.96% | 39.43% |
| Inside Bangladesh | 20.27% | 23.79% | 40.61% | 39.96% | 39.43% |
| Outside Bangladesh | - | - | - | - | - |
| Money at call and Short Notice | - | - | - | - | - |
| Investment | 0.55% | 0.00% | 0.00% | 0.00% | 0.00% |
| Government | - | - | - | - | - |
| Others | 0.55% | 0.00% | 0.00% | 0.00% | 0.00% |
| Loans and advances | 75.71% | 73.81% | 54.85% | 56.17% | 55.19% |
| Loans, cash credit, overdraft etc. | 75.71% | 73.81% | 54.85% | 56.17% | 55.19% |
| Bill purchased and discounted | - | - | - | - | - |
| Fixed assets including land, Building, Furniture and Fixtures | 0.15% | 0.11% | 0.12% | 0.10% | 0.10% |
| Other assets | 1.80% | 2.14% | 3.33% | 3.52% | 5.24% |
| Non-banking assets | - | - | - | - | - |
| Total Assets | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| Liabilities and Capital | | | | | |
| Liabilities | | | | | |
| Borrowings from Bangladesh Bank, Other Banks and Financial institutions | 83.57% | 82.10% | 82.94% | 84.62% | 83.48% |
| Term deposits | - | - | - | - | - |
| Other liabilities | 7.24% | 9.63% | 8.84% | 7.21% | 8.05% |
| Total Liabilities | 90.81% | 91.73% | 91.78% | 91.83% | 91.53% |
| Shareholders' Equity | | | | | |
| Paid up capital | 7.15% | 7.29% | 7.18% | 6.85% | 7.46% |
| Statutory reserve | - | - | - | - | - |
| Retained earnings | 2.04% | 0.97% | 1.04% | 1.32% | 1.00% |
| Total Shareholder's Equity | 9.19% | 8.27% | 8.22% | 8.17% | 8.47% |
| Total Liabilities and Shareholder's Equity | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

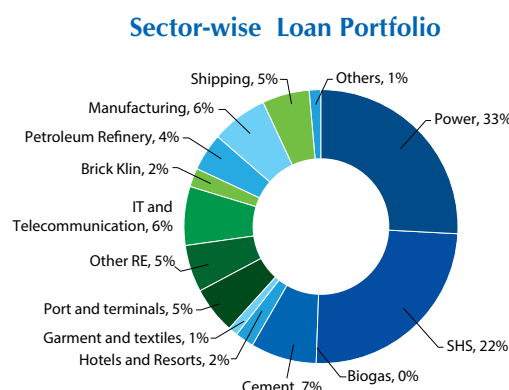
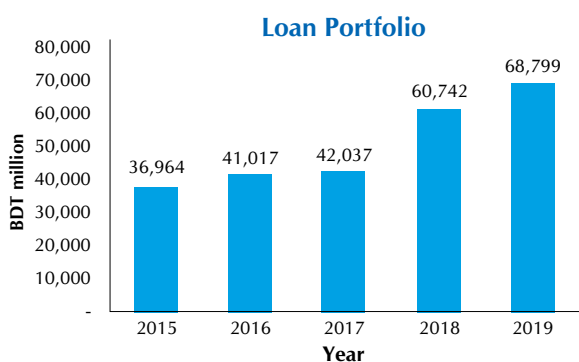
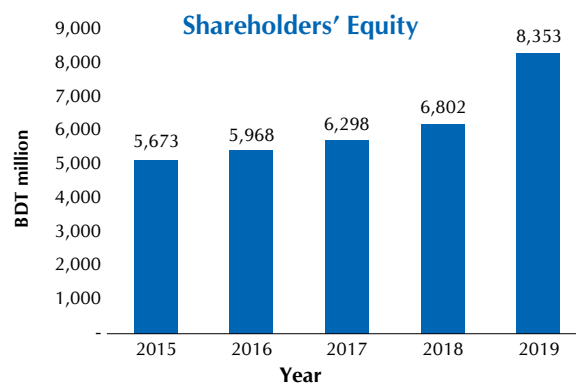
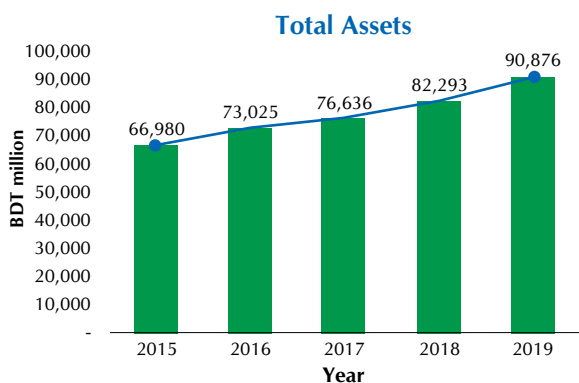
Vertical Analysis For the Last 5 Years Profit and Loss Account

| Particulars | 2019 | 2018 | 2017 | 2016 | 2015 |
|--|---------------|---------------|---------------|---------------|---------------|
| Operating income | | | | | |
| Interest income | 88.82% | 89.27% | 91.26% | 91.52% | 95.48% |
| Less: Interest expenses on deposits & borrowings | 15.38% | 35.90% | 35.19% | 34.13% | 31.76% |
| Net interest | 73.44% | 53.37% | 56.07% | 57.40% | 63.72% |
| Income from investment | 0.07% | 0.00% | 0.00% | 0.00% | 0.00% |
| Fees, Commission & brokerage | 7.83% | 7.75% | 2.23% | 4.52% | 2.90% |
| Other operational income | 3.28% | 2.98% | 6.51% | 3.96% | 1.62% |
| Total operating income | 84.62% | 64.10% | 64.81% | 65.87% | 68.24% |
| Operating expenses | | | | | |
| Salary and allowances | 3.09% | 2.17% | 1.68% | 1.64% | 1.49% |
| Rent, taxes, insurance, electricity etc. | 0.11% | 0.13% | 0.14% | 0.12% | 0.12% |
| Legal expenses | 0.64% | 0.44% | 0.19% | 0.08% | 0.01% |
| Postage, stamp, telecommunication etc | 0.02% | 0.03% | 0.02% | 0.02% | 0.03% |
| Stationary, printing, advertisement | 0.12% | 0.14% | 0.19% | 0.30% | 0.22% |
| CEO's salary and fees | 0.30% | 0.24% | 0.26% | 0.24% | 0.25% |
| Director's fees | 0.04% | 0.04% | 0.03% | 0.03% | 0.03% |
| Audit fees | 0.00% | 0.00% | 0.01% | 0.01% | 0.01% |
| Depreciation, repairs and maintenance | 0.43% | 0.30% | 0.34% | 0.31% | 0.36% |
| Other expenses | 5.25% | 2.76% | 2.09% | 1.89% | 2.11% |
| Charges on loan losses | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Total operating expenses | 10.00% | 6.26% | 4.94% | 4.63% | 4.63% |
| Profit/(Loss) before provision & Tax | 74.62% | 57.84% | 59.87% | 61.24% | 63.61% |
| Provision for loans and advances | 30.58% | 20.38% | 26.53% | 27.09% | 5.41% |
| Net profit/(loss) before Tax | 44.04% | 37.46% | 33.34% | 34.15% | 58.21% |
| Tax expenses | 18.40% | 23.16% | 22.12% | 25.33% | 26.61% |
| Net profit/(loss) after tax | 25.64% | 14.29% | 11.22% | 8.82% | 31.60% |

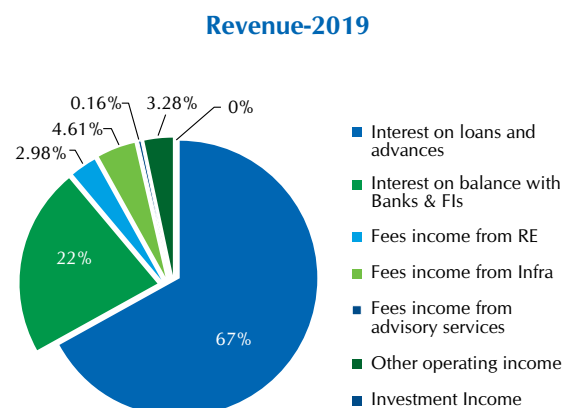
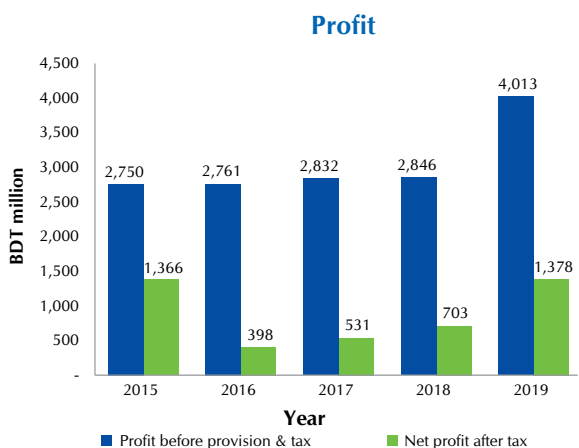
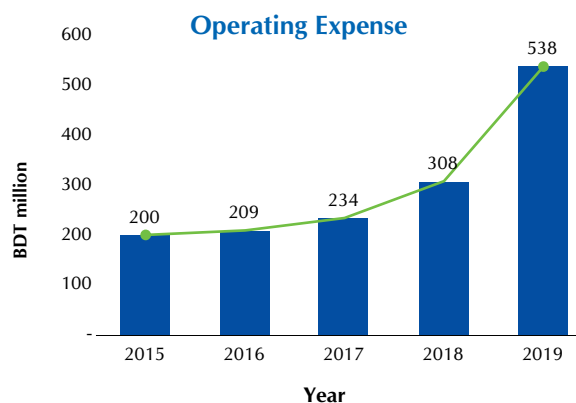
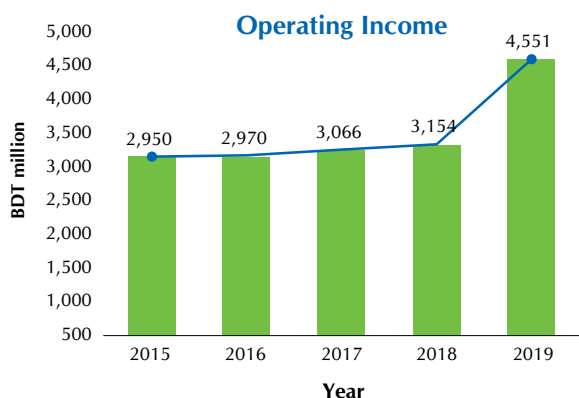
Financial Highlights & Review

Key Financial and Operating Highlights of IDCOL

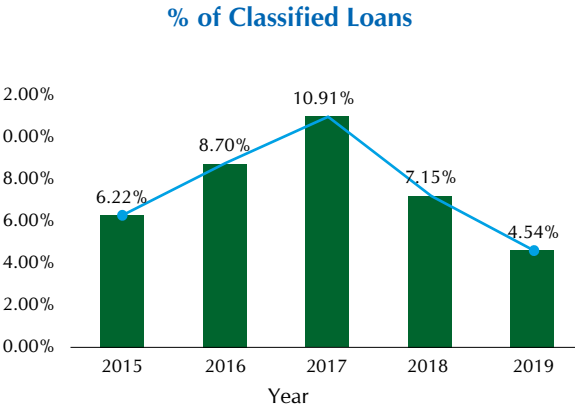
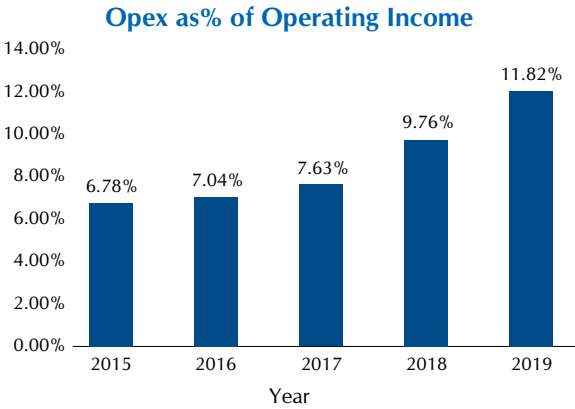
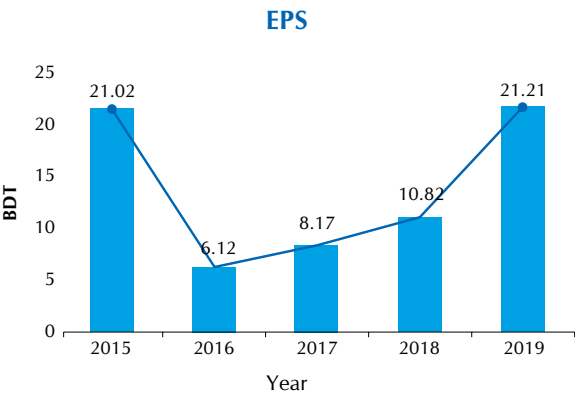
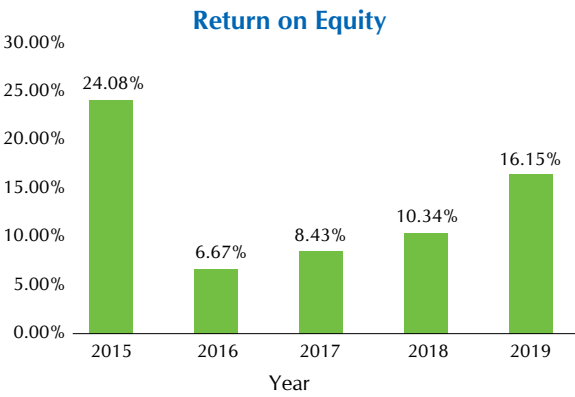
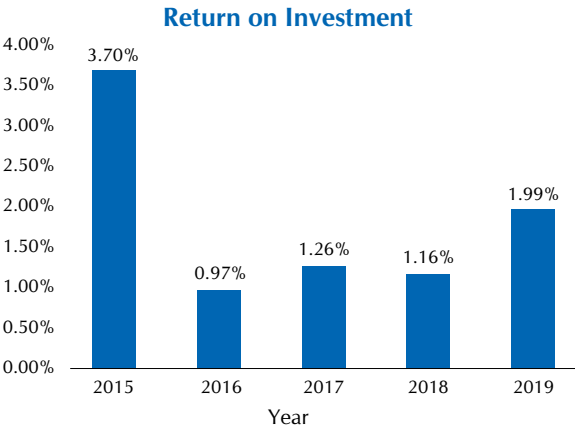
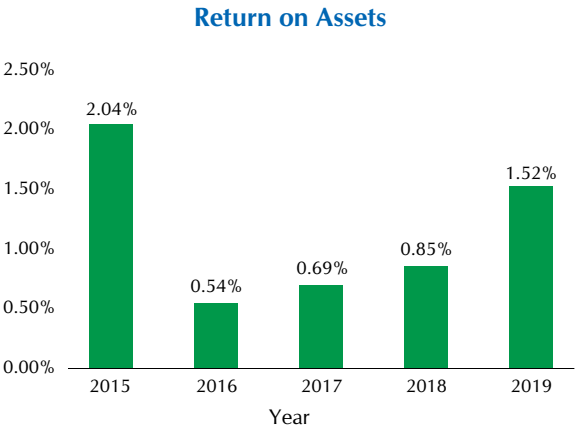
1. Financial Position of the Company:



2. Operating Performance of the Company:



3. Financial Ratios:



Financial Highlights & Review

Financial Review

The company has been able to align its achievements with its targets for the year 2019, as a result of its consistent performance throughout the year. The company yielded a profit of BDT 1,378 million in FY 2019 which was 96% higher than the profit of FY 2018. Detailed financial facts and figures have been explained below:

Operating Performance

BDT in Million

| Particulars | 2019 | 2018 | % Change |
|----------------------------------|-------|-------|----------|
| Net interest income | 3,949 | 2,626 | 50% |
| Non-interest income | 601 | 528 | 14% |
| Revenue | 5,378 | 4,921 | 9% |
| Operating Expense | 538 | 308 | 75% |
| Operating Profit | 4,013 | 2,846 | 41% |
| Provision for loans and advances | 1,645 | 1,003 | 64% |
| Tax expenses | 990 | 1,140 | -13% |
| Net profit/(loss) after tax | 1,378 | 703 | 96% |

Net profit for the year ended 31 December 2019, has been increased by 96% and stood at BDT 1,378 million, as compared to the net profit of BDT 703 million last year. This was due to a decrease in tax expenses and increase in revenue. Operating revenue reported a growth of 9% from FY 2018 to FY 2019. Non-interest income consisting of fees, commission and brokerage, exchange gain, other operating income etc. experienced a growth of 14% from BDT 528 million in FY 2018 to BDT 601 million in FY 2019. Operating expenses rose by 75% from BDT 308 million to BDT 538 million due to increase in human capital, TR/KABITA monitoring expenses, legal expenses in order to keep the business aligned with laws & legislations, etc.

Net-interest income

BDT in Million

| Particulars | 2019 | 2018 | % Change |
|---|--------|--------|----------|
| Interest on loans and advances | 3,612 | 2,768 | 30% |
| Interest on balance with other banks & financial institutes | 1,165 | 1,624 | -28% |
| Total interest income | 4,776 | 4,393 | 9% |
| Interest on deposits and borrowings | 827 | 1,767 | -53% |
| Net interest income | 3,949 | 2,626 | 50% |
| Interest earning assets | 82,012 | 77,908 | 5% |

Interest on loans and advances have shown a significant rise of 30% due to the interest earning assets showing an upward trend from BDT 77,908 million to BDT 82,012 million. Besides, the company's financial expense decreased from BDT 1,767 million to BDT 827 million, resulting the increase of net interest income.

Non-interest income

BDT in Million

| Particulars | 2019 | 2018 | % Change |
|------------------------------|------|------|----------|
| Fees, Commission & Brokerage | 421 | 381 | 10% |
| Investment income | 4 | - | 100% |
| Other operating income | 176 | 147 | 20% |
| Total non-interest income | 601 | 528 | 14% |

Fees, commission & brokerage has been increased by 10% from BDT 381 million in FY 2018 to BDT 421 million in FY 2019. Besides, other operating income has also been increased by 20% from BDT 147 million in FY 2018 to BDT 176 million in FY 2019. In addition, investment income incurred BDT 4 million in FY 2019. Ultimately, total non-interest income has been increased by 14%.

Key ratios

| Particulars | 2019 | 2018 | % Change |
|------------------------------------|-------|-------|----------|
| Return on assets (%) | 1.52 | 0.85 | 79% |
| Return on Investment (%) | 1.99 | 1.16 | 72% |
| Return on shareholders' equity (%) | 16.50 | 10.34 | 60% |
| Profit Margin (%) | 25.63 | 14.29 | 79% |
| Cost to income ratio (%) | 11.82 | 9.76 | 21% |
| Operating profit per share (BDT) | 61.73 | 43.78 | 41% |
| Earnings per share (BDT) | 21.21 | 10.82 | 96% |

Assets

BDT in Million

| Particulars | 2019 | 2018 | % Change |
|---|--------|--------|----------|
| Cash and bank balances | 1,387 | 119 | 1068% |
| Balance with other banks and financial institutions | 18,418 | 19,580 | -6% |
| Investments | 500 | - | 100% |
| Loans and advances | 68,799 | 60,742 | 13% |
| Fixed assets including land, building, furniture and fixtures | 136 | 87 | 57% |
| Other assets | 1,635 | 1,765 | -7% |
| Total Assets | 90,876 | 82,293 | 10% |

Total asset has been increased by 10% from BDT 82,293 million in FY 2018 to BDT 90,876 million in FY 2019. Cash and cash equivalent has been increased by 1068% due to higher balance with Bangladesh Bank in foreign currency. Besides, fixed assets has been increased by 57% and an amount of BDT 500 million has been invested in preferred shares.

Liabilities & Shareholder's equity

BDT in Million

| Particulars | 2019 | 2018 | % Change |
|---|--------|--------|----------|
| Borrowings from other banks and financial institutions and agents | 75,947 | 67,566 | 12% |
| Other liabilities | 6,576 | 7,925 | -17% |
| Total Liabilities | 82,523 | 75,491 | 9% |
| Paid-up Capital | 6,500 | 6,000 | 8% |
| Retained earnings | 1,853 | 802 | 131% |
| Total Capital | 8,353 | 6,802 | 23% |

Total borrowings of the company rose due to increased drawdown from donor funded projects. On the other hand, other liability has been decreased by 17% mainly due to the decrease of payables, provision for loans and advances and provision for income tax. However, paid-up capital of the company has been increased by BDT 500 million (8% higher than the previous FY) and retained earnings has also been increased by BDT 1,853 million (131% higher than the previous FY) causing a total rise of 23% in the company's total capital.

Auditor's Report and Audited Financial Statements



Independent Auditor's Report

To the Shareholders of Infrastructure Development Company Limited

Opinion

We have audited the financial statements of Infrastructure Development Company Limited (the Company), which comprise the statement of financial position as at December 31, 2019, and statements of profit or loss and statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Company give true and fair of the financial position of the Company as at December 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in

Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matters

Without qualifying our opinion, we are drawing attention to the following matters:

1. In note # 2.5 to the financial statements where the Company disclosed the status of compliance with DFIM circular no. 1, dated 03 April 2018 of Bangladesh Bank regarding Fees, Commission and Brokerage income of the Company.
2. In note # 2.23 to the financial statements where the Company disclosed the status of compliance with Financial Reporting Council's notification # 179/FRC/FRN/notification/2020/2 dated 07 July 2020.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

| Risk | Our response to the risk |
|---|---|
| Measurement of provision for loans and advances | |
| <p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual (party-wise) analysis, these provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions.</p> <p>At year end the Company reported total gross loans and advances of BDT 68,798,752,166 (2018: BDT 60,742,046,612) and provision for loans and advances of BDT 4,203,783,130 (2018: BDT 4,348,944,577).</p> <p>We have focused on the following significant judgments and estimates which could give rise to a material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated 03 August 2002, FID circular no. 03, dated 03 May 2006 and FID circular no.03 dated 29 April 2013; | <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process; • Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information; |

Audited Financial Statements

| Risk | Our response to the risk |
|--|---|
| <ul style="list-style-type: none"> For assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; Provision measurement is primarily dependent upon key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates. | <ul style="list-style-type: none"> Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines. |
| See note # 7 and 11 to the financial statements. | |
| Implementation of IFRS 16 Leases | |
| <p>With reference to Note 2.2 to the financial statements, IFRS 16 Leases becomes effective for annual reporting beginning on or after 01 January 2019, which replaces the existing standard IAS 17 Leases. IDCOL decided to adopt the modified retrospective approach for the transition accounting. The application of the new lease standard resulted in the recognition, for the 31 December 2019, of right of use of asset of BDT 22,420,777 and lease liabilities at of BDT 15,830,705.</p> | <p>We obtained an understanding of the management's process for implementing IFRS 16 including financial controls designed by the management to mitigate the risks assessed by us independently. We tested those relevant controls and adopted a control rely strategy. Furthermore, to mitigate the inherent risk in this audit area, our audit approach included testing of the controls and substantive audit procedures, including:</p> <ul style="list-style-type: none"> Obtained and read the accounting policy for compliance with IFRS 16; Obtained listing of all contracts from the management and tested the contracts on a sample basis for impact under IFRS 16. In respect of the contracts selected for testing; <ul style="list-style-type: none"> Obtained and assess the borrowing rates; Tested the assumptions used in the calculation model for the sample contracts selected for testing; Performed test of details on a sample basis of the right of use of asset and lease liability; and Assessed the disclosures within the financial statements. |
| See note # 8.2 and note # 11.5 to the financial statements. | |
| Legal and regulatory matters | |
| <p>We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.</p> <p>These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities.</p> <p>Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the financial position.</p> | <p>We obtained an understanding, evaluated the design, and tested the operational effectiveness of the key controls over the legal provision and contingencies process.</p> <p>We enquired to those charged with governance to obtain their view on the status of all significant litigation and regulatory matters.</p> <p>We also assessed the Company's contingent liabilities disclosure.</p> |

| Risk | Our response to the risk |
|--|---|
| See note # 35 to the financial statements. | |
| Borrowing from other banks and other financial institutions | |
| We focused on this area because the Company receives loans from different donor agencies through GoB to implement infrastructure development projects in Bangladesh. Such an arrangement should be guided by strict internal control. Any Non-compliance of the financing agreements with the donor agencies may create major credit risk for the Company. | <p>In responding to the identified key audit matter, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Checked the drawdowns of borrowings from donor agency's server on a sample basis; • Reviewed the repayments made to the agencies as required on a sample basis; • Recalculated repayment schedule of the loans from donor agencies on a sample basis; and • Reviewed the agreements with the donor agencies and checked whether the Company has complied with the requirements of the agreements on a sample basis. |
| See note # 10 to the financial statements. | |
| Valuation of defined benefits and pension obligation | |
| The Company operates a defined benefit schemes which in total are significant in the context of the overall balance sheet. At year end of the comparative financial statements, the Company reported a net gratuity liability of BDT 52,099,203, which was paid to the gratuity account in the year 2019 along with the gratuity payable amounting to Tk. 25,668,316 for 2019. | <p>We tested the relevant data provided by the Company and recalculated the obligation.</p> <p>We assessed the appropriateness and presentation of disclosures against IAS 19 Employee Benefits.</p> |
| See note # 11.2 and 20 to the financial statements. | |
| Measurement of deferred tax assets | |
| <p>The Company reports net deferred tax assets to totaling BDT 9,242,457 as at 31 December 2019.</p> <p>Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.</p> | <p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p> |
| See note # 9.5 to the financial statements | |

Other Information

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

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained on note # 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

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

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

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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) the statements of financial position and statements of profit or loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns; and
- d) the expenditure incurred was for the purposes of the Company's business for the year;
- e) The financial statements of the Company have been drawn up in conformity with Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank;
- f) adequate provisions have been made for loans, leases, advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- h) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- i) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- j) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- k) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- l) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- m) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- n) We have reviewed over 80% of the risk weighted assets of the Company, and we have spent around 4,400 person hours for the audit of the books and accounts of the Company;
- o) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- p) the Company has complied with the "First Schedule" of the Financial Institutions Act, 1993 in preparing these financial statements; and
- q) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Sd/-

Dated, Dhaka
13 August, 2020

Muhammad Aminul Hoque, FCA
Partner
ACNABIN, Chartered Accountants

Infrastructure Development Company Limited

Balance Sheet

as at December 31, 2019

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|-------|-----------------------------|-----------------------------|
| PROPERTY AND ASSETS | | | |
| Cash | 3 | 1,387,111,697 | 118,733,097 |
| Cash in Hand | | 34,611 | 26,290 |
| Balance with Bangladesh Bank and its agent bank | | 1,387,077,086 | 118,706,807 |
| Balance with other banks and financial institutions | 4 | 18,418,482,656 | 19,580,260,290 |
| In Bangladesh | | 18,418,482,656 | 19,580,260,290 |
| Outside Bangladesh | | - | - |
| Money at call and short notice | 5 | - | - |
| Investments | 6 | 500,000,000 | - |
| Government | | - | - |
| Others | | 500,000,000 | - |
| Loans and advances | | 68,798,752,166 | 60,742,046,612 |
| Loans, cash credit, overdraft etc. | 7 | 68,798,752,166 | 60,742,046,612 |
| Bill purchased and discounted | | - | - |
| Fixed assets including land, building, furniture and fixtures | 8 | 135,945,338 | 86,731,216 |
| Other assets | 9 | 1,635,298,543 | 1,764,757,383 |
| Non-banking assets | | - | - |
| Total assets | | 90,875,590,401 | 82,292,528,597 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities: | | | |
| Borrowings from other banks and financial institutions | 10 | 75,946,873,667 | 67,565,956,984 |
| Deposit and other accounts | | - | - |
| Other liabilities | 11 | 6,575,958,788 | 7,924,793,959 |
| Total liabilities | | 82,522,832,455 | 75,490,750,943 |
| Capital/Shareholders' equity: | | | |
| Paid-up Capital | 12 | 6,500,000,000 | 6,000,000,000 |
| Statutory Reserve | | - | - |
| Retained earnings | 13 | 1,852,757,945 | 801,777,654 |
| Total shareholders' equity | | 8,352,757,945 | 6,801,777,654 |
| Total liabilities and shareholders' equity | | 90,875,590,401 | 82,292,528,597 |

Infrastructure Development Company Limited

Off Balance Sheet Items

as at December 31, 2019

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-----------|-----------------------------|-----------------------------|
| <u>Contingent Liabilities:</u> | | 24,029,147 | 24,029,147 |
| Acceptances and Endorsements | | - | - |
| Letters of Guarantee | | - | - |
| Irrevocable Letters of Credit | | - | - |
| Bills for Collection | | - | - |
| Other Contingent Liabilities | 35 | 24,029,147 | 24,029,147 |
| <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 | | 24,029,147 | 24,029,147 |
| Net Asset Value (NAV) per share | 34 | 128.50 | 104.64 |

The annexed notes 1-37 form an integral part of these statements.

Sd/-
Ms. Fatima Yasmin
Chairman

Sd/-
Dr. Sultan Ahmed
Director

Sd/-
Mr. Abdul Haque
Director

Sd/-
Mr. Mahmood Malik
Executive Director & CEO

Sd/-
Mr. M. Maftun Ahmed
Company Secretary

As per our report of even date.

Dated, Dhaka
13 August, 2020

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Profit and Loss Account

for the year ended December 31, 2019

| | Notes | Amount in Taka Jan-Dec 2019 | Amount in Taka Jan-Dec 2018 |
|---|-------|--------------------------------|--------------------------------|
| Operating income | | | |
| Interest income | 15 | 4,776,333,932 | 4,392,711,545 |
| less: Interest on deposits, borrowings etc | 16 | 827,016,483 | 1,766,695,989 |
| Net interest income | | 3,949,317,450 | 2,626,015,556 |
| Investment income | 17 | 3,888,889 | - |
| Fees, Commission & brokerage | 18 | 420,972,687 | 381,164,691 |
| Other operating income | 19 | 176,414,217 | 146,809,469 |
| Total operating income (A) | | 4,550,593,243 | 3,153,989,716 |
| Operating expenses | | | |
| Salaries and allowances | 20 | 166,023,237 | 145,167,239 |
| Rent, taxes, insurance, electricity etc. | 21 | 6,016,423 | 6,597,233 |
| Legal expenses | 22 | 34,545,716 | 21,563,111 |
| Postage, stamp, telecommunication etc. | 23 | 1,139,017 | 1,255,056 |
| Stationery, printing, advertisement etc. | 24 | 6,460,256 | 7,113,750 |
| Chief Executive's salary and fees | 25 | 16,086,400 | 11,888,221 |
| Directors' fees | 26 | 2,108,306 | 1,788,875 |
| Auditors' fees | 27 | 216,030 | 204,758 |
| Depreciation and repair of Company's assets | 28 | 22,917,042 | 14,954,707 |
| Other operating expenses | 29 | 282,453,022 | 97,397,391 |
| Charges on loan losses | 30 | - | - |
| Total operating expenses (B) | | 537,965,449 | 307,930,341 |
| Profit/(Loss) before provision & Tax (C) = (A - B) | | 4,012,627,794 | 2,846,059,375 |
| Provision for loans and advances/investment | 31 | 1,644,507,412 | 1,002,901,160 |
| Total provision (D) | | 1,644,507,412 | 1,002,901,160 |
| Net profit/(loss) before Tax (E) = (C - D) | | 2,368,120,382 | 1,843,158,215 |
| Tax expenses | 32 | 989,625,362 | 1,139,748,445 |
| Net profit/(loss) after tax | | 1,378,495,020 | 703,409,770 |
| Appropriation: | | | |
| Statutory reserve | | - | - |
| General reserve | | - | - |
| Retained surplus | | 1,378,495,020 | 703,409,770 |
| Earnings Per Share (EPS) | 33 | 21.21 | 10.82 |

The annexed notes 1-37 form an integral part of these financial statements.

Sd/-
Ms. Fatima Yasmin
Chairman

Sd/-
Dr. Sultan Ahmed
Director

Sd/-
Mr. Abdul Haque
Director

Sd/-
Mr. Mahmood Malik
Executive Director & CEO

Sd/-
Mr. M. Maftun Ahmed
Company Secretary

As per our report of even date.

Dated, Dhaka
13 August, 2020

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Cash Flow Statement

for the year ended December 31, 2019

| | Amount in Taka Jan-Dec 2019 | Amount in Taka Jan-Dec 2018 |
|--|--------------------------------|--------------------------------|
| A. Cash flows from operating activities | | |
| Interest received | 5,087,039,913 | 4,754,197,097 |
| Interest paid | (1,361,385,070) | (1,295,524,482) |
| Fees and commission received | 420,972,687 | 381,164,691 |
| Paid to employees and suppliers | (498,797,318) | (292,975,634) |
| Receipts from other operating activities | 18,543,024 | 54,584,911 |
| Cash generated from operating activities before changes in operating assets and liabilities | 3,666,373,236 | 3,601,446,584 |
| (Increase)/decrease in operating assets and liabilities | | |
| Advances, deposits and prepayments | (18,839,743) | 19,715,306 |
| Advances income tax | (1,189,261,866) | (1,199,200,662) |
| Accounts receivables | 448,461,725 | (84,130,972) |
| Advance VAT | - | (9,120,339) |
| Loans and advances | (9,727,880,604) | (18,641,951,069) |
| Interest suspense account | (315,400,761) | 6,046,358 |
| Payables and accrued expenses | (95,041,749) | (57,636,640) |
| Unearned Revenue- Monitoring Fees | 749,011 | (2,754,957) |
| Employees' gratuity fund | (52,099,203) | 27,207,664 |
| | (10,949,313,189) | (19,941,825,311) |
| Net cash flows from operating activities | (7,282,939,953) | (16,340,378,727) |
| B. Cash flows from investing activities | | |
| Acquisition of fixed assets (excluding donor funded assets) | (40,784,126) | (2,319,644) |
| Investment in Pref Share | (500,000,000) | - |
| Disposal of Fixed Assets | 272,000 | 143,920 |
| Net cash flows from investing activities | (540,512,126) | (2,175,724) |
| C. Cash flows from financing activities | | |
| Loan from Government of Bangladesh | 8,380,916,683 | 4,002,170,820 |
| Dividend paid | (600,000,000) | - |
| Net cash flows from financing activities | 7,780,916,683 | 4,002,170,820 |
| D. Net increase in cash and cash equivalents (A + B + C) | (42,535,396) | (12,340,383,630) |
| E. Effects of exchange rate changes on cash and cash equivalents | 149,136,363 | 83,195,077 |
| F. Cash and cash equivalents at the beginning of the year | 19,698,993,387 | 31,956,181,940 |
| G. Cash and cash equivalents at the end of the year (D + E + F) | 19,805,594,353 | 19,698,993,387 |
| Cash and cash equivalents at end of the year | | |
| Cash in hand (including foreign currencies) | 34,611 | 26,290 |
| Money at call and short notice | - | - |
| Balance with Bangladesh Bank and its agent banks | 1,387,077,086 | 118,706,807 |
| Balance with other banks and financial institutions | 18,418,482,656 | 19,580,260,290 |
| | 19,805,594,353 | 19,698,993,387 |

| | | | | |
|--|---|--|--|---|
| Sd/- Ms. Fatima Yasmin Chairman | Sd/- Dr. Sultan Ahmed Director | Sd/- Mr. Abdul Haque Director | Sd/- Mr. Mahmood Malik Executive Director & CEO | Sd/- Mr. M. Maftun Ahmed Company Secretary |
|--|---|--|--|---|

As per our report of even date.

Dated, Dhaka
13 August, 2020

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Statement of Changes in Equity

for the year ended December 31, 2019

Amount in Taka

| Particulars | Paid up Capital | Statutory Reserve | Retained earnings | Total shareholders' equity |
|---|----------------------|-------------------|----------------------|----------------------------|
| Balance as at 01 January 2019 | 6,000,000,000 | - | 801,777,654 | 6,801,777,654 |
| Adjustment for SHS interest waiver | - | - | 372,485,271 | 372,485,271 |
| Balance | 6,000,000,000 | - | 1,174,262,925 | 7,174,262,925 |
| 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 | - | - | 1,378,495,020 | 1,378,495,020 |
| Bonus shares | 500,000,000 | - | (500,000,000) | - |
| Cash dividend | - | - | (200,000,000) | (200,000,000) |
| Statutory Reserve | - | - | - | - |
| Balance as at 31 December 2019 | 6,500,000,000 | - | 1,852,757,945 | 8,352,757,945 |
| | | | | |
| Balance as at 01 January 2018 | 5,500,000,000 | - | 798,367,884 | 6,298,367,884 |
| Changes in accounting policy | - | - | - | - |
| Balance | 5,500,000,000 | - | 798,367,884 | 6,298,367,884 |
| 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 | - | - | 703,409,770 | 703,409,770 |
| Bonus shares | 500,000,000 | - | (500,000,000) | - |
| Cash dividend | - | - | (200,000,000) | (200,000,000) |
| Statutory Reserve | - | - | - | - |
| Balance as at 31 December 2018 | 6,000,000,000 | - | 801,777,654 | 6,801,777,654 |

Sd/-
Ms. Fatima Yasmin
Chairman

Sd/-
Dr. Sultan Ahmed
Director

Sd/-
Mr. Abdul Haque
Director

Sd/-
Mr. Mahmood Malik
Executive Director & CEO

Sd/-
Mr. M. Maftun Ahmed
Company Secretary

As per our report of even date.

Dated, Dhaka
13 August, 2020

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)
as at December 31, 2019

| | 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) | 1,387,111,697 | - | - | - | - | 1,387,111,697 |
| Balance with other banks and financial institutions | 8,775,311,805 | 8,695,170,851 | 948,000,000 | - | - | 18,418,482,656 |
| Money at call and short notice | - | - | - | - | - | - |
| Investments | - | - | - | 416,666,667 | 83,333,333 | 500,000,000 |
| Loans and advances | 187,981,352 | 2,574,728,157 | 9,913,729,695 | 39,009,501,392 | 17,112,811,570 | 68,798,752,166 |
| Fixed assets | - | - | - | - | 135,945,338 | 135,945,338 |
| Other assets | 340,435 | 66,794,826 | 1,550,863,106 | 14,919,826 | 9,242,457 | 1,635,298,543 |
| Non-banking assets | - | - | - | - | - | - |
| Total assets | 10,350,745,289 | 11,336,693,834 | 12,412,592,801 | 39,441,087,885 | 17,341,332,698 | 90,875,590,401 |
| Liabilities: | | | | | | |
| Borrowings from Government of Bangladesh | - | 1,156,231,460 | 5,761,380,291 | 24,865,617,786 | 44,163,644,130 | 75,946,873,667 |
| Deposits | - | - | - | - | - | - |
| Other Accounts | - | - | - | - | - | - |
| Provision and other liabilities | - | 424,812,164 | 985,147,838 | 343,685,551 | 4,822,313,234 | 6,575,958,788 |
| Total liabilities | - | 1,581,043,625 | 6,746,528,129 | 25,193,573,162 | 48,985,957,364 | 82,522,832,455 |
| Net Liquidity Gap | 10,350,745,289 | 9,755,650,209 | 5,666,064,672 | 14,247,514,723 | (31,644,624,666) | 8,352,757,945 |

Infrastructure Development Company Limited

Notes to the financial statements

for the year ended December 31, 2019

1. Background

1.1 Legal Status and nature of the company

The Infrastructure Development Company Limited (IDCOL), a non-banking 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, Kawran bazar, Dhaka-1215.

1.2 Principal activities

Since inception, IDCOL has been 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 has been 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. IDCOL's SHS Program is one of the largest off-grid renewable energy program in the world and has acclaimed many international awards. It has brought significant change in lives in remote rural areas of Bangladesh through providing access to electricity. IDCOL has installed 4.14 million SHSs till the end of 2019.

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 target to install 60,000 domestic size biogas plants in Bangladesh by 2021.

IDCOL launched the 'Improved Cook Stove (ICS) Program' in May 2013 with the initial target of 1 million ICS across the country by 2018. This target was achieved in 2017, almost two years ahead of the project timeline. Under ICS program, IDCOL provides grant and technical assistance to its partner organizations (POs) for local level promotion capacity building for ICS dissemination. IDCOL's principal objective is to create a sustainable market for ICS and thus reducing GHG emission and Indoor Air Pollution. The total installation till December is 2.06 million and IDCOL has a target to finance 5 million ICS by 2023.

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 also a target to finance 10,000 solar irrigation pumps by 2025. In addition, IDCOL is exploring the financing of more biogas and waste based energy projects in near future.

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 Power Division, International Renewable Energy Agency, Bangladesh Power Development Board etc. IDCOL also provided capacity building training services to delegates from Ethiopia, Ghana, Sudan, Guinea and Uganda on renewable energy. In addition, IDCOL recently executed a sub-consultancy agreement with Deloitte India to perform consultancy services for the Establishment of the Renewable Energy Investment Facility (REIF) in Tanzania under Rural Energy Agency. Till date, IDCOL trained more than 1,600 professionals from local banks and businesses in twenty three training courses on project finance, nineteen courses on financial modelling, and seven 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

Same disclosed accounting policies and methods of computation have been followed in preparation of the Financial Statements as were applied in the preparation of the financial statements of IDCOL as at and for the year ended 31 December 2018, except for those related to IFRS 16: "Leases", which became effective from 1 January 2019.

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. The reported financial statements, i.e. Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement were prepared by capturing the transactions of Infrastructure Development Company Limited.

The financial statements of project 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 project accounts are maintained separately by IDCOL and Receipts and Payments Statement of each such project is prepared separately, and audited and reported separately by the statutory auditor of the Company. These amounts are not reflected in the company's financial statements, except for those disclosed in note # 37 to the Company's financial statements. The accumulated movement of funds from the inception as well as the current and the previous year's movements of fund of these projects are shown in note # 37.

2.2 Changes in significant accounting policies: IFRS 16 Lease

IFRS 16 Leases came into effect from 01 January 2019 which replaces the existing standard IAS 17. IDCOL recognizes a right of use asset and a lease liability from the beginning of 2019. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The lease liability is initially measured and recognized at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2019), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, IDCOL's incremental borrowing rate. Year end lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in IDCOL's estimate of the amount expected to be payable under a residual value guarantee, or if IDCOL changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero. The right of use assets and lease liabilities have been separately disclosed in Annexure-G and in note-11.5, respectively.

The following summarises the impacts of adopting IFRS 16 on the balance sheet and profit & loss account for the year then ended on 31 December 2019.

Impact on Balance Sheet

As at December 31, 2019

| Particulars | Amount without Adoption of IFRS-16 | Adjustment for IFRS-16 | Amount after implementation of IFRS-16 |
|--|------------------------------------|------------------------|--|
| PROPERTY AND ASSETS | | | |
| Cash | 1,387,111,697 | - | 1,387,111,697 |
| Cash in Hand | 34,611 | - | 34,611 |
| Balance with Bangladesh Bank and its agent bank | 1,387,077,086 | - | 1,387,077,086 |
| Balance with other banks and financial institutions | 18,418,482,656 | - | 18,418,482,656 |
| In Bangladesh | 18,418,482,656 | - | 18,418,482,656 |
| Outside Bangladesh | - | - | - |
| Money at call and short notice | - | - | - |
| Investments | 500,000,000 | - | 500,000,000 |
| Government | - | - | - |
| Others | 500,000,000 | - | 500,000,000 |
| Loans and advances | 68,798,752,166 | - | 68,798,752,166 |
| Loans, cash credit, overdraft etc. | 68,798,752,166 | - | 68,798,752,166 |
| Bill purchased and discounted | - | - | - |
| Fixed assets including land, building, furniture and fixtures | 113,524,561 | 22,420,777 | 135,945,338 |
| Other assets | 1,633,192,340 | 2,106,204 | 1,635,298,543 |
| Non-banking assets | - | - | - |
| Total assets | 90,851,063,420 | 24,526,981 | 90,875,590,400 |
| LIABILITIES AND CAPITAL | | | |
| Liabilities: | | | |
| Borrowings from other banks and financial institutions | 75,946,873,667 | - | 75,946,873,667 |
| Deposit and other accounts | - | - | - |
| Other liabilities | 6,560,128,083 | 15,830,705 | 6,575,958,788 |
| Total liabilities | 82,507,001,750 | 15,830,705 | 82,522,832,455 |
| Capital/Shareholders' equity: | | | |
| Paid-up Capital | 6,500,000,000 | - | 6,500,000,000 |
| Statutory Reserve | - | - | - |
| Retained earnings | 1,844,061,670 | 8,696,275 | 1,852,757,945 |
| Total shareholders' equity | 8,344,061,670 | 8,696,275 | 8,352,757,945 |
| Total liabilities and shareholders' equity | 90,851,063,420 | 24,526,980 | 90,875,590,400 |

Impacts on Profit and Loss Account

For the year ended December 31, 2019

| Particulars | Amount without Adoption of IFRS-16 | Adjustment for IFRS-16 | Amount after implementation of IFRS-16 |
|---|------------------------------------|------------------------|--|
| Operating income | | | |
| Interest income | 4,776,333,932 | - | 4,776,333,932 |
| less: Interest on deposits, borrowings etc | 827,016,483 | - | 827,016,483 |
| Net interest income | 3,949,317,450 | - | 3,949,317,450 |
| Investment income | 3,888,889 | - | 3,888,889 |
| Fees, Commission & brokerage | 420,972,687 | - | 420,972,687 |
| Other operating income | 176,414,217 | - | 176,414,217 |
| Total operating income (A) | 4,550,593,243 | - | 4,550,593,243 |
| Operating expenses | | | |
| Salaries and allowances | 166,023,237 | - | 166,023,237 |
| Rent, taxes, insurance, electricity etc. | 12,504,650 | (6,488,227) | 6,016,423 |
| Legal expenses | 34,545,716 | - | 34,545,716 |
| Postage, stamp, telecommunication etc. | 1,139,017 | - | 1,139,017 |
| Stationery, printing, advertisement etc. | 6,460,256 | - | 6,460,256 |
| Chief Executive's salary and fees | 16,086,400 | - | 16,086,400 |
| Directors' fees | 2,108,306 | - | 2,108,306 |
| Auditors' fees | 216,030 | - | 216,030 |
| Depreciation and repair of Company's assets | 16,381,458 | 6,535,584 | 22,917,042 |
| Other operating expenses | 282,228,343 | 224,679 | 282,453,022 |
| Charges on loan losses | - | - | - |
| Total operating expenses (B) | 537,693,413 | 272,036 | 537,965,449 |
| Profit/(Loss) before provision & Tax (C) = (A - B) | 4,012,899,830 | (272,036) | 4,012,627,794 |
| Provision for loans and advances/investment | 1,644,507,412 | - | 1,644,507,412 |
| Total provision (D) | 1,644,507,412 | - | 1,644,507,412 |
| Net profit/(loss) before Tax (E) = (C - D) | 2,368,392,418 | (272,036) | 2,368,120,382 |
| Tax expenses | 998,593,673 | (8,968,311) | 989,625,362 |
| Net profit/(loss) after tax | 1,369,798,745 | 8,696,275 | 1,378,495,020 |

2.3 Statement of compliance

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

2.4 Other comprehensive income

IFRS: As per IAS 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 do not prepare a separate OCI Statement. However elements of OCI, if any, are shown in the statement of changes in equity.

2.5 Fees, Commission and Brokerage

IDCOL is a specialized NBFIs focusing on renewable energy, infrastructure finance and energy efficiency projects and working persistently to achieve the development objective of the Government. Unlike other

conventional banks and FIs, IDCOL's investment strategy is focused on operating in niche market. IDCOL provides loans both in local currency (BDT) and US dollar. IDCOL's pricing for Loans is different for different types of products, which are not always in congruence with the market rate. For some products, IDCOL's interest rate is lower than market interest rate. Very often these lendings are sourced from several multilateral and bi-lateral organizations under which IDCOL has to pay commitment fees as per the agreement. Considering the special nature of fund sources that require commitment charges on the borrowed fund, as well as its special and concessionary lending operations, IDCOL is collecting fees from some loans which are not permissible under DFIM circular no. 1, dated 03 April 2018. To avoid the non-compliance, IDCOL has already applied to Bangladesh Bank, following approval by its Board of Directors, for exemption from complying the said circular.

2.6 Cash flow statement

IFRS: 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.

2.7 Provision for loans and advances

IFRS: As per IFRS 9 An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.

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 exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

2.8 Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

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

2.9 Recognition of interest in suspense

IFRS: As per IFRS 9 Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount

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.

2.10 Financial instruments: presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

2.11 Presentation of intangible asset

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

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

2.12 Deferred Tax

IFRS: A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Bangladesh Bank: No deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances as per DFIM circular No. 7, dated 31 July 2011.

2.13 Off-balance sheet items

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

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.

2.14 Use of estimate and judgments

The preparation of these financial statements in conformity with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Bangladesh Bank guidelines requires management to make judgment, estimates and assumptions that affect the application of accounting policies such as provision for loans and advances. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.15 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 Bangladeshi Taka which is also the functional currency of the Company.

2.16 Revenue Recognition

Revenue is only recognized when it meets the following five steps model framework as follows:

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

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

2.17 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:

| <u>Category of assets</u> | <u>Rate of depreciation</u> |
|-----------------------------------|-----------------------------|
| Office space | 10% |
| Furniture, fixture and decoration | 10% |
| Computer and computer equipment | 30% |
| Office equipment | 10% |
| Vehicle | 20% |
| Software | 30% |

2.18 Accounting for grant

Accounting for grant has been made in accordance with International Accounting Standards (IAS) - 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.

2.19 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 IAS 21: the effects of changes in foreign exchange rates.

2.20 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.

2.21 Earnings per Share (EPS)

As per IAS - 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. The calculation has been provided in Note 33.

2.22 Related party disclosure

As per International Accounting Standards (IAS 24) , parties to be related if one of the parties 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. Related party transactions have been provided in Note 36.

2.23 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.

Financial Reporting Council vide its notification # 179/FRC/FRN/notification/2020/2 dated 07 July 2020 instructed trustees of all contributory provident funds to return the forfeited funds to the employer within 120 days of year closing and try to collect the forfeited funds from all employees receiving any share during distribution of the forfeited fund among existing members by 31 December 2020. IDCOL will make sure the compliance of this notification by 31 December 2020.

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.

2.24 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.

2.25 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.

2.26 Disclosure for IAS & IFRS Compliance

| | Name of the IAS | IAS # | 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 | Income Taxes | 12 | Applied* |
| 7 | Property, Plant and Equipment | 16 | Applied |
| 8 | Leases | 17 | N/A |
| 9 | Employee Benefits | 19 | Applied |
| 10 | Accounting for Government Grants and Disclosure of Government Assistance | 20 | Applied |
| 11 | The Effects of Changes in Foreign Exchange Rates | 21 | Applied |
| 12 | Borrowing Costs | 23 | Applied |
| 13 | Related Party Disclosures | 24 | Applied |
| 14 | Accounting and Reporting by Retirement Benefit Plans | 26 | N/A |
| 15 | Separate Financial Statements | 27 | Applied |
| 16 | Investment in Associates and Joint Ventures | 28 | N/A |
| 17 | Financial Reporting in Hyperinflationary Economies | 29 | N/A |
| 18 | Financial Instruments: Presentation | 32 | Applied * |
| 19 | Earnings per share | 33 | Applied |
| 20 | Interim Financial Reporting | 34 | Applied |

| Name of the IAS | | IAS # | Compliance status |
|-----------------|--|-------|-------------------|
| 21 | Impairment of Assets | 36 | Applied |
| 22 | Provisions, Contingent Liabilities and Contingent Assets | 37 | Applied |
| 23 | Intangible Assets | 38 | Applied |
| 24 | Financial Instruments: Recognition and Measurement | 39 | N/A |
| 25 | Investment Property | 40 | N/A |
| 26 | Agriculture | 41 | N/A |

| Name of the IFRS | | IFRS # | 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 | Applied * |
| 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 |
| 14 | Regulatory Deferral Accounts | 14 | N/A |
| 15 | Revenue from Contract with Customers | 15 | Applied |
| 16 | Leases | 16 | Applied |
| 17 | Insurance Contracts | 17 | N/A |

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

2.27 Basis of Measurement

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

2.28 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.

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.

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.

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.

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.

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.

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.

Infrastructure Development Company Limited

Notes to the financial statements

as at and for the year ended December 31, 2019

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-------|-----------------------------|-----------------------------|
| 3.0 CASH | | | |
| Cash in hand | 3.1 | 34,611 | 26,290 |
| Balance with Bangladesh Bank and its agent bank | 3.2 | 1,387,077,086 | 118,706,807 |
| | | 1,387,111,697 | 118,733,097 |
| 3.1 Cash in Hand | | | |
| Local Currency | | 34,611 | 26,290 |
| Foreign Currencies | | - | - |
| | | 34,611 | 26,290 |
| 3.2 Balance with Bangladesh Bank and its agent bank | | | |
| Bangladesh Bank balance in local currency | | 1,399,037 | 118,706,807 |
| Bangladesh Bank balance in foreign currency | | 1,385,678,049 | - |
| | | 1,387,077,086 | 118,706,807 |
| 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> | | 18,418,482,656 | 19,580,260,290 |
| <i>Local currency</i> | | | |
| Current and short-term deposits in local currency | 4.1 | 925,026,533 | 1,748,838,059 |
| Fixed deposits in local currency | 4.2 | 7,941,416,446 | 11,566,000,000 |
| <i>Foreign currency</i> | | | |
| Current and short-term deposits in foreign currency | 4.3 | 4,780,285,272 | 665,627,766 |
| Fixed deposits in foreign currency | 4.4 | 4,771,754,405 | 5,599,794,465 |
| <i>Outside Bangladesh</i> | | - | - |
| | | 18,418,482,656 | 19,580,260,290 |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|---|-------|-----------------------------|-----------------------------|
| 4.1 | Current and short-term deposits in local currency | | | |
| | Janata Bank Ltd. | 4.1.a | 807,278,272 | 1,514,983,427 |
| | The City Bank Ltd. | 4.1.b | 1,865,859 | 4,643,496 |
| | Prime Bank Ltd. | 4.1.c | 2,754,791 | 2,023,034 |
| | National Credit and Commerce Bank Ltd. | 4.1.d | 3,057,694 | 3,011,586 |
| | National Bank Ltd. | 4.1.e | 52,563 | 129,117 |
| | Islami Bank Bd. Ltd. | 4.1.f | 30,375 | 170,563 |
| | Agrani Bank Ltd. | 4.1.g | 101,585,115 | 1,861,793 |
| | Eastern Bank Ltd. | 4.1.h | 4,132,075 | 207,015,164 |
| | Standard Chartered Bank | 4.1.i | 4,269,788 | 14,999,880 |
| | | | 925,026,533 | 1,748,838,059 |
| 4.1.a | Janata Bank Limited | | | |
| | <u>Accounts under donor funded projects</u> | | | |
| | IDA -5158-BD : REREDP-II | | 7,388,009 | 217,887,039 |
| | IDA -5514-BD : Additional Financing REREDP-II | | 108,405,794 | 142,870,546 |
| | IDB -151-BD : | | 7,667,474 | 7,670,551 |
| | PPIDF-II (SF) | | - | 39,990,145 |
| | JICA BD P-90 | | 397,146,964 | 355,775,452 |
| | KFW-purep | | 121,561,260 | 70,821,276 |
| | STD Account | | 165,108,771 | 679,968,418 |
| | | | 807,278,272 | 1,514,983,427 |
| 4.1.b | The City Bank Limited | | | |
| | <u>Accounts under donor funded projects</u> | | | |
| | KfW - 2006.65.612 -NDBMP | | 135,735 | 136,774 |
| | <u>Company accounts</u> | | | |
| | Imprest account | | 1,730,124 | 4,506,722 |
| | | | 1,865,859 | 4,643,496 |
| 4.1.c | Prime Bank Limited | | | |
| | <u>Company accounts</u> | | | |
| | Salary account | | 495 | 495 |
| | <u>Accounts for Regional Offices</u> | | | |
| | Barisal | | 160,217 | 260,633 |
| | Bogra | | 345,750 | 294,387 |
| | Chittagong | | 120,823 | 49,500 |
| | Dhaka | | 626,275 | 685,459 |
| | Faridpur | | 55,568 | 377,823 |
| | Rangpur | | 424,437 | 221,200 |
| | Thakurgao | | 48,766 | - |
| | Rahshahi | | 105,002 | - |
| | Kustia | | 152,752 | - |
| | Jashore | | 304,067 | - |
| | Jamalpur | | 78,888 | - |
| | Khulna | | 257,277 | 95,671 |
| | Mymensingh | | 74,473 | 37,866 |
| | | | 2,754,791 | 2,023,034 |
| 4.1.d | National Credit and Commerce Bank Limited | | | |
| | <u>Revolving fund account under projects</u> | | | |
| | PPIDF: ADB 2453-BAN (SF) | | 2,802,724 | 2,803,274 |
| | <u>Accounts for Regional Offices</u> | | | |
| | Brahmanbaria (Comilla) | | 67,247 | 7,868 |
| | Noakhali | | 187,723 | 200,444 |
| | | | 3,057,694 | 3,011,586 |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|---|-------|-----------------------------------|-----------------------------|
| 4.1.e | National Bank Limited <u>Accounts for Regional Office</u> Sylhet | | 52,563 | 129,117 |
| | | | 52,563 | 129,117 |
| 4.1.f | Islami Bank Bangladesh Limited <u>Accounts for Regional Office</u> Borguna | | 30,375 | 170,563 |
| | | | 30,375 | 170,563 |
| 4.1.g | Agrani Bank Limited <u>Accounts under donor funded projects</u> P-075 : JICA IDA-6202 | | 624 101,584,491 101,585,115 | 1,861,793 1,861,793 |
| 4.1.h | Eastern Bank Limited <u>Revolving fund account under projects</u> P-075 : JICA | | 4,132,075 4,132,075 | 207,015,164 207,015,164 |
| 4.1.i | Standard Chartered Bank <u>Company Account</u> Salary Account | | 4,269,788 4,269,788 | 14,999,880 14,999,880 |
| 4.2 | Fixed deposits in local currency <u>Fixed deposit receipt (up to three months' term) with:</u> | | | |
| | AB Bank Ltd. | | 60,000,000 | - |
| | Al-Arafah Islami Bank Ltd. | | - | 1,255,000,000 |
| | BD Finance | | 380,000,000 | 380,000,000 |
| | Dhaka Bank Ltd. | | 685,000,000 | 700,000,000 |
| | EXIM Bank Ltd. | | 760,000,000 | 450,000,000 |
| | FAS Finance & Investment Ltd. | | 318,208,446 | 290,000,000 |
| | First Finance Ltd. | | - | 300,000,000 |
| | First Security Islamic Bank Ltd. | | 115,000,000 | 850,000,000 |
| | GSP Finance Company (Bangladesh) Ltd. | | 50,000,000 | - |
| | IFIC Bank Ltd. | | 772,000,000 | 1,010,000,000 |
| | International Leasing and Financial Services Limited | | 290,000,000 | - |
| | Jamuna Bank Ltd. | | 620,000,000 | 600,000,000 |
| | Lanka-Bangla Finance Ltd. | | - | 160,000,000 |
| | Mercantile Bank Ltd. | | - | 150,000,000 |
| | Mutual Trust Bank Ltd. | | 174,000,000 | - |
| | National Bank Ltd. | | 300,000,000 | 1,080,000,000 |
| | NCC Bank Ltd. | | 780,000,000 | 625,000,000 |
| | One Bank Ltd. | | - | 500,000,000 |
| | Premier Bank Ltd. | | 50,000,000 | 115,000,000 |
| | Premier Leasing & Finance Ltd. | | 350,000,000 | 350,000,000 |
| | Prime Finance & Investment Ltd. | | 287,500,000 | 200,000,000 |
| | Social Islami Bank Ltd. | | - | 300,000,000 |
| | Southeast Bank Ltd. | | 340,000,000 | - |
| | Standard Bank Ltd. | | 449,500,000 | 366,000,000 |
| | South Bangla Agriculture and Commercial Bank Ltd. | | - | 100,000,000 |
| | United Commercial Bank Ltd. | | - | 100,000,000 |
| | Union Bank Ltd. | | 130,000,000 | - |
| | Union Capital Ltd. | | 82,208,000 | 130,000,000 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-------|-----------------------------|-----------------------------|
| <i>Fixed deposit receipt (six months' term) with:</i> | | | |
| AB Bank Ltd. | | - | 210,000,000 |
| EXIM Bank Ltd. | | - | 200,000,000 |
| First Finance Ltd. | | 300,000,000 | - |
| GSP Finance Company (Bangladesh) Ltd. | | - | 50,000,000 |
| International Leasing And Financial Services Limited | | - | 290,000,000 |
| Mercantile Bank Ltd. | | 548,000,000 | 250,000,000 |
| Modhumoti Bank Ltd | | 100,000,000 | - |
| National Finance Ltd. | | - | 355,000,000 |
| Prime Finance & Investment Ltd. | | - | 100,000,000 |
| United Commercial Bank Ltd. | | - | 100,000,000 |
| | | 7,941,416,446 | 11,566,000,000 |
| 4.3 Current and short-term deposits in foreign currency | | | |
| Janata Bank Ltd. | | 4,779,645,511 | 521,895,203 |
| Commercial Bank of Ceylon (PPIDF-1 revolv. USD) | | 639,761 | 143,732,563 |
| | | 4,780,285,272 | 665,627,766 |
| 4.4 Fixed deposits in foreign currency | | | |
| <i>Fixed deposit receipt (One/six months' term) with:</i> | | | |
| Janata Bank Ltd. | | - | 2,627,285,719 |
| Commercial Bank of Ceylon | | 2,381,100,071 | 2,241,452,098 |
| Jamuna Bank Ltd. | | 1,202,054,334 | 219,262,417 |
| NCC Bank Ltd. | | 254,700,000 | - |
| One Bank Ltd. | | 509,400,000 | - |
| Agrani Bank Ltd. | | 424,500,000 | - |
| Southeast Bank Ltd. | | - | 280,764,456 |
| Dhaka Bank Ltd. | | - | 231,029,775 |
| | | 4,771,754,405 | 5,599,794,465 |
| 4.5 Maturity grouping of Balance | | | |
| Up to one month | | 8,775,311,805 | 2,414,465,825 |
| More than one month but less than three months* | | 8,695,170,851 | 10,011,000,000 |
| More than three months but less than one year* | | 948,000,000 | 7,154,794,465 |
| More than one year but less than five years* | | - | - |
| More than five years | | - | - |
| | | 18,418,482,656 | 19,580,260,290 |

* Less than three months, less than one year and less than five years imply up to three months, up to one year and up to five years respectively.

5.0 Money at call and short notice

| | |
|---|---|
| - | - |
| - | - |

6.0 Investments

Investments

| | |
|--------------------|---|
| 500,000,000 | - |
| 500,000,000 | - |

7.0 Loans and advances

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|--------|-----------------------------|-----------------------------|
| <i>Inside Bangladesh</i> | | | |
| Long-term finance | 7.1 | 68,121,946,365 | 59,902,853,800 |
| Short term financing | 7.2 | 14,522,629 | 5,403,449 |
| Interest receivable on loans and advances | 7.3 | 662,283,172 | 833,789,362 |
| | | 68,798,752,166 | 60,742,046,612 |
| <i>Outside Bangladesh</i> | | | |
| | | - | - |
| | | 68,798,752,166 | 60,742,046,612 |
| 7.1 Long-term finance: | | | |
| Opening balance at January 01 | | 59,902,853,800 | 41,260,905,483 |
| Add: Disbursement made during the year | | 16,321,020,310 | 23,712,063,714 |
| Add: Interest Capitalization during the year | | 517,821,448 | 222,259,638 |
| | | 76,741,695,558 | 65,195,228,835 |
| Less: Realization during the year | | (8,827,798,542) | (5,485,949,552) |
| Add: Forex gain/ (Loss) | | 208,049,349 | 193,574,517 |
| Closing balance at December 31 | | 68,121,946,365 | 59,902,853,800 |
| 7.1.1 Sector wise disclosure of long term finance | | | |
| Infrastructure loan | | 50,121,176,543 | 40,233,745,875 |
| Renewable energy project | 7.1.1a | 17,949,963,173 | 19,623,840,639 |
| Employee car loan | | 14,519,422 | 16,070,160 |
| Employee home Loan | | 36,287,227 | 29,197,125 |
| | | 68,121,946,365 | 59,902,853,800 |
| 7.1.1a Renewable energy project | | | |
| Solar home system | | 14,786,258,407 | 17,666,997,382 |
| Biogas program | | 166,785,993 | 244,197,530 |
| Other renewable energy project | | 2,996,918,773 | 1,712,645,728 |
| | | 17,949,963,173 | 19,623,840,639 |
| 7.2 Short term financing | | | |
| Opening balance at January 01 | | 5,403,449 | 5,400,697 |
| Add: Disbursement made during the year | | 42,190,530 | 12,322,800 |
| | | 47,593,979 | 17,723,497 |
| Less: Realization during the year | | (33,071,350) | (12,320,048) |
| Closing balance at December 31 | | 14,522,629 | 5,403,449 |
| 7.2.1 Short term financing | | | |
| Biogas Program | | 14,407,399 | 5,403,449 |
| ICS Program | | 115,230 | - |
| | | 14,522,629 | 5,403,449 |
| 7.3 Interest on loan and advance | | | |
| Interest receivable on infrastructure loan | | 498,276,383 | 546,942,876 |
| Interest receivable on renewable energy loan | 7.3.1 | 164,006,788 | 286,846,486 |
| | | 662,283,172 | 833,789,362 |
| 7.3.1 Interest receivable on renewable energy loan | | | |
| Solar Home System project | | 132,995,218 | 244,999,841 |
| Biogas project | | 1,328,631 | 4,074,153 |
| Other renewable energy project | | 29,682,939 | 37,772,492 |
| | | 164,006,788 | 286,846,486 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-----|---|-----------------------------|-----------------------------|
| 7.4 | Large Loan Disclosure | | |
| | Nutan Bidyut Bangladesh Limited (NBBL) | 4,987,763,587 | 1,879,592,329 |
| | Grameen Shakti | 4,900,375,979 | 5,794,438,048 |
| | Kushiara Power Company Limited | 4,215,238,391 | - |
| | City Navigations Limited (CNL) | 3,624,102,285 | 4,015,000,000 |
| | Robi Axiata Limited (ROBI) | 3,001,416,668 | 4,004,722,223 |
| | Regent Energy and Power Ltd. | 2,925,588,390 | 3,125,508,568 |
| | BSRM Steels Limited (BSRMSL) | 2,876,472,026 | 2,123,619,272 |
| | Sena Kalyan Sangstha (SKS) | 2,813,795,238 | 2,206,112,284 |
| | Rural Services Foundation | 2,724,845,579 | 2,931,532,944 |
| | Meghna Cement Mills Limited | 2,487,265,983 | - |
| | Summit Barisal Power Ltd. | 2,094,599,368 | 2,298,967,308 |
| | Ace Alliance Power Limited (AAPL) | 1,970,775,314 | 2,042,009,379 |
| | Midland East Power Limited (MEPL) | 1,875,273,603 | 1,928,973,664 |
| | Seven Circle (Bangladesh) Limited | 1,707,626,389 | - |
| | Doreen Hotels and Resorts Ltd. | 1,616,441,769 | 1,703,791,531 |
| | Summit Meghnaghat Power Company Ltd. | 1,561,347,832 | 1,746,224,321 |
| | Summit Alliance Port Limited | 1,298,745,001 | - |
| | EPV Chittagong Ltd. | 1,273,499,491 | - |
| | Ispahani Summit Alliance Terminals Limited | 1,259,831,624 | - |
| | Quantum Power Systems Ltd. | - | 1,824,117,640 |
| | | <u>49,215,004,519</u> | <u>37,624,609,510</u> |
| 7.5 | Particulars of Loans, Advances and leases | | |
| a) | Loan considered good in respect of which the FI is fully secured | 9,486,772,638 | 10,268,761,363 |
| b) | Loan considered good in respect of which the FI is partially secured | 59,311,979,528 | 50,473,285,249 |
| 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>68,798,752,166</u> | <u>60,742,046,612</u> |
| g) | Loan due by directors or officers of the FI or any of them either separately or jointly with any other persons. | 50,806,649 | 45,267,285 |
| 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. | - | - |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-------|-----------------------------|-----------------------------|
| k) Due from other Bank/Fl companies. | | - | - |
| l) Classified loans advances and leases. | | - | - |
| i) Classified loans, advances and leases on which interest has not been charged | | 3,126,716,789 | 4,342,522,325 |
| ii) Provision kept against bad loans, advances and leases | | 1,774,200,827 | 2,750,567,438 |
| iii) Interest credited to Interest Suspense Account | | 454,534,736 | 795,304,154 |
| m) Cumulative amount of written off loans, advances and leases | | | |
| Opening Balance | | 95,197,043 | 106,050,336 |
| Amount written off during the year | | 1,499,668,859 | - |
| Amount received from written off loans and leases during the year | | (6,514,578) | (10,853,293) |
| Balance of written off loans, advances and leases | | 1,588,351,324 | 95,197,043 |
| 7.6 Maturity grouping of loans and advances | | | |
| Upto one month | | 187,981,352 | 154,074,328 |
| More than one month but less than three months* | | 2,574,728,157 | 1,916,795,624 |
| More than three months but less than one year* | | 9,913,729,695 | 8,624,766,025 |
| More than one year but less than five years* | | 39,009,501,392 | 32,883,296,719 |
| More than five years | | 17,112,811,570 | 17,163,113,917 |
| | | 68,798,752,166 | 60,742,046,612 |

* Less than three months, less than one year and less than five years imply up to three months, up to one year and up to five years respectively.

| | | | |
|---|--|----------------|----------------|
| 7.7 Disclosure for significant concentration | | | |
| a) Advances to allied concerns of Directors | | - | - |
| b) Advances to Chief Executive and other executives | | 50,806,649 | 45,267,285 |
| c) Advances to customer groups: | | | |
| i) Power | | 22,759,162,975 | 18,476,787,329 |
| ii) Ports | | 2,597,205,957 | 2,592,432,901 |
| iii) Telecommunication | | 3,099,675,946 | 4,101,936,021 |
| iv) IT and services | | 998,268,626 | 186,085,848 |
| v) Renewable energy | | 18,113,969,961 | 20,134,673,193 |
| vi) Hotel & Resorts | | 1,616,441,769 | 1,703,791,531 |
| vii) Healthcare | | 235,560,573 | 232,117,388 |
| viii) LPG station | | 559,282,732 | 616,597,493 |
| ix) Brick Kiln | | 1,545,404,810 | 1,176,129,241 |
| x) Knitting Factory | | 966,757,956 | 1,056,704,192 |
| xi) Cement | | 4,930,615,134 | 1,272,681,112 |
| xii) River Dredging | | 59,245,382 | 65,062,511 |
| xiii) Recycling | | 443,611,342 | - |
| xiv) Petroleum Refinery | | 615,758,383 | 551,616,691 |
| xv) Other loans | | 10,206,983,971 | 8,530,163,876 |
| | | 68,798,752,166 | 60,742,046,612 |

[illegible]

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|------|---|--------------------------------|-----------------------------|-----------------------------|
| | | | 4,348,944,576 | 3,346,043,417 |
| | | | 1,354,507,412 | 1,002,901,160 |
| | | Regulatory requirement | 104,232,682 | 668,721,077 |
| | | Voluntary provision | 1,250,274,730 | 334,180,083 |
| | | Adjustment during the year | (1,499,668,859) | - |
| | | Closing balance at December 31 | 4,203,783,130 | 4,348,944,576 |
| 7.10 | Net Loans and advances | | | |
| | Closing outstanding balance | | 68,798,752,166 | 60,742,046,612 |
| | Less: Interest suspense | 11.3 | (283,363,693) | (598,764,454) |
| | Provision for loans and advances | 31 | (4,203,783,130) | (4,348,944,577) |
| | Net loans and advances | | 64,311,605,343 | 55,794,337,581 |
| 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) | | - | 2,038,770,000 |
| | Loan extended from reflows under REREDP (Credit No. 3679-BD) | | - | - |
| | Sub Total | | - | 2,038,770,000 |
| B. | REREDP-II funded by IDA (Credit # 5158) | Annex-B | | |
| | a) Refinancing to Partner Organizations (POs) | | - | - |
| | b) Loan to other renewable projects | | 210,800,962 | 120,154,303 |
| | Sub Total | | 210,800,962 | 120,154,303 |
| C. | PPIDF funded by ADB (Loan No. 3554-BAN) | Annex-C | | |
| | Loan to large infrastructure projects (IF) | | 8,243,313,629 | 1,869,941,050 |
| | Sub Total | | 8,243,313,629 | 1,869,941,050 |
| | PPIDF funded by ADB (Loan No. 3555-BAN) | Annex-C | | |
| | Refinancing to POs under Renewable Energy Project (REP) | | 75,000,000 | - |
| | Sub Total | | 75,000,000 | - |
| D. | PPIDF funded by ADB (Loan No. 3045-BAN) | Annex-D | | |
| | Loan to large infrastructure projects (IF) | | 48,393,956 | 2,537,000,000 |
| | Sub Total | | 48,393,956 | 2,537,000,000 |
| E. | REDP funded by JICA (Loan # BD-P75) | Annex-E | | |
| | Refinancing to Participating Organizations (POs) | | - | - |
| | Loan to other renewable energy projects | | 478,309,940 | 381,063,453 |
| | Sub Total | | 478,309,940 | 381,063,453 |
| | Energy Efficiency funded by JICA (Loan # BD-P90) | Annex-E | | |
| | Refinancing to Participating Organizations (POs) | | - | - |
| | Loan to other renewable energy projects | | 811,226,644 | 1,003,945,861 |
| | Sub Total | | 811,226,644 | 1,003,945,861 |
| | Grand Total | | 9,867,045,131 | 7,363,433,617 |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|----------|--|---------|-----------------------------|-----------------------------|
| 8 | Assets including land, building, furniture and fixtures | | | |
| | Fixed assets including land, building, furniture and fixtures | Annex-G | 113,524,561 | 86,731,216 |
| | Right-Of-Use Asset | Annex-G | 22,420,777 | - |
| | | | 135,945,338 | 86,731,216 |
| 8.1 | Fixed assets including land, building, furniture and fixtures | | | |
| | Cost | | | |
| | Opening balance at January 01 | | 192,140,276 | 183,381,306 |
| | Add: Purchased during the year | | 45,048,975 | 8,938,870 |
| | Less: Disposal during the year | | (9,258,301) | (179,900) |
| | Closing balance at December 31 | | 227,930,950 | 192,140,276 |
| | Depreciation | | | |
| | Opening balance at January 01 | | 105,409,061 | 90,530,632 |
| | Add: Charged during the year | | 16,381,458 | 14,954,707 |
| | Less: Adjustment during the year | | (7,384,129) | (76,278) |
| | Closing balance at December 31 | | 114,406,390 | 105,409,061 |
| | Written Down Value at December 31 | | 113,524,561 | 86,731,216 |
| | Details of fixed assets are given in Annexure -G | | | |
| 8.2 | Right-Of-Use Asset | | | |
| | Recognition | | | |
| | Opening balance at January 01 | | - | - |
| | Add: Recognized during the year | | 28,956,361 | - |
| | Less: Disposal during the year | | - | - |
| | Closing balance at December 31 | | 28,956,361 | - |
| | Depreciation | | | |
| | Opening balance at January 01 | | - | - |
| | Add: Charged during the year | | 6,535,584 | - |
| | Less: Adjustment during the year | | - | - |
| | Closing balance at December 31 | | 6,535,584 | - |
| | Written Down Value at December 31 | | 22,420,777 | - |
| 9 | OTHER ASSETS | | | |
| | Advances, deposits and prepayments | 9.1 | 150,103,361 | 138,125,726 |
| | Advance income tax | 9.2 | 1,172,890,287 | 1,091,168,037 |
| | Advance VAT | 9.3 | 9,120,339 | 9,120,339 |
| | Accounts receivables | 9.4 | 290,053,210 | 505,229,454 |
| | Int. Receivables on Inv. | | 3,888,889 | - |
| | Deferred Tax Asset | 9.5 | 9,242,457 | 21,113,827 |
| | | | 1,635,298,543 | 1,764,757,383 |
| 9.1 | Advances, deposits and prepayments | | | |
| | Advance: | | | |
| | Advance for SHS project | | 13,089,896 | 5,379,891 |
| | Advance Interest Payment | | 38,029,890 | - |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|--|---|-----------------------------|-----------------------------|
| | | | - | 5,661,924 |
| | | Advance for Green Expo 2019 | 4,052,650 | 4,178,360 |
| | | Advance NDBMP project expense | 52,874,059 | 76,965,383 |
| | | Advance under PUREP | 470,400 | 630,136 |
| | | Advance for other RE projects | 2,501,574 | 948,224 |
| | | Advance for training | 15,432,828 | 9,432,611 |
| | | Advance for travelling | 1,843,754 | 2,181,254 |
| | | Advance subsidy- NDBMP | - | 18,301,800 |
| | | Advance for Land | 6,664,685 | 402,500 |
| | | Advance for Building | 685,365 | 685,365 |
| | | Book for project finance course | 135,800 | 135,800 |
| | | Corporate advisory advance | - | 110,000 |
| | | Directors remuneration | 4,341,918 | 9,410,898 |
| | | Rental advance | 566,669 | 150,001 |
| | | Salary advance | 857,376 | 1,864,188 |
| | | Advance against training /travelling expenses | 1,040,687 | 711,347 |
| | | Advance for ICS Program | 7,515,810 | 976,044 |
| | | Others | 150,103,361 | 138,125,726 |
| 9.2 | Advance income tax | | | |
| | Opening balance at January 01 | | 1,091,168,037 | 1,535,853,511 |
| | Add: Advance tax (Including TDS) paid during the year | | 1,189,261,865 | 1,199,200,662 |
| | Less: Adjustment with Provision for Tax (FY 2016 & 2017) | | (1,107,539,615) | (1,643,886,136) |
| | Closing balance at December 31 | | 1,172,890,287 | 1,091,168,037 |
| 9.3 | Advance VAT | | | |
| | Balance at January 01 | | - | - |
| | Add: Advance VAT paid during the year | | 9,120,339 | 9,120,339 |
| | Less: Adjustment with Provision for VAT | | - | - |
| | Balance at December 31 | | 9,120,339 | 9,120,339 |
| 9.4 | Accounts receivables | | | |
| | Administration fees under renewable energy projects | | 465,545 | 465,545 |
| | Receivables from GCF | | 3,176,516 | - |
| | Fees and other receivable from infra. Project | | 7,496 | 7,496 |
| | Fees and other receivable from advisory services | | 54,244 | 54,244 |
| | Interest receivable on fixed deposit (FDR) | | 104,176,561 | 243,376,351 |
| | Other receivables | | 8,997,324 | 21,972,267 |
| | Receivable under RE projects | | 173,149,301 | 213,611,704 |
| | IDCOL SPF | | 11,223 | 8,304,927 |
| | Gratuity Fund | | - | 3,851,535 |
| | Training fees receivable | | 15,000 | 15,000 |
| | Receivable under REP-RO | 9.4.1 | - | 13,570,386 |
| | | | 290,053,210 | 505,229,454 |
| 9.4.1 | Receivable under REP -Regional Office (RO) | | | |
| | Receivable under REP-Barguna | | - | 770,757 |
| | Receivable under REP-Brahmanbaria | | - | 1,162,692 |
| | Receivable under REP-Bogra | | - | 691,329 |
| | Receivable under REP- Barisal | | - | 865,641 |
| | Receivable under REP-Chittagong | | - | 1,249,889 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|-------|-----------------------------|-----------------------------|
| Receivable under REP-Dhaka | | - | 884,461 |
| Receivable under REP-Dhaka-Biogas | | - | 682,941 |
| Receivable under REP-Faridpur | | - | 958,826 |
| Receivable under REP-Khulna | | - | 924,424 |
| Receivable under REP-Laxmipur | | - | 881,064 |
| Receivable under REP-Mymensingh | | - | 975,255 |
| Receivable under REP-Rangpur | | - | 877,782 |
| Receivable under REP-Sunamgonj | | - | 931,886 |
| Receivables under REP-Rajshahi RO | | - | 15,132 |
| Receivables under REP-Jamalpur RO | | - | 18,157 |
| Receivables under REP-Thakurgaon RO | | - | 19,368 |
| Receivables under REP-Jashore RO | | - | 23,000 |
| Receivables under REP-Kustia RO | | - | 25,421 |
| Receivables under REP-Khulna RO_ICS | | - | 227,198 |
| Receivables under REP-Rangpur RO_ICS | | - | 452,600 |
| Receivables under REP-Bogra RO_ICS | | - | 420,270 |
| Receivables under REP-Dhaka RO_ICS | | - | 221,199 |
| Receivables under REP-Barisal RO_ICS | | - | 35,420 |
| Receivables under REP-Chittagong RO_ICS | | - | 23,902 |
| Receivables under REP-Rangpur RO_ORE | | - | 106,946 |
| Receivables under REP-Faridpur RO_ORE | | - | 44,735 |
| Receivables under REP-Dhaka RO_ORE | | - | 80,091 |
| | | - | 13,570,386 |
| 9.5 Deferred tax | | | |
| Opening balance at January 01 | | 21,113,827 | 10,578,904 |
| Provision/(reversal) during the year | | (11,871,370) | 10,534,923 |
| Settlement during the year | | - | - |
| Closing balance at December 31 | | 9,242,457 | 21,113,827 |
| 10 Borrowings from other banks, financial institutions and agents | | | |
| <i>Inside Bangladesh</i> | | | |
| Unsecured long-term loans from the Government of Bangladesh | | | |
| IDA financing under PSIDP- (Credit # 2995) | 10.1 | 8,172,723,587 | 8,172,723,587 |
| IDA financing under REREDP (Credit # 4643, 3679, 5013, 5158 & 5514) | 10.2 | 26,141,535,858 | 27,668,981,725 |
| ADB financing under PPIDF (Loan # 2453, 2454, 3045, 3046, 3554 & 3555) | 10.3 | 29,518,257,208 | 22,160,451,786 |
| IDB financing under REP (Credit # 151) | 10.4 | 799,381,624 | 883,394,274 |
| KfW financing under NDBMP (Credit # 2006.65.612) | 10.5 | 259,879,471 | 259,879,471 |
| JICA financing (Credit # BD P-75 & P-90) | 10.6 | 10,632,990,647 | 8,420,526,140 |
| BB Financing under BKEI project | 10.7 | 422,105,272 | - |
| | | 75,946,873,667 | 67,565,956,984 |
| <i>Outside Bangladesh</i> | | - | - |
| | | 75,946,873,667 | 67,565,956,984 |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|--|-------|-----------------------------|-----------------------------|
| <u>Abbreviations</u> | | | | |
| 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 | | | | |
| BB : Bangladesh Bank | | | | |
| 10.1 | IDA financing under PSIDP (Credit # 2995) | | | |
| | Opening balance at January 01 | | 8,172,723,587 | 6,133,953,587 |
| | Add: Drawdown made during the year | | - | 2,038,770,000 |
| | | | 8,172,723,587 | 8,172,723,587 |
| | Less: Repayment made during the year | | - | - |
| | Closing balance at December 31 | | 8,172,723,587 | 8,172,723,587 |
| 10.2 | IDA financing under REREDP | | | |
| | IDA credit # 4643 | 10.2a | 3,831,898,005 | 4,214,513,309 |
| | IDA credit # 3679 | 10.2b | 2,641,132,700 | 2,641,132,700 |
| | IDA credit # 5013 | 10.2c | 7,416,391,549 | 8,034,424,177 |
| | IDA credit # 5158 | 10.2d | 7,603,719,652 | 7,964,107,254 |
| | IDA credit # 5514 | 10.2e | 4,648,393,952 | 4,814,804,285 |
| | | | 26,141,535,858 | 27,668,981,725 |
| 10.2a | IDA credit # 4643 | | | |
| | Opening balance at January 01 | | 4,214,513,309 | 4,597,128,613 |
| | Add: Drawdown made during the year | | - | - |
| | | | 4,214,513,309 | 4,597,128,613 |
| | Less: Repayment made during the year | | (382,615,304) | (382,615,304) |
| | Closing balance at December 31 | | 3,831,898,005 | 4,214,513,309 |
| 10.2b | IDA credit # 3679 | | | |
| | Opening balance at January 01 | | 2,641,132,700 | 2,641,132,700 |
| | Add: Drawdown made during the year | | - | - |
| | | | 2,641,132,700 | 2,641,132,700 |
| | Less: Repayment made during the year | | - | - |
| | Closing balance at December 31 | | 2,641,132,700 | 2,641,132,700 |
| 10.2c | IDA credit # 5013 | | | |
| | Opening balance at January 01 | | 8,034,424,177 | 8,652,456,805 |
| | Add: Drawdown made during the year | | - | - |
| | | | 8,034,424,177 | 8,652,456,805 |
| | Less: Repayment made during the year | | (618,032,628) | (618,032,628) |
| | Closing balance at December 31 | | 7,416,391,549 | 8,034,424,177 |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|---|-------|-----------------------------|-----------------------------|
| 10.2d | IDA credit # 5158 | | | |
| | Opening balance at January 01 | | 7,964,107,254 | 8,415,141,515 |
| | Add: Drawdown made during the year | | 210,800,962 | 120,154,303 |
| | | | 8,174,908,216 | 8,535,295,818 |
| | Less: Repayment made during the year | | (571,188,564) | (571,188,564) |
| | Closing balance at December 31 | | 7,603,719,652 | 7,964,107,254 |
| 10.2e | GoB Loan REREDP-II (AF) - IDA 5514 | | | |
| | Opening balance at January 01 | | 4,814,804,285 | 4,814,804,285 |
| | Add: Drawdown made during the year | | - | - |
| | | | 4,814,804,285 | 4,814,804,285 |
| | Less: Repayment made during the year (adjustment) | | (166,410,332) | - |
| | Closing balance at December 31 | | 4,648,393,952 | 4,814,804,285 |
| 10.3 | ADB financing under PPIDF | | | |
| | ADB credit # 2453 -REP | 10.3a | 4,856,799,125 | 5,177,871,905 |
| | ADB credit # 2453 -IEEF | 10.3b | 292,460,569 | 311,794,522 |
| | ADB credit # 2454 -IF | 10.3c | 5,401,354,980 | 5,683,100,740 |
| | ADB credit # 3045 -OCR | 10.3d | 8,056,000,000 | 8,410,000,000 |
| | ADB credit # 3046 -SF | 10.3e | 681,090,803 | 707,743,568 |
| | ADB credit # 3554 -OCR | 10.3f | 10,155,551,730 | 1,869,941,050 |
| | ADB credit # 3555 -COL | 10.3g | 75,000,000 | - |
| | | | 29,518,257,208 | 22,160,451,786 |
| 10.3a | ADB credit # 2453 -REP | | | |
| | Opening balance at January 01 | | 5,177,871,905 | 5,469,130,783 |
| | Add: Drawdown made during the year | | - | - |
| | | | 5,177,871,905 | 5,469,130,783 |
| | Less: Repayment made during the year | | (321,072,780) | (291,258,878) |
| | Closing balance at December 31 | | 4,856,799,125 | 5,177,871,905 |
| 10.3b | ADB credit # 2453 - IEEF | | | |
| | Opening balance at January 01 | | 311,794,522 | 329,333,179 |
| | Add: Drawdown made during the year | | - | - |
| | | | 311,794,522 | 329,333,179 |
| | Less: Repayment made during the year | | (19,333,953) | (17,538,657) |
| | Closing balance at December 31 | | 292,460,569 | 311,794,522 |
| 10.3c | ADB credit # 2454 -IF | | | |
| | Opening balance at January 01 | | 5,683,100,740 | 5,910,370,520 |
| | Add: Drawdown made during the year | | 65,615,613 | 83,850,733 |
| | | | 5,748,716,353 | 5,994,221,253 |
| | Less: Repayment made during the year | | (347,361,373) | (311,120,513) |
| | Add: Fair value adjustment (exchange loss) | | - | - |
| | Closing balance at December 31 | | 5,401,354,980 | 5,683,100,740 |
| 10.3d | ADB credit # 3045 -OCR | | | |
| | Opening balance at January 01 | | 8,410,000,000 | 6,616,000,000 |
| | Add: Drawdown made during the year | | - | 1,794,000,000 |
| | | | 8,478,337,500 | 8,410,000,000 |
| | Less: Repayment made during the year | | (422,337,500) | - |
| | Add: Fair value adjustment (exchange loss) | | 68,337,500 | - |
| | Closing balance at December 31 | | 8,056,000,000 | 8,410,000,000 |

| | | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|--|-------|-----------------------------|-----------------------------|
| 10.3e | ADB credit # 3046 -SF | | | |
| | Opening balance at January 01 | | 707,743,568 | 707,743,568 |
| | Add: Drawdown made during the year | | 8,958,374 | - |
| | | | 716,701,942 | 707,743,568 |
| | Less: Repayment made during the year | | (35,611,139) | - |
| | Closing balance at December 31 | | 681,090,803 | 707,743,568 |
| 10.3f | ADB credit # 3554 OCR | | | |
| | Opening balance at January 01 | | 1,869,941,050 | - |
| | Add: Drawdown made during the year | | 8,285,610,680 | 1,869,941,050 |
| | | | 10,155,551,730 | 1,869,941,050 |
| | Less: Repayment made during the year | | - | - |
| | Closing balance at December 31 | | 10,155,551,730 | 1,869,941,050 |
| 10.3g | ADB credit # 3555 COL | | | |
| | Opening balance at January 01 | | - | - |
| | Add: Drawdown made during the year | | 75,000,000 | - |
| | | | 75,000,000 | - |
| | Less: Repayment made during the year | | - | - |
| | Closing balance at December 31 | | 75,000,000 | - |
| 10.4 | IDB financing under REP (Credit # 151) | | | |
| | Opening balance at January 01 | | 883,394,274 | 967,406,924 |
| | Add: Drawdown made during the year | | - | - |
| | | | 883,394,274 | 967,406,924 |
| | Less: Repayment made during the year | | (84,012,650) | (84,012,650) |
| | Less: Fair value adjustment | | - | - |
| | Closing balance at December 31 | | 799,381,624 | 883,394,274 |
| 10.5 | KfW financing under NDBMP (Credit # 2006.65.612) | | | |
| | Opening balance at January 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 | | - | - |
| | Closing balance at December 31 | | 259,879,471 | 259,879,471 |
| 10.6 | JICA financing under REDP | | | |
| | JICA credit # P-75 | 10.6a | 6,914,741,609 | 6,938,329,506 |
| | JICA credit # P-90 | 10.6b | 3,718,249,038 | 1,482,196,634 |
| | | | 10,632,990,647 | 8,420,526,140 |
| 10.6a | JICA financing under REDP (Credit # P-75) | | | |
| | Opening balance at January 01 | | 6,938,329,506 | 6,880,186,225 |
| | Add: Drawdown made during the year | | 477,830,069 | 297,148,528 |
| | | | 7,416,159,575 | 7,177,334,753 |
| | Less: Repayment made during the year | | (501,417,966) | (239,005,247) |
| | Add: Fair value adjustment | | - | - |
| | Closing balance at December 31 | | 6,914,741,609 | 6,938,329,506 |
| 10.6b | JICA financing under REDP (Credit # P-90) | | | |
| | Opening balance at January 01 | | 1,482,196,634 | 1,169,117,989 |
| | Add: Drawdown made during the year | | 2,236,052,404 | 313,078,645 |
| | | | 3,718,249,038 | 1,482,196,634 |
| | Less: Repayment made during the year | | - | - |
| | Add: Fair value adjustment | | - | - |
| | Closing balance at December 31 | | 3,718,249,038 | 1,482,196,634 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|------|--|-----------------------------|-----------------------------|
| 10.7 | BB Financing under BKEI project | | |
| | Opening balance at January 01 | - | - |
| | Add: Drawdown made during the year | 811,886,509 | - |
| | | 811,886,509 | - |
| | Less: Repayment made during the year | (389,781,237) | - |
| | Less: Fair value adjustment | - | - |
| | Closing balance at December 31 | 422,105,272 | - |
| 10.8 | Maturity-wise grouping | | |
| | Upto one month | - | - |
| | More than one month but less than three months* | 1,156,231,460 | 1,087,046,501 |
| | More than three months but less than six months* | 1,883,836,641 | 1,646,142,720 |
| | More than six months but less than one year* | 3,877,543,649 | 3,678,763,679 |
| | More than one year but less than five years* | 24,865,617,786 | 20,556,123,165 |
| | More than five years but less than ten years* | 31,981,196,475 | 28,193,023,295 |
| | More than ten years | 12,202,808,459 | 12,404,857,623 |
| | | 75,946,873,667 | 67,565,956,982 |

* Less than three months, less than six months, less than one year, less than five years and less than ten years imply up to three months, up to six months, up to one year, up to five years and up to 10 years respectively.

11 OTHER LIABILITIES

| | | | | |
|------|--|-------|----------------------|----------------------|
| | Payable and accrued expenses | 11.1 | 758,366,300 | 1,366,864,171 |
| | Provision for income tax | 32 | 977,753,991 | 1,107,539,616 |
| | Employees' gratuity fund | 11.2 | - | 52,099,203 |
| | Interest suspense account | 11.3 | 283,363,693 | 598,764,454 |
| | Provision for loans and advances | 31 | 4,493,783,130 | 4,348,944,577 |
| | Grant assets received from donors | 11.4 | 45,166,411 | 49,636,392 |
| | Lease Liability | 11.5 | 15,830,705 | - |
| | Unearned Revenue | | 1,009,193 | 260,182 |
| | Provisions other than loans | | 685,365 | 685,365 |
| | Dividend payable | | - | 400,000,000 |
| | | | 6,575,958,788 | 7,924,793,959 |
| 11.1 | Payable and accrued expenses | | | |
| | Interest payable to GoB | 11.1a | 313,710,214 | 848,078,801 |
| | REREDP PO's deposit (Loan # 3679) | | 166,861,074 | 100,058,416 |
| | Initial deposit under REREDP (Loan # IDA - 5158) | | 6,012,233 | 216,813,196 |
| | Security deposit from POs under NDBMP project | | 7,775,862 | 8,029,162 |
| | Other payables | | 34,416,852 | 48,312,898 |
| | SHS maintenance expenses -Disaster | | 560,020 | 560,020 |
| | Income tax and VAT payable | | 1 | 1 |
| | Initial deposit under REREDP (Loan # IDA 5514) | | 114,352,949 | 140,716,058 |
| | Initial deposit under REREDP (Loan # IDA 6202) | | 100,000,000 | - |
| | Penalty for ICS | | 2,472,000 | 2,472,000 |
| | Payable under corporate advisory service | | 25,048 | 25,072 |
| | Payable to IDCOL Staffs | | 940,047 | 364,427 |
| | Retention | | - | 748,838 |
| | Retention HE IDA 6202 ICS | | 11,239,998 | |
| | Audit fee | | - | 392,782 |
| | Credit Rating fee | | - | 292,500 |
| | | | 758,366,300 | 1,366,864,171 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|---------|-----------------------------|-----------------------------|
| 11.1a Interest payable to GoB | | | |
| Interest payable to GoB - PPIDF | 11.1a.1 | 59,651,895 | 257,704,507 |
| Interest payable to GoB - REREDP | 11.1a.2 | 8,040,824 | 396,693,995 |
| Interest payable to GoB - IDB (Credit # 151) | | 14,330 | 15,216,604 |
| Interest payable to GoB - JICA (Credit # P-75 & P-90) | | 46,435,584 | 70,024,816 |
| Interest payable to GoB - OCR & SF (Credit # 3045 & 3046) | | 94,384,529 | 95,570,176 |
| Interest payable to GoB - OCR & SF (Credit # 3554 & 3555) | | 91,853,384 | - |
| Interest payable to GoB - BB BKEI Project | | 3,817,745 | - |
| Commitment Charge payable and others | | 9,511,922 | 12,868,703 |
| | | <u>313,710,214</u> | <u>848,078,801</u> |
| 11.1a.1 Interest payable to GoB - PPIDF | | | |
| Payable against Credit # 2453 -IEEF | | 4,386,908 | 4,633,613 |
| Payable against Credit # 2453 -REP | | - | 196,971,998 |
| Payable against Credit # 2454 -IF | | 55,264,987 | 56,098,896 |
| | | <u>59,651,895</u> | <u>257,704,507</u> |
| 11.1a.2 Interest payable to GoB - REREDP | | | |
| Payable against Credit # 4643 | | 166,012 | 84,062,772 |
| Payable against Credit # 5013 | | 172,571 | 159,400,913 |
| Payable against Credit # 5158 | | 6,552,285 | 71,379,847 |
| Payable against Credit # 5514 | | 249,958 | 81,850,463 |
| Payable against Credit # 6202 | | 899,998 | - |
| | | <u>8,040,824</u> | <u>396,693,995</u> |
| 11.2 Employees' gratuity fund | | | |
| Opening balance at January 01 | | 52,099,203 | 24,891,539 |
| Add: Provision made during the year | | - | 27,207,664 |
| | | <u>52,099,203</u> | <u>52,099,203</u> |
| Less: | | | |
| Settlement made during the year | | - | - |
| Transfer to BoT | | 52,099,203 | - |
| | | <u>52,099,203</u> | <u>-</u> |
| Closing balance at December 31 | | <u>-</u> | <u>52,099,203</u> |
| 11.3 Interest suspense account | | | |
| Opening balance at January 01 | | 598,764,454 | 592,718,096 |
| Add: Amount transferred to "Interest Suspense" A/c during the year | | 454,534,736 | 795,304,154 |
| | | <u>1,053,299,190</u> | <u>1,388,022,250</u> |
| Less: Transferred to Income during the year | | (445,486,737) | (789,257,796) |
| Amount written off during the year | | (324,448,760) | - |
| Closing balance at December 31 | 11.3.1 | <u>283,363,693</u> | <u>598,764,454</u> |
| 11.3.1 Interest suspense account | | | |
| Interest on loans and advances | | 227,493,288 | 598,764,454 |
| Interest on short-term investment* | | 55,870,405 | - |
| | | <u>283,363,693</u> | <u>598,764,454</u> |

* IDCOL made short term investment to different banks and non bank financial institutions (NBFIs) based on satisfactory credit ratings as per the short term investment policy. However, some of the NBFIs are struggling to pay back at maturity dates due to the ongoing liquidity crisis. Therefore, considering the ongoing liquidity crisis and adverse impact of COVID-19 on financial market, interest accrued and accounted for FDRs maintained with some the FIs has been transferred to interest suspense account as per IAS 37.

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|------|--|-----------------------------|-----------------------------|
| 11.4 | Grant assets received from donors | | |
| | Opening balance at January 01 (Written Down Value) | 49,636,392 | 52,006,347 |
| | Add: Assets received during the year | 4,264,849 | 6,619,227 |
| | | 53,901,241 | 58,625,574 |
| | Less: Amortization/disposal made during the year | (8,734,830) | (8,989,183) |
| | Closing balance at December 31 (Written Down Value) | 45,166,411 | 49,636,392 |
| | <i>Donor Wise disclosures of cumulative grant assets</i> | | |
| | Grant assets received from: | | |
| | The World Bank | 97,795,258 | 95,800,952 |
| | KfW-NDBMP | 3,644,259 | 3,864,919 |
| | SNV - Netherlands Development Organization | 1,043,007 | 1,162,823 |
| | Total value at cost (a) | 102,482,524 | 100,828,693 |
| | Accumulated amortization: | | |
| | The World Bank | 53,533,380 | 47,264,337 |
| | KfW-NDBMP | 2,926,003 | 3,021,407 |
| | SNV - Netherlands Development Organization | 856,729 | 906,556 |
| | Total amortization (b) | 57,316,113 | 51,192,300 |
| | Written down value (a - b) | 45,166,411 | 49,636,392 |
| 11.5 | Lease Liability | | |
| | Opening Balance as at Jan 01 | - | - |
| | Add: Addition during the year | 19,941,331 | - |
| | Less: Adjustment during the year | (4,110,626) | - |
| | Closing Balance as at December 31 | 15,830,705 | - |
| 12 | Paid-up Capital | | |
| | Authorized capital: | | |
| | 100,000,000 Ordinary shares @ Tk. 100 each | 10,000,000,000 | 10,000,000,000 |
| | Issued, subscribed and paid-up capital | | |
| | 65,000,000 shares @ Taka 100 each | 6,500,000,000 | 6,000,000,000 |
| | Detail of shareholding position of the company | | |

| Name of shareholders | No. of shares as at December 31, 2019 | No. of shares as at December 31, 2018 | Paid up capital as at December 31, 2019 | Paid up capital as at December 31, 2018 |
|---|---|---|---|---|
| Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh | 64,999,000 | 59,999,000 | 6,499,900,000 | 5,999,900,000 |
| Monowar Ahmed | 500 | 500 | 50,000 | 50,000 |
| Md Nojibur Rahman | 50 | 50 | 5,000 | 5,000 |
| Md. Mozammel Haque Khan | 50 | 50 | 5,000 | 5,000 |
| Abdur Rouf Talukder | 50 | 50 | 5,000 | 5,000 |
| Sajjadul Hassan | 50 | 50 | 5,000 | 5,000 |
| Dr. Ahmad Kaikaus | 50 | 50 | 5,000 | 5,000 |
| Md. Shah Kamal | 50 | 50 | 5,000 | 5,000 |
| Shubhashish Bose | 50 | 50 | 5,000 | 5,000 |
| Nihad Kabir | 50 | 50 | 5,000 | 5,000 |
| Abdul Haque | 50 | 50 | 5,000 | 5,000 |
| A. K. M. Nurul Fazal Bulbul | 10 | 10 | 1,000 | 1,000 |
| Mahmood Malik | 40 | 40 | 4,000 | 4,000 |
| | 65,000,000 | 60,000,000 | 6,500,000,000 | 6,000,000,000 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-------|-----------------------------|-----------------------------|
| 13 Adjustment for Interest Expense under SHS Program | | | |
| Excess Interest expense accrued for FY 2018 | | 631,473,670 | - |
| Less: Excess Interest Income recognized for FY 2018 | | (258,988,399) | - |
| Net adjustment | | 372,485,271 | - |

The Economic Relations Division (ERD) of the Ministry of Finance (MoF) vide its letter (Letter no. 09.00.0000.057.24.011.17-11) dated 11 June 2019 waived interest on the principal outstanding of the loans received from the Government of Bangladesh (GoB) under the Solar Home System (SHS) program of IDCOL with effect from 01 Jul'18. Subsequently, IDCOL waived interest on the loans extended to the Partner Organizations (POs) under the SHS program with effect from 01 Jul'18. Due to retrospective effect of the waiver of interest, the following adjustments have been made in the financial statements of FY 2019:

1. Excess interest expense booked for the FY 2018 amounting BDT 631,472,670 against the loans received from the GoB under the SHS program has been adjusted.
2. Excess interest income booked for the FY 2018 amounting BDT 258,988,399 against the loans extended to the POs under the SHS program has been adjusted.

14 Income Statement

| | | | |
|-------------------------------------|-------|----------------------|----------------------|
| Income | | | |
| Interest and similar income | 15 | 4,776,333,932 | 4,392,711,545 |
| Investment income | 17 | 3,888,889 | - |
| Fees and commission | 18 | 420,972,687 | 381,164,691 |
| Other Operating income | 19 | 176,414,217 | 146,809,469 |
| | | 5,377,609,726 | 4,920,685,705 |
| Expenses | | | |
| Interest on deposits and borrowings | 16 | 827,016,483 | 1,766,695,989 |
| Administrative expenses | 20-27 | 232,595,385 | 195,578,243 |
| Other Operating expenses | 29 | 282,453,022 | 97,397,391 |
| Depreciation on Assets | 28 | 22,917,042 | 14,954,707 |
| | | 1,364,981,932 | 2,074,626,330 |
| | | 4,012,627,794 | 2,846,059,375 |

15 Interest Income

| | | | |
|---|--------|----------------------|----------------------|
| Interest on loans and advances | 15.1 | 3,611,747,625 | 2,768,378,231 |
| Interest on balance with other banks & financial institutes | 15.2 | 1,164,586,307 | 1,624,333,314 |
| | | 4,776,333,932 | 4,392,711,545 |
| 15.1 Interest Income on loans and advances | | | |
| Interest on Infrastructure loan | 15.1.1 | 3,441,086,723 | 1,996,504,199 |
| Interest on Renewable Energy Project loan | 15.1.2 | 168,158,665 | 769,591,472 |
| Interest on employee car loan & home loan | | 2,502,237 | 2,282,560 |
| | | 3,611,747,625 | 2,768,378,231 |
| 5.1.1 Interest Income on Infrastructure loan | | | |
| Interest income-Infra-IF | | 1,981,184,321 | 1,072,030,299 |
| Interest income-Infra-IEEF | | 1,347,949,571 | 901,966,449 |
| Interest income-Infra-PPP | | 111,952,831 | 22,507,451 |
| | | 3,441,086,723 | 1,996,504,199 |
| 15.1.2 Interest Income on Renewable Energy Project loan | | | |
| Interest on SHS project | | 8,005 | 681,243,008 |
| Interest on Biogas project | | 12,253,813 | 12,646,029 |
| Interest on Other renewable energy project | | 155,896,847 | 75,702,435 |
| | | 168,158,665 | 769,591,472 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-----------|---|-----------------------------|-----------------------------|
| 15.2 | Interest on balance with other bank & Fls | | |
| | Interest on short term bank deposit | 31,918,691 | 10,301,017 |
| | Interest on fixed deposit | 1,129,697,422 | 1,595,541,560 |
| | Interest on call money lending | 2,970,194 | 18,490,736 |
| | | <u>1,164,586,307</u> | <u>1,624,333,314</u> |
| 16 | Interest on deposits, borrowings etc. | | |
| | Borrowing cost under REREDP | 16.1 33,269,629 | 795,714,445 |
| | Borrowing cost under PPIDF | 16.2 727,563,452 | 714,801,076 |
| | Borrowing cost under IDB (Credit # 151) | 330,294 | 28,679,681 |
| | Borrowing cost under BB | 3,817,745 | - |
| | Borrowing cost under JICA | 16.3 62,035,363 | 227,500,787 |
| | | <u>827,016,483</u> | <u>1,766,695,989</u> |
| 16.1 | Borrowing cost under REREDP | | |
| | Interest against Credit # 4643 | 1,430,096 | 135,397,368 |
| | Interest against Credit # 5013 | 1,472,299 | 256,020,016 |
| | Interest against Credit # 5158 | 22,558,048 | 251,369,637 |
| | Interest against Credit # 5514 | 5,542,521 | 152,927,424 |
| | Interest against Credit # 6202 | 2,266,665 | - |
| | | <u>33,269,629</u> | <u>795,714,445</u> |
| 16.2 | Borrowing cost under PPIDF | | |
| | Borrowing cost under PPIDF (Credit # 2453 & 2454) | 16.2.1 220,155,125 | 449,455,748 |
| | Borrowing cost under PPIDF II (Credit # 3045 & 3046) | 16.2.2 339,349,352 | 265,345,328 |
| | Borrowing cost under PPIDF III (Credit # 3554 & 3555) | 16.2.3 168,058,975 | - |
| | | <u>727,563,452</u> | <u>714,801,076</u> |
| 16.2.1 | Borrowing cost under PPIDF (Credit # 2453 & 2454) | | |
| | Interest against Credit # 2453 -IEEF | 15,279,299 | 16,216,982 |
| | Interest against Credit # 2453 -REP | - | 248,053,214 |
| | Interest against Credit # 2454 -IF | 204,875,826 | 185,185,552 |
| | | <u>220,155,125</u> | <u>449,455,748</u> |
| 16.2.2 | Borrowing cost under PPIDF II (Credit # 3045 & 3046) | | |
| | Interest against Credit # 3045 - OCR & 3554 OCR USD | 338,054,589 | 241,500,716 |
| | Interest against Credit # 3046 -SF | 1,294,763 | 21,542,198 |
| | Commitment charge against Credit # 3045 - OCR | - | 2,302,414 |
| | | <u>339,349,352</u> | <u>265,345,328</u> |
| 16.2.3 | Borrowing cost under PPIDF III (Credit # 3554 & 3555) | | |
| | Interest against Credit # 3554 - OCR USD | 141,670,084 | - |
| | Interest against Credit # 3555 -SF | - | - |
| | Commitment charge against Credit # 3554 - OCR | 26,388,891 | - |
| | | <u>168,058,975</u> | <u>-</u> |
| 16.3 | Borrowing cost under JICA (Credit # P-75 & P-90) | | |
| | Interest against Credit # P-75 | 36,326,947 | 214,501,008 |
| | Interest against Credit # P-90 | 25,708,416 | 12,999,779 |
| | | <u>62,035,363</u> | <u>227,500,787</u> |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-------|-----------------------------|-----------------------------|
| 17 Investment income | | | |
| Investment income - Pref. Share | | 3,888,889 | - |
| | | 3,888,889 | - |
| 18 Fees, Commission & Brokerage | | | |
| Fees income from renewable energy project | 18.1 | 160,072,918 | 3,704,365 |
| Fees income from infra project | 18.2 | 247,959,790 | 373,437,579 |
| Income from advisory services | | 12,939,979 | 4,022,748 |
| | | 420,972,687 | 381,164,691 |
| 18.1 Fees income from renewable energy project | | | |
| Fees for administering SHS program - TR/KABITA | | 155,339,348 | - |
| Fees for GCF Project | | 3,649,512 | - |
| Fees for administering SHS program - DFID | | 9,058 | 2,439,365 |
| Enlistment of RE equipment | | 1,075,000 | 1,265,000 |
| | | 160,072,918 | 3,704,365 |
| 18.2 Fees income from infra project | | | |
| Participation & arrangement fees | | 80,238,463 | 36,508,479 |
| Loan application, processing & documentation fees | | 1,182,193 | 4,041,555 |
| Due diligence fees | | 17,030,500 | 35,675,710 |
| Commission income | | 4,405,185 | 1,601,581 |
| Commitment charges | | 41,498,393 | 18,327,717 |
| Waiver, cancellation & prepayment fees | | 15,572,164 | 143,876,347 |
| Upfront fees | | 55,413,788 | 121,061,975 |
| Agency & monitoring Fees | | 32,619,104 | 12,344,215 |
| | | 247,959,790 | 373,437,579 |
| 19 Other operating income | | | |
| Exchange gain | | 136,800,432 | 109,415,958 |
| Deferred Income (Grant Income) | | 8,734,830 | 8,989,183 |
| Gain on disposal of Assets | | - | 40,298 |
| Others | | 30,878,955 | 28,364,031 |
| | | 176,414,217 | 146,809,469 |
| 20 Salary and allowances | | | |
| Salary and allowances | | 140,354,921 | 117,959,575 |
| Gratuity | | 25,668,316 | 27,207,664 |
| | | 166,023,237 | 145,167,239 |
| 20.1 Salary & Allowance-company operations | | | |
| Salary and allowances | | 105,718,013 | 94,759,950 |
| Gratuity | | 14,974,446 | 11,788,271 |
| | | 120,692,459 | 106,548,221 |
| 20.2 Salary & Allowance-RE operations* | | | |
| Salary and allowances | | 34,636,908 | 23,199,625 |
| Gratuity | | 10,693,870 | 15,419,393 |
| | | 45,330,778 | 38,619,018 |

* Salary and allowances have been rearranged to disclose the total salary expenses together.

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|-------|-----------------------------|-----------------------------|
| 21 Rent, taxes, insurance and electricity | | | |
| Rent | | 2,421,948 | 4,307,613 |
| Insurance premium | | 2,574,235 | 1,280,807 |
| Electricity & Utilities | | 770,853 | 770,446 |
| Holding & Land tax | | 249,387 | 238,367 |
| | | 6,016,423 | 6,597,233 |
| 22 Professional & Legal expenses | | | |
| Legal Expenses | | 315,405 | 506,395 |
| Information systems audit fee | | 615,250 | - |
| Professional fees | 22.1 | 33,615,061 | 21,056,716 |
| | | 34,545,716 | 21,563,111 |
| 22.1 Professional fees | | | |
| Consultancy under JICA Projects | | 32,813,024 | 21,029,116 |
| Other Professional fees | | 802,037 | 27,600 |
| | | 33,615,061 | 21,056,716 |
| 23 Postage, stamp, telecommunication, etc. | | | |
| Postage and courier | | 4,150 | 25,340 |
| Telephone, Fax and E-mail | | 1,134,867 | 1,229,716 |
| | | 1,139,017 | 1,255,056 |
| 24 Stationery, printing, advertisements, etc. | | | |
| Printing and stationeries | | 2,332,073 | 2,933,616 |
| Marketing, promotion & Business dev. Exp. | | 2,352,348 | 2,972,303 |
| Advertisement | | 1,775,835 | 1,207,831 |
| | | 6,460,256 | 7,113,750 |
| 25 Chief Executive's salary and benefits | | | |
| Salary | | 6,150,000 | 6,640,719 |
| Allowances | | 6,221,400 | 2,782,062 |
| Bonus | | 3,100,000 | 1,801,368 |
| Company's contribution to provident fund | | 615,000 | 664,071 |
| | | 16,086,400 | 11,888,221 |
| 26 Directors' fees | | | |
| Honorarium for attending board meetings | | 1,877,759 | 1,555,541 |
| Incidental expenses for attending meeting | | 230,547 | 233,334 |
| | | 2,108,306 | 1,788,875 |
| 27 Auditors' fees | | | |
| | | 216,030 | 204,758 |
| | | 216,030 | 204,758 |
| 28 Depreciation and repair of Company's assets | | | |
| Depreciation of Company's assets | 28.1 | 16,381,458 | 14,954,707 |
| Depreciation on Right-of-use assets | 28.2 | 6,535,584 | - |
| | | 22,917,042 | 14,954,707 |
| 28.1 Depreciation of Company's assets | | | |
| Office space | | 341,878 | 379,865 |
| Furniture & fixture | | 3,177,707 | 2,888,039 |
| Interior decoration | | 1,249,142 | 1,387,936 |
| Computer & computer equipment | | 3,133,644 | 3,110,083 |
| Other office equipment | | 1,924,237 | 1,870,573 |
| Software | | 225,206 | 321,722 |
| Vehicle | | 6,329,644 | 4,996,489 |
| | | 16,381,458 | 14,954,707 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|---|--------|-----------------------------|-----------------------------|
| 28.2 Depreciation on Right-of-use assets | | | |
| Rented Office Space | | 6,535,584 | - |
| | | 6,535,584 | - |
| 29 Other operating expenses | | | |
| AGM and Other Meeting expenses | | 979,080 | 2,613,645 |
| Bank and other charge | | 5,158,151 | 7,447,947 |
| Books and periodicals | | 38,168 | 48,699 |
| Car Maintenance expense - reimbursement | | 7,620,166 | 6,955,167 |
| Conveyance and travelling expense | | 5,419,128 | 1,337,299 |
| Credit rating expenses | | 287,500 | 292,500 |
| CSR activities expenses | | 1,783,959 | 1,356,143 |
| Entertainment | | 1,783,861 | 1,735,770 |
| Fees to regulatory authorities | | 202,049 | 17,915 |
| IT & Automation expense | | 24,150 | 31,944 |
| Leave Fare Assistance | | 6,478,246 | 4,922,304 |
| Lease Interest Expense | | 224,679 | - |
| Loss on disposal of fixed assets | | 1,602,172 | - |
| Litigation Cost & Court fees | | 10,632,525 | - |
| Maintenance and utility of UTC building | | 1,585,327 | 1,493,896 |
| Office supplies and maintenance | | 1,570,141 | 1,744,505 |
| Operations and logistics | | 1,275,427 | 827,530 |
| Other office expenses | | 346,277 | 358,998 |
| Pmt to Intern & Adhoc Employees | | 90,000 | 48,334 |
| Provision other than loans | | 530,099 | - |
| Receivables & Principle of loan written off | | 9,749,841 | - |
| Recruitment cost | | 650,998 | 483,575 |
| Repair and maintenance | | 2,848,717 | 2,296,069 |
| Retreat and review meeting expense | | 6,784,441 | - |
| Seminar, workshop & roadshows | | 131,219 | 404,500 |
| Stamps and duties | | 13,210 | 20,230 |
| Training and exposure visit | | 806,526 | 3,375,634 |
| Tuition fee reimbursement | | 365,696 | 142,274 |
| Vehicle fuel & Maintenance expense | | 3,717,769 | 3,552,901 |
| Expenses under IDCOL Renewable Energy Program | 29.1 | 209,753,500 | 55,889,613 |
| | | 282,453,022 | 97,397,391 |
| 29.1 Expenses under IDCOL Renewable Energy Program | | | |
| Monitoring expenditure | 29.1.1 | 16,953,402 | 26,582,621 |
| Insurance, fees & marketing expenses | 29.1.2 | 2,813,807 | 2,857,445 |
| Postage, stamp & telecommunication | 29.1.3 | 1,481,692 | 1,378,027 |
| Stationery, supplies & printing | 29.1.4 | 1,500,251 | 2,116,597 |
| TR/KABITA Operating Exp | | 173,532,184 | - |
| Audit Fee | | 216,030 | 196,391 |
| Professional Fee under JICA | | 4,667,970 | 6,623,398 |
| Other operating expenses | 29.1.5 | 8,588,164 | 16,135,134 |
| | | 209,753,500 | 55,889,613 |

* Expenses under IDCOL Renewable Energy Program have been rearranged to disclose total salary expenditure (note 20.2)

| Notes | | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-----------|---|-----------------------------|-----------------------------|
| 29.1.1 | Monitoring expenditure | | |
| | Physical Verification Exp. (Technical)-REP | 16,953,402 | 26,582,621 |
| | Collection Efficiency Monitoring Exp-REP | - | - |
| | | 16,953,402 | 26,582,621 |
| 29.1.2 | Insurance, fees & marketing expenses | | |
| | Insurance | 1,541,775 | 453,316 |
| | Advertisement & promotion | 1,272,032 | 2,404,129 |
| | | 2,813,807 | 2,857,445 |
| 29.1.3 | Postage, stamp & telecommunication | | |
| | Postage and courier | 228,882 | 120,314 |
| | Telephone, Fax and Internet | 1,252,810 | 1,257,713 |
| | | 1,481,692 | 1,378,027 |
| 29.1.4 | Stationery, supplies & printing | | |
| | Stationeries & supplies | 1,300,359 | 1,456,638 |
| | Printing | 199,892 | 659,959 |
| | | 1,500,251 | 2,116,597 |
| 29.1.5 | Other operating expenses | | |
| | Books, Periodicals & Newspaper | 15,149 | 14,872 |
| | Entertainment | 880,875 | 847,908 |
| | Exp for special events under REP | 638,888 | - |
| | Employee Welfare Expense | 900,000 | 500,000 |
| | Leave Fair Assistance | 1,571,215 | 1,085,621 |
| | Legal and professional fees | 1,500,968 | 7,124,171 |
| | Meeting Expenses | 253,284 | 547,679 |
| | Operations and logistics | 110,500 | 106,272 |
| | Other Expenses | - | 270,750 |
| | Pmt to Interns & Ad hoc employees | 37,000 | 20,000 |
| | Recruitment Cost | 92,097 | 139,725 |
| | Repair & Maintenance | 179,325 | 175,961 |
| | Research & Development | 51,132 | 828,083 |
| | Training, workshop & exposure visits | 269,630 | 1,628,281 |
| | Travelling & Conveyance | 2,088,101 | 2,845,810 |
| | | 8,588,164 | 16,135,134 |
| 30 | Charges on loan losses | - | - |
| | | - | - |
| 31 | Provision for loans and advances/investments | | |
| | Opening balance at January 01 | 4,348,944,577 | 3,346,043,417 |
| | Recoveries of amount previously written off | - | - |
| | Provision made for the year | 2,342,615,749 | 2,155,989,964 |
| | Provision released during the year | (698,108,337) | (1,153,088,804) |
| | Provision charged during the year | 1,644,507,412 | 1,002,901,160 |
| | Less. Written off/waived | 1,499,668,859 | - |
| | Closing Balance at December 31 | 4,493,783,130 | 4,348,944,577 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|--|-----------------------------|-----------------------------|
| 31.2 | Provision for loans and advances | | |
| | Opening balance at January 01 | 4,348,944,577 | 3,346,043,417 |
| | Recoveries of amount previously written off | - | - |
| | Provision made for the year | 2,052,615,749 | 2,155,989,964 |
| | Provision released during the year | (698,108,337) | (1,153,088,804) |
| | Provision charged during the year | 1,354,507,412 | 1,002,901,160 |
| | Less. Written off/waived | 1,499,668,859 | - |
| | Closing Balance at December 31 | 4,203,783,130 | 4,348,944,577 |
| 31.3 | Provision for short term investment | | |
| | Opening balance at January 01 | - | - |
| | Recoveries of amount previously written off | - | - |
| | Provision made for the year | 290,000,000 | - |
| | Provision released during the year | - | - |
| | Provision charged during the year | 290,000,000 | - |
| | Less. Written off/waived | - | - |
| | Closing Balance at December 31 | 290,000,000 | - |
| 31.4 | Provision for loans and advances | | |
| | General provision | 2,277,897,592 | 1,394,192,205 |
| | Statutory requirement | 693,442,779 | 1,060,012,122 |
| | Voluntary provision* | 1,584,454,813 | 334,180,083 |
| | Specific provision | 1,925,885,538 | 2,954,752,371 |
| | Statutory requirement | 1,925,885,538 | 2,954,752,371 |
| | Voluntary provision | - | - |
| | | 4,203,783,130 | 4,348,944,577 |
| * Voluntary provision, in addition to statutory requirement, has been maintained to build a reserve for absorbing future shocks due to adverse classification of loans and advances. | | | |
| 31.2 | Provision charged during the year | | |
| | General provision | 208,129,744 | 110,289,418 |
| | Specific provision | (103,897,062) | 558,431,659 |
| | Voluntary provision on loans and advances | 1,250,274,730 | 334,180,083 |
| | Provision on short term investment | 290,000,000 | - |
| | | 1,644,507,412 | 1,002,901,160 |
| 32 | Provision for income tax | | |
| | Opening balance at January 01 | 1,107,539,616 | 1,601,142,384 |
| | Add: Provision made during the year for FY 2019 (AY 2020-21) | 977,753,991 | - |
| | Add: Provision made during the year for FY 2018 (AY 2019-20) | - | 1,107,539,615 |
| | Add: Provision made during the year for FY 2017 (AY 2018-19) | - | 42,743,753 |
| | | 2,085,293,607 | 2,751,425,752 |
| | Less: Settlement of previous year's tax liabilities | 1,107,539,616 | 1,643,886,136 |
| | Closing balance at December 31 | 977,753,991 | 1,107,539,616 |
| | Deferred tax expense | 11,871,370 | (10,534,923) |
| | Current tax expense | 977,753,991 | 1,107,539,615 |
| | Prior year tax | - | 42,743,753 |
| | Tax expenses | 989,625,362 | 1,139,748,445 |

33 Earnings Per Share (EPS)

Profit attributable to ordinary shareholders
Net profit for the year

Ordinary shares at January 01
Bonus shares issued during 2018
Bonus shares issued during 2019
Total number of shares at December 31-Restated

Weighted average number of ordinary shares

Earnings per share

| Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|-----------------------------|-----------------------------|
| | 1,378,495,020 | 703,409,770 |
| | 55,000,000 | 55,000,000 |
| | 5,000,000 | 5,000,000 |
| | 5,000,000 | 5,000,000 |
| | 65,000,000 | 65,000,000 |
| | 65,000,000 | 65,000,000 |
| | 21.21 | 10.82 |

Earnings Per Share (EPS) has been computed by dividing the IASic earnings by the number of ordinary shares outstanding as of 31 December 2019 as per International Accounting Standard (IAS)-33. According to IAS-33, EPS for the period ended 31 December 2018 was restated for the issues of bonus shares (for 2018) in 2019.

34 Net Asset Value (NAV) Per Share

Net Asset (Total asset - Total liabilities)- (A)
Weighted average number of ordinary shares (B)
NAV per share (A/B)

| | |
|---------------|---------------|
| 8,352,757,946 | 6,801,777,654 |
| 65,000,000 | 65,000,000 |
| 128.50 | 104.64 |

Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2019, weighted average number of shares outstanding for the NAV computation has been retrospectively adjusted for the effect of the bonus issue. As such the NAV calculation for 2019 and 2018 has been based on the new number of shares of 65,000,000. Before adjusting the bonus share NAV of 2018 was Tk.113.36 per share.

35 Other Contingent Liability

Contingent liability has been presented in accordance with IAS-37 to reflect the probable liability that may arise due to claim of Value Added Taxes (VAT) by the National Board of Revenue (NBR). IDCOL has already made an appeal before the Appellate Tribunal of NBR.

36 Related Party Transactions

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

Details of transactions with related parties and balances with them as at 31 December 2019 were as follows:

| Name of the related party | Nature of transaction | Relationship | Balance at Jan 01 | Addition during the year | Adjustment during this year | Balance at Dec 31 |
|-----------------------------|-----------------------|---------------|-------------------|--------------------------|-----------------------------|-------------------|
| Senior Management Officials | Loan | Top Officials | 26,829,673 | - | 4,120,091 | 22,709,582 |
| Hoq's Bay (Abdul Haque) | Purchase of vehicle | Director | - | 12,425,848 | - | - |

Loans to Senior Management includes car loan and home loan extended under IDCOL Employee Car Loan Facility and IDCOL Home Loan Facility, respectively. As at 31 December 2019, loans amounting to Tk. 22,709,582 are outstanding with the Deputy CEO & CFO and the Head of Renewable Energy.

37 Accumulated movement of funds under projects

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|-------|------------------------------|------------------------------|
| 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 |
| | | <u>10,190,587,208</u> | <u>10,190,587,208</u> |
| Grants received for project implementation: | | | |
| Grant from World Bank (GEF, IDA, GPOBA) under REREDP | | 3,866,931,321 | 3,866,931,321 |
| 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 | | 172,980,423 | 158,167,477 |
| Grant provided under JICA-EE& EC | | 153,694,802 | 60,067,475 |
| Grant provided under ADB-PPIDF | | 256,712,856 | 256,712,856 |
| Grant provided WB under USAID | | 512,818,301 | 351,587,763 |
| Grant provided WB under BCCRF | | 787,321,789 | 787,321,789 |
| Grant provided by DFID | | 1,893,556,814 | 1,893,556,814 |
| Grant provided by SREPGen | | 108,104,407 | 108,104,407 |
| Grant received under IDA 5158 (HE) | | 572,609,957 | 572,609,957 |
| Grant received under IDA 5158 (AE) | | 382,416,445 | 382,416,445 |
| Grant received under IDA 5514 (AF) | | 326,895,927 | 326,895,927 |
| Grant received under IDA 6202 | | 353,363,764 | - |
| Grant from KfW under NDBMP | | 520,094,670 | 520,094,670 |
| | | <u>12,161,745,431</u> | <u>11,538,710,856</u> |
| Principal repayment and interest received from projects: | | | |
| Principal repaid by the projects financed under PSIDP | | 6,694,860,108 | 6,694,860,108 |
| Principal repaid by the projects financed under REREDP | | 3,528,746,986 | 3,528,746,986 |
| Interest paid by the projects financed under PSIDP | | 6,888,299,083 | 6,888,299,083 |
| Interest paid by the projects financed under REREDP | | 1,327,267,359 | 1,327,266,313 |
| | | <u>18,439,173,535</u> | <u>18,439,172,490</u> |
| Interest from bank accounts | | 54,756,454 | 52,211,010 |
| | | <u>40,846,262,627</u> | <u>40,220,681,563</u> |
| Fund outflow | | | |
| Loans and advances: | | | |
| 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 |
| | | <u>10,158,275,090</u> | <u>10,158,275,090</u> |
| Grants utilized for project implementation: | | | |
| World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP | | 2,855,959,380 | 2,855,959,380 |
| World Bank (GEF, GPOBA & IDA) grants used for project under REREDP | | 739,098,620 | 739,098,620 |
| 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 | | 902,664,924 | 902,563,224 |
| 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 | | 171,083,341 | 156,239,495 |
| JICA grants used for project under EE& EC | | 153,815,975 | 60,106,922 |
| USAID grants provided to POs under REREDP | | 425,256,649 | 308,007,355 |
| USAID grants used for project under REREDP | | 87,561,652 | 18,616,720 |
| BCCRF grants provided to sponsors under REREDP | | 708,195,019 | 708,195,019 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|-------|-----------------------------|-----------------------------|
| BCCRF grants used for project under REREDP | | 79,126,771 | 79,126,771 |
| DFID grants provided to POs under RE | | 1,787,626,245 | 1,787,626,245 |
| DFID grants used for project under RE | | 109,260,118 | 109,260,118 |
| Grants provided to POs under IDA 5158 (HE) | | 622,144,256 | 622,144,256 |
| Grants used for project under IDA 5158 (HE) | | 271,318,594 | 227,043,647 |
| Grants used for project under IDA 5158 (AE) | | 382,416,445 | 382,416,445 |
| Grants used for project under IDA 5514 (AF) | | 353,259,036 | 326,895,927 |
| Grants used for project under IDA 6202 (AE) | | 67,802,851 | - |
| Grants Provided to POs under IDA 6202 (HE) | | 189,044,375 | - |
| Grants used for project under IDA 6202 (HE) | | 76,434,782 | - |
| Grants provided to POs under SREPGen | | 108,540,279 | 52,992,118 |
| KfW grants provided to POs under NDBMP | | 356,556,300 | 356,556,300 |
| KfW grants used for project under NDBMP | | 146,484,845 | 146,484,845 |
| | | 12,163,435,922 | 11,409,118,873 |
| On lending by IDCOL from reflows: | | | |
| Projects financed from reflows under PSIDP | | 8,819,566,118 | 8,819,566,118 |
| Projects financed from reflows under REREDP | | 2,641,132,700 | 2,641,132,700 |
| | | 11,460,698,818 | 11,460,698,818 |
| Debt service of IDA loans | | 3,824,396,393 | 3,404,804,794 |
| Refund, tax and charges | | 61,457,288 | 58,949,931 |
| Balance at bank | 37.4 | 3,177,999,114 | 3,728,834,055 |
| | | 40,846,262,627 | 40,220,681,563 |
| 37.1 Movement during the year | | | |
| Fund inflow | | | |
| Long term loans: | | | |
| Loan from IDA under PSIDP | | - | - |
| Loan from IDA under REREDP | | - | - |
| Loan from KfW under solar program | | - | - |
| Loan from KfW under NDBMP | | - | - |
| | | - | - |
| Grants received for project implementation: | | | |
| Grant from World Bank (GEF, IDA, GPOBA) under REREDP | | - | 664,522,407 |
| Grant from KfW under solar program | | - | - |
| Grant from GIZ under solar program | | - | - |
| Grant provided under JICA-REDP | | 108,440,273 | 11,422,716 |
| Grant provided under ADB-PPIDF | | - | - |
| Grant provided WB under USAID | | 161,230,538 | - |
| Grant provided WB under BCCRF | | - | - |
| Grant provided by DFID | | - | 60,385,651 |
| Grant provided by SREPGen | | - | 98,875,207 |
| Grant received under IDA 5158 (HE) | | - | 96,857,351 |
| Grant received under IDA 5158 (AE) | | - | - |
| Grant received under IDA 5514 (AF) | | - | 161,600,506 |
| Grant received under IDA 6202 | | 353,363,764 | - |
| Grant from KfW under NDBMP | | - | - |
| | | 623,034,575 | 1,093,663,838 |
| Principal repayment and interest received from projects: | | | |
| Principal repaid by the projects financed under PSIDP | | - | 1,948,644,956 |
| Principal repaid by the projects financed under REREDP | | - | 28,915,338 |
| Interest paid by the projects financed under PSIDP | | - | 135,171,316 |
| Interest paid by the projects financed under REREDP | | 1,046 | 3,572,432 |
| | | 1,046 | 2,116,304,041 |

| | Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|--|-------|-----------------------------|-----------------------------|
| Interest from bank accounts | | 2,545,444 | 6,465,347 |
| | | 625,581,065 | 3,216,433,225 |
| Fund outflow | | | |
| Loans and advances: | | | |
| Projects financed under PSIDP | | - | - |
| Loan to POs under REREDP | | - | - |
| Loan to POs under KfW funded solar program | | - | - |
| Loan to POs under KfW funded NDBMP | | - | - |
| | | - | - |
| Grants utilized for project implementation: | | | |
| World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP | | - | 544,187,796 |
| World Bank (GEF, GPOBA & IDA) grants used for project under REREDP | | - | 27,729,035 |
| KfW grants provided to POs under solar program | | - | - |
| KfW grants used for project under solar program | | - | - |
| GIZ grants provided to POs under solar program | | 101,700 | 4,561,380 |
| GIZ grants used for project under solar program | | - | - |
| ADB grants provided to POs under PPIDF | | - | - |
| ADB grants used for project under PPIDF | | - | - |
| JICA grants used for project under REDP | | 108,552,899 | 11,422,716 |
| USAID grants provided to POs under REREDP | | 117,249,294 | 18,437,330 |
| USAID grants used for project under REREDP | | 68,944,932 | 601,875 |
| BCCRF grants provided to sponsors under REREDP | | - | - |
| BCCRF grants used for project under REREDP | | - | - |
| DFID grants provided to POs under RE | | - | 156,653,399 |
| DFID grants used for project under RE | | - | 17,514,434 |
| Grants provided to POs under IDA 5158 (HE) | | - | 86,223,908 |
| Grants used for project under IDA 5158 (HE) | | 44,274,947 | 9,765,763 |
| Grants used for project under IDA 5158 (AE) | | - | - |
| Grants used for project under IDA 5514 (AF) | | 26,363,109 | 161,600,506 |
| Grants used for project under IDA 6202 (AF) | | 333,282,008 | - |
| Grants provided to POs under SREPGen | | 55,548,160 | 51,602,686 |
| KfW grants provided to POs under NDBMP | | - | - |
| KfW grants used for project under NDBMP | | - | - |
| | | 754,317,049 | 1,090,300,828 |
| On lending by IDCOL from reflows: | | | |
| Projects financed from reflows under PSIDP | | - | 2,038,770,000 |
| Projects financed from reflows under REREDP | | - | 86,683,046 |
| | | - | 2,125,453,046 |
| Debt service of IDA loans | | 419,591,599 | 286,919,371 |
| Refund, tax and charges | | 2,507,358 | 2,961,472 |
| Balance at bank | | (550,834,941) | (289,201,492) |
| | | 625,581,065 | 3,216,433,225 |

- 37.2 The World Bank (IDA) have provided loan under the Agency & Administration Agreement signed between the GoB and IDCOL. This loan is being used for providing loans/refinance to eligible borrowers and/or Participating Organizations (POs) under various infrastructure and renewable energy projects. The Development Credit Agreement (DCA) and the Agency and Administration Agreement (AAA) under the PSIDP provide that proceeds (interest & principal) in BDT against the loan extended are to be deposited in the Taka denominated Repayment Account and proceeds received in USD are to be deposited in the Dollar denominated Repayment Account. According to the DCA and AAA under the REREDP, proceed in BDT (97% of interest and 100% of principal) are to be deposited in the Taka denominated Repayment Account. The DCA and the AAA under these projects

| Notes | Amount in Taka 31-Dec-19 | Amount in Taka 31-Dec-18 |
|-------|-----------------------------|-----------------------------|
|-------|-----------------------------|-----------------------------|

provide that after meeting the GoB's debt service obligations, the balance in the repayment accounts shall be used by IDCOL to meet its operating expenses and future lending operations, subject to approval of the Government. The AAA also states that funds credited to the repayment accounts shall not form part of the Government's normal budgetary resources. The Finance Division of the Ministry of Finance also issued an operational guideline in this regard.

- 37.3 The donors provide two types of 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 provide grants for project implementation cost which includes; monitoring, supervision, marketing, physical verification of SHS, technical audit, capacity building of POs, consultants' fees, etc. As per the project agreement executed between the Development Partners and IDCOL, IDCOL is responsible to channel the sub-grants from the designated accounts maintained under each project.
- 37.4 Disclosure for balance at bank accounts maintained under projects (Separately accounted for each project and also audited separately by the statutory auditor of the Company. Not reflected in the financial statements of the Company except for the disclosures made in this note # 37).

| | | |
|---|----------------------|----------------------|
| Bd. Bank Repayment account in USD under IDA Credit # 2995-BD | 2,168,101,578 | 2,314,908,365 |
| Bd. Bank Repayment account in BDT under IDA Credit # 2995-BD | 20,523 | 20,523 |
| Bd. Bank Repayment A/c in BDT under IDA Credit # 3679-BD | 958,644,612 | 1,241,903,687 |
| City Bank BDT account # 31001038 under GIZ fund for solar program SREPGEN | 619,219 | 3,624,058 |
| Janata Bank CONTASA account # 36002256 under IDA 5158 (HE) | 291,254 | 44,767,431 |
| Agrani Bank CONTASA A/C # 0200012858680 under IDA 6202 (HE) | 20,924,094 | - |
| Agrani Bank CONTASA account # 373 under JICA-REDP | 624 | - |
| Rupali Bank CONTASA account # 240000416 under USAID | - | 25,626,968 |
| Agrani Bank CONTASA account # 3791 under DFID | - | 12,760,358 |
| Commercial Bank of Ceylon PLC, STD Account # 2809007305 | - | 56,107,122 |
| Commercial Bank of Ceylon PLC, STD A/C no-2809005803 | - | - |
| Trust Bank SND A/C # 0030-0320000426 under PICO PV program | 29,397,211 | 29,115,544 |
| Janata Bank Ltd.-STD A/C # 010236002347 under GPOBA-II TF 019156 | - | - |
| Janata Bank Ltd.-STD A/C # 010236002355 under GPOBA-II TF 019157 | - | - |
| | 3,177,999,114 | 3,728,834,055 |

- 37.5 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 84.90/USD and BDT 94.90/EURO prevailing at December 31, 2019 and BDT 83.90/USD and BDT 96.22/EURO prevailing at December 31, 2018.

37.6 General

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

For Infrastructure Development Company Limited

| | | | | |
|--|---|--|--|---|
| Sd/- Ms. Fatima Yasmin Chairman | Sd/- Dr. Sultan Ahmed Director | Sd/- Mr. Abdul Haque Director | Sd/- Mr. Mahmood Malik Executive Director & CEO | Sd/- Mr. M. Maftun Ahmed Company Secretary |
|--|---|--|--|---|

As per our report of even date.

Dated, Dhaka
13 August, 2020

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited
Schedule of Loan disbursement from reflows under PSIDP and REREDP Project
Funded by IDA (Credit # 2995-BD)

for the year ended December 31, 2019

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

| Name of Sponsor/POs | Project | Amount in Taka | |
|-----------------------------------|-------------|----------------|----------------------|
| | | 2019 | 2018 |
| Ace Alliance Power Limited (AAPL) | Power Plant | - | 2,038,770,000 |
| Sub Total (a) | | - | 2,038,770,000 |

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

| Name of Sponsor/POs | Project | Amount in Taka | |
|----------------------------|---------|----------------|----------------------|
| | | 2019 | 2018 |
| | | - | - |
| Sub Total (b) | | - | - |
| Grand Total (a + b) | | - | 2,038,770,000 |

Infrastructure Development Company Limited

Schedule of Loan disbursement from REREDP- II Project Funded by IDA (Credit # 5158)

for the year ended December 31, 2019

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

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

| SL # | Name of sponsors | 2019 | | 2018 | |
|----------------------|--------------------------------------|----------------|--------------------|----------------|--------------------|
| | | Plants (Units) | Amount (Taka) | Plants (Units) | Amount (Taka) |
| 1 | ATES Bangladesh Ltd. | 5 | 10,260,523 | - | - |
| 2 | Bengal Renewable Energy Ltd. | 7 | 13,545,327 | - | - |
| 3 | GREL | - | 12,617,549 | 160 | 120,154,303 |
| 4 | KHM Power Ltd. | - | 54,205,200 | - | - |
| 5 | Salek Solar Power Ltd. | 39 | 81,618,771 | - | - |
| 6 | Solargao Ltd. | 17 | 30,495,262 | - | - |
| 7 | Solar Electro Bangladesh Ltd. (SEBL) | - | 6,674,047 | - | - |
| 8 | Uddipan | 1 | 1,384,283 | - | - |
| Sub Total (B) | | 69 | 210,800,962 | 160 | 120,154,303 |

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.

Infrastructure Development Company Limited

Schedule of Loan disbursement from PPIDF Project Funded by ADB (Loan # 3554 & 3555)

for the year ended December 31, 2019

| Refinancing to POs under Renewable Energy Project (Loan # 3555 -Special Operation) | | | | | |
|--|-------------------------------------|--------------|-------------------|--------------|---------------|
| Sl # | Name of Participating Organizations | 2019 | | 2018 | |
| | | No. of Plant | Amount (Taka) | No. of Plant | Amount (Taka) |
| 1 | Usa Agro and Auto Bricks Ltd. | - | 75,000,000 | - | - |
| Sub Total (a) | | - | 75,000,000 | - | - |

| Loan to Large Infrastructure Projects (Loan # 3554 -Ordinary Operation) | | | | | |
|---|--------------------------------|-------------------|----------------------|-------------------|----------------------|
| Sl # | Name of Sponsor | Amount (USD) | Amount (Taka) | Amount (USD) | Amount (Taka) |
| 1 | Summit Communications Ltd. | - | 1,000,000,000 | - | - |
| 2 | Nutan Bidyut (Bangladesh) Ltd. | 23,831,702 | 2,013,302,185 | - | - |
| 3 | Kushiara Power Company Ltd. | 50,000,000 | 4,235,000,000 | - | - |
| 4 | Nutan Bidyut (Bangladesh) Ltd. | 11,719,805 | 995,011,445 | 22,287,736 | 1,869,941,050 |
| Sub Total (b) | | 85,551,507 | 8,243,313,629 | 22,287,736 | 1,869,941,050 |
| Grand Total | | - | 8,318,313,629 | - | 1,869,941,050 |

Infrastructure Development Company Limited

Schedule of Loan disbursement from PPIDF Project Funded by ADB (Loan # 3045 & 3046)

for the year ended December 31, 2019

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

| SI # | Name of Participating Organizations | 2019 | | 2018 | |
|----------------------|-------------------------------------|-------------|---------------|-------------|---------------|
| | | SHS (Units) | Amount (Taka) | SHS (Units) | Amount (Taka) |
| | | | | | |
| Sub Total (a) | | - | - | - | - |

Loan to Large Infrastructure Projects (Loan # 3045 -Ordinary Operation)

| SI # | Name of Sponsor | Amount (USD) | Amount (Taka) | Amount (USD) | Amount (Taka) |
|----------------------|--|--------------|-------------------|--------------|----------------------|
| 1 | Far East Spinning Industries Limited | - | 48,393,956 | - | - |
| 2 | Summit Alliance Port Ltd. | - | - | - | 1,282,500,000 |
| 3 | Ispahani Summit Alliance Terminals Limited | - | - | - | 1,254,500,000 |
| Sub Total (b) | | - | 48,393,956 | - | 2,537,000,000 |

Infrastructure Development Company Limited

Schedule of Loan disbursement from RED Project Funded by JICA (Loan # BD-P 75 & 90)

for the year ended December 31, 2019

Refinancing to Participating Organizations (POs) (Loan # JICA BD-P-75)

| Sl # | Name of Participating Organizations | 2019 | | 2018 | |
|----------------------|-------------------------------------|-------------|---------------|-------------|---------------|
| | | SHS (Units) | Amount (Taka) | SHS (Units) | Amount (Taka) |
| | | - | - | - | - |
| Sub Total (A) | | - | - | - | - |

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

| Sl # | Name of PO | 2019 | | 2018 | |
|----------------------|----------------------------|---------------|--------------------|---------------|--------------------|
| | | Pumps (Units) | Amount (Taka) | Pumps (Units) | Amount (Taka) |
| 1 | ATES Bangladesh | - | 4,508,535 | 15 | 10,510,445 |
| 2 | BREL | 11 | 19,404,916 | - | - |
| 3 | GREL | 183 | 202,035,256 | 20 | 18,958,023 |
| 4 | KHM Power Ltd. | - | - | 7 | 14,440,300 |
| 5 | RDF-5 | - | - | - | 20,860,961 |
| 6 | Npolymer Construction Ltd. | - | 6,796,270 | 18 | 27,073,930 |
| 7 | RREL | 29 | 22,617,000 | - | - |
| 8 | Salek Solar Power Ltd. | - | - | 15 | 30,416,652 |
| 9 | SARPV | 6 | 11,789,610 | - | - |
| 10 | SDRS | - | - | 2 | 6,340,097 |
| 11 | Solargao Limited-4 | - | 120,935,548 | 95 | 133,012,391 |
| 12 | WAVE Foundation Ltd. | 30 | 70,467,347 | 14 | 22,412,962 |
| Sub-total (B) | | 259 | 458,554,482 | 186 | 284,025,761 |

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

| Sl # | Name of PO | 2019 | | 2018 | |
|------|------------------------------------|----------------|---------------|----------------|---------------|
| | | Plants (Units) | Amount (Taka) | Plants (Units) | Amount (Taka) |
| 1 | Brit Bangla Trade Initiatives Ltd. | - | - | - | 11,250,000 |
| 2 | Connectia Ltd. | - | - | 1 | 18,004,939 |
| 3 | Eastec Ltd. | - | - | - | 9,099,008 |

Infrastructure Development Company Limited

Schedule of Loan disbursement from RED Project Funded by JICA (Loan # BD-P 75 & 90)

for the year ended December 31, 2019

| SI # | Name of PO | 2019 | | 2018 | |
|---|--------------------------------------|----------------|--------------------|----------------|--------------------|
| | | Plants (Units) | Amount (Taka) | Plants (Units) | Amount (Taka) |
| 4 | Envis Energy Limited | - | - | - | 13,375,157 |
| 5 | Solargao Limited | - | - | - | 954,423 |
| 6 | Super Star Renewable Energy Limited | - | - | - | 3,159,504 |
| 7 | UDDIPAN | - | - | - | 24,023,151 |
| 8 | Vincen Gtech Ltd. | - | 5,286,302 | - | - |
| 9 | Western Renewable Energy (Pvt.) Ltd. | - | 14,469,156 | 1 | 17,171,510 |
| Sub-total (C) | | - | 19,755,458 | 2 | 97,037,692 |
| Total under Other Renewable Energy program (B + C) | | | 478,309,940 | | 381,063,453 |

Loan to Energy Efficiency Projects (Loan # JICA BD-P-90)

(A) Disbursement detail under Infrastructure Project

| SI # | Name of PO | 2019 | | 2018 | |
|------------------------------------|--|----------------|----------------------|----------------|----------------------|
| | | Plants (Units) | Amount (Taka) | Plants (Units) | Amount (Taka) |
| 1 | Meghna Cement Mills Ltd. - Vertical roller mills | - | - | - | 950,080,000 |
| 2 | Shun Shing Cement Industries Ltd. | - | 733,989,731 | - | - |
| 3 | Etafil Accessories Limited. | - | 77,236,913 | - | - |
| 4 | Tosrifa Industries Ltd. | - | - | - | 53,865,861 |
| Sub-total (D) | | - | 811,226,644 | - | 1,003,945,861 |
| Grand Total (A + B + C + D) | | - | 1,289,536,584 | - | 1,385,009,314 |

Infrastructure Development Company Limited

Deferred tax assets

for the year ended December 31, 2019

| Particulars | Carrying amount on balance sheet date | Tax base | Taxable/ (deductible) temporary difference |
|--|--|-------------|---|
| | Taka | Taka | Taka |
| Year: 2019 | | | |
| Fixed assets including land, building, furniture and fixtures | 113,524,561 | 113,524,561 | - |
| Right of use assets | 22,420,777 | - | (22,420,777) |
| Gratuity provision | - | - | - |
| General provision other than loans | 685,365 | - | (685,365) |
| Total temporary difference | 136,630,703 | 113,524,561 | (23,106,143) |
| Applicable tax rate | - | - | 40.0% |
| Deferred Tax Asset (see note: 9.5) | - | - | (9,242,457) |

| | | | |
|--|-------------|------------|---------------------|
| Year: 2018 | | | |
| Fixed assets including land, building, furniture and fixtures | 86,731,216 | 86,731,216 | - |
| Gratuity provision | 52,099,203 | - | (52,099,203) |
| General provision other than loans | 685,365 | - | (685,365) |
| Total temporary difference | 139,515,784 | 86,731,216 | (52,784,568) |
| Applicable tax rate | - | - | 40.0% |
| Deferred Tax Asset (see note: 9.5) | - | - | (21,113,827) |

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2019

Amount in Taka

| Name of assets | Cost | | | | Rate | Depreciation | | | | Adjustment for Asset Written off | Written down value as on 31 Dec 2019 |
|-----------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|------|--------------------------|-------------------------|-----------------------------|---------------------------|----------------------------------|--------------------------------------|
| | Balance as on 1 Jan 2019 | Addition during the year | Disposal during the year | Balance as on 31 Dec 2019 | | Balance as on 1 Jan 2019 | Charged during the year | Adjustments during the year | Balance as on 31 Dec 2019 | | |
| Office space | 19,412,311 | - | - | 19,412,311 | 10% | 15,993,529 | 341,878 | - | 16,335,407 | - | 3,076,904 |
| Furniture, fixture and decoration | 34,907,143 | 5,900,306 | 234,476 | 40,572,973 | 10% | 8,914,792 | 3,177,707 | 118,893 | 11,973,606 | 115,583 | 28,599,367 |
| Interior decoration | 23,977,634 | - | - | 23,977,634 | 10% | 11,486,210 | 1,249,142 | - | 12,735,352 | - | 11,242,282 |
| Computer & computer equipment | 30,157,370 | 3,401,250 | 2,214,340 | 31,344,280 | 30% | 22,900,511 | 3,133,644 | 2,001,712 | 24,032,443 | 212,628 | 7,311,837 |
| Other office equipment | 25,202,719 | 3,189,591 | 1,752,485 | 26,639,825 | 10% | 8,367,561 | 1,924,237 | 970,106 | 9,321,692 | 782,379 | 17,318,133 |
| Software | 6,191,420 | - | - | 6,191,420 | 30% | 5,440,734 | 225,206 | - | 5,665,940 | - | 525,480 |
| Vehicle | 52,291,678 | 12,425,848 | 5,057,000 | 59,660,526 | 20% | 32,305,723 | 6,329,644 | 4,293,418 | 34,341,949 | 763,582 | 25,318,577 |
| Land | - | 20,131,980 | - | 20,131,980 | 0% | - | - | - | - | - | 20,131,980 |
| Balance as on 31 Dec 2019 | 192,140,274 | 45,048,975 | 9,258,301 | 227,930,948 | | 105,409,060 | 16,381,458 | 7,384,129 | 114,406,389 | 1,874,172 | 113,524,560 |
| Balance as on 31 Dec 2018 | 183,381,304 | 8,938,870 | 179,900 | 192,140,274 | | 90,530,630 | 14,954,707 | 76,278 | 105,409,060 | 103,622 | 86,731,215 |
| Right-of-use assets | | | | | | | | | | | |
| Office Space | - | 28,956,361 | - | 28,956,361 | | - | 6,535,584 | - | 6,535,584 | - | 22,420,777 |
| Balance as on 31 Dec 2019 | - | 28,956,361 | - | 28,956,361 | | - | 6,535,584 | - | 6,535,584 | - | 22,420,777 |
| Balance as on 31 Dec 2018 | - | - | - | - | | - | - | - | - | - | - |

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2019

* Company funded assets disclosure

Amount in Taka

| Name of assets | Cost | | | | Rate | Depreciation | | | | Adjustment for Asset Written off | Written down value as on 31 Dec 2019 |
|-----------------------------------|--------------------------|--------------------------|--------------------------|---------------------------|------|--------------------------|-------------------------|-----------------------------|---------------------------|----------------------------------|--------------------------------------|
| | Balance as on 1 Jan 2019 | Addition during the year | Disposal during the year | Balance as on 31 Dec 2019 | | Balance as on 1 Jan 2019 | Charged during the year | Adjustments during the year | Balance as on 31 Dec 2019 | | |
| Office space | 19,412,311 | - | - | 19,412,311 | 10% | 15,993,529 | 341,878 | - | 16,335,407 | - | 3,076,904 |
| Furniture, fixture and decoration | 18,233,563 | 5,657,506 | 96,372 | 23,794,697 | 10% | 3,929,615 | 1,990,575 | 40,672 | 5,879,518 | 55,700 | 17,915,178 |
| Interior decoration | 11,802,397 | - | - | 11,802,397 | 10% | 5,847,245 | 595,515 | - | 6,442,760 | - | 5,359,637 |
| Computer & computer equipment | 7,383,471 | 554,000 | 678,610 | 7,258,861 | 30% | 4,769,423 | 930,668 | 612,789 | 5,087,302 | 65,821 | 2,171,559 |
| Other office equipment | 6,010,248 | 2,014,792 | 815,300 | 7,209,740 | 10% | 3,120,961 | 450,286 | 414,077 | 3,157,170 | 401,223 | 4,052,570 |
| Software | 2,117,749 | - | - | 2,117,749 | 30% | 2,013,977 | 31,132 | - | 2,045,109 | - | 72,640 |
| Vehicle | 26,351,842 | 12,425,848 | 5,057,000 | 33,720,690 | 20% | 18,542,008 | 3,894,420 | 4,293,418 | 18,143,010 | 763,582 | 15,577,680 |
| Land | - | 20,131,980 | - | 20,131,980 | 0% | - | - | - | - | - | 20,131,980 |
| Balance as on 31 Dec 2019 | 91,311,580 | 40,784,126 | 6,647,282 | 125,448,424 | | 54,216,759 | 8,234,474 | 5,360,956 | 57,090,277 | 1,286,326 | 68,358,147 |
| Balance as on 31 Dec 2018 | 88,991,938 | 2,319,644 | - | 91,311,581 | | 48,147,613 | 6,069,146 | - | 54,216,759 | - | 37,094,822 |

* Donor funded Grant assets disclosure

| The World Bank | | | | | | | | | | | |
|----------------------------------|-------------------|------------------|------------------|-------------------|-----|-------------------|------------------|------------------|-------------------|----------------|-------------------|
| Furniture, fixture & decoration | 14,486,910 | 242,800 | 44,184 | 14,685,526 | 10% | 3,517,011 | 1,118,391 | 15,395 | 4,620,007 | 28,789 | 10,065,520 |
| Interior decoration | 12,175,237 | - | - | 12,175,237 | 10% | 5,638,965 | 653,627 | - | 6,292,592 | - | 5,882,645 |
| Computer & computer equipment | 21,135,827 | 2,847,250 | 1,289,174 | 22,693,903 | 30% | 16,665,688 | 2,159,248 | 1,169,280 | 17,655,656 | 119,894 | 5,038,247 |
| Other office equipment | 18,388,249 | 1,174,799 | 937,185 | 18,625,863 | 10% | 4,631,439 | 1,455,045 | 556,029 | 5,530,455 | 381,156 | 13,095,407 |
| Software | 3,674,893 | - | - | 3,674,893 | 30% | 3,047,519 | 188,212 | - | 3,235,731 | - | 439,161 |
| Vehicle | 25,939,836 | - | - | 25,939,836 | 20% | 13,763,714 | 2,435,224 | - | 16,198,938 | - | 9,740,898 |
| Balance as on 31 Dec 2019 | 95,800,952 | 4,264,849 | 2,270,543 | 97,795,258 | | 47,264,337 | 8,009,747 | 1,740,704 | 53,533,380 | 529,839 | 44,261,878 |
| Balance as on 31 Dec 2018 | 89,361,625 | 6,619,227 | 179,900 | 95,800,952 | | 38,638,271 | 8,702,343 | 76,278 | 47,264,337 | 103,622 | 48,536,615 |

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2019

Amount in Taka

| Name of assets | Cost | | | | Rate | Depreciation | | | | Adjustment for Asset Written off | Written down value as on 31 Dec 2019 |
|--|--------------------------|--------------------------|--------------------------|---------------------------|------|--------------------------|-------------------------|-----------------------------|---------------------------|----------------------------------|--------------------------------------|
| | Balance as on 1 Jan 2019 | Addition during the year | Disposal during the year | Balance as on 31 Dec 2019 | | Balance as on 1 Jan 2019 | Charged during the year | Adjustments during the year | Balance as on 31 Dec 2019 | | |
| SNV-Netherlands Development Organisation | | | | | | | | | | | |
| Furniture, fixture & decoration | 2,186,670 | - | 93,920 | 2,092,750 | 10% | 1,468,166 | 68,741 | 62,826 | 1,474,081 | 31,094 | 618,669 |
| Computer & computer equipment | 664,656 | - | 126,740 | 537,916 | 30% | 634,982 | 7,584 | 122,344 | 520,222 | 4,396 | 17,694 |
| Other office equipment | 614,815 | - | - | 614,815 | 10% | 539,022 | 7,579 | - | 546,601 | - | 68,214 |
| Software | 398,778 | - | - | 398,778 | 30% | 379,237 | 5,862 | - | 385,099 | - | 13,679 |
| Balance as on 31 Dec 2019 | 3,864,919 | - | 220,660 | 3,644,259 | | 3,021,407 | 89,766 | 185,170 | 2,926,003 | 35,490 | 718,256 |
| Balance as on 31 Dec 2018 | 3,864,919 | - | - | 3,864,919 | | 2,912,060 | 109,347 | - | 3,021,407 | - | 843,512 |
| kfw | | | | | | | | | | | |
| Computer & computer equipment | 973,416 | - | 119,816 | 853,600 | 30% | 830,418 | 36,144 | 97,299 | 769,263 | 22,517 | 84,337 |
| Other office equipment | 189,407 | - | - | 189,407 | 10% | 76,138 | 11,327 | - | 87,465 | - | 101,942 |
| Balance as on 31 Dec 2019 | 1,162,823 | - | 119,816 | 1,043,007 | | 906,556 | 47,471 | 97,299 | 856,728 | 22,517 | 186,279 |
| Balance as on 31 Dec 2018 | 1,162,823 | - | - | 1,162,823 | | 832,686 | 73,870 | - | 906,556 | - | 256,267 |
| | | | | | | | | | | | |
| Balance as on 31 Dec 2019 | 192,140,274 | 45,048,975 | 9,258,301 | 227,930,948 | | 105,409,060 | 16,381,458 | 7,384,129 | 114,406,389 | 1,874,172 | 113,524,560 |
| Balance as on 31 Dec 2018 | 183,381,304 | 8,938,871 | 179,900 | 192,140,275 | | 90,530,630 | 14,954,707 | 76,278 | 105,409,059 | 103,622 | 86,731,215 |

Integrated Report Disclosure Checklist

| SL No. | Page Reference | Chapter/ Section Reference |
|---|-------------------------------|---|
| 1 Elements of an Integrated Report | | |
| 1.1 Organizational overview and external environment | | |
| An integrated report should disclose the main activities of the organization and the environment of which it operates. | 12-15 28-52 194 | From the CEO's Desk, Programs and Projects, Notes to the FS-1 |
| An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as: | 17 100-113 134-136 | About IDCOL, Director's Report, Report on Internal Control |
| <ul style="list-style-type: none"> The organization's: | | |
| <ul style="list-style-type: none"> Culture, ethics and values | 17 100-113 134-136 | About IDCOL, Director's Report, Report on Internal Control |
| <ul style="list-style-type: none"> Ownership and operating structure including the size of the organization, location of its operations) | 75 76 111 | Shareholding Structure, Organogram, Directors' Report (no-18) |
| <ul style="list-style-type: none"> Principal activities and markets | 12-15 28-52 194 | From the CEO's Desk, Programs and Projects, Notes to the FS-1 |
| <ul style="list-style-type: none"> Competitive landscape and market positioning (considering factors such as the threat of new competition and substitute products or services, the bargaining power of customers and suppliers, and the intensity of competitive rivalry) | 28-52 | Programs and Projects |
| <ul style="list-style-type: none"> Position within the value chain | 27 | Value Creation Structure |
| <ul style="list-style-type: none"> Key quantitative information | | |
| The number of employees, revenue and number of countries in which the organization operates highlighting, in particular, significant changes from prior periods | 162-167 173-181 183-242 | Human Resource Management, Financial Highlights, Audited Financial Statements |
| <ul style="list-style-type: none"> Significant factors affecting the external environment and the organization's response (include aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium or long term) | 12-15 28-52 | From the CEO's Desk, Programs and Projects |
| <ul style="list-style-type: none"> The legitimate needs and interests of key stakeholders | 28-52 | Programs and Projects |
| <ul style="list-style-type: none"> Macro and microeconomic conditions, such as economic stability, globalization, and industry trends | 100-113 | Director's Report |
| <ul style="list-style-type: none"> Market forces, such as the relative strengths and weaknesses of competitors and customer demand | 28-52 | Programs and Projects |
| <ul style="list-style-type: none"> The speed and effect of technological change | 28-52 | Programs and Projects |
| <ul style="list-style-type: none"> Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems | 160-161 | Corporate Social Responsibility |

| SL No. | Page Reference | Chapter/ Section Reference |
|---|-----------------------------|--|
| <ul style="list-style-type: none"> Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached | 153-159 168-169 | Environmental and Social Compliance, Disaster Management |
| <ul style="list-style-type: none"> The legislative and regulatory environment in which the organization operates | 134-136 100-113 | Report on Internal Control, Director's Report |
| <ul style="list-style-type: none"> The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy | 28-52 | Programs and Projects |
| 1.2 Governance | | |
| An integrated report should show how the organization's governance structure supports its ability to create value in the short, medium and long term. | 100-113 | Director's Report |
| An integrated report needs to provide an insight about how such matters as the following are linked to its ability to create value: | | |
| <ul style="list-style-type: none"> The organization's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure | 80-83 100-113 86-87 | Profile of the Directors, Director's Report, Profile of the Management |
| <ul style="list-style-type: none"> Mandatory and voluntary code of corporate governance adopted by the Company. | 113 | Director's Report (no-29) |
| <ul style="list-style-type: none"> Code of ethical conduct adopted by the Company in relation to ethical business. | 113 134-136 | Director's Report (no-31), Report on Internal Control |
| <ul style="list-style-type: none"> Specific processes used to make strategic decisions and to establish and monitor the culture of the organization, including its attitude to risk and mechanisms for addressing integrity and ethical issues | 144-148 134-136 | IDCOL Risk Management Report, Report on Internal Control |
| <ul style="list-style-type: none"> Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management | 100-113 12-15 141-143 | Director's Report, From the CEO's Desk, Statement of CRO |
| <ul style="list-style-type: none"> How the organization's culture, ethics and values are reflected in its use of and effects on the capitals, including its relationships with key stakeholders | 100-113 12-15 141-143 | Director's Report, From the CEO's Desk, Statement of CRO |
| <ul style="list-style-type: none"> Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies | 114-120 | Director's Responsibility |
| <ul style="list-style-type: none"> The responsibility those charged with governance take for promoting and enabling innovation | 100-113 114-120 | Director's Report, Director's Responsibility |
| <ul style="list-style-type: none"> How remuneration and incentives are linked to value creation in the short, medium and long term, including how they are linked to the organization's use of and effects on the capitals. | 162-167 | Human Resource Management |

| SL No. | Page Reference | Chapter/ Section Reference |
|--|------------------|---|
| 1.3 Stakeholder Identification/ relationships | | |
| An integrated report should identify its key stakeholders and provide insight into the nature and quality of the organization’s relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interest. Stakeholders are the groups or individuals that can reasonably be expected to be significantly affected by an organization’s business activities, outputs or outcomes or whose actions can reasonably be expected to significantly affect the ability of the organization to create value. | 28-52 27 | Programs and Projects, Value Creation Structure |
| • How the company has identified its stakeholders | | |
| • Stakeholder engagement methodology | | |
| • Identification of material matters of stakeholders | | |
| • How the Company has applied such matters | | |
| • How the stakeholders are engaged in assessing impacts, implications and outlook in respects of Company’s business model. | | |
| Capitals | | |
| An integrated report needs to provide insight about the resources and the relationships used and affected by the organization, which are referred to collectively as the capitals and how the organization interacts with the capitals to create value over the short, medium and long term. | 28-52 27 | Programs and Projects, Value Creation Structure |
| An integrated report need to identify the various forms of capitals which are essential for the success of its business operations. | 28-52 27 | Programs and Projects, Value Creation Structure |
| Financial Capital -The pool of funds that is available to the organization for use in the production of goods or provision of services. | 12-15 214-220 | From the CEO’s Desk, Notes to the Financial Statements- 10 & 11 |
| Manufacturing Capital -Manufactured physical objects that are available to the organization for use in the production of goods and provision of services. | 162-167 | Human Resource Management |
| Intellectual Capital -Organizational Knowledge-based intangibles. | | |
| Human Capital -People’s competencies, capabilities and experience, and their motivations to innovate. | | |
| Social and Relationship Capital -The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing. | | |
| Natural Capital -All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization. | 28-52 | Programs and Projects |

| SL No. | Page Reference | Chapter/ Section Reference |
|---|----------------------|--|
| Note: However an entity can do its own classification of capitals based on its business activities. An entity needs to ensure that it does not overlook a capital that it uses or affects | | |
| 1.4 Business model | | |
| An integrated report should describe the organization’s business model | 28-52 27 | Programs and Projects, Value Creation Structure |
| An integrated report need to describe the business model, including key: | | |
| <ul style="list-style-type: none">Inputs | 28-52 | Programs and Projects |
| <ul style="list-style-type: none">Business activities | | |
| <ul style="list-style-type: none">Outputs | | |
| <ul style="list-style-type: none">Outcomes | | |
| Features that can enhance the effectiveness and readability of the description of the business model include: | | |
| <ul style="list-style-type: none">Explicit identification of the key elements of the business model | 28-52 | Programs and Projects |
| <ul style="list-style-type: none">A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organization | | |
| <ul style="list-style-type: none">Narrative flow that is logical given the particular circumstances of the organization | | |
| <ul style="list-style-type: none">Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment | | |
| <ul style="list-style-type: none">Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues). | | |
| Inputs | | |
| An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model. | 28-52 27 | Programs and Projects, Value Creation Structure |
| Business Activities | | |
| An integrated report describes key business activities. This can include: | | |
| <ul style="list-style-type: none">How the organization differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing) | 12-15 28-52 | From the CEO’s Desk, Programs and Projects |
| <ul style="list-style-type: none">How the organization approaches the need to innovate | 12-15 | From the CEO’s Desk |
| <ul style="list-style-type: none">How the business model has been designed to adapt to change. | 28-52 27 12-15 | Programs and Projects, Value Creation Structure, From the CEO’s Desk |

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| When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management | 12-15 162-167 | From the CEO's Desk, Human Resource Management |
| Outputs | | |
| An integrated report identifies an organization's key products and services. There might be other outputs, such as by-products and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality. | 28-52 27 | Programs and Projects, Value Creation Structure |
| An integrated report describes key outcomes, including: | | |
| <ul style="list-style-type: none"> Both internal outcomes (e.g., employee morale, organizational reputation, revenue and cash flows) and external outcomes (e.g., customer satisfaction, tax payments, brand loyalty, and social and environmental effects) | 28-52 27 170-171 188-242 | Programs and Projects, Value Creation Structure, Value Added and EVA Statement, Audited Financial Statement |
| <ul style="list-style-type: none"> Both positive outcomes (i.e., those that result in a net increase in the capitals and thereby create value) and negative outcomes (i.e., those that result in a net decrease in the capitals and thereby diminish value). | 12-15 27 | From the CEO's Desk, Value Creation Structure |
| 1.5 Performance | | |
| An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals | 12-15 100-113 173-181 | From the CEO's Desk, Director's Report, Financial Highlights & Review |
| An integrated report should contain qualitative and quantitative information about performance that may include matters such as: | | |
| <ul style="list-style-type: none"> Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them | 18-19 12-15 100-113 173-181 | Performance at a Glance, From the CEO's Desk, Director's Report, Financial Highlights & Review |
| <ul style="list-style-type: none"> The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain | 100-113 27 | Director's Report, Value Creation Structure |
| <ul style="list-style-type: none"> The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests | 100-113 144-148 | Director's Report, IDCOL Risk Management Report |
| <ul style="list-style-type: none"> The linkages between past and current performance, and between current performance and the organization's outlook. | 173-181 128 168-242 149-151 12-18 | Financial Highlights & Review, Organizational Highlights, Audited Financial Statements, Capital Adequacy and Market Discipline, From the CEO's Desk |

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| KPIs that combine financial measures with other components (e.g., the ratio of greenhouse gas emissions to sales) or narrative that explains the financial implications of significant effects on other capitals and other causal relationships (e.g., expected revenue growth resulting from efforts to enhance human capital) may be used to demonstrate the connectivity of financial performance with performance regarding other capitals. In some cases, this may also include monetizing certain effects on the capitals (e.g., carbon emissions and water use). | 28-52 | Programs and Projects |
| Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate-setting) or the organization's non-compliance with laws or regulations may significantly affect its operations. | 144-148 12-15 100-113 141-143 | IDCOL Risk Management Report, From the CEO's Desk, Director's Report, Statement of the CRO |
| 1.6 Risks, opportunities and internal controls | | |
| An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them? And the effectiveness of the system of internal controls. | 144-148 141-143 134-136 | IDCOL Risk Management Report, Statement of the CRO, Report on Internal Control |
| This can include identifying: | | |
| <ul style="list-style-type: none"> The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two. The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does. The specific steps being taken to mitigate or manage key risks (e.g: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs. Risk Management Report (Which includes details about risk, root cause, potential impact, response to risk, risk rating) Statement of Risk Management Response on the effectiveness of the internal controls and the board's responsibility for the disclosures on internal controls to safeguard stakeholder interest. | 144-148 141-143 134-136 | IDCOL Risk Management Report, Statement of the CRO, Report on Internal Control |
| 1.7 Strategy and resource allocation | | |
| An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there) | 10-11 12-15 | Chairman's Statement, From the CEO's Desk |
| An integrated report needs to identify: | | |
| <ul style="list-style-type: none"> The organization's short, medium and long term strategic objectives | 17-69 10-11 12-15 | About IDCOL, Chairman's Statement, From the CEO's Desk |
| <ul style="list-style-type: none"> The strategies it has in place or intends to implement, to achieve those strategic objectives | 10-11 12-15 | Chairman's Statement, From the CEO's Desk |

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| <ul style="list-style-type: none"> How the entity has positioned in the wider market | 1 12-15 100-113 | The New Faces of Developing Bangladesh, From the CEO's Desk, Director's Report |
| <ul style="list-style-type: none"> How the long term strategies related to the current business model. | 28-52 27 | Programs and Projects, Value Creation Structure |
| <ul style="list-style-type: none"> The resource allocation plans it has to implement its strategy | 28-52 27 | Programs and Projects, Value Creation Structure |
| <ul style="list-style-type: none"> How it will measure achievements and target outcomes for the short, medium and long term. | 173-181 128 100-113 | Financial Highlights & Review, Organizational Highlights, Director's Report |
| <ul style="list-style-type: none"> The linkage between the organization's strategy and resource allocation plans, and the information covered by other Content Elements, including how its strategy and resource allocation plans: | | |
| <ul style="list-style-type: none"> relate to the organization's business model, and what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organization's ability to adapt to change | 27 12-15 | Value Creation Structure, From the CEO's Desk |
| <ul style="list-style-type: none"> are influenced by/respond to the external environment and the identified risks and opportunities affect the capitals, and the risk management arrangements related to those capitals | 144-148 134-136 | IDCOL Risk Management Report, Report on Internal Control |
| <ul style="list-style-type: none"> What differentiates the organization to give it competitive advantage and enable it to create value, such as: | | |
| <ul style="list-style-type: none"> The role of innovation | 12-15 28-52 | From the CEO's Desk, Programs and Projects |
| <ul style="list-style-type: none"> how the organization develops and exploits intellectual capital | 162-167 | Human Resource Management |
| <ul style="list-style-type: none"> the extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage | 153-159 | Environmental and Social Compliance |
| <ul style="list-style-type: none"> Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans. | 28-52 | Programs and Projects |
| <ul style="list-style-type: none"> - Highlighted challenges facing our company and strategies to counter them | 12-15 28-52 | From the CEO's Desk, Programs and Projects |
| 1.8 Outlook | | |
| An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance | 12-15 28-52 144-148 | From the CEO's Desk, Programs and Projects, IDCOL Risk Management Report |
| An integrated report should highlight anticipated changes over time and provides information on: | | |
| <ul style="list-style-type: none"> The organization's expectations about the external environment the organization is likely to face in the short, medium and long term | 141-143 | Statement of CRO |
| <ul style="list-style-type: none"> How that will affect the organization | | |
| <ul style="list-style-type: none"> How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise. | 141-143 12-15 | Statement of CRO, From the CEO's Desk |

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| <ul style="list-style-type: none"> The discussion of the potential implications, including implications for future financial performance may include: | | |
| <ul style="list-style-type: none"> The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives | 12-15 | From the CEO's Desk |
| <ul style="list-style-type: none"> The availability, quality and affordability of capitals the organization uses or affects (e.g., the continued availability of skilled labor or natural resources), including how key relationships are managed and why they are important to the organization's ability to create value over time. | 162-167 28-52 27 | Human Resource Management, Programs and Projects, Value Creation Structure |
| An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyzes. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables the evaluation of the current outlook. | 100-113 | Director's Report |
| Disclosures about an organization's outlook in an integrated report should consider the legal or regulatory requirements to which the organization is subject. | 149 6-7 183-187 | Capital Adequacy and Market Discipline, Integrated Reporting, Audit Committee Report |
| 1.9 Basis of preparation and presentation | | |
| An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated? | 194-242 | Navigating Through the Report, Notes to the Financial Statement |
| An integrated report describes its basis of preparation and presentation, including: | | |
| <ul style="list-style-type: none"> A summary of the organization's materiality determination process | 194-242 | Navigating Through the Report, Notes to the Financial Statement |
| <ul style="list-style-type: none"> Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters | 28-52 | Programs and Projects |
| <ul style="list-style-type: none"> Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters. | 114-120 | Director's Responsibility |
| <ul style="list-style-type: none"> A description of the reporting boundary and how it has been determined | 6-8 | Integrated Reporting |
| Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity | | |
| <ul style="list-style-type: none"> A summary of the significant frameworks and methods used to quantify or evaluate material matters | 6-8 100-113 | Navigating Through the Report, Integrated Reporting, Director's Report |
| (e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry-based framework for evaluating risks). | | |

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| 2. Responsibility for an Integrated Report | | |
| An integrated report should include a statement from those charged with governance that includes: | | |
| <ul style="list-style-type: none">An acknowledgement of their responsibility to ensure the integrity of the integrated report | 100-113 | Integrated Reporting, Director's Report |
| <ul style="list-style-type: none">An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report | | |
| <ul style="list-style-type: none">Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework | | |
| 3. Other Qualitative Characteristics of an Integrated Report | | |
| 3.1 Conciseness | | |
| An integrated report should be concise. | | Navigating Through the Report |
| An integrated report needs to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information | | |
| Eg: | | |
| Follows logical structure and includes internal cross-reference as appropriate to limit repetition. | | |
| Express concepts clearly and in a few words. | | |
| Favors plain language over the use of jargon or highly technical terminology. | | |
| Avoids highly generic disclosures. | | |
| 3.2 Reliability and completeness | | |
| An integrated report should include all material matters, both positive and negative, in a balanced way and without material error | 6-7 100-113 114-120 | Integrated Reporting, Director's Report, Director's Responsibility |
| The organization achieves the reliability and completeness through, | | |
| Eg: | | |
| <ul style="list-style-type: none">Selection of presentation formats that are not likely to unduly or inappropriately influence assessments made on the basis of an integrated report. | | Navigating Through the Report |
| <ul style="list-style-type: none">Giving equal consecration to both increases and decreases in the capitals, both strengths and weaknesses of the organization, both positive and negative performance etc. | 12-15 28-52 | From the CEO's Desk, Programs and Projects |
| When information includes estimates, this is clearly communicated and the natural limitations of the estimation process are explained. | 183-242 | Audited Financial Statements, Notes to the Financial Statements |

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| 3.3 Consistency and comparability | | |
| The information in an integrated report should be presented: | | |
| <ul style="list-style-type: none">On a basis that is consistent over time | 6-8 100-113 | Integrated Reporting, Director,s Report |
| <ul style="list-style-type: none">In a way that enables comparison with other organizations to the extent it is material to the organization’s own ability to create value over time | 6-8 | Integrated Reporting, Navigating Through the Report |
| <ul style="list-style-type: none">Presenting information in the form of ratios (e.g., research expenditure as a percentage of sales, or carbon intensity measures such as emissions per unit of output) | 173-181 18-19 128 28-52 | Financial Highlights, Performance at a glance, Organizational Highlights, Programs and Projects |
| <ul style="list-style-type: none">Reporting quantitative indicators commonly used; Financial Capital other organizations with similar activities, particularly when standardized definitions are stipulated by an independent organization (e.g., an industry body). | | |
| <ul style="list-style-type: none">Reporting policies are followed consistently from one period to other unless a change is needed to improve the quality of information reported. | 173-181 18-19 128 28-52 | Financial Highlights, Performance at a glance, Organizational Highlights, Programs and Projects, Notes to the Financial Statements |
| <ul style="list-style-type: none">Reporting the same KPIs if they continue to be material across reporting period. | 200-242 | |
| 3.4 Connectivity of information | | |
| An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization’s ability to create value over time. | 27 | Value Creation Structure |
| <ul style="list-style-type: none">Capitals | | |
| <ul style="list-style-type: none">Content elements | | |
| <ul style="list-style-type: none">Past, Present & Future | 100-113 12-15 114-120 | Director,s Report, From the CEO’s Desk, Director’s Responsibility |
| <ul style="list-style-type: none">Finance and other information | 188-193 194-242 | Audited Financial Statements, Notes to the Financial Statements |
| 3.5 Materiality | | |
| An integrated report should disclose information about matters that substantively affect the organization’s ability to create value over the short, medium and long term | 27 134-136 141-143 | Value Creation Structure, Report on Internal Control, Statement of CRO |
| 3.6 Assurance on the Report | | |
| <ul style="list-style-type: none">The policy and practice relating to seeking assurance on the report | 130-133 134-136 141-143 | Audit Committee Report, Report on Internal Control, Statement on CRO |
| <ul style="list-style-type: none">the nature and scope of assurance provided for this particular report | 183-187 | Auditor’s Report |
| <ul style="list-style-type: none">any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers | N/A | |

SAFA Best Presented Accounts Checklist

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| Governance Body's Statement/Objectives | | |
| Vision and Mission | 17 | |
| Overall objectives | 1 | |
| Core Values and Code of Conduct/Ethical principles | 17 | |
| Profile of the Organization | 9 | |
| Directors' profile and their representation on Board of other companies and Organization chart | 80-83 | |
| Content and comprehensiveness of coverage of matters | 2-3 | |
| Management Discussion and Analysis | | |
| A general review of the performance of the organization | 128 | |
| Description of the performance of the various activities during the period under review. (Weightage to be given for pictorial/graphical/tabular presentations used for this purpose. | 173-181 | |
| Description of external oversight of various functions like systems audit, an internal audit by an external specialist and other measures taken to enhance the credibility of internal controls and systems. | 183 | |
| A general review of the future prospects/outlook | 100-113 | |
| Information on how the company contributed to its responsibilities towards the staff(including health and safety) | 17-52 153-159 170-171 | |
| Information on company's contribution to the national exchequer & to the economy | 100-113 | |
| Sustainability Reporting | | |
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| Environment related initiatives | | |
| Human Resource Management | | |
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| Green Financing | 28-52 | |
| Value Added and Economic Value Added Statement | 170-171 | |
| Appropriateness of Disclosure of Accounting Policies and General Disclosure | | |
| Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, income and expenditure in line with best reporting standards | 194-242 | |
| Compliance with requirements of concerned regulators in respective SAFA countries | 121-124 194-202 | |
| Any specific accounting principles | 121-124 194-202 | |
| Clarity of disclosure as to the basis of accounting followed- cash or accrual | | |
| Changes in accounting policies/Changes in accounting estimates | | |
| Disclosure of comparison of actuals with budgeted figures and clarity of explanations as to variances from budgeted figures | 100-113 | |

| ITEMS | Page Ref. | Comments |
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| Consolidated statements of any other special purpose vehicle floated by the organization to meet its objectives | N/A | No parent subsidiary relationship of IDCOL |
| Financial Statements (including formats) | | |
| Disclosure of all contingencies and commitments | 194-242 | |
| Comprehensive related party disclosures | | |
| Disclosures of remuneration & facilities provided to directors & CEO | | |
| Statement of financial position/ Balance sheet and relevant schedules | | |
| Income statement/ Profit and loss account and relevant schedules | | |
| Statement of cash flow | | |
| Consolidated Financial Statement | N/A | No parent subsidiary relationship of IDCOL |
| Extent of compliance with the international or equivalent national standards | 194-242 | |
| Disclosures/ Contents of notes to accounts | | |
| Information about Corporate Governance | | |
| Board of Directors, Chairman and CEO | 10-12 12-15 80-83 | |
| Distribution of Shareholding | 75 | |
| Audit Committee | 130-133 | |
| Internal Control and Risk Management | 129 134-136 144-148 | |
| Clarity of the descriptions of role and responsibilities of various governance committees of the organization | 114-124 | |
| Presentation of any other information relevant and useful from stakeholders' perspective in the specific context of the activities of the organization | 28-52 | |
| Comprehensiveness and clarity of information about structure and functioning of the organization | 76-77 | |
| Information as to non-compliance of mandatory requirements of the concerned statute and regulator and explanation for such non-compliance | 149-152 194 | |
| Ethics and compliance | 100-113 | |
| Adequacy of the governance measures and policies adopted by the organization in the context of the size and level of the organization | 114-124 | |
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| Risk Management and Control Environment | | |
| Description of the Risk Management Framework | 141-151 | |
| Risk Mitigation Methodology | | |
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| Financial Highlights | 173-181 | |
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| Statement of Value Added and its Distribution | | |
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| Shareholders as Dividend | | |
| Employees as Bonus/Remuneration | | |
| Retained by the Entity | | |
| Economic Value Added | | |
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| Cost of Fund | | |

Status of Compliance with Corporate Governance Guidelines as per SEC notification No. SEC/CMRRCD/2006-158/207/Admin/80

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, issued a notification regarding compliances on Corporate Governance for listed companies. Previously, notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07,

2012 was in effect which has been displayed on page no. 113-116. Notably, IDCOL is not yet listed with any stock exchange so this notification does not apply. However, IDCOL voluntarily complies with many of the requirements. The status report on compliance with those conditions is furnished below:

| Condition No | Title | Status | | Remarks |
|---------------|---|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 1 | Board of Directors | | | |
| 1(1) | The number of Board members shall not be less than 5 (five) and more than 20 (twenty); | √ | | |
| 1(2)(a) | At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID); | | | Not Applicable |
| 1(2)(b)(i) | IDs do not hold any share or hold less than 1% shares of the total paid-up shares of the Company; | | | " |
| 1(2)(b)(ii) | ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who hold one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above-mentioned shares; | | | " |
| 1(2)(b)(iii) | ID has not been an executive of the company in immediately preceding two financial years; | | | " |
| 1(2)(b)(iv) | ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/associated companies; | | | " |
| 1(2)(b)(v) | ID is not a member or TREC holder, director or officer of any stock exchange; | | | " |
| 1(2)(b)(vi) | ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of the stock exchange or an intermediary of the capital market; | | | " |
| 1(2)(b)(vii) | ID is/was not a partner or an executive of the company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during the preceding three years; | | | " |
| 1(2)(b)(viii) | ID shall not be an independent director in more than five listed companies; | | | " |
| 1(2)(b)(ix) | ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFi; | | | " |
| 1(2)(b)(x) | ID has not been convicted for a criminal offence involving moral turpitude; | | | " |
| 1(2)(c) | Appointment of ID shall be done by Board and approved by shareholders in the AGM; | | | " |
| 1(2)(d) | The position of IDs cannot remain vacant for more than ninety days; | | | " |
| 1(2)(e) | The tenure of office of an ID shall be for Three years, which may be extended for One tenure only; | | | " |

| Condition No | Title | Status | | Remarks |
|--------------|---|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 1(3)(a) | ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business; | | | " |
| 1(3)(b)(i) | ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association | | | " |
| 1(3)(b)(ii) | ID is/was a Corporate Leader as a top-level executive as adopted by the code and a candidate with an equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; | | | " |
| 1(3)(b)(iii) | ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law; | | | " |
| 1(3)(b)(iv) | ID is/was University Teacher who has an educational background in Economics or Commerce or Business Studies or Law; | | | " |
| 1(3)(b)(v) | ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA,CMA, CFA, CCA, CPA and CS or equivalent qualification; | | | " |
| 1(3)(c) | The ID shall have at least ten years of experiences in any field mentioned in clause (b); | | | " |
| 1(3)(d) | Special cases for relaxing qualifications or experiences with prior approval of the Commission; | | | " |
| 1(4)(a) | Chairman of the Board and the Chief Executive Officer of the companies are different individuals having clearly defined their respective roles and responsibilities by Board; | √ | | |
| 1(4)(b) | Chairperson of the Board and the MD and/or CEO of the company shall be different individuals; | √ | | |
| 1(4)(c) | Chairperson elected from among the non-executive directors of the company; | √ | | |
| 1(4)(d) | The Board clearly defined respective roles for Chairman and the Managing Director; | √ | | |
| 1(4)(e) | In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; | √ | | |
| 1(5)(i) | An industry outlook and possible future developments; | √ | | |
| 1(5)(ii) | Segment-wise or product-wise performance; | √ | | |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on the environment, if any; | √ | | |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | | | Not Applicable |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | √ | | |
| 1(5)(vi) | A detailed discussion and statement on related party transactions; | √ | | |
| 1(5)(vii) | A statement of the utilization of proceeds raised through public issues, rights issues and/or any other instruments; | | | Not Applicable |

| Condition No | Title | Status | | Remarks |
|----------------|---|----------|--------------|------------------------|
| | | Complied | Not Complied | |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | | | " |
| 1(5)(ix) | An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements; | | | No such event occurred |
| 1(5)(x) | A statement of Directors remuneration; | √ | | |
| 1(5)(xi) | A statement on fair preparation of the financial statements by the management of the issuer company; | √ | | |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | √ | | |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | √ | | |
| 1(5)(xiv) | IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure therefrom has been adequately disclosed; | √ | | |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | √ | | |
| 1(5)(xvi) | A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders; | √ | | |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern; | √ | | |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | √ | | |
| 1(5)(xix) | Key operating and financial data of at least preceding 5 (five) years shall be summarized; | √ | | |
| 1(5)(xx) | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year; | √ | | |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as an interim dividend; | | | Not Applicable |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | √ | | |
| 1(5)(xxiii)(a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details); | | | Not Applicable |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details); | √ | | |
| 1(5)(xxiii)(c) | Executives; | √ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name wise details); | √ | | |
| 1(5)(xxiv)(a) | A brief resume of the director; | √ | | |
| 1(5)(xxiv)(b) | Nature of expertise in specific functional areas; | √ | | |

| Condition No | Title | Status | | Remarks |
|---------------|---|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and membership of board committees; | √ | | |
| | A Management's Discussion and Analysis signed by CEO or MD; | | | |
| 1(5)(xxv)(a) | Presenting detailed analysis of accounting policies and estimation for preparation of financial statements; | √ | | |
| 1(5)(xxv)(b) | Presenting detailed analysis of changes in accounting policies and estimation, if any; | √ | | |
| 1(5)(xxv)(c) | Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for the current financial year with immediate preceding five years explaining reasons thereof; | √ | | |
| 1(5)(xxv)(d) | Presenting a detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | √ | | |
| 1(5)(xxv)(e) | Presenting a detailed analysis of briefly explain the financial and economic scenario of the country and the globe; | √ | | |
| 1(5)(xxv)(f) | Presenting a detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; | √ | | |
| 1(5)(xxv)(g) | Presenting a detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., the actual position shall be explained to the shareholders in the next AGM; | √ | | |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A; | √ | | |
| 1(5)(xxvii) | The report and compliance certificate disclosed as per Annexure-B and Annexure-C; | | | Not Applicable |
| 1(6) | Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB; | √ | | |
| 1(7)(a) | Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company; | √ | | |
| 1(7)(b) | Code of conduct as determined by the NRC shall be posted on the website of the company; | √ | | |
| 2 | Governance of Board of Directors of Subsidiary Company | | | |
| 2(a) | Composition of the Board of the subsidiary company; | | | Not Applicable |
| 2(b) | Independent director of the holding company on the Board of the subsidiary company; | | | " |
| 2(c) | Review of minutes of the subsidiary company's Board meeting by the holding company's Board; | | | " |
| 2(d) | Statement as to the review of minutes of the Subsidiary company by the holding company's Board; | | | " |
| 2(e) | Review of financial statements of the Subsidiary company by the Audit Committee of the holding company; | | | " |

| Condition No | Title | Status | | Remarks |
|--------------|--|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 3 | Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS) | | | |
| 3(1)(a) | The Board shall appoint a MD or CEO, CS, CFO and HIAC; | ✓ | | |
| 3(1)(b) | The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals; | ✓ | | |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time; | ✓ | | |
| 3(1)(d) | Respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | | |
| 3(1)(e) | Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s); | | | Not Applicable |
| 3(2) | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board; | ✓ | | |
| 3(3)(a)(i) | Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement; | | | Not Applicable |
| 3(3)(a)(ii) | Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws; | | | " |
| 3(3)(b) | Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year; | | | " |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report; | ✓ | | |
| 4 | Board of Directors' Committee | | | |
| 4(i) | Board Audit Committee (BAC); | ✓ | | |
| 4(ii) | Nomination and Remuneration Committee; | | | Not Applicable |
| 5 | Audit Committee | | | |
| 5(1)(a) | BAC as a sub-committee of the Board; | ✓ | | |
| 5(1)(b) | BAC shall assist the Board of Directors as to the the financial statements reflect true and fair view of the state of affairs of the company; | ✓ | | |
| 5(1)(c) | BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing; | ✓ | | |
| 5(2)(a) | BAC is composed of 3 (three) members; | | | Not Applicable |
| 5(2)(b) | The Board appointed members of BAC who are non-executive directors and Chairperson is an ID; | ✓ | | |
| 5(2)(c) | All members of BAC are "financially literate" and 1 (one) member have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | | |
| 5(2)(d) | Filling of a casual vacancy in the BAC; | | | Not Applicable |
| 5(2)(e) | The CS shall act as the Secretary of the Committee; | ✓ | | |

| Condition No | Title | Status | | Remarks |
|----------------|---|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 5(2)(f) | The quorum of the BAC meeting have not constitute without ID; | | | Not Applicable |
| 5(3)(a) | The Board of Directors select 1 (one) ID as the Chairman of BAC; | | | " |
| 5(3)(b) | Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes; | | | " |
| 5(3)(c) | Chairman of the BAC shall remain present in the AGM; | ✓ | | |
| 5(4)(a) | BAC conducted four meetings in the financial year: | ✓ | | |
| 5(4)(b) | The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher; | ✓ | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | | |
| 5(5)(b) | Monitor choice of accounting policies and principles; | ✓ | | |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced; | ✓ | | |
| 5(5)(d) | Oversee hiring and performance of external auditors; | ✓ | | |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | |
| 5(5)(f) | Review with the management, the annual financial statements before submission to the Board for approval; | ✓ | | |
| 5(5)(g) | Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | | | Not Applicable |
| 5(5)(h) | Review the adequacy of internal audit function; | | | " |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | |
| 5(5)(j) | Review statement of all related party transactions submitted by the management; | | | Not Applicable |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | ✓ | | |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; | ✓ | | |
| 5(5)(m) | Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission; | | | Not Applicable |
| 5(6)(a)(i) | The BAC shall report on its activities to the Board; | ✓ | | |
| 5(6)(a)(ii)(a) | The BAC shall immediately report to the Board if any report on conflicts of interests; | ✓ | | |
| 5(6)(a)(ii)(b) | The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | ✓ | | |
| 5(6)(a)(ii)(c) | The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; | ✓ | | |

| Condition No | Title | Status | | Remarks |
|----------------|--|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 5(6)(a)(ii)(d) | The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary; | ✓ | | |
| 5(6)(b) | If any material impact on the financial condition and results of operation, unreasonably ignored by the management; | ✓ | | |
| 5(7) | Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii); | ✓ | | |
| 6 | Nomination and Remuneration Committee (NRC) | | | |
| 6(1)(a) | Nomination and Remuneration Committee (NRC) as a sub-committee of the Board; | | | Not Applicable |
| 6(1)(b) | The NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top-level executive as well as a policy for the formal process of considering remuneration of directors, top-level executive; | | | " |
| 6(1)(c) | ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b); | | | Not Applicable |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | | | " |
| 6(2)(b) | All members of the Committee shall be non-executive directors; | | | " |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | | | " |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | | | " |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | " |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | | | " |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | | | " |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | | | " |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company; | | | " |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | | | " |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | | | " |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; | | | " |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | | | " |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | | | " |

| Condition No | Title | Status | | Remarks |
|---------------|--|----------|--------------|---------|
| | | Complied | Not Complied | |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two-third of the members of the Committee, whichever is higher, where the presence of an independent director is must as required under condition No. 6(2)(h); | | | " |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC; | | | " |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | | | " |
| 6(5)(b)(i)(a) | NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | | | " |
| 6(5)(b)(i)(b) | NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; | | | " |
| 6(5)(b)(i)(c) | NRC shall oversee, formulate & recommend to the Board regarding remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | | | " |
| 6(5)(b)(ii) | NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | | | " |
| 6(5)(b)(iii) | NRC shall oversee & make report with recommendation to the Board regarding identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | | | " |
| 6(5)(b)(iv) | NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board; | | | " |
| 6(5)(b)(v) | NRC shall oversee & make report with recommendation to the Board regarding identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; | | | " |
| 6(5)(b)(vi) | NRC shall oversee & make report with recommendation to the Board regarding developing, recommending and reviewing annually the company's human resources and training policies; | | | " |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report; | | | " |
| 7 | External or Statutory Auditors | | | |
| | The issuer Company shall not engage its external or statutory auditors - | | | |
| 7(1)(i) | - to perform the appraisal or valuation services or fairness opinions of the company. | ✓ | | |
| 7(1)(ii) | - to perform the financial information systems design and implementation of the company. | ✓ | | |
| 7(1)(iii) | - to perform book-keeping or other services related to the accounting records or financial statements of the company. | ✓ | | |

| Condition No | Title | Status | | Remarks |
|--------------|---|----------|--------------|----------------|
| | | Complied | Not Complied | |
| 7(1)(iv) | - to perform broker-dealer services of the company. | ✓ | | |
| 7(1)(v) | - to perform actuarial services of the company. | ✓ | | |
| 7(1)(vi) | - to perform internal audit services or special audit services of the company. | ✓ | | |
| 7(1)(vii) | - to perform any service that the Audit Committee determines of the company. | ✓ | | |
| 7(1)(viii) | - to perform audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company. | ✓ | | |
| 7(1)(ix) | - to perform any other service that creates a conflict of interest of the company. | ✓ | | |
| 7(2) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company; | ✓ | | |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders; | ✓ | | |
| 8 | Maintaining a website by the Company | | | |
| 8(1) | The company shall have an official website linked with the website of the stock exchange; | | | Not Applicable |
| 8(2) | The company shall keep the website functional from the date of listing; | | | " |
| 8(3) | The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s) ; | | | " |
| 9 | Reporting and Compliance of Corporate Governance. | | | |
| 9(1) | Compliance Audit certification and its disclosure in the Annual Report; | | | Not Applicable |
| 9(2) | Compliance certification professional shall be appointed by the shareholders in the AGM; | | | " |
| 9(3) | The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not; | | | " |

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