

TOGETHER FOR SMART TOMORROW



ANNUAL REPORT 2022





TOGETHER FOR SMART TOMORROW

At IDCOL, we are a proud partner of the citizens of Bangladesh, enabling and empowering them to accomplish their hopes and aspirations. We find that this ethos of ours is in perfect harmony with the Smart Bangladesh Vision 2041 that envisages a futuristic and forward-thinking Bangladesh that is inclusive and centered around the people.

As a prominent development finance institution of the country, we have firm conviction in our role in the Smart Bangladesh Vision of the government. Facilitating international capital flows to strategically bridge the financing and investment needs of the nation to foster economic growth and sustainable development positions us directly as a contributor to a Smart Bangladesh. By virtue of our direct connect with the society through many important government schemes in renewable energy, energy efficiency and infrastructure and PPP projects, we give impetus to inclusive communities and shared prosperity.

As custodians of impact financing and investment, IDCOL's mission also serves as foundational to taking Bangladesh on a global stage, showcasing the nation's developmental potential amongst top global financial institutions. We are proud of our work with the Malawi government too in implementing renewable energy projects. This is the first such advisory solution originating out of Bangladesh and successfully harnessed by an international government.

For IDCOL thus, a smarter tomorrow is more than simply a catchphrase but an unwavering mission to enable the country to truly realise its potential as a shining example of all-round excellence or Shonar Bangladesh!

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LETTER OF TRANSMITTAL

All Shareholders,

Subject: Annual Report for the year ended on December 31, 2022

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, 2022 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary

NOTICE OF THE 26TH ANNUAL GENERAL MEETING

The Twenty-sixth Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on **Thursday, 10th August 2023 at 7:15 p.m.** via Zoom App.

Agenda for the meeting are:

1. To consider and adopt Board of Director's report of the Company and the Accounts of the Company with Auditor's Report thereon for the year ended on 31 December 2022.
2. To declare dividends of the Company for the FY 2022.
3. To consider increase of Company's paid up capital to Tk.838 crore.
4. To elect Director(s) in place of those retire in accordance with the regulations 79, 80 and are eligible for re-election in accordance with the regulation 81 of schedule I to the Companies Act, 1994.
5. To appoint auditor(s) and fixing up their remuneration for the FY 2023.
6. Any other business.

You are requested to kindly attend the meeting.

By order of the Board of Directors



(M. Maftun Ahmed)
Company Secretary



OUR INTEGRATED REPORT

Embracing Integrated Reporting

IDCOL believes Integrated Reporting is a strategic management tool to provide a holistic view of its value creation as a fundamental entity in socio-economic progress and sustainable development of the country. The aim of IDCOL's integrated reporting practices is to illuminate its value creation process, commitment and prospects to all the stakeholders, including its Development Partners, for informed assessment of IDCOL's role within the socio-economic, environmental and regulatory context.

In short, Our Annual Integrated Report of 2022 aims to provide relevant, consistent and comparable information

on the efforts made by the organization for promoting a bright and sustainable future within the industry and beyond. Additionally, it describes how IDCOL is contributing towards social progress, environmental sustainability, and economic development for a better tomorrow.

Scope and Reporting Boundary

Our 2022 Integrated Report covers the period from 01 January 2022 to 31 December 2022. Data presented in this report pertain to the Company and are extracted from the audited financial statements of FY 2022 along with relevant comparative information. In preparation of the report, we have committed to comply with the following:



REGULATIONS

- Companies Act 1994
- Securities and Exchange Rules 1987
- Relevant Rules and Regulations of the Central Bank (Bangladesh Bank)
- Financial Institutions Act 1993
- Income Tax Ordinance 1984
- Other Applicable Laws and Regulations of the Land

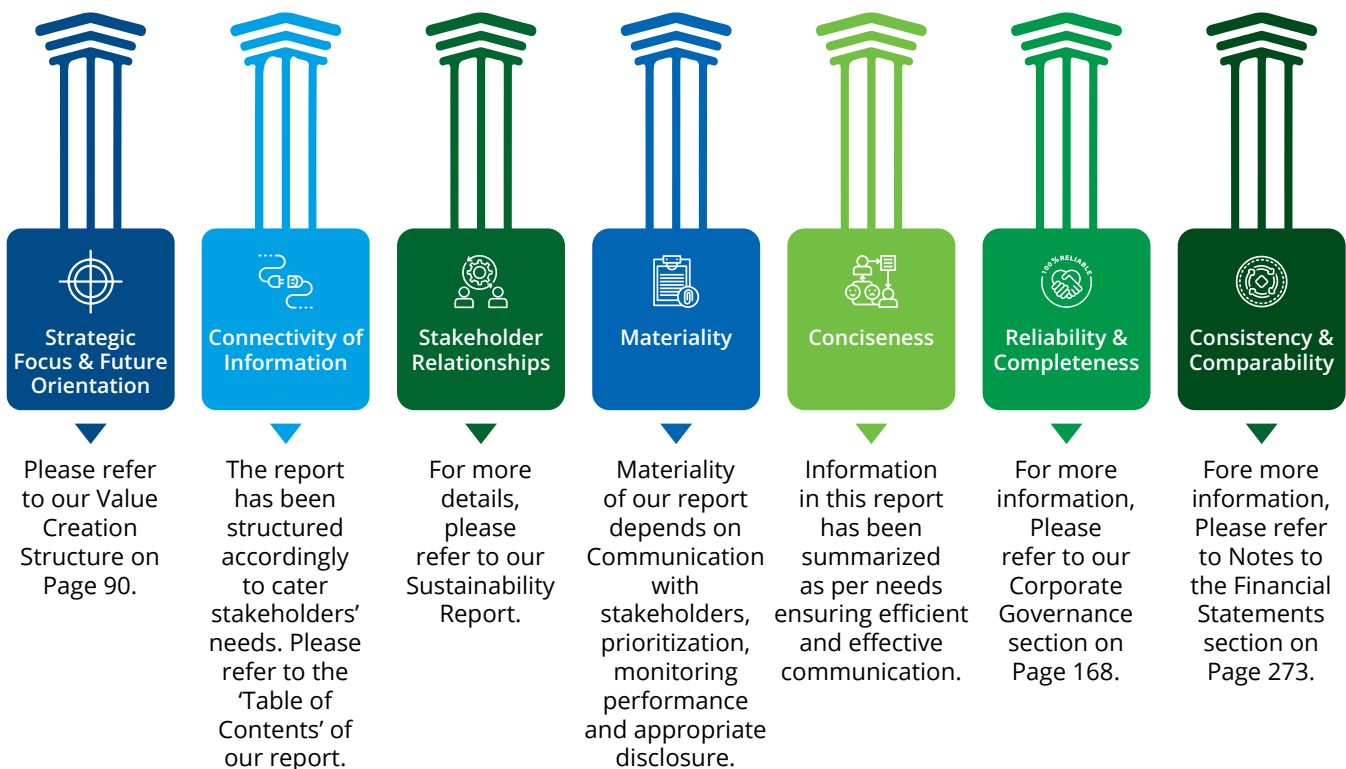


REPORTING GUIDELINES & PRINCIPLES

- International Accounting Standard (IAS)
- Corporate Governance Disclosure Checklist
- Integrated Reporting Disclosure Checklist
- International Financial Reporting Standards (IFRS)
- Status of Compliance with Corporate Governance Guidelines

We have presented the Annual Integrated Report by adopting the guidelines issued by the Institute of Chartered Accountants of Bangladesh (ICAB) in the form of 'Integrated Reporting Checklist', which conforms to integrated reporting framework outlined by International Integrated Reporting Council (IIRC). Our Annual Integrated Report considers the following seven principles as pillars of our integrated reporting practice.

Pillars of our Integrated Report



Our Major Stakeholders

Our integrated report covers information relating to our performance, risks, opportunities, and outcomes having an influence on our major stakeholders. The purpose of this report is to fulfill the information needs of our internal and external stakeholders.



Non-financial information disclosed as part of our Integrated Report has been extracted from internally-maintained records reported for the statement of financial position, unless otherwise noted that it has been derived from any other reliable source.

We also acknowledge adherence to the guidelines issued by the Global Reporting Initiative (GRI)-G4 Framework for meeting the sustainability requirements, as elaborated in our Sustainability Report.

Our corporate governance practices have been reported considering the current corporate governance practice of IDCOL with consultancy support from our external consultant i.e. PwC Bangladesh.

Our Annual Integrated 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, 2022.

Increased Reliability through External Assurance

For the reporting period under consideration, IDCOL has obtained external assurance on the following reports in the reporting sections by well-known assurance providers:



Sl.	Description of the Report	External Assurance
1.	Financial Statements Audit	Hoda Vasi Chowdhury & Co. Chartered Accountants
2.	Financial Statements Comprehensive Audit & Classification of Loans Audit	Bangladesh Bank
3.	Financial Statements of various Donor Funded Projects Audit	Hoda Vasi Chowdhury & Co. Chartered Accountants Foreign Aided Project Audit Directorate (FAPAD) Office of the Comptroller & Auditor General (OCAG), Bangladesh
4.	Procurement Audit	The World Bank FAPAD Bangladesh Bank
5.	Environmental Audit	Development Partners (The World Bank, ADB, JICA, KfW, AFD, GCF etc.)
6.	Entity Credit Rating	Credit Rating Agency of Bangladesh (CRAB)
7.	Income Tax Assessment	Large Taxpayers Unit (LTU), National Board of Revenue
8.	Tax and VAT Consultancy	Mosharaf Hossain & Associates

Comparability and Materiality

Annual Integrated Report of IDCOL presents information on the same basis as 2021 Integrated Report with respect to measurement methodology and applicable time-frame. The report aims to provide all the material information on business model, strategy, performance, governance and prospects in a balanced and concise manner to cater the information needs of our stakeholders. The report has been developed with a continuous focus on improvement of communication with our stakeholders on critical aspects that are likely to influence the social, economic and geographic environments in which IDCOL operates.

Creating value towards SDGs

Being a govt owned NBFI, IDCOL is impacting the Sustainable Development Goals (SDGs) mostly through business nature and social outreach. IDCOL's relevance to SDG goals is depicted in the following image



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. In addition, as an effort to improve sustainability through reduction of carbon footprint, our report has been made available on the company website <http://www.idcol.org> for catering the information needs of all the stakeholders. Our report can also be accessed from the QR code given below. We have also taken effort to make our e-report user friendly by incorporating interactive feature to the contents for easy navigation.



We invite you to download a digital copy of this Annual Report by scanning this QR code on your smart device.



You can also download a copy of this report from our website: https://idcol.org/annual_report/IDCOL_Annual_Report_2022.pdf

Navigating Through this Report

What to look for	Contents	Page No.
What IDCOL does	<ul style="list-style-type: none"> • Company Overview • About IDCOL 	11-15 65-167
Leadership insight	<ul style="list-style-type: none"> • Chairman's Letter • ED & CEO's Performance Report • Director's Report 	32-36 37-43 44-64
How IDCOL ensures Governance & Risk Management	<ul style="list-style-type: none"> • Director's Responsibility • Status of compliance with corporate governance guidelines • Audit Committee Report • Report on Internal Control • Risk Management Report 	169-174 175-181 187-191 192-195 201-208
What we are doing to achieve our vision	<ul style="list-style-type: none"> • Value Creation Structure • Programs & Projects • Value Added Statement • Economic Value Added Statement 	90-91 94-143 259 260
IDCOL's commitment towards Economic, Social and Governance (ESG) goals	<ul style="list-style-type: none"> • IDCOL's contribution towards green financing • Sustainable financing in energy efficiency sector • Contribution to National Economy • Compliance of Environmental and social safeguards at IDCOL funded projects 	212-217 218-219 240-241 220-228
Measuring our outcome	<ul style="list-style-type: none"> • Audited Financial Statements • Financial Performance Analysis • Financial Highlights & Review 	263-328 249-262 251-254

Responsibility over the Integrity of the Integrated Report

I, on behalf of the board, acknowledge the responsibility to ensure the integrity of the disclosure made in the 2022 Integrated Report which comprise the discussion, analysis and disclosures pertaining to stewardship, to be

read in conjunction with the audited financial statements. The integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international reporting framework and addresses the material issues pertaining to the long-term sustainability of the organization and presents fairly the integrated performance of IDCOL and the impacts thereof.



Mr. Alamgir Morshed
Executive Director & CEO



25 SUCCESSFUL YEARS OF FINANCING IN SUSTAINABLE DEVELOPMENT

Investment Areas of IDCOL



Physical Infrastructure



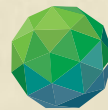
Renewable Energy



Energy Efficiency

IDCOL Offers:

- Long-Term Local and Foreign Currency Loan for Infrastructure Projects
- Soft Loan and Grants for Renewable Energy Projects
- Long-Term Soft Loan for Energy Efficiency Projects
- Debt and Equity Arrangement
- Corporate Advisory Services



GREEN
CLIMATE
FUND

**First Accredited Entity
in Bangladesh**



COMPANY OVERVIEW

COMPANY INFORMATION



Registered Office

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



Fax

+880-2-2222-48785



Telephone

+8809666743265,
+880-2-2222-48786-91
16653 (Call Center for REP)



Website

www.idcol.org



E-mail

contact@idcol.org



Auditors

Hoda Vasi Chowdhury & Co.
Chartered Accountants



Business Hours

10 am to 5 pm
Sunday to Thursday

External Legal Panel

- Syed Ishtiaq Ahmed & Associates
- Tanjib-ul-Alam & Associates
- The Lawyers & Jurists
- DFDL Bangladesh
- Abdur Razzaque & Associates
- Rahman's Chambers
- Bhuiyan Islam & Zaidi
- Lex Juris
- Law Valley
- Sadat Sarwat & Associates
- The Juris Council
- Farooq & Associates
- Legal Sanctuary
- Rouf & Associates
- Fiat Justitia
- Bakiruddin Bhuiyan & Associates
- Sattar & Co.
- A S & Associates
- ACNABIN Chartered Accountants (for tax related advice only)

Bankers

- Bangladesh Bank
- Janata Bank Limited
- Agrani Bank Limited
- Prime 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
- IFIC Bank Limited
- Trust Bank Limited
- Bangladesh Development Bank Limited



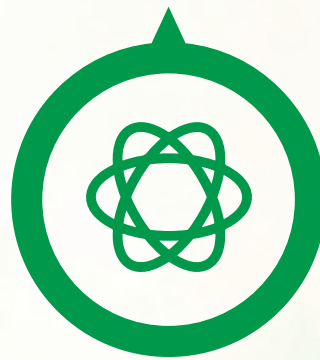
Vision

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.

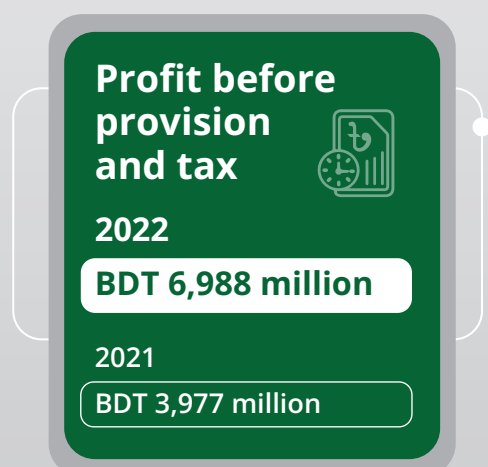
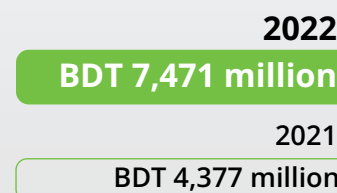
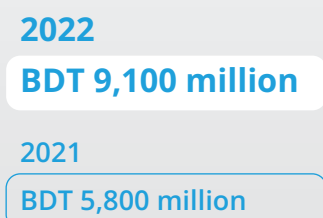
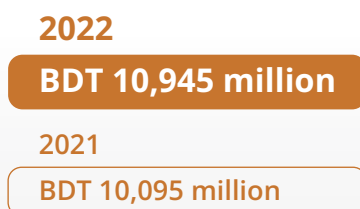
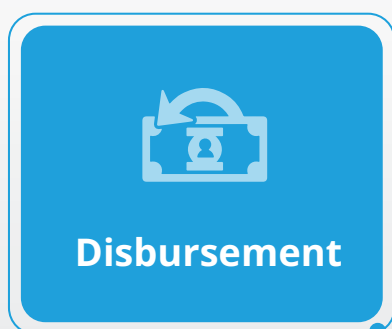
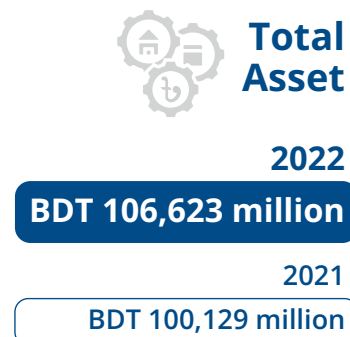


Social Responsibility

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



PERFORMANCE AT A GLANCE





2022
6.47%

2021
9.15%



2022
1.27%

2021
1.10%



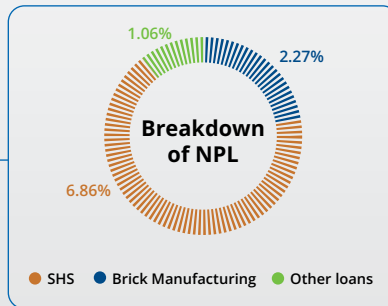
2022 10.19%

2021 5.74%



2022
15.21%

2021
20.73%



2022

1.82%

2021

1.45%



2022 AA1/ST-1



2022

411

2021

423





STEWARDSHIP

REPRESENTATION IN IDCOL BOARD

IDCOL is committed to ensure that the board is comprised of members as per the criteria mandated by the government and members of the board bring diverse background, expertise and experience on the table for the betterment of the company. 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 a full-time Executive Director & Chief Executive Officer. The following table lists current directors of IDCOL Board and members who have retired from the board since FY 2022.

Director's Name	No. of Shares	Total Face Value of Shareholdings (In BDT)
1. Ms. Sharifa Khan, Chairman	450	45,000
2. Ms. Fatima Yasmin, Director	50	5,000
3. Mr. Md. Habibur Rahman, Director	50	5,000
4. Mr. Mohammad Salahuddin, Director	50	5,000
5. Mr. Shahriar Kader Siddiky, Director	50	5,000
6. Ms. Nihad Kabir, Director	50	5,000
7. Mr. Abdul Haque, Director	50	5,000
8. Mr. A. K. M. Nurul Fazal Bulbul, Director	50	5,000
9. Mr. Alamgir Morshed, Executive Director & CEO	50	5,000
Board Members who retired since last year:		
1. Mr. Abdur Rouf Talukder, Director	50	5,000
2. Mr. M. Tofazzel Hossain Miah, Director	50	5,000
3. Mr. Abdul Baki, Director	50	5,000

Shareholding Structure of IDCOL

Being a government-owned entity, the majority (99.99%) of outstanding shares of IDCOL are held by the Economic Relations Division (ERD), Ministry of Finance. Alongside, according to the Articles of Association, directors of IDCOL Board have to hold a minimum number of shares to maintain their directorship in the entity. ERD also nominates senior government officials as shareholders other than the directors of IDCOL Board from time to time. The current shareholding structure of IDCOL Board is given below.

SL. No.	Name of Shareholders	No. of Shares	Paid-up Capital in BDT	Percentage
1	Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	78,799,000	7,879,900,000	99.9987310%
2	Ms. Sharifa Khan, Secretary, Economic Relations Division (ERD), Ministry of Finance	450	45,000	0.0005711%
3	Mr. M. Tofazzel Hossain Miah, Principal Secretary to HPM, Prime Minister's Office	50	5,000	0.0000635%
4	Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue, Ministry of Finance	50	5,000	0.0000635%
5	Ms. Fatima Yasmin, Senior Secretary, Finance Division, Ministry of Finance	50	5,000	0.0000635%
6	Mr. Mohammad Salahuddin, Secretary, Prime Minister's Office	50	5,000	0.0000635%
7	Mr. Tapon Kanti Ghosh, Senior Secretary, Ministry of Commerce	50	5,000	0.0000635%
8	Mr. Md. Habibur Rahman, Senior Secretary, Power Division	50	5,000	0.0000635%
9	Mr. Md. Shahriar Kader Siddiky, Additional Secretary, WB Wing, Economic Relations Division (ERD), Ministry of Finance	50	5,000	0.0000635%
10	Ms. Nihad Kabir, Barrister-At-Law, Senior Partner, Syed Ishtiaq Ahmed & Associates	50	5,000	0.0000635%
11	Mr. Abdul Haque, Managing Director, Haq's Bay Automobiles Ltd.	50	5,000	0.0000635%
12	Mr. A. K. M. Nurul Fazal Bulbul, Vice-chairman, Central Depository Bangladesh Limited (CDBL)	50	5,000	0.0000635%
13	Mr. Alamgir Morshed, Executive Director and CEO, IDCOL	50	5,000	0.0000635%
Total		78,800,000	7,880,000,000	100.00%



BOARD OF DIRECTORS



Standing from left:

Mr. A. K. M. Nurul Fazal Bulbul	Vice-Chairman, Central Depository Bangladesh Limited (CDBL) and Director, IDCOL
Mr. Md. Habibur Rahman	Senior Secretary, Power Division and Director, IDCOL
Mr. Md. Shahriar Kader Siddiky	Additional Secretary, Wing Chief (Asia, JEC, F&F and World Bank) and Director, IDCOL
Mr. Abdul Haque	Managing Director, Haq's Bay Automobiles Ltd. and Director, IDCOL
Mr. Alamgir Morshed	Executive Director and CEO, IDCOL



Sitting from left:

Mr. Mohammad Salahuddin	Secretary, Prime Minister's Office and Director, IDCOL
Ms. Sharifa Khan	Secretary, Economic Relations Division (ERD), Ministry of Finance, and Chairman, IDCOL
Ms. Fatima Yasmin	Senior Secretary, Finance Division, Ministry of Finance and Director, IDCOL
Ms. Nihad Kabir	Senior Partner, Syed Ishtiaq Ahmed & Associates, and Director, IDCOL

DIRECTORS' PROFILE



Ms. Sharifa Khan
Secretary, Economic
Relations Division, Ministry of
Finance and Chairman, IDCOL

Sharifa Khan, a career civil servant, joined as the Secretary, Economic Relations Division (ERD), Ministry of Finance on 17 July 2022. Prior to this position, she was the Member (Secretary), Planning Commission, Bangladesh for about one and a half year.

Ms. Sharifa Khan belongs to 9th Batch of BCS Administration Cadre who joined at Bangladesh Civil Service on 26 January 1991. In her colorful career, she held various positions in the Ministry of Agriculture, BPATC, Deputy Commissioner's office, Dhaka, WTO Cell, and the Ministry of Commerce. She served for about five years at the International Fertilizer Development Center (IFDC). She also served as the Commercial Counselor, Bangladesh High Commission, London from 2012 to 2017 with high reputation.

Mrs. Sharifa Khan obtained her Bachelor (Honors) and Master's degrees in Economics from Dhaka University. She also holds Diploma and Master's degrees in Development Economics from the Australian National University (ANU), Australia. She had completed nine months Advanced Course in Economics and Quantitative Techniques from Bangladesh Institute of Development Studies (BIDS). She has vast experience in international trade and economic development. She participated in various trainings, seminars, and conferences at home and abroad. Besides, she has earned a reputation as a guest speaker in various government and private institutions on international trade, WTO issues, free trade agreements and macro-economic management.

Ms. Sharifa Khan published several articles on global trade, LDC graduation, intellectual property rights and agriculture negotiations in various local and international journals. She was born in Mirzapur upazila of Tangail district. Her father, late Samsuzzaman Khan was a government official, and her mother late Kazi Hafeeza Khatun was a school teacher. Mrs. Khan's husband Mr. Abu Naser Khan is a renowned environmental specialist. She is a proud mother of two sons.



Ms. Fatima Yasmin
Senior Secretary, Finance Division,
Ministry of Finance and Director, IDCOL



Ms. Fatima Yasmin, a career civil servant, joined the Finance Division, Ministry of Finance as Senior Secretary on 17th July 2022. She is the first female Finance Secretary of Bangladesh. Prior to this position, she also served as the first female Secretary of Economic Relations Division (ERD), Ministry of Finance. In addition to this, she was the Vice-Chairman of Export Promotion Bureau (EPB), Ministry of Commerce, and Director General of Institute of Public Finance (IPF), Ministry of Finance.

Ms. Yasmin joined the Bangladesh Civil Service in 1991. She worked for various ministries including the Finance Division and Economic Relations Division of the Ministry of Finance; and Ministries of Agriculture, Women and Children Affairs, and Defense. She also worked for ERD for a substantial period with the World Bank, United Nations, Asian Development Bank, and Islamic Development Bank. Outside government, she worked for Asian Development Bank, European Union, and the UN's International Jute Organization.

As Finance Secretary, she serves in the capacity of Director, Board of Directors of Bangladesh Bank (Central Bank of Bangladesh); Chairman of Bangladesh Infrastructure Finance Fund Limited (BIFFL); Chairman of National Human Resource Development Fund (NHRDF); Chairman of the Committee of Mutawallis of Islamic Development Bank-Bangladesh Islamic Solidarity Educational Wakf (IDB-BISEW); Deputy Chairman of Saudi Bangladesh Industrial & Agricultural Investment Company Limited (SABINCO); Director of the Board of Biman Bangladesh Airlines Ltd.; Member of the Board of Governors at Bangladesh Institute of Development Studies (BIDS), Bangladesh Judicial Service Commission, BPATC, BISS, and National Defense College, etc.

Ms. Yasmin obtained her Master's in Business Administration from the Institute of Business Administration (IBA), University of Dhaka. She did Masters in Development Economics from Australian National University (ANU), Australia. She was a Hubert H. Humphrey Public Policy Fellow of the US State Department at Rutgers University, USA. Moreover, she has successfully completed the Executive Program on Leading Successful Programs at the John F. Kennedy School of Government at Harvard University.



Mr. Md. Habibur Rahman
Senior Secretary, Power Division
and Director, IDCOL

Md. Habibur Rahman joined the Power Division as Senior Secretary on 01 June 2023. Prior to this appointment, he served as the Secretary of Power Division from 12 November 2020. Before his stint in the Power Division, Mr. Rahman was the Additional Secretary (Budget 1) in the Finance Division, Ministry of Finance.

Md. Habibur Rahman joined the Bangladesh Civil Service (Administration) cadre in 1991 and belongs to the 10th batch. He started his career as an Assistant Commissioner in the Office of the Divisional Commissioner Rajshahi and was subsequently posted at the Office of the Deputy Commissioner, Natore and worked there as an Assistant Commissioner till February 1993. Then he worked in the Refugee, Relief and Repatriation Commission at Cox's Bazar from March 1993 to February 1994. He was posted in the Office of the Deputy Commissioner Habiganj and went on to work as Assistant Commissioner (Land) in Habiganj Sadar from April 1994 to September 1996. Thereafter he worked as Assistant Director in the Bureau of Anti-Corruption from October 1996 to November 1998. Afterwards he was appointed as Assignment Officer in the Prime Minister's Office and worked there till September 2001. As Senior Assistant Secretary he worked at Finance Division from January 2003 to September 2005 and at Ministry of Education from February 2006 to May 2007.

The high point of his career has been his long stint of more than fifteen years in the Finance Division. He was one of the early bunches of officers who steered the transition from traditional method of budget making to the Medium-Term Budget Framework (MTBF). There, he worked as Deputy Secretary (Budget 1), Joint Secretary (Budget 1) before eventually being elevated to the position of Additional Secretary (Budget 1) and was the lynchpin of national budget preparation for more than a decade. He was also a Budget Specialist in the Financial Management Reform Programme and Deepening DMTBF and Strengthening Financial Accountability Project of the Finance Division. He has been teaching all areas pertaining to Public Financial Management at the Institute of Public Finance and most other training institutes and has been instrumental in developing a critical mass of civil servants steeped in Public Finance.



Mr. Rahman earned his BSc. and MSc. in Applied Physics and Electronics from the University of Dhaka. He holds another Master's degree in Economic Development Policy and Research from the University of Birmingham, UK. He also received training on Government Budget Management, Public Financial Management, Professional Development and Performance Management from India, Singapore, USA, UK and New Zealand. In addition, he attended numerous seminars, workshops, study tours and official visits at home and abroad. Mr. Rahman is a recipient of the prestigious Public Administration Award of 2017 for his outstanding contribution to public sector.

Mr. Rahman hails from Bangakha village of Lakshmipur Sadar Upazila of Lakshmipur District. He is married and blessed with three daughters.



Mr. Mohammad Salah Uddin, a career civil servant joined the Bangladesh Civil Service on 25th April 1994 as a member of BCS 13th batch. In his long illustrious career both in field administration and ministry, he worked in several government positions in various capacities. Mr. Salah Uddin held various key positions in the Prime Minister's Office, Ministry of Industries, Power Division etc. He has been serving as the Secretary at the Prime Minister's Office since 8th December 2022.

He started his career as Assistant Commissioner in the Divisional Commissioner's Office at Khulna in 1994. During his stint in field administration, he served as the Assistant Commissioner (Land) at Gazipur and Tangail, Upazilla Nirbahi Officer (UNO) at Natore and Gaibandha, and Deputy Commissioner and District Magistrate of Dhaka and Panchagarh districts. He served as Director General at the Prime Minister's Office before being appointed as the Private Secretary to the Hon'able Prime Minister of the People's Republic of Bangladesh.

Mr. Mohammad Salah Uddin obtained his Master's degree in Philosophy from the University of Dhaka. He has also received international training on Transforming Criminal Justice in UK. Besides, he has been trained on Good Governance in India.

Mr. Salah Uddin was born in a prominent Muslim family in Pabna. His father, Late Abdus Samad was also a BCS cadre (Admin) official. His mother is late Hosnara Begum. He is married to Ms. Fahmida Khanam, a teacher by profession. They are blessed with two daughters and a son.



Mr. Md. Shahriar Kader Siddiky

Additional Secretary, Wing Chief
(Asia, JEC and F&F and World Bank) and
Director, IDCOL

Mr. Md. Shahriar Kader Siddiky is a career Bangladesh senior civil servant, having held a number of senior positions in the Ministry of Public Administration and Economic Relations Division, Ministry of Finance. In addition, he also served at Bangladesh Embassy in Kuwait.

Since April 2019, Mr. Md. Shahriar Kader Siddiky is leading the Asia Wing of Economic Relations Division, Ministry of Finance, Bangladesh and is looking after economic affairs of Bangladesh for Asian region including World Bank, China, India and Republic of Korea. He is also looking after the World Bank Wing of ERD since November 2022.

Mr. Siddiky got his Masters in Management in 1990. He completed the Chartered Accountancy course in the year 1993.

As a career civil servant, Mr. Siddiky has undertaken extensive training in public sector management and has participated in numerous international workshops in different countries and UN bodies. His goal is to continue to enact positive change in the public sector of Bangladesh by promoting better services for the people of Bangladesh.

Mr. Siddiky represented at Asian Infrastructure Investment Bank's (AIIB) Board of Directors as Director from the Constituency 3 (Bangladesh, Malaysia, Maldives, Nepal, Philippines and Thailand). Currently he represents at the Board of Directors of New Development Bank as Director from Bangladesh.

Mr. Siddiky is also a Board member of Infrastructure Development Company Limited (IDCOL) and Infrastructure Investment Facilitation Company (IIFC).



Ms. Nihad Kabir

Senior Partner, Syed Ishtiaq Ahmed &
Associates, and Director, IDCOL

Ms. Nihad Kabir, Barrister at Law, is a Senior Advocate of the Supreme Court of Bangladesh and the Senior Partner of Syed Ishtiaq Ahmed and Associates, a leading law firm of the country, with many path breaking cases and legal solutions to her credits. She has 30 years of work experience as a lawyer and has appeared internationally as an expert witness on Bangladesh law. Ms. Nihad provides legal expertise to several agencies of the Government of Bangladesh, as well as many leading multinational and local corporates and non-governmental institutions including different private universities of Bangladesh. She specializes in corporate and commercial law, as well as fiscal and labor laws. She was a member of the Drafting Committee for the Labor Rules under the Labor Act 2006 and assisted in drafting and reviewing many pieces of legislation. She was also a member of the National Education Policy Committee and National Pay and Services Commission. Currently, she is a member of the Company Law Reform Committee.



Ms. Nihad is the immediate past President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), the oldest chamber of commerce and industry in the country where she served 5 consecutive terms and is now continuing as a member of the Board of Directors of MCCI. She is currently Chairperson of the Board of Trustees of BUILD (Business Initiative Leading Development), a public private dialogue platform which facilitates dialogue between Government and the private sector for the betterment of the economy and the business climate. As President of MCCI, and as Chairperson of BUILD she has been and continues to be actively engaged in advocacy for the betterment of the economy, including policy, process and legal reform. Prior to her role as President of MCCI, she was the Vice President and a Committee Member of MCCI in the past. She is involved with entrepreneurship development in conjunction with the iDEA Fund and a2i. She participates regularly as a speaker and panelist in various forums, and has participated in various programs of BPATC, of which she is currently a member of the Board of Governors.

Ms. Nihad is a Member of the Panel of Experts for the Padma Multipurpose Bridge Project. She is a Member of the Company Law Reform Commission, Senior Fellow of BIDS (Bangladesh Institute of Development Studies) and Member of the Board of Governors of Bangladesh Public Administration Training Centre. She was the Treasurer and Secretary General of Ain O Salish Kendra and is currently its Chairperson. She was the first legal counsel of Bangladesh Securities and Exchange Commission, Bangladesh (BSEC), and worked as Counsel at Office of the General Counsel, Asian Development Bank, from 1996-2000. She worked on ADB-funded projects in many Asian and Indo-Chinese countries, including China, Mongolia, Thailand, Vietnam, Cambodia and Laos. She has undertaken many technical assistance assignments for the ADB in Bangladesh.

Ms. Nihad was elected as an Independent Director on the Board of BRAC Bank Limited in July 2007. In July 2015 she retired from the Board and joined as Nominee Director in November 2015, and retired from the Board in 2021. She was also a Director of bKash Limited and chaired the Boards of Brac EPL Stock Brokerage Limited and Brac EPL Investment Limited. Currently, Ms. Nihad is a Director of Infrastructure Development Company Limited (IDCOL) and Independent Director of Square Textiles Limited. She was a resource person on Company Law in the Department of Finance, University of Dhaka.

Ms. Nihad Kabir was called to the Bar from Grays Inn in England. She has a B.A. (Honors) degree in law and an LLM and MA from the University of Cambridge, England.



Mr. Abdul Haque

Managing Director, Haq's Bay
Automobiles Ltd., and Director, IDCOL

Mr. Abdul Haque is the Managing Director of Haq's Bay Automobiles Limited and the Proprietor of Haq's Bay Service Center, Haq's Bay CNG Conversion Works, and Red Hill Textile Mills. 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 remarkable contribution in trade and business development of the country. In addition, Mr. Haque is also a member of the Advisory Board of Strategic Transport Plan for Dhaka (STP).

Mr. Haque is deeply involved with different trade bodies at home and abroad. Leveraging the background, Mr. Haque has founded Japan Bangladesh Chamber of Commerce and Industry (JBCCI) with a view to building and promoting economic relationship between Japan & Bangladesh and later was appointed as President of JBCCI. SHOO-KOO-KAI (The Japanese Commerce & Industry Association in Dhaka) appointed him as the Special Adviser, External Affairs for his contribution in expediting trade and investment between Japan and Bangladesh. He was elected as the Director of Executive Committee of the Federation of Bangladesh Chambers of Commerce and Industry for six times by popular vote. He is also the Founder and former President of Bangladesh Reconditioned Vehicles Importers & Dealers Association, and former Co-Chairman of Japan Bangladesh Committee of Commercial and Economic Co-operation (JBCCEC). Apart from these, he was a Member of the Executive Committee of SAARC Chamber of Commerce and Industry as well as the Board of Directors of Bangladesh Road Transport Authority, Janata Bank and Teletalk Bangladesh Ltd.

Mr. Haque has active participation in voluntary and philanthropic activities involving being Founding Member of Independent University, Bangladesh (IUB); Founder Chairman 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. In 2022, Mr. Haque received "The Order of the Rising Sun, Gold Rays with Rosette" from the Government of Japan for his contribution to promoting economic relations and mutual understanding between Japan and Bangladesh.



Mr. A. K. M. Nurul Fazal Bulbul

Vice-Chairman, Central Depository Bangladesh Limited (CDBL) and Director, IDCOL

Mr. A. K. M. Nurul Fazal Bulbul, a popular face in the corporate sector and society of Bangladesh, was born at Wari, Dhaka in 1960. He completed his Bachelor of Commerce (Honors) and Master's in Business Management from the University of Dhaka. Later, he obtained LLB and got associated with the Bangladesh Supreme Court Bar. Mr. Bulbul started his career as a Management and Tax Consultant and subsequently went onto establish El-Noor Corporation in 1991 and Meena Printers & Packaging in 1995.

Mr. Bulbul is the Co-founder of (1) EXIM Bank Ltd., (2) Sunlife Insurance Company Limited, (3) Japan-Bangladesh Medical Associates, and (4) El Noor Group etc. He also serves in the capacity of Vice-Chairman, Central Depository Bangladesh Ltd. (CDBL); Director, Central Counterparty Bangladesh Limited (CCBL); Director, Infrastructure Investment Facilitations Company (IIFC); Director, Bangladesh Data Centre and Disaster Recovery Site Limited; Independent Director, Millenium Software (MISL Bangladesh), Independent Director, Sonali Paper and Board Mills Ltd. Mr. Bulbul is also an Advisor to various bodies like Japan-Bangladesh Medical Services, Sunlife Insurance Company Limited, Abdul Monem Ltd., and Doreen Power Generation Co. etc. He was the Director of FBCCI, SAARC Chamber, OIC Business Forum, Central Zakat Board and FBCCI Foundation. During 1990s, he also served as Group Management Consultant or Advisor of Akij Group, Navana Group, Padma-Sonali Group and Swedish Motors (Volvo). Mr. Bulbul has achieved CIP status for 4 (Four) times from 2008-2012. Mr. Bulbul is serving in the capacity of Director of IDCOL since April 2018.

As an education philanthropist, Mr. Bulbul is serving as Trustee of the two reputed University i.e., EXIM Bank Agriculture University & BIU, Secretary of Research & Training at Bangladesh Association of Banks (an apex body of 38 private banks of the country) and Vice-Chairman of Islamic Banks Consultative Forum (IBCF – an apex body of Islamic banking industry of the country). He has been elected as Secretary General of Gulshan Central Mosque & Eidgah Society. Mr. Bulbul is a Member of Board of Governors of Anwar Khan Medical College and Hospital and Bangladesh Capital Market Stabilization Fund.

Other than corporate affairs, Mr. Bulbul has vast involvement in CSR activities and sports through EXIM Bank Foundation and Bangladesh Association of Banks (BAB). He had been the moderator of many national seminars and workshops as well as had participated in many international seminars and summits. He has two popular publications and has received many prestigious awards. He is one of the patrons of Army Golf Club and permanent member of the prestigious Dhaka Club Ltd., apart from his involvement with many national organizations such as Anjuman Islam, NATTAB, JAAGO Foundation, BOA, BFRD, BIRDEM, Cancer Society, Peace Council, Commonwealth Society, NGHSA, SEACO, Private University Association and Bangladesh Bar Council.

The Government appointed Mr. Bulbul as "Chief of the Mission to London Olympic – 2012 of Bangladesh" and "Delhi Commonwealth Games - 2010". He also served as "Leader of Bangladesh Delegation" to World Depository Conference in Frankfurt, Germany, and Asia Pacific Depository Conference in Hong Kong in 2018 and 2017, respectively. He is the President of Bangladesh Handball Federation since 2008, Vice-President of National Olympic Academy, and Vice-President of Anjuman Mufidul Islam.



His father Late M. Noor was an imminent 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 Nafis Arafat and two daughters Nafisa Meena and Nafisa Madina are studying under Cambridge curriculum. His sister and brothers are well established in their respective fields. Mr. Bulbul's ancestors are rooted in Bikrampur, Munshiganj and his Grandfather Late Ayet Ali Master was a popular school teacher in the then British India and a sincere organizer of British-Indian independence movement.

Mr.. Bulbul was elected General Secretary of National Student League in 1984 and was 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. For a long time, he served as Founder Executive Committee Member of the Father of the Nation Bangabandhu Sk. Mujib Memorial Museum at Dhanmondi. Although in new century, he has parted ways with organizational politics and got involved in corporate social life.



Mr. Alamgir Morshed
Executive Director and CEO, IDCOL

Mr. Alamgir Morshed joined Infrastructure Development Company Limited as the Executive Director and CEO on March 27, 2022. Prior to this appointment, Mr. Morshed was the MD & Head of Financial Institutions at Standard Chartered Bank (SCB) Bangladesh.

Mr. Morshed started his career as a Trainee Dealer at SCB Bangladesh in 1995 and over the span of 26 years of his illuminated career with the bank he held various senior management positions. He headed the Commercial Banking Division of SCB Bangladesh where he raised financing for country's first solar plant and earned the bank Finance Asia's Best Deal Award. As the Head of Global Banking (GB) and FI, he developed a sustainable GB strategy which ensured strong financing performance for the bank even during challenging business environment. He transformed the FI division of the bank through business diversification and expansion of public sector portfolio. Under his leadership, the FI division of the bank introduced structured & bilateral funding facilities, digital payment & cash management solutions to support banks, NBFIs and MFIs as well as alternative financing solutions through engagement of ECAs, DFIs, DOs, and Impact Funds for funded and non-funded risk participation. He also chaired the Sustainable Finance Committee of the bank.

Mr. Morshed also led the Global Markets Division of the bank for a significant part of his career leading the bank's ALM, FOREX Trading, Debt Capital Markets and Corporate Finance functions. As the Co-Head of Wholesale Banking (WB) Division, he introduced a country WB strategy which provided significant growth and client return on risk-weighted assets. In July 2014, he assumed the role of MD and Head of Financial Markets at the bank and pioneered the development of bank's FM franchise. For his contribution, Mr. Morshed is regarded as one of the leading thought leaders of FX and DCM.

Mr. Morshed comes with industry leading expertise in stakeholders' relationship management, business development, financial & credit risk management and frequently shares his seasoned banking experience in various forums as a keynote speaker. He played an active role in the S&P Sovereign Rating Advisory for Bangladesh. He has been a key contributor to Bangladesh Foreign Exchange Dealers Association (BAFEDA) and a member of Bangladesh Bank Authorized Dealers Forum and Syllabus and Exam Review Committee, Institute of Bankers, Bangladesh (IBB). He attended various trainings on leadership at prestigious institutions, including Saïd Business School – Oxford University and INSEAD Singapore.

Mr. Morshed holds an MBA from the Institute of Business Administration, University of Dhaka. Prior to this, he completed his Bachelor in Commerce from the University of Dhaka.

PROFILE OF SHAREHOLDERS OTHER THAN DIRECTORS



Mr. M. Tofazzel Hossain Miah
Principal Secretary to HPM, Prime Minister's Office

Mohammad Tofazzel Hossain Miah serves as the Principal Secretary to the Hon'ble Prime Minister in the Prime Minister's Office, Bangladesh. Prior to this, he served in the same office for more than six years holding different capacities like Senior Secretary, Secretary, Director General, and Private Secretary to the Hon'ble Prime Minister.

A man of noble bearing, Mr. Tofazzel started his career as Administration Cadre of Bangladesh Civil Service (9th batch) in 1991. In his prominent career, Mr. Tofazzel held various key positions including Director General at Private Export Processing Zones Authority, Director General-1 at Prime Minister's Office, Private Secretary to the Principal Secretary at Prime Minister's Office, and Director at Board of Investment. At the field level, he served as Deputy Commissioner and District Magistrate in three districts namely Dhaka, Cumilla and Panchagarh. Apart from that, he was Additional Deputy Commissioner in Sylhet, Upazila Nirbahi Officer of Monohardi in Narsingdi district and AC (Land) at Bagherhat Sadar. He also had the opportunity to work in Ministry of Public Administration, Local Government Division, Ministry of Primary and Mass Education and Power Division. In his long career he has played an exemplary role in the making of policy, strategy, planning, guideline, and decision of the government by working in several important offices of the government.

Born in Pirojpur District, Mr. Tofazzel obtained both his Honors and Master's degree in English Literature from the University of Dhaka. He also has a Master's degree in Early Childhood Development (ECD) from BRAC University. He has visited many countries and had exposure to many workshops and trainings both at home and abroad. He received certificate of excellent performance on Land Administration. He had undergone special trainings on Project Management and Governance in UK, Vietnam and India. Mr. Tofazzel also received specialized training in leadership from Harvard University in the USA and had been acclaimed for his distinctive attainments. He is a prolific speaker as well as a trainer on Governance and Development.

Apart from his professional career, Mr. Tofazzel was affiliated as Director of Board at Infrastructure Development Company Limited (IDCOL), Bangladesh Infrastructure Finance Fund Limited (BIFFL), British American Tobacco Bangladesh Company Limited (BAT), Bangladesh Petroleum Exploration Production Company (BAPEX), Titas Gas Transmission and Distribution Company Limited, Grameen Bank, and Biman Bangladesh Airlines. He was also a syndicate member of Sheikh Hasina University, Jahangirnagar University and Ahsanullah Science and Technology University. As a sport connoisseur, Mr. Tofazzel has active involvement in scouting and is serving as National Commissioner of Bangladesh Scouts. He is also the President of the Bangladesh Athletics Federation. Furthermore, he was the Advisory Council Member of Prerona Foundation.

Mr. Tofazzel is a prolific writer. He has authored books and several articles on the reverent life and leadership of the Father of the Nation of Bangladesh Bangabandhu Sheikh Mujibur Rahman and on the inclusive socio-economic advancement of Bangladesh. He was actively involved in writing 'Bangladesh Investment Handbook: A Guide for Investors' published by Bangladesh Investment Development Authority (BIDA). He regularly writes on Bangladesh's contemporary economic affairs like investment environment and opportunities, investment and trade growth, export diversification, enhancing productivity capacity, overall economic growth, economic policy-strategy formulation, etc. His long diverse experience of working in almost all capacities of the government at the ministerial level and the field level of administration, remarkable achievements in academic pursuits and trainings, and consistent study on the current economic affairs have made him well conversant on issues related to the overall development of Bangladesh. Moreover, he edited the book titled 'Sheikh Hasina: Selected Sayings' which comprises some of the significant directives and inspiring sayings by the Hon'ble Prime Minister of Bangladesh Sheikh Hasina.





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. A highly accomplished and professional civil servant, Mr. Muneem has an experience of 34 years in both central and field administration. Having a diverse administrative broad-based knowledge and experience, he joined the Bangladesh Civil Service (Administration) on January 21, 1986. Prior to assuming his current post, he served as the Senior Secretary of Energy and Mineral Resources Division, Bangladesh.

In his academic attainments, he realized his Bachelor and Master's degree in Geology from the University of Dhaka. Later on, he did Diploma in Development Planning 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 tenure 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-ordinate among different departments, and monitor local government activities, disaster management projects, fast-track & 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 programs including 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 blessed with one son and one daughter.



Mr. Tapan Kanti Ghosh

Senior Secretary, Ministry of Commerce

Mr. Tapan Kanti Ghosh joined the Ministry of Commerce on June 2, 2021 and by the end of 2021 he was promoted to the position of Senior Secretary. Prior to this he worked as Secretary of the Ministry of Liberation War Affairs since July 7, 2020. He also served as the Chairman of the Bangladesh Trade and Tariff Commission.

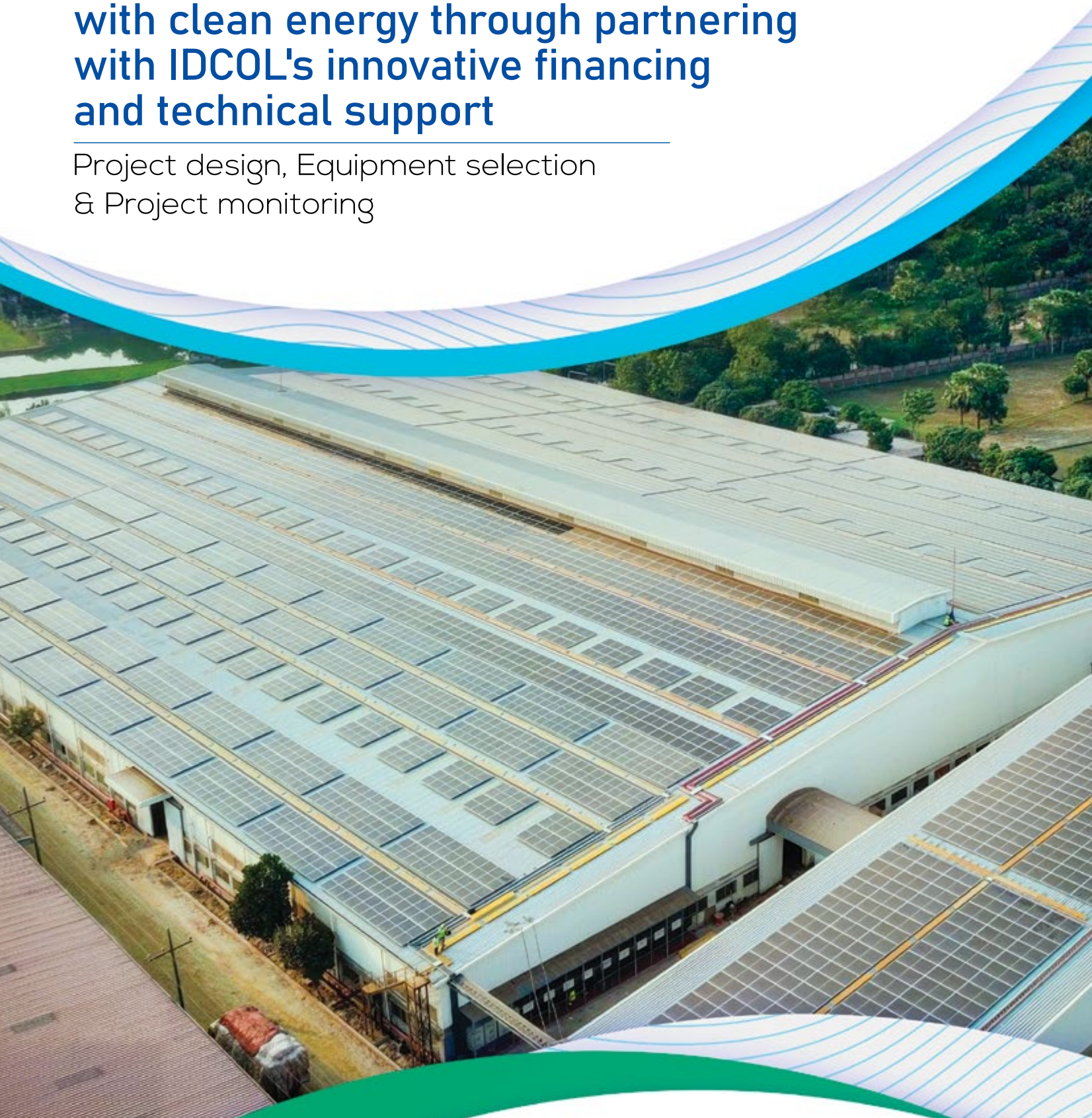
During his career, Mr. Tapan Kanti Ghosh served in various districts as Assistant Commissioner, Assistant Commissioner (Land), First Class Magistrate, Upazilla Nirbahi Officer (UNO), and Additional Deputy Commissioner. He also served as the Project Director of the "Integrated Community Development Project" under the Chittagong Hill Tracts Development Board for more than three years. From 2011 to 2016, he served as the Commercial Counselor and Minister (Commerce) at the Bangladesh Embassy in Brussels, Belgium. In addition to working for improving bilateral trade and economic relations with Belgium and Luxemburg, he also looked after the issues pertaining to the economic interest of Bangladesh with the European Commission and the European Parliament.

In the aftermath of Rana Plaza tragedy, Mr. Ghosh worked closely with the European Commission and the European Parliament's Committee on International Trade (INTA) to ensure Bangladesh's preferential market access in the EU. He played an important role in the formulation, implementation and monitoring of the "Sustainability Compact" which was launched in collaboration with European Union, Bangladesh, the United States and the ILO. He served as Joint Secretary and Additional Secretary in the Export Wing of the Ministry of Commerce from 2016 to 2019.

Mr. Ghosh obtained both Bachelor and Master's degrees from Economics department of Dhaka University. In 1989, he entered the civil service as a member of the Administration Cadre. He attended various meetings and conferences organized by the European Union, OECD, and ILO. As member of trade delegations, he has traveled to various countries in Europe, Asia, and the Americas.

Boost your industry performance with clean energy through partnering with IDCOL's innovative financing and technical support

Project design, Equipment selection
& Project monitoring



Janata Jute Mills, Akij Bashir Group
2.4 MWp Rooftop Solar Project
Boalmari, Faridpur

 rts.re@idcol.org

 16653



HALL OF FAME

FORMER CHAIRMEN OF IDCOL BOARD OF DIRECTORS



Dr. Masihur Rahman

14 May 1997
14 January 2002



Mr. Anisul Huq Chowdhury

14 January 2002
22 July 2003



Mr. Mirza Tasadduq Hussain Beg

22 July 2003
24 February 2005



Mr. M Musharraf Hussain Bhuiyan

2 November 2008
26 October 2011



Mr. Iqbal Mahmood

26 October 2011
18 January 2013



Mr. Md. Abul Kalam Azad

18 January 2013
20 February 2014



Ms. Fatima Yasmin

25 March 2020 to
4 August 2022



Mr. Md. Ismail Zabihullah

24 February 2005
23 November 2006



Mr. M. Rafiqul Islam

23 November 2006
22 March 2007



Mr. Md. Aminul Islam Bhuiyan

22 March 2007
2 November 2008



Mr. Mohammed Mejbahuddin

20 February 2014
30 January 2017



Mr. Kazi Shofiqul Azam

30 January 2017
20 November 2018



Mr. Monowar Ahmed

20 November 2018
25 March 2020

CHAIRMAN'S LETTER



“

The spirit of making a difference is not only enshrined in our purpose, it is embedded in our persona! With this, I welcome you all, dear stakeholders of IDCOL, to the Company's Annual Report for the year ended 31 December 2022.

Sharifa Khan
Chairman, IDCOL

Making a Difference for Our Stakeholders!

Over the last 36 months, the world has been hit by triple challenges - a global climate crisis, a pandemic that continues to morph into new variants, and an unprecedented inflation-driven elevation in food and energy costs, triggered by the war in Ukraine. Rarely has there been a simultaneous convergence of so many global challenges. In fact, the sheer magnitude of the complexity has prompted the World Bank to call out a cost-of-living crisis in many parts of the world.

So, as I reflect on the current environment, I am reminded of what it means to be of service. The development finance sector and our own business is built around a commitment to serving others, and amid the prevailing reality that has precipitated economic hardship, it is humbling that IDCOL has remained an agent of positive change, determined to make a difference in the lives of our stakeholders.

While climate calamities continue to buffet our ecosystems and threaten lives and livelihoods, IDCOL is at front and center as an intervening institution and a voice for change. Despite the pandemic dealing a blow to the economy, we are on track to reverse the setbacks, bringing the full value of our development finance portfolio and capacity-building services to customers and communities that will cascade a positive impact on the extended society.

This vibrant spirit of value creation even during cycles of economic troughs is coded into our organisational DNA. It will propel us forward as we unlock value through our work in supporting a stronger, sustainable and more resilient society that is better prepared for the future.

IDCOL: A vital growth partner in Bangladesh's growth transformation

Low and middle-income countries tend to face enormous challenges in their development journey on account of their delicate economic position. The pandemic and the Russia-Ukraine war have combined to create extraordinary complexity that has been made worse by the impacts of climate change. In this regard, frontline development finance institutions (DFIs) like IDCOL have a role to play in contributing to the recovery efforts due to their close integration with regional economies and oneness with local communities.

In 2022, IDCOL's disbursement exceeded BDT 900 crore, with the Company concentrating on its selected segments of Industrial Energy Efficiency, Power & Energy, Social Infrastructure, Industrial Backward Linkage sectors, Solar Rooftop, Solar Irrigation and Solar Grid-affiliated projects. Though actual disbursement was lower than the budgeted sum, we remained resolute in ensuring continued assistance to sectors that are a vital part of the infrastructure and energy value chain. Despite the impact of the economic slowdown being more acute on these sectors, which resulted in lower disbursement, they are also vital in economic revitalization.

The deficit in planned disbursement also needs to be viewed in the perspective of the growing stringency we adopted in our customer selection and credit assessment criteria amid the overall economic slowdown. It was important to ensure a high-quality portfolio against a potentially weakened one in the future. Further, IDCOL mainly focuses on financing in government development priority sectors where project implementation and materialization require a longer timeframe, which is another reason for the shortfall in projected disbursement.

So, despite the slackening in the business environment, we forged ahead to deepen our footprint within the local landscape, especially in sectors that aid in overall economic development, have a positive correlation on household incomes, and have a more nuanced bearing on climate action.

The government has articulated the Smart Bangladesh Vision 2041 that harbors the ambition of a futuristic nation rooted in the four pillars of Smart Citizen, Smart Government, Smart Society and Smart Economy. It aims at holistic development and we at IDCOL are committed as the nation's development partner in this dream towards a Golden Bangladesh.

IDCOL's activities have a material impact on the Sustainable Development Goals (SDGs) too. Our business responds to rebuilding better through our investment in sustainable and resilient infrastructure and innovation. Our significant financial and non-financial interventions enable us to participate in the opportunity for a sustainable, equitable and resilient Bangladesh.

IDCOL: A dynamic partner catering to the expectations of our customers

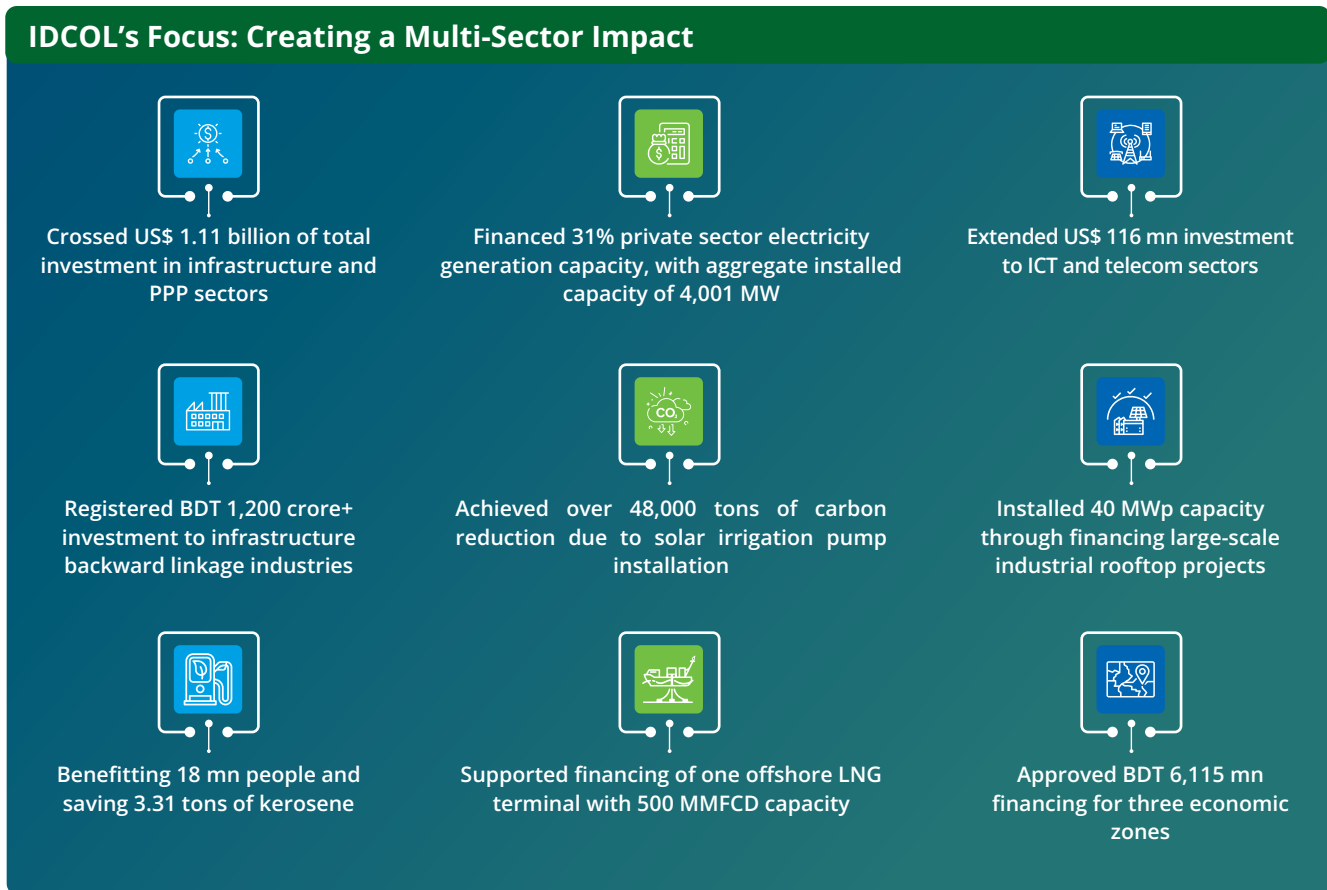
Growth capital or development finance is the best antidote to addressing age-old problems. For IDCOL, it has always been our endeavour to accelerate a pipeline of new projects that serve extant needs, which also help us spread our wings to cover a larger beneficiary ecosystem and ensure revenue, loan portfolio and risk diversification.

Just to give an example, the case of industrial rooftop solar adoption has accelerated in recent times in reaction to the increase in conventional energy costs. While rooftop solar has ensured better utilisation of a generally vacant area, it has also helped reprioritise land use for other pressing development needs. The government's net metering initiative of surplus solar power purchase by the national grid has come as an added impetus. IDCOL, having financed 40 MWp by end-2022, has built strong competency in this high-potential segment and will look to broaden its presence in it in the near future, with a plan to reach 300 MWp by 2025.



At IDCOL, years of hard work in promoting non-conventional energy has enabled us to grow as a pioneer in financing mass-scale renewable energy. This is

evident in the following diagram depicting some of the remarkable achievements of IDCOL:



While we have accomplished many initiatives in 2022, I want to shine light on a particularly interesting one that makes me proud of how solutions originating in Bangladesh and uniquely designed to ensure market fit can be successfully applied to other parts of the world.

IDCOL created a strong imprint for the first time in the continent of Africa by partnering with the Malawi government in launching the Malawi Off-Grid Market Development Fund (OGMDF). Under OGMDF as Fund Manager, IDCOL will help unlock Malawi's solar sector potential through off-grid market expansion.

IDCOL: Meeting the value creation expectations of the government

Our agenda is to be financially solvent and create growth vectors that deliver value to our shareholder, the Economic Relations Division (ERD) of the Ministry of Finance, Government of Bangladesh. The government has high expectation from development finance institutions like IDCOL and we are committed to fulfill their desire of performance, growth, stability and impact.

As a specialised DFI, we are proud to support a vibrant private sector, garnering developmental capital from international markets and providing domestic financing at competitive terms. We support capital deployment to bankable projects that demonstrate the maximum impact

potential. In this activity, we also liaison with eminent global financial institutions to convey Bangladesh's potential as an investment destination.

While we meet the expectation of maintaining domestic financial market stability, we have a clear strategy that provides a strong foundation to navigate through the uncertainty and ensure sustainable growth. Our portfolio of products, services, projects and programs remain focused on the benefit of organised financial services that add value to our customers and other beneficiaries. This is the heart of our business and the basis of our ongoing value creation.

In 2022, we injected BDT 95 crore to the state treasury as taxes. It is heartening that IDCOL is recognised for its tax contribution and compliance, being bestowed with the highest tax-payer award six times in last eight years. We are truly proud this contribution also supports governmental agenda in infrastructure development and public welfare.

IDCOL: A passionate partner in citizenship and community uplift

Social development has always been close to IDCOL. Apart from our financial impact, the impact we leave behind on communities is also vital for holistic progress.

We have a range of interventions in society, such as in education, training for capacity development, electrification access to remote populations, preventive and curative healthcare, environmental preservation, livelihood enhancement and rural development, and humanitarian relief.

At an aggregate level, these ensure a comprehensive impact on society, rather than on a sporadic one-off basis. Further, we have also aligned our goals to government focus areas to multiply impact.

In 2022, IDCOL expensed BDT 10.7 million in CSR as donation to flood-affected people in the PM's relief fund, donated to PM's education assistance trust, and contributed to the treatment of a cancer patient. Similar to our strategy in loan disbursement, we ensure that are social spending across our chosen segments drive the maximum benefit to intended beneficiaries.

2022 performance overview

We turned in a satisfactory performance for the year under report, and I commend our Executive Director & CEO in leading the Management team and all employees from the front in steering the business well in choppy waters.

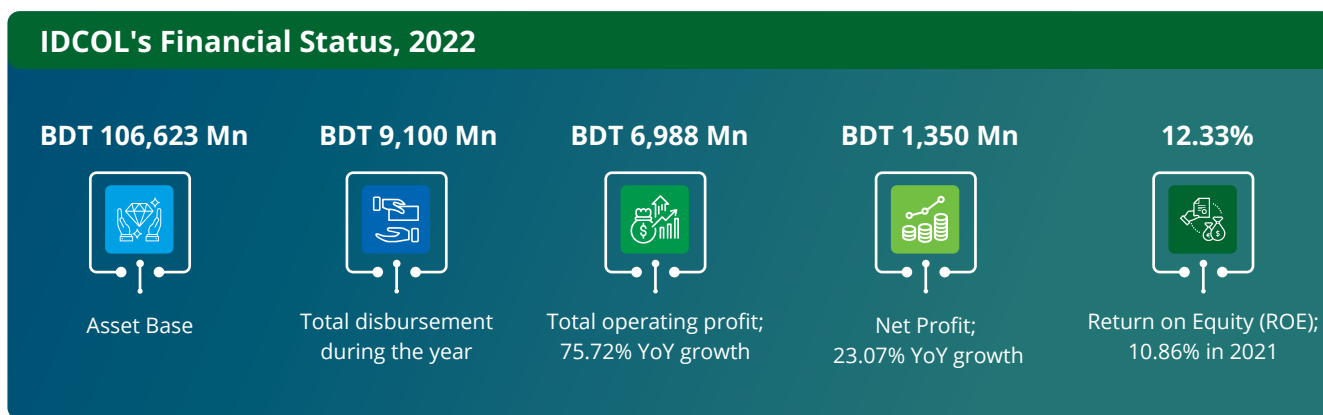
As a government-owned DFI, we own the mandate of channeling concessionary credit to core economy sectors and essential segments of the society. However, securing this mandate amidst an elevated interest rate environment driven by an increase in the LIBOR rate was paramount during the year.

So, though IDCOL operates within a low-cost funding environment, volatility in the foreign exchange market was severe, enforcing substantial value erosion of the local currency, which elevated the cost of foreign currency borrowings by 19% year-on-year. Yet, the Company was well-equipped to absorb the elevated funding cost, backed by its prudent lending mechanism.

IDCOL registered a substantial foreign exchange gain during the year due appreciation in the value of its foreign currency assets (loans and bank balances), which rose vis-à-vis last year due to devaluation of the Taka against the US\$. This, together with robust cost discipline and expense amortisation over a large operational scale, helped accomplish a creditable 75.72% growth in operating profit during the year to BDT 6,988 million. This growth also fuelled a 23.07% expansion in net profit to BDT 1,350 million in 2022.

It is noteworthy that IDCOL's financial performance of 2022 remained quite favourable despite the overall stress in the economy and the consequent challenging financial environment.

During the year, return on assets stood at 1.27%, which was 1.10% in the prior year. The Company generated a return on investment of 1.82% and return on equity of 12.33%, which was 1.46% and 10.86%, respectively, in 2021. Adjusted EPS also increased from BDT 13.92 in 2021 to BDT 17.13 in 2022.



In the backdrop of the pandemic, Bangladesh Bank eased loan rescheduling policy and provided moratorium support to facilitate the repayment capacity of large borrowers, which led to lower provision requirements for IDCOL as well as the industry in 2021, backed by a decline in loan default.

Post-COVID however, the government started to gradually lift the moratorium benefit and also restricted loan rescheduling relaxations, which increased provision requirements for businesses still coming out of the pandemic and other challenges. What further aggravated the non-performing loans scenario was business

deceleration as the year progressed, crimping payment capacity of borrowers.

This scenario was a contributory factor in IDCOL's classified loans portfolio increasing sharply during the year. The other significant reason was severe pressure faced by the Company's SHS program due to external factors, such as the Government's progressive grid expansion into off-grid areas, severe competition from unregulated entities, and free SHS distribution under social safety net programs. This triggered the volume of classified loans to shoot up by BDT 3,226.69 million, that is 10.19% of the overall loan portfolio in 2022, up from 5.74% in 2021. Notably, the percentage of



NPL without considering IDCOL SHS program portfolio is 3.33 %. Going forward, the team is seized of the situation and is focused on getting the classified loans portfolio back on track. We have formulated a roadmap with clear deliverables on credit recovery and we expect portfolio normalisation in the current year.

Owing to non-responsiveness of borrowers, IDCOL has already initiated legal proceedings against some of the PO accounts as per provisions under the participation agreement of the program. Along with this, IDCOL is conducting rigorous discussions with POs with loan outstanding as part of alternative recovery initiatives and, based on necessity, separate meetings are also being held for further strengthening of the recovery efforts.

Facing the challenges with conviction and belief

We believe in the DFI model and its well-established impact on the objectives of economic development, poverty alleviation, economic integration, market economy promotion, employment creation, climate action, and income equality. These are levers that uplift economic growth and will be central in Bangladesh's economic transformation.

The objective for us is to keep serving these goals by amplifying our impact. Together with all our stakeholders, we will ensure that Bangladesh is able to fully capitalise on the historic opportunity represented by its unique demographic dividend, rising per capita income, and evolution of FinTech. These have propelled the economies of developing nations in the neighbourhood and there is no reason why Bangladesh cannot capitalise on them.

Credit should go to the government for facilitating an environment for businesses and entrepreneurs to create new growth models to not just serve the domestic consumer, but also cater to international markets. We are committed to supporting the long-run journey of this ecosystem within our broader risk framework.

Good credit decisions have been the hallmark of IDCOL and we will ensure this above everything else, even in the scenario of under-disbursement against the target in 2022. We will never be under any pressure to chase volumes, but rather study the market with diligence to build conviction in underwriting, impact creation and long-term credit performance.

We are grateful and full of gratitude

In closing, I would like to place on record my sincere appreciation to the Board for the immense work they have done to direct the Company to a stable path. I would also like to especially thank Mr. Alamgir Morshed, our Executive Director and CEO for his strong leadership, dedication and support to lead IDCOL in the best possible way.

Our performance would not have been possible without the support of our Board of Directors to whom I am deeply indebted. Appreciation goes to our Board members from the private sector, Ms. Nihad Kabir, Director, Mr. Abdul Haque, Director, and Mr. A.K.M. Nurul Fazal Bulbul, Director, for contributing with their constructive knowledge and expertise. I also express my sincere gratitude to our Board members from the public sector, Ms. Fatima Yasmin, Senior Secretary, Finance Division, Ministry of Finance and Director, Mr. Mohammad Salahuddin, Secretary, Prime Minister's Office and Director, Mr. Md. Habibur Rahman, Secretary, Power Division and Director, and Mr. Shahriar Kader Siddiky, Additional Secretary, WB Wing, Economic Relations Division (ERD), Ministry of Finance and Director, for their remarkable contribution in setting a more solid corporate foundation. Our shareholders, Mr. M. Tofazzel Hossain Miah, Principal Secretary to HPM, Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue, MoF, and Mr. Tapon Kanti Ghosh, Senior Secretary, Ministry of Commerce, also deserve special thanks for their valuable time and guidance.

I also want to offer my gratitude to the Government of Bangladesh for their conviction in our long-term potential and continued strong support during the year. The government bodies and regulators must also be commended for managing a challenging environment in an orderly manner and ensuring business facilitation.

Lastly, a huge thanks to our people for responding exceptionally well to the challenges. The management and staff of IDCOL have helped to deliver good results in a challenging global environment. I am grateful to them for their selfless work and commitment to excellence in delivery. The Company's resilient performance is due to their sincere efforts, timely decisions, and absolute dedication. I am proud of their professionalism, commitment and energy that has helped achieve many positive outcomes.

I am confident that with the support of our valued shareholders and the continued dedication of our more than 400 exceptional staff members, IDCOL will continue to build on its achievements and go from strength to strength.

Together, we will continue to make a difference for all our stakeholders!



Sharifa Khan
Chairman, IDCOL

ED & CEO'S PERFORMANCE REPORT



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Delivering on our purpose as an impact investor to address Bangladesh's development challenges, IDCOL's investments are based on impact priorities that aim to create an equitable, inclusive and environmentally-conscious society.

Alamgir Morshed
Executive Director & CEO, IDCOL

IDCOL is a synonymous part of Bangladesh's development strategy!

IDCOL is Bangladesh's leading development finance institution and aims to contribute to the critical areas of sustainable industrialisation, large infrastructure development, employment creation, social uplift, poverty elimination, and green energy popularisation through sustainable impact investment. Being focused on financed impact creation, we play a vital role in development cooperation and in the implementation of the SDGs and the Smart Bangladesh Vision 2041.

By being a close ally of Bangladesh's socioeconomic journey, IDCOL wants to contribute to the creation of a nation where a growing population lives well and achieves its fullest potential within the boundaries of environmental and social propriety.

Our business strategy supports this vision by channeling finance that contributes to building an equitable, inclusive and environmentally-conscious society, as articulated in the Sustainable Development Goals (SDGs). Our strategy also requires that investments are commercially viable, thereby having the potential to secure a durable societal impact as well as a fair return to investors.

Our overarching ambition is to become a best-in-class impact investor with an investment framework that interlinks with Bangladesh's development strategy. Alongside impact, the company considers ESG (Environmental, Social and Governance) principles throughout the investment process that ensure we lay due consideration to both social and environmental factors. Consequently, we are scripting a portfolio strategy based on major impact priorities in the ESG realm, anchored on active portfolio management. This includes clear objectives for value and impact creation in all our investments, as well as portfolio reporting to track outcomes and assess results. Such an approach enables us to consequently improve capital allocation, while of course ensuring good ESG performance and alignment to Bangladesh's development priorities.

Fortifying sustainability against a challenging 2022 macro landscape

IDCOL advances Bangladesh's development interests, a role that has got accentuated amid adverse times. We have maintained our focus with greater vigor on sectors that matter for sustainable development and economic recovery, such as large and medium-scale infrastructure projects, energy efficiency projects, renewable energy projects and green finance.

We stayed resolute in our focus despite the year 2022 being one in which the COVID-19 pandemic recovery was cut short by the war in Ukraine that spawned its own challenges.

This Europe war in February 2022 set the global economy into renewed crisis mode and prolonged the pandemic

recovery. The war height-ened global tensions, increased supply chain bottlenecks, pushed up energy and food prices, and significantly elevated geopolitical risks. These developments had a major impact on the global macroeconomic landscape.

Yet, Bangladesh was a shining spot amid the global gloom, with GDP growth of 7.10% in FY2021-22, which is amongst the fastest in the world. The nation has a number of structural advantages, such as demographic dividend through a large and young population, rapid digital adoption and enterprise digitalisation, vibrant start-up scenario, large manufacturing and services sectors, and proactive government policy in trade and business facilitation.

The national financial services sector shows sound long-term prospects, especially with many large and global development finance partners exhibiting a keen interest to invest in the future of the country. With the government's thrust on mega infrastructure, acute focus on meeting the SDGs, and active support in the clean energy transition, development finance will be key in meeting these imperatives, which will also give wings to private sector participation.

Building organisational sustainability to meet the government priorities

As the gateway to institutional finance and development investment into Bangladesh, IDCOL has maintained ongoing relationships with major global multilateral and bilateral financial institutions who have also reposed their faith in the nation's long-term socioeconomic potential and our own proven execution abilities. Just to show this as an example, the Company has access to secure credit line facilities of BDT 12,000 crore+ from various multilateral and bilateral agencies.

For our part, amidst the ongoing turmoil, we have ensured careful consideration and analysis of investment exposures to macroeconomic and credit risks. We have further tightened our credit screening criteria and have bolstered our collections strategy.

To be able to better respond to the development needs of Bangladesh in light of the evolving economic reality, we are also accelerating portfolio transformation by diversifying our infrastructure and PPP financing portfolio away from the power sector and into other promising segments, such as social infrastructure, hotels and tourism, economic zones, etc. Opportunities are also sprouting in healthcare, climate change financing, green and renewable energy, and even electric vehicles, and these are under exploration by us.

As the economic challenges and opportunities unravel, we will continue to lead efforts in growing our imprint in nascent sectors as well as tapping into new budding

segments while of course preserving our focus on our core areas.

Bolstering sustainability in meeting the development challenges

The challenges we are seeing throw light on IDCOL's important role as a development finance institution. We are an important cog that moves the wheel in solving issues unique to Bangladesh, helping build resilience against crisis.

Through their operations, DFIs like IDCOL bring about a systemic change and every successful impact investment has a positive bearing on people which can in itself have a multiplying effect. Households that have greater stability and better livelihoods can ripple through generations and through communities. IDCOL seeks to accelerate this ripple effect.

For this to happen, we operate at a critical juncture in the broader effort to mobilise capital for high-impact projects and in meeting the government agenda of sustainable development. As a state-owned DFI, we have a tremendous amount of expertise, relationships on the ground, and the ability to work closely with global development partners and investors within the purview of legal compliances and regulatory frameworks. In addition, access to niche markets, well-established low-cost funding model, and specialisation in large/non-conventional financing gives IDCOL a distinctive competitive edge.

To give an illustration, we are leading the change in sustainable industry through financing energy-efficient equipment and technology in Bangladesh under our Energy Efficiency platform. Over the years, we have developed sector-specific capabilities to identify the energy transition needs of various industries and have resultantly built a high-quality portfolio that spans customers in the cement, spinning and textiles, RMG and oil refinery businesses. We have grown our asset base 3-fold in 5 years in this segment with negligible provisions, representing a product-market fit which we can capitalise upon more strongly in the future.

I want to note on our another matter of pride for us is a Bangladesh company's entry into Malawi. IDCOL ventured for the first time in this country of east Africa through operationalising a US\$ 20 million finance line under the Malawi Off-Grid Market Development Fund. Solar is the best solution for the country that has only about 10% of its population having access to electricity.

Supported by the World Bank under the Malawi Electricity Access Project, we are targeting to provide a clean, reliable and inexhaustible source of energy to 200,000 new households in remote rural communities through Solar Home Systems (SHSs). In addition to directly supporting livelihoods, it is envisaged that this investment will have a positive ripple effect on sustainable food production and even post-sundown occupation, thus helping reinforce the basics of the society.

The learnings through service extended as a fund manager of the Malawian government will be crucial in how we take this solution as a templated approach to other electricity-deficient areas of the world and create a positive impact through renewable energy.

Reinforcing sustainability in our investment process

IDCOL's investment strategy drives its sustainability policy, providing an ESG and impact analysis framework for all investments. Identifying and managing ESG risks and impacts are integral to the company's investment process. The framework ensures that our financing contributes to building a society defended against environmental and social risks and other adverse impacts.

For accomplishing this, we have an Environmental and Social Safeguards Policy (ESSP) that mandates we account for mainstream environmental, health, safety and social considerations in appraising and financing infrastructure and PPP, energy efficiency and renewable energy projects, thus ensuring compliance with all relevant regulations and best practices in the E&S field.

Just to give an example, compensation is paid in full where land acquisition is unavoidable. Our ESSP also guides that we preserve the rights of ethnic minorities and indigenous peoples and take measures to restore their livelihoods in case of displacement.

In a major development of the year 2022, IDCOL developed a Harmonized Environmental and Social Plan with the earlier recommendations being wholly unified into a single framework. In improving articulation, the policy consolidation will ensure a more seamless and comprehensive underpinning of the projects we screen and undertake for disbursement.

IDCOL works closely with sustainability and other technical experts to ensure that best practice methods and tools are applied consistently across the investment process, thus ensuring a further E&S and ESG sweep over the project.

Sustainability management across our divisions

Since its inception, IDCOL has been playing a key role in bridging the financing gap for developing large infrastructure, energy efficiency projects and renewable energy assets in Bangladesh.

IDCOL thus facilitates funding to customers in the infrastructure & PPP, energy efficiency and renewable energy segments. Further, it also offers advisory or consultation services along with an active Green Climate Fund. Through this, the company serves the development mandate of the government on a holistic basis.

A brief description of each business wing together with a performance update has been shown in the following diagram:





SEGMENT



IMPACT



KEY METRICS



Infrastructure & PPP

- Infrastructure development
- Social and economic growth
- Improved citizen life quality
- US\$ 1.11 bn total loan book
- 39 projects financed
- Tk. 44.51 bn asset portfolio
- 0.23% NPL



Energy Efficiency

- Climate action
- Green and climate-resilient growth
- Efficient and green industrialisation
- 299% portfolio growth during 2017-22
- Total Energy Efficiency Portfolio is BDT 1,567 crore
- 39 projects financed
- Energy efficient equipment financing BDT 920 crore in 18 projects



Renewable Energy

- Climate action
- Public access to low-cost and green energy
- Betterment of citizen life quality
- Tk. 1.59 bn SRP (solar rooftop program) portfolio with 40 MW capacity installed
- 65,224 biogas plants financed



Advisory Services

- Shared prosperity through knowledge sharing
- Self-reliability in best practices in critical areas
- Enhancing Bangladesh's reputation in international markets
- 4 assignments executed in 2022
- 170 professionals benefitted from experience sharing program
- 1,600 professionals trained in capacity and skills



Green Climate Fund

- Mitigate and adapt to climate change
- Ensure climate-resilience
- Facilitate low-carbon transition
- One of the two accredited national Direct Access Entities of the Green Climate Fund
- US\$ 250 mn concessional loan to be received for channelisation in Bangladesh



Infrastructure & PPP

IDCOL's total investment in its infrastructure and public private partnership (PPP) segment surpassed the US\$ 1-billion mark to stand at US\$ 1.08 billion at the close of 2022. This is a milestone achievement that indicates our integration with the core sectors of the economy. The

business has financed 39 projects till date and had an asset portfolio of BDT 44,515 million in 2022 and NPLs of just 0.23%. Infrastructure and PPP constitute 60% of the company's total loan portfolio.

IDCOL's performance recognition in this segment has not gone unnoticed, with the company securing additional

credit lines from many marque development finance institutions, such as the Asian Infrastructure Investment Bank (AIIB) with a US\$ 200 million line and the Asian Development Bank (ADB) with a US\$ 278.29 million financing channel.

Injecting this investment will have a transformative impact on Bangladesh's infrastructure sector, promising citizens a better quality of life. For IDCOL, this means we will continue to burnish our credentials as a leading financier with the ability to garner competitive long-term financing in both local and foreign currency (US\$).

Going forward, aside from our regular operations, we will also focus on loan financing arrangement via agency operations which will enhance our market visibility and open up a fee income that will be a new revenue source.



Energy efficiency

IDCOL has been able to rapidly scale up its energy efficiency business within a short time, tied to the government's vision of achieving 20% energy conservation by 2030. The company has extended finance of BDT 9,200 million till date to 39 projects, covering critical operational areas of energy efficient equipment, energy efficiency and conservation projects, renewable energy and environmental services projects, environmentally-friendly brick kilns, improved cook stove program (ICS) and three green buildings.

Demonstrating a 299% portfolio growth over the 2017-22 period, in this segment too IDCOL has been able to mobilise finance from major international agencies. The company garnered a EUR 40 million credit line from Kreditanstalt für Wiederaufbau (KfW) together with a grant of EUR 1 million. In addition, we have secured another credit line of US\$ 256 million under a funded activity agreement with GCF for promoting private sector investment through large-scale adoption of energy saving technologies and equipment for the textile and readymade garments sector of Bangladesh. We also successfully closed a 2-phase JPY 14.489 billion credit line from Japan International Cooperation Agency (JICA) and a EUR 100 million funding channel from Agence Française de Développement (AFD).

Energy conservation is critical for Bangladesh to not just secure environmentally-viable growth but also ensure sustenance of the macros amid volatile feedstock costs. Hearteningly, there is growing awareness and demand about green, sustainable and climate-resilient financing and investment among all industry stakeholders, such as suppliers, buyers, development partners, etc.



Renewable energy

IDCOL has a wide-ranging presence in this segment that personifies action for the climate. The company's Solar Rooftop Program with a portfolio size of BDT 159 crore and 40 MWp capacity already installed, has targetted to finance a total 300 MWp capacity by 2025. The company has also financed 65,224

plants till date in projects such as biogas and bio-fertilizers that enable households using traditional and hazardous biomass fuels to shift to biogas and bio-fertilizers. Our other interventions here include solar home systems (SHSs), solar pumps that enable solar power-based irrigation, and solar rooftop projects.

Solar energy is the right energy choice for Bangladesh due to its reliability, ease of access, low cost and round-the-clock availability. We are committed to popularising it through deepening our interventions in our chosen areas of focus. In this regard, we signed a separate agreement with KfW in February 2023, amounting to EUR 80 million under REP II for financing in-grid connected PV plants, medium to large scale domestic biogas plants, and solar irrigation pumps.



Advisory services

An important arm of IDCOL is its advisory services platform. Through this, it harnesses its specialist expertise in renewable energy, climate finance, project finance, financial analysis and modelling, and project management to offer consultancy services and conduct knowledge sharing and capacity building programs in Bangladesh and abroad.

The company executed 4 assignments in 2022 and conducted an experience sharing program benefitting 170 professionals. It also trained over 1,600 professionals under its training and capacity building program during the year.

I observe an interesting international advisory assignment that comprised consultation services to the Ministry of Energy, Government of Malawi, for the establishment of the Malawi Off-Grid Market Development Fund. The three-pronged initiatives to meet the fund objective of expanding the off-grid solar market comprises debt financing for working capital support, grant facility as subsidy to encourage household adoption, and the setting up of a Market Catalyst Fund to stimulate interest of local companies in the program, thus ensuring accelerated take-up.



Green Climate Fund

Established by the United Nations Framework Convention on Climate Change (UNFCCC) and serving the Paris Agreement, the Green Climate Fund (GCF) is the world's largest climate fund. The mandate of the GCF is to support developing countries in their efforts to mitigate and adapt to impacts of climate change. Presently, GCF portfolio consists of 209 projects and programmes with a committed US\$ 11.3 billion in GCF resources and US\$ 42.4 billion with co-financing. IDCOL is Bangladesh's one of the two accredited national Direct Access Entities (DAEs) that can directly access both loan and grant up to US\$ 250 million for each GCF project.

On 13 November 2020, IDCOL received approval for its first funding proposal for promoting private sector investment through large-scale adoption of energy saving



technologies and equipment for the RMG sector. This was the first concessional GCF credit line for Bangladesh, as well as the first private sector financing under GCF in the country. Till approval, it was also the largest approved funding proposal for any DAE of the GCF, accredited globally. Under the program, IDCOL shall receive US\$ 250 million concessional loan for a tenure of 21 years and US\$ 6.48 million as technical assistance/grant. IDCOL is also working on a funding proposal for a public sector project that envisages assistance to the Bangladesh Forest Department to secure a US\$ 50 million grant to enhance the coastal green belt region.

2023 growth blueprint

IDCOL's sectoral outlook has a substantial bearing on private sector development. By leveraging its sectoral competency and utilising emerging multi-sector opportunities, the company can continue on the growth trajectory it has charted in recent years.

In the current year (2023), IDCOL aims to enhance its infrastructure and energy efficiency exposures. In the area of energy efficiency, the company will deepen expansion into cement, textiles and RMG under the industrial component as it has the backing of a robust concessionary funding line. In the previous year, the company secured a new credit line from AIIB and KfW which will be utilised in upcoming infrastructure projects and energy efficiency projects, respectively, in the current year.

Bangladesh has set a goal of generating 4,100 MW of electricity from renewable energy sources by 2030 and solar power will account for half of the energy.

Since the launching of IDCOL Rooftop Solar Program in 2017, it has achieved rapid strides and the company is on its way to finance a total capacity of 300 MWp by 2025. As at the close of 2022, financing had been approved for a total of 35 projects with cumulative capacity of 43 MWp, and 25 projects with capacity of 40 MWp are in operation.

Similar to rooftop solar, IDCOL is also engaged in a solar-based irrigation system that is an innovative, economic and environment-friendly solution for the agro-based economy and reduces dependency on fossil fuel. IDCOL has a target to finance 10,000 solar irrigation pumps by 2030.

Though the power portfolio is likely to undergo a reduction in share over the mid-term due to phasing-out of fossil fuel-based capacity, IDCOL will prioritize financing combined cycle gas-based power plants, in line with the broader national priority and development plans.

In 2022, we faced challenges in providing financing as many companies were not in a position to repay large loans. We will continue to take a cautious approach in extending financing to companies in 2023 too for securing sustainable future growth of IDCOL.

Our medium-term roadmap

IDCOL has categorised its mid-term or 3-year roadmap into key goals, the gist of which is described below.

- Ensure greater ESG alignment in our investments towards meeting the SDGs in order to achieve sustainable financial and operational results
- Strengthen the current range of investments across different fields, such as private electricity production, ICT & telecommunications, private land and river ports, economic zones, etc., and expanding the investment portfolio into other promising sectors
- Broaden our funding strategy by enlisting financial support from both sovereign and non-sovereign sources
- Expand our products and services portfolio to progressively make IDCOL a preferred destination for multiple forms of infrastructure financing and servicing needs
- Enhance market outreach and presence through structured business development initiatives to transform into a single-stop destination for infrastructure financing and services across our chosen sectors of competence
- Fortify our internal control and business processes, including risk management, IT, audit and regulatory compliance
- Bolster our human resource capabilities, streamline HR processes, and develop a framework of desired technical and behavioural competencies

We are confident that these goals will contribute to IDCOL reaching BDT 13,000 crore loan portfolio by the year 2027 and increase paid-up capital up to BDT 1,000 crore using retained earnings. Further, we will also augment capacity to explore external credit rating by an international credit rating agency.

Over the medium-term, IDCOL will consider tapping into opportunities in emerging areas of importance that complement its overall development mandate as well as offer commercial scope in Bangladesh, subject to further feasibility studies. The following areas are under our radar:

Social infrastructure

The need for upgrading health infrastructure in Bangladesh is acute given the vulnerability in the healthcare system, as laid bare by the pandemic. IDCOL may explore establishing a strategic presence in this area, which is currently dominated by the private sector. Demands for educational infrastructure may also necessitate a closer examination.

Electric vehicles

Vehicle electrification is the future and IDCOL has already initiated demand assessment for EVs and may consider financing electric vehicle manufacturing and other ancillary support infrastructure in the mid-term.

Climate change financing

Climate finance flow through established funds and agencies is expected to accelerate over the mid-term. IDCOL is already supporting implementation of projects under GCF and can leverage its expertise to explore opportunities for climate change financing in other areas as well, such as transportation and green building infrastructure.

Closer cooperation with GCF and other development partners, such as ADB who offer climate-related financing, and understanding of their concessional instruments, including low-interest and long-tenure project loans, lines of credit, equity investments and risk mitigation products (guarantees) as well as any grant-based capacity-building interventions will help further sustain these investments. IDCOL is working on a sectoral feasibility study and apart from the available credit lines, we are also looking to widen our borrowing net or funding sources.

Thank you for your cooperation

“Humanity is on thin ice – and that ice is melting fast.”

This was the message of the UN Secretary-General during the launch of the Synthesis Report of the Intergovernmental Panel on Climate Change in March 2023.

IDCOL is fully cognizant of this reality and is putting people and the planet first in every investment decision in these exceptional times. Sharing this philosophy is our network of partners and stakeholders who have a similar mindset in addressing the challenges of the world. I offer my vote

of thanks to them for their support and cooperation that facilitates our work in shared responsibility.

I express my gratitude to the government of Bangladesh, especially the Economic Relations Division (ERD), members of IDCOL’s Board who have been instrumental in guiding the company with their wisdom and high-quality judgement.

I also want to thank the Ministry of Finance (MoF), other Ministries of the government and our regulators including Bangladesh Bank and NBR for their tremendous cooperation.

Our ecosystem of development partners has truly been a source of confidence and support. Their belief backed by funding is something we hold very special and we will do everything possible just like we have done in the past to achieve the twin purpose of impact and return on investment.

I extend much appreciation to our communities and society for giving us the license to operate and enable us to contribute to the betterment of our country. I also acknowledge all our stakeholders for being a part of our journey.

IDCOL’s purpose is to promote commercially viable investments that align with the development priorities of Bangladesh. We will continue to stay on mission-mode in meeting this endeavour in 2023 and beyond.



Sincerely,
Alamgir Morshed



DIRECTORS' REPORT

Dear Shareholders,

The Directors of Infrastructure Development Company Limited (IDCOL) take pleasure in presenting the Directors' Report of the Company for the year ended 31 December 2022.

IDCOL achieved satisfactory operational progress during the year 2022, contributing to the important areas of sustainable industrial development, green electrification, and smart Bangladesh. By making concessionary and market-linked finance accessible to the core development priority sectors of the government, such as infrastructure and renewable energy, the Company played a role in economic stabilisation as the country came out of the COVID challenges.

Externally, IDCOL operated in an environment marked by global inflation picking up to levels not seen in decades. The war in Ukraine fanned geopolitical tensions and

global supply chain bottlenecks, exacerbating the COVID-led disruptions. In response, major central banks from around the world elevated interest rates to contain inflation that breached unprecedented levels.

Within this environment, IDCOL accomplished a commendable financial performance during the year, with prudent guidance of the Board and sound credit management taking centerstage, thus meeting the expectation of stakeholders on both its sides – borrower-customers and GoB-development partners.

Global economy¹

The International Monetary Fund's World Economic Outlook (WEO) April 2023 has forecast global growth to bottom out at 2.8 percent in 2023, before rising modestly to 3 percent in 2024. It has also projected global inflation to decline, although more slowly than initially anticipated, from 8.7 percent in 2022 to 7 percent in 2023 and thereafter to 4.9 percent in 2024.

2.8%

2023 global GDP growth projection

3.0%

2024 global GDP growth projection

Growth aided by:



China opening up with economic rebound



Receding inflation due to targeted central bank action



Mending of energy and food value chains



Lower unemployment level



EMDEs, especially in Asia, powering economic growth

The WEO report has surmised that the global economy appears poised for a gradual recovery from the major blows of the pandemic and of Russia's unprovoked war on Ukraine. This is due in part to China rebounding strongly following the reopening of its economy, unwinding of supply-chain disruptions, and receding threats of dislocation of energy and food markets triggered by the war. Simultaneously, the report has also mentioned that the significant and synchronous tightening of monetary policy by most central banks around the world should start to bear results, with inflation moving back towards its target.

The April 2023 WEO has a particularly optimistic view of the Emerging Market and Developing Economies

(EMDEs). It has stated that many nations in this category are powering ahead, with growth rates rebounding from 2.8 percent in 2022 to 4.5 percent in 2023 (fourth quarter over fourth quarter). However, the report asserts that the slowdown is concentrated in advanced economies, especially the Euro area and the United Kingdom, where growth (also fourth quarter over fourth quarter) is expected to moderate to 0.7 percent and -0.4 percent, respectively, in the current year, before rallying to 1.8 and 2 percent in 2024.

Below the surface however, turbulence is building and the IMF in its April 2023 WEO indicates the current global situation to be fragile, evident in the recent bout

1. MF World Economic Outlook April 2023: <https://www.imf.org/en/Publications/WEO/Issues/2023/04/11/world-economic-outlook-april-2023>

of banking instability, ostensibly triggered by the sharp policy rate tightening. Further, core inflation has not yet peaked in many economies. This has promoted the IMF to point out the world entering a perilous phase during which economic growth remains low by historical standards with elevation of financial risks, yet inflation not yet decisively turning the corner.

The appropriate course of action prescribed by the WEO is contingent on the state of the financial system. It has also pointed out a positive in the banking turmoil, which is slowing aggregate banking activity as banks curtail lending in the face of rising funding costs and of the need to act more prudently. This should partially mitigate the need for further monetary policy tightening.

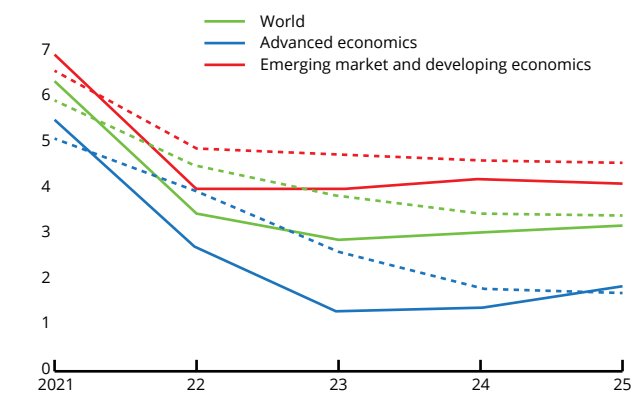
Overview of the World Economic Outlook Projections

(Percent change)

	2022	2023 (P)	2024 (P)
World Output	3.4	2.8	3.0
Advanced Economies	2.7	1.3	1.4
Emerging Market and Developing Economies	4.0	3.9	4.2
Emerging and Developing Asia	4.4	5.3	5.1

Growth outlook

(Per cent; dash lines are from January 2022 WEO Update vintage)



The April 2023 WEO has assessed a rocky road to recovery, stating that a return of the world economy to the pace of economic growth that prevailed before the shocks in 2022 and the recent financial sector turmoil is increasingly elusive. More than a year after Russia's invasion of Ukraine and the outbreak of more contagious COVID-19 variants, many economies are still absorbing the shocks. The recent tightening in global financial conditions is also hampering recovery.

As a result, the report indicates that many economies are likely to experience slower growth in incomes in 2023, amid rising unemployment. Moreover, even with central banks having driven up interest rates to reduce inflation, the path back to price stability could be long and hard.

Bangladesh economy

Overview

Deft economic and fiscal management by the government in a synchronised manner has ensured that Bangladesh avert a crisis that is currently being faced by neighbouring nations, with the country successfully managing the COVID crisis and returning to a high growth trajectory.

From prudent policy action, to garnering a US\$ 4.5 bn support package from the IMF, to declaring a clear line of action via the 2041 Smart Bangladesh Vision, the government under the leadership of Hon'ble Prime Minister Sheikh Hasina has gone all-out to insulate the domestic economy against the global headwinds and ensure accelerated social and economic transformation and graduate out of the list of least developed countries (LDCs) by 2026.

The government's thrust on infrastructure is laudable. For instance, the Padma Bridge, Bangladesh's longest bridge spanning over 6-km, is a US\$ 4 bn megaproject that has been mostly self-funded by the state and is expected to boost the nation's GDP by 1.2% and positively contribute to the SDGs. In addition, other mega projects such as the Dhaka Metro that has been partly operationalised, Padma Bridge Rail Link, Rooppur Nuclear Power Plant, Dhaka Elevated Expressway and Matarbari Deep Sea Port, among others, will help transform the country rapidly.

The macroeconomic situation is much stronger in Bangladesh today, with the foundation laid by consistently high economic growth over a decade, with GDP growth crossing 7 percent in FY2015-16 and the landmark 8 percent in FY2018-19. Despite the COVID pandemic reducing the growth percentage to 3.45



percent in FY2019-20, yet the sheer economic resilience has been in full display, with the economy bouncing back by registering an expansion of 6.94 percent in FY2020-21.

According to the Bangladesh Bureau of Statistics or BBS, the country's GDP growth stood at 7.10 percent

in FY2021-22, 0.16 percentage points higher than the previous fiscal year. This is amongst the fastest economic growth rates anywhere in the world and it is a pleasant surprise that a small country with a 170 mn population has accomplished such a growth miracle.

6.94%

Bangladesh FY2020-21 GDP growth rate

7.10%

Bangladesh FY2021-22 GDP growth

Growth aided by:



Economic rebound and resilience



Large domestic economy with 170 mn+ people



Government focus on reform and trade facilitation



Increasing digital penetration



Mega infrastructure development

According to provisional estimates of BBS, per capita GDP and per capita national income stood at US\$ 2,657 and US\$ 2,765, respectively, in FY2022-23 vs. US\$ 2,687 and US\$ 2,793, respectively, in FY2021-22. Provisionally, consumption expenditure moderated to 73.98 percent of GDP in FY2022-23, from 74.78 percent in FY2021-22. Gross investment stood at 31.25 percent of GDP

in FY2022-23, whereas public investment and private investment accounted for 7.61 percent and 23.64 percent of GDP, respectively, during the year.

As per BBS provisional estimates, GDP growth rate for FY2022-23 stood at 6.03 percent. The Medium Term Macroeconomic Framework (MTMF) has envisaged GDP growth to pick up to 8 percent in FY2025-26.

GDP trends

(Base 2015-16)

Indicators	2019-20	2020-21	2021-22	2022-23 (Projection)
GDP (Tk. mn)	31,704,694	35,301,848	39,717,164	44,392,733
GNI (Tk. mn)	33,017,012	37,159,966	41,290,624	46,185,291
Per capita GDP (Tk.)	189,361	208,751	231,861	259,919
Per capita GNI (Tk.)	197,199	219,738	241,047	270,414
Exchange rate (Tk. per \$)	84.78	84.81	86.30	97.81

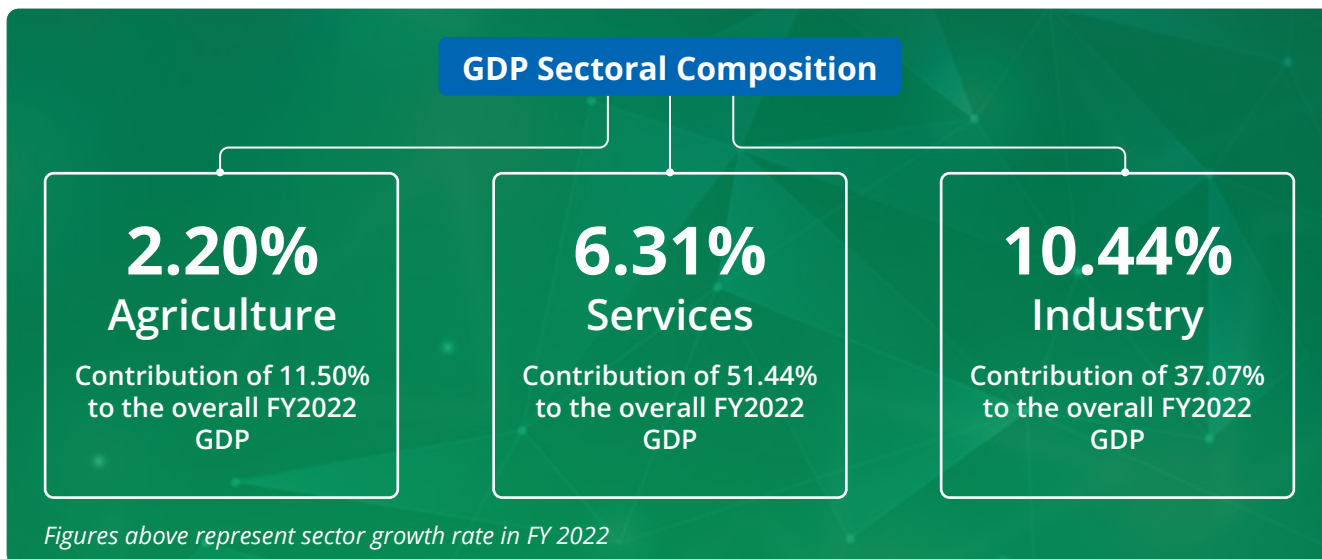
Source: Bangladesh Bureau of Statistics

GDP growth projections

(Percent)

2022-23 (P)	2023-24 (P)	2024-25 (P)
7.5	7.8	8.0

Source: Bangladesh Bureau of Statistics



Agricultural sector

According to BBS provisional estimates, growth rate of the agriculture sector stood 2.20 percent in FY2021-22, 0.97 percentage point lower than the previous fiscal year. Within the agriculture sector, growth rate of forests and related services was estimated to have achieved the highest growth rate of 5.37 percent in FY2021-22. Contribution of the broad agricultural sector to the GDP stood at 11.50 percent in FY2021-22, 0.57 percentage point lower than the previous fiscal year.

Services sector

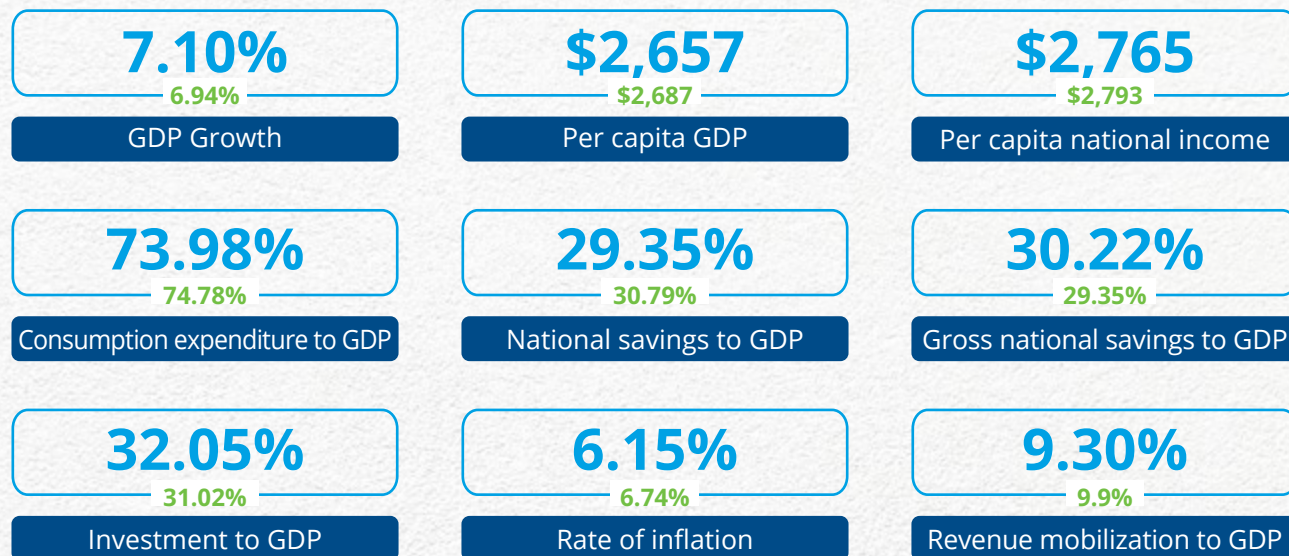
Bangladesh's services sector is estimated to have accomplished a 6.31 percent growth in FY2021-22, 0.58 percentage point higher than FY2020-21. The segment of human health and social work activities is anticipated to have experienced the highest growth rate of 9.78 percent,

followed by wholesale and retail trade, transportation and storage, accommodation and food services activities. The segments of financial and insurance activities; professional, scientific and technical activities and education and other service sectors are assessed to have grown significantly over FY2020-21. The contribution of the broad services sector to the GDP stood at 51.44 percent in FY2021-22, 0.29 percentage point lower than the previous fiscal year.

Industrial sector

Bangladesh's industrial sector is estimated to have achieved a 10.44 percent growth in FY2021-22, 0.15 percentage point higher than the previous fiscal year. The contribution of industries to the GDP stood at 37.07 percent, which is 1.06 percentage point higher than the previous fiscal year.

Snapshot of major economic indicators



*All figures pertain to those of FY2022-23; provisional.
Figures in green represent estimated figures in prior FY.*



Consumption expenditure

Private consumption typically occupies the major share in overall consumption. Over more than a decade, consumption with respect to domestic demand has been over 70 percent of GDP, indicating that Bangladesh has been a domestic consumer economy. In line with this, as per provisional estimates of BBS, contribution of consumption expenditure to GDP was 73.98 percent in FY2022-23.

Savings and investment

During FY2021-22, domestic savings declined to 25.22 percent of GDP, 0.12 percentage point lower than the previous year. This broadly indicates receding pressures of the pandemic during the year, with household incomes being restored post progressive lifting of lockdowns and mobility restrictions.

Likewise, national savings as a percentage of GDP moderated to 29.35 percent in FY2021-22, 1.44 percentage point lower than FY2020-21. Gross domestic savings was provisionally estimated to be 26.02 percent of GDP in FY2022-23, 0.8 percentage point higher than prior fiscal year.

This might be a cause of concern if the trend continues in the future, exhibiting the likely impact of inflation eating into savings and livelihood incomes not being able to measure up to inflation.

Gross national savings is estimated to be 30.22 percent of GDP, 0.87 percentage point higher than the previous fiscal year. Unlocking household savings estimated at a quarter of the GDP through secure investment in productive sectors (financialization of savings) can benefit both the large segment of savers as well as the government in financing infrastructure, etc.

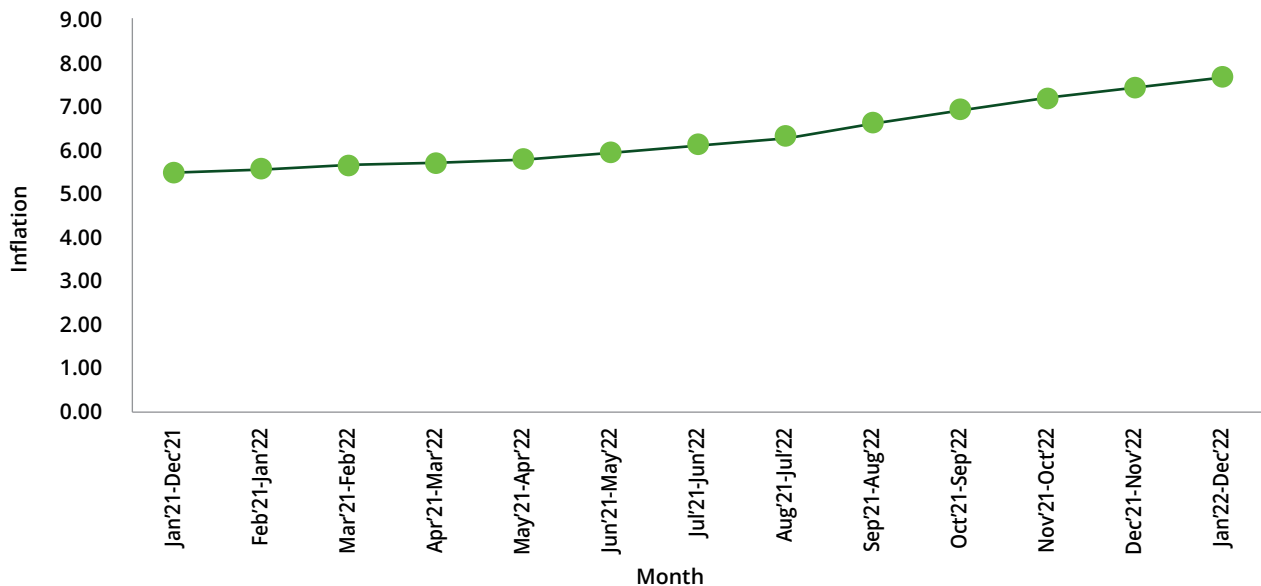
The contribution of investment to GDP increased to 32.05 percent in FY2021-22, 1.03 percentage point higher than the prior fiscal year. Of this, private investment stood at 24.52 percent and public investment at 7.53 percent.

Inflation

Inflation, a major headline monitorable of the past few quarters, has been primarily triggered by the easy monetary policy of central banks all over the world during the COVID period. Though having cooled-off recently due to targeted policy measures, inflation has elevated commodity prices to such an extent that it prompted the IMF to call the inflation challenges unprecedented, spawning a cost-of-living crisis in many parts of the world.

In Bangladesh, inflation in FY2021-22 stood at 6.15 percent, 0.59 percentage point higher than in FY2020-21, which is slightly higher than the target. As the economic damages enforced by the pandemic are being intensified by the war in Ukraine, like all other countries of the world, an upward trend of price level is being observed in Bangladesh too. The inflation rate is expected at 7.5 percent for FY2022-23.

Monthly inflation rate in Bangladesh - Moving Jan'22 to Dec'22



China, India and Singapore are the top import destinations of Bangladesh, with the principal import items being petroleum products, machinery & equipment, and raw cotton in 2020-21. As per BBS3, the top-3 import partners contributed 44.76% of the total imports, the top

imported commodities constituted 40.75% of the overall commodity imports (by value).

Bangladesh is exploring free trade agreements with 11 countries⁴ to diversify its external trade and provide impetus to its economic transformation.

Revenue mobilisation

In FY2021-22, the government achieved revenue mobilisation of Tk. 3,37,804 crore (8.5% of the GDP), of which:

- NBR tax revenue stood at Tk. 2,94,823 crore
- Non-NBR tax revenue stood at Tk. 6,705 crore
- Non-tax revenue stood at Tk. 36,276 crore

The revised revenue mobilisation target is set at Tk. 4,33,000 crore in FY2022-23, which comprises 9.7 percent of the estimated GDP.

Of the overall revenue mobilisation goal in FY2022-23, revenue to be collected from NBR sources stands at:

- Tk. 3,70,000 crore (8.3% of GDP)
- Tax revenue from non-NBR sources at Tk. 18,000 crore (0.4% of GDP)
- Non-tax revenue at Tk. 45,000 crore (1.0% of GDP)

NBR revenue accrued during the July-March FY2022-23 period stood at Tk. 2,54,517 crore, comprising over 88% of the target.

Government expenditure

According to the revised budget estimate of the government, the total expenditure target for FY2022-23 has been set at Tk. 6,60,507 crore, which constitutes 14.80 percent of the national GDP. Of this, operating expenditure is Tk. 4,32,942 crore (9.7% of GDP) and development expenditure is Tk. 2,27,566 crore (5.1% of GDP).

As per provisional estimates of iBAS++, total expenditure up to March 2023 in FY2022-23 was Tk. 3,00,820 crore, of which operating expenditure was Tk. 2,27,987 crore and development expenditure was Tk. 62,105 crore.

A new Budget and Accounting Classification System (BACS) has been introduced from FY2018-19 onwards to support upgrading government financial management to an international standard. In order to make the system more dynamic, activities are being undertaken for consolidation and integration. For example, to simplify the project fund release process, project directors have

been given the full authority in FY2019-20 to utilise project fund without seeking approval from any authority.

Budget balance and financing

The Government is conscious to keep the budget deficit within 5 percent of GDP, being cognisant of the need to nurture growth through public (and private) investment.

However, in the revised budget of FY2021-22, budget deficit crossed the 5 percent GDP mark, enforced by the pandemic. In the revised budget of FY2021-22, budget deficit has been estimated at Tk. 2,04,500 crore (including grant), which constitutes 5.1 percent of GDP.

Of this deficit, Tk. 80,212 crore (2.0% of GDP) is expected to be financed from external sources (including foreign grant) and Tk. 1,24,288 crore (3.2% of GDP) from domestic sources. Out of the deficit in the domestic sector, Tk. 87,288 crore is assessed to be sourced from the banking system and the remaining Tk. 37,000 crore from the non-bank sector.

Allocation priorities of Revised ADP, FY2021-22

The government approved a BDT 2.46 trillion annual development programme (ADP) for FY2022-23, aiming to facilitate swift economic recovery. The outlay is around BDT 384.50 billion or 18.52 percent higher than the BDT 2.07 trillion revised ADP for the prior fiscal year. Besides, the outlay would be BDT 210 billion up from the BDT 2.25 trillion original ADP allocation of FY2022-23.

The transport and communications sector would get the highest allocation of BDT 698.69 billion in the new ADP, followed by the power and energy sector at BDT 394.12 billion and the education sector at about BDT 291 billion. A sum of BDT 1.53 trillion has been proposed to be allocated from the government's internal resources, while the rest BDT 930 billion from external resources as project assistance.

The transport sector and other construction sectors have received the highest priority like the previous years, with the country needing huge investment to improve infrastructure.

IMF's support package to Bangladesh

- In January 2023, Bangladesh government successfully concluded discussions with the IMF over a support package as a precautionary measure for garnering liquidity.
- The IMF approved a US\$ 4.7 billion loan for the country comprising a US\$ 3.3 billion loan under the Extended Credit Facility (ECF) and Extended Fund Facility (EFF) arrangements, and the balance US\$ 1.4 billion under the new Resilience and Sustainability Facility (RSF). Bangladesh is the first Asian country to access the RSF.
- Importantly, this is not a "bailout" package but a stabilisation fund as the EFF package is granted to fund structural reform, an RSF to ensure balance of payments stability, and an ECF for a stable and sustainable economic position.
- The loan arrangements carry a relaxed repayment schedule, which will not only lessen strain on the country's balance of payments, but also allow the government to return with a better financial foundation for a thriving economy in the future.



Economic outlook^{4,5}

The Asian Development Bank (ADB), in its latest Asian Development Bank Report for April 2023⁵, has projected Bangladesh's GDP to grow by 5.3% in FY2022-23 and 6.5% in FY2023-24. A slower growth forecast reflects subdued domestic demand and weaker export expansion due to lackluster global growth following the Russian invasion of Ukraine and the aftereffects of the pandemic.

ADB expects inflation in Bangladesh to accelerate from 6.2% in FY2021-22 to 8.7% in FY2022-23. The current account deficit is anticipated to narrow from 4.1% of GDP in FY2021-22 to 1.6% of GDP in FY2022-23 as imports loosen and remittances grow.

The primary risk to this growth projection has been attributed to greater economic slowdown in Bangladesh's major export destinations driven by global uncertainty over the prolonged political tensions. Some of these reforms include strengthening public financial management and domestic resource mobilisation, deepening the financial sector and enhancing competitiveness to promote productive jobs in the private sector.

The government's sound economic management against external adversities and sustained reform programs will be key to maintain the nation's economic momentum over the short to medium-term. The government is also enhancing resilience against the global energy market volatility by creating an enabling environment for rapid expansion of domestic renewable energy supply to reduce dependence on fossil (conventional) fuels, in line with the country's climate agenda.

Amidst the key structural growth drivers of a positive demographic, rising disposable incomes and large infrastructure deficit that needs to be bridged, there are some challenges too. Particularly, it is anticipated that private investment growth will be lower because of energy shortages and higher production costs. With a shortfall in revenue collection, austerity measures and depleting foreign exchange reserves, public investment growth will also be slower.

However, Bangladesh's resilience against adversity is well-known, especially backed by the government's continued thrust on infrastructure, best visible by the operationalisation of the Padma Bridge and inauguration of phase-1 of the Dhaka Metro project, Bangladesh's first

mass rapid transportation system (MRTS). The metro will not only ease road congestion, but also give impetus to economic mobility through faster, safer, convenient and cost-effective transportation.

Further, Bangladesh is a large domestic market constituted by over 170 mn people. This makes it well-poised to sustain consumption-led domestic economic growth, which is a stabilising factor and counterbalance against any slowing of external trade or remittances.

FINANCIAL SERVICES SCETOR⁶

Overview

Bangladesh Bank formulates and implements the national monetary policy to manage the financial, monetary and credit system of the country with a view to stabilise the domestic monetary value and maintain a competitive external par value of Tk. towards fostering growth and development of the nation's productive resources in the best national interest.

Monetary policy for FY2022-23 was formulated to support the efforts in economic recovery from the pandemic and maintain appropriate caution for overall price and financial stability. Hence, the monetary policy stance during the year was expansionary and accommodative, similar to the prior year.

Few of the critical policy measures undertaken to support the monetary policy stance and outcomes included maintaining necessary liquidity in the banking system, ensuring lower market interest rate regime, and meeting private and public sector demand.

In the backdrop of global commodity price hikes resulting from the pandemic-driven supply disruptions amid the ongoing Russia-Ukraine war, an orderly exit was deemed necessary from the extraordinary expansionary policy stance.

Despite lower than programmed monetary growth, Bangladesh has been facing growing inflationary and exchange rate devaluation pressure since the second half of the year, primarily due to the spillover effect of the unexpectedly higher global inflation rate, along with widening current account deficits. In this regard, the central bank absorbed some liquidity by issuing BB bills and also via selling foreign currency to banks to stabilise the foreign exchange market as part of its preventive measures.

2. Bangladesh Bureau of Statistics (BBS): https://mof.portal.gov.bd/sites/default/files/files/mof.portal.gov.bd/page/f2d8fabb_29c1_423a_9d37_cdb500260002/09_BER_22_En_Exe_Summary.pdf

3. Bangladesh Bureau of Statistics (BBS): http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/b343a8b4_956b_45ca_872f_4cf9b2f1a6e0/2022-09-01-08-35-0535fd609d0c3666dd0c9e5cffb48d9b.pdf

4. <https://asia.nikkei.com/Editor-s-Picks/Interview/Bangladesh-holding-free-trade-talks-with-11-countries-PM-Hasina>

5. <https://www.adb.org/news/bangladesh-economy-grow-moderately-amid-global-economic-slowdown>

6. <https://thefinancialexpress.com.bd/economy/bangladesh/govt-set-to-approve-tk-246-trillion-adp-for-fy-23-today-1652755496>

7. <https://www.tbsnews.net/economy/tk263000cr-adp-approved-highest-allocation-transport-629982>

With the support of these policy measures alongside the withdrawal of COVID-related restrictions, a solid and broad-based economic recovery was evident in FY2022-23, reflected through various macro-financial indicators. During this period, complete normalcy in almost all the economic activities in agriculture, manufacturing and service sectors was restored, propelled by increased internal and external demand.

The monetary policy stance and monetary and credit programmes of FY2022-23 carried the key objective to continue with the ongoing recovery process while maintaining stability in general price level. The FY2022-23 monetary programme was primarily set to support 7.2 percent real GDP growth and containment of average inflation rate at 5.3 percent.

Bangladesh Bank increased its policy rate (repo rate) by 50 basis points to 5.5 percent from 5 percent to deal with the demand-side pressures, primarily to control inflation, while ensuring the required flow of funds to the priority and productive sectors to give thrust to supply-side activities.

Money and credit markets

At the end of February of FY2021-22, Broad Money (M2) increased by 9.4 percent and Reserve Money declined by 7.41 percent YoY. During this period, net foreign

assets growth of 30.36 percent contributed to the YoY expansion of M2.

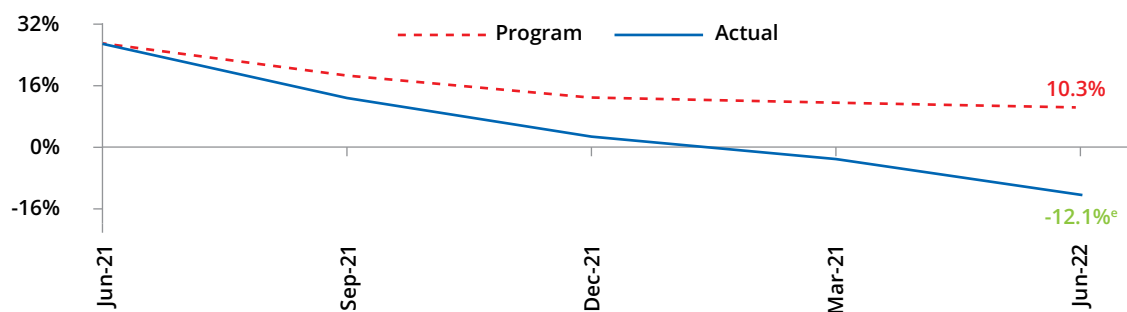
Domestic credit increased by 13.3 percent YoY in February 2022 of FY2021-22, which is higher than 9.06 percent growth in the same period of the prior fiscal year. Of this, private sector credit growth stood at 10.87 percent at the end of February 2022, against 8.93 percent in the same period of the previous fiscal year.

Net credit to the government increased by 28.94 at the end of February 2022, which was increased by 10.64 percent in same period of the previous year. At the end of February 2022, credit to other public sector undertakings increased by 10.09 percent, as compared to 4.82 percent during the same period of the prior year.

Reserve Money (RM) growth, the operating target of the central bank's monetary policy, moved below the programmed path, predominantly triggered due to the significant depletion of the central bank's net foreign assets due to net sale of foreign currency to banks, induced by strong import demand.

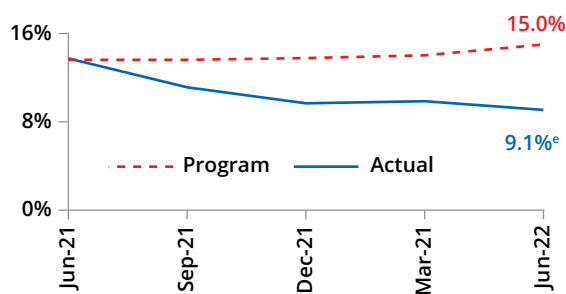
Broad money (M2) growth, the intermediate target of the central bank's monetary policy, remained well below the programmed path during FY2021-22, dragged by lower net foreign assets in the banking system.

Net foreign assets



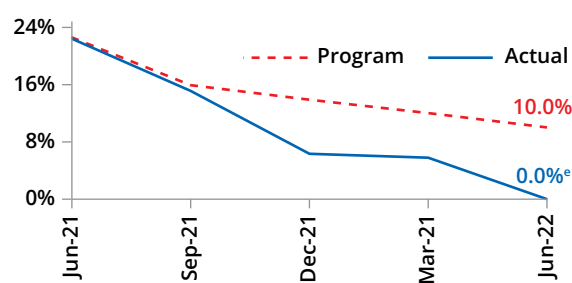
Source: Bangladesh Bank

Broad Money (M2) growth



Source: Bangladesh Bank

Reserve Money (RM) growth



Source: Bangladesh Bank



With a view to enhance international competitiveness, give thrust to the productive sector and reduce classified loans, the rate of interest was rationalized, limiting it to single digit (except credit card loans).

As per Bangladesh Bank, the monetary policy stance and monetary and credit programs were intended to ensure necessary liquidity in the local and foreign currency markets, continuing the economic recovery momentum, stabilizing the interest rate and exchange rate movements, and containing inflation.

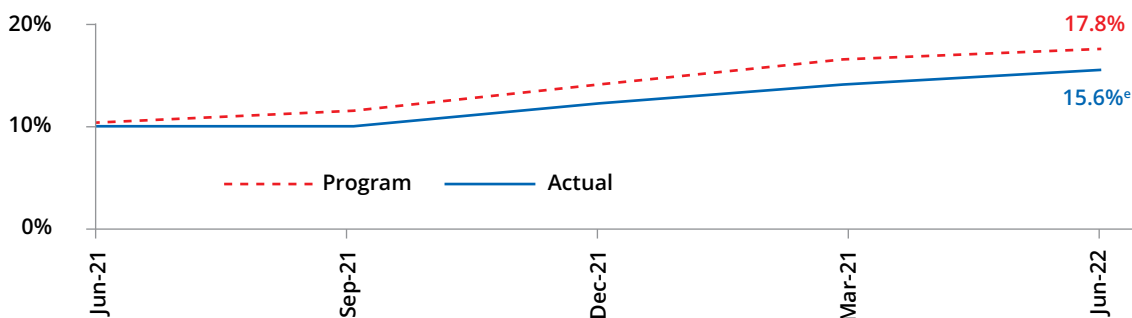
As a result, during the COVID-19 period, productive sectors did not face much problem and the weighted average lending and deposit rates exhibited a downward

movement. The weighted average lending rate of all banks stood at 7.08 percent, with the 9% lending cap still ensuring enough space for normal lending activities.

Amid the difficult economic scenario, the central bank's timely interventions assured comfortable liquidity condition in the money market in FY2022-23, sufficiently meeting the private and public demand.

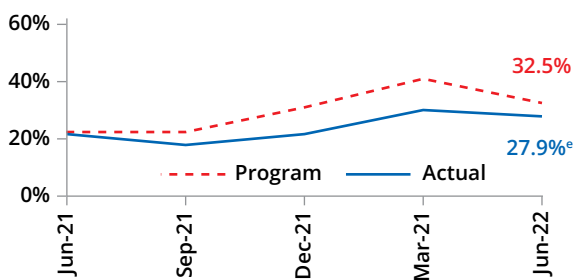
On the other hand, the central bank also intervened in the local foreign exchange market by selling a substantial amount of foreign currency to support exchange rate stability and maintain the external competitiveness of the Tk. during the year.

Domestic credit growth



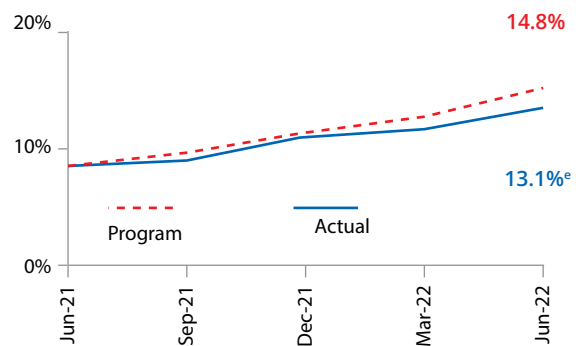
Source: Bangladesh Bank

Public sector credit growth



Source: Bangladesh Bank

Private sector credit growth



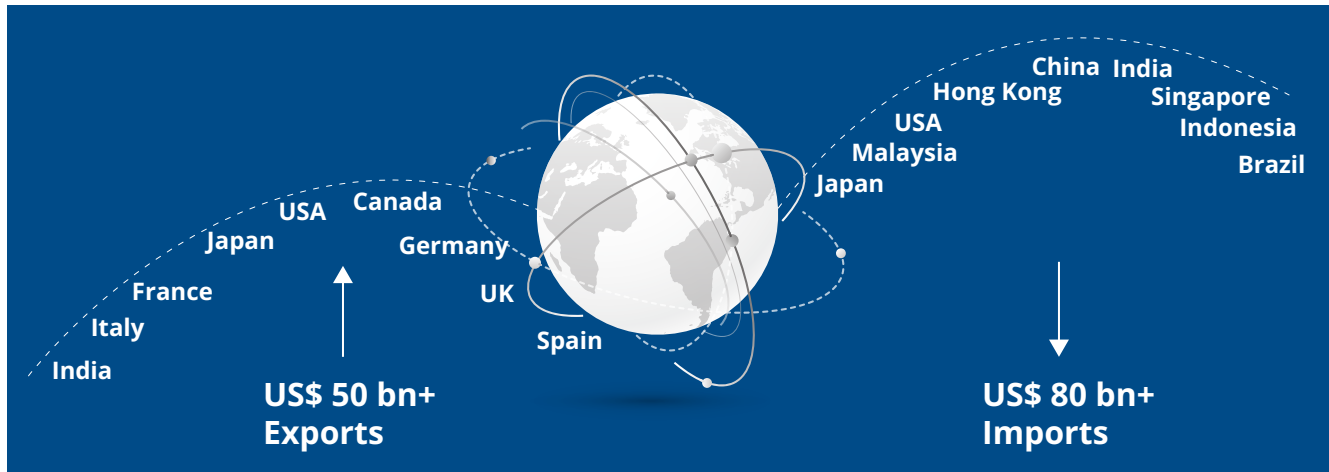
Source: Bangladesh Bank

The movement of domestic credit remained in line with the programmed path of Bangladesh Bank in FY2021-22, well supported by private sector credit growth. More swift recovery of economic activities owing to relaxation of COVID-related restrictions are likely to have contributed to the upward trend of the private sector credit growth in FY2021-22.

However, public sector credit growth was slightly lower than the target, mainly due to sound inflows from foreign sources and active mobilization of idle money from bank accounts of various state owned enterprises.

Notably, private sector credit growth, which is a proxy of private investment at the national level, increased by a large extent in Bangladesh, as compared to some other Asian developing countries.

Bangladesh's external trade with top nations



Exports

In FY2020-21, total export earnings increased by 12.77 percent to US\$ 40.11 billion over the previous fiscal year. During July-March period of FY2021-22, export earnings stood US\$ 43.7 billion, which is 32.43 percent higher vs. export earnings of the same period of the prior fiscal year.

Exports receipt is estimated to cross US\$ 50 billion in FY2021-22. During this period, export earnings from almost all products increased compared to the last fiscal year (except jute and building materials), stimulated by government initiatives to facilitate exports through incentives, etc.

Imports

Total import payments in FY2020-21 stood at US\$ 61.7 billion, 10.74 percent higher than the previous fiscal year. Up to March of FY2021-22, total import payments stood US\$ 71.41 billion, 42.24 percent higher than the same period of the previous fiscal year. Import payments are estimated at about US\$ 80 billion in FY2021-22.

Overseas employment and remittance

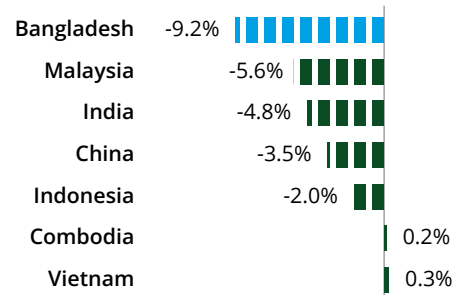
Overseas employment and remittances (as a corollary) are yet to fully pick after the blow from COVID. However, with gradual lifting of border control and travel restrictions, overseas employment rebounded after 2020, which was the peak of the pandemic. Overseas employment significantly increased to 6.17 lakh in 2021 and reached 3.23 lakh by March 2022. Overseas employment will gain in the near future with restoration of business and operational momentum.

In FY2019-20, remittance inflows increased by 10.90 percent over the prior fiscal year to US\$ 18.21 billion. In FY2020-21, remittance from Bangladeshi expatriates stood at US\$ 24.78 billion, which was significantly higher at 36.10% vis-à-vis the prior fiscal year. Remittance is estimated at US\$ 21.30 billion in FY2021-22 and US\$ 24.50 billion in FY2022-23. A major part of remittance originates from the Middle Eastern countries.

Exchange rate

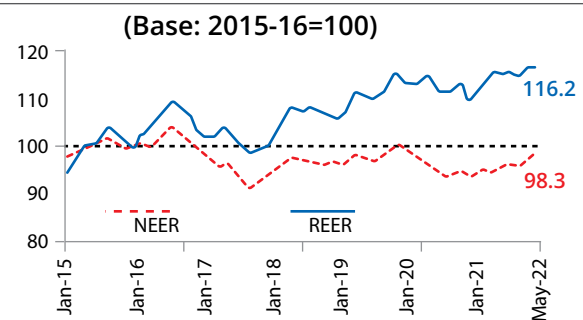
The Tk. experienced an overall 1.9 percent devaluation against the US\$ in the July-April period of FY2021-22, as compared to that of FY2020-21. The weighted average inter-bank rate stood at Tk. 86.45 per US\$ on 30 April 2022, which was Tk. 84.80 per US\$ on 30 April 2021. Additionally, the exchange rate against the US\$ averaged 98.850 in December 2022, as compared to 97.620 BDT/USD in the previous month (November 2022).

Appreciation/depreciation of domestic currencies against US\$ in FY2021-22



Source: Bangladesh Bank

Effective exchange rate indicates



Source: Bangladesh Bank

8. Monetary Policy Statement FY2022-23. https://www.bb.org.bd/monetaryactivity/mps/mps_fy2022-23.pdf



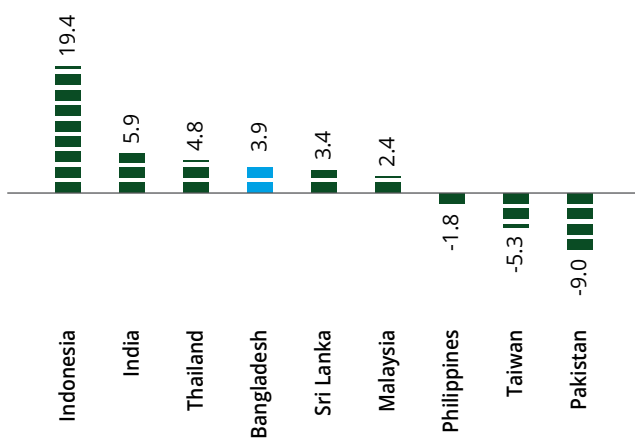
Capital Market

Bangladesh's capital market demonstrated a good performance during the first half of FY2021-22, reflected in improved growth in price indices, buoyant turnover and expansion in market capitalization and issued capital. This performance was aided in part by liquidity triggered by the easy monetary policy during COVID.

Bangladesh's capital market scored the fourth highest market returns in the June 2021-May 2022 period as compared to a few selected peer countries.

There was a reversal in capital market performance however in the second half of FY2021-22. Main market indices experienced a declining trend with some fluctuations as investor confidence plummeted due to external weaknesses.

Returns on capital market among selected countries, FY2021-22



Source: Dhaka Stock Exchange & www.investing.com

Bangladesh Securities and Exchange Commission (BSEC) took many initiatives to restore investor confidence, such as banks being allowed to invest in the private green Sukuk bonds from the capital market, special fund amounting to Tk. 2 billion, etc. BSEC also organised many roadshows in the US, UK, Switzerland and the UAE to attract foreign investors.

It also revised margin loan rules for category-changing stocks, reduced the lower limit of the circuit breaker, raised the investment ceiling for institutional investors, and allowed the Investment Corporation of Bangladesh (ICB) to utilise the Tk. 1 billion capital market stabilization fund.

BSEC also successfully launched a separate platform, DSMEEX, for the SME market, which helped small companies grow without any interest payment in their early stages.

Bangladesh Bank continued to extend several liquidity enhancement measures in FY2021-22 to support recovery of the investment momentum. Key refinance

schemes and their progress status as of the end May 2022 are given below:

Key government refinance schemes



- A refinance scheme of Tk. 150 billion was allocated to provide working capital loan/investment facilities to the affected large industry and service sectors. A total of 4,562 industries received the loans, and the implementation rate based on the received loan demand from banks was 93.35 percent.
- A revolving refinance scheme of Tk. 100 billion was introduced to provide loans to the affected CMSMEs, with 64 percent implementation of the project.
- A refinance scheme of Tk. 80 billion was provided as working capital for the agriculture sector, where 81.89 percent of the first phase of the scheme was distributed to 185,336 farmers/agriculture farms.
- A revolving refinance fund of Tk. 50 billion was provided as a pre-shipment credit facility to export-oriented industries, with an implementation rate of 14.37 percent
- A refinance scheme of Tk. 30 billion for low-income professionals, farmers, and marginal/small business owners registered 97.20 percent implementation based on the demand received from banks; A refinancing scheme worth Tk. 5 billion was devised to pay salaries/allowances to tourism sector workers in hotels, motels and theme parks
- A new Export Development Fund (EDF) of US\$ 3.5 billion for local exporters recorded 99.57 percent implementation
- A refinance scheme of Tk. 5 billion was created for returnee expats (who lost their job due to the pandemic and other reasons) was introduced to engage them in income-generating activities

Renewable Energy And Infrastructure Opportunity⁹

The current global energy crisis has heightened the urgency of shifting to renewable and sustainable energy sources in order to lower import costs and mitigate the climate impacts of fossil fuels. Bangladesh intends to fulfil its growing energy and power demand with renewable energy, with a 1,200 MW nuclear power facility under construction and projected to be operational by 2025. Furthermore, eight small-scale gas and LNG plants totalling 1,609 MW are now under construction, and five large-scale natural gas plants totalling 8,750 MW are in the development stage. According to the Bangladesh Power Division, the country is on target to have roughly 40,000 MW installed capacity by 2030, with a growing percentage of the pie being renewable energy.

In comparison to other global economies, Bangladesh's current energy consumption from clean sources, including off-grid energy, is just around 3.5%. Significant investment in energy infrastructure will be necessary for the government to meet its target of 40% renewable energy contribution by 2041. Major development partners have come forward to support the government's energy transformation efforts.

The Bangladesh Advancing Development and Growth through Energy (BADGE) project, for example, is a five-year technical assistance project initiated by USAID in June 2021 that will enhance Bangladesh's energy security and resilience. Similarly, the FCDO allocated a total of £120 million from January 2022 to March 2027 under the Bangladesh Climate Change and Environment Programme, including £47 million to conduct feasibility studies for renewable resources

that allow commercial scale-up and integration of solar mini grids to the national grid, as well as testing and potential scale-up of other renewable energy sources and integration into the national grid.

Furthermore, the government's objective of industrialisation is pillared on developing and expanding access to infrastructure as well as improving its quality. Thus, infrastructure investment is a top priority and the government realises the private sector's role in bridging the country's massive infrastructure development deficit. While the government is developing a framework to facilitate this, it is also implementing several infrastructure projects, such as industrial zones, highways and flyovers, urban transit (including metro rail), power plant assets, and so on.

BEZA (Bangladesh Economic Zones Authority), for instance, is building economic zones in potential economic hubs to foster rapid transformation. It has received clearance to build close to 100 economic zones around the nation, including government and private zones. Few major economic zone projects are the Bangabandhu Sheikh Mujib Shilpa Nagar (BSMSN), which envisions a total land area development of 33,805 acres or 136.86 sq km, the Nawabganj Economic Zone Establishment Project, the Bogura Economic Zone Establishment Project, the Netrokona Economic Zone Establishment Project, the Mongla Economic Zone-2, among others.

Other large-scale infrastructure projects in the works include the Dhaka Metro Rail project (a phase of which was operationalised in December 2022), the 2.4 GW Rooppur Nuclear Power Plant, and other mega infrastructure projects.

Thus, Bangladesh's renewable energy and infrastructure sectors offer enormous growth potential, thus acting as a catalyst for local and foreign direct investment.

RELEVANCE OF IDCOL'S ACTIVITIES IN IMPACTING THE SDGs



9. <https://www.nbr.org/publication/the-renewable-energy-dream-and-reality-for-bangladesh/>



SWOT Analysis

IDCOL, being a government-owned non-bank financial institution (NBFI) and securing the trust of the development partners of Bangladesh in its journey of economic growth and prosperity, has emerged as a

leading NBFI of the country with high-quality human capital and an inclusive business model to meet the growing expectations of all stakeholders.

IDCOL has portrayed its SWOT analysis and focuses to amplify its strengths, mitigate weaknesses, capitalise on opportunities, and stave-off threats.



Strengths:

- Pioneer of low-cost financing in the industry. With specialist business knowhow and access to low-cost borrowings from the government, IDCOL ensures low-cost credit access for its customers as well.
- Distinctive services, such as financing in Energy Efficient Equipment, Renewable Energy, Climate Financing and Advisory Services that are not widely available with other FIs.
- Availability of credit line facility of BDT 12,000+ crore from various multilateral and bilateral agencies.
- Marked global footprint through venturing into Malawi (Africa) by providing specialist advisory services under IDCOL Solar Home System Program for market development and capacity building in off-grid energy sectors of Malawi.
- Rigorous scrutiny before loan approval and disbursement, reflecting strong internal controls that ensure robust asset quality.
- Nine independent Board members comprising top government officials, prominent private sector

entrepreneurs, and a full-time ED & CEO with extensive experience and industry knowledge. Further, visionary leadership helps steer IDCOL towards best practices in corporate governance.

- Efficient management of operational activities, with cost-to-income of 6.37%, as compared to 9.15% in 2021, reflecting improved resource management.

Weaknesses:

- Due to unique business nature and unconventional products and services, process automation is quite challenging with the existing IT setup.
- IDCOL finances mostly unconventional projects based on the development priorities of the government, such as infrastructure financing, energy efficiency and renewable energy, which entails higher potential returns as well as higher risk.
- Existing human resources of IDCOL have good reputation, skills and expertise in their respective domains, thus creating demand for those resources in the market. Hence, talent retention is a challenge.

Opportunities:

- IDCOL is the first choice as project implementing agency of several global development partners and hence there remains opportunity of new avenues of credit lines for promoting energy-efficiency and sustainable financing, among others.
- Growing demand and awareness about green, sustainable and climate-resilience financing among stakeholders, such as suppliers and buyers.
- Untapped market for advisory services and specialised financing solutions, thus opening up the scope for capacity development in unconventional energy sources, infrastructure financing, and sustainable and climate-focused financing.

Threats:

- Volatile exchange rate poses a challenge, as IDCOL operates with foreign development partner-based funds and engages in foreign currency borrowings and lending. Currency volatility affects IDCOL's finances if the government is unwilling to bear the foreign currency risk.
- IDCOL operates in a niche market and hence peer threat prevails. Emergence of new competitors with aggressive practices may reduce IDCOL's profitability and market share.
- Risk of extinction of a market (such as renewable energy) or a product (such as improved cook stoves). As IDCOL works with new products, if the priorities of the government change, the market may become saturated, or the product may become obsolete.

Operating Performance In Brief

IDCOL accomplished a resilient performance in the year 2022, navigating through macroeconomic volatility. The Company continued to focus on its vision, mission and values to guide its credit and operating decisions and this led to many positive outcomes during the year.

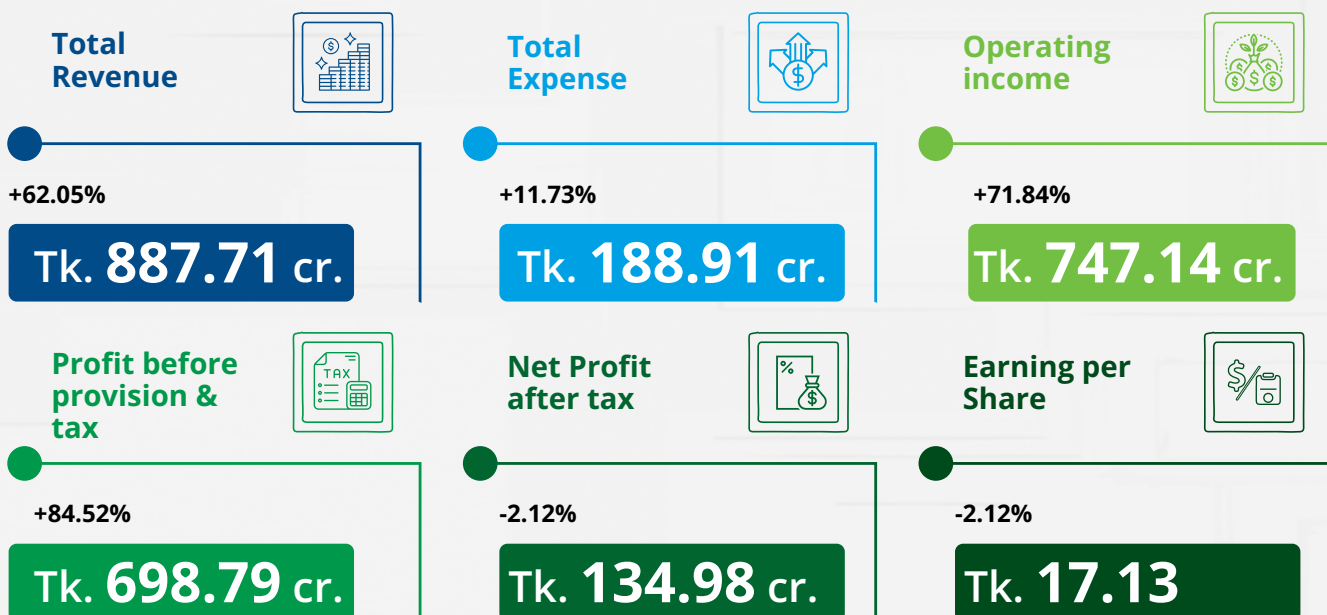
One such is the Company's consistent growth in its loan portfolio that stood at Tk. 74,026 million in 2022, resulting in a 5.07 percent 5-year CAGR. The Company disbursed Tk. 9,079 million in infrastructure and renewable energy programmes, comprising 55.04 percent growth over the prior fiscal year. Despite the global economic slump, IDCOL maintained a stringent approach to client selection and credit evaluation throughout the year. On the other hand, ensuring a high-quality portfolio against a potentially weaker one in the future was critical. Due to this conservative strategy in client selection and stringent due diligence, actual disbursement in the reporting period was 51.50 percent lower than the projected disbursement.

The Company will continue to assess the overall operating environment in the current year to take credit decisions accordingly, keeping the view of customer quality and repayment capacity at the centre of all its decisions.

One of the factors unique to the year was an abnormal foreign exchange gain of over 1,772 percent, led by significant devaluation of the Tk. against the US\$ (17.71% YoY) due to having greater exposure to foreign currency assets over liabilities. While this was extraneous, the Company also focused on reinforcing its operational management that led to a moderation in the cost-to-income by 29.26 percent, thus ensuring further profit facilitation.

Majorly, these trends comprised the tailwinds to IDCOL's profitability, with the Company reporting a 75.72 percent growth in operating profit to BDT 6,988 million and 23.07 percent expansion in net profit to BDT 1,350 million in 2022.

Comparison of Actual and Budgeted Performance of IDCOL



Figures in percentage represent growth in actual over budgeted performance



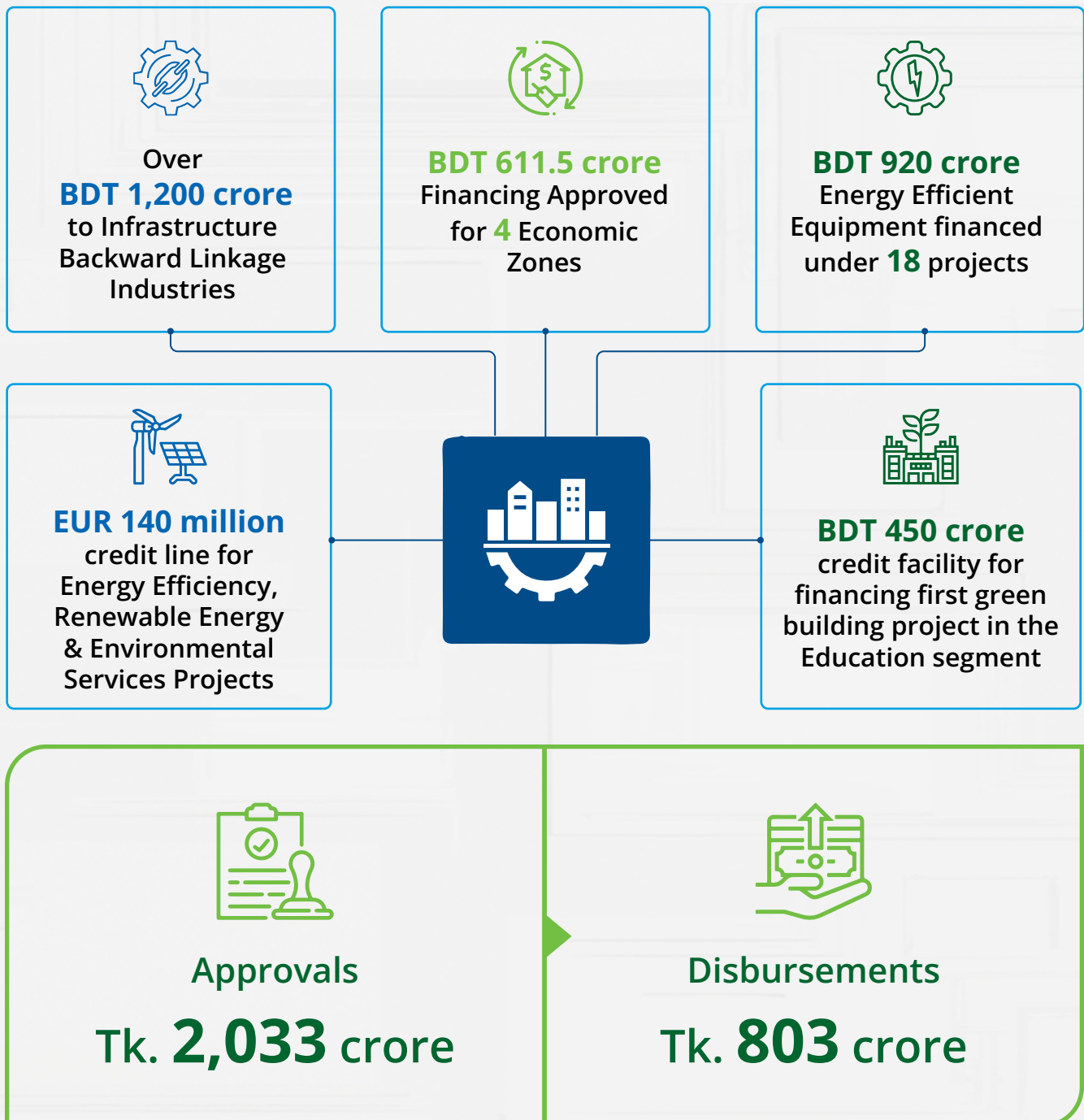
The actual total revenue for FY2022 stood at Tk. 887.71 crore, which was 62.05% higher than the proposed budget for the fiscal year in review. Similarly, the actual total expenses were 11.73% higher than the budgeted figure of the year. The actual profit before tax (PBT) and provision for the reporting period stood at BDT 698.8 crore, representing a YoY growth of 84.52%. Net profit after tax (PAT) 2.12% was lower than the budgeted figure, primarily attributed to the substantial escalation in provision for loans by 305.6%.

Infrastructure & PPP Projects

To cater to the increasing demand and provide better services to customers, IDCOL's Investment Department

has broadened its scope through the establishment of three units, Infrastructure Finance (IF), Industrial and Energy Efficiency Finance (IEEF), and Public Private Partnership (PPP). To accomplish the Company's long-term growth targets, the department focused on building a strong project pipeline in 2022.

IDCOL's pipeline of infrastructure projects include power plants, energy-efficient equipment financing for industries, special economic zones (SEZs), hotels and resorts, industrial parks, social infrastructure and industrial backward linkage projects.



Renewable Energy Initiatives



Financed **4.13 million** SHSs; **1.575 million** under TR/KABITA



Installed **65,224** Biogas Plants



26 Solar Mini grid Projects in Operation



1523 Solar Irrigation Pumps in Operation



3.7 million ICS installed



40+ approved projects

Solar Home System (SHS) Program

Initiated in 2003, IDCOL's SHS program has emerged as the world's largest off-grid electrification program. Harnessing a unique business model and a proven track record, the company has financed and installed over 4.13 million SHSs in the rural off-grid areas of Bangladesh. The program has thus ensured supply of solar electricity to 18 million people, i.e. 12% of the country's total population who previously used kerosene for lighting purpose. The SHS program has also played a key role in the substitution of kerosene, thereby contributing to improved public health while also enabling lower national consumption of kerosene.

IDCOL initially received credit and grant support from the World Bank and GEF to initialise the program. Later, GIZ, KfW, ADB, IDB, GPOBA, JICA, USAID and DFID came forward with additional financing support for the expansion of the program.

IDCOL disbursed US\$ 504 million (Tk. 41,727 million) as credit and channelled US\$ 97 million (Tk. 7,042 million) as grant to all the participating organisations (POs) under the program.

Biogas & Bio-fertilizer Program

As of December 2022, a total of 65,224 biogas plants have been constructed under the program. During the reporting period, 4,090 plants were constructed by the POs. Till December 2022, IDCOL provided credit facility amounting to Tk. 786 million to the POs.

Improved Cook Stove (ICS) Program

The ICS program was inaugurated by the Hon'ble Prime Minister Sheikh Hasina in May 2013, envisioning a national installation target of 1 million stoves by December 2018. Post successful implementation of the program's first phase, IDCOL has been implementing the



second phase with the target of installing an additional 4 million improved cook stoves by 2023. Till December 2022, a total of 3.7 million stoves were installed and the program is on course to achieve the target within the stipulated timeframe.

Renewable Energy Projects

IDCOL financed the installation of 26 solar mini-grids in remote off-grid regions of Bangladesh with a combined capacity of 5 MW. These mini-grids provide grid-quality electricity to 20,000+ households and commercial entities, thereby creating easy access to low-emission electricity. The average capacity of a mini-grid is 250 kW, with about 500 connections.

As of December 2022, 1,523 solar irrigation pumps went into commercial operation under IDCOL’s financing program, benefitting 65,000+ famers and smallholder collectives.

The company has approved 35 rooftop solar projects till 2022, of which 25 projects have already commenced

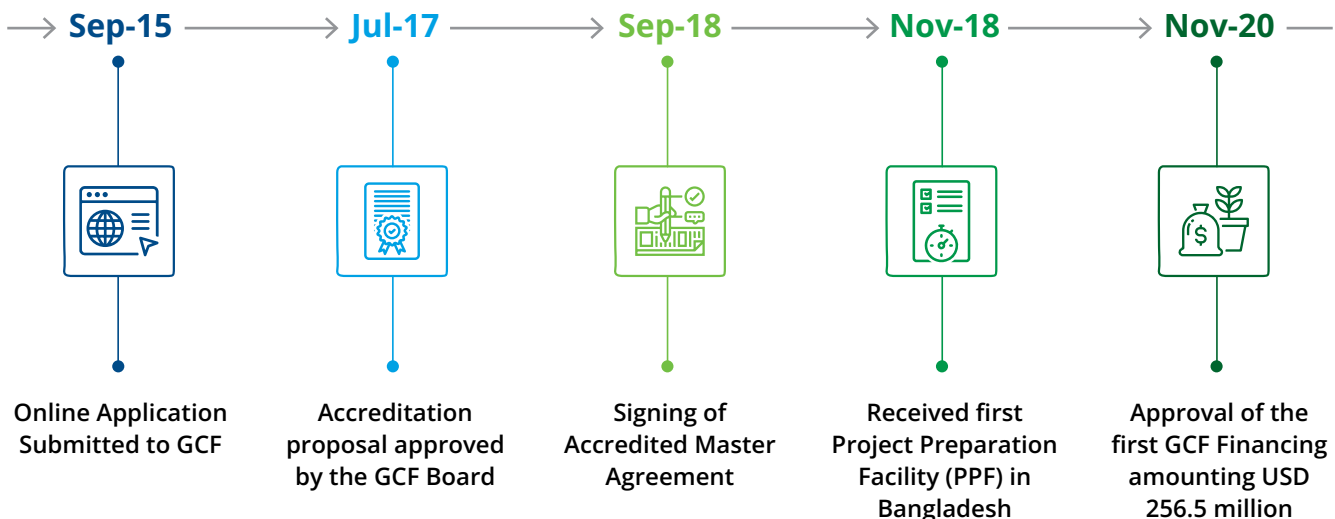
electricity generation. The combined capacity of these rooftop solar systems is 40 MW. IDCOL has also financed an 8 MW (AC) grid-tied solar power plant at Tetulia in Panchagarh district by Sympa Solar Power Limited.

Green Climate Fund

Established by the United Nations Framework Convention on Climate Change (UNFCCC) and serving the Paris Agreement, the Green Climate Fund (GCF) is the world's largest climate fund. GCF's mandate is to support developing countries in climate action. Currently, GCF's portfolio consists of 209 projects and programmes with committed amount of US\$ 11.3 billion in GCF resources and USD 42.4 billion with co-financing.

IDCOL is Bangladesh’s one of the two accredited national Direct Access Entities (DAEs) that can directly access both loan and grant up to US\$ 250 million for each GCF project.

IDCOL’s Timeline of GCF Financing



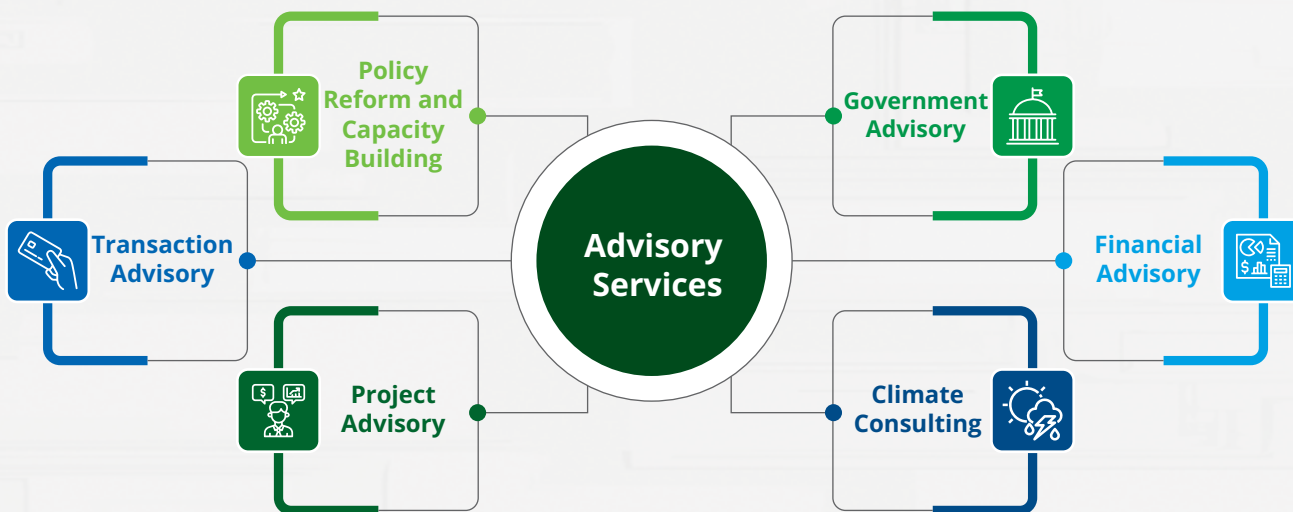
On 13 November 2020, IDCOL obtained approval of its first funding proposal titled “Promoting private sector investment through large-scale adoption of energy saving technologies and equipment for Textile and Readymade Garment (RMG) sectors of Bangladesh”. This was the first concessional GCF credit line for Bangladesh as well as the first private sector financing under GCF in the country. Till approval, it was also the largest approved funding proposal for any DAE of GCF, accredited globally.

Under the program, IDCOL will receive US\$ 250 million concessional loan for a tenor of 21 years and US\$ 6.48 million as technical assistance (grant). Of the total, US\$ 100 million will be utilised to finance textile sector energy-efficiency projects, while the balance US\$ 150 million will be channelled to selected local financial institutions for financing RMG projects.

IDCOL is also actively working on a funding proposal for a public sector project comprising assistance to the Bangladesh Forest Department, which falls under the Ministry of Environment, Forest and Climate Change, to secure a US\$ 50 million grant to enhance the coastal green belt by implementing afforestation and reforestation activities and providing sustainable livelihood options to vulnerable coastal community.

Advisory Services

IDCOL has been providing advisory services both in Bangladesh and abroad since 2014, leveraging its expertise in renewable energy, climate financing, project financing, financial analysis, financial modelling, and project management. In 2022, IDCOL was awarded four advisory assignments.



The company has been providing support to the Ministry of Energy of the Government of Malawi as the fund manager of the Malawi Off-Grid Market Development Fund to develop the local solar market. IDCOL will operationalise the US\$ 20 million financing window to address the challenges of scaling up the off-grid market by providing debt financing as working capital support, grant facility for end-user subsidy, and a market catalyst fund to support local companies. The fund, supported by the World Bank under the Malawi Electricity Access Project, targets to electrify 200,000 new households in remote rural communities. The solar home systems (SHSs) will ensure affordable electricity access to underserved and hard-to-reach population segments by engaging local off-grid solar companies.

IDCOL has been providing advisory to the Skills for Employment Investment Program (SEIP) project under the Finance Division to support the development of a business plan for capacity-building and skills development for Bangladesh's renewable energy sector. The SEIP project was launched in 2014 with ADB to support comprehensive long-term national skills development efforts. Tranche 1 and Tranche 2 addressed the skills requirements of nine industry sectors through implementation of market responsive and inclusive skills training programs. Under Tranche 3 of the project, SEIP is focusing on identifying and developing skills for the renewable energy sub-sector. IDCOL has completed the analysis and has submitted a business plan as per requirements of the assignment. The company has estimated that up to 16,698 new jobs can be created in the renewable energy sector by 2030.

In June 2021, USAID launched the Bangladesh Advancing Development and Growth through Energy (BADGE) project for improving access to affordable, reliable and sustainable energy systems, and promoting transparent and efficient energy markets. Tetra Tech Inc. is the implementing entity of the project. IDCOL, in association with Ahsanullah University of Science and Technology, has been selected for supporting USAID BADGE project activities. The objective is to conduct a research-based study on zero-carbon transportation system utilising

electric vehicles (EVs) and provide recommendation on the development of supporting energy infrastructure in Bangladesh. The consultant team will conduct a baseline survey, take stock of existing EV usage in Khulna City Corporation and peripheral areas, provide recommendations on supporting EV charging network and development of renewable energy-based EV charging stations, and conduct gender equality, youth and social inclusion assessment in the electric mobility sector.

In September 2020, Green Climate Fund (GCF) approved a readiness proposal for strengthening Bangladesh's NDA Secretariat for enhancing pipeline implementation and private sector engagement in effective climate action. Food and Agriculture Organization (FAO) was the project's implementation entity. In this regard, IDCOL was awarded a consultancy assignment to develop a background paper that will review and analyse the existing micro, small and medium enterprises (MSMEs), particularly in textile, agriculture and food industry, energy, waste and industrial processes and product use sectors on existing barriers and risks towards engagement in climate action and investment. The dissertation will ultimately guide the discussions of a national stakeholder dialogue with MSMEs and public entities in their role towards sustainable climate action initiatives.

Internal Audit

IDCOL's internal audit has been established to provide independent assurance to an organisation's risk management, governance and internal control processes to assess whether they are operating effectively. This is done by providing insights and recommendations based on analyses and assessment of data and business processes.

The scope of the internal audit unit of IDCOL is also broad and involves governance, risk management, and management control over efficiency/effectiveness of operations (including safeguarding of assets), reliability of financial and management reporting, and compliance with applicable laws and regulations. Our internal auditors also conduct proactive audits and reviews to identify control breakdowns and financial loss. In addition, they



advise the management and the Board on discharging and executing their obligations in a responsible and effective way.

Risk Management

At IDCOL, a risk-aware culture is promoted throughout the organisation, aimed at ensuring effective risk management. It is built upon the best practices of corporate governance that enables the institution to accomplish sustainable governance and risk management.

IDCOL's Risk Management Unit provides independent assessment of each business proposal, strictly adhering to the Risk Management Framework. The company has a structured credit approval process that ensures 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, who forwards it to the Credit Risk Management Committee for recommendation and subsequent approval by the Credit Committee and Board of Directors.

The Risk and Special Asset Management team is tasked to measure and suggest mitigation of the identified risks. This paves the way for IDCOL to take appropriate decisions towards undertaking projects and, at the same time, protect it from any possible risk arising from its businesses. The Risk and Special Asset Management team has been split into four units, namely: Credit Risk Management Unit (CRM), Legal Unit, Compliance Unit, and Special Asset Management Unit (SAM).

Every unit has a framework that guides the process of risk identification, measurement, mitigation and reporting. To embed the risk management framework across IDCOL, the roles and responsibilities for risk management are defined under a three-line defense model carried out by the business department, the risk management department, and the internal audit department. Each line of defense has a clearly demarcated set of responsibilities, which ensures sound risk management.

Overall, in conjunction with the CRM, SAM, Compliance Unit and Legal Unit, IDCOL strives to maximise risk-adjusted returns aimed at ensuring the company's stable and sustained growth. From pre-approval stage to the disbursement of each tranche of fund, the vital inputs of all units strengthen the risk management framework embedded throughout the organisation.

Status of loans

As of December 2022, the overall collection rate of IDCOL's loans was around 93 percent against cumulative installment due. The classified loan accounts were closely monitored and necessary action was taken against defaulters to recover the outstanding amount. Classified loans as a percentage of the total outstanding loan was 10.19 percent as on 31 December 2022.

Notably, during the reporting year, total classified loan amount was BDT 754 crore, out of which an amount of BDT 507.64 crore and BDT 168.14 crore were related to the

SHS program portfolio and brick manufacturing projects portfolio, respectively. Notably, these were government priority development sectors and due to certain setbacks, loans under these portfolios are struggling. Classified loan without considering the SHS program stood at BDT 246.37 crore (3.33%) and without considering both the SHS and brick manufacturing programs stand at BDT 78.22 crore (1.06%).

Short-Term Investment

During the reporting period, IDCOL earned BDT 1,026.19 million through efficient utilisation of its surplus funds, out of which BDT 20.52 million was earned from short-term deposits, BDT 1,002.04 million from fixed deposits, and BDT 3.63 million from call money operations.

IDCOL's Debt Service Performance

During the reporting period, IDCOL's debt service obligation under all the loans were current. The Company serviced total debt of BDT 5,696 million under various projects. Of the total, BDT 1,105 million was paid as interest and fees, while BDT 4,591 million was paid as principal repayment.

Our Regional Offices

Currently, IDCOL has 17 regional offices across the country, which monitors different programs and projects under its Renewable Energy (RE) Department. These offices are located in Dhaka, Chattogram, Rangpur, Sylhet, Khulna, Barishal, Bogura, Barguna, Cumilla, Faridpur, Mymensingh, Noakhali, Rajshahi, Thakurgaon, Kushtia, Jamalpur and Jashore districts.

Each Regional Office has 5-30 inspectors, whose job mandate is inspection and maintenance of asset quality. Currently, a total of 257 quality inspectors conduct physical inspection and monitor operations of various IDCOL-financed renewable energy programs and projects around the country.

Credit Rating

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

Directors' Responsibilities in the Preparation of Financial Statements

The Company Law requires the Directors to prepare financial statements for each financial year that provide a true and fair view on the state of affairs and on the profit or loss of the Company at the end of each financial year. The Directors are responsible for preparing the Company's financial statements in accordance with the applicable laws and regulations. They 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 IDCOL Board confirms that the financial statements have been prepared under the applicable laws and regulations and as per the requirements of regulatory authorities. At the same time, the Board provides the auditors unambiguous instruction about the steps and actions they need to take so that they can prepare an independent audit report, free of any bias or pressure.

Going Concern

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

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, which ended on 31 December 2022, the applicable accounting standards have been followed, along with proper explanations relating to material departures, if any;
- That such accounting policies have been adopted and applied consistently and the judgment and estimates have been made on that basis are reasonable and prudent so as to give a true and fair picture of the state of affairs of the Company as on 31 December 2022, and of the profit of the Company for the year, which 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; and
- That the annual accounts have been prepared on a going concern basis.

Integrated Reporting

The Annual Report 2022 of IDCOL has been presented as an integrated report in accordance with the International <IR> Reporting framework of the Value Reporting Foundation and on a basis that ensures reporting is consistent over time. It provides an insight into the nature and quality of IDCOL's relationship with its key stakeholders by providing transparency, accountability and its value delivery approach to stakeholders. It also includes all matters without material error and incorporates the efforts the Company has taken towards ensuring economic prosperity, environmental sustainability, and social well-being of the country towards a brighter future for all.

Director's Meeting & Attendance

From 01 January to 31 December 2022, a total of 11 (eleven) Board meetings were held. During this period, the aggregate attendance of the Directors recorded was more than 90 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 were conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which required decisions outside the scheduled meetings.

Corporate Governance

Since its inception more than 26 years ago, IDCOL has rigorously adhered to the principles of sound corporate governance. To further underscore its commitment to judicious practices, the Board lays emphasis on transparency, accountability and integrity. At the same time, the Board remains committed to guiding the strategic development of the Company and supports the principle of collective responsibility for success. A separate detailed report on Corporate Governance is included as part of the Annual Report.

Contribution to the National Exchequer and the Economy

During FY 2022, the Company contributed a total of BDT 901 million as corporate tax, BDT 47 million as Tax Deducted at Source (TDS), BDT 37 million as VAT, BDT 7 million as excise duty, and BDT 500 million as dividend to the Government. Consequently, an amount of BDT 1,492 million was deposited to the national exchequer. IDCOL has been awarded the Top Taxpayer's Award in FY2013-14, FY2014-15, FY2017, FY2018, FY2020 and FY2021.

Auditors

M/s Hoda Vasi Chowdhury & Co, Chartered Accountants, have been appointed as auditors for the Company's accounts for the year starting from January 2022 to December 2022. 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. The Board recommended appointing M/s Hoda Vasi Chowdhury & Co, Chartered Accountants, as the auditor of IDCOL.

Acknowledgement

I express my sincere thanks and gratitude to our development partners, partner organisations and the Board for their continuous assistance and guidance and for their confidence reposed in IDCOL. I also take this opportunity to commend the Management team and all the employees of the Company for their hard work, dedication, commitment and integrity, which has brought IDCOL to the level of a premier development financial institution of Bangladesh.

By order of the Board



Sharifa Khan
Chairman, IDCOL Board



TOGETHER FOR TOMORROW

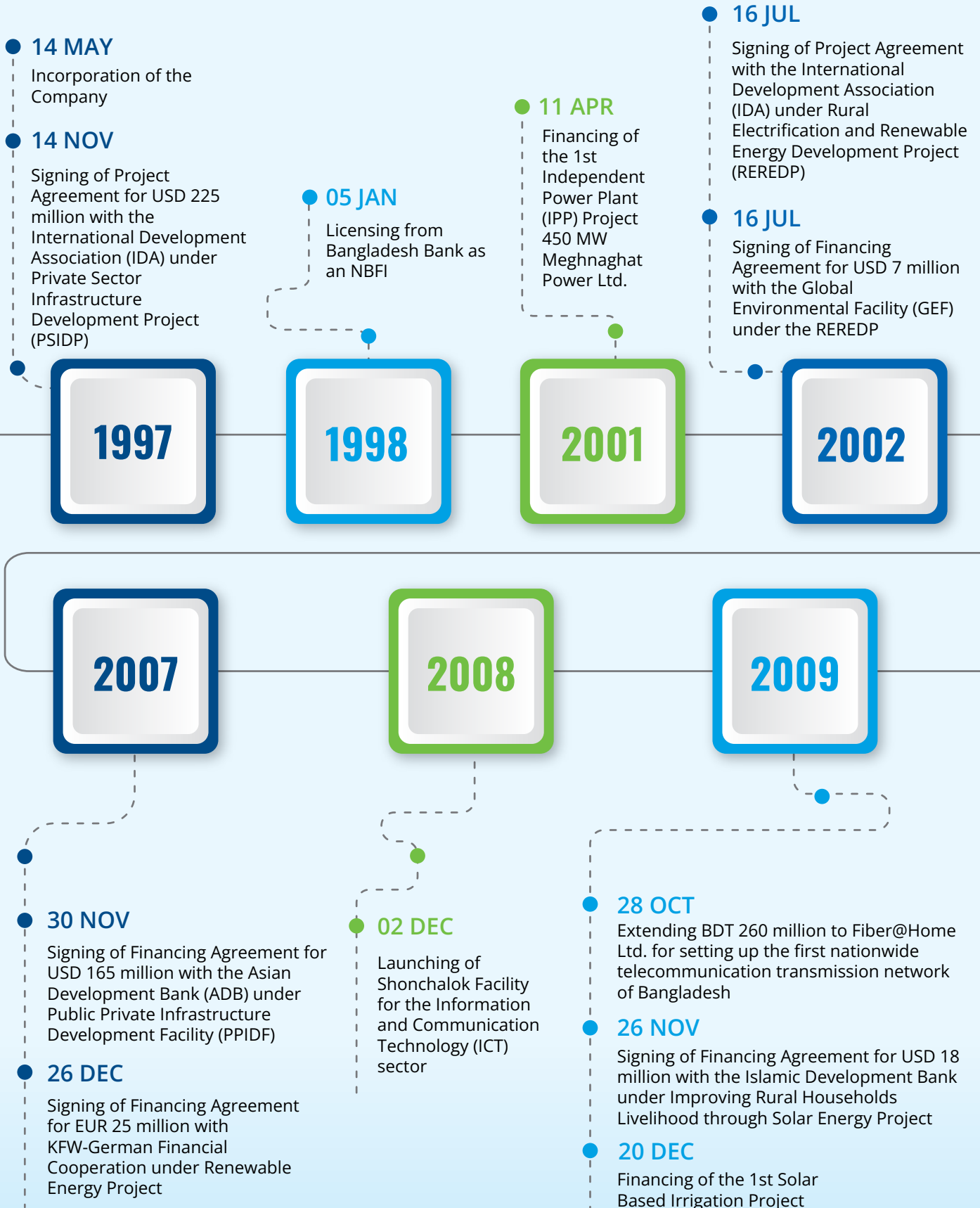
Financing Sustainable & Inclusive Growth





ABOUT IDCOL

FROM STEPPING STONES TO MILESTONES



● **01 JAN**

Commencement of the Solar Home System (SHS) Program

2003

● **14 DEC**

Financing of the 1st ever Satellite Earth Station project in Bangladesh

2004

● **06 SEP**

Inauguration of the installation of 50,000 SHSs by the Honorable Prime Minister

2005

● **05 JAN**

Financing of the 1st ever land ports operated through the private sector on Build, Operate and Transfer (BOT) arrangement

2006

2010

● **01 APR**

Opening of the 1st Regional Office under the SHS Program

● **12 APR**

Financing of the 1st Solar Based Mini-Grid Project

2012

● **18 FEB**

Celebration of the installation of 1 million new Solar Home Systems and 20,000 Biogas plants with the Honorable Prime Minister

2013

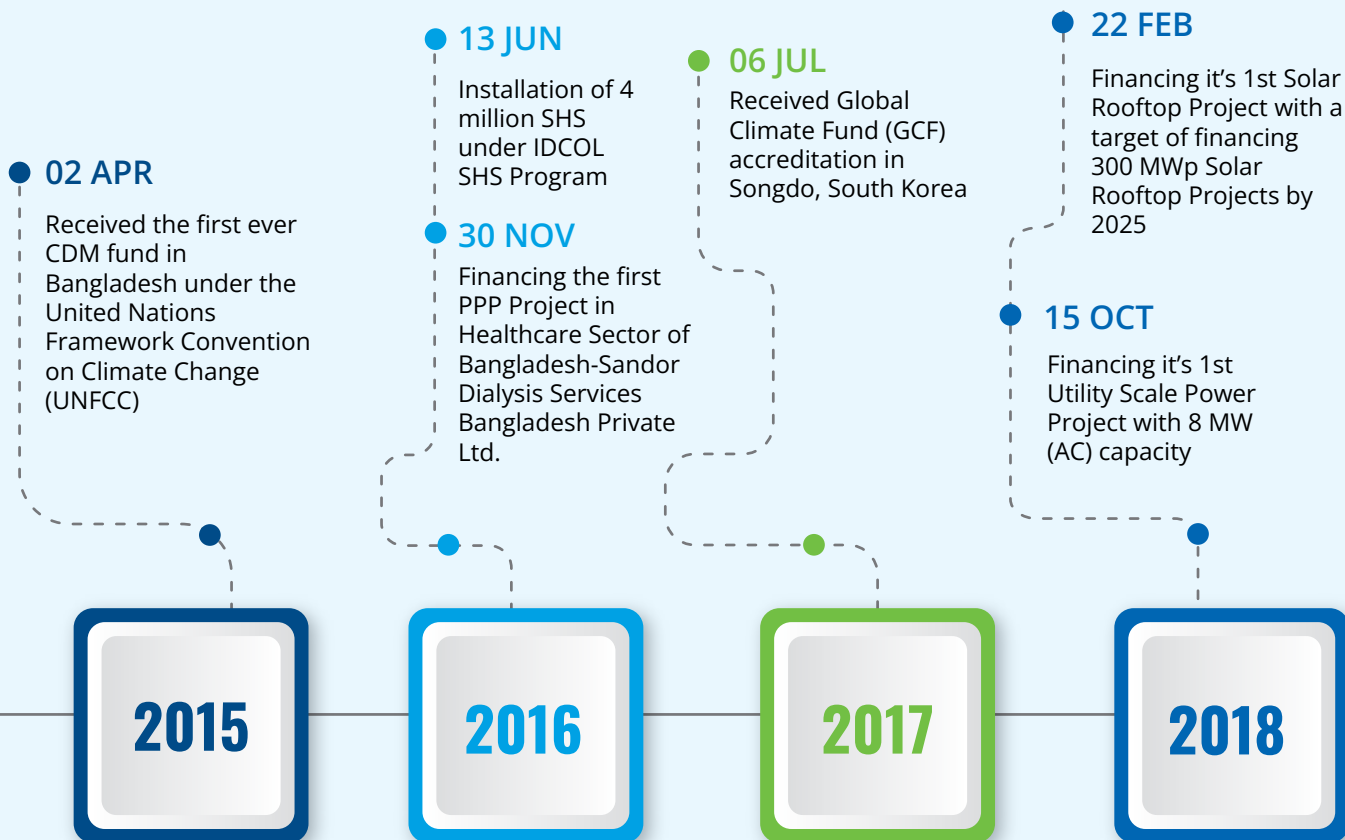
● **12 MAY**

Celebration of the installation of 2 million Solar Home Systems and launching of the installation of 1 million Improved Cooked Stoves (ICS) Project with the Honorable Prime Minister

2014

● **05 NOV**

Celebration marking the installation of 3 million Solar Home Systems with the Honorable Prime Minister



● **30 MAR**
Installation of 50,000 biogas plants under IDCOL Biogas & Bio-fertilizer Program

● **07 JUL**
● IDCOL received GCF approval for upgradation its accreditation for Grant instrument under which it will be able to channel grant component in climate change program/project for an amount up to USD 250.00 million.

● **09 NOV**
Inauguration of first ever grid integration of solar irrigation pump

● **31 DEC**
Became the Highest Fund Arranger (USD 190 m) in Bangladesh for private sector projects

● **31 DEC**
Installation of 2 million ICS under IDCOL ICS Program

2019

2019

2019

2021

2022

2022

2022

● **25 FEB**
IDCOL signed participation agreement with Bangladesh Bank for utilizing 'Technology Development/ Upgradation Fund' of BDT 1,000 crore for Export Oriented Industrial sectors.

● **26-APR**
Signing of loan agreement for USD 200 million with Asian Infrastructure Investment Bank (AIIB) for financing infrastructure projects in Bangladesh

● **14-MAY**
Celebration of silver Jubilee

● **1-JUN**
Signing of contract with Ministry of Energy, Government of Malawi for "Consultancy Services for the Fund Manager for Off-Grid Market Development Fund"

● **20-JUL**
Signing of Funded Activity Agreement (FAA) with GCF for USD 256.5 million concessional financing to promote energy efficiency in textile and RMG sectors of Bangladesh

● **23-DEC**
Signing of loan Agreement for EUR 40 million and grant agreement for EUR 1 million with German Development Bank, Kreditanstalt für Wiederaufbau (KfW) for financing and promoting energy efficiency in the industry.

● **26-DEC**
Signing of loan agreement for USD 278.29 million with the Asian Development Bank (ADB) under Public Private Infrastructure Development Facility (PPIDF) 3 Tranche 2 credit line

AWARDS & RECOGNITIONS



- 1st Position in the Highest Taxpayer Award under "Non-Bank Financial Institution" category by National Board of Revenue (NBR) for the Tax Year 2021-2022



- Certificate of Appreciation by Large Taxpayers Unit, Dhaka of National Board of Revenue for being the Highest Taxpayer under "Non-Bank Financial Institution" category for Fiscal Year 2021-2022



- 1st Position in the 22nd National Award for Best Presented Annual Report under the "Public Sector category" by Institute of Chartered Accountants of Bangladesh (ICAB)



- Green Leaders of Bangladesh 2022 Award by Greentech Foundation Bangladesh



- 1st position in the Highest Income Tax Payer Award under the Non-Bank Financial Institution category by the National Board of Revenue (NBR) for Assessment Year 2020-2021



- 2nd Position in the 21st National Awards for Best Presented Annual Reports 2020 under the Public Sector category by Institute of Chartered Accountants of Bangladesh (ICAB)





■ Certificate of Merit in SAFA Best Presented Annual Report Awards 2021 under the "Public Sector" category by South Asian Federation of Accountants (SAFA)

■ IJGlobal Awards 2021 as the Institution of the year in the "Public Sector Institution" category in the Asia-Pacific region

■ Asian Power Awards 2022 under 'Solar Power Project of the Year - Bangladesh' for IDCOL Solar Mini-grid program



■ Certificate of Appreciation for being one of the Highest Taxpayers under the Non-Bank Financial Institution category by Large Tax Payers Unit (LTU), Dhaka of National Board of Revenue (NBR) for the Assessment Year 2020-2021

■ Certificate of Merit in SAFA Best Presented Annual Report Awards 2020 under the Public Sector Entities category

■ ARE Awards 2020 under the "Multilateral / International Organization" category for the Solar Mini-Grid projects by the Alliance for Rural Electrification (ARE)





■ 1st position in the Highest Income Tax Payer Award under the Non-Bank Financial Institution category by the National Board of Revenue (NBR) for Assessment Year 2019-2020



■ Asian Power Awards 2020 under the "Solar Power Project of the Year-Bangladesh" category for the Solar Irrigation Pump Projects by the Asian Power Magazine.



■ Karlsruhe Sustainable Finance Awards 2020 under the "Outstanding Sustainable Project Financing" category for the Solar Irrigation Pump Projects by the European Organization for Sustainable Development (EOSD)



■ 3rd Position in the 19th National Awards for Best Presented Annual Reports 2018 under Public Sector Entities category by Institute of Chartered Accountants of Bangladesh (ICAB)



■ SAFA Best Presented Annual Report Award 2018 under the Public Sector Entities category



■ SAFA Best Presented Annual Report Award 2017 under the Public Sector Entities category



■ Best Corporate Award 2019 under the “Non-bank Financial Institutions” category by The Institute of Cost and Management Accountants of Bangladesh (ICMAB)



■ 1st position in the Highest Income Tax Payer Award under the “Non-Banking Financial Institutions” category by National Board of Revenue for Assessment Year 2018-19



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



■ 3rd Position in the 18th National Awards for Best Presented Annual Reports 2017 under Public Sector Entities category by Institute of Chartered Accountants of Bangladesh (ICAB)



■ SAFA Best Presented Annual Report Award 2016 under the Public Sector Entities category



■ 2nd Position in the 17th National Awards for Best Presented Annual Reports 2016 under Public Sector Entities category by Institute of Chartered Accountants of Bangladesh (ICAB)



- SAFA Best Presented Annual Report Award 2015 under the Public Sector Entities category



- 1st Position in the Best Corporate Award 2015 under the "Non-bank Financial Institutions" category by The Institute of Cost and Management Accountants of Bangladesh (ICMAB)



- 1st Position in the 16th National Awards for Best Presented Annual Reports 2015 under Public Sector Entities category by Institute of Chartered Accountants of Bangladesh (ICAB)



- Asia Power and Electricity Award 2014 under the Solar Project of the Year category



- 2nd Position in the Best Corporate Award 2014 under the "Non-bank Financial Institutions" category by The Institute of Cost and Management Accountants of Bangladesh (ICMAB)



■ 1st position in the Highest Income Taxpayer Award under the Non-Bank Financial Institution category by the National Board of Revenue (NBR) for Assessment Year 2015-2016



■ 1st position in the Highest Income Taxpayer Award under the Non-Bank Financial Institution category by the National Board of Revenue (NBR) for Assessment Year 2014-2015



■ 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



■ 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



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

EVENTS & ACHIEVEMENTS

Celebrating Milestones

Silver Jubilee Celebration Event of IDCOL

IDCOL celebrated its fabulous Silver Jubilee event in a grand manner at hotel Le Meridian on 14 May 2022 in the presence of the current and former Board of Directors and CEOs, Government Officials, Development Partners, Project Donor, Employees, and other key stakeholders.



Groundbreaking Ceremony of IDCOL Green Tower

The Groundbreaking Ceremony of Infrastructure Development Company Limited (IDCOL) Green Tower was held at the Liberation War Museum Auditorium in the capital's Agargaon area on Thursday, 15 September 2022. Mr. AHM Mustafa Kamal, FCA, MP, Hon'ble Minister, Ministry of Finance, graced the event as the Chief Guest. The event was attended by members of the Board, employees, and key stakeholders of IDCOL.



Team Building Offsite Meeting at Dhali's Amber Nivaas resort

IDCOL organized a retreat program called "Team Building offsite Meeting" at Dhali's Amber Nivaas resort on 16 June 2022 to 18 June 2022 to celebrate its Silver Jubilee in the presence of board members and company officials.



Greetings to members of Board of Directors

Welcoming the new Chairman of IDCOL

On behalf of Infrastructure Development Company Limited (IDCOL), Mr. Alamgir Morshed, Executive Director & CEO, IDCOL exchanged greetings and congratulated Ms. Sharifa Khan on her appointment as the Secretary of Economic Relations Division, Ministry of Finance, and appointment as Chairman of IDCOL. Mr. Abdul Baki, Additional Secretary (WB Wing), Economic Relations Division & Director, IDCOL and Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL were also present.





Congratulating former Chairman and Director for her new role

On behalf of Infrastructure Development Company Limited (IDCOL), Mr. Alamgir Morshed, Executive Director & CEO, IDCOL exchanged greetings and congratulated Ms. Fatima Yasmin on her appointment as the Senior Secretary of Finance Division, Ministry of Finance. Mr. Abdul Baki, Additional Secretary (WB Wing), Economic Relations Division & Director, IDCOL and Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL were also present.

In 2020, Ms. Yasmin became the first woman to serve as a secretary in the Economic Relations Division & became the first female Chairman of IDCOL. Under her magnificent leadership & idealistic supervision, IDCOL could move forward towards sustainable growth. As she remains with IDCOL as Director upon taking on the new role, we look forward to achieving more under her guidance.



Farewell to Former Board of Director

On behalf of Infrastructure Development Company Limited (IDCOL), Mr. Alamgir Morshed, Executive Director & CEO, IDCOL & Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL, exchanged greetings and congratulated Mr. Abdur Rouf Talukder on his appointment as the Governor of Bangladesh Bank. Prior to his new role, Mr. Talukder served as the Senior Secretary of the Finance Division and worked as the Director of IDCOL Board.

Farewell to Former Board of Director

Mr. Alamgir Morshed, Executive Director & CEO, IDCOL exchanged greetings and congratulated Mr. Abdul Baki on his appointment as the Member (Secretary) of the Planning Commission on behalf of Infrastructure Development Company Limited (IDCOL). Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL and Mr. M. Maftun Ahmed, Company Secretary, IDCOL were also present there.



Securing New Credit Lines



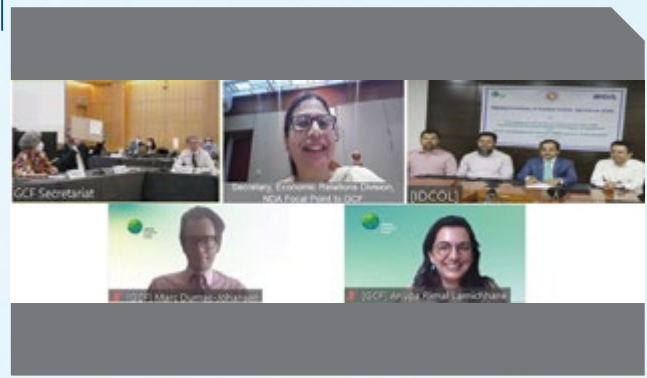
Signing of loan agreement with ADB for the PPIDF3 Tranche 2 credit line

IDCOL signed a loan agreement with Asian Development Bank (ADB) for the PPIDF3 Tranche 2 credit line on 26 December 2022. Under this credit line, IDCOL will avail USD 278.29 million dollars including both OCR and OCR (concessional) components. Mr. Alamgir Morshed, Executive Director & CEO of Infrastructure Development Company Limited (IDCOL); Mr. Quazi Muhammad Ferdous, Chief Engineer of Bangladesh Bridge Authority,

nominated representatives of designated municipalities and Mr. Jiangbo Ning, Deputy Country Director & Officer-in-charge of Bangladesh resident mission, ADB, signed the respective project agreements. Ms. Sharifa Khan, Secretary, Economic Relations Division (ERD) signed the agreement on behalf of the Government of Bangladesh. Senior officials of all the respective organizations were present at the ceremony.

Signing of agreement for first concessional GCF credit line for Bangladesh

IDCOL as the Direct Access Entity (DAE) of GCF, signed a Funded Activity Agreement (FAA) with GCF to receive USD 256.5 million concessional financing to promote energy efficiency in textile and RMG sectors of Bangladesh on 20 July 2022. The signing ceremony was held online. This is the first concessional GCF credit line for Bangladesh, as well as the first private sector financing of GCF in the country. This fund will catalyze climate finance in low-emission and climate-resilient development of the industrial sector.



AIIB extended \$200M credit to IDCOL for infrastructure projects in Bangladesh

Asian Infrastructure Investment Bank (AIIB) extended \$200 million long-term credit facility to IDCOL for financing infrastructure projects in Bangladesh. In this regard, a loan agreement was signed by Economic Relations Division (ERD) under Ministry of Finance on 26 April 2022. The credit facility would be utilized to finance priority private sector infrastructure projects in sectors like energy, transport, ICT, energy efficiency, renewable energy, social infrastructure etc.



Secured fund from the German Development Bank, Kreditanstalt für Wiederaufbau (KfW) to finance and promote energy efficiency

Infrastructure Development Company Limited (IDCOL) has secured EUR 40 million as loan and EUR 1 million as grant from the German Development Bank, Kreditanstalt für Wiederaufbau (KfW) to finance and promote energy efficiency in the industry. Focusing on Energy Efficiency, the fund will be utilized for various purposes including energy efficiency extensions or replacement of equipment & machinery with a view to reducing final energy



consumption and related CO₂ emission by at least 20%. The Loan and Grant Agreement between the People's Republic of Bangladesh and KfW was signed on 23 December 2022 while a Separate Agreement was subsequently signed between KfW and IDCOL.

Meetings, Dialogues, Workshop, Conferences

The twenty-fifth Annual General Meeting (AGM) of Infrastructure Development Company Limited (IDCOL) was held on 27 June 2022



The twenty-fifth Annual General Meeting (AGM) of Infrastructure Development Company Limited (IDCOL) was held on 27 June 2022 via virtual platform. Ms. Fatima Yasmin, Chairman, IDCOL and Secretary, Economic Relations Division presided over the meeting. During the FY 2021 Company's profit before tax and provision was Tk. 397.67 crore. The AGM declared the dividends for a total amount of Tk. 100 crore comprising of an amount of Tk. 50 crore as cash dividend; and an amount of Tk. 50 crore for increasing the Company's paid-up capital to Tk. 788 crore from the existing Tk. 738 crore by way of issuing bonus shares.

Ms. Fatima Yasmin, Chairman, IDCOL and Secretary, Economic Relations Division, Dr. Ahmad Kaikaus, Shareholder, IDCOL and Principal Secretary to the HPM, Prime Minister's Office, Mr. Abu Hena Md. Rahmatul Muneem, Shareholder, IDCOL and Chairman, National Board of Revenue (NBR), Mr. Abdur Rouf Talukder, Director and Shareholder, IDCOL and Senior Secretary, Finance Division, Mr. M. Tofazzel Hossain Miah, Director and Shareholder, IDCOL and Secretary, Prime Minister's

Office, Mr. Md. Habibur Rahman, Director and Shareholder, IDCOL and Secretary, Power Division, Mr. Tapan Kanti Ghosh, Shareholder, IDCOL and Secretary, Ministry of Commerce, Mr. Abdul Baki, Director and Shareholder, IDCOL and Additional Secretary, Economic Relations Division, Ms. Nihad Kabir, Director and Shareholder, IDCOL, Mr. Abdul Haque, Director and Shareholder, IDCOL, Mr. A. K. M. Nurul Fazal Bulbul, Director & Shareholder, IDCOL and Mr. Alamgir Morshed, Executive Director and CEO, IDCOL attended the 25th AGM of IDCOL.



IDCOL organized its 2nd workshop on “Installation of Industrial Rooftop Solar System: Prospects & Benefits.”

IDCOL organized its 2nd workshop on “Installation of Industrial Rooftop Solar System: Prospects & Benefits” on 30 March 2022 at the InterContinental Hotel, Dhaka. The objective of the workshop was to promote rooftop solar technology among the members of H&M, a Swedish multinational clothing company known for its fast-fashion clothing, supported us once again in organizing

the event. Owners and senior officials from approximately fifty textile and garment industries are expected to join the event. Mr. Abdur Rouf Talukder, Senior Secretary, Finance Division, Ministry of Finance and Director, IDCOL graced the occasion as the Chief Guest. Ms. Fatima Yasmin, Secretary, Economic Relations Division (ERD) and Chairman, IDCOL graced the occasion as Chair.

IDCOL organized its 3rd workshop on “Installation of Industrial Rooftop Solar System.”

IDCOL organized its 3rd workshop on “Installation of Industrial Rooftop Solar System” at M. Anis Ud Dowla Conference Hall, Police Plaza Concord, Dhaka on 07 September 2022. The objective of the workshop was to promote rooftop solar technology among the members of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI). Mr. Habibullah N. Karim, Vice President, Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI) attended the event as the Special Guest. Md.



Habibur Rahman, Secretary, Power Division, Ministry of Power, Energy & Mineral Resources and Director, IDCOL graced the occasion as chief guest. Ms. Sharifa Khan, Secretary, Economic Relations Division (ERD) and Chairman, IDCOL graced the occasion as Chair at the event.



Workshop on Scaling Up Electric Vehicle Uptake in Bangladesh under UK Government’s UK PACT Green Recovery Challenge Fund

IDCOL organized a workshop on “Scaling Up Electric Vehicle Uptake in Bangladesh” at Hotel InterContinental, Dhaka. The workshop was organized as part of the UK Government funded “Road to a Green Bangladesh” project that is identifying scalable business models and a financing ecosystem for businesses with an aim for electric vehicle (EV) uptake in Bangladesh. Earlier, IDCOL

received funding from the UK Government Department for Business, Energy, and Industrial Strategy (BEIS) under its UK PACT (Partnering for Accelerated Climate Transitions) Green Recovery Challenge Fund (GRCF). IDCOL engaged with the individual transport providers / SMEs / cooperatives with an aim for EV uptake in Bangladesh.



Arranged IDCOL-Industry Dialogue for Advancing Investments in Energy Efficiency and Environment friendly technologies

The IDCOL-Industry Dialogue for Advancing Investments in Energy Efficiency and Environment Friendly Technologies was held at Hotel InterContinental, Dhaka on Wednesday, 28 September 2022. Mr. Md. Habibur Rahman, Honorable Secretary, Power Division, Ministry of Power, Energy & Mineral Resources, graced the event as the Chief Guest.



Participated in the Global Programming Conference

Mr. Alamgir Morshed, Executive Director & CEO, IDCOL participated in the Global Programming Conference which was held from 13-16 September 2022. He also participated in the GCF Private Investment for Climate Conference which was held from 15-16 September 2022. Both the events were held in Songdo, Incheon, Korea. The conference was held with the aim of bringing together all GCF NDA or Focal Points, Accredited Entities and other GCF Stakeholders to provide a platform for high level dialogue on country and entity programming plans with the GCF. Till date, IDCOL has received approval from GCF on USD 256.5 million concessional funding to promote energy efficiency in textile & RMG sectors of Bangladesh. Md. Enamul Karim Pavel, head of Renewable Energy, IDCOL, also attended the conference.



National stakeholder workshop on “Groundwater Irrigation in Bangladesh: Changing Modalities, Resultant Policies”

A National stakeholder workshop on “Groundwater Irrigation in Bangladesh: Changing Modalities, Resultant Policies” took place on 21st December 2022 in Pan Pacific Sonargaon Hotel, Dhaka which was organized in collaboration with Infrastructure Development Company Limited (IDCOL), NGO Forum, CGIAR initiative “Transforming Agrifood System in South Asia” (TAFSSA)

and International Water Management Institute (IWMI). This is under the “Solar Irrigation for Agricultural Resilience” (SoLAR) project funded by Swiss Agency for Development and Cooperation (SDC). Mr. Md. Enamul Karim Pavel, Head of Renewable Energy, IDCOL and Ms. Divya Sharma, Deputy Head of Cooperation, Swiss Agency for Development and Cooperation (SDC) delivered welcome remarks and commenced the workshop. The event was also attended by Ms. Munira Sultana, Chairman, SREDA who graced the occasion as the Chief Guest.

Awards, Appreciation & Accolades

Received IJGlobal Awards 2021

IDCOL received the prestigious “IJGlobal Awards 2021” under the “Public Sector Institution” category in the Asia-Pacific region. The IJGlobal Awards recognize outstanding transactions and institutions from around the world of energy and infrastructure.



ICAB National Award for Best Presented Annual Report

IDCOL was awarded the First Position in the 22nd ICAB National Award for Best Presented Annual Report. IDCOL was awarded under the Public Sector category. The competition was based on an independent evaluation of the Review Committee for Published Accounts & Reports (RCPAR) of Council - ICAB and due recommendation of the Jury Board.

Received Highest Taxpayer Award 2021-2022

IDCOL was awarded 1st Position in the Highest Taxpayer Award from National Board of Revenue (NBR) under Non-Bank Financial Institution category for the Tax Year 2021-2022. NBR also presented Tax Cards in favor of Ms. Sharifa Khan, Chairman, IDCOL & Mr. Alamgir Morshed, Executive Director & CEO, IDCOL.



SAFA Best Presented Annual Report Award 2021

IDCOL received SAFA Best Presented Annual Report Award 2021. IDCOL was awarded ‘Certificate of Merit’ under Public Sector category. The Awards under different categories are conferred based on the evaluation administered by SAFA’s Committee for Improvement in Transparency, Accountability & Governance, of the published annual reports of entries from South Asian Countries.

Mr. Md. Imrul Hasan, Unit Head, Financial Reporting, Taxation & Treasury, IDCOL received the certificate on

behalf of IDCOL from the chief guest Mr. Tanka Mani Sharma, The Auditor General of Nepal and Mr. H M Hennayake Bandara FCMA, President, SAFA in an award giving ceremony held in Kathmandu, Nepal on December 18, 2022.



Appreciation for being the Highest Taxpayer

IDCOL received Certificate of Appreciation by Large Taxpayers Unit, Dhaka of National Board of Revenue for being the Highest Taxpayer under Non-Bank Financial Institution category for Fiscal Year 2021-2022 on 2 August 2022. Ms. Shahin Akter, Member (Tax Administration & HRM), NBR handed over the award to Mr. Alamgir Morshed, Executive Director & CEO, IDCOL during the award ceremony arranged by LTU.



Contract Signing Ceremonies



Extended BDT 270 crore long-term loan to Crown Cement PLC

IDCOL extended BDT 270 crore long-term loan to Crown Cement PLC. In this regard, a loan agreement has been inked between IDCOL and Crown Cement at the capital's The Westin Hotel.

Under this facility, IDCOL is providing a concessional loan to establish the 6th manufacturing unit of Crown Cement. This new unit will integrate Vertical Roller Mill (VRM) technology which happens to be the most energy

efficient technology in the cement manufacturing industry. The VRM is expected to save 163 GWh energy compared to traditional ball mills over the loan tenure. IDCOL has so far extended financing worth BDT 1,370 crore to various industrial sectors for promoting different energy efficient initiatives.



Financing of the first rooftop solar project of Hatil Complex Limited

IDCOL financed the first rooftop solar project of Hatil Complex Limited. The 2.67 MWp project will be implemented on the factory rooftops of Hatil Complex Limited, located at Kashimpur, Gazipur. The total cost of the project is BDT 17.78 crore. Under the facility agreement, IDCOL is providing concessional loan of BDT 14.23 crore to Hatil Complex Limited. The project is expected to be operational by April 2023. Under its Rooftop Solar Financing Scheme, IDCOL plans to finance 300 MWp of solar PV installations on industry rooftops by 2025.

The signing ceremony was attended by Alamgir Morshed, Executive Director & CEO, IDCOL, S. M. Monirul Islam, Deputy CEO & CFO, IDCOL along with other officials of IDCOL. Mr. Selim H. Rahman, Managing Director, Hatil Complex Limited, Mr. Rezaul Karim, Company Secretary, Hatil Complex Limited and other officials of Hatil Complex Limited were also present during the ceremony.



Signing of facility agreement with GPH Renewable Energy Limited to finance their first rooftop solar project

A facility agreement has been signed with GPH Renewable Energy Ltd. to finance their first rooftop solar project on 2 November 2022. Under the Project, GPH will install 3.90 MWp solar PV systems on the factory rooftops of GPH Ispat Limited, located at Chottogram and 2.15 MWp on the rooftop of Eco Ceramics Industries Limited at Munshigonj. Mr. Alamgir Morshed, Executive Director &

CEO, IDCOL and Mr. Md. Jahangir Alam, Chairman of GPH Group signed the agreement on behalf of their respective organizations. Mr. Md. Enamul Karim Pavel, Head of Renewable Energy, IDCOL, Mr. Mohammed Javed Emran, Chief Risk Officer, IDCOL, Mr. Kamrul Islam, FCA, Executive Director, Finance & Business Development, GPH Group and other officials of both the organizations were present in the signing ceremony.

Contract Signing on Grants for Training with Skills for Employment Investment Program (SEIP), Finance Division, Government of Bangladesh

Skills for Employment Investment Program (SEIP) project, which was launched in 2014 with support from ADB, intends to support a long term and comprehensive approach to skills development in Bangladesh. Finance Division, Government of Bangladesh is the executing agency of the SEIP project. Based on IDCOL's expertise in the RE sector as well as its successful project implementation experience, SEIP appointed IDCOL to implement the training activities related to the Renewable Energy sector. Seven courses for field-level technicians will be rolled out during the assignment period which will cover technologies such as solar rooftop, solar grid-tied project, solar irrigation pump, and improved cook stove.

Contract Signing with Food and Agriculture Organization on Background Paper and National Stakeholder Dialogue on Private Sector MSMEs Engagement in Climate Actions

Green Climate Fund (GCF) approved a Readiness Proposal for strengthening Bangladesh's NDA Secretariat for enhancing pipeline implementation and private sector engagement in effective climate action. Food and Agriculture Organization (FAO) was the implementing entity of the project. In this regard, FAO engaged IDCOL to develop background paper which will review and analyze the existing micro, small and medium enterprises (MSMEs). The background paper will ultimately guide the discussions of a national stakeholder dialogue with MSMEs and public entities in their role toward sustainable climate actions and investments.

Consultancy Service in Malawi

Contract Signing with Ministry of Energy, Government of Malawi for "Consultancy Services for the Fund Manager for Off-Grid Market Development Fund"

IDCOL is providing support to the Ministry of Energy of the Government of Malawi as the Fund Manager of the Malawi Off-Grid Market Development Fund (OGMDF) to develop the solar market. IDCOL will operationalize the USD 20 million financing window to address the challenges of scaling up the off-grid market by providing debt financing as working capital support, grant facility to provide end-user subsidy and Market Catalyst Fund to support the local companies.



The Fund, supported by The World Bank under the Malawi Electricity Access Project, targets to electrify 200,000 new households in remote rural communities. The Solar Home Systems (SHSs) will provide affordable electricity to underserved and harder-to-reach segments of the population, by engaging the local off-grid solar companies in Malawi.





Malawi OGMDf: Stakeholder consultation workshop

IDCOL organized a stakeholder consultation workshop at the Capital House, Lilongwe, Malawi on 11th July 2022 on the “Off-Grid Market Development Fund (OGMDf)” which aims to address the challenges of scaling up the country’s off-grid market. IDCOL has recently been engaged by the Ministry of Energy, Malawi to be the Fund Manager of the OGMDf. Financed by the World Bank, this facility targets to install 200,000 Solar Home Systems by June 2024 and catalyze private sector investment in the off-grid solar sector in Malawi. The objective of the workshop was to engage with the local financial institutions to understand

the off-grid solar market space in Malawi. Representatives from Standard Bank of Malawi, FDH Bank, MyBucks Banking Corporation etc. were present and provided their feedback on the Fund. IDCOL delivered the keynote presentation and moderated the discussion. Senior officials from the Ministry of Energy also participated in the workshop.

Site visit for officials of the World Bank and Ministry of Energy

On 14th October 2022, IDCOL organized a site visit for officials of the World Bank and Ministry of Energy, Government of Malawi at the Mpovu village which is located at the Nsanje district. The site visit was organized as part of an ongoing World Bank mission to finalize the design of the “Malawi Off-Grid Market Development Fund (OGMDf)”. The World Bank and Ministry officials visited off-grid households which have installed Solar Home Systems



and attended courtyard sessions with the beneficiaries. Earlier, IDCOL organized meetings between the mission team with the off-grid solar companies and Renewable Energy Industry Association of Malawi to exchange information on the sector.

Project Site visit with Foreign Delegates



German Delegation Team site visit to projects funded by KfW through IDCOL

A German Delegation Team headed by the Parliamentary State Secretary of the German Federal Ministry for Economic Cooperation and Development, Dr. Bärbel Kofler visited projects funded by KfW through IDCOL on 31 October 2022 in Jashore & Khulna. Several Member of Parliament (MP) of The National Parliament of the Federal Republic of Germany, senior officials of German Federal Ministry for Economic Cooperation and Development & German Embassy of Bangladesh and directors of GIZ & KfW participated in the site visit. Mr. Alamgir Morshed, Executive Director & CEO, Mr. S. M. Monirul Islam, Deputy CEO & CFO and other officials of IDCOL accompanied the team in this visit. The delegation team visited Solar Irrigation Pump at Bagherpara, Jashore where IDCOL provided financing & technical support for the project.

Team Europe Initiative on Green Energy Transition (TEI GET) visits IDCOL Project site



The Team Europe Initiative on Green Energy Transition (TEI GET) aims at supporting Bangladesh to build a power system that leads to maximum coverage of the country's energy demand through renewable energy while reducing GHG emissions, energy consumption and demand through energy efficiency. Representatives from the member states of Team Europe visited projects funded by IDCOL on 14 June 2022. The team visited factories of Snowtex Group where IDCOL provided financing for energy efficient equipment & industrial rooftop solar. Later the team also visited IDCOL funded solar irrigation project & domestic biogas plant. Mr. Alamgir Morshed, Executive Director & CEO, Md. Enamul Karim Pavel, Head of Renewable Energy, Mr. Mohammed Javed Emran, Chief Risk Officer, and other officials of IDCOL accompanied the team in this visit.

Training Session

Training session on Infrastructure Financing: The Role of PPP

IDCOL has conducted a training session on Infrastructure Financing: The Role of PPP for the officials of PPP Authority, Prime Minister's Office. The facilitator, Mr. Nazmul Haque, Chief Investment Officer, IDCOL conducted the sessions and explained the overall structuring of PPP project along with its associated risks and documentation. Mr. Alamgir Morshed, Executive Director & CEO, IDCOL delivered the closing remarks and awarded the certificates among participants.



National and International Events

Food Distribution and Tree Plantation Program to commemorate the National Mourning Day

As part of the various programs undertaken by IDCOL to observe the National Mourning Day and 47th martyrdom anniversary of the greatest Bengali and the Father of the Nation, Bangabandhu Sheikh Mujibur Rahman. On 16 August 2022, Mr. Alamgir Morshed, Executive Director and CEO, IDCOL, distributed food to underprivileged children of Local Education and Economic Development Organization (LEEDO). He also planted a tree in the premises of LEEDO. Mr. Mohammed Javed Emran, Chief Risk Officer, IDCOL, Mr. M. Maftun Ahmed, Company Secretary, IDCOL & other officials from IDCOL & LEEDO were present on this occasion.





Blood Donation Camp 2022

As part of events arranged to celebrate Victory Day 2022, Infrastructure Development Company Limited (IDCOL) in association with Quantum Blood Lab organized a Voluntary Blood Donation Camp at IDCOL Head Office on 26 December 2022.



FIFA World Cup 2022 Qatar Event

To celebrate the beginning of the much-anticipated FIFA World Cup 2022 Qatar, IDCOL organized a fun activity event with all its officials at IDCOL's Head office and a subsequent event was arranged to celebrate Argentina's World Cup triumph by Argentina fanbase of IDCOL officials.





First Accredited Entity
in Bangladesh

Let's come together for a better tomorrow



Investment Areas of IDCOL

Physical Infrastructure

- Power Plant
- Telecommunication
- Ports
- Hotel & Tourism
- PPP Projects
- Healthcare & Education

Renewable Energy

- Grid Connected Solar Project
- Rooftop Solar Project
- Solar Irrigation Program
- Solar Mini Grid Project
- Solar Home System Program
- Domestic Biogas Program
- Biogas Based Electricity Project

Energy Efficiency

- Improved Cook Stoves Program
- Automatic Brick Kiln
- Energy Efficient Industrial Machineries
- Manufacturing of Energy Efficient Component and Appliances

IDCOL Offers

- Long Term Local and Foreign Currency Loan for Infrastructure Projects
- Soft Loan and Grant for Renewable Energy Projects
- Debt and Equity Arrangement
- Corporate Advisory Services
- Agency Services
- Training and Capacity Building Services

IDCOL'S VALUE CREATION STRUCTURE



OUR RESOURCES AND RELATIONSHIPS

FINANCIAL STRENGTH

- Capital Adequacy Ratio of 20.76%
- Strong funding base with BDT 12,286 crore available in credit lines
- Long-term and short-term credit rating of "AA1" and "ST1", respectively

PHYSICAL ASSETS

- Fixed assets of BDT 13.36 crore
- Central office based in Dhaka
- 17 monitoring offices in divisional areas and other important districts
- Continuous efforts in business process integration through in-house automation projects

VALUED PEOPLE

With a total of 411 employees, IDCOL's unique business model, wide-ranging products and services, and stakeholder network enables creation of valuable intellectual capital for the financial industry.

ROBUST RELATIONSHIPS

- Contributed BDT 1.07 crore towards CSR activities
- Financed 77 investment projects
- Relationship with 60+ POs
- 17+ years of relationship with various development partners

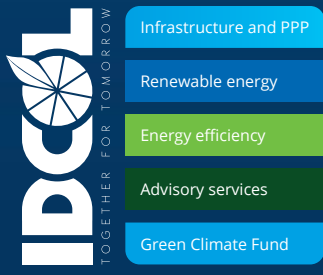
INTELLECTUAL CAPITAL

Pioneering position in energy and infrastructure financing and a growing imprint in other segments such as renewable energy financing.

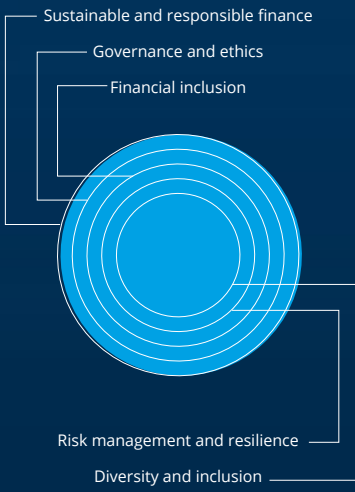
NATURAL CAPITAL

- Registered under UNFCCC's CDM project to sell carbon credits offset from green energy projects
- Signed first-of-its-kind credit facility with GCF for green and energy-efficient financing
- IDCOL's own office is a green building and financed two other green building projects

OUR STRATEGY AND FOCUS AREAS



OUR MATERIAL ESG MATTERS



OUR STAKEHOLDER PROPOSITIONS

CUSTOMERS

We place our customers at the heart of everything we do. Personalised solutions and integrity and ethics are the hallmarks of our customer proposition.

EMPLOYEES

We strive to make IDCOL the best place to work through competitive remuneration and benefits, learning and training and career progression opportunities.

GOVERNMENT

We meet government mandates through targeted financial impact and value creation.

DEVELOPMENT PARTNERS

We support the responsible channelisation of concessionary finance while meeting all our financial obligations.



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 catalyse and optimise 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.

ACCOUNTABILITY

OUR INTERNAL CONTROLS

GOVERNANCE

Strong governance for oversight of effectiveness, adequacy and integrity of IDCOL's systems of internal control and risk management.

ACCOUNTABILITY

Board of Directors comprising senior government officials, private sector representatives, Executive Director, and Chief Executive Officer.

POLICIES AND PROCESSES

Long-term and even everyday decisions are guided by wellarticulated policies and process. These also help in enhancing organisational conduct and prevention of untoward outcomes.

CONTROLS

Internal and external audits and assurance.

IMPACT

OUR VALUE CREATION 2022

IDCOL

- 3/8 Women Directors
- 12.33% Return on Equity
- BDT 910 crore of sustainable finance in green, social and sustainable impact products and services.

CUSTOMERS

- 12 new clients in infrastructure, energy efficiency and PPP financing
- More than 60 POs catering energy needs of rural people.
- 40+ clients under Rooftop Solar Projects

GOVERNMENT

- 338.25 crore Receipt of development funds amounting BDT
- BDT 149.54 crore exchequer contribution

DONORS

- 140.57 crore in interest payments
- 2.71% avg. interest rate

SOCIETY AND COMMUNITY

- Contributing to rehabilitation of more than 3,715 families under Govt's Ashrayan Project
- Providing assistance to PMO's Eduction Assistance Fund and Relief Fund to support Nation's Development and Resilience
- Supporting Humanitarian causes by donating funds for treatment of cancer patient

SDGs Contribution

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



5 GENDER EQUALITY



6 CLEAN WATER AND SANITATION



7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



10 REDUCED INEQUALITIES



11 SUSTAINABLE CITIES AND COMMUNITIES



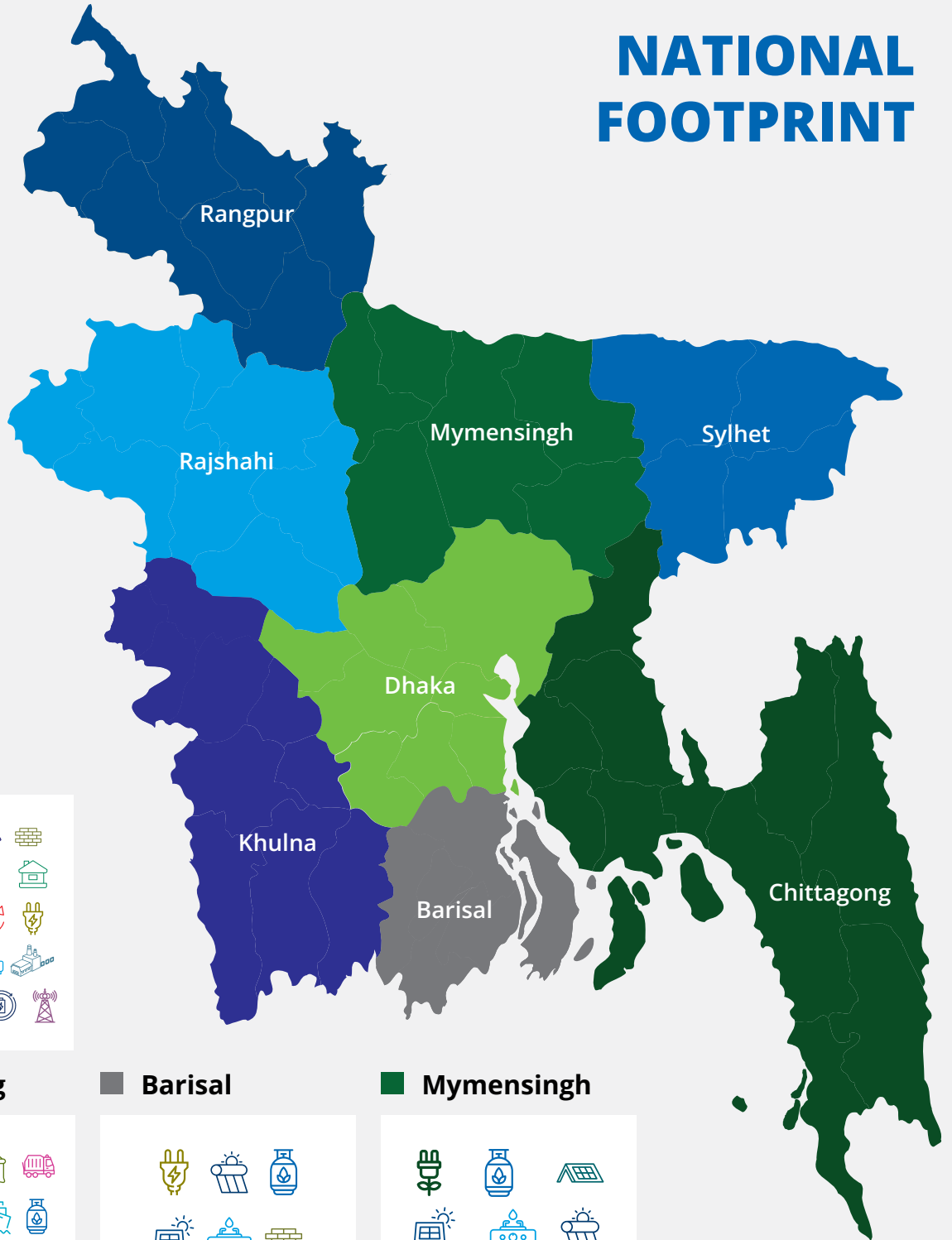
13 CLIMATE ACTION



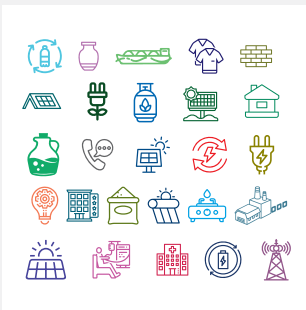
CORPORATE STRATEGY

Our vision and mission tie into our mid-term corporate strategy where we envisage meeting key objectives, such as BDT 13,000 crore loan portfolio by year 2027, BDT 1,000 crore as paid-up capital using retained earnings, and achieve external credit rating by an international credit rating agency.

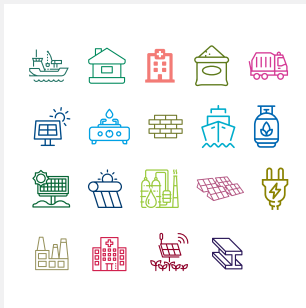
NATIONAL FOOTPRINT



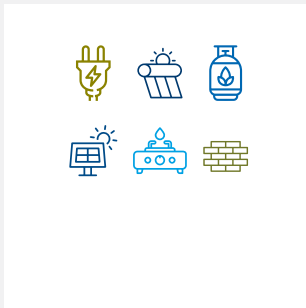
Dhaka



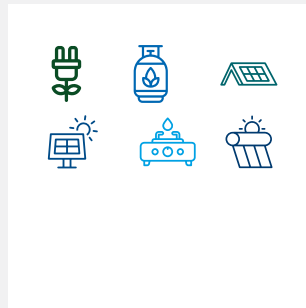
Chittagong



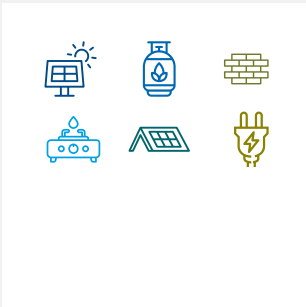
Barisal



Mymensingh



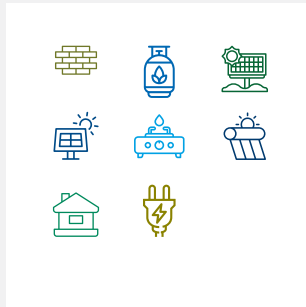
Sylhet



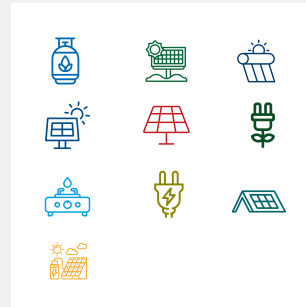
Khulna



Rajshahi



Rangpur



Programs & Projects	Divisions								
	Barisal	Chattogram	Dhaka	Khulna	Mymensingh	Rajshahi	Rangpur	Sylhet	Total
Power & Energy (Capacity-MW)	364	731	1,974	315	-	124	228	265	4,001
Auto Brick Kiln (No. of Projects)	1	1	2	-	-	2	-	1	7
Economic Zone (No. of Projects)	-	-	2	-	-	-	-	-	2
Cement (No. of Projects)	-	1	2	1	-	-	-	-	4
Land Port (No. of Projects)	-	2	1	-	-	1	-	-	4
Garments (No. of Projects)	-	-	7	-	1	1	-	-	8
Hotel & Tourism (No. of Projects)	-	-	1	-	-	-	-	-	1
Solar Home Systems (No. of Plants)	691,905	930,281	745,052	361,249	356,034	261,270	268,464	522,117	4,136,371
Improved Cook Stoves (No. of Plants)	113,818	130,393	218,645	1,008,709	99,372	1,241,876	860,382	125,218	3,798,413
Biogas (No. of Plants)	620	5,859	17,148	11,358	6,362	12,157	9,527	2,193	65,224
Solar Irrigation Program (SIP) (No. of Pumps)	5	2	-	453	-	127	936	-	1,523
Bio-electricity (Capacity-kWp)	-	-	1,135	25	300	-	420	-	1,880
Solar Mini Grid (SMG) (No. of Projects)	5	3	7	1	1	6	3	-	26
Solar Roof Top (SRT) (No. of Projects)	-	1	19	-	2	-	1	1	24
Battery Recycling (No. of Projects)	-	-	1	-	-	-	-	-	1
Solar Grid-tied (No. of Projects)	-	-	-	-	-	-	1	-	1
Telecommunication (No. of Projects)	-	-	2	-	-	-	-	-	2
Solar BTS (No. of Projects)	-	2	-	-	-	-	-	-	2
Steel & Rolling Mills (No. of Projects)	-	1	-	-	-	-	-	-	1

Other major footprints:

Dhaka								
Bottle Recycling (1 Project)	Ceramics (1 Project)	Edible Oil (1 Project)	Electrical & Electronics Manufacturing (1 Project)	LNG (1 Project)	Solar & Light Manufacturing (1 Project)	Dialysis Center (1 Project)	Educational Institution (1 Projects)	Commercial Building (1 Projects)
Chattogram						Khulna		
Dredging (1 Project)	Petroleum Refinery (1 Project)	Shipping Company (1 Project)	Waste Management (1 Project)	Hospital (1 Projects)	LPG (1 Project)			

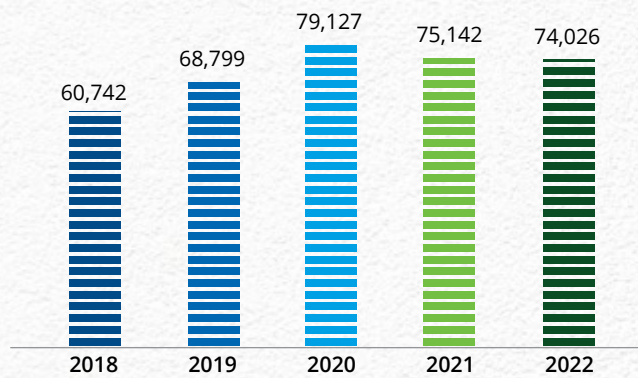


PROGRAMS & PROJECTS OF IDCOL

IDCOL promotes and finances a diverse range of projects and programs to help ensure economic development of the country and improve standard of living of the people through sustainable and environment-friendly investments. The aim is to catalyze and optimize private sector participation in promotion, development, and financing of infrastructure, renewable energy and energy efficient projects in a sustainable manner. Apart from that, IDCOL offers a diverse range of financial and advisory products in its core business areas along with extending grant and/or commercial/concessionary credit, advisory services and capacity development.

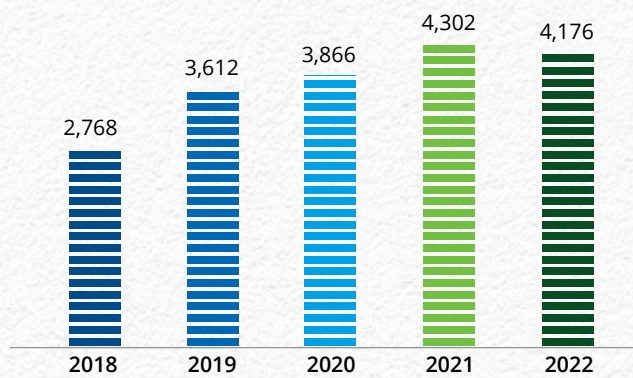
Loan Portfolio

BDT mn

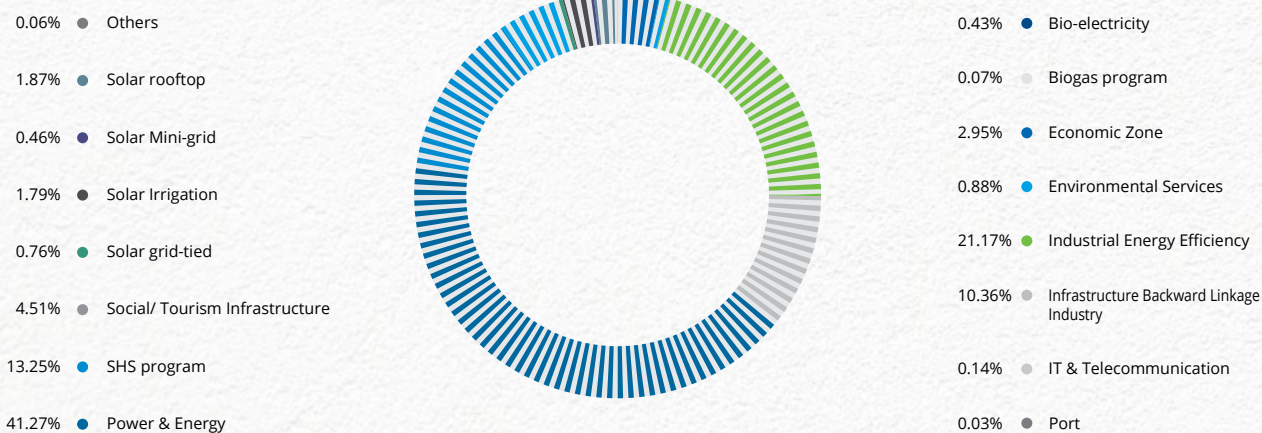


Interest Income from Loans & Advances

BDT mn



Sector Wise Loan Portfolio for FY 2022



Focus Sectors



Infrastructure & PPP



Energy Efficiency



Renewable Energy



Green Climate Fund



Advisory Services

INFRASTRUCTURE & PUBLIC PRIVATE PARTNERSHIP (PPP)

Financing Large to Medium Scale Infrastructure Projects



Long-term Local & Foreign Currency Loans



Short-term Local Currency Loans



Debt and Equity Arrangement



Agency Operations



60%



USD 1.11 billion+

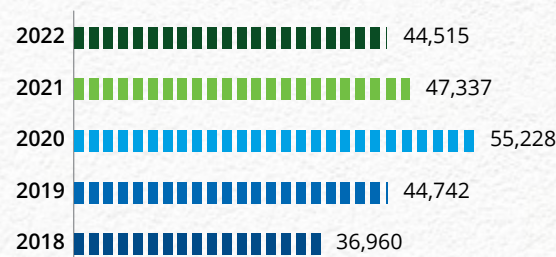


USD 993 million+



BDT 44,515 million+

Loan portfolio (in BDT Million)



21%



39



0.23%



BDT 78,135 million+



KEY FOCUS SECTORS



Power & Energy



Port



Economic Zones



ICT & Telecom



Roads & Bridges



Infrastructure Backward Linkages



Social Infrastructure & Tourism

SDG Relevance to Infrastructure and PPP Program



NOTABLE ACHIEVEMENTS



AIIB extended \$200M credit to IDCOL for infrastructure projects in Bangladesh

Asian Infrastructure Investment Bank (AIIB) extended \$200 million long-term credit facility to IDCOL for financing infrastructure projects in Bangladesh. In this regard, a loan agreement was signed by Economic Relations Division (ERD) under Ministry of Finance on 26 April, 2022. The credit facility would be utilized to finance priority private sector infrastructure projects in sectors like energy, transport, ICT, energy efficiency, renewable energy, social infrastructure etc.

ADB provided credit line to IDCOL

Infrastructure Development Company Limited (IDCOL) signed a loan agreement with Asian Development Bank (ADB) for the PPIDF3 Tranche 2 credit line on 26 December 2022. Under this credit line, IDCOL will avail a total of USD 278.29 million dollars including both OCR and COL (concessional) components. IDCOL will utilize the fund in infrastructure projects.



IDCOL will get credit line from KfW for financing energy efficiency projects

German Development Bank, Kreditanstalt für Wiederaufbau (KfW) will be extending EUR 40 million along with grant EUR 1 million to finance and promote

energy efficiency projects in Bangladesh. The Economic Relations Division (ERD) of the Ministry of Finance and KfW signed loan agreement on December 23, 2022.



Financed Installation of 31% Private Sector Electricity Generation Capacity

IDCOL has supported in achieving the GoB's vision of Electricity for All by 2021. IDCOL has till date approved financing for 33 private sector power projects and captive projects with an aggregate installed capacity of 4,001 MW.

IDCOL has facilitated the installation of 31% of the country's total private sector electricity generation capacity by investing equivalent to USD 625 million both in USD and BDT loans.

Supported Port Projects with 22% Export Container Handling Capacity

IDCOL extended financing to the 1st private sector land port and river port of the country. Port projects financed by IDCOL cumulatively handles 268,000 TEUs export container capacity per annum. This accounts for 22% of the total annual export container capacity of the country.



Extended USD 116 million Investment to ICT & Telecom Sector

ICT & Telecom sector has received IDCOL's 2nd highest investment among infrastructure sectors with an aggregate investment of equivalent to USD 116 million both in BDT and USD loans. IDCOL has extended financing to mobile telecom & PSTN operators; NTTN, ANS, BWA, IGW and ICX service providers etc.

BDT 611.5 crore Financing Approved for 4 Economic Zones

IDCOL has set its footprints in a new sector- Economic Zones (EZ) by approving an aggregate financing of BDT 611.5 crore to 4 EZs – including the country's largest private sector EZ. IDCOL has extended a cumulative financing of BDT 339 crore to this sector till date.



NOTABLE ACHIEVEMENTS (cont'd)



Invested in country's 1 of the only 2 Offshore LNG Terminals

IDCOL invested in 1 of the only 2 offshore LNG Terminals of the country with a capacity of 500 MMCFD (million cubic feet per day) in Maheshkhali, Cox's Bazar. In gas and other fuel related infrastructure, IDCOL has also financed the largest private sector petroleum refinery plant with a 10,000 barrel per day refining capacity and a 7,000 MT LPG storing and bottling plant.

Over BDT 1,200 crore to Infrastructure Backward Linkage Industries

IDCOL expanded its investment horizon to include infrastructure backward linkage projects. IDCOL has financed the procurement of 20 marine cargo vessels with aggregate capacity of 3500 MT, the establishment of a 4,30,248 MT per annum production capacity billet manufacturing plant and light engineering, ceramic and cement projects. In 2021, IDCOL has also approved BDT 500 crore financing for the production capacity expansion of a leading steel manufacturing company.



Presence in the Hotel and Tourism Sector

IDCOL diversified its portfolio and made investment exceeding USD 30 million (20 million in USD and 1000 million in BDT) towards the establishment of a 5 star hotel in Gulshan, Dhaka to promote the hotel and tourism sector.

Financed 1st PPP Project in Healthcare Sector

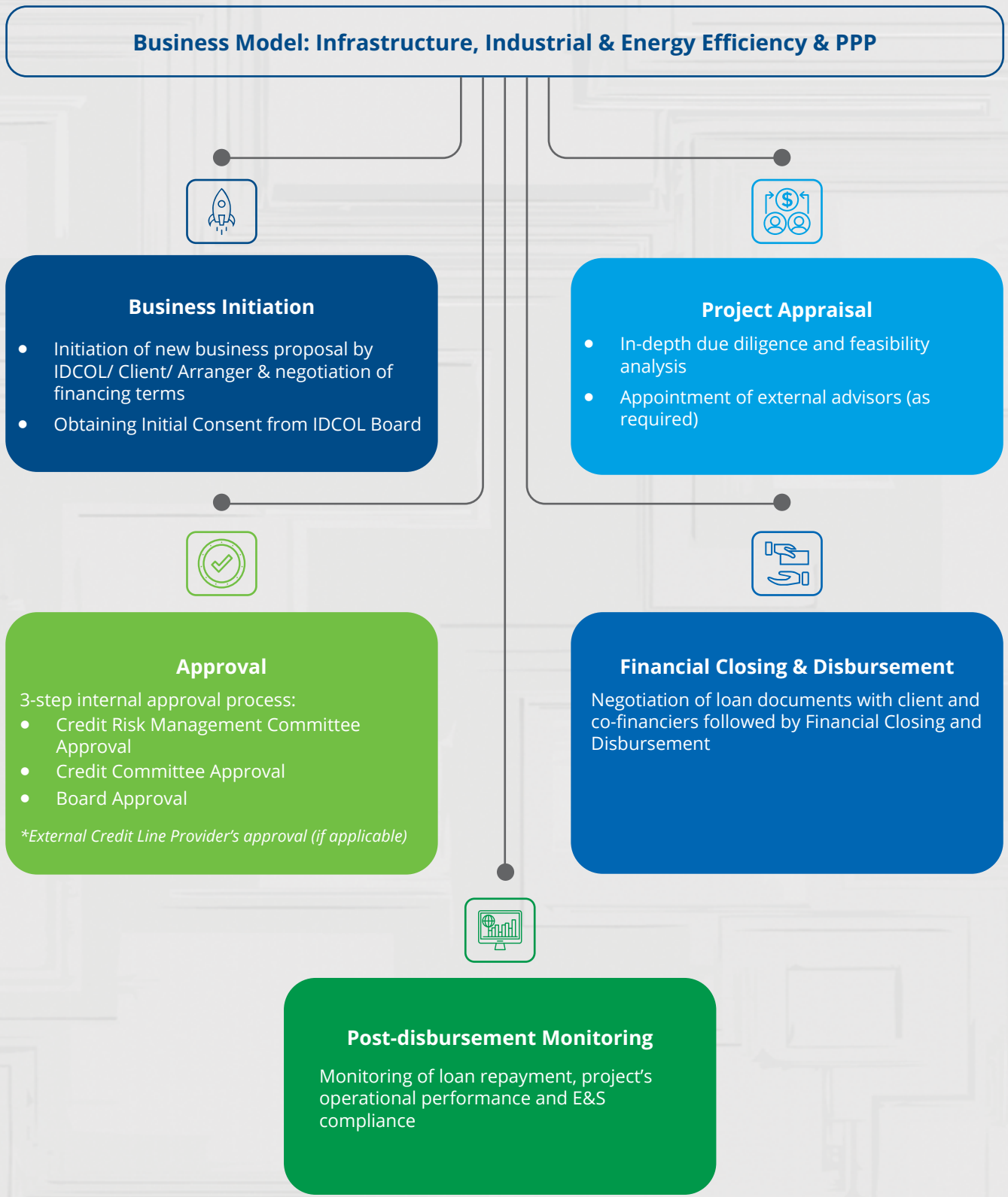
IDCOL financed the 1st Healthcare PPP project that provides low cost dialysis services to the underprivileged and affordable dialysis to general patients. IDCOL also provided BDT 150 million financing for the establishment of a tertiary hospital in Chattogram.



BUSINESS MODEL

Infrastructure and PPP projects of IDCOL are financed by the three business units of the Investment Department - Infrastructure Finance (IF), Public Private Partnership (PPP) and Industrial & Energy Efficiency Finance (IEEF). These units work independently with individual focus

areas but has a unified target of facilitating financing of infrastructure & PPP projects in the country. Both external infrastructure credit lines and own funds are utilized for financing the eligible projects as per IDCOL's Lending Policy.



A new financing proposal is initiated through the interaction between IDCOL and Client/ Arranger. IDCOL negotiates the key financing terms with the Client for eligible projects and obtains Initial Consent from its Board. All the project proposals go through stringent in-house appraisal with third-party advisors appointed as required to help assess the feasibility of a project. Once the due diligence is completed by the business unit, a project has to pass through a three-tier internal

approval process. Once all approvals are obtained, the loan agreements are negotiated with the client which is followed by financial closing and disbursement. For projects that are financed utilizing external credit lines, it might be required to obtain an additional approval from the credit line provider. IDCOL monitors the performance of the loans post-disbursement - especially to ensure regular loan repayment and compliance with environmental and social standards.

DIVERSIFYING THE INFRASTRUCTURE & PPP PORTFOLIO

The loan portfolio of IDCOL's infrastructure and PPP segment stood at over BDT 44.50 billion as of December 2022 - contributing around 74% of the organization's total loan portfolio. The portfolio composition has been historically skewed towards the power sector - representing IDCOL's expertise in power project financing. However, in recent years IDCOL has been focusing on diversifying its portfolio by adding new sectors to minimize concentration risk. Apart from power, IDCOL has successfully included social infrastructure, hotel and tourism, economic zone, gas & other fuel based infrastructure, infrastructure backward linkage - sectors to its portfolio mix.

IDCOL's sectoral outlook has a substantial impact on private sector development. By leveraging its sectoral competencies and utilizing emerging opportunities across sectors in Bangladesh, IDCOL can continue the growth trajectory it has charted in recent years. In 2023, IDCOL aims to increase its infrastructure and energy

efficiency exposures. In the area of energy efficiency, IDCOL may deepen expansion into cement, textiles, RMG under the industrial component as it has the support of concessionary funding line. In 2022, IDCOL secured credit line from AIIB, ADB and KfW which will be used in upcoming infrastructure projects and energy efficiency projects respectively in 2023. Although the power portfolio is likely to undergo a reduction in share over the mid-term due to the phasing out of fossil fuel-based investments, IDCOL may prioritize financing combined cycle gas based power plants in line with broader development plans.

Emerging Areas of Investment

IDCOL is considering tapping into opportunities in emerging areas of importance that complement its development mandate as well as offer commercial scope in Bangladesh, subject to further feasibility studies. The following areas are currently being explored for profitable business opportunities.

Social infrastructure

Given the need for upgrading health infrastructure in Bangladesh as well as frailties in the healthcare system exposed due to the pandemic, IDCOL may consider a strategic presence in this sector which currently sees robust private sector involvement. The demands of the education infrastructure may also warrant a closer look. Both these areas are amenable to PPP structures for financing subject to suitable project development and design by the private sector.

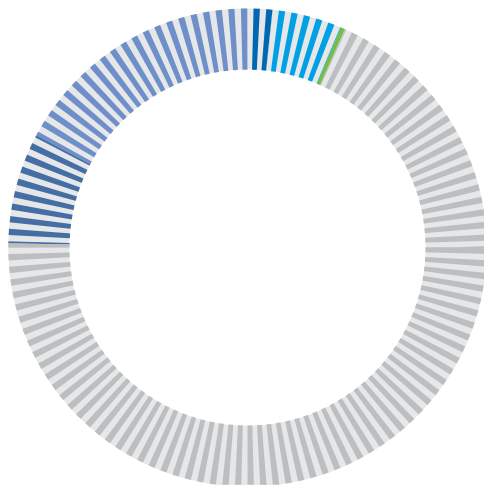
Electric Vehicles

An upcoming area in sustainable financing, electrification of vehicles is a worldwide phenomenon to reduce the burden of emissions caused by fossil fuel operated vehicles. IDCOL has already initiated groundwork of demand assessment of enterprises for EV and may consider financing EV manufacturing and other allied support infrastructure in the mid-term.

Climate Change Financing

Climate finance flows through established funds and agencies is expected to accelerate in the mid-term. IDCOL is already supporting implementation of projects under GCF and can leverage its expertise to explore opportunities for climate change financing in other areas as well such as transportation and green building infrastructure. Closer association with GCF as well as other DPs such as the ADB who offer climate related financing and understanding of their concessional instruments, including low-interest and long-tenor project loans, lines of credit, equity investments and risk mitigation products such as guarantees, as well as any grant-based capacity-building interventions will help to sustain these investments further.

Infra & PPP Portfolio Composition



- 0.23% ● IT & Telecommunication
- 1.47% ● Environmental Services
- 0.05% ● Port
- 4.91% ● Economic Zone
- 68.63% ● Power & Energy
- 7.49% ● Social/Tourism Infrastructure
- 17.23% ● Infrastructure Backward Linkage Industry

IDCOL has been participating in various syndications for Infrastructure and PPP projects by maintaining good working relationship ties with banks and financial institutions. Alongside its regular lending operations,

focus has been placed on loan arrangement & subsequent agency operation. A good number of arrangement deals have been signed with various sponsors from different sectors in recent years.

KEEPING IN STEP WITH THE NEW NORMAL - 2022

Despite the unprecedented challenges and set-backs posed by the outbreak of the Covid-19 pandemic at the beginning of 2020, IDCOL's Infrastructure & PPP segment fared exceptionally well in that difficult year. Keeping with the momentum, the segment thrived further in 2021.

IDCOL achieved a number of new financing approvals, disbursements and financial closings in the power, economic zone, and infrastructure backward linkages sectors. The outstanding performance of IDCOL in infrastructure & PPP segment in a year of uncertainties has been captured in the key highlights below:

Investment Department in 2022

12 Projects

Financing

BDT Crore
2033

9 Projects

Disbursement

BDT Crore
803

63 Projects

Interest Income

BDT Crore
427

1 Project

Fund Arrangement

BDT Crore
650



PHOTOGRAPHS 2022



BHRL is constructing a 26-storied hotel located at Gulshan Tejgaon Link Road, Tejgaon, Dhaka by (BHRL). The Project will be established by BHRL at an estimated cost of BDT 853.87 crore. The hotel will offer services under the brand Swissôtel, a renowned 5-star hotel chain owned by Accor (French multinational hospitality company).



IDCOL approved BDT 350 crore term loan facility to finance the expansion of cement manufacturing capacity and a co-generation facility of Premier Cement Mills PLC.

Apart from this, IDCOL disbursed BDT 115.33 crore as term loan to Crown Cement PLC (MI Cement) for expansion of their existing capacity in Munshiganj.



IDCOL approved BDT 100 crore term loan facility to Bay Economic Zone which is situated at Kaliakoir, Gazipur.



IDCOL financed BDT 30 crore to Samuda Power Limited for capacity expansion of gas based captive power plant at Sikirgaon, Gazaria, Munshiganj.

OPPORTUNITIES OF INFRASTRUCTURE & PPP



Growing Infrastructure Landscape

Bangladesh is ranked among the fastest growing economies in the world with its economy steadily growing at annual rate of above 7% for the past few years. Despite the aftereffects of COVID-19 pandemic, Russia-Ukraine war, global recession etc., Bangladesh economy rose by 7.10% in FY 2021-22. HSBC report titled "The World in 2030: Our long term projections for 75 countries" says

Bangladesh is poised to become the 20th largest economy in the world by 2037 from the current 35th position. To keep up the economy's present growth rate and attain ambitious vision of the GoB, increased investment in envisaged in all major sectors of infrastructure. This creates an opportunity for IDCOL as it specializes in financing private sector infrastructure projects.



Long-term Financing in Local and Foreign Currencies

The external infrastructure credit lines have enabled IDCOL to extend long term financing in both local and foreign currency to eligible infrastructure & PP projects. IDCOL has successfully utilized this unique advantage

and positioned itself as a credible long term financier in the local market. This has created a unique market position and brand image for IDCOL.



Experience and Skilled Work Force

IDCOL 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 promote IDCOL's product offerings to the market to take this segment forward.



New Roles and Responsibilities

Apart from its regular lending operation, IDCOL has been focusing on loan arrangements and subsequent agency

operations- which add to the market presence and are good source of fee income.

Risks and Mitigations



Implementation Risk

One of the major risks faced by IDCOL in financing large-scale, capital-intensive infrastructure projects is the risk of their implementation. To minimize the risk, projects

from sponsors with good track-record are prioritized and detailed appraisal is undertaken by experienced to ensure the feasibility of the project.



Concentration Risk

Due to limited investment opportunities in different private sector infrastructure & PPP projects that meet IDCOL's stringent eligibility criteria, IDCOL has developed significantly higher exposure in the power sector. This

exposed the portfolio to concentration risk. However, this risk is being gradually mitigated by diversification into new eligible sectors.



Retention of Key Employees

Retention of key employees is an internal risk factor for IDCOL as there is huge market demand for the expertise and skill set that can be acquired through working here.

To address this risk and to keep its employees motivated, IDCOL ensures employee satisfaction by ensuring opportunity for learning and growth for all employees.



ENERGY EFFICIENCY

IDCOL is supporting the GoB's target of achieving **20%** energy conservation by **2030** compared to the 2013 level



Long to short-term Concessional Financing



Long to short-term Market-based Financing



Capacity Building

21%

of IDCOL's Total Loan Portfolio

39

projects Including 3 Green Building

Projects Financed till date

299%

Growth in last 5 years

Financing Energy Efficiency Projects

16.72

million beneficiaries

Under ICS Program

920 cr.

Energy Efficient Equipment

Financed under 18 Projects

FOCUS ENERGY EFFICIENCY SEGMENTS



Energy Efficient Equipment



Eco-friendly Bricks



Green Building



Improved Cook Stove

KEY HIGHLIGHTS

BDT 1,567 crore current loan portfolio of IEEF in 38 projects financed till date

The three key segments of Industrial and Energy Efficiency Financing comprising Energy Efficiency Equipment (EEE), Green Brick Program and Green Building total to BDT 1,567 loan portfolio under 39 projects which is 21% of IDCOL's total loan portfolio as on 31 December 2022.

BDT 920 crore Financing Extended to Energy Efficient Equipment

A relatively new focus segment of IDCOL, energy-efficient equipment financing is growing rapidly with around BDT 920 crore financing extended to different industrial and commercial sectors.

BDT 224 crore Financing Approval under Green Brick Program

IDCOL has invested over BDT 180 crore to 7 environment friendly brick kilns projects under its Green Brick Program.

3.70 million Improved Cook Stove

Under IDCOL Improved Cook Stove (ICS) Program, IDCOL has financed 3.70 million ICS date which are reducing use of solid fuels, Indoor Air Pollution and GHG Emission.

3 Green Building Projects

IDCOL has financed its 1st green commercial building project during FY 2022. It also approved and financed another green building project in education and hospitality sector, 1st of its kind in Bangladesh, during FY 2022.

JPY 14.489 billion credit line for financing Energy Efficiency and Conservation (EE&C) Projects

The Government of Japan through its Multilateral Development Partner, Japan International Cooperation Agency (JICA) has extended to IDCOL a credit line amounting to JPY 14.489 billion in 2 phases to promote energy efficiency and conservation (EE&C) projects.

EUR 140 million credit line for Energy Efficiency, Renewable Energy & Environmental Services Projects

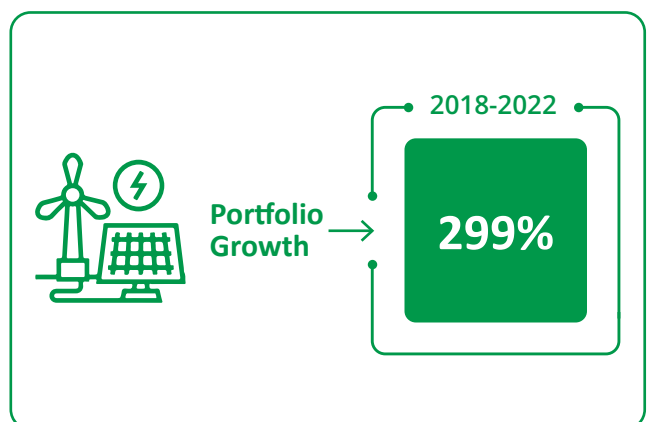
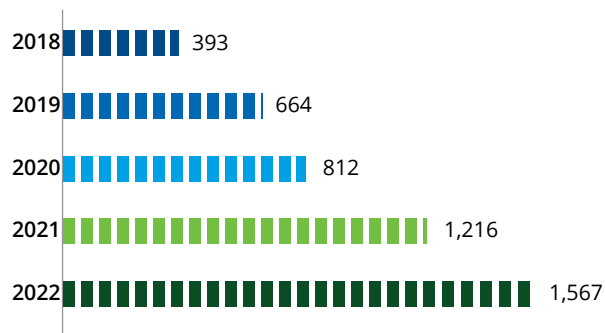
IDCOL has signed its first credit facility with Agence Française de Développement (AFD) for EUR 100 million to finance projects in the energy efficiency, renewable energy, and environment friendly segments during FY 2020. In addition, IDCOL signed its 1st credit facility agreement for energy efficiency financing with German Development Bank (KfW) during FY 2022 for an amount of EUR 40 million.

FINANCING ENERGY EFFICIENT EQUIPMENT

IDCOL has till date extended around BDT 920 financing to 18 energy efficient equipment projects- including setting up of energy efficient Vertical Roller Mills (VRM) machines in the cement industry and procurement of various energy-efficient machines in the spinning & textile, RMG and oil refinery industries etc. Energy

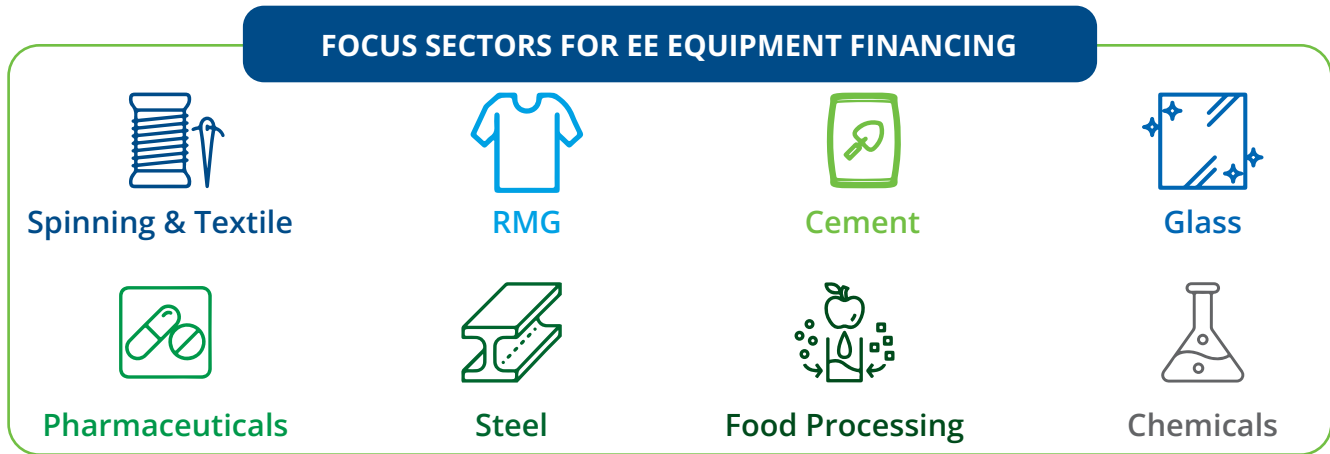
efficient equipment is financed with the external credit lines funded by JICA and AFD along with utilizing IDCOL's own funds- as required. IDCOL has also signed a credit facility agreement worth EUR 43.35 million to finance energy efficient projects.

Industrial Energy Efficiency Portfolio (BDT Crore)

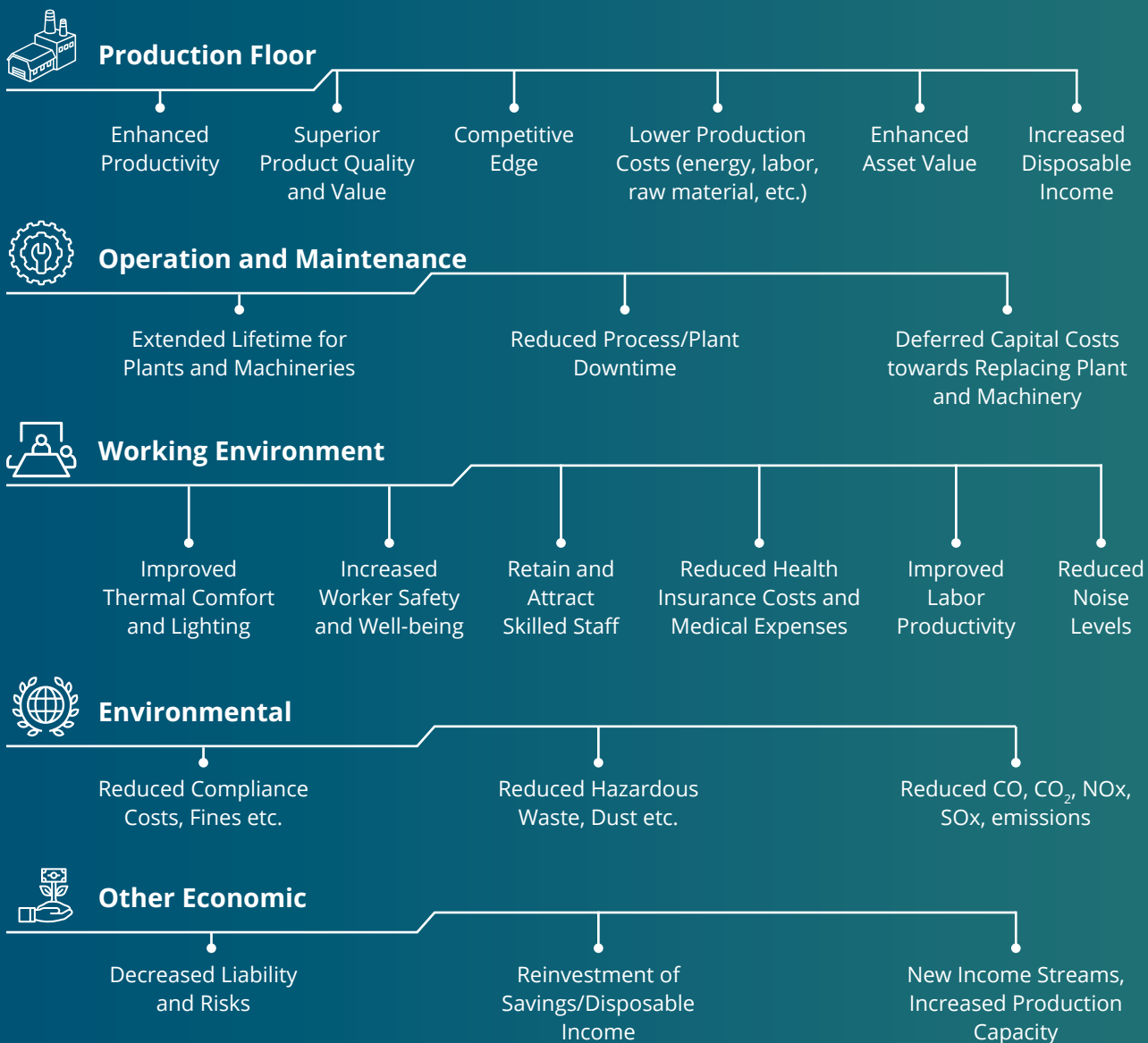


Over the period of FY 2017-2022, IDCOL's portfolio in this segment has more than tripled – which reflects the growing financing demand for energy efficient equipment in the market. Currently, this segment accounts for 21%

of IDCOL's total portfolio- which is expected to increase significantly in the coming years as IDCOL shifts its focus towards this segment.



BENEFITS OF ADOPTING ENERGY EFFICIENT EQUIPMENT



SDG Relevance to Energy Efficiency Program



NOTABLE ACHIEVEMENTS



VRM Installation



Clinker Feeding System

Supporting the replacement of Traditional Ball Mills With Energy Efficient Vertical Roller Mills (VRM) in Cement Sector



Energy Efficient Spinning Line



Energy Efficient Sewing Machine

Promoting Energy Efficient Equipment in Spinning, Textile and RMG Sectors

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 for setting up modern brick kilns using latest state of the art technology. Since then, IDCOL has been providing long term concessionary financing to encourage potential sponsors to set up environmentally friendly brick kilns.

In this regard, IDCOL approved around **BDT 224 crore** financing for **6 tunnel kiln and 1 HHK brick** projects, with aggregate daily production capacity of **1.14 million bricks**. Till date, over **BDT 180 crore** financing has been extended. 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).



IDCOL launched 'Green Brick Program' in 2013 to promote Environment-friendly Tunnel Brick Kilns



GREEN BUILDING

IDCOL has financed its **1st Green Building** project – an **energy efficient commercial building titled “FORUM”**. The project is implemented by Shanta Holdings Ltd. at

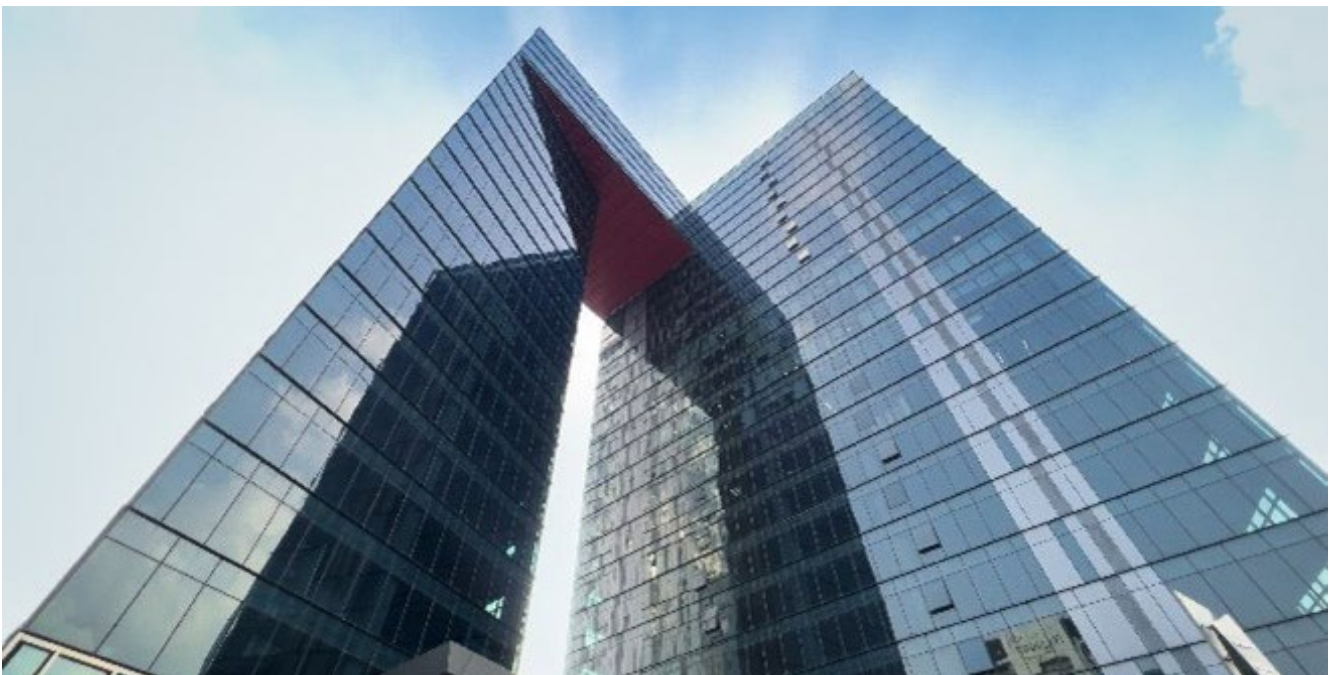
Tejgaon, Dhaka. This is also IDCOL's first financing in the real estate sector.



IDCOL financed its 1st energy efficient project in education sector by providing financing for the new campus of BRAC University.

During FY 2022, IDCOL also approved BDT 450 crore as credit facility for financing its first green building project in the education segment which is being implemented by BRAC University. IDCOL disbursed BDT 200 crore for procurement of energy efficient equipment and development of civil structures for the new campus of the university located in Progoti Sarani, Dhaka.

Under this segment, IDCOL financed a range of energy efficient equipment used in the external and internal construction of buildings. Considering the increasing shift towards energy-efficient buildings, IDCOL will be looking into adding more commercial and industrial green buildings to its portfolio.



IDCOL financed its 1st energy efficient commercial building “FORUM” by Shanta Holdings Ltd.

RISKS AND OPPORTUNITIES

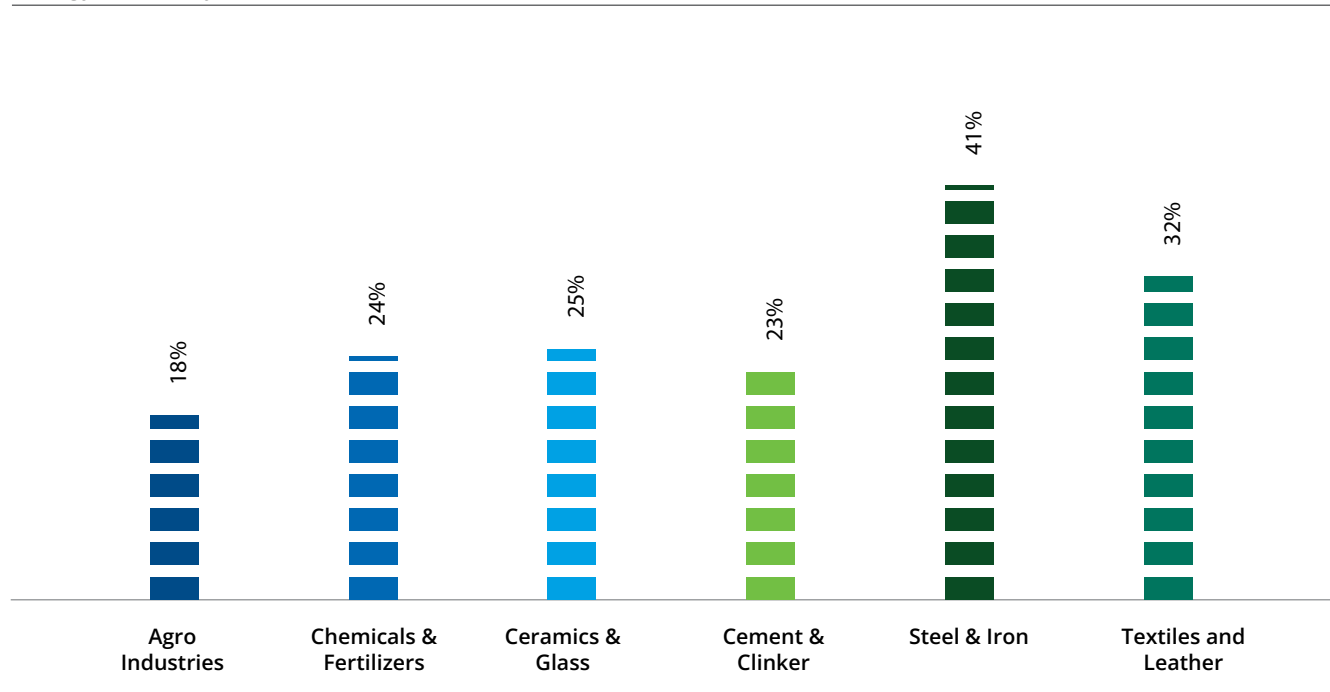
Opportunities

Increasing Shifting Towards Energy Efficiency

The fast-paced economic growth in the recent years has transitioned Bangladesh into one of the largest energy consuming countries in the South Asian region. This also makes Bangladesh highly prone to a prime victim of the effects of climate change. To address this, the GoB

has set an ambitious target of achieving **20% energy efficiency by 2030 across industrial, residential and commercial sectors**. There is significant energy efficiency potential in the industrial sector in Bangladesh. Furthermore, it was reported by International Finance Corporation (IFC) that Bangladesh has **USD 120 billion** of climate-smart investment opportunity from **2018 to 2030 in energy efficiency and green building sector**.

Energy Efficiency Potential Across Different Sectors



Ability to Extend Long-term Concessional Financing

Tapping into the energy efficiency market requires innovative and commercial financing instruments that can be mobilized by private sector investment. IDCOL has access to external credit lines and is able to extend **long-term concessional financing** to only promote energy efficiency programs. The low cost financing can play a vital role in unlocking this market segment and encouraging individuals and industries to adopt energy efficiency.

Risks and Mitigations

Adopting a New Segment

Considering the high potential, energy efficiency has become a new arena of focus for IDCOL- especially the industrial energy efficiency segment. As IDCOL quickly shifts towards capturing these new segments, the workforce face

the challenge of adequately preparing themselves with the knowledge and insight necessary to assess the feasibility of projects across various sectors. To mitigate this risk, IDCOL promotes **training and capacity development** for its employees to develop knowledge and understanding of the sectors.

High Exposure to Specific Industries

As IDCOL's portfolio grows in energy efficiency, it will run the risk of having high exposures in specific sectors which are more inclined towards this shift. As per Energy Efficiency and Conservation Master Plan up to 2030 by Sustainable and Renewable Energy Development Authority (SREDA), **47.8%** of the country's total energy is consumed by **the industrial sector** of which the **textile and RMG sector** alone takes up approximately 38%. To address the risk of exposure, IDCOL is focusing on diversifying into new sectors and promoting energy efficient equipment and practices.



IMPROVED COOK STOVE (ICS) PROGRAM

KEY HIGHLIGHTS

Installation

3.70 million

Beneficiaries

16.72 million

Coverage

61 districts

Impact

Biomass savings: **1.54 ton/ICS/year**
CO₂ Emission reduction: **1.22 ton/ICS/year**

Target

5 million stoves by **2023**



Improved Cook Stoves reduces GHG Emission and Indoor Air Pollution

IDCOL Improved Cook Stove (ICS) program was inaugurated by the Honorable Prime Minister of Bangladesh in **May 2013** with the aim to create a sustainable market for adoption of higher efficiency cookstoves in the country. The initial target of 1 million ICS installation in Bangladesh within December 2018 was successfully achieved by IDCOL in January 2017 and since then, a total of **3.70 million ICS** have been installed till **December 2022**. IDCOL now aims to finance a total of **5 million ICS by 2023**. IDCOL has received necessary financial support from the GoB, the World Bank and Green Climate Fund (GCF) for implementing the program.

IDCOL's ICS Program is the first clean cooking program in the world to receive GCF funding. The program is registered under the Clean Development Mechanism (CDM) and is certified to earn emission reduction credits issued by the UNFCCC.

Under the program, IDCOL provides institutional development grants and technical assistance to its Partner organizations (POs). Currently, the program is being implemented in **61 districts** of the country by **56 POs**. IDCOL's focus is on commercialization of ICS, which would allow the ICS market to develop and flourish after the completion of the program.

PRIMARY OBJECTIVES

- To reduce Green House Gas (GHG) emission by reducing use of cooking fuel
- To reduce Indoor Air Pollution (IAP) which substantially affects women and children
- To build local capacity and mass awareness for achieving 100% ICS coverage by 2030 as per Bangladesh Country Action Plan for Clean Cook Stoves

SDG Relevance to Improved Cook Stove Program



PROGRAM STRUCTURE

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 key players in the structure of the program are the donors, IDCOL, POs, stove manufacturers, households, technical standard committees, entrepreneurs etc. The overall program structure is shown in the figure.

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. Now, all the stoves being disseminated under the Program are

Tier 3 stoves which can be produced in decentralized Upazila level production centers using local resources. With increases in thermal efficiency, the stoves burn lesser amount of fuel and therefore, GHG Emission and IAP decrease significantly. During March 2022, IDCOL conducted an extensive Indoor Air Pollution (IAP) study by Berkeley Air Monitoring Group (BAMG) in partnership with International Centre for Diarrhoeal Disease Research, Bangladesh (ICDDR,B) where it was found that **ICS reduces Kitchen Concentration of Particulate Matter (PM2.5) and Personal Exposure of Carbon Monoxide (CO) emission by more than 85%.**



ICS Program Structure

RISKS AND OPPORTUNITIES OF THE ICS PROGRAM

Opportunities

Mass Awareness and Local Capacity Building about ICS

IDCOL ICS Program with a network of 56 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 2023 of which 3.70 million ICS has already been installed.

Reducing Emission and Fuel Wood Saving

With installation of **5 million cookstoves by FY 2023**, IDCOL ICS Program will save **7.7 million ton fuel wood per year** 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 the government's target of 30 million stoves. These 30 million stoves will save 46.2 million tons of fuel wood and reduce emissions of 36.6 million ton CO₂ emission per year.





The ICS Program is contributing towards achieving several SDGs

Achieving Sustainable Development Goals (SDGs)

The ICS program of IDCOL directly contributed towards achieving several SDGs. Contribution towards **SDG 7 (affordable and Clean Energy)** is being made through installation of energy efficient equipment, green building, and stoves with higher thermal efficiency.

An Indoor Air Pollution study (IAP) conducted under the ICS program showed that ICS reduces Kitchen

Concentration of Particulate Matter (PM2.5) and Personal Exposure of Carbon Monoxide (CO) emission by more than 85%, 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)**.

Risks and Mitigations

Lack of Awareness among the End-users about ICS

Despite the numerous demerits, the households in Bangladesh are comfortable using traditional stoves. As traditional stoves users can make the clay-based stoves by themselves, they do not 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 for ICS Program

A significant portion of sales employees do not consider their work as a respectable profession and therefore, POs face high rates of employee turnover. Through training and capacity building activities, the program has ensured availability of skilled masons and technicians. IDCOL also provides regular training 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 stoves constitute about 5% of the total installed stoves. For helping the users comfortably adopt ICS, IDCOL incorporated customer training programs and regular follow ups under the program.

Lack of International Standard Testing Facilities for Cookstoves

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 testing facilities for cookstoves in Bangladesh and established a technical monitoring facility for testing cookstoves in its own premises. IDCOL has signed contract with BUET to establish an ISO compliant testing facility which is essential to measure the impact of ICS in Bangladesh compared to the global standard.

RENEWABLE ENERGY

IDCOL IS ACTIVELY FACILITATING THE GoB's VISION OF ACHIEVING **40%** ELECTRICITY GENERATION FROM RENEWABLE ENERGY BY **2041**



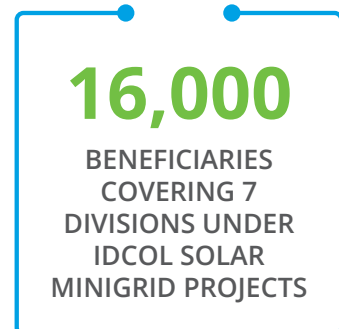
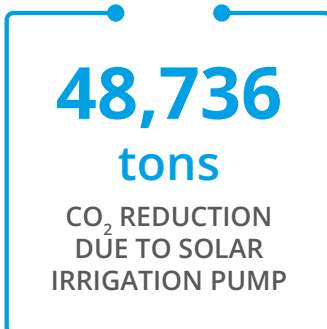
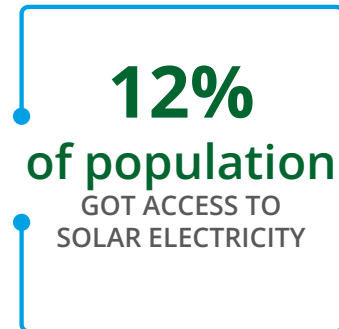
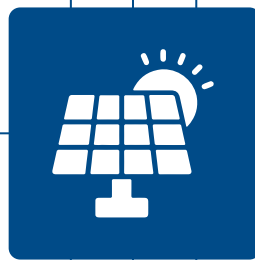
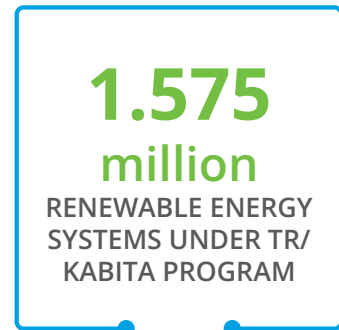
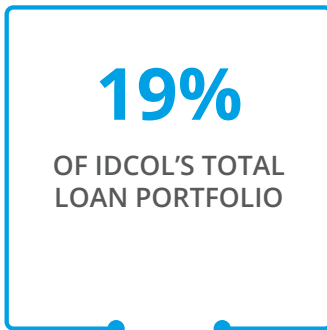
Concessionary financing and grant supports



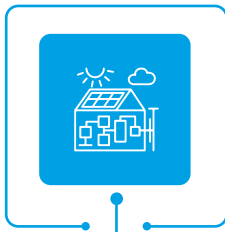
Technical assistance and quality assurance



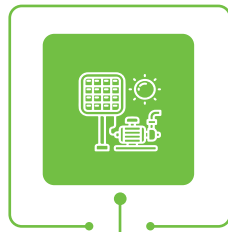
Capacity development of stakeholders



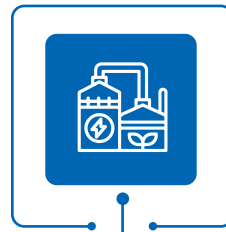
Key Focus Sectors for RENEWABLE ENERGY PROJECTS



Solar Home System



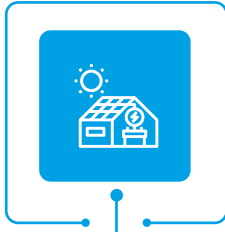
Solar Irrigation Pump



Biogas Plant



Solar Minigrid



Rooftop Solar Project



Solar Grid-tied Project



Solar Telecom BTS



Biogas Power Project

NOTABLE ACHIEVEMENTS

► 4.13 million Solar Home Systems



The 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.

► 1,523 Solar Irrigation Pumps



Under IDCOL solar irrigation program, 1,523 pumps with around 42.08 MWp capacity have been installed in 5 divisions of Bangladesh.

► 65,224 Biogas Plants



IDCOL has financed construction of more than 65,224 domestic biogas plants which provides clean energy solution to around 293,500 rural people of the country.

► 26 Solar Mini Grids



IDCOL has approved financing for 27 solar mini-grid projects of which 26 are in operation and are providing grid quality electricity in remote rural areas.

► **24 Rooftop Solar Projects**



IDCOL has till date approved financing of 40 rooftop solar projects with total capacity of 70 MWp. Of these, IDCOL has financed the installation of 24 rooftop solar projects having an aggregate capacity of 40 MWp.

► **8 MW Grid-tied Solar Project**



Sympa Solar Power Ltd, an 8 MW grid-tied solar project located at Majhipara, Tetulia, Panchagar is IDCOL's first financing of a grid-tied solar project.

► **10 Biogas Based Power Projects**



IDCOL has financed 10 biogas based power plants with capacity ranging from 10 KW to 400 KW

► **70 MT per day capacity Battery Recycling Plant**



Panna Battery Ltd., a lead acid battery recycling plant with recycling capacity of 70 MT of used lead acid batteries per day has been financed by IDCOL.

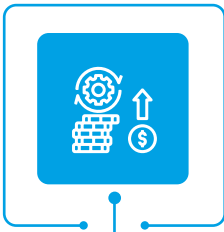
► **138 Solar Powered Telecom BTSs**



IDCOL has financed solar powered solution for 138 telecom BTSs in off-grid areas of Bangladesh that ensures uninterrupted voice and data connectivity.



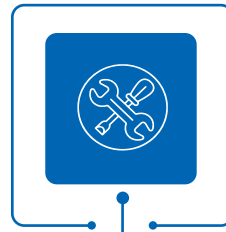
LARGE SCALE INDUSTRIAL ROOFTOP PROJECTS



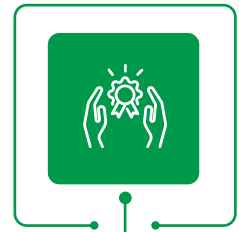
Concessionary Financing



Reduced Use of Grid Electricity



Technical Assistance



Net Metering Benefits

2017
INITIATION
YEAR

159
Crore BDT
LOAN PORTFOLIO

0%
NPL

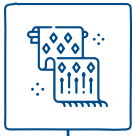
40 MWp
CAPACITY
INSTALLED

1,798
Crore BDT
CREDIT FACILITY
FROM WORLD BANK
& KFW

300 MWp
TO BE FINANCED
BY 2025

SDG Relevance to Solar Rooftop Program





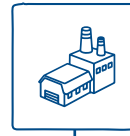
Textiles



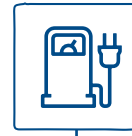
RMG



Pharmaceuticals



Jute Mills



Power & Energy

Bangladesh has made significant strides in renewable energy initiatives. The target is to produce 40% of energy from renewable sources by 2041. The country is a good recipient of solar irradiation, which is conducive to achieving the target. Yet the challenge for implementing the target is the scarcity of usable lands for such project as Bangladesh is a densely populated country. Notably, installation of 1 (one) MWp solar power plant requires about 3~4 acres of land. Considering the scarcity of land, Rooftop Solar Projects can be an effective component towards the shift to renewable energy. Under such arrangement, unused roof space of buildings across the country can be converted to space for generating electricity. IDCOL's target is to implement such projects with industries as the projects can be implemented at large scale and maintain quality.

Since the launching of IDCOL Rooftop Solar Program in 2017, it has been showing great prospects at overcoming the challenge and has already come into prominence. The product has already been able to attract industry players due to its numerous benefits such as cost savings, simple implementation, eco-friendliness, low maintenance etc. Especially, due to recent hike in energy price, solar rooftop has emerged as a lucrative solution. Per unit cost of solar rooftop is approximately BDT 6.50 whereas REB is priced at BDT 9.35 and gas is priced at BDT 11 per unit. Solar rooftop systems can be a cost cutting measure to reduce industrial electricity cost. Moreover, IDCOL is equipped with in-house technical and monitoring team who provide support to client throughout the loan tenor.

IDCOL has a target to finance a total capacity of 300 MWp by 2025. Until now, financing has been approved for a total of 40 projects. Out of which 25 projects with capacities of 40 MWp are now in operation.

IDCOL extends 80% of the project cost as long-term concessionary loan while the remaining 20% is injected by the sponsors as equity. The loan tenor is 10 years, and the interest rate is 5.00% to 5.50% p.a. Till date, IDCOL is sourcing the required fund from the World Bank, KfW and its own sources for financing rooftop solar projects. Along with the financing support, IDCOL extends its support in the way of capacity development by sharing the potential, arranging various training programs, monitoring installation and project performance on a

continuous basis.

The GoB has already enacted the Net Metering Policy in 2018 that allows excess electricity from rooftop system to adjust against the grid electricity which ensures optimum use of the generated electricity and increases investment viability of such systems. In addition, electricity from such sources helps promote green credentials for industries.

Major Highlights of the Program

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 5~6 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 requires minimum maintenance. Therefore, industries can enjoy environmentally friendly and cost-effective power solutions without having to worry about technical complexities.

Concessionary Financing and Technical Support: 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.





Energy Efficiency



Lower Cost of Financing



Environment Friendly



Technical Assistance



Operational Efficiency

Program Structure

IDCOL finances solar rooftop projects under two business models: (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 known as off-taker to install the solar system, generate and sell entire electricity generation to the off-taker under a power purchase agreement executed between the RESCO and the off-taker. In this case, the rooftop PV assets are owned and the required financing is arranged as equity and loan by the RESCO.

Current Clientele Base

Notable Disbursements made during 2022



6 MWp rooftop solar project on the rooftops of GPH Ispat Ltd. and Eco Ceramics Industries Ltd. by GPH Renewable Energy Ltd.



2.67 MWp rooftop solar project on the rooftops of Hatil Complex Ltd.



2.4 MWp rooftop solar project on the rooftops of Janata Jute Mills Ltd.



3.23 MWp rooftop solar project on the rooftops of Comptex Bangladesh Ltd. by Joules Power Ltd. (JPL).



2.80 MWp rooftop solar project on the rooftops of AKH Knitting and Dyeing Ltd.



2.87 MWp rooftop solar project on the rooftops of Kazi Farms Ltd.



2022 at a Glance



IDCOL organized its 2nd workshop on "Installation of Industrial Rooftop Solar System" to promote its rooftop solar technology with more suppliers of H&M.



IDCOL organized its 3rd workshop on "Installation of Industrial Rooftop Solar System" to promote its rooftop solar technology among the members of Metropolitan Chamber of Commerce and Industry (MCCI).



Signing of facility agreement between IDCOL & GPH Renewable Energy Ltd. to finance 6.05 MWp rooftop solar project



Signing of facility agreement between IDCOL & Hatil Complex Ltd. to finance 2.87 MWp rooftop solar project



Signing of facility agreement between IDCOL and Rancon Infrastructures and Engineering Limited to finance 1.0 MWp rooftop solar project



SOLAR MINI-GRID PROJECTS

KEY HIGHLIGHTS

Initiation

2014

Installation

26 mini-grid projects

Beneficiaries

16,000

Coverage

7 divisions

Impact

Grid quality electricity: **24x7**
CO₂ reduction: **29,300** tons



Solar minigrids installed in remote islands of the country.

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 provided access to **grid quality electricity for 24x7** to these rural population and played an important role to complement the commitment of the GoB to ensure Electricity for all by 2021. 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 sources the required financing from the World Bank, KfW, GPOBA, JICA, USAID, ADB and DFID to implement these solar mini-grids.

PROGRAM STRUCTURE

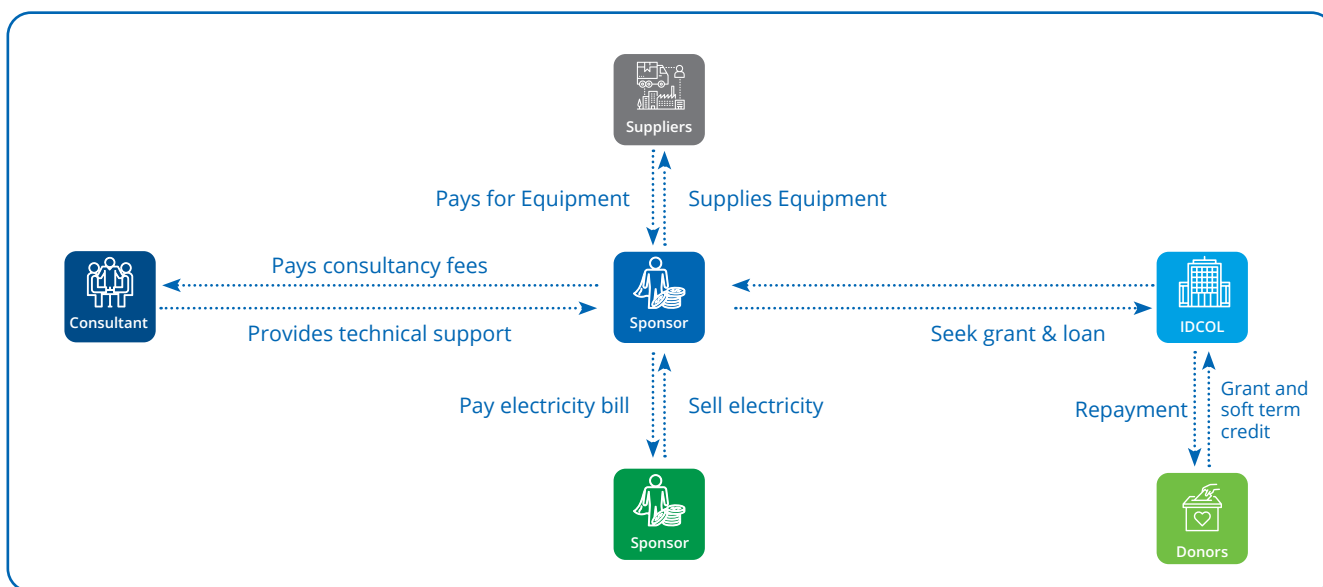
The prominent features of solar mini-grid projects are as follows:

- 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 support 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.

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



Solar Mini-grid Program Structure

BENEFITS OF THE PROGRAM

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 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. Prepaid meter helps them better monitor their energy consumption and motivates them for energy conservation, thus reducing wastage. IDCOL also

directs the sponsors to promote use of energy efficient appliances to reduce the monthly electricity bills for consumers.

Enlistment of New Suppliers

IDCOL solar mini-grid projects encouraged several suppliers to start 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 (all 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 to serve more customers with the electricity saved.

Economic Impact Created by Solar Mini-Grids

Being a reliable source of electricity, solar mini-grids have successfully contributed towards the 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), 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. Many entrepreneurs have been created in these areas because of successful mini-grid interventions. The total number of connections under solar mini-grids 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 contribute 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, 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 minigrid is estimated to be about 58.6 tons in a year and 1,171 tons in 20 years.



Solar mini-grid project financed by IDCOL

SOLAR HOME SYSTEM (SHS) PROGRAM

KEY HIGHLIGHTS

Initiation	2003	Beneficiaries	18 million people
Installation	4.13 million	Impact	Electrification of rural off-grid areas Women empowerment - Kerosene saving



Solar Home System providing electricity in rural off-grid areas.

IDCOL started SHS program in **January 2003** to fulfill basic electricity requirement of the off-grid rural people of Bangladesh. 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 in the remote areas which

enabled people to obtain electricity far sooner than would have been possible through grid electricity. 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 purposes.

SDG Relevance to Solar Home System Program

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

7 AFFORDABLE AND CLEAN ENERGY

10 REDUCED INEQUALITIES

13 CLIMATE ACTION

PROGRAM STRUCTURE

IDCOL has developed a unique model for the 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 figure in the following page shows the basic structure of the SHS program.

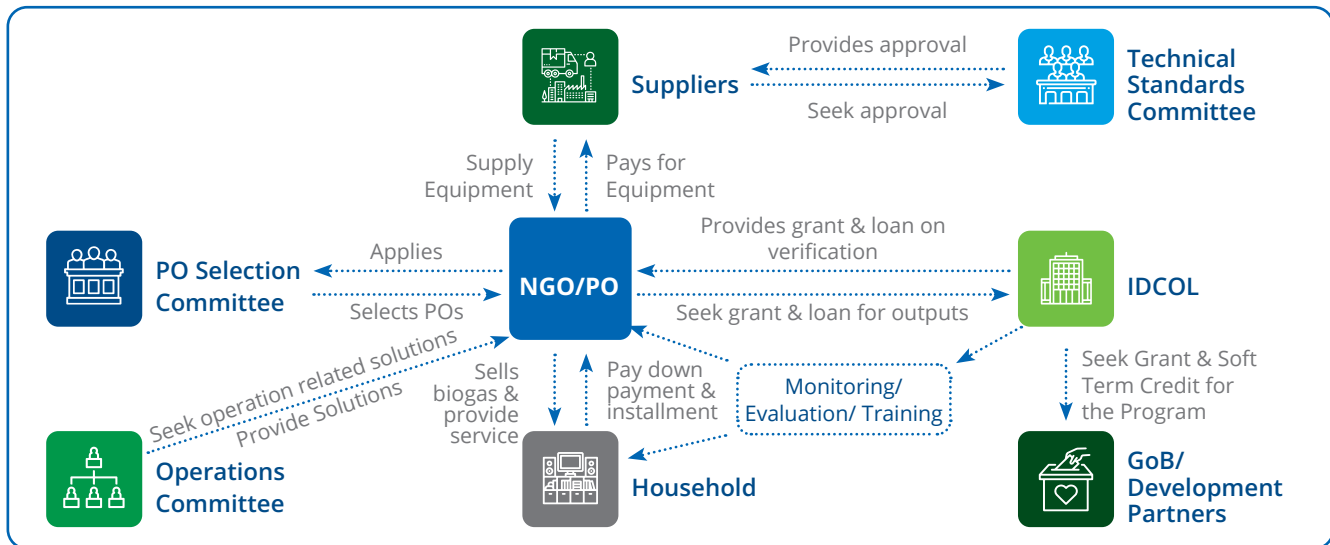
IDCOL initially received credit and grant support from the World Bank and GEF to start the program. Later, GIZ, kfW,



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

IDCOL, through its 56 Participating Organizations (POs) which are non-government organizations, micro-finance institutions, societies, foundations, and/or private

entities, implemented the program. IDCOL provided subsidy and concessionary credit to the POs. IDCOL also provided promotional support and necessary trainings to ensure quality of the program. Till December 2020, IDCOL disbursed USD 504.5 million (BDT 4172.7 crore) as credit and channeled USD 96.62 million (BDT 704.2 crore) as grant to all the POs under the program.



BENEFITS 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, easy access to electricity ensures that students in SHS households in the off-grid rural areas benefit from longer study hours – which substantially increase the number of completed school years in comparison to their counterparts in non-SHS households. This is expected to offer them better job opportunities in the future and raise their living standard in general.



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 nighttime 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.

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 are one of main target beneficiaries of the 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. It has successfully created

and enhanced working opportunities for women and contributed to improving their living standards and social status in rural areas. Solar electricity also benefits small business as they can enjoy extended operating hours and earn more revenue.



Weaving handicraft at night with help of Solar Home System

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). The already installed 4.13 million SHS will save consumption

of another 3.6 million tons of kerosene worth USD 1,300 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. This also reduces CO₂ emission and creates a positive effect on health as households now suffer less from respiratory diseases.

INSTALLATION OF RENEWABLE ENERGY SYSTEMS UNDER TR/KABITA PROGRAM

Based on IDCOL's experience in implementing various renewable energy programs and projects, particularly the globally acclaimed "Solar Home System (SHS) program" through its POs, 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 guideline under which IDCOL and its POs have been implementing the program since the last part of FY 2015-16.

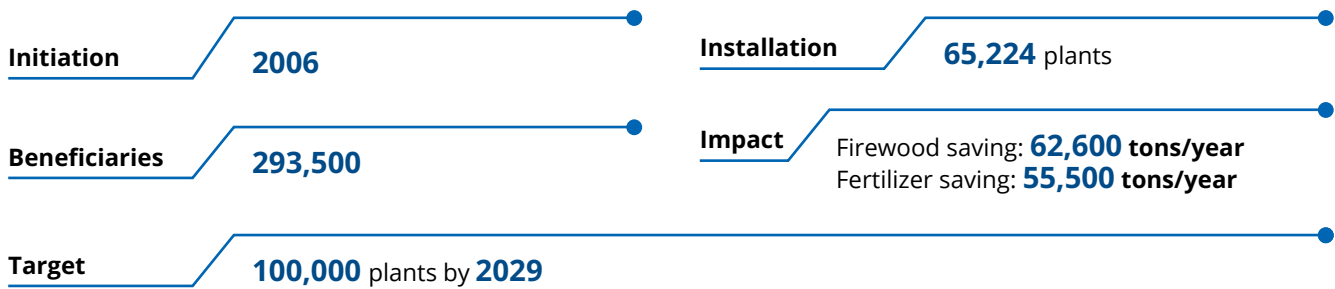
Under the TR/KABITA program, a total of about 1.575 million renewable energy systems have been installed till December 2020 through IDCOL POs. IDCOL has a dedicated team for monitoring the installation and maintenance of solar projects under TR/KABITA Program. This team works from 17 regional offices of IDCOL across the country.

IDCOL also has a dedicated Call Centre which remains open every day from 8 AM to 9 PM except for Fridays 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. Call center agents receive complaints from the customers and forward to the respective PO for resolving those. An integrated software is being used for recording, managing and tracking status of these complaints.



BIOGAS & BIO-FERTILIZER PROGRAM

KEY HIGHLIGHTS



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

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.

Realizing the potential of this segment, 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 65,000 biogas plants have been constructed till December 2022 through Participating Organizations (POs). These plants provide clean energy solution to around 293,500 beneficiaries.

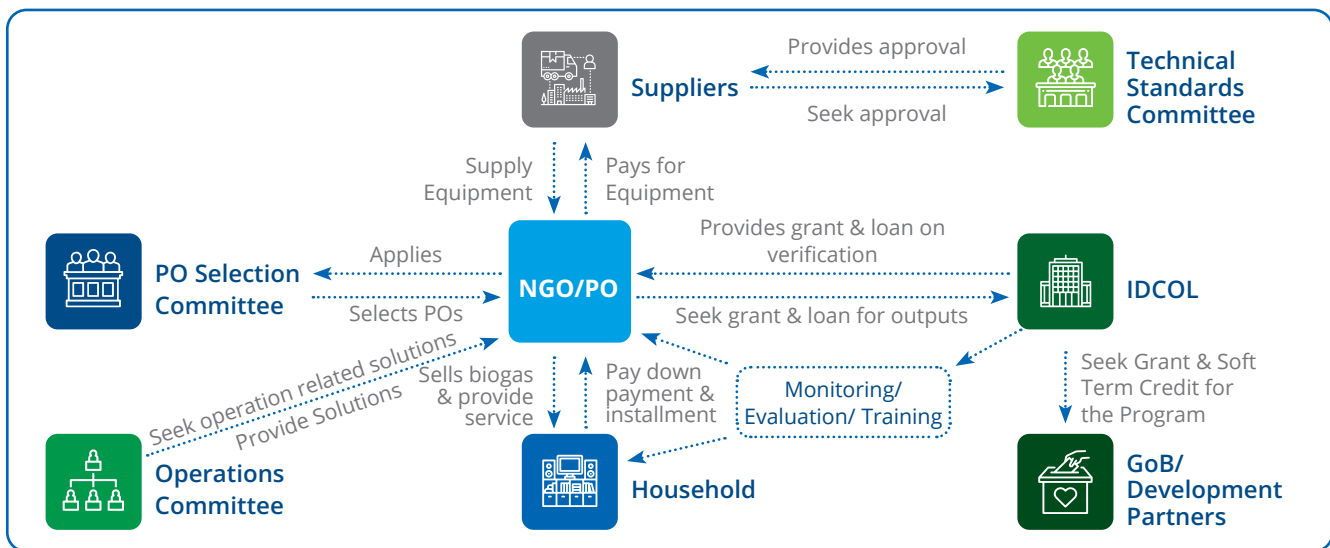
SDG Relevance to Biogas & Bio-fertilizer Program



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 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:



BENEFITS OF THE PROGRAM

Cost Savings

By providing gas for cooking purpose, the program has lowered the usage of firewood by **approximately 62,600 tons per year** which results in an annual savings of **BDT 42 Cr.** Decrease in the use of traditional stoves burning biomass reduce household air pollution. Biogas plants constructed under the program generate around **387,000 tons** of organic fertilizer each year – “**Bio-slurry**” and save approximately **55,500 tons of chemical fertilizer** worth **BDT 123 Cr.** Bio-slurry is also an excellent food source for fish.

Prefabricated Bio-digester

From 2014, IDCOL is financing prefabricated bio-digesters along with conventional brick-cement based biogas plants. Prefabricated 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.



Prefabricated bio-digester based on fiberglass.



Employment Creation

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.

BIOGAS BASED POWER PROJECTS

IDCOL finances commercial biogas-based electricity projects by providing poultry and dairy farms with up to 80% of the project cost 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 self-consumption. Since **2006**, IDCOL has financed installations of **10 large-scale biogas projects**. The

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

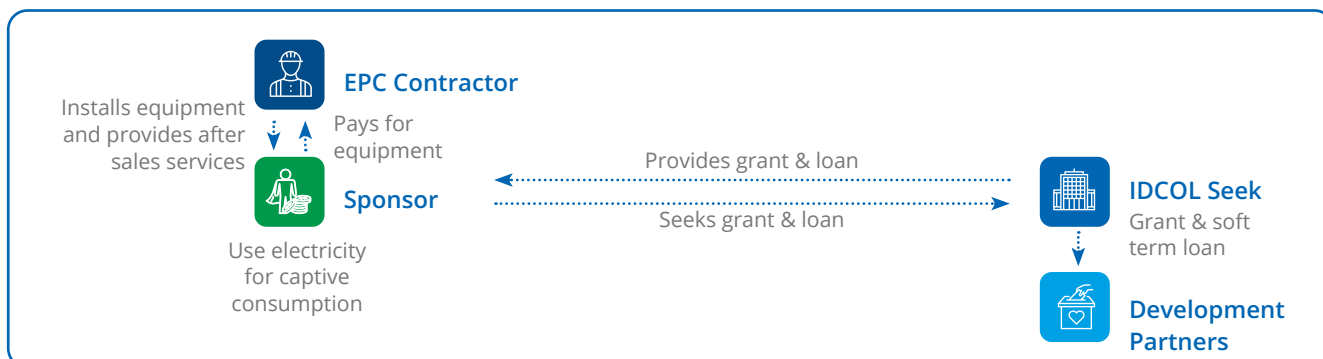
The World Bank, KfW, USAID and JICA are providing support to IDCOL for financing these projects. These projects may be located at grid or off-grid areas. The target sponsors are dairy or poultry farms which has adequate livestock to produce substrate to be fed into the biogas.



400 kW Biogas based Electricity Project at Satghoria, Halodia, Louhajung, Munshiganj

PROGRAM STRUCTURE

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



BENEFITS OF THE PROGRAM

Reduction of CO₂ Emission

These projects involve production of biogas as an end product of anaerobic digestion- a process through which energy stored in organic matter is converted into biogas. The produced gas is then used in industries or manufacturing plants for running machinery or for generating electricity. Through this process, the carbon emitting fuel is replaced with cleaner sources of energy. Implementation of such projects also reduce potential environmental hazards resulting from improper disposal of poultry, dairy and agriculture wastes.

Alternative Source of Energy

By producing electricity from poultry litter/cow-dung, biogas based power projects reduce dependency on fossil fuel and provide opportunities for saving electricity bills and diesel consumption. This gives access to grid quality electricity at low cost.

RISKS & MITIGATIONS

Lack of Awareness

These projects require skilled manpower for plant operation and maintenance. In addition, the availability of the technology is yet to be adequately distributed among potential sponsors e.g. poultry/dairy farms.

Overcoming Technical Challenges

The operational biogas based power projects provided the base case and detailed understanding of such projects. Nine projects have been operational for more than a year and they have provided opportunities for improvement in system design and other related aspects. Learning from previous projects provides valuable input in this regard. Notably, IDCOL is currently

expediting new technologies to mitigate the challenges that have been observed in the operational projects. The implementation of these technologies is expected to bring about necessary solution to make these projects more viable and sustainable.

Lack of Suppliers

Only a handful of suppliers are providing technical solutions, limiting options for sponsors. As a result, a limited number of technical experts in the industry who can provide technical support for these projects is not able to offer new adaptable options for technologies in this sector. IDCOL is encouraging other engineering institutions to provide technical consultancy services under biogas based power projects.

Lack of Research and Development

Lack of experience in research and development for bio energy is another issue that needs to be addressed to overcome the challenges of these projects. The operational biogas based power projects have already identified some major challenges, which can be used as base case, and further R&D can be initiated based on these cases.

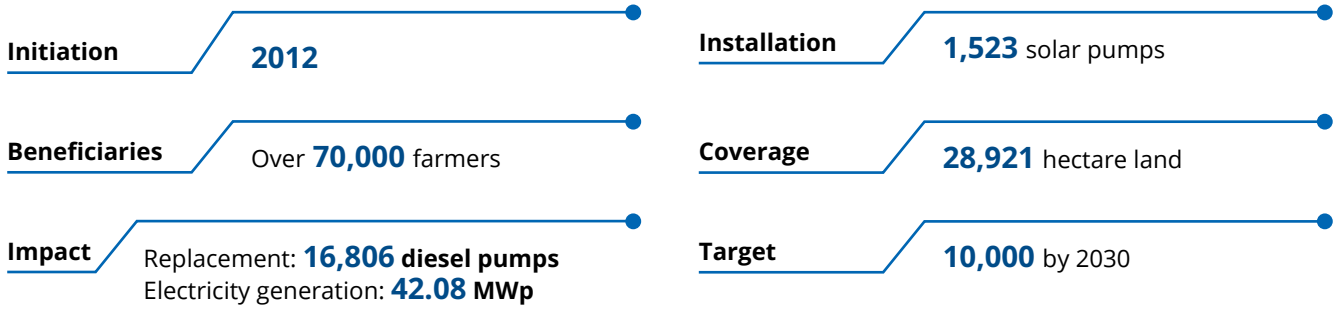
Government Support

To make these projects more financially viable and sustainable, the major equipment of these projects needs to be more cost effective. In this regard, the government may exempt Tax and VAT for the equipment such as biogas generator, water separator and other machinery. It is also required to encourage the participation of the potential suppliers in this sector by exempting tax and VAT on the imported equipment used under such projects. Moreover, for expediting the success of these projects, the government may encourage the poultry/dairy farms in undertaking biogas based electricity projects.



SOLAR IRRIGATION PROGRAM

KEY HIGHLIGHTS



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

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 1.24 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 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 facilities to off-grid areas and thereby reduce dependency on fossil fuel. Till date, IDCOL has provided financial assistance for installation of **1,523** solar irrigation pumps which are already in operation. Moreover, IDCOL has a target to finance **10,000 solar irrigation pumps by 2030**. The World Bank, KfW, GPOBA, JICA, USAID, ADB and Bangladesh Climate Change Resilience Fund (BCCRF) are supporting this initiative.

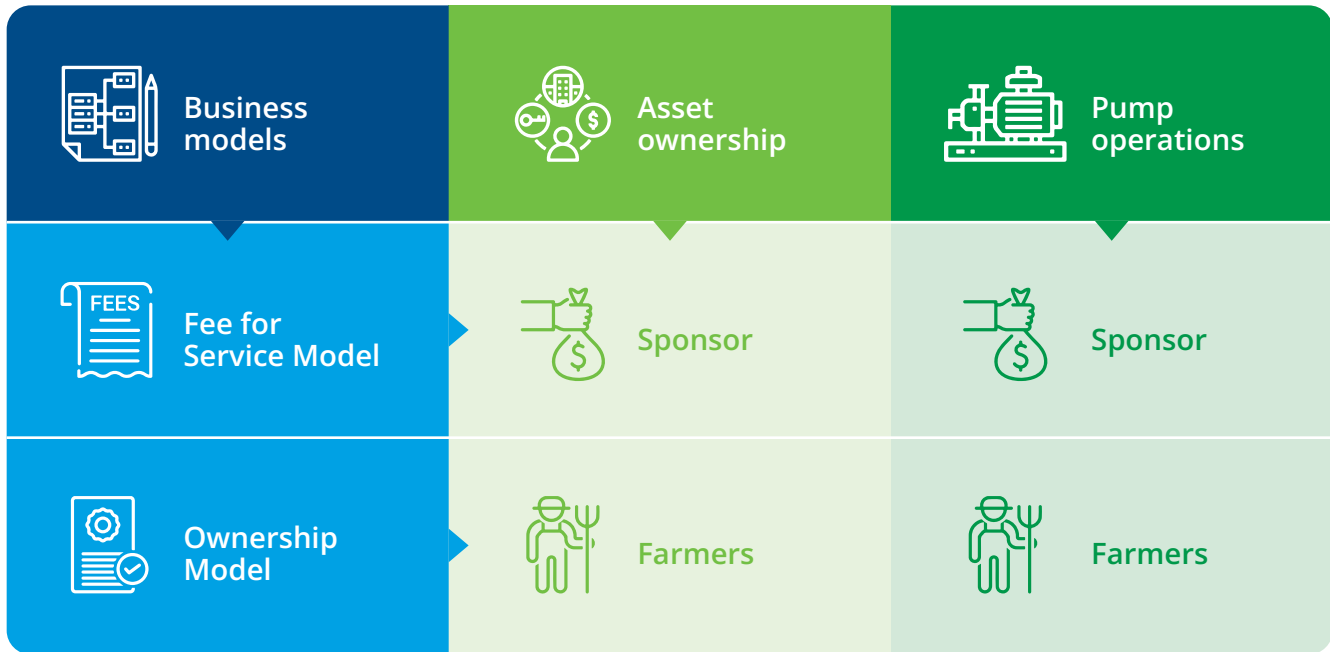
SDG Relevance to Solar Irrigation Program



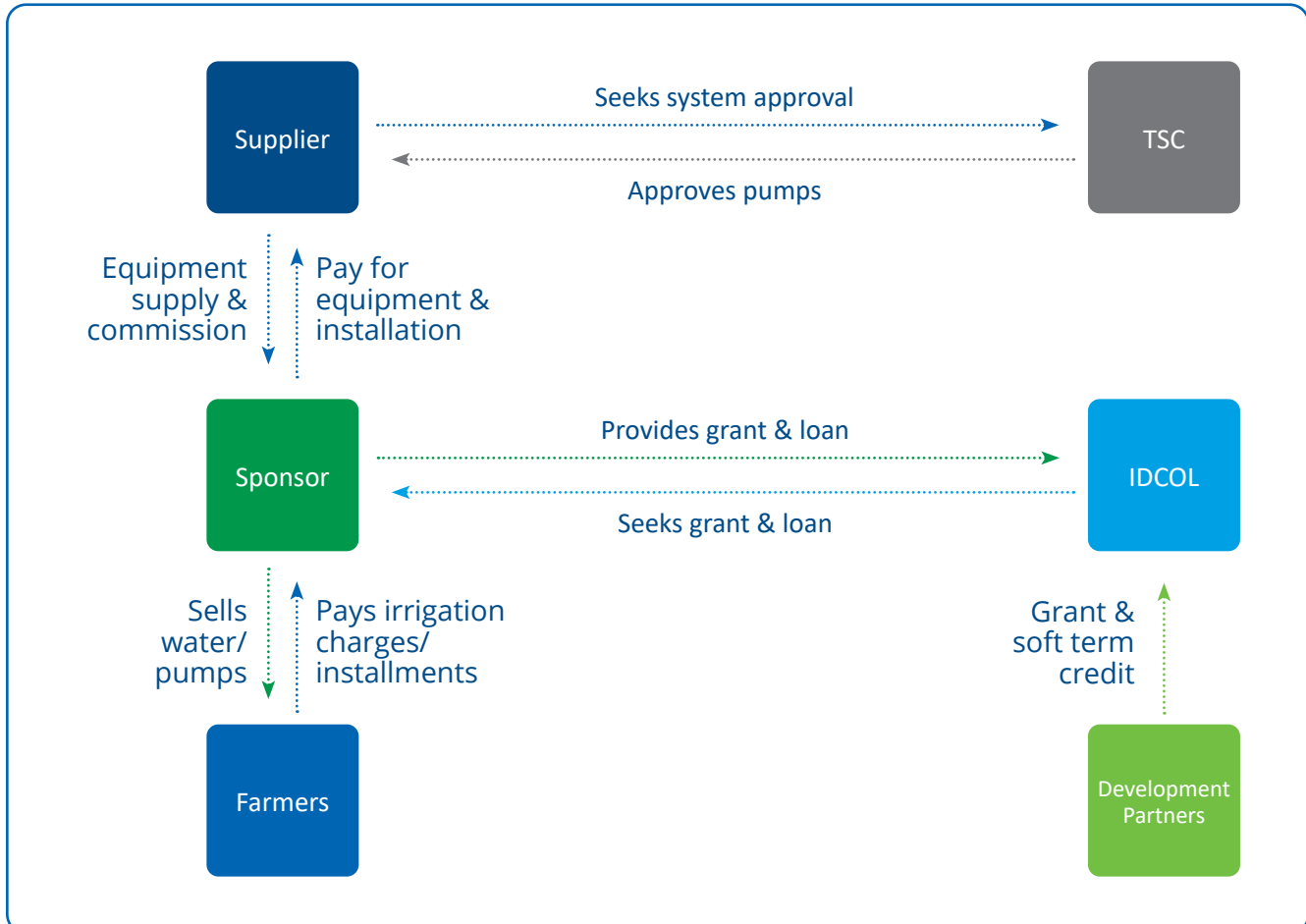
PROGRAM STRUCTURE

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:



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



MAJOR PROGRAM RESULTS

Partner Network Development

IDCOL currently has about 29 sponsors under its solar irrigation program. These sponsors have dedicated workforces and have engaged local human resources for implementing the program.

Geographic Coverage and Capacity Development

IDCOL solar irrigation program has presence in **5 divisions** of the country and is covering **18 out of 64 districts** in those divisions. IDCOL is currently working in **63 sub-districts** of these 18 districts. IDCOL has a plan to expand program activities in all the sub-districts of the country. Under the program, IDCOL trained **more than 9,000 farmers**, operators and sponsors' officials.

Product Development

In 2011, there were only 6 suppliers under the program which gradually increased to 27 in order to cater for 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. The introduction of new ranges of products allowed pump **price to reduce by about 68%** than the prices during first phase of the program.

Reduction of CO₂ Emission

A single irrigation pump can replace about 8-10 diesel pumps and thus can reduce emission of CO₂ of about 32 tons per year. With successful implementation of IDCOL's **10,000 solar irrigation pumps**, around **0.5 million tons of CO₂ emission will be reduced per annum**.

Increased Productivity and Household Income

Having the opportunity to irrigate the fields on time leads to increased productivity, reduction of cultivation cost

and ultimately boost yield of the farmers. With proper irrigation system, farmers can harvest vegetables more than twice during this season which was not possible before. Moreover, farmers have enough free time to do some other work. All these have helped improve their household income.

Women Empowerment

The rural women actively help their husband in agriculture especially during land preparation and seed sowing as these has become less burdensome due to solar irrigation pumps. Women can now participate more actively in income-generating and social activities, which gives them a sense of empowerment. IDCOL is currently working with United Nations Environment Programme (UNEP) for implementing project "The EmPower – Women for Climate Resilience" in Bangladesh. This project focuses on women's entrepreneurship development and livelihood improvements through renewable energy.

Lessen the Government's Burden of Fuel Subsidy

Through the replacement of diesel pumps, 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.

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 in the fields.

Awards and Recognition



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)



Karlruhe Sustainable Finance Awards 2020" in the category of "Outstanding Sustainable Project Financing" for the Solar Irrigation Pump Projects by the European Organization for Sustainable Development (EOSD)



Asian Power Awards 2020" in the category of "Solar Power Project of the Year- Bangladesh" for the Solar Irrigation Pump Projects by the Asian Power Magazine

Solar-powered irrigation systems are gaining popularity owing to IDCOL's cost-effective financing and innovative business models. In recognition of this innovation, IDCOL won the Financial Innovation Award (FIA) 2019, given by The London Institute of Banking and Finance (LIBF) for IDCOL Solar Irrigation Program. In addition, IDCOL also won the prestigious Karlsruhe Sustainable Finance Awards 2020 in the "Outstanding Sustainable Project Financing" category for implementing Solar

Irrigation Pump (SIP) Project in Bangladesh. In the same year, IDCOL won the prestigious Asian Power Awards 2020 in the "Solar Power Project of the Year-Bangladesh" category for implementing Solar Irrigation Pump (SIP) Project in Bangladesh. Besides, IDCOL also won The Global Economic Awards 2022 in the 'Best Green Initiative (Renewable Energy)-Bangladesh' category for implementing solar irrigation pump project.

Workshop

A National stakeholder workshop on "Groundwater Irrigation in Bangladesh: Changing Modalities, Resultant Policies" took place on 21st December 2022 in Pan Pacific Sonargaon Hotel, Dhaka which was organized

in collaboration with Infrastructure Development Company Limited (IDCOL), NGO Forum, CGIAR initiative "Transforming Agrifood System in South Asia" (TAFSSA) and International Water Management Institute (IWMI). This is under the "Solar Irrigation for Agricultural Resilience" (SoLAR) project funded by Swiss Agency for Development and Cooperation (SDC).



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



OTHER RENEWABLE ENERGY PROJECTS

SOLAR GRID-TIED PROJECTS

Grid-tied solar projects generate electricity using sunlight during daytime and supply the generated electricity to the national grid, consequently increasing the capacity of the national grid and ensuring demand fulfilment for the subscribers. Shifting to solar grid-tied projects can save a massive portion of the GoB's subsidy on fossil fuel for electricity generation and sustain national energy security. These projects will also facilitate the transfer and replication of substantial state-of-the-art technologies from developed countries and ensure that Bangladesh follows a low-carbon growth path. IDCOL has financed its first solar grid-tied project, Sympa Solar Power Ltd, an 8 MW grid-tied solar project at Majhipara, Tetulia, Panchagar. The project is currently in operation.



8 MW Utility Scale Project by Sympa Solar Power Ltd.

BATTERY RECYCLING PROJECT



Lead acid battery recycling plant by Panna Battery Ltd.

Recycling of batteries extracts lead from scrap battery 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. The recycled lead can be used to meet the increasing demand of raw materials in the local battery industry. Manual recycling methods release large amounts of lead into the environment. Hence, such environment friendly recycling plant will ensure the reduction of the release of the harmful chemicals into the air.

IDCOL has financed Panna Battery Ltd., a lead acid battery recycling plant with recycling capacity of 70 MT of used lead acid batteries per day.

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, many of which suffer 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

MONITORING AND QUALITY CONTROL OF PROJECTS

To ensure the monitoring of the project performance and satisfactory output, IDCOL ensures strong monitoring mechanism in the sites of the renewable energy projects. For Monitoring and Quality Control, IDCOL has dedicated Monitoring Unit along with external experts to monitor operational performance of the projects during pre-approval and post-approval stage.

GREEN CLIMATE FUND (GCF)

KEY HIGHLIGHTS

Accredited on **6 July 2017**, IDCOL is Bangladesh's **1st Direct Access Entity (DAE)** of **GCF**

Enlisted as one of the **113 globally GCF-accredited entities**.

Eligible for managing **Senior Loan** and **Grant** up to **USD 256.5 million** per project.

Project Preparation Facility (PPF) support is the **1st of its kind** for Bangladesh

USD 256.5 Million loan & technical assistance approved and **04** more projects in different stages of approval.

Signed 1st Funded Activity Agreement (FAA) for **USD 256.5 Million** on 20 July 2022

BACKGROUND

Green Climate Fund (GCF) – a critical element of the historic Paris Agreement - is the world's largest climate fund, mandated to support developing countries raise and realize their Nationally Determined Contributions (NDC) ambitions towards low-emissions, climate-resilient pathways. Climate change offers businesses an unprecedented chance to capitalize on new growth and investment opportunities that can protect the planet as well.

IDCOL and GCF will jointly mobilize concessionary fund for both public and private sector to address the needs of Bangladesh in combating the impacts of climate change.

IDCOL: BANGLADESH'S 1st ACCREDITED ENTITY OF GCF

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 for financing climate change mitigation or adaptation project to be implemented in Bangladesh. The fund is first of its kind to enter Bangladesh through IDCOL which will be channelled

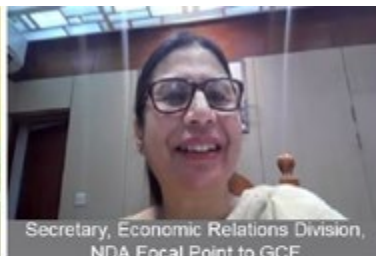
directly to private/public sector entity or through private sector banks or financial institutions. Primarily, IDCOL was accredited for the funding instrument of "Senior Loan" and eligible to receive up to USD 250 million for each GCF project. Later, on 7th July 2019, IDCOL upgraded its accreditation status to access "Grant" of up to USD 250 million 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 under the AMA.

Approval and Signing of Country's 1st Concessional Credit Line Under GCF

On 10 November 2020, IDCOL received approval of its first GCF funding proposal titled "Promoting private sector



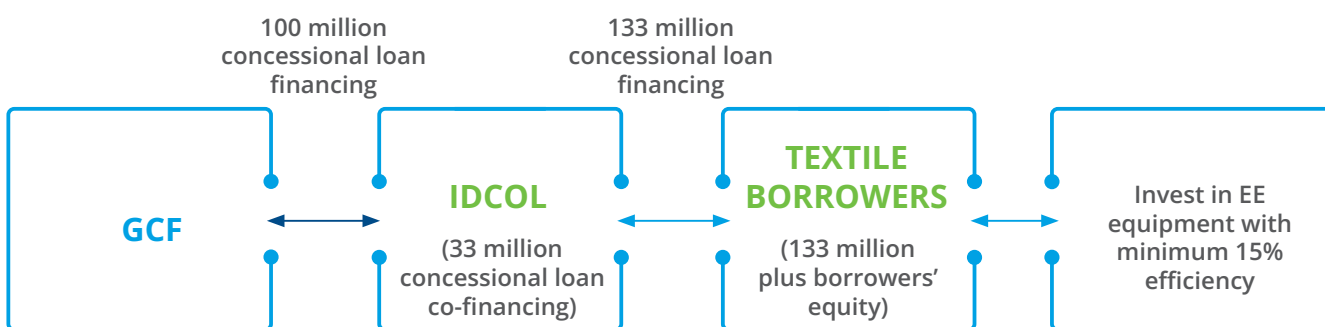
investment through large-scale adoption of energy-saving technologies and equipment for textile and readymade garments sectors of Bangladesh.” At the time of approval, this was also the highest approved funding proposal for any DAE of GCF, accredited globally. Subsequently, on 20 July 2022, the Green Climate Fund (GCF) and IDCOL entered into a Funded Activity Agreement (FAA) to undertake a significant energy-saving project specifically tailored for Bangladesh’s textile and garment industries. The signing ceremony was held online. The signing marks the arrival of the first concessional GCF credit line for Bangladesh, as well as the first private sector financing of GCF in the country.

This program, valued at USD 340.5 million, stands as the GCF’s most substantial contribution to a private sector project in a single country. The approved GCF financing for the project amounts to USD 256.5 million, including USD 250 million in the form of concessional loan (tenor 20 years with 5 years grace period) and USD 6.50 million as Technical Assistance (Grant) for creation of enabling

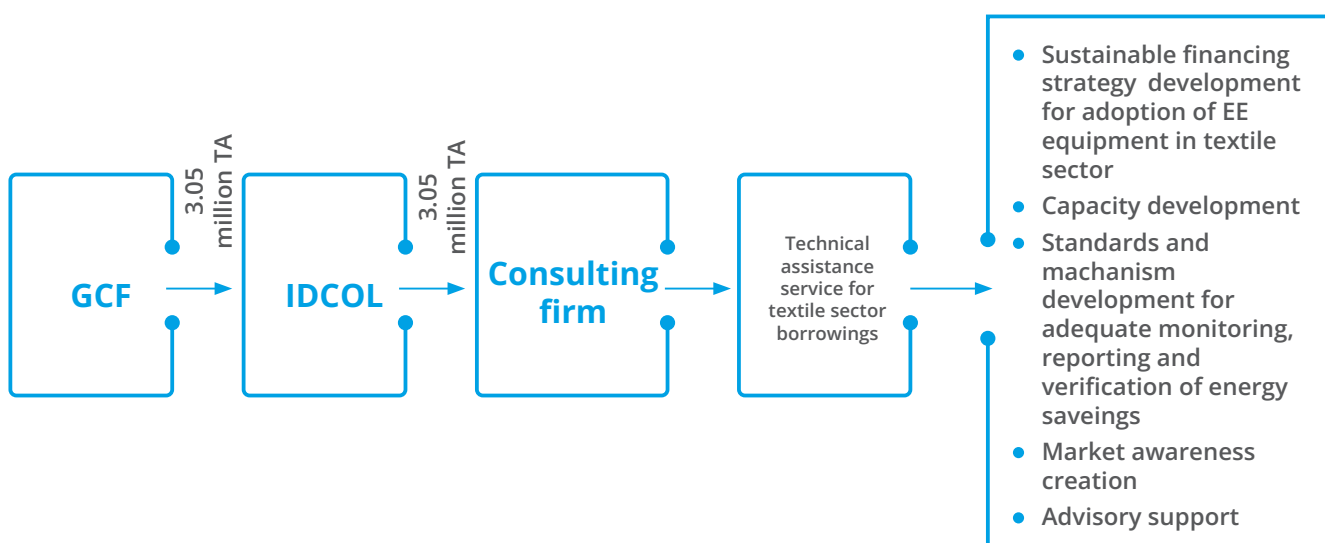
environment, market awareness and capacity building of the relevant stakeholders. The rest of the amount will be co-financed by IDCOL and other implementing partners..

This program aims to offer both financial and technical support to textile and garment producers, enabling them to shift towards energy-efficient equipment and advanced technologies. By adopting these measures, the program seeks to reduce 14.53 million tonnes of CO₂ emissions, safeguard jobs, and promote growth in this crucial economic sector. Importantly, it will also play a pivotal role in encouraging private sector investment. The program will work towards motivating local financial institutions to develop scalable lending and investment models that promote climate mitigation and sustainable development within the sector. This integrated approach emphasizes the importance of aligning economic growth with environmental sustainability for a resilient and prosperous future. The approved programme comprises of five interrelated components.

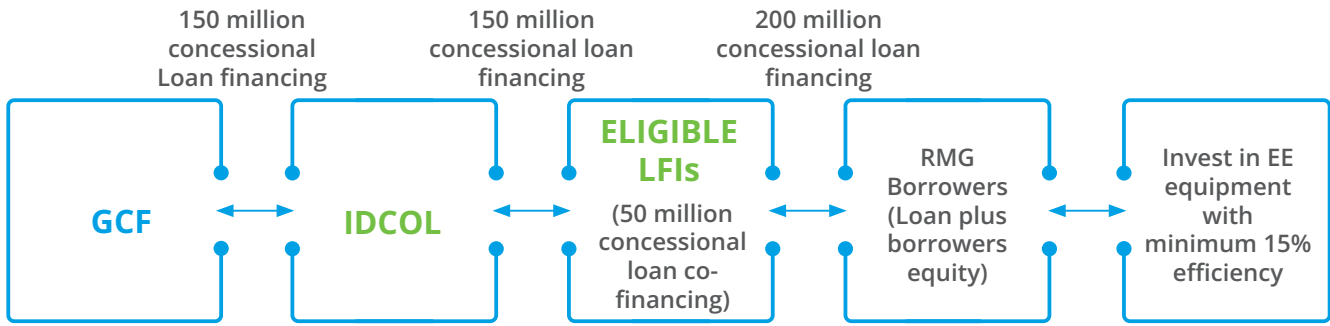
Component 1: Under this component, IDCOL, as an executing entity, will aim at offering concessional loans to the end borrowers who are in these case the private textile manufacturing entities for adoption of Energy Saving Equipment & Technology.



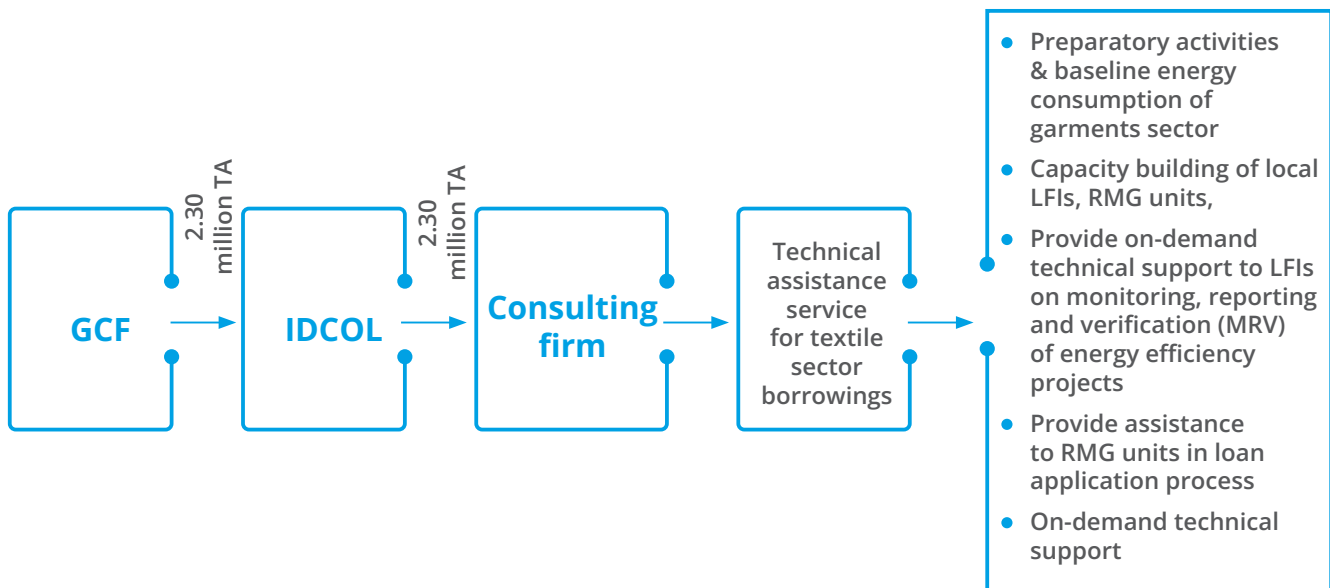
Component 2: IDCOL through a consulting firm will provide technical assistance services for developing enabling environment for EE investment in textile sector using the technical assistance provided by GCF.



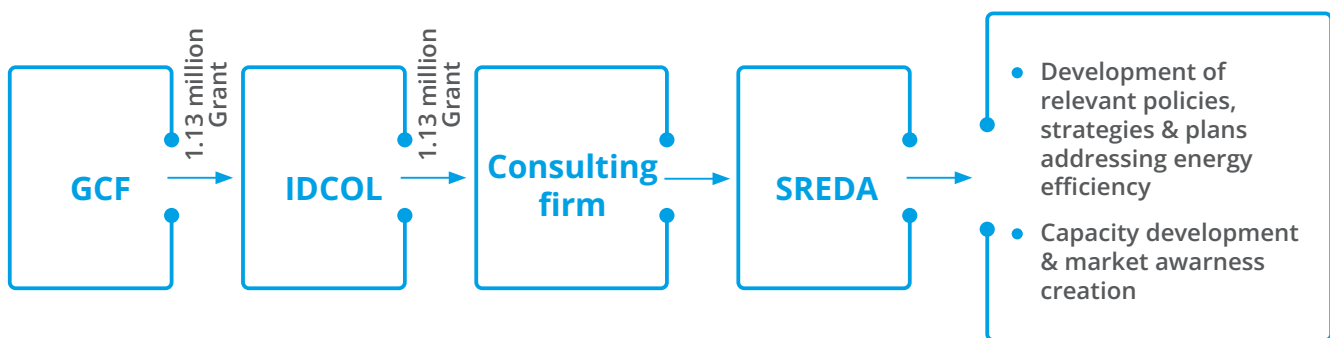
Component 3: Under this component, IDCOL, as an executing entity, will aim at offering concessional loans to the end borrowers who are in these case the private textile manufacturing entities for adoption of Energy Saving Equipment & Technology.



Component 4: IDCOL through a consulting firm will provide technical assistance services for developing enabling environment for EE investment in RMG sector using the technical assistance provided by GCF.



Component 5: Under this component, IDCOL using GCF Technical Assistance (TA) from GCF through a consulting firm will assist SREDA in strengthening regulatory and institutional framework at the national level to overcome the operational constraints related to implementing EE&C in the country.



Assistance in the Development of a Concept Note and Funding Proposal

IDCOL, as the Direct Access Entity (DAE) to GCF, can receive grant support through the Project Preparation Facility (PPF) by submitting a concept note with high potential. IDCOL has successfully executed 03 PPFs worth USD 1 million, which is a pioneering achievement for Bangladesh. Through the support of the PPF, IDCOL can facilitate the access of both public and private sector stakeholders to the GCF by developing a robust funding proposal.

The PPF has been availed for the support of one or more of the following activities:

- Pre-feasibility and feasibility studies as well as project design
- Environmental, social and gender assessment
- Risk assessment of the proposed project
- Identification of program or project level indicators
- Pre-contract services, including the revision of tender documents
- Advisory services and/or other services to financially structure a proposed activity
- Other activities such as workshops and consultations, etc.

IDCOL's Ongoing and Upcoming Projects

IDCOL currently has a strong pipeline of climate change projects focused on both adaptation and mitigation.

These projects encompass a range of sectors and highlight the significance of climate resilience and sustainable development.

Some notable projects include:

- Climate-resilient sustainable coastal forestry
- Scaling up solar-powered irrigation for food security
- Promoting clean energy and energy efficiency in the industrial sector, etc.

These initiatives demonstrate IDCOL's commitment to addressing climate change and promoting sustainable practices across different sectors.

IDCOL strives to provide support for national priority projects and programs outlined in key climate change documents at the national level. These documents include the GCF country program, National Adaptation Plan, National Determined Contribution, Mujib Climate Prosperity Plan, and other relevant national strategies and plans. By aligning with these initiatives, IDCOL ensures its efforts are in line with the country's overarching climate change objectives and contributes to sustainable development in Bangladesh. As a market leader in private sector infrastructure investment, IDCOL is looking forward to financing more and more sustainable investments and creating a market for energy efficient projects considering the increasing move towards green financing, its relevance in attaining the SDGs and positive impact on keeping the environment safe.

ADVISORY SERVICES

IDCOL has enriched its service offerings by providing advisory services in the country and abroad since 2014 by utilizing its expertise in Renewable Energy, Climate Finance, Project Finance, Financial Analysis, Financial Modeling and Project Management experience. In Bangladesh, IDCOL works closely with government entities and regulators to advise and assist in formulating policy,


developing regulatory and institutional frameworks that support private investment and public-private partnerships in renewable energy and infrastructure development. Outside of Bangladesh, IDCOL provides advisory support for implementation and replication of IDCOL's renewable energy and infrastructure projects and programs.

4
ADVISORY ASSIGNMENTS IN 2022


170
PROFESSIONALS RECEIVED SUPPORT FROM EXPERIENCE SHARING PROGRAM

1600+
PROFESSIONALS TRAINED UNDER IDCOL TRAINING & CAPACITY BUILDING PROGRAM

ARRAY OF ADVISORY SERVICES



Financial Advisory



Government Advisory



Climate Consulting




Project Advisory



Transaction Advisory



Policy Reform



Capacity Building



CLIENTELE BASE

IDCOL's consulting clients include United Nations Development Programme (UNDP), Food and Agriculture Organization (FAO) of the United Nations, International Renewable Energy Agency (IRENA), Power Cell, Bangladesh Power Development Board (BPDB),

Climate Vulnerable Forum, GIZ, UK Department of Business, Energy and Industrial Strategy (BEIS), Skills for Employment Investment Program (SEIP) under Finance Division, Rural Energy Agency of Tanzania, and Ministry of Energy, Government of Malawi.

YEAR IN FOCUS- 2022

IDCOL HAS BEEN AWARDED

4

ADVISORY ASSIGNMENTS IN 2022.

1



Ministry of Energy
Government of Malawi



Infrastructure Development Company Limited (IDCOL) has been providing support to the Ministry of Energy of the Government of Malawi as the Fund Manager of the Malawi Off-Grid Market Development Fund (OGMDF) to develop the solar market. IDCOL will operationalize the USD 20 million financing window to address the challenges of scaling up the off-grid market by providing debt financing as working capital support, grant facility to provide end-user subsidy and Market Catalyst Fund to support the local companies. The Fund, supported by The World Bank under the Malawi Electricity Access Project, targets to electrify 200,000 new households in remote rural communities. The Solar Home Systems (SHSs) will provide affordable electricity to underserved and harder-to-reach segments of the population, by engaging the local off-grid solar companies in Malawi.

2



IDCOL has been advising Skills for Employment Investment Program (SEIP) project under Finance Division to develop a business plan for renewable energy sector skill development in Bangladesh. SEIP project was launched in 2014 with support from ADB to support the long term and comprehensive skills development efforts in Bangladesh. Tranche 1 and Tranche 2 addressed the skills requirements of nine industry sectors through implementation of market responsive inclusive skills training programs. Under Tranche 3 of the project, SEIP is focusing on identifying and developing skills requirement of the Renewable Energy sub-sector. IDCOL has completed the analysis and submitted a business plan as per requirement of the assignment. IDCOL estimated that up to 16,698 new jobs may be created in the RE sector by 2030. In the business plan, it was proposed that 425 trainees will be provided training during October 2022 to December 2023.

3



In June 2021, USAID launched the Bangladesh Advancing Development and Growth through Energy (BADGE) project with an objective to improve energy security and resilience in Bangladesh by improving access to affordable, reliable, and sustainable energy systems, and promoting transparent and efficient energy markets. Tetra Tech Inc. is the implementing entity of the BADGE project which will mobilize \$17.2 million of technical assistance to support Bangladesh's energy sector transformation. IDCOL, in association with Ahsanullah University of Science and Technology (AUST), is selected for supporting USAID BADGE project activities. The Request For Application (RFA) sought grant applications from local organizations and community groups, private companies, entrepreneurs, non-profit, academia and Research & Development institutions working in the area of energy access, clean energy, energy efficiency, improving quality and reliability of supply and modern energy services to support achieving results of BADGE project.



Food and Agriculture
Organization of the
United Nations

In September 2020, Green Climate Fund (GCF) approved a Readiness Proposal for strengthening Bangladesh’s NDA Secretariat for enhancing pipeline implementation and private sector engagement in effective climate action. Food and Agriculture Organization (FAO) was the implementation entity of the project. In this regard, FAO intended to engage consultant(s) to develop background paper which will review and analyze the existing micro, small and medium enterprises (MSMEs), particularly in textile, agriculture and food industry, energy, waste and

industrial processes and product use sectors on existing barriers and risks towards engagement in climate actions and investments. The background paper will ultimately guide the discussions of a national stakeholder dialogue with MSMEs and public entities in their role toward sustainable climate actions and investments. IDCOL has been selected for a consultancy assignment with FAO to develop a background Paper and facilitate a national stakeholder dialogue on private sector MSMEs engagement in climate actions.

TRAINING AND CAPACITY DEVELOPMENT

IDCOL has enriched its service offerings by providing advisory services in the country and abroad since 2014 by utilizing its expertise in Renewable Energy, Climate Finance, Project Finance, Financial Analysis, Financial Modeling and Project Management experience. In Bangladesh, IDCOL works closely with government entities and regulators to advise and assist in formulating policy,

developing regulatory and institutional frameworks that support private investment and public-private partnerships in renewable energy and infrastructure development. Outside of Bangladesh, IDCOL provides advisory support for implementation and replication of IDCOL’s renewable energy and infrastructure projects and programs.

TRAINING & CAPACITY BUILDING PROGRAM

Training of 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 Projects 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 its Training and Capacity Building Program of IDCOL. IDCOL officials have also trained in workshops arranged in foreign countries i.e. Singapore, Indonesia, North Cyprus, Sudan, Uganda, Iran and Cambodia.

EXPERIENCE SHARING PROGRAM

Supported more than 170 professionals from over 18 delegation around the world

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 delegation 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.



IDCOL MANAGMENT



Standing from left:

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



Sitting from left:

Name	Designation
Mr. S. M. Monirul Islam	Deputy CEO and CFO, IDCOL
Mr. Alamgir Morshed	Executive Director and CEO, IDCOL
Mr. Nazmul Haque	Chief Investment Officer, IDCOL



PROFILE OF IDCOL MANAGEMENT



Mr. S. M. Monirul Islam
Deputy CEO and CFO, IDCOL

Mr. S. M. Monirul Islam joined IDCOL in 1998 and is one of the key members of IDCOL Management Committee working to establish IDCOL as the prime private sector infrastructure financier since its inception. In addition to industry leading specialization in financial management, Mr. Islam is an expert in negotiating and arranging funds from the government and various development partners. He has been managing, apart from the company's own resources, about USD 1.5 billion of development funds, in the forms of credit and grant, raised from development partners like the World Bank, Asian Development Bank (ADB), the French Development Agency (AFD), German Development Bank (KfW), Japan International Cooperation Agency (JICA), United Nations Environment Programme (UNEP), Green Climate Fund (GCF), Asian Infrastructure Investment Bank (AIIB), International Water Management Institute (IWMI), etc.

Mr. Islam has been trained, home and abroad, on financial reporting, financial management, project financing, anti-money laundering and combating terrorism financing (AML & CFT), asset-liability management (ALM), micro-finance, procurement and ICT. Mr. Islam has led several delegations to different overseas forums, events and represented the organization as well as the country. As a keynote speaker, he 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, currently, Mr. Islam heads the advisory services functions of IDCOL. Under his leadership the advisory services unit has rebranded itself and is currently working on various local and foreign projects especially in Sub-Saharan countries like Tanzania, Malawi etc. Besides, he oversees the operational activities of the organization which include procurement, administration, human resource management, and information technology.



Mr. Nazmul Haque
Chief Investment Officer, IDCOL



Since his joining in 2003, Mr. Nazmul Haque has been a core part of IDCOL's management team that transformed the company from a small fund manager to the country's premier infrastructure financier. Mr. Haque currently leads IDCOL's infrastructure, industrial & energy efficiency, and PPP financing activities. As of December 2022, he managed more than 81% of the company's loan portfolio which contributed 77% to company's total revenue in 2022.

Mr. Haque has significant expertise and experience in structuring, financing, and raising funds for complex infrastructure projects in sectors like power, telecom, toll roads, ports, ICT, social infrastructure etc. Many of the projects he financed were first of its kind in Bangladesh and vital for the sustainable development of the country. Mr. Haque also played a major role in developing IDCOL's large renewable energy interventions.

Mr. Haque plays a key role in arranging funds for IDCOL from various bilateral and multilateral development agencies for on-lending to eligible projects. He has been a catalyst in sourcing more than USD 1.0 billion credit line from ADB, AIIB, JICA, KfW and AFD till date and currently is in negotiation with multiple other DFIs.

The dedicated Advisory Unit of IDCOL was launched in 2015 under his dynamic leadership which now provides local and cross-border consulting services. As a key resource person of IDCOL, he conducted many local and international training and capacity building programs and trained more than 1500 participants on Project Finance, Financial Modeling, Renewable Energy Finance and Public Private Partnership (PPP). Mr. Haque represented IDCOL at various local and international platforms and presented papers in many seminars and conferences in Asia, Europe, North America, and Africa.

Mr. Haque is currently pursuing a master's degree in public administration at the Kennedy School of Government, Harvard University. A summa cum laude in his class, he previously completed his MBA from North South University. Mr. Haque also completed certification program on 'Project Finance' from IP3 Institute, USA and 'Sustainable Energy Finance' from Frankfurt School of Finance & Management.



Mr. Md. Enamul Karim Pavel
Head of Renewable Energy, IDCOL

Mr. Md. Enamul Karim Pavel joined IDCOL in 2004 and is pioneer in implementation of IDCOL's renewable energy projects and programs. Under his dynamic leadership, the renewable energy team is working to develop and promote various renewable energy technologies and business models which are first of its kind in Bangladesh.

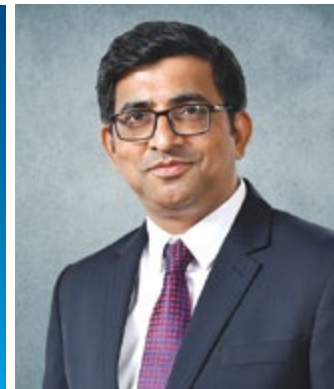
An expert in financial modeling and project financing, Mr. Pavel was a key resource person of corporate advisory trainings offered by IDCOL. He also conducted several trainings on renewable energy technologies for officials and practitioners of a number of African and Asian countries. Mr. Pavel is also working as a consultant in various advisory services projects being implemented in Sub-Saharan countries like Tanzania, Malawi etc.

Before joining IDCOL, Mr. Pavel worked as a civil servant in different administrative positions of the Government of Bangladesh and as a Marine Engineer in Bangladesh Shipping Corporation. He completed BSc. in Marine Engineering from Marine Academy, Chittagong and MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka.





Mr. Mohammed Javed Emran
Chief Risk Officer, IDCOL



As Chief Risk Officer, Mr. Mohammed Javed Emran joined IDCOL in 2017 and has been instrumental in establishing a risk management culture throughout the company. By virtue of his direction, IDCOL's risk and special asset management gained new dimensions through the Compliance unit, Credit Risk Management unit, the Legal Affairs unit, and the Special Asset Management unit.

Mr. Emran, who has over 20 years of experience in the banking industry, began his career at Dhaka Bank Limited as a Management Trainee Officer. Over the course of his long career with the bank, he held several different positions before being finally posted to the Syndication & Structured Finance Unit. Later, he spent a brief period working for the City Bank Limited's Structured Finance Unit before joining Trust Bank Limited. He worked for Trust Bank as the Head of Syndication & Structured Finance Unit prior to joining IDCOL.

Mr. Emran completed his MBA (Finance) from the Institute of Business Administration (IBA), University of Dhaka. From the same university, University of Dhaka, he has obtained BSS and MSS in Economics. Notably, he is a Certified Expert in Risk Management (CERM), a designation awarded jointly by the BIBM and the Frankfurt School of Finance and Management. He is a Certified Expert in Anti-Money Laundering and Financial Crime (CEAF), a Certified Expert in Electronic Banking (CEEB) and a Certified Expert in Trade Service (CETS). Mr. Emran has participated in a variety of trainings, workshops, and national and international conferences all around the world.



Mr. M. Maftun Ahmed
Company Secretary, IDCOL



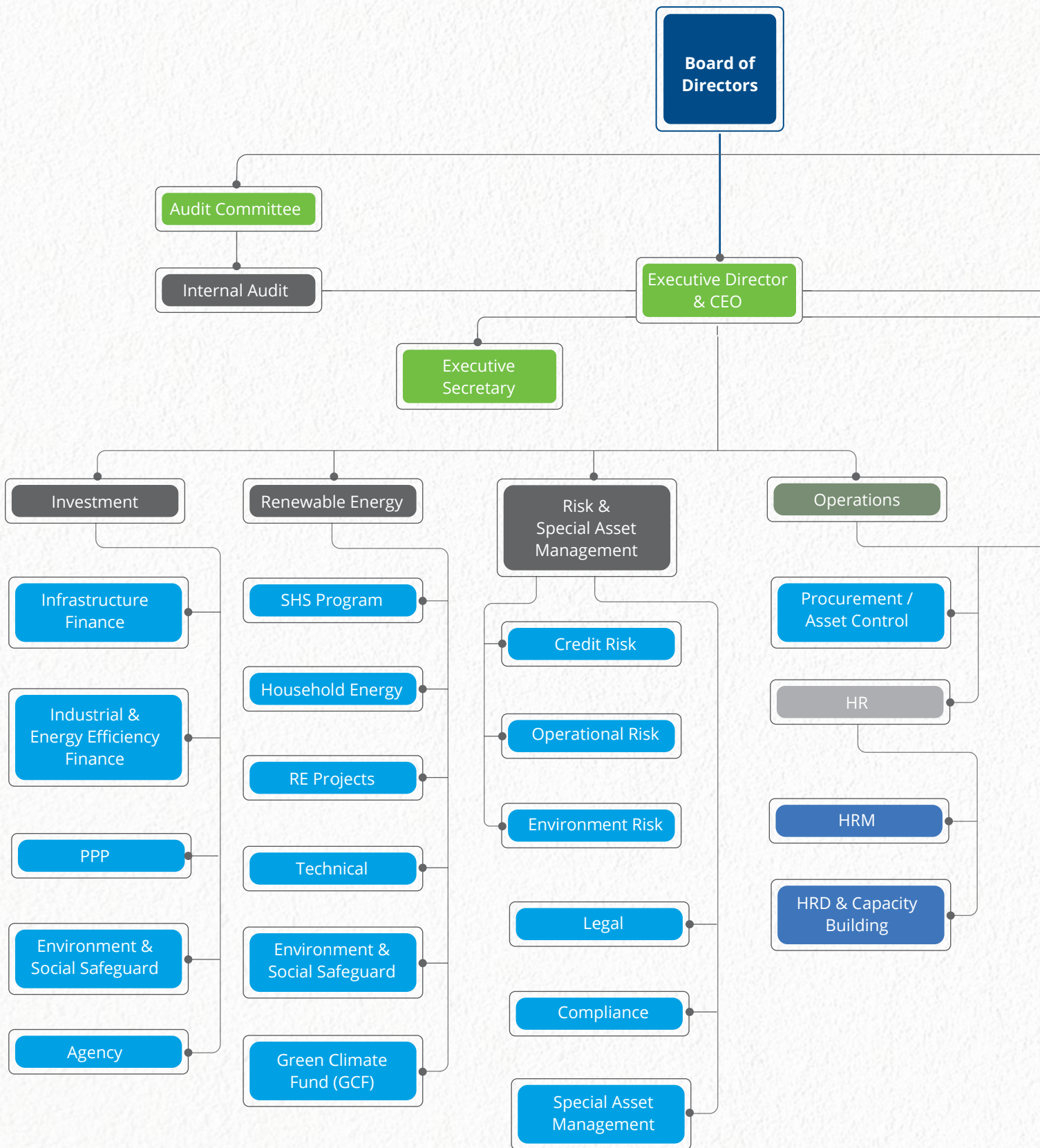
Mr. M. Maftun Ahmed, a key member of IDCOL Management, joined the company in 2011. Before joining IDCOL, Mr. Ahmed served as Company Secretary at Infrastructure Investment Facilitation Company (IIFC) from 2001 to 2011.

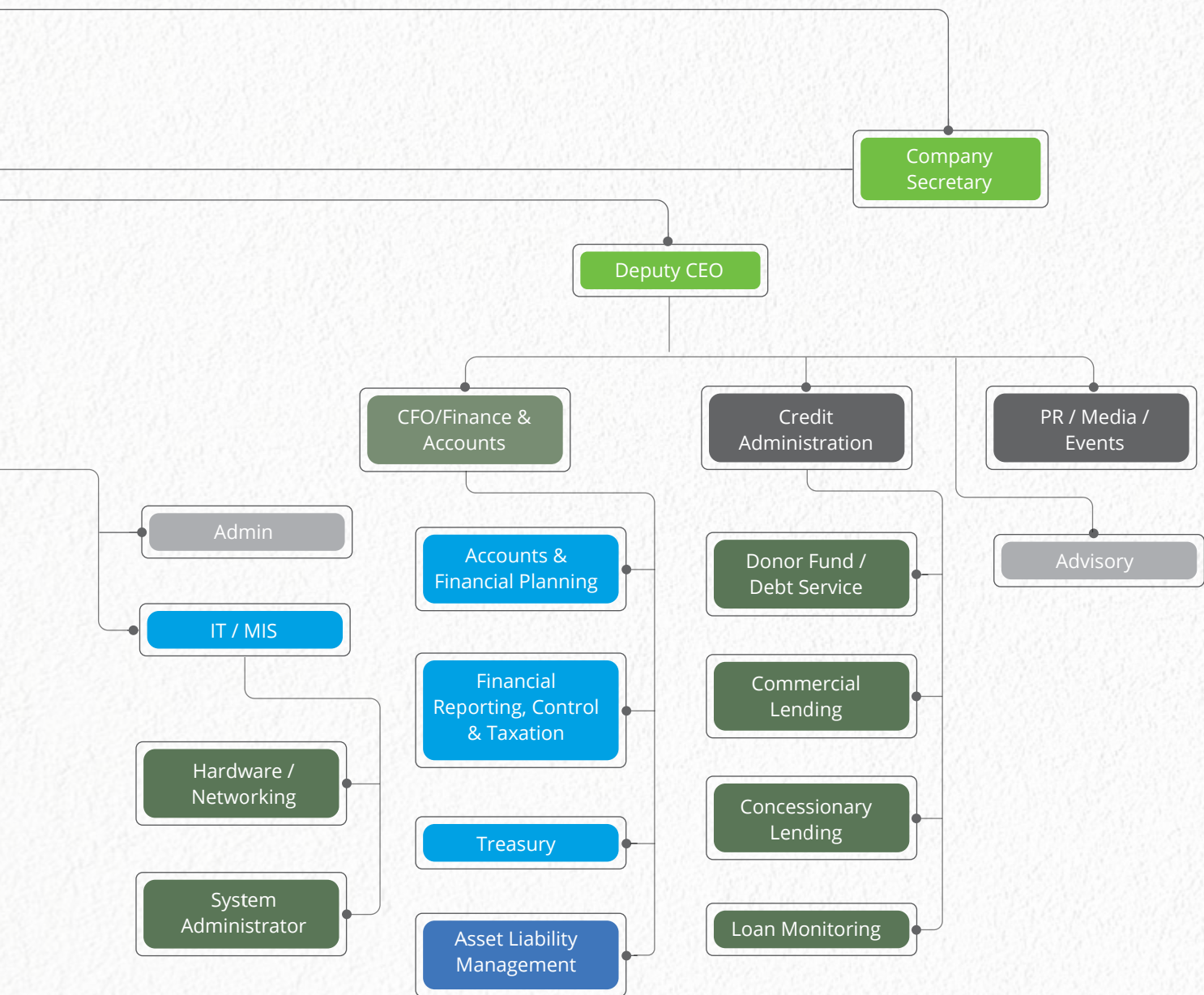
Mr. Ahmed comes with vast experience in corporate affairs and people management as he has worked in different organizations over the years. As spokesperson of IDCOL board, he is responsible for organizing the board and other statutory meetings of the company and performing all the company affairs under the Companies Act 1994. He is also responsible for supervising compliance of different directives and regulations required by the Board of Directors. In addition, he liaises with various regulatory bodies i.e. Bangladesh Bank, Auditors and Registrar of Joint Stock Companies, etc. on behalf of IDCOL. He also oversees and manages the overall internal and external compliance issues and human resource management function of the company.

Mr. Ahmed completed his M.Com (Accounting) from University of Rajshahi in 1997. He completed MBA (Finance & Banking) from a private university in 2009. In addition, he obtained MAAT from the Association of Accounting Technicians of Bangladesh in 2009.



ORGANOGRAM





INVESTMENT DEPARTMENT



Standing from left:

Name	Designation
Shoumik Adnan Sarwar	Senior Officer, Industrial & Energy Efficiency Finance (IEEF)
Taskeen Ahmad	Management Trainee, Infrastructure Finance
Saad Feroz Mehdi	Senior Officer, Infrastructure Finance
Mashiath Khurshid	Senior Officer, Public Private Partnership (PPP)
Farhan Sadique	Management Trainee, PPP
Hamim Sejdah Mugdho	Management Trainee, Infrastructure Finance
Towfiq Rahman	Management Trainee, Industrial & Energy Efficiency Finance (IEEF)
Asif Hossain	Senior Officer, Industrial & Energy Efficiency Finance (IEEF)



Sitting from left:

Name	Designation
Charles Amit Mohonto	Assistant Manager, Public Private Partnership (PPP)
Tanvir Ebne Bashar	Unit Head, Industrial & Energy Efficiency Finance (IEEF)
Md. Hamid Iqbal	Unit Head, Infrastructure Finance
Nazmul Haque	Chief Investment Officer
Raihan Uddin Ahmed	Unit Head, Environment and Social Safeguard (Investment)
Khandker Nasrum Min-Allah	AVP, Infrastructure Finance
Abu Shoaib Khan	Manager, Industrial & Energy Efficiency Finance (IEEF)
Md. Rasedul Islam	Senior Officer, Environment and Social Safeguard (Investment)

Not in the Picture:

Name	Designation
Md. Aqil Ahmed	Unit Head, PPP
Alvi Mohammed Iqbal	Manager, IEEF
Farhan Hussain	Manager, IF



RENEWABLE ENERGY DEPARTMENT



Standing from left:

Name	Designation
Md. Sabbir Hossain	Management Trainee , Green Climate Fund
Wakil Ahmed Arnob	Management Trainee , RE Projects
Mushfiqur Rahman	Senior Officer, RE Projects
Musarrat Jabeen	Senior Officer, RE Projects
Ishrar Sameen	Senior Officer, Environment and Social Safeguard (Renewable Energy)
Md. Ashaduzzaman	Program Manager, Solar Home Systems
Faisal Mahmud Khan	Assistant Manager, RE Projects
Md. Mahmudur Rahman Sayem	Management Trainee, RE-Technical
A K Abdullah Al Atique	Management Trainee , Biogas & Bio-fertilizer Program
Sandip Kumar Ghosh	Assistant Vice President, REP
Zia Uddin Jewel	Assistant Manager, Technical
Nazirul Azam Biswas	Management Trainee , Green Climate Fund
Abir Hossain	Management Trainee, RE Projects
Asif Shahriar	Manager, Solar Home Systems
Muntasir-Al-Khaledunnabi	Junior Officer, Technical
Md. Taif Huda	Officer, RE Projects
Md. Shakhawat Hossain	Junior Officer, PR/Media/Events

Sitting from left:

Name	Designation
Md. Abdullah Hell Baki	Assistant Vice President, Improved Cook Stoves Program
Md. Imran Hossain	Assistant Vice President, RE Projects
Rashed Rahman Khan	Assistant Vice President, Biogas & Bio-fertilizer Program



Rasel Ahmed	Senior Assistant Vice President, Promotion and Capacity Building
Md. Serajul Hossain	Unit Head, Solar Home Systems
Dr. Ahmedul Hye Chowdhury	Unit Head, Environment and Social Safeguard (Renewable Energy)
Md. Enamul Karim Pavel	Head of Renewable Energy
Farzana Rahman	Unit Head, RE Projects
AFM Shahed	Unit Head, Improved Cook Stoves Program
Shibli Mohammad Faiz	Unit Head, Biogas & Bio-fertilizer Program
Mafruda Rahman	Assistant Vice President, Green Climate Fund
Sanjidaa Hoque	Manager, Improved Cook Stoves Program
Md. Abdullah Al Matin	Manager, Technical
Molla Anisur Rahman	Assistant Vice President, Solar Home Systems

Not in the Picture:

Name	Designation
Md. Wahidur Rahman	Unit Head, Technical
Md. Azmir Amin	Manager, REP
Tanushka Mumtahina Billah	Assistant Manager, Green Climate Fund
Shadman Bin Zahir	Assistant Manager, RE Projects
Md. Noor Hasan	Site Engineer, IDCOL Green Building Project
Mashiur Rahman	Officer, Technical
Atiqul Islam	Junior Officer, Technical
Borhan Uddin	Junior Officer, Technical



FINANCE & ACCOUNTS DEPARTMENT



Standing from left:

Name	Designation
Raisul Islam	Senior Officer, Financial Reporting and Taxation
Md. Imran Khan Basir	Management Trainee, Accounts and Financial Planning
Md. Zahangir Alam	Management Trainee, Accounts and Financial Planning
Rufaiya Zabin	Senior Officer, Accounts and Financial Planning
Mohammad Ikteder Uddin Mahir	Senior Officer, Accounts and Financial Planning



Sitting from left:

Name	Designation
Shek Mijanur Rahman	Unit Head, Accounts and Financial Planning
S. M. Monirul Islam	Deputy CEO & CFO
Md. Imrul Hasan	Unit Head, Financial Reporting, Taxation and Treasury
Becky Christopher Rozario, ACMA	Assistant Manager, Financial Reporting and Taxation

Not in the Picture:

Name	Designation
Sadia Sharmin Bristy	Assistant Manager, Treasury
Md. Monirul Haque	Officer, Treasury



CREDIT ADMINISTRATION DEPARTMENT



Standing from left:

Name	Designation
Shafiul Azam Shuvo	Management Trainee, Credit Administration
Rezwana Ali Tanim	Manager, Credit Administration
Rupak Bhakta	Management Trainee, Credit Administration
Md. Adil Hossain	Management Trainee, Credit Administration



Sitting from left:

Name	Designation
Zabir Ibne Raquib	Senior Assistant Vice President, Credit Administration
Farhan Reza	Unit Head, Credit Administration
S. M. Monirul Islam	Deputy CEO & CFO
Junaed Tazdik	Senior Assistant Vice President, Credit Administration

Not in the Picture:

Name	Designation
Mohammad Abir Chowdhury	Assistant Manager, Credit Administration



RISK & SPECIAL ASSET MANAGEMENT DEPARTMENT



Standing from left:

Name	Designation
Tanvir Ahmed	Manager, Legal Affairs
G M Shahed Rabbi	Management Trainee, Credit Risk Management
Bibi Ayesha Begum	Senior Officer, Compliance
Kazi Ibrahim Md. Adnan	Manager, Legal Affairs
F. M. Anwarul Kabir	Unit Head, Credit Recovery
Zeesha Samah	Assistant Manager, Compliance
Md. Rifat Bin Rahman	Assistant Manager, Compliance
Md. Kadirul Islam	Officer, Credit Recovery



Sitting from left:

Name	Designation
Kazi Ishfak Ahmad	Unit Head, Legal Affairs
Mohammed Jabed Emran	Chief Risk Officer
Md. Shaikat Azad	Unit Head, Compliance
Nadia Shahrin	Manager, Credit Risk Management

Not in the Picture:

Name	Designation
Khondker Ajwad Hossain	Manager, Credit Risk Management
Abul Hasanat	Officer, Credit Recovery



OPERATIONS DEPARTMENT



Standing from left:

Name	Designation
Ashequr Rahaman	Senior Officer, IT and MIS
Md. Abu Taleb	Officer, Procurement
Md. Kawsar Hossain Robin	Officer, IT and MIS
Fairooz Nawar Bushra	Officer, IT and MIS
Shuvendu Sarkar	Assistant Manager, HR
Mohammad Faiaz Bin Zakir	Junior Officer
Md. Rezaur Rahman	Officer, Administration



Sitting from left:

Name	Designation
Mohammad Rashedul Islam	Unit Head, IT and MIS
S. M. Monirul Islam	Deputy CEO & CFO
Ashrafuzzaman Khan	Unit Head, Administration
Raisa Rahman	Assistant Manager, HR

Not in the Picture:

Name	Designation
Tahmina Shafiq	Unit Head, HR
Ashadur Rahman Akand	Junior Officer, IT and MIS



INTERNAL AUDIT DEPARTMENT



Standing from left:

Name	Designation
S. M. Nahidul Islam	Junior Officer, Concurrent Audit
Salah Uddin Ahmmed	Junior Officer, Concurrent Audit
Md. Altab Hossain	Junior Officer, Risk Based Audit



Sitting from left:

Name	Designation
Chandra Shekhor Mondal	Officer, Concurrent Audit
Md. Shahriar Rana, FCCA, CIA, CRMA	Head of Internal Audit
Rezoan Al Mahmud Suzan	Manager, Risk Based Audit Unit
Mohammad Abdul Hannan	Officer, Concurrent Audit



CORPORATE ADVISORY & PR/MEDIA/EVENTS DEPARTMENT



Standing from left:

Name	Designation
Md. Sazzad Hossain, CFA, ACCA	Manager, Advisory Services
Shibli Mohammad Faiz	Unit Head, Advisory Services
Mukaddim Sarwar	Assistant Vice President, PR/Media/Events
Mahabub Rabbani Aritro	Officer, PR/Media/Events



Sitting from left:

Name	Designation
S. M. Monirul Islam	Deputy CEO & CFO
Mohammad Nazmul Haque Faisal	Unit Head, Corporate Affairs & Promotion





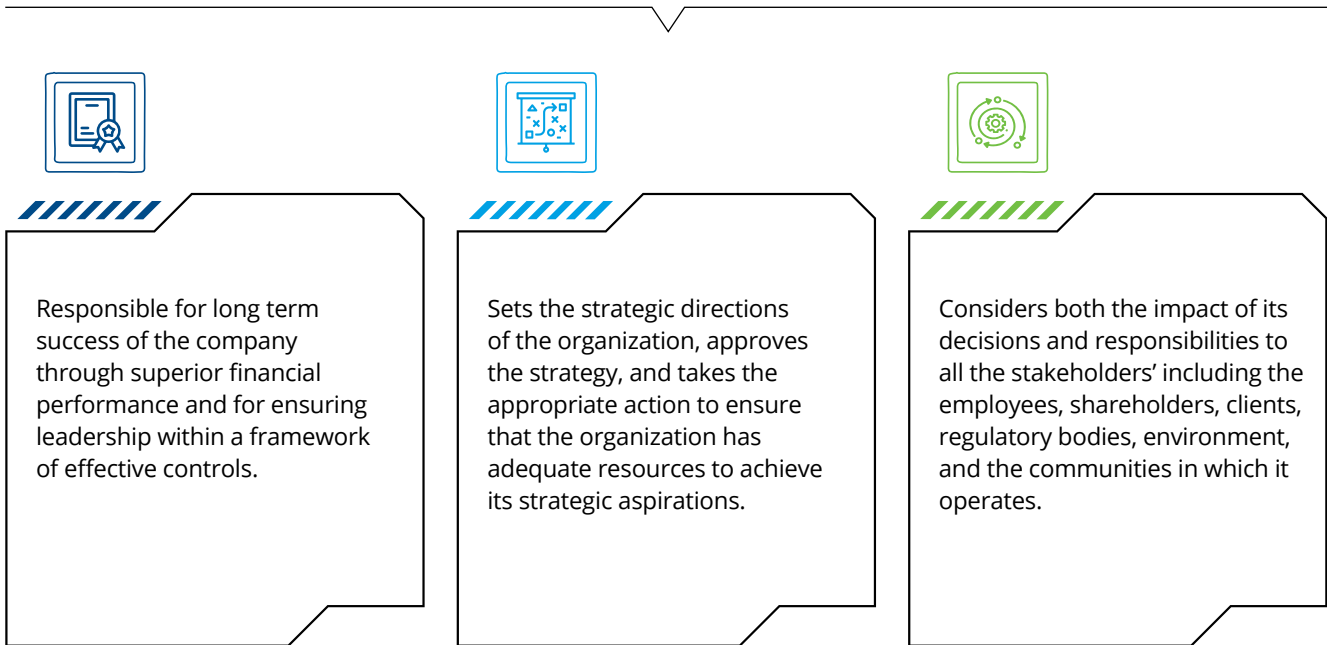
CORPORATE GOVERNANCE

DIRECTORS' RESPONSIBILITY

IDCOL's business sustainability is based on the relationships that we have built with our valuable shareholders and stakeholders throughout the years. The company is committed to ensure high standards of corporate governance and have a corporate governance framework which supports long-term performance and sustainability as well as protects and enhances stakeholders' interests of the company. The company believes that effective governance is achieved through a culture of transparency and openness across the organization.

IDCOL is led by top government officials adorning its board who are involved with high level policy making of the government. Under their visionary leadership and focus on public and private sector infrastructure development, IDCOL has been a profitable venture for over two decades. Their stewardship and foresightedness have cemented a strong foothold for IDCOL and established it as a good governance practicing organization.

Major responsibilities of IDCOL Board of Directors (BoD) can be summarized as follows:



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

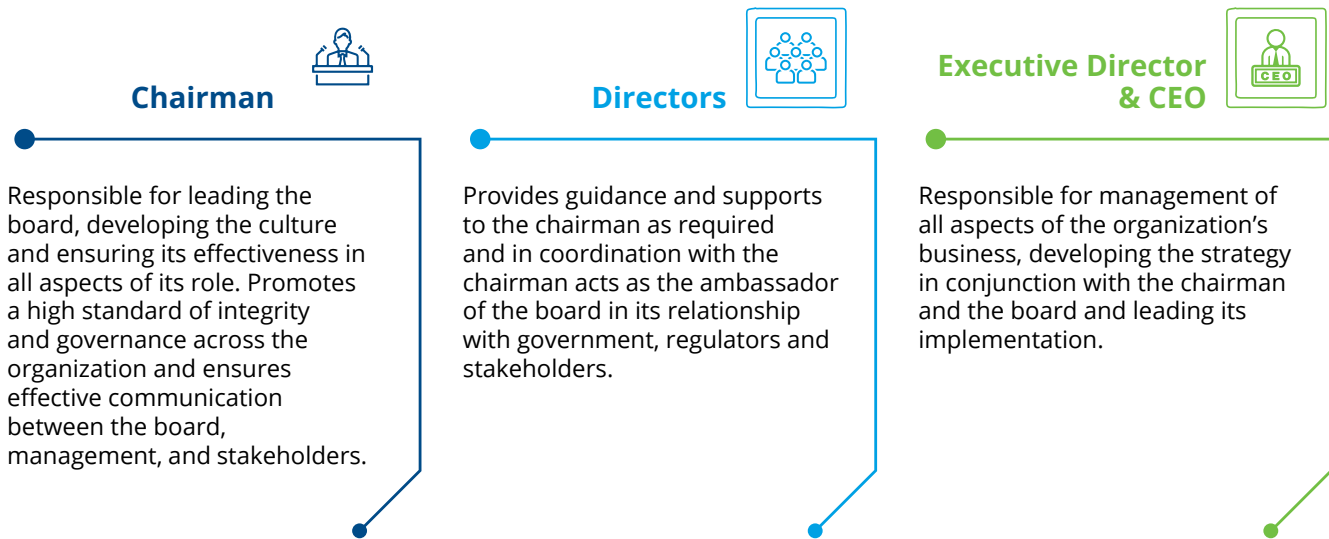
As per the memorandum of IDCOL, roles of the chairman and CEO is separated, and one person cannot play dual role. The board discharges some of its responsibilities directly and delegate certain other responsibilities to its committees to assist it in carrying out its function of ensuring independent 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 for 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 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 board holds 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.

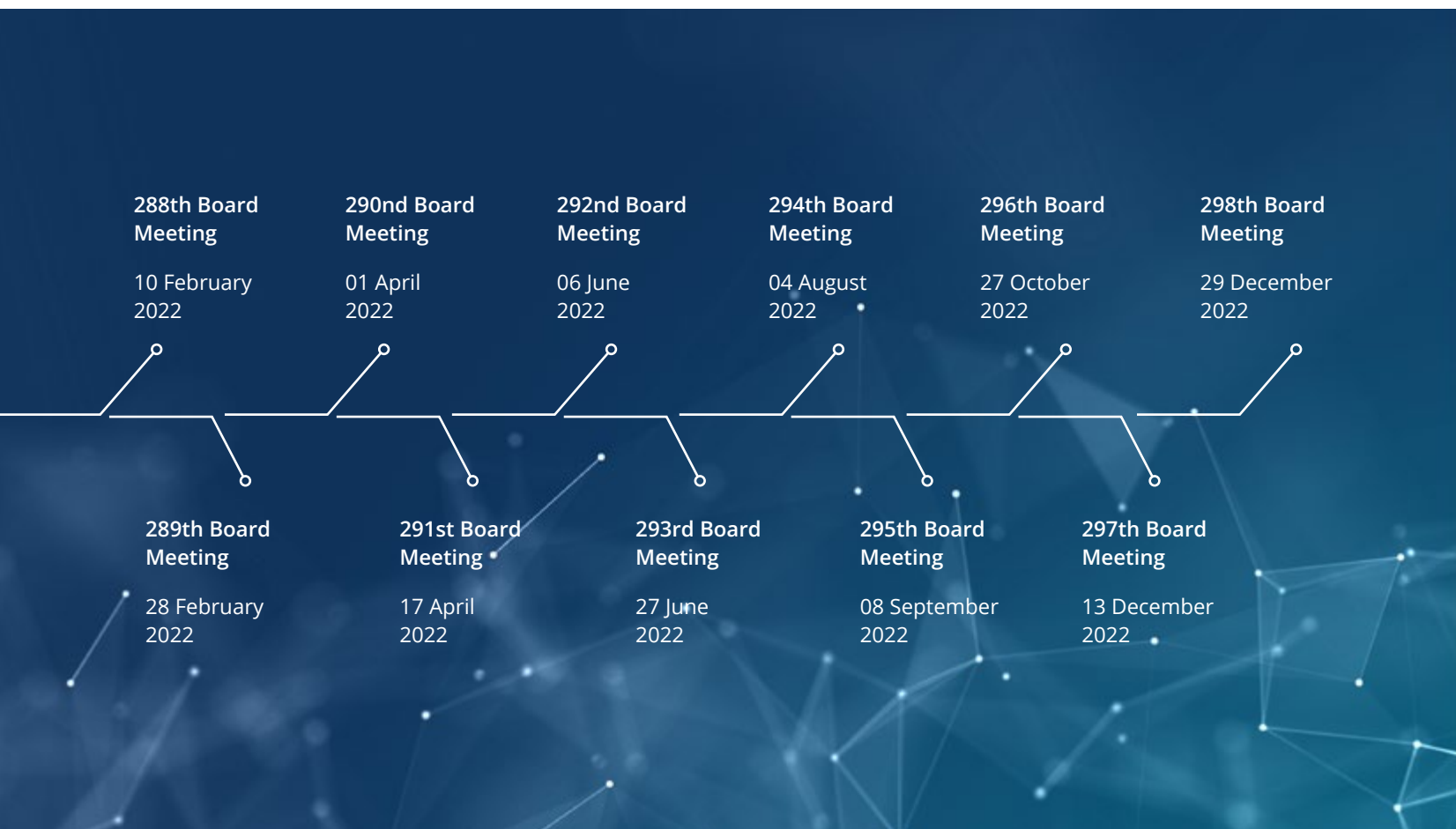


Board Key Roles and Responsibilities



Board Meetings 2022

From 01 January to 31 December 2022, a total of 11 (eleven) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 90 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 were conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which required decisions outside the scheduled meetings.



Board Attendance

Name of the Director's	Board Meetings											
	288th	289th	290nd	291st	292nd	293rd	294th	295th	296th	297th	298th	
Ms. Fatima Yasmin, Chairman	✓	✓	✓	✓	✓	✓	✓					
Ms. Sharifa Khan, Chairman								✓	✓	✓	✓	
Ms. Fatima Yasmin, Director								✓	✓	✓	✓	
Mr. Abdur Rouf Talukder, Director	✓	✓	✓	✓	✓	✓						
Md. Tofazzel Hossain Miah, Director	✓		✓	✓	✓	✓	✓	✓	✓			
Mr. A.K.M. Nurul Fazal Bulbul, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Habibur Rahman, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Ms. Nihad Kabir, Director	✓		✓	✓					✓	✓	✓	
Mr. Abdul Haque, Director	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Mr. Abdul Baki, Director	✓	✓	✓		✓	✓	✓	✓	✓	✓		
Mr. Md. Shahriar Kader Siddiky										✓	✓	
Mr. Alamgir Morshed, ED & CEO			✓	✓		✓	✓	✓	✓	✓	✓	

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

The board meeting procedure of IDCOL is structured in a way that helps the members to maintain the continuation in the flow. The presence of four (4) members 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 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. IDCOL's board of directors are committed to devote sufficient time to discharge their responsibilities and considerably more for those who chair or are members of multiple committees.

Board Activities



Formulate the strategic objectives and policy framework for the Company



Carry out the functions as per the charter of the Board and Bangladesh Bank's DFIM Circular No. 7, dated September 25, 2007



The Board is in full control of the Company's affairs and is also fully accountable to the shareholders



Determine the corporate governance structure of the Company and ensure proper implementation of corporate governance practices



Ensure superior performance of the organization to meet expectations



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 based on 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 50% of the board members to resign from the post and those members may be re-elected at the vote of the members for next one year.

Director Induction

All new directors and chairman receive an extensive, formal, and tailored introduction program which enable them to function effectively and grow a deep understanding about 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 considered the director's feedback to ensure that improvement is taking place.

Ongoing Development Plan

A well informed, effective, and functional board requires not only a thorough induction or information sharing for directors to quickly understand the business but also a well-managed process of ongoing engagement and training for further development. Since the directors of IDCOL are nominated by the government, the necessity of mandatory training to ensure each director's contribution to the board remains well informed to the government. But the government always makes sure that at least one director has 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

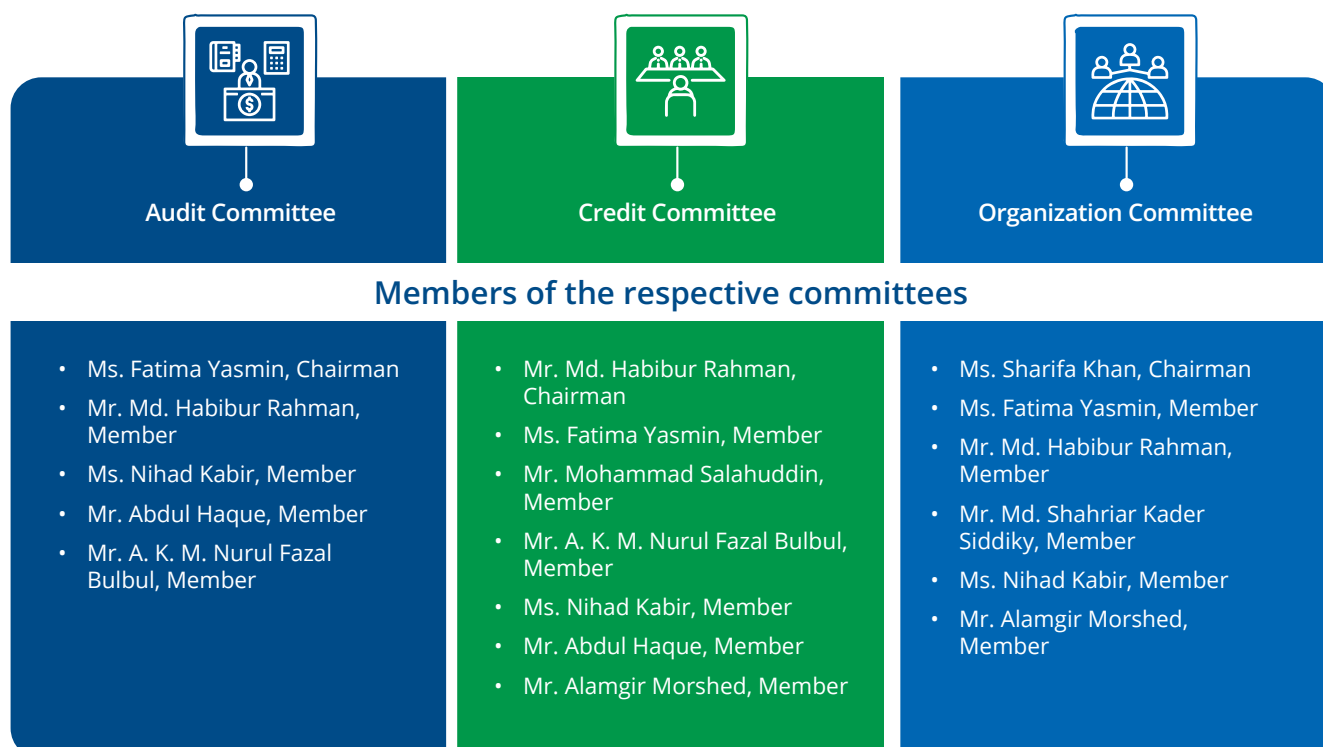
An effective Board of Directors is the heart of the governance structure of a well-functioning and well governed company, acting as the ultimate internal monitor. Ideally, the Board guides long-term corporate strategy, puts the key agents in place to implement it, and monitors performance against the strategy set out. However, since the company's directors are directly appointed by the government, the responsibility of evaluating them is beyond the jurisdiction of IDCOL.

Remuneration of the CEO

To strengthen the foundation of IDCOL and bolster stakeholder confidence, the board of directors conducts performance appraisal of CEO which then be reflected in the performance bonus and increment assessment. The remuneration of the CEO is approved by the Bangladesh Bank as recommended by the Board in compliance with DFIM Circular No. 02, dated 25 March 2015 of Bangladesh Bank.

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 links are in place between the committees and the board. Mechanisms are in place to facilitate those linkages, including ensuring that there are no gaps or unnecessary wduplications between the remit of each committee. The following figure depicts the existing committees of the IDCOL Board.



Audit Committee

The audit committee of IDCOL consists of five (5) members of IDCOL board of directors whose responsibilities include helping auditors remain independent of management.

Monitoring the integrity of the financial statements, reviewing internal financial control, and internal audit function as well as recommending the appointment or replacement of external auditors is also part of their responsibilities.

The committee assures the independence of IDCOL's internal control functions and audit activities in compliance with the requirements established in developing Credit Agreement, Agency and Administration Agreement, various Project Agreements and Boards' decisions.

Credit Committee

The Credit Committee of IDCOL consists of seven (7) members who are primarily responsible for reviewing all project appraisal reports before submission to the Board for approval.

The Committee reviews loan proposals and makes necessary 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 analyzes 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, considers 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 about 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 only give

recommendations /opinion about a proposal; however, credits will be finally approved by the IDCOL Board.

Organization Committee

Organization committee of IDCOL consists of six (6) members whose primary responsibility is to oversee the overall human resource strategies, policies, and guidelines of the organization, 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 marketplace 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 the organization to 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 and is linked to Company and individual performance.
- 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 matters that may be delegated by the Board from time to time.

Credit Committee Meetings 2022

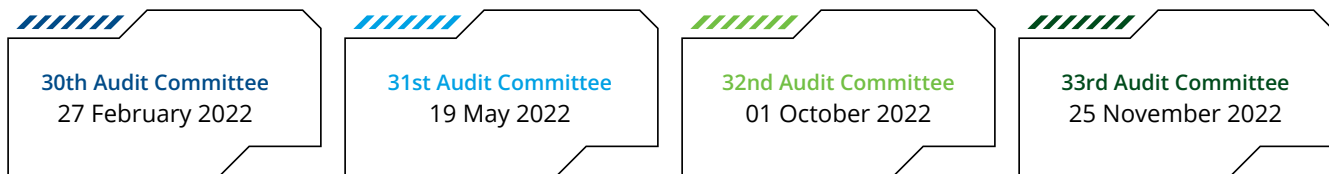
7 Credit Committee meetings were held:

89th Credit Committee meeting	90th Credit Committee meeting	91st Credit Committee meeting	92nd Credit Committee meeting	93rd Credit Committee meeting	94th Credit Committee meeting	95th Credit Committee meeting
07 February 2022	01 June 2022	25 June 2022	01 September 2022	23 October 2022	12 December 2022	28 December 2022



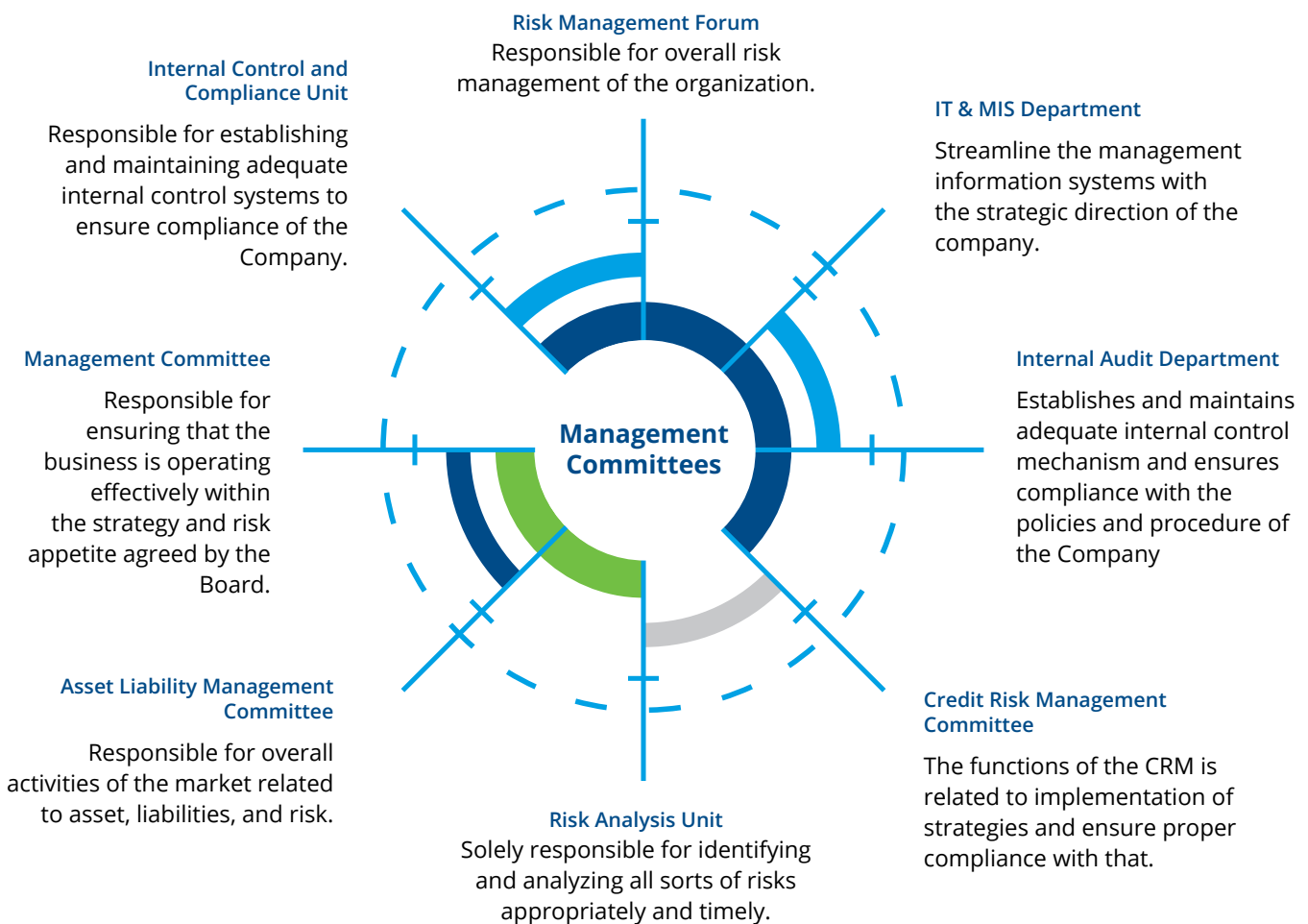
Organization Committee and Audit Committee Meetings 2022

No Organization Committee Meetings were held in 2022.



Management Committees

IDCOL has various management committees with specific expertise in respective arenas for smooth flow of organizational activities. Besides, the committees are responsible for executing various strategies approved by the board. A brief summary of the responsibilities of the committees is depicted below:



IDCOL board regularly reviews corporate governance arrangements and practices to ensure they reflect developments in regulation, market practice and stakeholder expectations. In addition to that, the board of directors to the best of their knowledge hereby confirm that IDCOL's financial statements for FY 2022 have been prepared in compliance with all the applicable governing acts, rules, and regulations of relevant regulatory bodies.

On behalf of the board of directors,

Ms. Sharifa Khan
Chairman

STATUS OF COMPLIANCE WITH CORPORATE GOVERNANCE GUIDELINES

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. 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 holds 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 holds 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 stock exchange or an intermediary of the capital market;			"
1(2)(b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during preceding three years;			"
1(2)(b)(viii)	ID shall not be 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 NBF;I;			"
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;			"
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 top level executive as adopted by the code and a candidate with 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;			"



Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(3)(b)(iv)	ID is/was University Teacher who has 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 is 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 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 utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not Applicable
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 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;	✓		

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as 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;	✓		
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 current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5)(xxv)(d)	Presenting 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 detailed analysis of briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	Presenting 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 detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., 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 Subsidiary company by the holding company's Board;			"
2(e)	Review of financial statements of 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 casual vacancy in the BAC;			"
5(2)(e)	The CS shall act as the Secretary of the Committee;	✓		
5(2)(f)	The quorum of the BAC meeting have not constitute without ID;			"
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;	✓		

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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;			"
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;	✓		
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 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 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;			"



Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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;			"
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 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;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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.	✓		
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 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;			"



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 DFIM 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 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 annual basis. The Board shall make necessary amendments on the strategy on 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 half yearly basis.	✓		
B. Formation of Sub-committee				
	For making timely decision, 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 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, decision relating to purchase of land, building, and vehicle shall remain with the Board.	✓		
	iv. 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).	✓		

Condition No.	Particular	Complied status(put ✓ in the appropriate column)		Remarks(If any)
		Complied	Not complied	
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)				
	Polices 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 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 approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director.	✓		
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. 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.	✓		



Condition No.	Particular	Complied status(put ✓ in the appropriate column)		Remarks(If any)
		Complied	Not complied	
	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 achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	✓		
	ii. Managing Director shall ensure compliance of 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 DGM & 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 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.	✓		

ORGANIZATIONAL HIGHLIGHTS

Sl. No.	Particulars		2022	2021	% Change
1	Paid-up capital	BDT million	7,880	7,380	6.78%
2	Total capital	BDT million	11,562	10,771	7.34%
3	Surplus/(shortage) capital	BDT million	5,992	4,788	25.16%
4	Total Assets	BDT million	106,623	100,129	6.49%
5	Total deposits	BDT million	N/A	N/A	N/A
6	Total loans & advances	BDT million	74,026	75,142	-1.48%
7	Total contingent liabilities and commitments	BDT million	-	-	-
8	Loans to deposit ratio (total loans/total deposits)	%	N/A	N/A	N/A
9	% of classified loans against total loans	%	10.19	5.74	77.53%
10	Profit after tax and provision	BDT million	1,350	1,097	23.07%
11	Classified loans, advances and leases during the year	BDT million	7,540	4,313	74.81%
12	Provisions kept against classified loans, advances and leases	BDT million	4,059	1,291	214.34%
13	Provision surplus/(deficit) against classified loans, advances and leases	BDT million	2,333	2,234	4.43%
14	Cost of fund	%	2.71	1.36	99.26%
15	Interest earning assets	BDT million	104,126	95,243	9.33%
16	Non-interest earning assets	BDT million	2,497	4,886	-48.90%
17	Return on investment (ROI)	%	1.82	1.45	25.52%
18	Return on asset (ROA)	%	1.27	1.10	15.45%
19	Income from investment	BDT million	41	62	-33.84%
20	Operating profit per share	in BDT	88.68	50.47	75.72%
21	Earnings per share	in BDT	17.13	13.92	23.07%
22	Price earning ratio	Times	N/A	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 ED & 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.



Alamgir Morshed
Executive Director and CEO
Dhaka, 19 July, 2023

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 ED & CEO and Deputy CEO & CFO, the effectiveness of our internal control over financial reporting as of 31 December 2022.

Based on that evaluation, management concluded that, as of 31 December 2022, 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 2022.

Our internal control over financial reporting as of 31 December 2022 has been audited by Hoda Vasi Chowdhury & Co. Chartered Accountants, who also audited our Financial Statements for the year ended 31 December 2022. The Auditor also assesses the effectiveness of our internal control and determines the degree and extent of reliance on internal control system.



S. M. Monirul Islam
Deputy CEO & CFO

AUDIT COMMITTEE REPORT

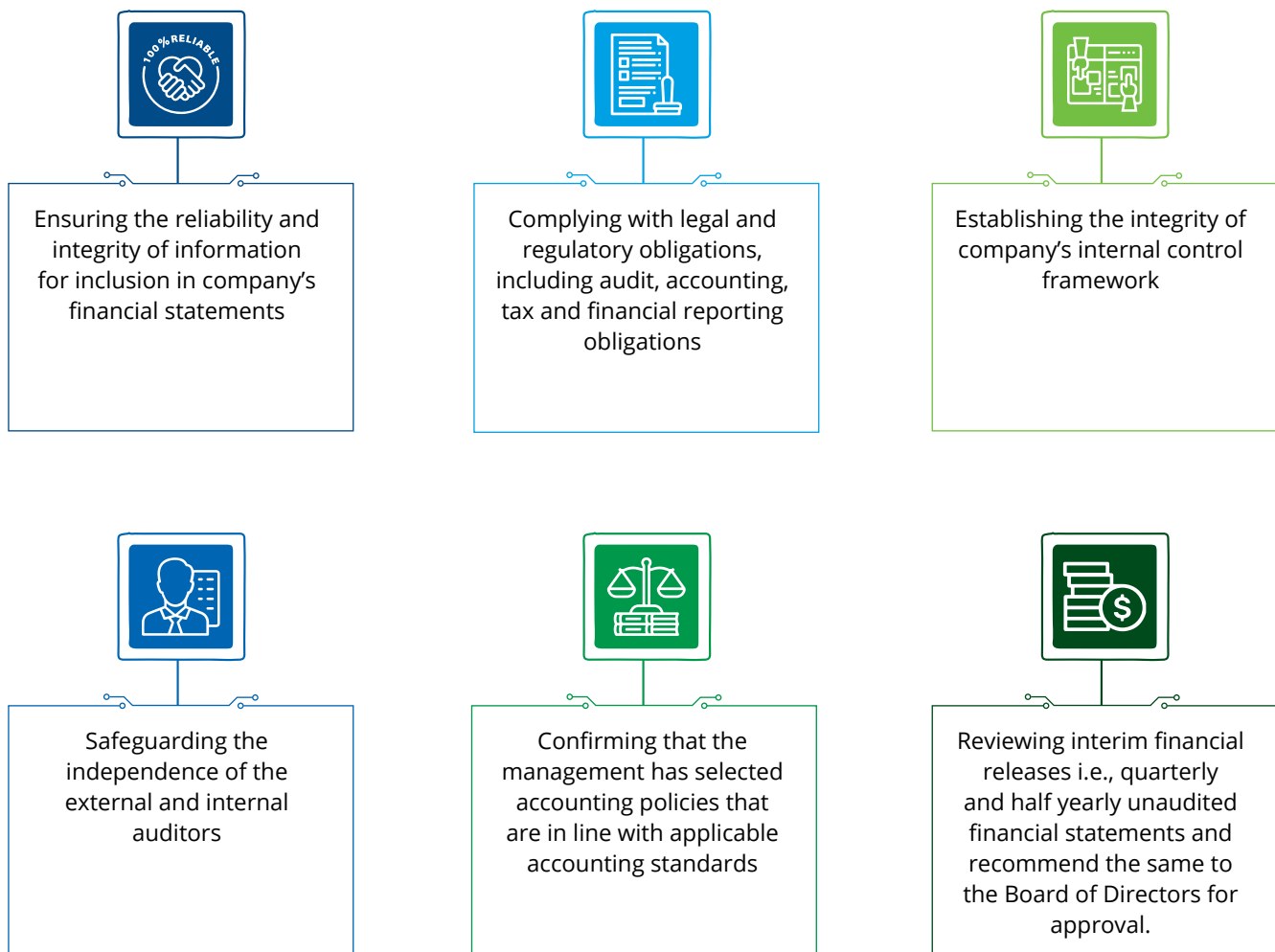
IDCOL'S AUDIT COMMITTEE IS A SUB-COMMITTEE OF THE BOARD AND WAS FORMED IN COMPLIANCE WITH BANGLADESH BANK GUIDELINES AND INTERNATIONAL BEST PRACTICES ON CORPORATE GOVERNANCE WITH A VIEW TO PROVIDE INDEPENDENT OVERSIGHT OF THE COMPANY'S FINANCIAL REPORTING, NON-FINANCIAL CORPORATE DISCLOSURE, EFFECTIVENESS 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:



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 fulfill 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:

Ms. Fatima Yasmin (Senior Secretary of Finance Division, Ministry of Finance), is the Chairman of the Audit Committee, possessing of vast experience. Four other members are Mr. Md. Habibur Rahman (Secretary, Power Division, Ministry of Power, Energy & Mineral Resources), 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 20-26 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.

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- 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 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 2022


The audit Committee carried out among others the following activities in the year 2022:


 Discussed with the external auditors and management prior to finalization of financial statements of IDCOL for the year ended December 31, 2021;


Reviewed draft audited financial statements of IDCOL for the year ended December 31, 2021 along with the auditor's report thereon; 


 Reviewed the proposal of external auditors for appointment and recommended the same to the board


Reviewed Quick Summary Report of Bangladesh Bank based on Statement of Loan/Lease Classification and Provision as of 31 December 2021 


 Reviewed Audit Plan of Internal Audit Department for the year 2022


Reviewed the internal audit reports issued by the Internal Audit Department during the year 2022 


 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, 2021


Reviewed the internal audit reports issued by the Internal Audit Department during the year 2022 

 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

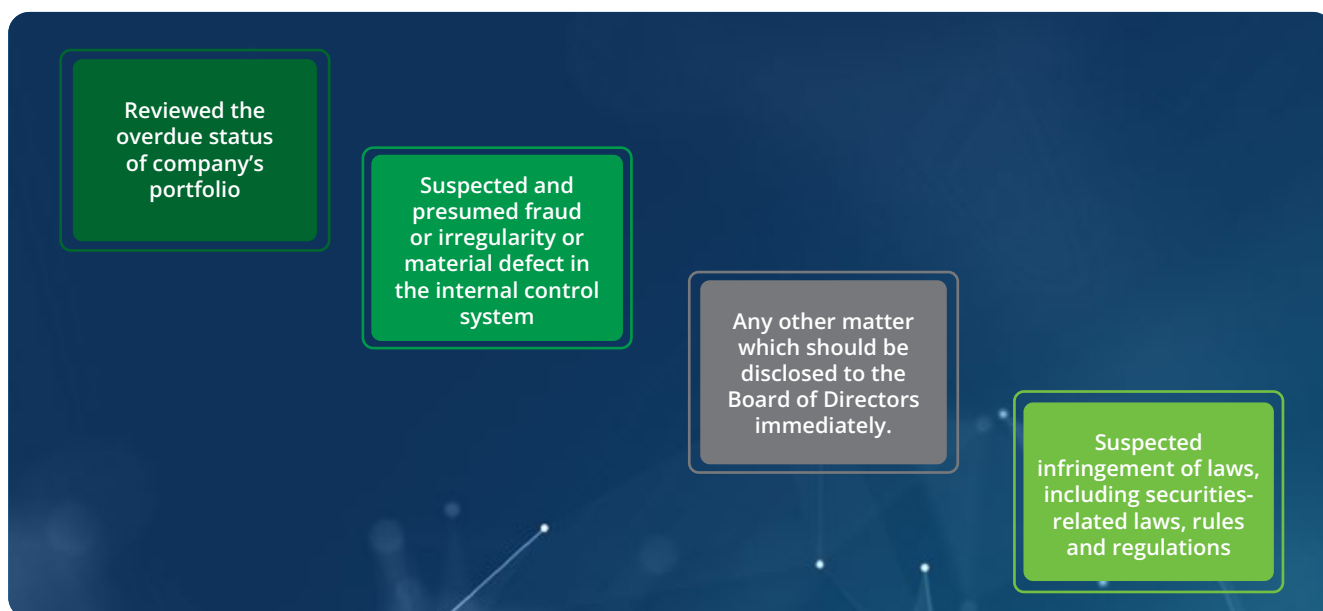
IDCOL's Internal Audit Department is tasked with reviewing the company's system of internal controls including the conduct of regular audits of all operational units. Internal Audit Department is operationally independent in that its members are not involved in the company's operational activities and 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 Department are reviewed on a regular basis by the Committee.

The Audit Committee divided the internal audit function into two separate units to be operated under the department- risk based audit and concurrent audit.

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:



Relevant issues have been reported to the Board of Directors where applicable during the year ended 31 December 2022.

Fatima Yasmin
Chairman, Audit Committee
19 July, 2023



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.

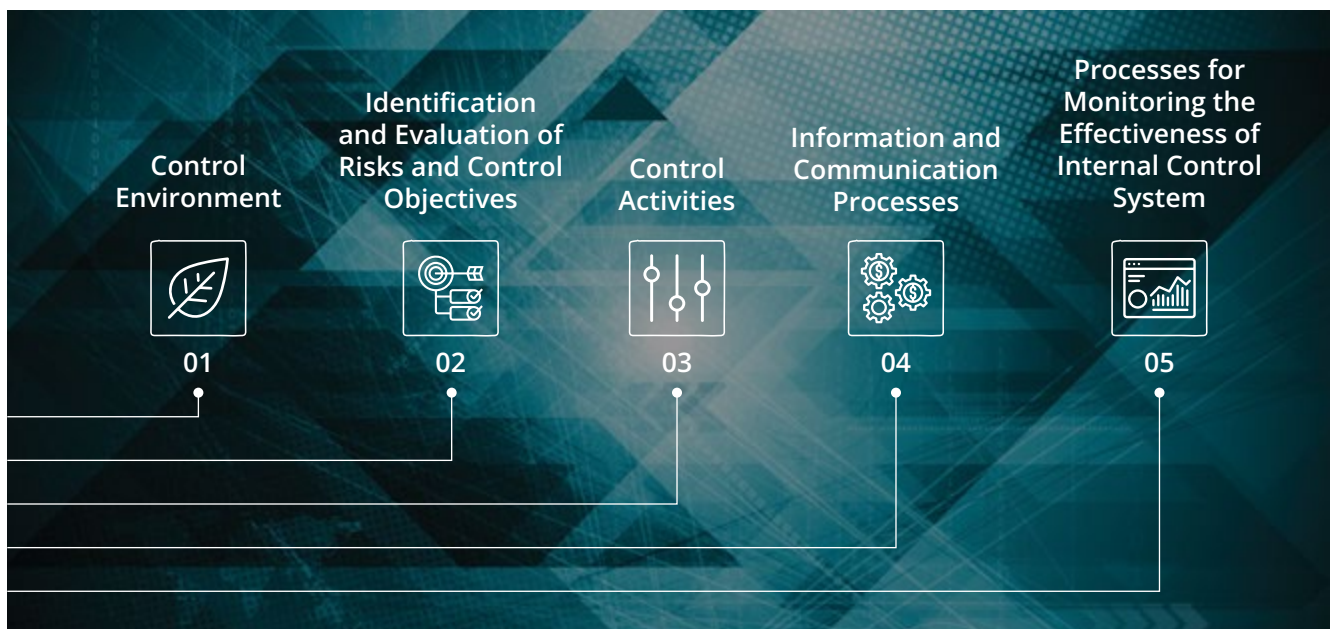
RESPONSIBILITY

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 identify and evaluate 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, Company faces a variety of risks from various sources that are assessed. A precondition to risk assessment is establishment of objectives, linked at different levels and internally consistent. Risk assessment is the identification and analysis of relevant risks to achievement of objectives, forming a basis for determining how the risks should be managed. Because 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 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

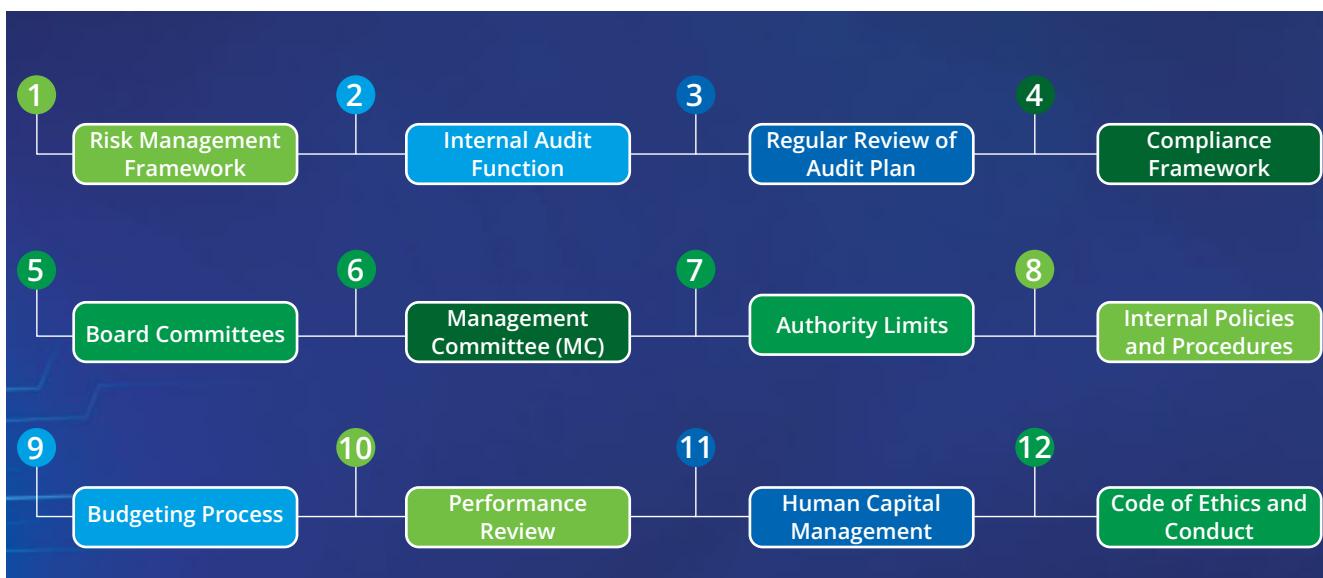
people to carry out their responsibilities. Information systems produce reports, containing operational, financial and compliance-related information, that make it possible to run and control the business. They deal not only with internally generated data, but also information about external events, 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 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 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 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 fund, the vital input of all units strengthens the risk management framework embedded throughout IDCOL.

Internal Audit Function

The Internal Audit Department performs regular review of IDCOL's operational processes and system of internal controls through its two units; Risk Based Audit Unit & Concurrent Audit Unit. The Internal audit department 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 Audit Department 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 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 immediate 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 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 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)/Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS) and other applicable laws, rules and regulations.

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

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

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



Alamgir Morshed
Executive Director & CEO



S. M. Monirul Islam
Deputy CEO and CFO

CORPORATE GOVERNANCE DISCLOSURE CHECKLIST

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	* Recommend external auditor for appointment/ reappointment	



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RISK MANAGEMENT

STATEMENT OF THE CHIEF RISK OFFICER

Every reward is coupled with risk, and efficient management of the same enables IDCOL to maximize risk adjusted return within stipulated boundaries. As a core component of financial and operational management, IDCOL adds value to its clients and the communities in which it operates by taking and managing appropriate levels of risk, which in turn generates maximized returns for all stakeholders.

The year 2022 for IDCOL:

The year 2022 has been a challenging year for Bangladesh and the global economy. The value of the Bangladeshi Taka (BDT) has fallen substantially in 2022, as the US dollar has secured the throne for the strongest currency amid the Russia-Ukraine crisis. The Covid-19 pandemic has been a menace to the world, causing economic disruptions in most countries, including Bangladesh. The turbulent currency market has been one such distressing issue, which has been aggravated by the ongoing Russia-Ukraine conflict.

Amid this crisis, IDCOL could register a positive outlook as it has successfully managed the optimum level of return and better addressed the inherent risk along with all business risk arising from the business activities of IDCOL, thanks to the structured risk management framework embedded at IDCOL. The global economy suffering from the Ukraine Russia war due to the sanctions imposed by EU along with global powers coupled with other economic factors gave way to rising inflation across the globe. Bangladesh has also suffered tremendously where the rising inflation and decrease in the value of BDT has caused a reserve shortage which has adversely impacted trade of the country.

At IDCOL, risk is not only perceived as a vulnerable component, but the organization also acknowledges risk as a scope of opportunity to learn and evolve. In the light of new risk experiences, alongside of policy level changes like risk appetite, lending policy, monitoring mechanism, internal control mechanism, and risk management framework, the organization has put precise attention particularly to ensure sustained growth of the institution in a risk managed environment. During the year 2022, it is safe to say IDCOL has successfully overcome the global challenges due to the comprehensive and robust risk management framework embedded at IDCOL. IDCOL strategically considers risk as transversal, cutting across various divisions, projects, and practices throughout the organization. At IDCOL, the framework is inclusive of the required governance, necessary procedures, and essential tools for the assurance of robust risk monitoring and control.

Risk Management and Governance at IDCOL:

Effective risk management is vital for IDCOL to attain financial stability and superior performance. The adoption of a risk management framework that embeds best practices into IDCOL's risk culture is the cornerstone of the organization's financial future.

The risk governance at IDCOL, under continuous change and review, has been proven to be reliable since its inception. The Governance structure largely involves defining the roles of all employees, segregating duties, and assigning authority to individuals, units, departments, committees, and the Board for approval of core risks, risk limits, exceptions to limits and risk reports for general oversight.

The Board of Directors and Senior Management review and endorse IDCOL's risk management framework from time to time which includes the establishment of policies for the control of risk. The framework is further strengthened by developed and embedded standards, guidelines, processes, procedures and control that governs day-to-day activities of IDCOL.

IDCOL is a leading NBF of the country focusing on the lending on renewable energy, infrastructure finance and energy efficiency projects and working persistently to achieve the development objective as set forth by the Government of Bangladesh. IDCOL provides long-term financing to borrowers to support the development of their businesses. Lending is the core activity of IDCOL. To ensure lending in a risk minimized manner, IDCOL recognizes the ever-changing markets and economic conditions and acknowledges the inheritance of credit risk arising from the core activity of lending. IDCOL is in an endless effort to maintain and uphold the risk management systems in place across the company.

One of the primary focuses and goal at IDCOL is to maintain a commendable capital position at all times as compared to the aggregate risk exposure. The development of the risk management framework is kept in conjunction with the strategic requirements, financial requirements, regulatory requirements, and capital planning of IDCOL. The Board of Directors and Senior Management regularly receive and review different reports on the risk profile undertaken against the appetite set forth. A Credit Risk Management Committee (CRMC) along with a separate monitoring forum with representation of the senior management is in place and meetings are held periodically to better monitor and suggest mitigations for the expected and unexpected risks.

In conclusion, risk management is required in financial institutions to protect against losses, ensure regulatory compliance, enhance shareholder value, preserve reputation, maintain financial stability, and meet stakeholder expectations. By implementing effective risk management practices, IDCOL has improved and is continuously improving its ability to manage risks and achieve strategic objectives.

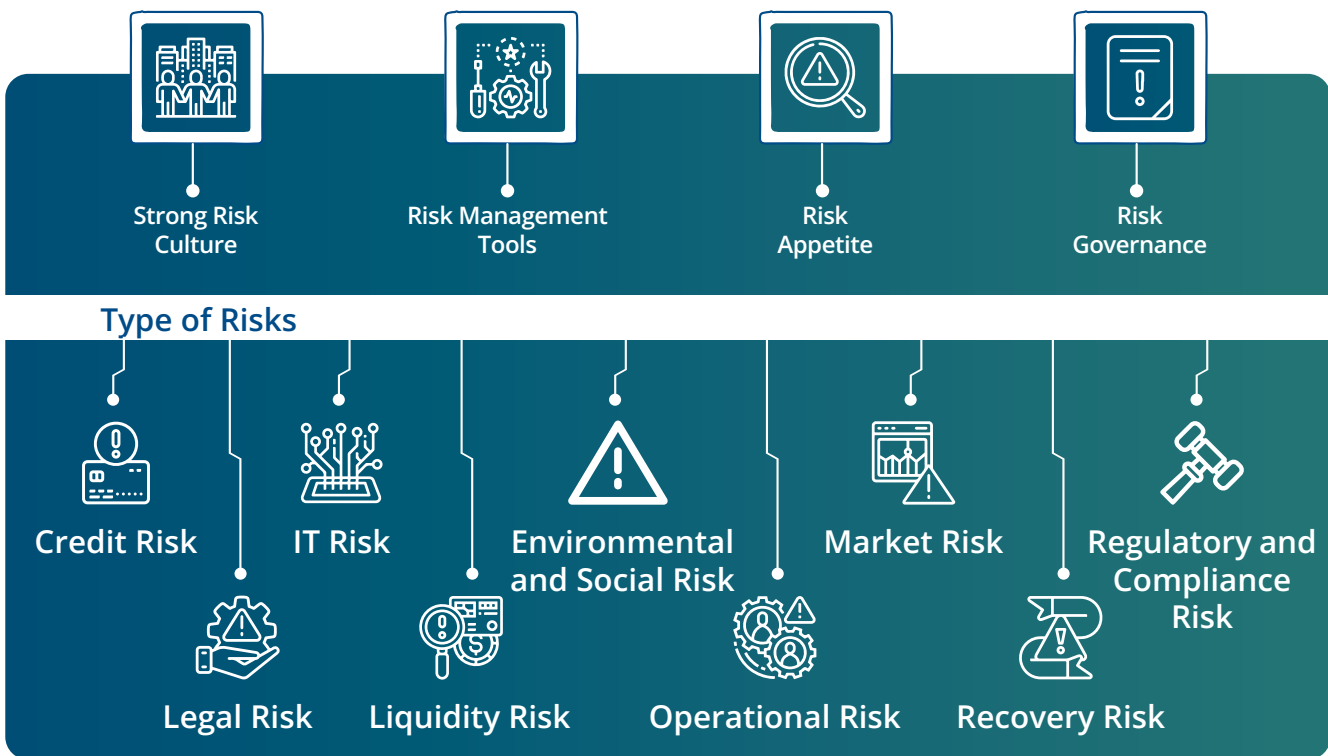


Mohammed Javed Emran
Chief Risk Officer

RISK MANAGEMENT REPORT

Strong risk management capabilities are vital to the success of a well-managed financial institution. The Risk Management function is the central resource for driving such capabilities in IDCOL and complements the risk and control activities of other functions including Legal and Compliance. Risk management is a continuous process and is embedded in the operating structure of a company. IDCOL seeks to identify and limit both internal and external factors that may have an adverse impact on earnings and capital by administering exposures well within the

agreed levels as defined in a sound manner by the defined risk appetite. The primary risk management approach includes limiting concentrations of exposure, restricting potential losses from stress events and ensuring adequacy of all the financial resources. Strong inter-departmental communication laid out processes and a robust culture of teamwork in decision-making across all units, functions and committees aid the organization in the optimum management of organizational risks.



With the continuous changes in the market trend and approaches to business including the external business environment, a strong risk culture enables IDCOL to adopt

in a prudent manner to any change. Below is a list of trends impacting the business of IDCOL:

Factors impacting Business	Specific Risk Impact	Approach to impact	Monitoring Method
Change in Global Business Environment (geopolitical, state of war, global economic condition, etc.)	<ul style="list-style-type: none"> Credit Risk Market Risk Liquidity Risk 	<ul style="list-style-type: none"> Develop short term strategies to maximize the opportunity or to limit the impact of the threat. Build resilience by adoption of guidelines and policies to protect the interest of the institution and the stakeholders. 	<ul style="list-style-type: none"> Update the management committee in relevant committee meeting at timely intervals regarding the potential impact. Early Alert Reporting of borrowers impacted by the change.



Factors impacting Business	Specific Risk Impact	Approach to impact	Monitoring Method
		<ul style="list-style-type: none"> Develop reserves as guided by the central bank to protect the organizations in case of any adverse economic condition. Assign tasks to specific teams to monitor market changes to ensure prompt action. 	<ul style="list-style-type: none"> Review of industry report. Periodic review of large borrowers. Tracking ALM ratios of the organization.
Financial Market Trend & Fluctuations	<ul style="list-style-type: none"> Credit Risk Market Risk Liquidity Risk 	<ul style="list-style-type: none"> Develop tasks to be undertaken to better improvise cost, credit and cash management practices in response to market fluctuations. Consistent monitoring of financial market development to devise strategies to tap opportunities. 	<ul style="list-style-type: none"> Update the management committee in relevant committee meeting at timely intervals regarding the potential impact. Periodic review of clients impacted by the change. Conducting periodic stress testing.
Change in local Policy and Regulatory Landscape	<ul style="list-style-type: none"> Legal Risk Regulatory and Compliance Risk Operational Risk 	<ul style="list-style-type: none"> Adopt policies, procedures, and risk practices in line with regulatory standards. Make necessary amendments to ensure full compliance. Development of Key risk indicators. Development of Risk and Control Self-Assessment. 	<ul style="list-style-type: none"> The compliance and legal unit is instructed to monitor the changes routinely to rule out any noncompliance by the institution. Continuous monitoring of macroeconomic indicators and regulatory guidelines.
Advancement or disruption of Technology	<ul style="list-style-type: none"> Technological Risk Operational Risk 	<ul style="list-style-type: none"> Apply comprehensive data governance, including data origination, access, use, security, and privacy. Continuous skill development programs of relevant unit(s) to ensure maximum output. 	<ul style="list-style-type: none"> System Log monitoring. Global Threat Intelligence monitoring. Network traffic monitoring.
Economic, Environmental, Social and Governance (EES&G) Factors	<ul style="list-style-type: none"> ESG Risk Regulatory and Compliance Risk Credit Risk 	<ul style="list-style-type: none"> Building a sustainable loan portfolio as guided by organizational strategy. Create positive impact and contribute to EES&G by means of multiple programs of IDCOL. 	<ul style="list-style-type: none"> Relevant teams provide periodic update to management committee on the impact created by IDCOL.
Competition	<ul style="list-style-type: none"> Market Risk Credit Risk 	<ul style="list-style-type: none"> Update business strategy and develop offers and products accordingly. 	<ul style="list-style-type: none"> Continuous monitoring of the competitive market.

Risk Management Framework

The risk management framework at IDCOL plays a critical role as it aids to identify, assess, and manage risks effectively in a timely and prudent manner enabling continuous monitoring of the same to ensure that all risk that the company is exposed to is identified, measured,

and mitigated at enterprise level. The well-designed risk management framework enables IDCOL to protect it from potential financial losses, maintain their reputation, and comply with regulatory requirements.

At IDCOL, the core of the risk management framework is composed of strong Risk Management Tools, Risk Culture, Risk Appetite and Risk Governance.

Risk Management Tools

To strengthen the risk management framework of the company it is essential to continuously develop and reinforce new and existing risk management tools to ensure sustained growth of the company. With the ever changing global and local economic situation, it is essential

to continuously embed risk management tools across the organization to minimize losses and ensure identification and mitigation of risks arising from day-to-day operations of the IDCOL. Risk management processes at IDCOL have continued to prove effective throughout the year of 2022, despite a tough economic environment



Measurement, Monitoring & Reporting



Guidelines, Standards & Processes



Policies and Limits



Stress Testing

Risk Management Tools

with Ukraine - Russia War and volatility of the local economy. The management of the company remained closely knit emphasizing in continuous improvements and important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, and effectively managing the risk portfolios.

IDCOL has always been proactive, prompt, and prudent with regards to its risk management tools and is in unceasing development of the same to augment and enhance the risk management culture at an enterprise level. With the aid of risk management tools, the company has been successful in addressing and responding to uncertainties by generating risk metrics and tracking of the same. A well-articulated and identified set of tools are inevitable to maximize risk adjusted returns.

As part of a strong risk culture, IDCOL is persistently in the process of developing and adopting new tools to better integrate the resources. The tools are reviewed regularly and updated constantly to ensure consistency with the risk appetite and ever-changing markets.

At IDCOL, there are separate guidelines to aid in the identification, measurement, and mitigation of all core risks areas. A well-defined set of standards and processes has been developed to attain ideal risk adherence to optimize efficiency. All processes which expose the institution to any risk have been streamlined with robust solutions with a clearly set timeline and job roles to siphon out any redundancy. 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 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 of management and the Board.

Risk Culture

The risk culture at IDCOL has been developed over two decades. At IDCOL we believe a proactive, sound, and coherent risk culture throughout the organization is one of the key elements of organizational success. To stay abreast of the competition, an embedded risk culture is impetus to growth. Henceforth, IDCOL promotes, nurtures, and believes in a culture of accountability, integrity, and high ethical standards to comply with corporate risk management issues. IDCOL also has relevant policies, guidelines, and manuals for different functional areas of its business operations in line with central bank's guidelines and regulations and global practices. The embedded risk management culture has enabled the institution to survive during the toughest times providing strong risk awareness enabling IDCOL to critically review and challenge existing practices.

Risk Appetite

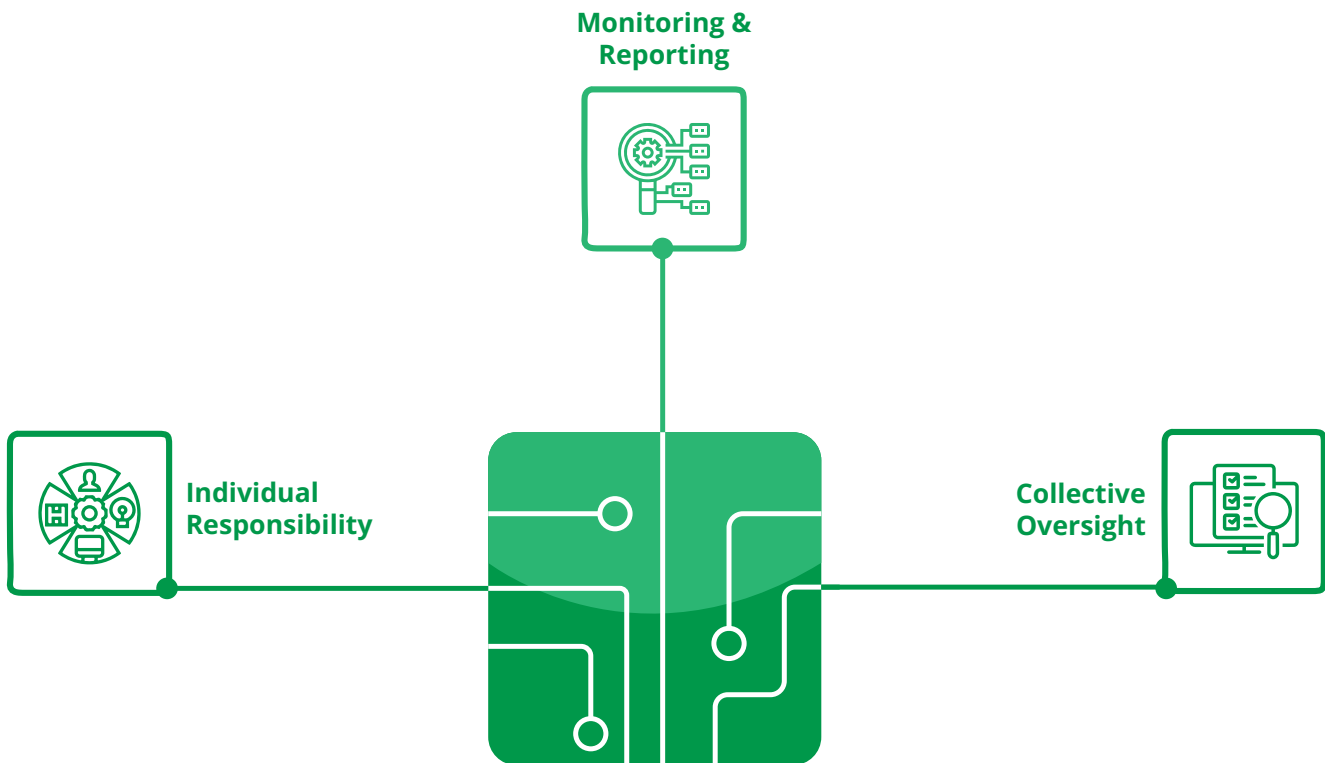
To act as a road map for the core operations of the institution, a developed risk appetite statement is embedded at institution level, which is periodically reviewed to ensure adoption to new market conditions and global and local challenges. Any origination of business at IDCOL is undertaken as guided by the company's risk appetite based on the mandate of the



company. Risk-taking decisions are consistent with strategic business goals and returns should compensate for the risk absorbed. Any risk undertaken is carefully measured and correct and elongated mitigation is placed before undertaking the same. As part of risk management culture, IDCOL has taken the risk appetite statement as its bible and operates well within the boundaries set forth by the same.

Risk Governance Risk governance is a critical component of effective risk management at IDCOL. It refers to the

systems, policies, and procedures that the company has put in place to manage risks and ensure that risks are aligned with the organization's strategic objectives. Effective risk governance is essential for maintaining the stability of the the system, protecting the interests of stakeholders, and complying with regulatory requirements. It is the combination of processes established and executed by the board of directors that are reflected in the organization's structure enabling goal congruency. The Risk Management Governance Process typically relies on:



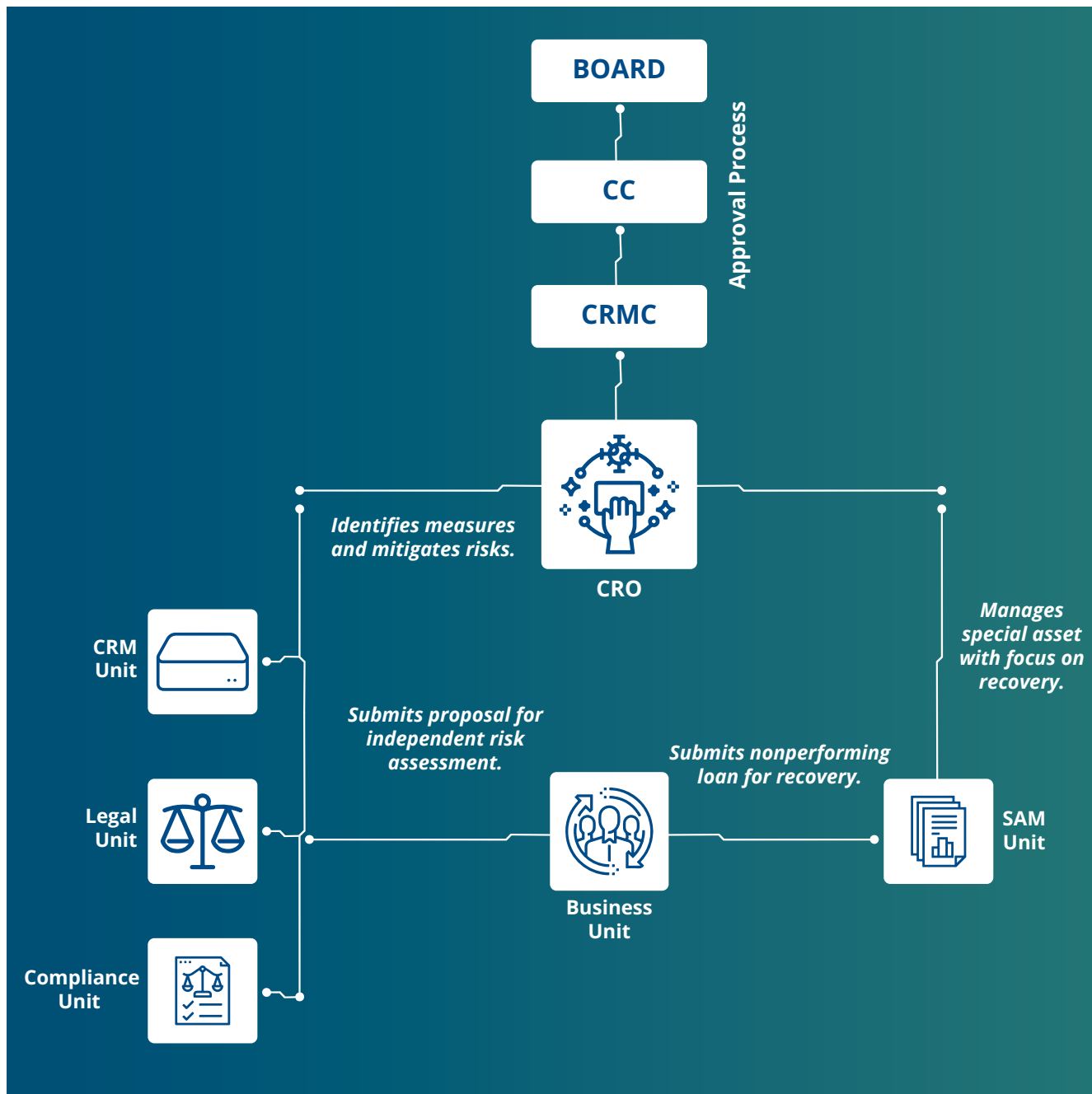
Risk Governance

IDCOL is tirelessly committed to towering standards of risk governance to ensure embedding the risk management culture at enterprise level. Each employee of IDCOL is individually held responsible regardless of position and unit to ensure governance. Every individual employed by the organisation has a KPI where risk is also a scored element, where employees are rewarded for ensuring the governance at individual level. Moreover, each team is given separate standard operating procedures as part of collective oversight where each process is broken down with identified, measured and mitigated risks.

Lastly, close monitoring and reporting enables the institution to manage the risks at initiation level to better understand and mitigate as and when they occur. The inherent risks of operations are also taken into consideration and necessary measures are continuously adapted to cater for changes.

The Board of IDCOL in addition to the management is actively involved in the management of risk and risk governance. The Risk Management function, led by the Chief Risk Officer, oversees a comprehensive risk management framework that is applied throughout the organization.

In a broader gauge, risk governance involves defining the roles of all employees, segregating duties, and assigning authority to individuals, committees, and the board for approval of core risks, risk limits, exceptions to limits, and risk reports, and also for general oversight. Additionally, there is a Risk Management Forum and Risk Management Committee in place to review strategic decision made from time to time. Also, multiple meetings are held periodically as part of comprehensive risk governance.



Risk Governance Framework of IDCOL

The business functions of IDCOL incur and own the risks, whereas the risk management units provide 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 Committee has been developed consisting of the representatives of the Board, 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 authorities 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.

As part of a strong risk culture, a specialized Special Asset Management (SAM) 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.

Risk Management and Internal Control

Every activity of a financial institution involves risk of some nature and extent, and this creates a compulsion for the financial institutions that, as part of an internal control system, these risks are being identified, assessed, and mitigated. IDCOL believing in an enterprise-wide risk

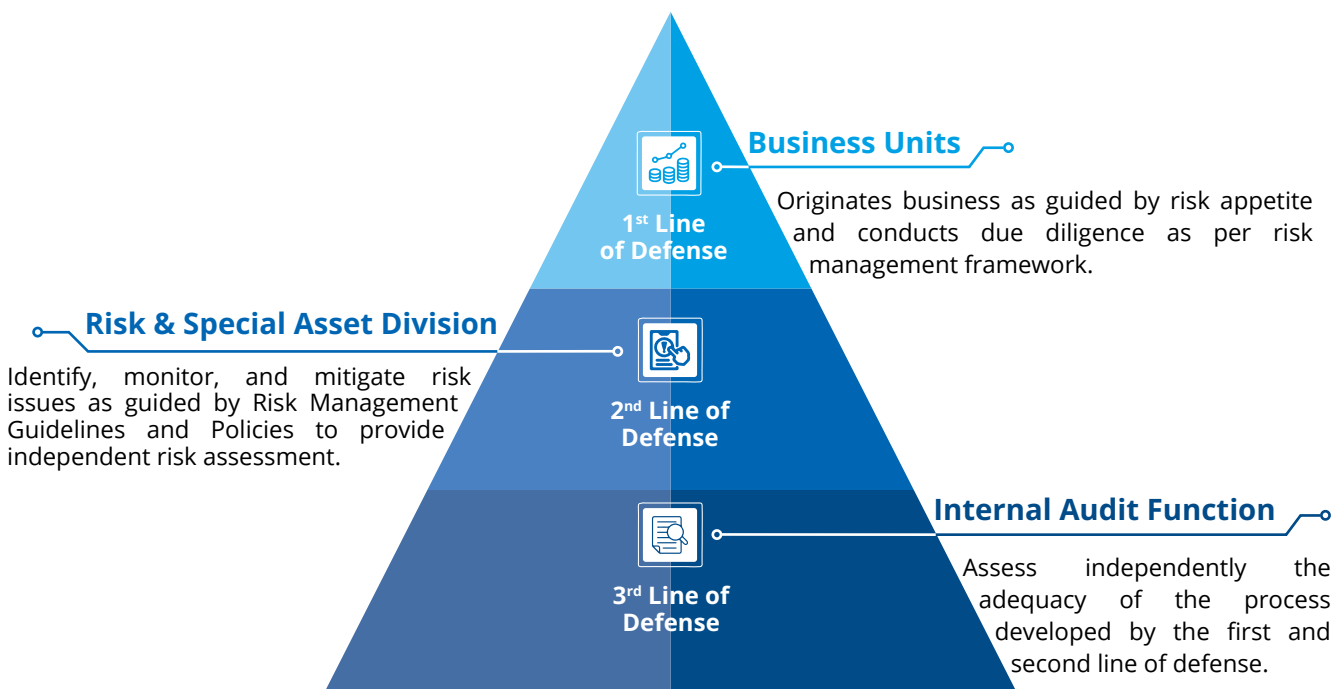


management system is more vigilant in doing the same to fetch optimum risk adjusted returns. From an internal control perspective, risk assessment and risk management system involve identification and evaluation of factors, both internal and external, that could adversely affect performance, information, and compliance objectives of a financial institution. Internal factors include complexity, nature, and size of operations; quality of personnel and employee turnover; objectives and goals, etc. External factors include fluctuating economic conditions, changes in the industry and technological advances, the degree of aggressiveness of the market and competition faced by the market participants, etc.

To design an efficient risk management system, the processes used to control IDCOL's risks are intertwined in a holistic manner. 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 co-ordination and communication in risk management. To emboss risk management

deep into the organization, the risk and special asset management team has been segregated into 04 (four) units namely Credit Risk Management Unit, Legal Affairs Unit, Compliance Unit and Special asset Management Unit. Every Unit has a set of frameworks which guides the process of risk identification, measurement, assessment, mitigation, and reporting.

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 enterprise level. Various models and methodologies are used for the design and implementation of risk management and internal control. In IDCOL we follow the three lines of defense to effectively assess the risks and management of risk along with ensuring effective internal control.



To ensure a proactive risk management environment and to embed risk management at 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. As part of continuous improvement, IDCOL is also in the process of developing a separate unit, namely operational risk management unit, which will focus to identify, measure and mitigate embedded risks in the operational processes that IDCOL undertake as a financial institution.

In a nutshell, efficient risk management has enabled IDCOL to achieve stable and sustainable growth, in spite of adverse geopolitical conditions, micro and macro factors of the economy. With every new business opportunity, vigilant risk management of IDCOL has kept the institution moving forward with a strong footing. From pre-approval stage to the disbursement of each tranche of fund, the vital input of all units reinforces the risk management framework embedded at IDCOL.



Credit Risk Management Unit

The Credit Risk Management Unit is responsible for the assessment of Credit Risks along with all other risks which arise from the lending activities of IDCOL. The credit assessment in IDCOL has been designed as per global standards and requirements of the central bank to better identify, measure, and mitigate financial and non-financial risk in a prudent manner. Global consultants have also been engaged to improve the risk assessment mechanism to minimize any issue unnoticed. Moreover, with the aid of the comprehensive risk management framework established at IDCOL, the institution addresses numerous issues starting from credit risk to environmental risk. The responsibility is clearly segregated between origination of business, assessment, approval, documentation, disbursement, and recovery to ensure better risk management, internal control, transparency, and accountability.

The Credit Risk Management team also monitors the facilities and projects during implementation phase and repayment. The management of IDCOL periodically review the reports and provide a way forward to fill any gap developed due to micro or macro-economic factors.

Legal Affairs Unit

The growing portfolio of IDCOL requires constant legal assistance and services. As such, IDCOL has its own in-house team of law counsel alongside its rich panel of external law firm. The Legal Affairs Unit works closely across the institution by providing legal advice and guidance on a varied range of issues. The Unit is an integral part of IDCOL's operations, and its role has become increasingly important considering the growing complexity of financial regulation and the need for a financial institution to comply with multiple and often conflicting regulatory and statutory regimes. The Unit ensures that the bank operates within the bounds of the law, maintains IDCOL's reputation and integrity, and enables IDCOL to achieve its strategic objectives while managing legal risks effectively.

The Legal Affairs Unit typically handles a variety of legal matters, including legal due diligence, management of finance & security documents, statutory & regulatory compliance, dispute resolution, risk management, and corporate governance. They are responsible for drafting and reviewing contracts, negotiating with counterparties, and providing legal opinions on various business



transactions. In addition, the Unit works closely with IDCOL's risk management team under the supervision of the Chief Risk Officer to identify and mitigate legal risks that may arise from IDCOL's operations. They also represent IDCOL in legal proceedings, such as litigation, arbitration, and regulatory enforcement actions.

Overall, the in-house legal team plays a critical role in ensuring that IDCOL operates in the complex compliance arena to provide legal congruency to the institution's business objectives.



Compliance Unit

Compliance unit binds the entire operation of IDCOL between the central bank of Bangladesh and all other regulatory body with IDCOL as it drives all the directives and updates, guidance, and circulars towards the organization. The compliance unit is a risk management unit, dedicated to ensuring that all transactions, approvals, and day-to-day operations of IDCOL in a larger scale is in accordance with the guidelines and policies set forth by regulatory authority. In addition to submission of reports to the central bank monthly, quarterly, and annually, compliance with Money Laundering act and Anti-Terrorism act, is also a major role of the compliance unit.



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. The core task of the special asset management unit is to follow up and take necessary measures to recover assets that have been marked as special. For better management of classified liabilities, SAM unit is continuously adopting advanced & specialized tools and mechanisms. A recovery strategy is also devised periodically with approval from the management to guide the process of recovery.

A proven methodology of risk management at IDCOL, embedded at enterprise level, enabled the institution to attain a steady growth amidst adverse economic conditions following global covid scenario and international trade relations. IDCOL is continuously striving to ensure prudent identification, measurement, and mitigation of risk to enable maximized risk adjusted return for all stake holders. The institution is confident and strongly believes that the proven risk management systems will continuously prove to be on top of any scenario to protect the best interest of IDCOL and all of its stakeholders.

CAPITAL ADEQUACY AND MARKET DISCIPLINE (CAMD)

1. SCOPE OF APPLICATION

Qualitative Disclosures	
The name of the entity to which this guideline applies	Infrastructure Development Company Limited (IDCOL)
a) 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.
b) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group	Not applicable for IDCOL
c) 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.	<p>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.</p> <p>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.</p> <p>The calculation of Tier 1 capital, and Tier 2 capital, shall be subject to the following conditions:</p> <p>a) The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.</p> <p>b) 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities eligible for Tier 2 capital.</p>

Quantitative Disclosures		Amount in Crore (BDT)
Particulars	Consolidated	
1. Tier-1 (Core Capital)		
Paid-up Capital	788.00	
Statutory Reserve	0.00	
Non-repayable Share premium account	0.00	
General Reserve	0.00	
Retained Earnings	306.46	
Minority interest in Subsidiaries	0.00	
Non-cumulative irredeemable preference shares	0.00	
Dividend Equalization Account	0.00	
Total Eligible Tier-1 Capital	1,094.46	
2 .Tier-2 (Supplementary Capital)		
General Provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	61.72	
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	61.72	
3. Other Applicable Deductions from Capital	0.00	
4. Total Eligible Capital	1,156.18	



3. CAPITAL ADEQUACY

Qualitative Disclosures	
A summary discussion of the FI's approach to assessing the adequacy of its capital	<p>Minimum capital requirements</p> <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>
	<p>Capital calculation approach</p> <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)
	<p>Capital of the FI</p> <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, 2022 the CAR of the FI was 20.76% - During the same period Minimum Capital Requirement (MCR) of the FI was BDT 556.93 crore and eligible capital was BDT 1156.18 crore; i.e. the FI hold BDT 599.25 crore surplus capital.

Quantitative Disclosures:

Amount in Crore (BDT)

Risk Category	Consolidated
Details of Risk Weighted Assets (RWA)	
Credit Risk	
On- Balance sheet	4,937.93
Off-Balance sheet	0.00
Total Credit Risk	4,937.93
Market Risk	0.00
Operational Risk	631.35
Total RWA	5,569.28
Detail of Risk Wise Minimum Capital Requirement (MCR)	
Credit Risk	
On- Balance sheet	493.79
Off-Balance sheet	0.00
Total Credit Risk	493.79
Market Risk	0.00
Operational Risk	63.14
Total Minimum Capital Requirement	556.93
Total Maintained Capital	1,156.18
Total Capital Surplus	599.25
Detail of Tier wise Capital of the FI	
Tier-1 Capital	1,094.46
Tier-2 Capital	61.72
Total Capital	1,156.18
CAR on Total Capital basis (%) [Total capital/RWA]	20.76%
CAR on Tier 1 Capital basis (%) [Tier 1 capital/ RWA]	19.65%



SUSTAINABILITY REPORT

IDCOL'S CONTRIBUTION TOWARDS GREEN FINANCING

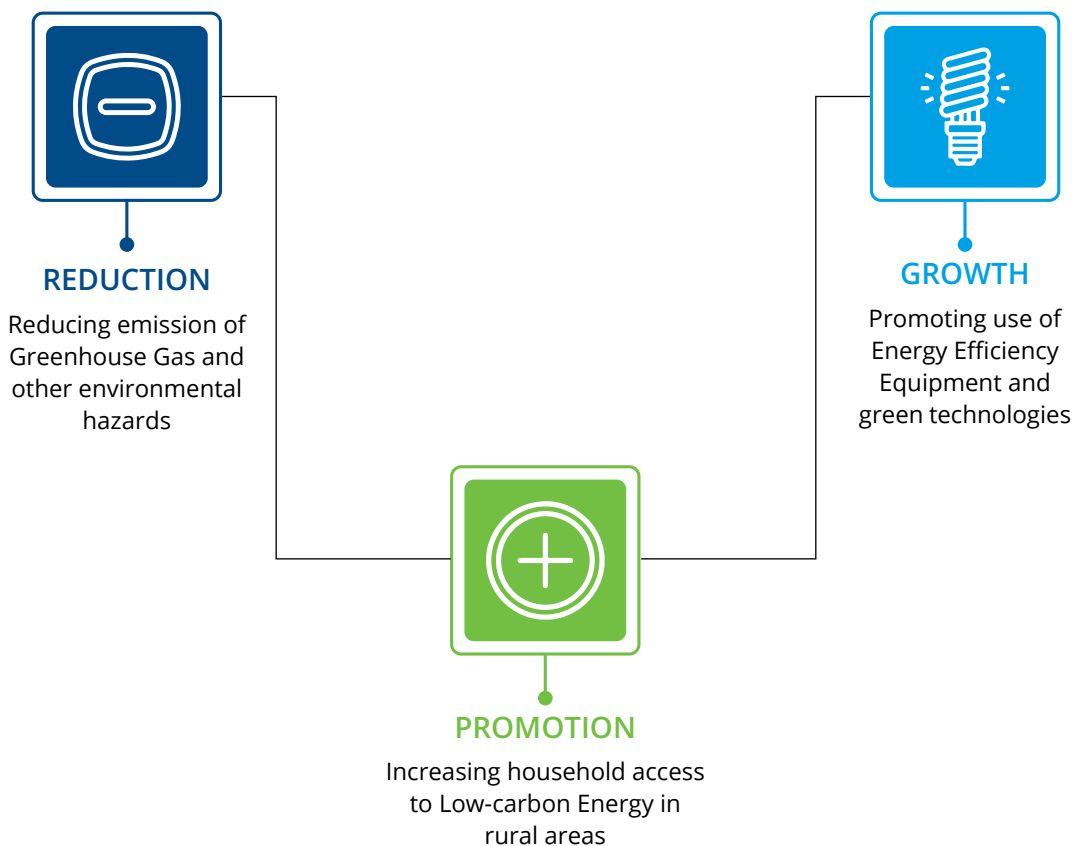
As per ADB working paper series no. 892 published in FY 2018, the key green energy projects in Bangladesh include the Solar Home System (SHS), solar mini grids (SMG), solar irrigation pumps (SIP), biogas plants, and hydropower plants. According to SREDA, currently about 1,194 MW electricity in Bangladesh comes from renewable energy sources, which is about 4.59% of the total electricity generation. Out of this, IDCOL accounts for 235.31 MW of electricity generation from renewable energy sources which is around 20% of the total RE power generation.

IDCOL's green financing efforts is not limited to electricity generation using green energy projects rather it pledges to commit financial and knowledge capital into environment-friendly projects, products, and services that encourage sustainable development of the economy. It has signed a participation agreement with Bangladesh Bank for utilizing the 'Refinance Scheme for Green Products/Projects/Initiatives' to the tune of Tk 4.0 billion. Under this fund, refinance facilities will be extended to its clients for adopting various environment-friendly and renewable energy and related initiatives. IDCOL is also enlisted as a Participating Financial Institution (PFI) under Sustainable Finance Department (SFD) of Bangladesh

Bank. A full-fledged team under the Household Energy Unit of the Renewable Energy Department looks after countrywide dissemination of the ICS Program.

IDCOL has already developed significant in-house capacity on the technology and financing of energy efficient brick kilns within the Industrial and Energy Efficiency Unit. It is also working with Frankfurt School of Finance & Management GmbH (Frankfurt School) under the project, 'Technical assistance (TA) for financing brick kiln in Bangladesh' supported by UNEP through funding from the Climate and Clean Air Coalition (CCAC).

IDCOL, as a partner of the GoB, has contributed to achieve SDGs of the government through environment-friendly investments in various industries such as Cement, Spinning & Textiles, RMG and Oil Refinery that use Energy Efficient Equipment, Green Building & Green Brick projects, Solar Home System (SHS), Solar Irrigation Pump, Solar Mini-Grid, Rooftop Solar Program, Biogas based electricity, Biogas & Bio-fertilizer program, Grid-tied Solar projects, Improved Cook Stoves by sourcing fund from different development partners like The World Bank, ADB, AFD, AIB, JICA, KfW, SNV Netherlands, DFID, USAID, GPOBA, IWMI, UNEP etc. Each of these projects contributes towards green financing by –





Energy Efficiency Equipment

01

Financed BDT 920 crore in 18 energy efficiency equipment projects comprising Cement, Spinning & Textile, RMG and Oil Refinery industries.

Financed three Green Building Projects of Shanta Holdings Ltd., BRAC University and Bengal Hotels and Resorts Ltd. ~BDT 224 crore financing has been approved for 6 tunnel kiln and 1 HHK brick projects under Green Brick program.

Green Building & Green Brick Program



02



Improved Cooked Stoves

03

Roughly 3.7 million ICS have been installed aiming to create sustainable market for high efficiency cook stoves reducing GHG emissions and indoor air pollution.

~4.13 million Solar Home System (SHS) have been installed for providing better quality solar electricity, reducing extra lighting hours and ensuring easy access to electricity in off-grid areas.

Solar Home Systems (SHS)



04



Household Biogas Plants

05

65,224 biogas plants providing clean energy solution to rural areas and reducing in-house air pollution. Also, Biogas plant is a rich source of organic fertilizer.

10 biogas based power plants of 10 KW to 400 KW capacity aiming to reduce environmental hazards related to improper disposal of wastes and create market for bio-waste to generate electricity.

Biogas based Power Plants



06



Solar Irrigation Pumps

07

1,523 solar irrigation pumps benefitting more than 60,000 farmers by providing irrigation facility in off-grid areas and reducing dependency on fossil fuel.

26 solar PV based Mini-grids are in operation generating significant amount of electricity from solar power.

Solar Mini-grid Project



08




Rooftop Solar Project

09

25 industrial rooftop solar projects are in operation generating grid-like electricity to support the GoB's objective of shifting towards renewable energy power.



IMPACT ANALYSIS OF IDCOL'S GREEN FINANCING


 <p>ENERGY EFFICIENCY</p>	<p>Energy Efficiency Equipment</p>	<ul style="list-style-type: none"> • ToE Savings: 10,129/year • Energy Savings: 35,968 MWH/year • GHG Emission Reduction: 21,269 ton CO₂ per year • Waste treatment: 45,000 m3/day of 179 industries of CEPZ
	<p>Green Building and Green Brick Program</p>	<ul style="list-style-type: none"> • 3 energy efficient Green Building projects • 7 bricks projects producing 1.14 million bricks/year

SDGs Impacted



Future Focus

- Achieving 20% energy efficiency by FY 2030.
- Utilizing USD 270 million+ available energy efficiency credit lines.
- Tapping into the USD 120 billion worth energy efficiency and green building sector with long-term concessional financing.
- Training and capacity development of employees in EE sector.
- Shifting focus from Textile and RMG to other sectors for diversification.

 <p>IMPROVED COOK STOVE (ICS)</p>	<ul style="list-style-type: none"> • 1st clean cooking program to receive GCF funding • Fuel wood savings: 1.54 tons per ICS/year • CO₂ emission reduction: 1.22 ton per ICS/year • 50% less fuel and time consumption than traditional cook stoves • Eliminating Indoor Air Pollution (IAP) by reducing Kitchen Concentration of Particulate Matter (PM 2.5) and Personal Exposure of Carbon Monoxide (CO) emission by more than 85%
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SDGs Impacted



Future Focus

- Establishing 5 million ICS by FY 2023
- Realizing financial benefits by selling CERs under CDM project of UNFCCC.
- Achieving 100% ICS coverage by 2030 as per Bangladesh Country Action Plan for Clean Cook Stoves
- Reaching the target of saving 7.7-million-ton fuel wood per year and reducing emissions of 6.1-million-ton CO₂ per year
- Conducting awareness raising and demand creation activities at mass scale to support 100% ICS coverage as per BCAP
- Developing action plans for establishing ISO certified technical monitoring and testing facility



SOLAR IRRIGATION PUMP

- Supporting 80% of the total SIP capacity (52.29 MWp) of Bangladesh
- Replaced 16,806 diesel pumps
- Supply chain development by increasing number of suppliers to 27
- Providing capacity building training to more than 9,000 farmers, operators and sponsors' officials
- GHG Emission Reduction: 48,736 ton CO₂/year
- Reducing GoB's burden of fuel and energy subsidy

SDGs Impacted



Future Focus

- Setting up 10,000 SIPs by 2030.
- Increasing GHG emission reduction by 0.5 million tons/year.
- Working with UNEP for implementing "The EmPower - Women for Climate Resilience" project.
- Establishing state-of-art standard for SIPs using technical monitoring facilities.
- Working with bodies like NGO Forum, TAFSSA, and IWMI for improving modalities and policies of groundwater irrigation program.



BIOGAS & BIOGAS-BASED POWER PLANTS

- Financed 70% of the total biogas plants currently in operation in Bangladesh
- Firewood saving: 62,600 tons/year worth BDT 42 crore
- Fertilizer saving: 55,500 tons/year worth BDT 123 crore
- Providing clean energy solution to more than 293,500 beneficiaries
- Creating a market for support industries and stoves for biogas users
- Biogas-based power plants providing low-cost, clean energy alternatives with capacity of 1742 kWp to poultry and dairy farms

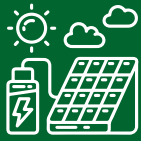
SDGs Impacted



Future Focus

- Establishing 100,000 biogas plants by FY 2029
- Realizing financial benefits by selling CERs under CDM project of UNFCCC.
- Establishing a sustainable and commercial biogas sector to achieve ~1 million biogas plants market.
- Ensuring availability of technologies to potential sponsors for sectoral development.
- Supply chain development for increasing availability of technical solutions for setting up plants and policy development for tax exemption to enhance sector attractiveness.





SOLAR MINIGRID

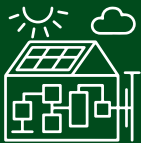
- Providing 24x7 grid-quality electricity to more than 16,000 beneficiaries in off-grid areas i.e. river and sea islands of Bangladesh.
- Supply chain development of 2V batteries and development of support industries that provide installation and commissioning services.
- Total 16,298 connections providing support to 73.5% households and 26.55 commercial entities in off-grid areas.
- CO₂ emission reduction: 58.6 tons per mini-grid/year

SDGs Impacted



Future Focus

- Achieving 30,446 tons CO₂ emission reduction by FY 2034
- Reaching the target of 20,538 connections to provide electricity access to more than one lac rural people
- Promoting the usage of prepaid metering system and energy efficient home appliances among mass people
- Assisting in policy implementation to mark solar mini-grids as Green by the Department of Environment.



SOLAR HOME SYSTEMS (SHS)

- Accounts for 74% (187.12 MWp) of the total SHS installed till date in Bangladesh.
- Kerosene savings: 3.31 million tons worth USD 411 million.
- Provides 24x7 grid-quality electricity to more than 18 million people (12% of the total population).
- Generated more than 75,000 indirect jobs in local support industries.
- Increased number of completed school years for households having SHS compared to non-SHS households.

SDGs Impacted



Future Focus

- Reaching the target of 6.91 million tons kerosene savings worth USD 1,711 million by FY 2035.
- Realizing financial benefits by selling CERs under CDM project of UNFCCC.
- Leveraging IDCOL's experience of SHS implementation in sub-Saharan countries of Africa i.e. Tanzania, Malawi etc.
- Monitoring and maintenance of SHS installed under TR/KABITA program.
- Providing after sales service to customers through call center for enhancing the longevity of installed systems.



- Supporting the GoB's initiative of generating electricity from RE sources with approved capacity of 70 MWp.
- Net metering benefits: supplying excess electricity to national grid thus increasing contribution of private sector power generation.
- Enhancing green credentials of the sponsor industries.
- Providing technical support to sponsors for rooftop solar market development.

SDGs Impacted



Future Focus

- Financing energy generation of 300 MWp by FY 2025.
- Assisting the GoB to reach the target of 635 MW (17.3%) of power generation as per PSMP.
- Achieving 576,200 tons GHG emission reduction target.
- Diversifying the solar rooftop portfolio by including clients from sectors like RMG, Textiles, Pharmaceuticals, Hotels and Resorts, Jute Mills etc.
- Developing the market in RMG and Textiles to utilize 42 million sq. feet rooftop space of 1,500 members of BTMA.
- Reducing the GHG emission of textiles sector which accounts for 38% of the total emission.

NEWER STEPS TOWARDS GREEN FINANCING



On 6 July 2017, IDCOL was accredited to receive funds up to 250 million per project from the Green Climate Fund (GCF) for financing climate change mitigation or adaptation project to be implemented in Bangladesh. Under the Accreditation Master Agreement (AMA) signed with GCF on 12 September 2018, a Funded Activity Agreement (FAA) to undertake a significant energy-saving project specifically tailored for Bangladesh's textile and garment industries was signed on 20 July 2022 for an amount of USD 256.5 million comprising concessionary loans to RMG and Textiles sector for USD 250 million and USD 6.5 million technical assistance for market development initiatives. The fund is first of its kind to enter Bangladesh as private sector financing through IDCOL which will be channeled directly to private/public sector entity or through private sector banks or financial institutions.

As a market leader in private sector infrastructure investment, IDCOL is looking forward to financing more and more sustainable investments and creating a market for energy efficient projects considering the increasing move towards green financing, its relevance in attaining the SDGs and positive impact on keeping the environment safe. Also, the company aims to develop sustainable business models and governance policies to boldly maintain its market leadership in this segment. For this, IDCOL is currently working with CRISIL India for developing a mid-term corporate strategy that will explore the new avenues of energy efficient investments and funding sources.



SUSTAINABLE FINANCING IN INDUSTRIAL ENERGY EFFICIENCY SECTOR

The following major projects have been financed through ensuring sustainable safeguard principles of existing ESSF:

Green Bricks Program:

Brick kiln may affect physical resources through soil extraction from nearby rivers and fertile lands. Land erosion may occur along the uncovered space due to soil removal and excavation and water through runoff and sedimentation. The smoke and dust from the plant may cause air pollution. The smoke and dust may include hazardous substances and cause health disturbance to the workers.

As per the data by World Bank, the brick sector in Bangladesh burns about 203 tons of coals and emits about 576 tons of CO₂ for manufacturing 1 million bricks. With about 17 billion bricks produced annually, the industry's annual CO₂ emissions is estimated to be 9.8 million tons. For the auto-brick industry, IDCOL has already financed USD 20.5 million to 8 different projects. IDCOL is closely working with various stakeholders, such as Climate & Clean Air Coalition under the United Nations Environment Program, Department of Environment, and various foreign and local kiln suppliers, to develop a sustainable and future oriented auto-brick sector in Bangladesh.



Kushiyara Auto Bricks Ltd, Sylhet

Energy Efficiency Equipment Financing:

IDCOL finances energy efficient machineries and green infrastructure projects. Some of the projects include machineries in RMG and Textile sector, effluent treatment plant infrastructure, green building etc.

1. IDCOL finances energy efficient machineries in RMG sectors of Bangladesh. Energy efficient dyeing/finishing, sewing machines, boilers can reduce power consumption of various margins. The energy efficient sewing machines used in Snowtex Sportswear Limited can operate with 70% less energy than conventional sewing machines whereas the boilers used in Snowtex Sportswear Limited saves 13% of existing energy consumption.



Snowtex Sportswear Ltd, Dhamrai

- IDCOL financed 'Bangladesh Petrochemical Company Limited (BPCL)' to set up a PET bottle recycling plant at Rugganj, Narayanganj. The Project collects discarded PET bottles from various sources and recycles the discarded PET bottles to produce food grade and fiber grade resins. Food grade PET resins can be used for producing various types of packaging materials for food products whereas fiber grade PET resins can be used in RMG sector. Estimated production capacity of the project is 12,698 MT/year (or 1,764 kg/hour).



Bangladesh Petrochemical Company Ltd



Partex Petro Ltd, Chittagong

- IDCOL Financed 'Partex Petro Limited', an oil refinery project at Dangarchar, Karnafuly, Chittagong with a capacity of 10,000 Barrel Per Day (BPD). It uses Natural Gas Condensate (NGC) as raw materials and the finished products of the project are petrol/motor spirit, octane, jet fuel (JP1), high speed diesel, and liquefied petroleum gas (LPG).

- IDCOL financed Chittagong Waste Treatment Plant Limited (CWTP), a central effluent treatment plant at Chittagong EPZ. The treatment capacity of the Project is 45,000 m3 per day. IDCOL participated in the syndicated financing for setting up the central effluent treatment plant at Chittagong EPZ under a 30-year Effluent Treatment Agreement (ETA) signed with Bangladesh Export Processing Zones Authority (BEPZA). Currently, the CWTP is engaged in treating liquid effluent of 179 out of 190 industries in CEPZ.



Chittagong Waste Treatment Plant Ltd.



COMPLIANCE OF ENVIRONMENTAL AND SOCIAL SAFEGUARDS AT IDCOL FUNDED PROJECTS

The funding of sustainable infrastructure projects has always been a priority for IDCOL. The Renewable Energy Department and the Investment Department of IDCOL both offer funding. For the department of renewable energy, IDCOL provided funding for utility-scale solar grid-tied projects, solar rooftop projects, biogas-based power generation projects, battery recycling facility projects, Improved cook stove (ICS), Solar Home System (SHS) projects, Solar Irrigation Projects (SIP), Solar Mini Grid projects and GCF-funded energy-saving projects. For the Investment Department, IDCOL has funded projects involving private electricity generation, ports and terminals, healthcare, infrastructure backward linkage, PPP-based economic zone projects, green brick kilns, central waste treatment plants, other financing projects involving energy-efficient equipment, etc.

The following sections provide more information on the structured methodology that IDCOL has created.

1. Environmental and Social Safeguards Policy

To promote sustainable development, IDCOL thinks that it is important to take environmental, health/safety, and social factors into account while developing infrastructure, PPPs, and renewable energy sources. To accomplish the, IDCOL is dedicated to:

- Mainstream environmental, health/safety and social (E&S) considerations in appraising and financing infrastructure, energy efficiency, PPP and renewable energy 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.
- Where land acquisition and/or resettlement is unavoidable, either compensation of the replacement value of such acquired land/property will be paid before displacement from the project site or resettlement will be made with land having equal value and quality together with other facilities such as housing and basic infrastructure facilities.

- Ensure protection of vulnerable groups, such as the economically and socially disadvantaged, women, and children, physically handicapped and Ethnic Minorities/Indigenous Peoples and take appropriate measures to restore their livelihood as relevant.
- Ensure adherence to prohibition list of Bangladesh Bank and respective development partners for financing projects.

2. Guidelines

In theory, IDCOL is dedicated to upholding the standards of compliance demanded by the Department of the Environment and Bangladesh Bank. Moreover, in order to finance sustainable projects, it has followed the standards and guidelines set out by development partners such as the World Bank, Asian Development Bank (ADB), JICA, KfW, AIB, AFD and others. For infrastructure and renewable energy projects, respectively, IDCOL has already created the Environmental and Social Safeguards Framework (ESSF) and Environmental and Social Management Framework (ESMF). The Environmental and Social Management System (ESMS) guideline, which IDCOL earlier also introduced, is used to assess utility-scale and rooftop solar grid-tied projects in relation to the pertinent legal requirements and industry best practices.

IDCOL has created a Harmonized Environmental and Social Plan through 2022. The three earlier IDCOL recommendations (ESSF, ESMF, and ESMS) have been unified into a single framework called the Harmonized Environmental and Social Safeguards Framework, which was created in 2022.

3. Institutional Arrangement

IDCOL has used both active and passive strategies to make sure that E&S compliances have been implemented satisfactorily. It has placed full-time Senior & Junior Environmental Experts in each department as part of its Active approach. Also, IDCOL management has made sure that E&S is satisfactorily explained at all levels of operation and management as part of its Passive approach.

4. Major Environmental & Social Focus Areas

IDCOL primarily focuses on following environmental and social aspects-

Environmental aspects



Air pollution



Water (surface & ground) contamination



Noise generation



Disturbance to biodiversity



Disturbance to natural drainage



Wastage of energy

Social aspects



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 Projects Cycle

There are primarily four stages in the project cycle. Each stage requires specific attention to E&S issues as has been detailed in the following table.

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

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



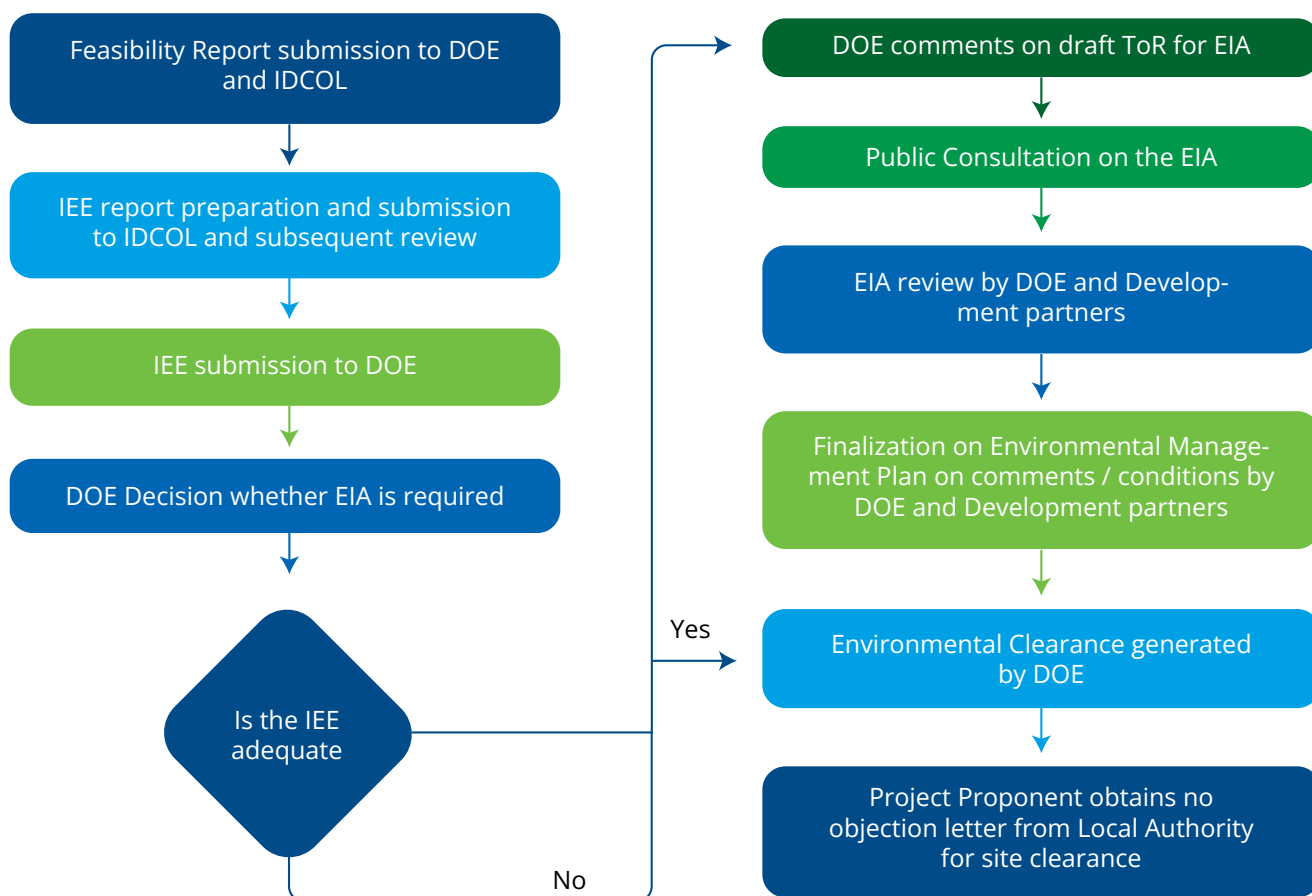


Figure: Environmental clearance approaches in IDCOL and DOE

6. Impact of different renewable energy projects on CO₂ emission reduction



The energy sector's GHG emissions are significantly reduced thanks to IDCOL's financing of various renewable energy projects, including solar home systems (SHS), solar rooftops, solar mini-grids, utility-scale solar grid-tied, solar irrigation pumps (SIP), biogas plants, biogas to power, and improved cook stoves (ICS). This is a breakdown of how IDCOL helps to mitigate climate change by cutting CO₂ emissions.

Program	Installed Number	Electricity Generation	CER (CO ₂)/ GHG emissions reduction	Energy Savings
SHS	4.3 million under IDCOL 1.575 million under TR/ KABITA	231 MWp approx.	1.25 million tons per year	Replaced 11 million kerosine lamps
Solar Mini-Grid (SMG)	26 (Isolated islands)	5 MWp	1534 tons in a year	
Solar Rooftop	25	37.5 MWp		Reduce electricity and gas or diesel burn generator costs
Utility-scale solar grid-tied	2	108 MWp		Reduce electricity and gas or diesel burn generator costs
SIP	1523	42.08 MWp	48,736 tons per year	Replace 15,230 diesel pumps
ICS	3.7 million		3.59 million tons per year	4.54 million tons of fuel wood per year
Biogas to Power	10 biogas-based power plants	1.74 MW		
Domestic Biogas Plant	65,224 domestic biogas plant		243,000 tons per year	Saves 60,900 tons of firewood each year and reduces 53,900 tons of chemical fertilizer utilization

7. Environmental measures with focus on Renewable projects:


The following major actions have been undertaken under the harmonized ESSF of IDCOL in respect of environmental and social compliances of ongoing projects:

Renewable Projects:

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
<p>SHS- Construction and Operational Phase:</p> <ol style="list-style-type: none"> 1. Improper handling of expired batteries can cause environmental degradation and pose a threat to human health and safety. 2. There is a substantial danger of environmental and health safety issues during lead-acid battery manufacture. 	<p>"Policy Recommendations on Disposing of Warranty Expired Batteries" has been created by IDCOL. Customers, POs, and manufacturers must adhere strictly to this guideline.</p> <p>The tracking system for correctly disposing of expired batteries has been introduced by IDCOL. For the sole purpose of keeping an eye on the handling of expired batteries, IDCOL has sent out several solar inspectors dispersed throughout several regional offices and covering the whole nation. For correctly recycling the used battery, POs and recyclers are financially rewarded.</p> <p>In addition to the DOE criteria, IDCOL has mandated that all battery suppliers and recyclers under the SHS program comply with ISO 14001:2015 and ISO 45001:2018. There are now 17 battery providers and 4 recyclers of expired batteries that have conformed with these rules.</p>	 <p>The installation of more than 5.3 million solar home systems throughout Bangladesh replaced over 11 million kerosene lights, resulting in a reduction of 1.25 million tons of carbon dioxide (CO₂) annually and better living conditions.</p>
<p>Solar Irrigation- Construction and Operational Phase:</p> <ol style="list-style-type: none"> 1. Negative Ecosystem impact won't happen in most situations. Yet, depending on the project site, a moderate change in land use, including tree clearance, may be necessary. 2. Overuse of water may influence hydrology. 	<p>A unique environmental and social screening template that IDCOL has devised includes most of the pertinent factors.</p> <p>IDCOL has placed a strong emphasis on the project's preparation of an appropriate method for pumping up water and the adoption of a plan that draws on experience in the local region and the findings of hydrological studies.</p> <p>An expert did a survey for IDCOL on the accessibility of water in several prospective locations.</p>	 <p>By the end of December 2022, 1523 solar irrigation pumps have been installed, saving 48736 tons of carbon dioxide (CO₂) annually. The 30460 hectares of land that these pumps irrigate are used by 60920 farmers.</p> <p>The SIP projects could raise farmers' living standards. According to a sample survey by IDCOL, SIP farmers pay 20% to 25% less for irrigation than their counterparts who use diesel pumps. This allows them to make more money from their agricultural endeavors and, in turn, generate 57% more income for their families to help with living expenses.</p>




Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
<p>Mini Grid- Construction and Operational Phase:</p> <p>1. Mini-grid requires a considerable piece of land, there is scope of disturbance to site specific ecosystem in the Project area.</p> <p>2. Due to the operation of diesel fueled back-up generator there could be temporal noise concern.</p>	<p>To counteract any negative effects, IDCOL has mandated that the project sponsor create a thorough environmental impact study (ESIA). In this context, IDCOL has unveiled a carefully crafted ToR for ESIA and monitoring effect mitigation based on an Environmental and Social Management Plan (ESMP).</p> <p>compliance with applicable environmental, health, and social regulations of 26 active mini-grid projects.</p>	 <p>5 MW of power will be produced by 26 solar mini grids that IDCOL has certified, all of which are situated on remote islands in Bangladesh. Around 16,298 connections have been established under the programs to date, of which 73.5% are homes and the remaining 26.5% are business organizations engaged in various revenue-generating activities and other beneficial purposes. Shops, workshops (steel, furniture, carpentry), rice mills, sawmills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospitals/clinics, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosques, madrasahs, etc. are just a few examples of the types of businesses that fall under these categories.</p>
<p>Improve Cook Stoves</p>	<p>IDCOL has required basic environmental and health compliance of manufacturing, operation, and maintenance of ICS.</p>	 <p>The IDCOL Improved Cook Stove (ICS) Program was created expressly with Bangladeshi women in mind, giving them better cooking alternatives. Because it lowers indoor air pollution, it has a direct impact on women's health and wellbeing. The time and fuel savings from ICS will help people live more comfortably and in hygienic and comfortable settings.</p> <p>By the end of December 2022, 2.95 million improved cooking systems will have been installed, saving 4.54 million tons of fuel wood annually and reducing carbon dioxide emissions by 3.59 million tons.</p>

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
<p>Biogas Power Generation-Operational Phase:</p> <p>Wastewater will be digested in the system and 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>Ten biogas-power generation projects have been approved by IDCOL which produces approximately 1742 kW of electricity. It also produces organic fertilizer as a byproduct.</p>
<p>Domestic Biogas Plants</p>	<p>IDCOL has required the project proponent to install sufficient facilities and conduct the proper maintenance.</p>	<p>IDCOL financed 65,224 biogas plants providing clean energy solution to rural areas and reducing in-house air pollution. Also, Biogas plant is a rich source of organic fertilizer.</p>

8. Environmental and Social Measures for Infrastructure and PPP Projects

The following actions have been taken under the ESSF in respect of environmental and social compliances:

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
<p>Power Plants:</p> <p>Power plants can cause severe hazardous impacts on ambient soil, air, water, and noise level due to gaseous emission, spillage & excessive noise generation. Excessive extraction of ground and surface water may harm the hydrology. Health and safety hazards may occur to workers and surrounding community peoples.</p>	<p>To address the possible adverse impacts, preparation of a detailed environmental and social impact assessment (ESIA) including environmental and social management plan (ESMP) with proper mitigation measures is required for every assessed impact. The ESMP is part of loan covenants and ensures that the project proponents must monitor and mitigate the negative impacts as necessary.</p>	 <p><i>Kushiara Power Company Limited, Sylhet</i></p> <p>IDCOL has approved financing of 31 power plant projects contributing 3,881 MW electricity to national power grid to support Government of Bangladesh's ambitious vision of ensuring electricity for all citizens.</p>



Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
<p>Economic Zones:</p> <p>Economic zones project requires purchasing vast amount of land, mostly from individual owners. Land development causes change in land use, soil quality and affect nearby natural waterbodies. Ambient environmental degradation occurs from various types of industrial operations. Social issues including occupational health safety and community health safety components might also be affected by economic zone developments.</p>	<p>The ESIA prepared for the economic zones has assessed and identified possible negative impacts on surrounding physical environment and community during site preparation, construction and operation phase of the project. To address the identified adverse impacts, required mitigation measures and monitoring requirements on Environmental and Social Management Plan (ESMP) has been included.</p>	 <p><i>Meghna Industrial Economic Zone Limited- Sonargaon, Narayanganj</i></p> <p>IDCOL has financed in Meghna Industrial Economic Zone Limited- Narayanganj, Shreehatta Economic Zone- Maulvibazar, City Economic Zone-Narayanganj for the purpose of inclusive industrialization in the country.</p>
<p>Edu-care Facilities:</p> <p>Establishing educational institution requires large scale land purchase in urban or suburban regions and attracts population influx in the community. Moreover, generation of solid and liquid wastes affecting surface and ground water sources, air pollution from generator and HVAC operation, noise pollution and increase in traffic volume affecting accessibility of surrounding community. Potential occupational and community hazards may occur from the project operations.</p>	<p>IDCOL has ensured that an environmental and occupational management plan included in loan covenants that enforces the project proponents to monitor and mitigate and where possible – eliminate any adverse negative impacts and potential hazards generated from the project.</p>	 <p><i>BRAC University, Merul Badda Campus (under construction), Dhaka</i></p> <p>IDCOL has financed the construction of new campus of BRAC University which will contain a total floor area of 114,810 sq. meter with various facilities i.e., classroom, design studio, workshop, labs, gallery, lecture theatre, exhibition gallery, central medical facility, cafeteria, library, multipurpose hall etc. The campus is expected to open from around July 2023.</p>

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
<p>Infrastructure Backward Linkage: Cement Manufacturing</p> <p>Cement manufacturing process includes unloading of clinkers and other raw materials using river jetty, mixing of raw materials, and storing the produced cement. Air pollution due to emission of exhaust gases and particulate matters, water intake for production process, and noise pollution may occur in the project site. Project operations may cause severe occupational health safety hazards to the employees and community residences as well.</p>	<p>To mitigate identified adverse impacts on surrounding environment, IDCOL has required key environmental and health compliance of manufacturing, operation, and maintenance of the project. IDCOL also required proper management and control of emission of gaseous pollutants and recycling of possible solid wastes.</p>	 <p><i>Vertical Roller Mill (VRM), Premier Cement Mills Ltd, Munshiganj</i></p> <p>IDCOL has financed in energy efficient VRM installation for Meghna Cement Mills – Mongla, Premier Cement Mills-Munshiganj, Seven Circle Cement Mills-Kaliganj project. IDCOL has also financed BSRM Steel Re-rolling Mills, Sylvan Technologies Ltd project under infrastructure backward linkage industries sector.</p>
<p>Healthcare Facilities:</p> <p>Possible infectious solid waste, microbiology waste, chemicals and liquid medical waste might generate severe health hazard inside the medical center as well as outside environment.</p>	<p>Ensured enforcement of related Health Safety Standards applicable for the healthcare facilities. Proper management of medical wastes is the major priority of IDCOL during financing in healthcare projects.</p>	 <p><i>Imperial Hospital, Chittagong</i></p> <p>IDCOL has financed various social infrastructure in health care sector such as Apollo-Imperial Hospital-Chittagong, and Sandor Dialysis Services Ltd.</p>
<p>Hotels and Tourism:</p> <p>Possible environmental pollution due to generation of solid wastes and liquid discharges, gaseous pollutants emission from generators, cooling units and kitchens. Hotels management also includes risk of fire accidents, health safety hazards and increase in surrounding traffic volume.</p>	<p>IDCOL requires maintaining an Environmental and Social Management Plan addressing potential environmental impacts as well as social issues. The plan also addresses the occupational and community health safety measures to be implemented by the client during both construction and operation phase of the project.</p>	 <p><i>Doreen Hotels and Resorts Ltd, Gulshan, Dhaka</i></p>



9. Comprehensive stakeholder consultation:

The involvement of stakeholders, in the opinion of IDCOL, is crucial to a project's successful funding. So, it guarantees appropriate consultation at every level of the project cycle. The attention has been given to consultation with tiny ethnic groups and indigenous people. It recognises the significance of their links to their country of origin, both historically and culturally.

Indigenous people uphold long-standing customs, which is a priceless aspect of our national culture. IDCOL considers the fundamental constraints that indigenous people face, including threats to their culture, their isolation from facilities and sources of income. Hence, it tries to assure that no initiative sponsored by IDCOL will have a negative impact on these vulnerable areas, not even slightly.



Consultation with Farmers and local stakeholders for IDCOL's projects

10. Gender and equality

From its founding, IDCOL has made a commitment to gender equality, social responsibility, and environmental preservation in all facets of its operations. In response, IDCOL has created a few environmental, social, and gender principles that are also compliant with laws and regulations. Following the standardized ESSF, the environmental and social consequences of all projects and programs are screened for and evaluated. A strong framework for identifying and managing social and environmental risks in all programs and projects is one of them. These agreements also include the required instructions for guaranteeing gender equality, equity, and balance over the course of the program or project.

Consequently, all IDCOL's initiatives and activities are carefully monitored to guarantee gender equality, social responsibility, and environmental preservation.

11. Organizational Capacity and Competency:

IDCOL has gained experience in implementation 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 Unit (ESSU) to institutionalize the environmental and social management in its operation.

12. Training and Capacity Building of Stakeholders

From the inception, IDCOL prioritizes building the importance of awareness and capacity building of relevant

stakeholders on various issues with focus on Environmental health and safety (EHS), Gender issues. Considering the response from the stakeholders, IDCOL is considering arranging such types of events on a regular basis.



HUMAN RESOURCE MANAGEMENT

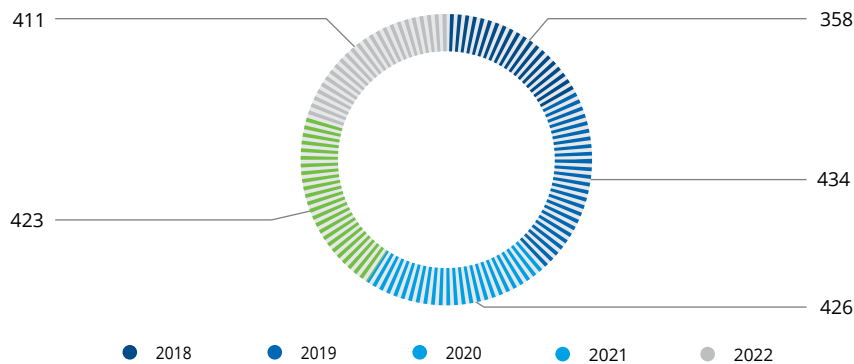
Human Capital

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 are able to fulfil their potential. Here talent is rewarded, ambition is

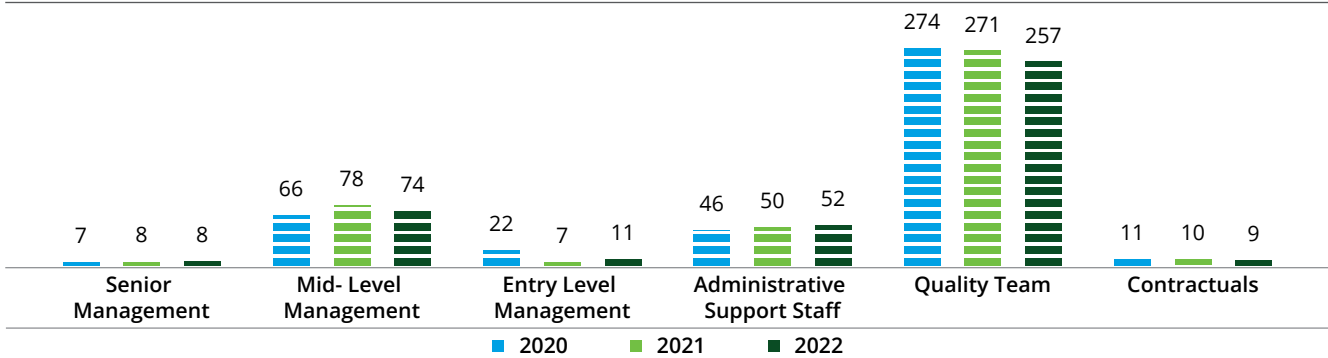
stoked, and pride is earned. The way we stand up for our employees help us to stand out from the competition.

Reflection of the Past Years

Since its inception, IDCOL HR strategy is 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. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.

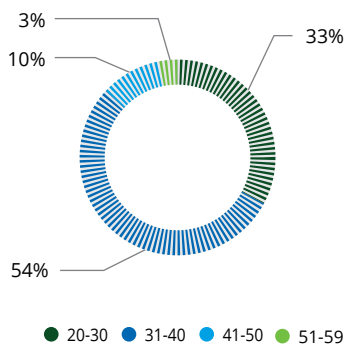


Category wise employee strength growth

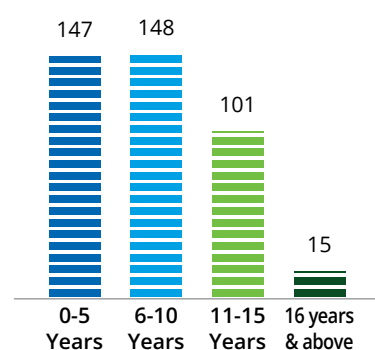


Employee Trend Analysis for 2022

Employees by Age Group



Employees' Service Length



Employees Spread

Senior Management



8

Entry Level



11

Mid-Level



74

Administrative



52

Contractual

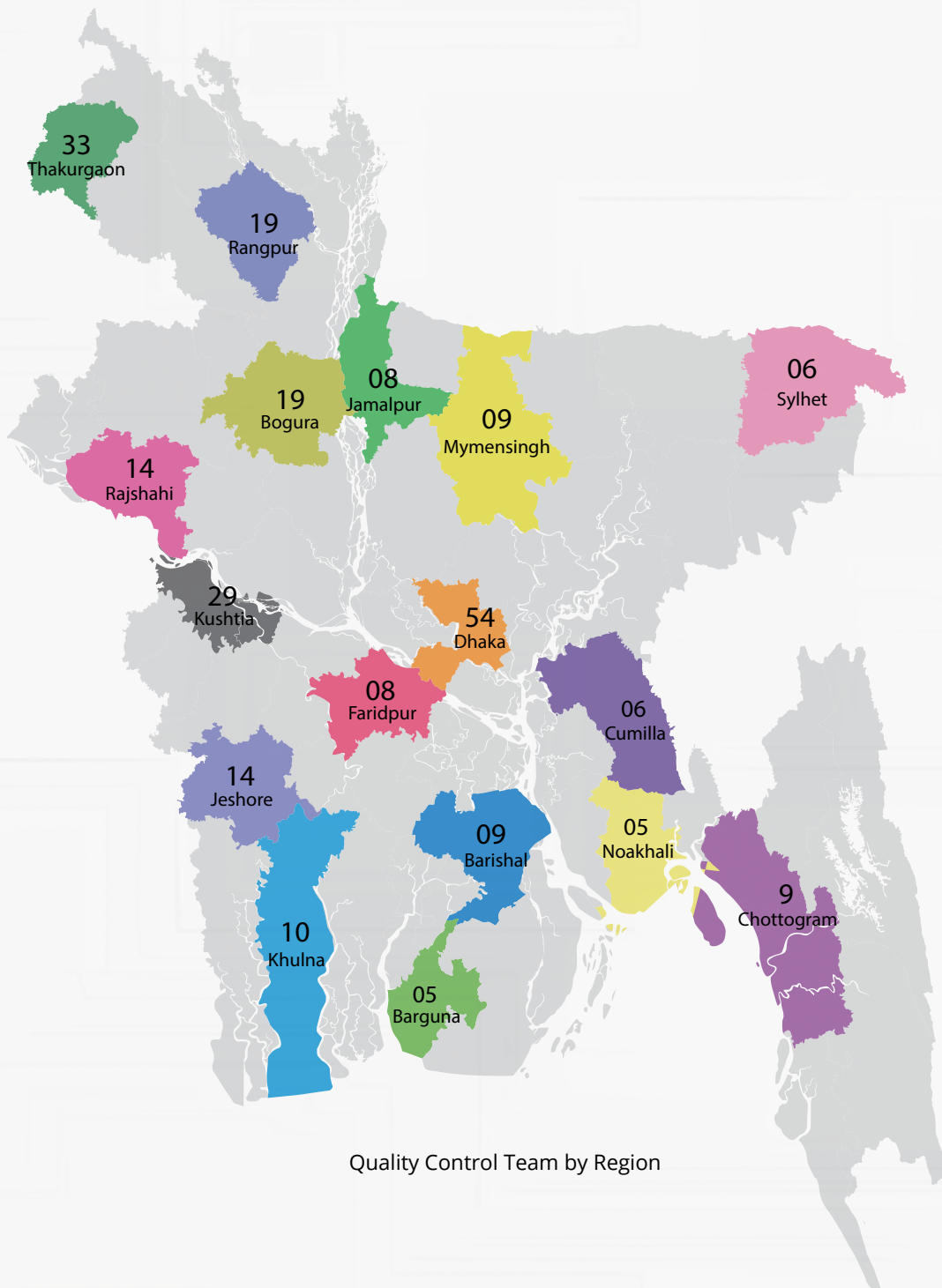


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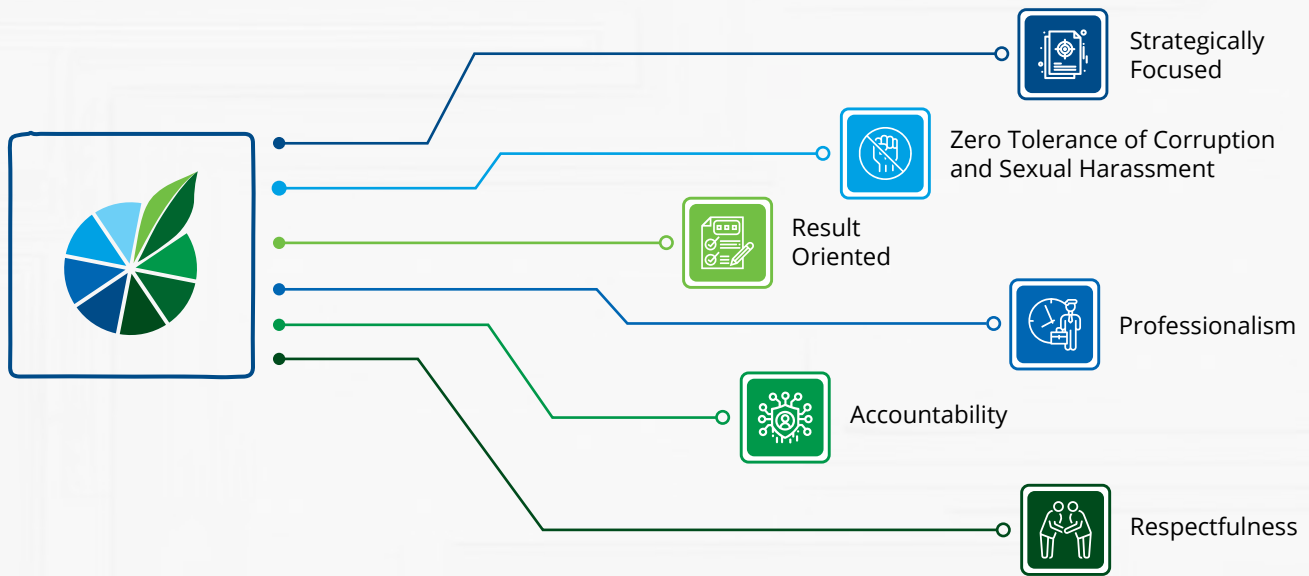
Quality Team



257



Quality Control Team by Region



Strategically Focused

We are strategically focused towards the vision of our organization and we work collectively for the best interests of the organization and the workforce.



Zero Tolerance of Corruption and Sexual Harassment

We maintain zero tolerance policy of 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 & 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 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. Accordingly, we are



also consistent while developing our employees' 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.

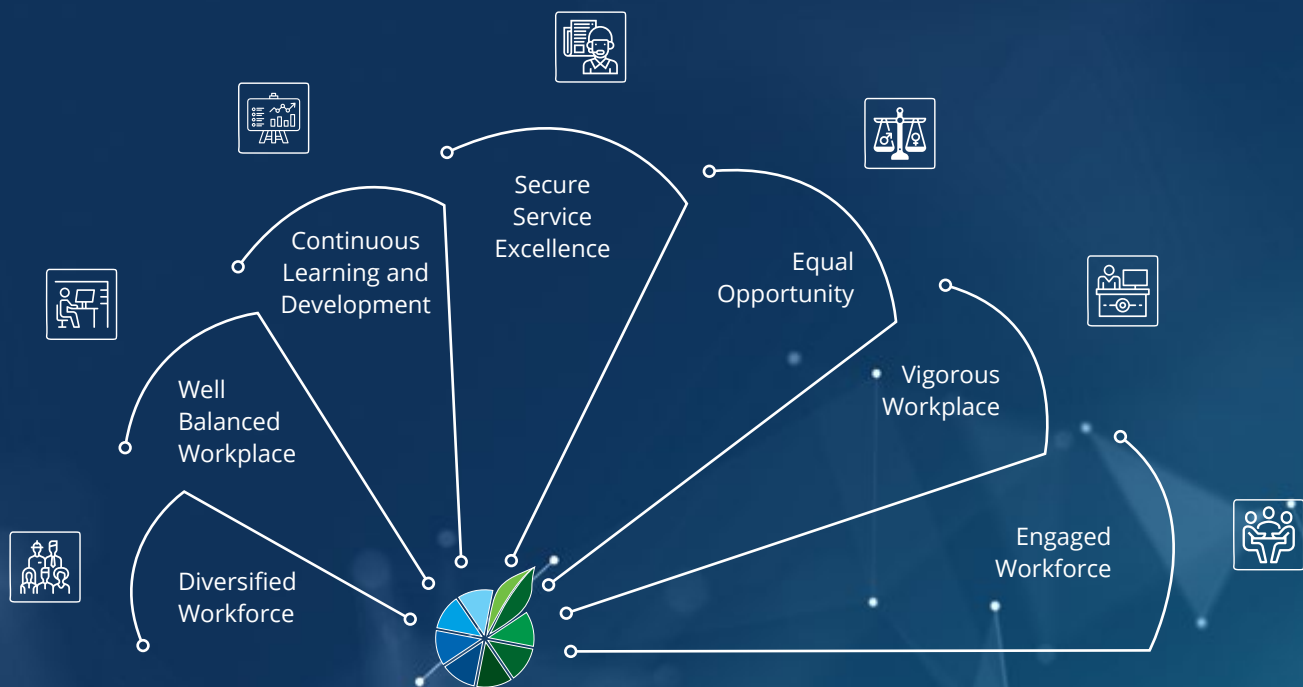
Highlights of our People Practices Strategy

At IDCOL, we work collectively to achieve organizational excellence by collaborating standard people practices. The highlights of our people practice 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. We believe a well-balanced workplace enhances productivity, job satisfaction, and retention

by creating a work environment that helps employees balance their personal and professional lives. We make employees feel a greater sense of control and ownership over their own lives where they tend to have better relationships with management and are able to leave work issues at work. Thereby it increases Company productivity and reduces the number of conflicts among co-workers.

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. We are committed to ensure that all employees have access to learning, development and training opportunities which enable them to be suitably knowledgeable and skilled to carry out their role within the Company, and to develop their talents in ways that fit into the Company's development to meet its strategic objectives. We arrange wide range of behavioral as well as technical trainings throughout the year based on the employees' requirements.



3. A well reputed organization that ensures service excellence: We embrace best practices and ensure service excellence by effectively managing change and objectively measuring performance for continuous improvement. Service excellence needs to be one of the driving forces at the heart of the organization to deliver dependable and consistent value. It is our ongoing efforts to establish an internal framework of standards and processes that intend to engage and motivate employees to ensure better performance. We believe service excellence can be secured through delivering what is promised and dealing well with any problems and queries that arise.

4. A diversified workforce: 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. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life.

5. A vigorous workplace: At IDCOL we respect the dignity of the individual and the right of employees to freedom

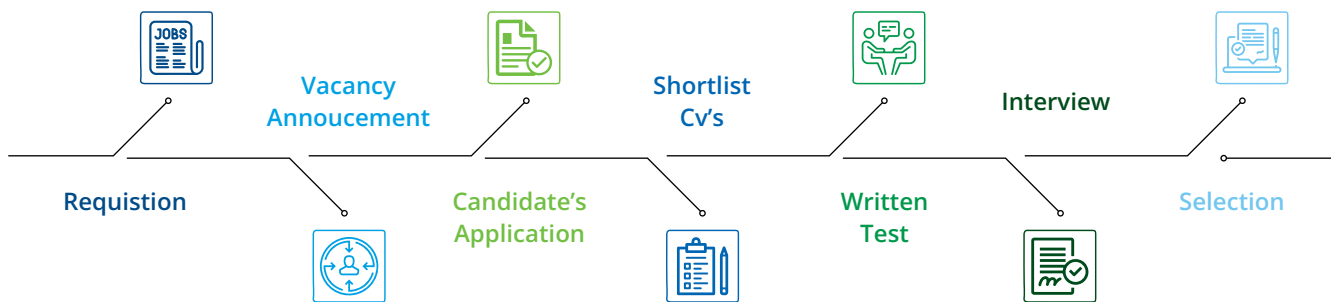
of association. At IDCOL we leverage on the dynamics of our collective skills, knowledge, and experience to achieve the best for the Company. Our employees are guided to adopt best practices, methods and approaches in everything they do, so that we can remain competitive in the market. We take all allegations of harassment seriously, including sexual, communal etc. and prohibit all forms of discrimination. It is our belief that creating such a work environment will enable us to attract, retain and fully engage diverse talents that lead to enhanced innovation and creativity in our services.

6. A place that practices equal opportunity: We are an equal opportunity employer and is committed to treating

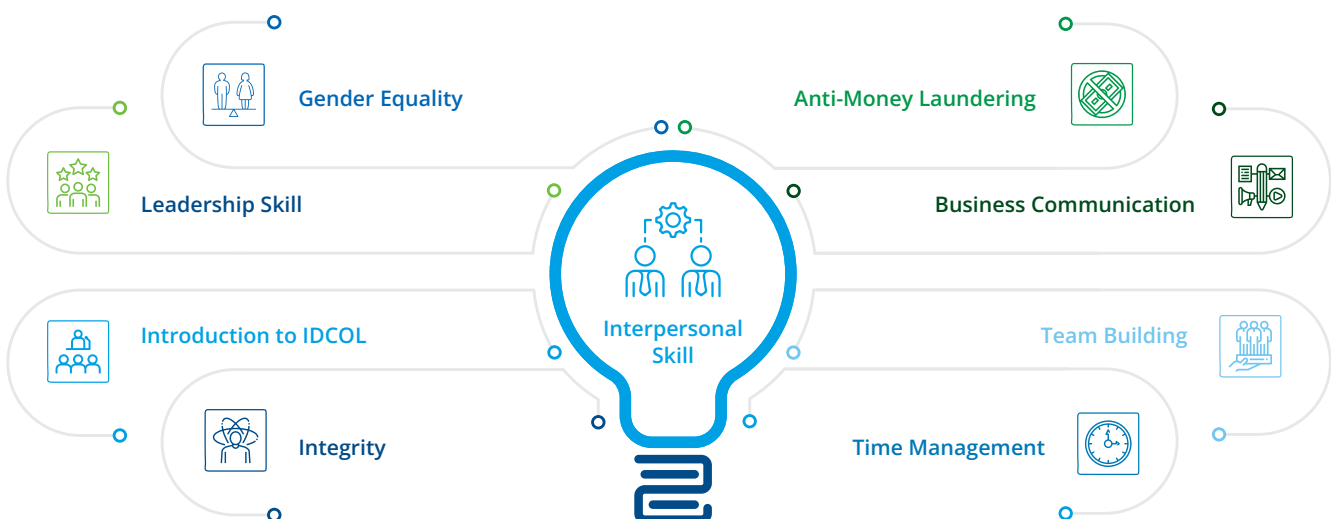
job applicants and employees equally irrespective of color, creed, race, nationality, ethnic origin, sex, and marital status. We seek to recruit, develop, and retain the most talented people from a diverse candidate pool. We do not permit any job applicant or employee to be placed at a disadvantage by requirements or conditions that have a disproportionately adverse effect on him/her, and which cannot be shown to be relevant to the job requirements. Nevertheless, we ensure equal opportunities for not only in recruitment but also in career growth. Here individual performance and Company performance goes hand in hand which directly impacts the career growth of employees.

Recruitment: 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. 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. The flow diagram of our recruitment process is given below:



Training and Development

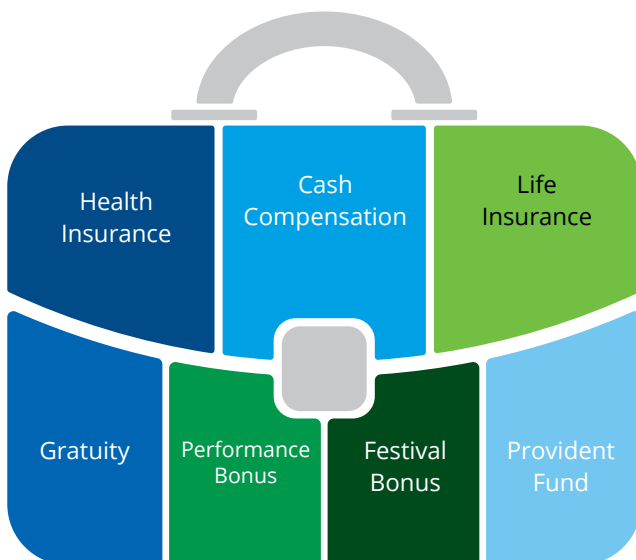


The capacity building of our employees is one of the key priorities; hence we encourage and support our employees to develop their required skills through in-house training, local training, seminars, and workshops. We also organize exposure visit programs for our employees at home and abroad and during 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 energy program at IDCOL. Our in-house training is 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.

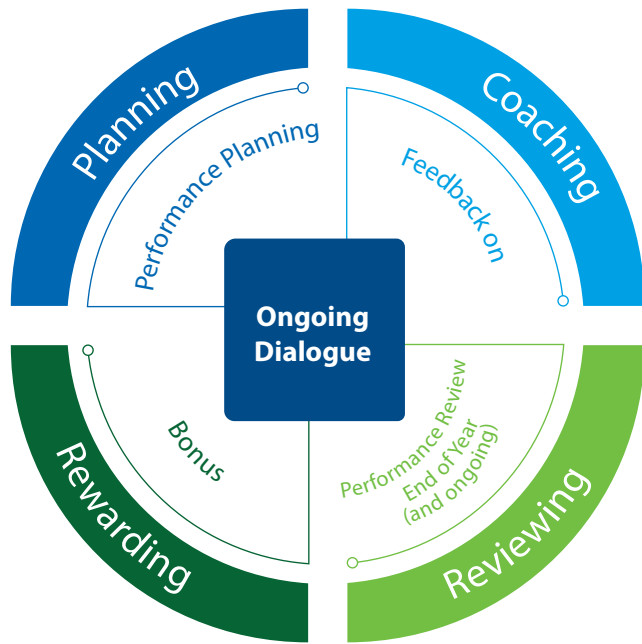
Competitive Compensation & Benefit Package

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, Leave Fare Assistance (LFA), hospitalization benefit, group life insurance benefit. The aim is to provide us 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 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 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 employees. 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 individually who contribute 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 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 2021”:

1. Mr. Dr. Ahmedul Hye Chowdhury, Senior Vice President & Environmental Specialist, Renewable Energy
2. Mr. Md. Shaikat Azad, Vice President & Unit Head, Compliance
3. Mr. Shibli Mohammad Faiz, Senior Assistant Vice President & Unit Head, Advisory
4. Mr. Rezoan Al Mahmud Suzan, Manager, Internal Audit
5. Abu Shoaib Khan, Manager, IEEF



Employee Engagement Program

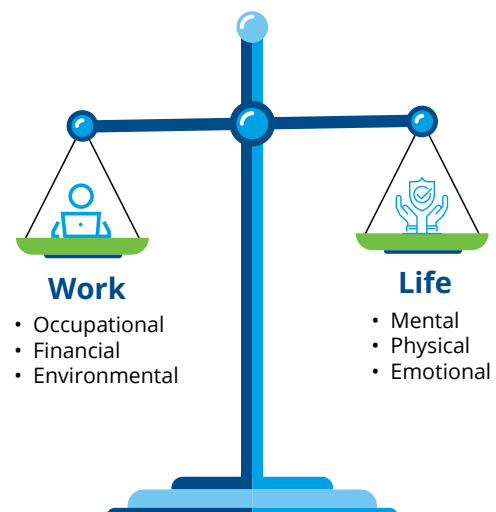
We believe successful employee engagement has a sustained and positive impact on employee attitude and behavior, and ultimately on outcomes that affect organizational success. We have a wide range of programs throughout the year, and we believe employees who are engaged with their organization will feel a sense of pride and loyalty towards it. Employees will be great Company

representatives and are likely to go the extra mile when it comes to their work or taking on responsibilities outside of their job description. Ultimately these “engaged” attitudes and behaviors will positively affect outcomes such as productivity, innovation, staff turnover, conflict, sickness levels etc. A fully engaged workforce will have positive attitude, behavior and outcome triggering and reinforcing one another.



Wellbeing and Safety

We are here to bring out the best in employees by establishing and maintaining a work environment that promotes positive well-being and healthy lifestyle choices. Our aim is to create a sustainable culture where employees have access to a range of wellbeing resources to help them remain happy and healthy and can seek help when they need it. We recognize that employees have different needs; hence we provide support to employees at every stage of their lives.

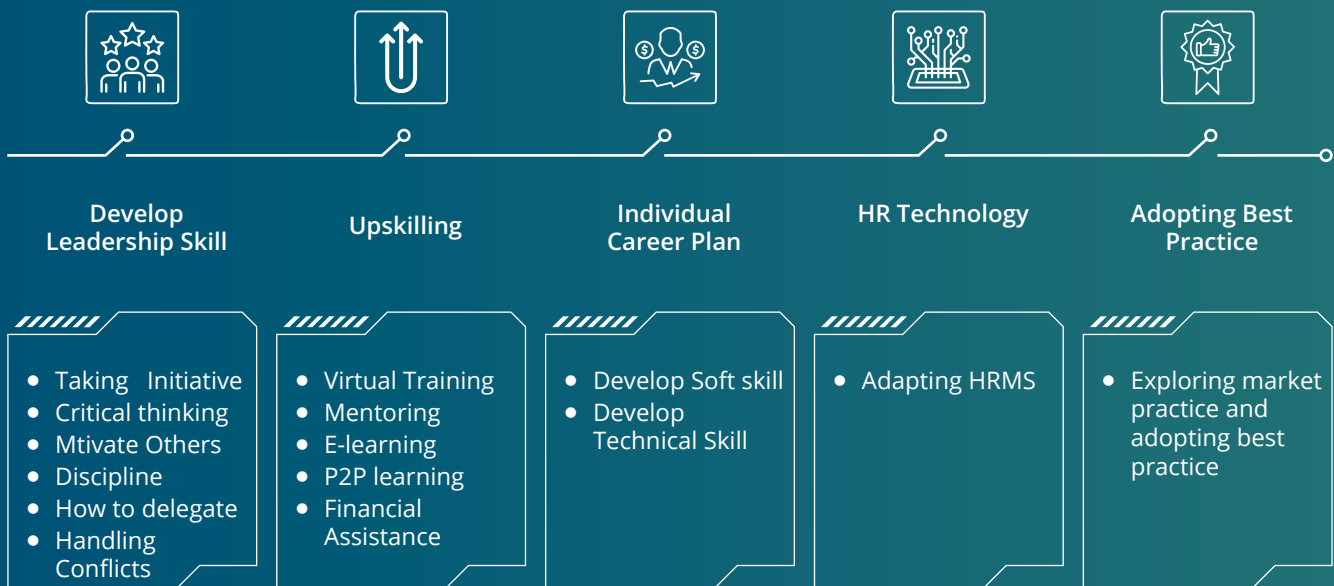


Initiatives during 2022

We have started to publish the electronic newsletter for IDCOL on a quarterly basis from November 2022. It proves to be one of the best communication tools to inform everybody about any kind of updates and 'what's new' in the company. We also have migrated our attendance system to an upgraded one accommodating the employee leave management system. All employees can apply for leave online without manual intervention. We have formally started to conduct an orientation program for the new employees. The program enlightens the new employees about the company's policies and procedures and about their role in the company.

Managing into the Future

- Develop Leadership Skills:** There are several core leadership skills that are considered important traits that help to become more effective leader. Whether it's taking the initiative, developing critical thinking skills, or learning how to motivate and empower around, one must constantly be challenging thyself to enhance the leadership capabilities. We will focus on developing these important traits that are core leadership skills along with technical skill.
- Upskilling:** The economy is changing fast and with the pace of technological change demands on employees continue to grow. It has become crucial to upskill
- Individual Career Plan:** We will continue to empower our employees to own their career development plan. Since careers are employee owned, manager supported and company enabled, we will support collaboration between team members, team leaders and organizational leaders to collaborate to connect individual interests, operational goals, and organizational gaps in order to determine what learning and development to pursue.
- 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.
- 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.



HR Program Highlights



IDCOL arranged a training session on Prevention of Money Laundering and Role of Employees in association with Bangladesh Bank.



Star Performers of FY 2021 with IDCOL Management



IDCOL organized a voluntary Blood Donation Camp in association with the Quantum Foundation



IDCOL organized an event with its employees on the eve of FIFA World Cup 2022 kick-off and a subsequent event was arranged to celebrate Argentina's World Cup triumph by Argentina fanbase of IDCOL officials



IDCOL organized an orientation program for its new joiners in various units.



IDCOL celebrated its Silver Jubilee with its board members, past chairmen, CEOs, and employees in Le Méridien Dhaka.





Skip Level Meeting of unit heads with Executive Director & CEO of IDCOL.



IDCOL organized an event for celebrating Victory Day at its premises.



IDCOL organized an event for celebrating Victory Day at its premises.



Team Building Offsite Meeting with board members, IDCOL management and officials on the even of Silver Jubilee celebration of IDCOL.



IDCOL Management with our female employees



ED & CEO of IDCOL welcomes the newly joined employees to the family



IDCOL regional office retreat 2022



CONTRIBUTION TO THE NATIONAL ECONOMY

IDCOL, being a responsible stakeholder of the Government, contributes significantly to boost the national revenue collection. Over the years, IDCOL has built its reputation to be one of the highest tax paying institutions and contributed directly towards the development of the country. One of the key priorities of IDCOL is to contribute to the government's development vision that envisages the country to graduate to a middle-

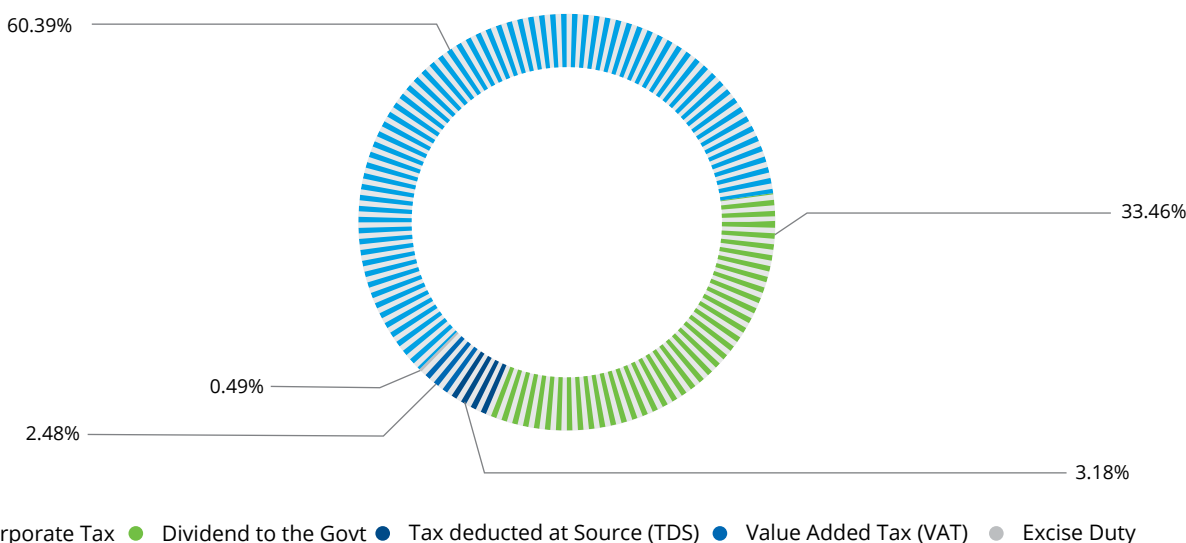
income nation within this decade and a developed nation by 2041. IDCOL made a handsome contribution to the national exchequer in the form of cash and stock dividend payment to the Government, corporate tax, Value Added Tax (VAT), Tax Deducted at Source (TDS), excise duty etc.

IDCOL's contribution to the national exchequer for the past five years is as follows:

Million BDT

Particulars	2022	2021	2020	2019	2018
Direct Tax					
Corporate Tax	900.71	1,497.31	875.33	989.63	1,139.75
Tax Deducted at Source (TDS)	47.60	34.25	34.02	50.80	38.84
Indirect Tax					
Value Added Tax (VAT)	37.04	13.66	20.04	61.73	57.05
Excise Duty	7.40	4.10	4.16	4.62	6.99
Dividend					
Dividend Payment to the Government	500.00	230.00	650.00	200.00	200.00
Total Payment	1492.75	1,779.32	1,583.55	1,306.78	1,442.63

Segment Wise Contribution in 2022



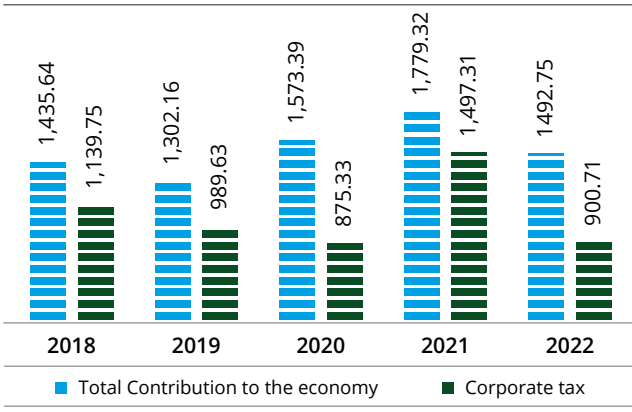
During the year 2022, the Company contributed a total of BDT 900.71 million as corporate tax, BDT 47.60 million as Tax Deducted at Source (TDS), BDT 37.04 million as VAT, BDT 7.40 million as Excise Duty and BDT 500 million as dividend to the Government. Consequently, an amount of BDT 1492.75 million was deposited to the national exchequer. IDCOL has been awarded the Top Taxpayer's Award in FY 2013-14, FY 2014-15, FY 2016, FY 2017, FY

2018, FY 2020, FY 2021, and FY 2022 by the National Board of Revenue under Non-Bank Financial Institutions category. In addition, the company has been awarded Certificate of Appreciation by Large Taxpayers Unit (LTU), Dhaka for significantly contributing to tax collection during FY 2020-2021 and 2021-2022 amid pandemic situation caused by COVID-19 outbreak.



The National Board of Revenue recognized IDCOL as the Highest Taxpayer under Non-Bank Financial Institution category for Fiscal Year 2021-2022

Corporate Tax in Comparison to Total Contribution (BDT million)

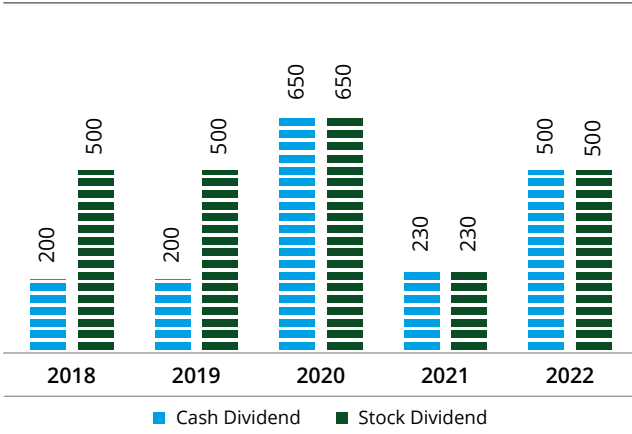


Since its inception, IDCOL has been consistently aiding the development of emerging economy of Bangladesh by paying dividend every year. As a state-owned non-bank financial institution, IDCOL pays dividend directly to its shareholder i.e., Government and up to FY 2022 IDCOL paid cumulative cash dividend of BDT 2,560 million and cumulative stock dividend of BDT 7,259.90 million from its profit.



Certificate of Appreciation by Large Taxpayers Unit, Dhaka of National Board of Revenue for being the Highest Taxpayer under "Non-Bank Financial Institution" category for Fiscal Year 2021-2022

Dividend Paid to Government (BDT million)



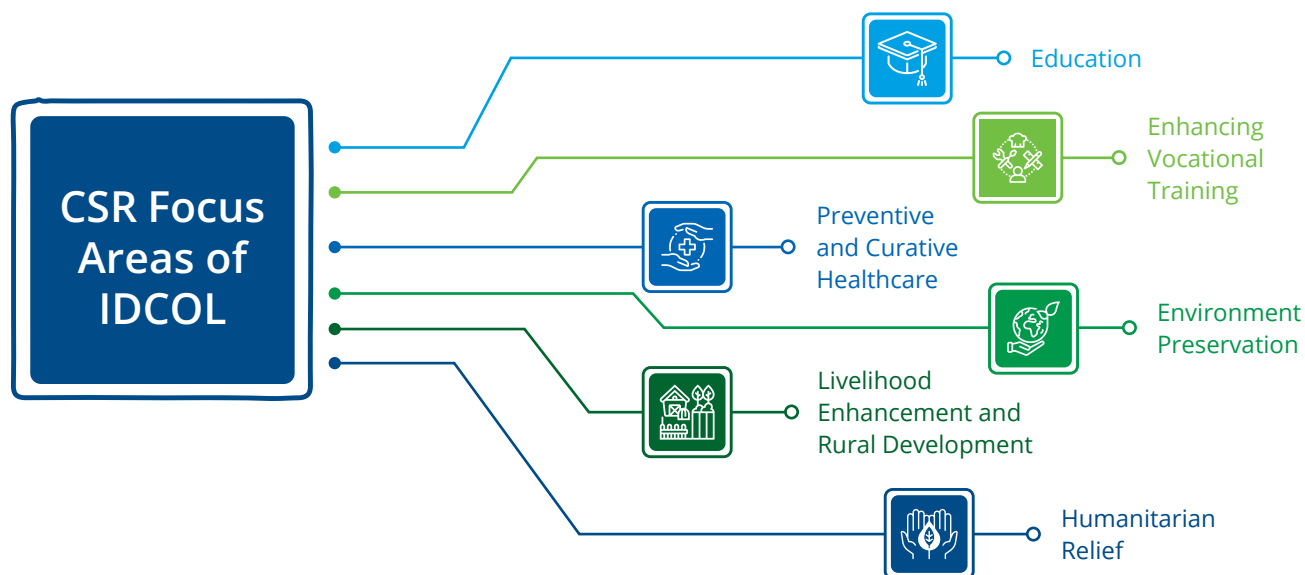
IDCOL has transformed itself into one of the strongest non-bank financial institutions of Bangladesh, leading the financial services sector with responsibility and agility. Over the years, it has ensured substantive contributions to the national economy and promises to continue such contribution in the coming years.



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. 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 low income family in reputed academic and vocational training institutions, support towards upgrading of facilities in academic and vocational institutions substantially engaged with students and trainees from the underprivileged rural and urban population segments and engaging with students and parents leading to development of a better community, livelihood enhancement projects, etc.

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

Preventive and curative healthcare: In healthcare, IDCOL 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 floating population in urban areas and so forth.

Environment preservation: IDCOL wishes to develop the environment of the country through preservation of forestry which include but not limited to awareness program for the mass people about deforestation and its effect, teach people about importance of forestation in the environment and their role to save the forestation, funding research and innovations on environmentally 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 management of natural resources and creation of sustainable income sources through micro-finance and micro-enterprise development and strength mechanisms for alternative livelihood.

Humanitarian Relief: IDCOL 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 2022:

Support to build of Asrayan-2 Project: In 1997, many families were left homeless due to the cyclone in Cox's Bazar district and surrounding areas. The then Hon'ble Prime Minister Sheikh Hasina visited the area on 20 May. She was very sympathetic to the plight of the people and gave immediate instructions to rehabilitate all the homeless families. In view of this, a project called "Asrayan" was adopted in 1997.

Following the success and continuity of the Asrayan project, Asrayan-2 project has been undertaken for the rehabilitation of 2.50 lakh landless, homeless and uprooted families in the period 2010-2022. The Ashrayan Project under the Prime Minister's Office (PMO) rehabilitated 3,715 families by constructing 743 barracks under 44 project villages in 36 upazilas in 21 districts during Mujib Borsho.

As part of CSR activities IDCOL always extends its hands towards initiatives that makes valuable impacts on livelihood of the country.



IDCOL provided financial support to Asrayan-2 Project in 2022. The fund was utilized by local administrations to build shelters under the project in Mirzapur, Tangail.

Contribution to Prime Minister's Education Assistance Fund

The Prime Minister's Education Assistance Fund was launched in 2010 to provide financial assistance to students from poor and underprivileged families, who are unable to afford the high cost of higher education in Bangladesh. The fund provides scholarships, stipends, and other forms of financial assistance to eligible students.

As a part of its Corporate Social Responsibility (CSR) initiatives, IDCOL has contributed BDT 2.5 lacs to the fund, which is aimed at providing financial assistance to the underprivileged students who are pursuing higher education in Bangladesh. This contribution by IDCOL is a reflection of its commitment to support the government's efforts in promoting education and empowering the youth of the country.

Financial Aid to a Cancer Patient

In 2022, Mr. Fardin Hasan, the son of a senior government official, Mr. Khondker Zubair Hasan, was diagnosed with cancer, and a substantial amount of money was required for his treatment. IDCOL stepped up and contributed BDT 5 lacs towards the treatment of Mr. Fardin Hasan.

IDCOL's contribution towards Mr. Fardin Hasan's treatment shows their commitment to the community they serve. It demonstrates their understanding of the importance of supporting those in need, especially during challenging times. This contribution not only helped Mr. Fardin Hasan but also highlighted the importance of CSR in society and the role that businesses can play in making a positive impact.

Contribution to Prime Minister's Relief Fund

To support the people from recent flood affected areas of Bangladesh, Infrastructure Development Company Limited (IDCOL) donated BDT 1 crore to Prime Minister's Relief and Welfare Fund under its Corporate Social



Responsibility (CSR) activities. On behalf of Honorable Prime Minister Sheikh Hasina, Dr. Ahmad Kaikus, Shareholder, IDCOL and Principal Secretary to the Honorable Prime Minister received the cheque from Mr. Abdul Baki, Additional Secretary (WB Wing), Economic Relations Division & Director, IDCOL & Mr. Alamgir

Morshed, Executive Director & CEO, IDCOL at Prime Minister's Office on 27 June 2022. Honorable Prime Minister Sheikh Hasina attended the ceremony virtually. Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL was also present at the occasion.



As a part of its sustainability, till date 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.

DISASTER MANAGEMENT

The geographical location, land characteristics, multiplicity of rivers and the monsoon climate render Bangladesh highly vulnerable to natural disasters. Frequent occurrence of natural disasters such as cyclones and storm surge, earthquakes, droughts, salinity intrusion and flooding are curbing the economic and infrastructural development of the country. The World Risk Report 2022 identified Bangladesh as the ninth most natural disaster-prone country among 193 countries in the world. Bangladesh also encounters manmade hazards such as fire accident and infrastructure collapses, urban waterlogging, hazardous material spills, air pollution and food and groundwater contamination. According to the World Bank, the country experiences a severe cyclone in each three-year cycle affecting more than 70 percent of the country's population¹. Severe flooding occurs every 4-5 years cycle

inundating approximately 25 percent of the population of the country. It is also estimated that rising sea level will inundate 17 percent of land displacing 18 million people of coastal regions of Bangladesh within 2050.

Apart from the natural disasters, various manmade disasters and workplace accidents occurred in various formal and informal sectors are causing notable number of casualties. Lack of proper implementation of health and safety related guidelines mentioned in Bangladesh Labor Act, 2006 (Amended 2018) and Bangladesh Labor Rules 2015, lack of necessary training of workers and lack of knowledge about occupational health and safety, inadequate labor inspection system and non-listing of dangerous jobs are major limitations and safety barriers that cause workplace accidents in industries of Bangladesh.

Table: Sector wise casualty information for 2022

Sector	Total death	Total Injured	Total Casualties	Percentage
Readymade Garments	28	26	54	4%
Construction	105	29	134	11%
Transport	425	51	476	40%
Shipbreaking	7	15	22	2%
Agriculture	124	15	139	12%
Manufacturing	67	33	100	8%
Services	211	59	270	23%
Total	967	228	1195	100%

Source: Occupational Safety, Health and Environment Foundation, Bangladesh²

Sustainability to infrastructure and economic development in Bangladesh faces significant challenges due to risks posed by changing climate and disaster and increase pressure on key resources required to sustain growth. Bangladesh has taken a holistic approach towards disaster management, where emphasis has been given to build strategic, scientific and implementation partnerships with all relevant government departments and agencies, and other key nongovernment players. Significant progress has been made in terms of reducing the vulnerability of disaster risk on peoples of Bangladesh, for example through an upgraded early warning

system, efficient preparedness and community-based response capacity. The government has restructured and established the Disaster Management Department under the Ministry of Disaster Management and Relief as the main organ or instrument in the field for implementing and coordinating various forms of disaster management activities. In Bangladesh, a three-step process is followed in managing disaster, which includes: (i) Risk Assessment, (ii) Risk Reduction and (iii) Response. Here, the first and 2nd steps represent Risk Reduction phase, and the 3rd step belongs to Emergency Response phase as is depicted in the following page.

¹ World Bank, (2018); Bangladesh Disaster Risk and Climate Resilience Program

² OSHF Foundation (2022); Retrieved from <https://www.oshe-foundation.org/workplace-accident-monitoring-report-2022/>





Figure: Bangladesh Disaster Management Model³

IDCOL has taken necessary steps to support damages caused by natural disasters and a separate Disaster Management Fund is operated by IDCOL on behalf of all the stakeholders. Infrastructure projects have Environmental and Social Impact Assessment phase where natural disaster risks as well as occupational health safety risks are assessed for the project site as well as the locality with supporting historical disaster occurrence data. IDCOL requires the project sponsor to take consideration of necessary mitigation measures and emergency response plans for potential impacts from natural disasters as well as project specific disasters.

Disaster Management for Projects

Infrastructure Projects

Every infrastructure project has insurance (including but not limited to machine breakdown, business interruption, third party liability, terrorism, and sabotage 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, fire protection compliance, earthing and lightning protection) considerations are taken to mitigate the disaster risks. It is noteworthy to mention that requirements vary depending on the nature of the project. Moreover, to prevent workplace accidents in infrastructure projects of IDCOL, the project requires to ensure use of suitable personal protective equipment by workers at workplace,

undertake training programs to improve the working environment, provide training and fire drill for the workers on occupational health and safety. IDCOL also tries to ensure that the projects provide compensation to the affected workers/employees due to workplace accidents as per regulations of Bangladesh Labor Act, 2006 (Amended 2018) and Bangladesh Labor Rules 2015.

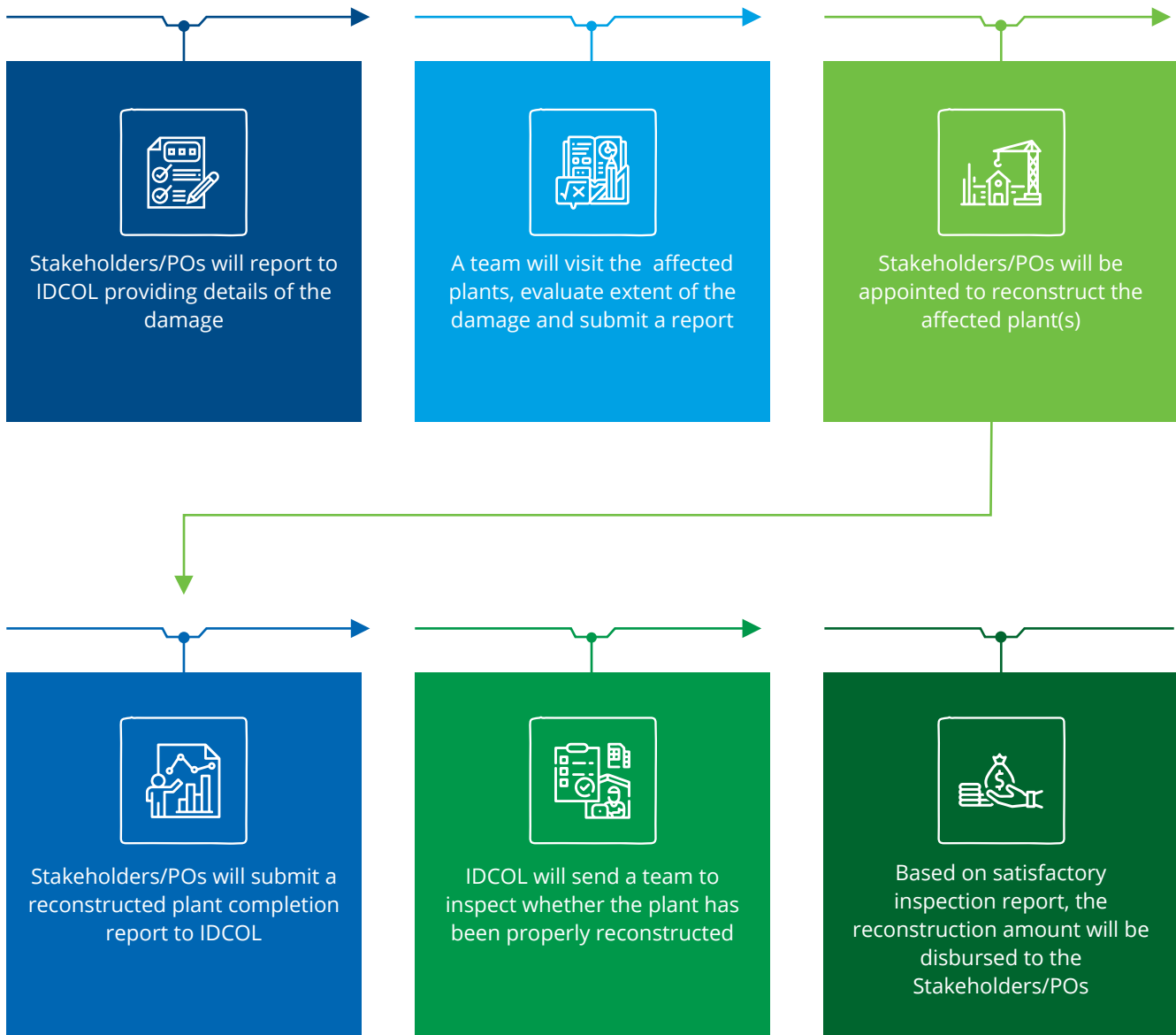
Renewable Energy Projects

The above-mentioned measures are applicable for renewable energy projects as well. Apart from that, for renewable energy projects, other stringent measures have been taken to protect the projects from natural disasters. 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.
- Contingency money amounting to 2% of project cost is to be set aside at the time of approval from the project fund 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.

The impact of natural disaster event will be assessed through the following steps:

³ Source: Ministry of Disaster Management & Relief, Effective Strategies for Mainstreaming DRR & CCA into Sectoral Departments/Ministries in Bangladesh



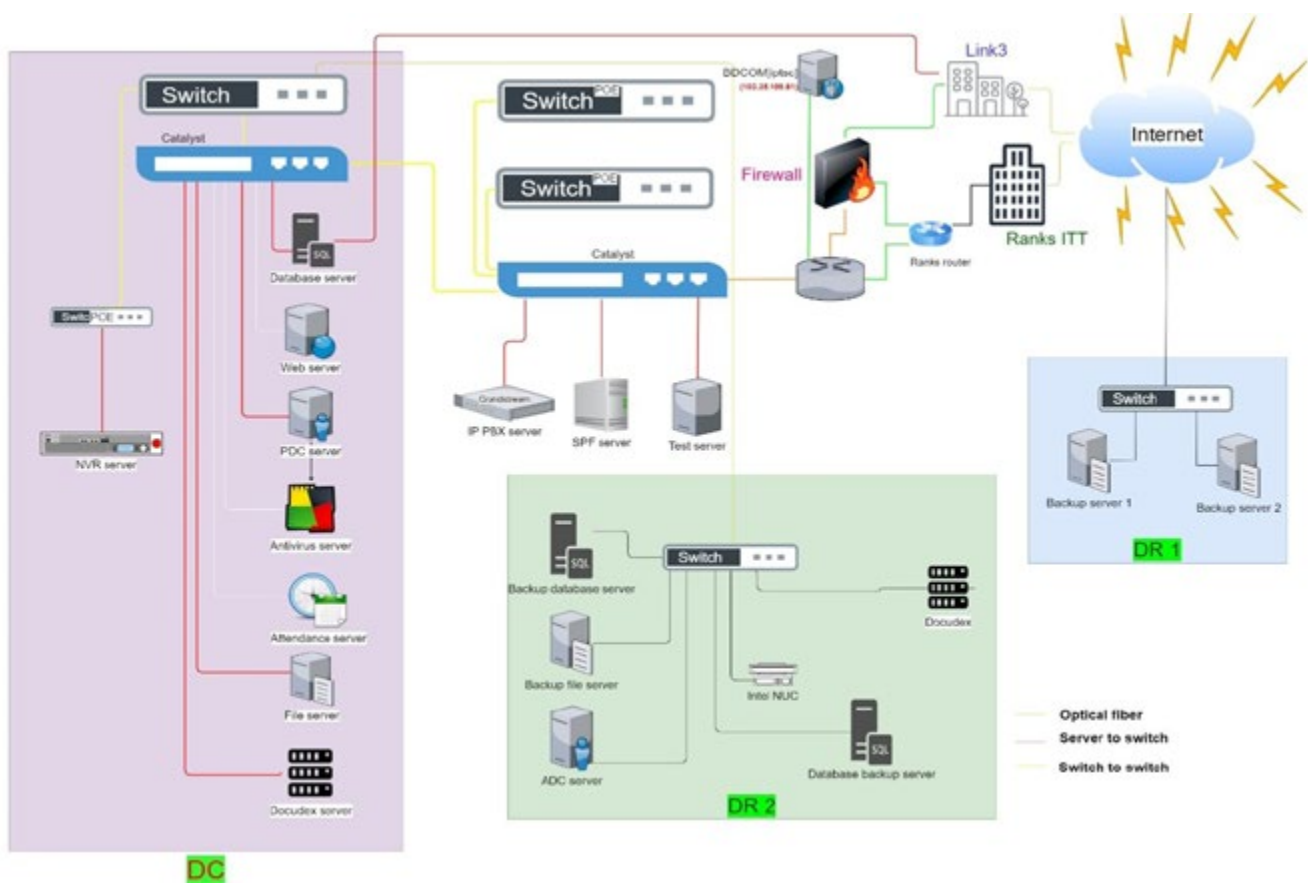
Disaster Management Process for Management Information System (MIS)

To avert loss of data from servers and continuation of services during disasters, it is imperative to have a disaster management process in any company. To increase high availability of existing systems, IDCOL has setup the primary Data Center located at Head Office building (DC-1) with full capacity of IT Operations, giving 99% IT services availability, ensuring confidentiality and integrity of IT systems for the business operations. Facilitating users and for effective utilization, IDCOL has added a Disaster Recovery site located 10km away from the Data Center (DRS) and a secondary Data Center located at Dhaka Regional Office (DC-2). DC-2 is directly connected to the Head Office through a dark fiber

rented from a renowned internet service provider of the country and has multiple servers running all important services like those running in DC-1 located in IDCOL head office. In addition to that, DRS services run on a cloud subscription basis from BDCCL, a government-owned company operating under ICT division. The Data Center is located at Kaliakair, Gazipur and operates as the Disaster Recovery site for IDCOL.

Hence, in case of any disasters such as fire, earthquake, etc., IDCOL will retrieve all data from the backup servers located in its disaster recovery sites. It will be able to quickly access services present in head office and regional offices from one of the Disaster Recovery sites to avoid disruptions in its operations. Backup copies allow data to be restored from an earlier point in time to help the business recover from an unplanned event.





Currently, IDCOL's data backup includes:

- Unit-wise data backup: IDCOL IT & MIS Team has created a secured directory in the network storage in the primary data center (file server) for each unit/department user of IDCOL. Employees store the official data (i.e., word files, excel files, power point files, etc.) on their assigned storage directory. A secondary backup storage (backup file server) with the same configuration but higher storage capacity of the file server is set up in the DC-2. The incremental file server data is backed up in real-time in the backup file server with proper version controlling system. In case of any emergency, the backed-up directory will be up and running effectively as primary from the DC-2 server. Subsequently, whilst the primary file server remains down, employees will be able to access and read data from the backup file server but modify and store the data in their individual PCs.
- Database Backup: IDCOL database infrastructure is designed to provide hardware and software level redundancy. IDCOL has database service run in two different servers of the same configuration in the primary data center (active-active mode) which direct to the same data of a storage server. While one of the

two active databases fails to work, the same saved data is automatically running from the other server in the primary data center. The complete/incremental data of the primary database server is backed up in another database server (backup database server) of the DC-2. In case of any interruption in the primary data center (DC-1), backed up database of the DC-2 will be restored within 1 to 8 hours after receiving approval from IDCOL CEO. All applications i.e., ERP, MIS, CBS, etc. will be linked to the backup database server.

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 detection of fire and there are hinges and fire extinguishers for immediate protection. Every year fire drills and short training on first aid firefighting technique is arranged jointly by the UTC Building management authority and Bangladesh Fire Service and Civil Defense. Moreover, IDCOL assessed the structural strength of UTC building by certified professional to ensure structural safety of entire building. Besides that, all the vehicles used by IDCOL are insured.



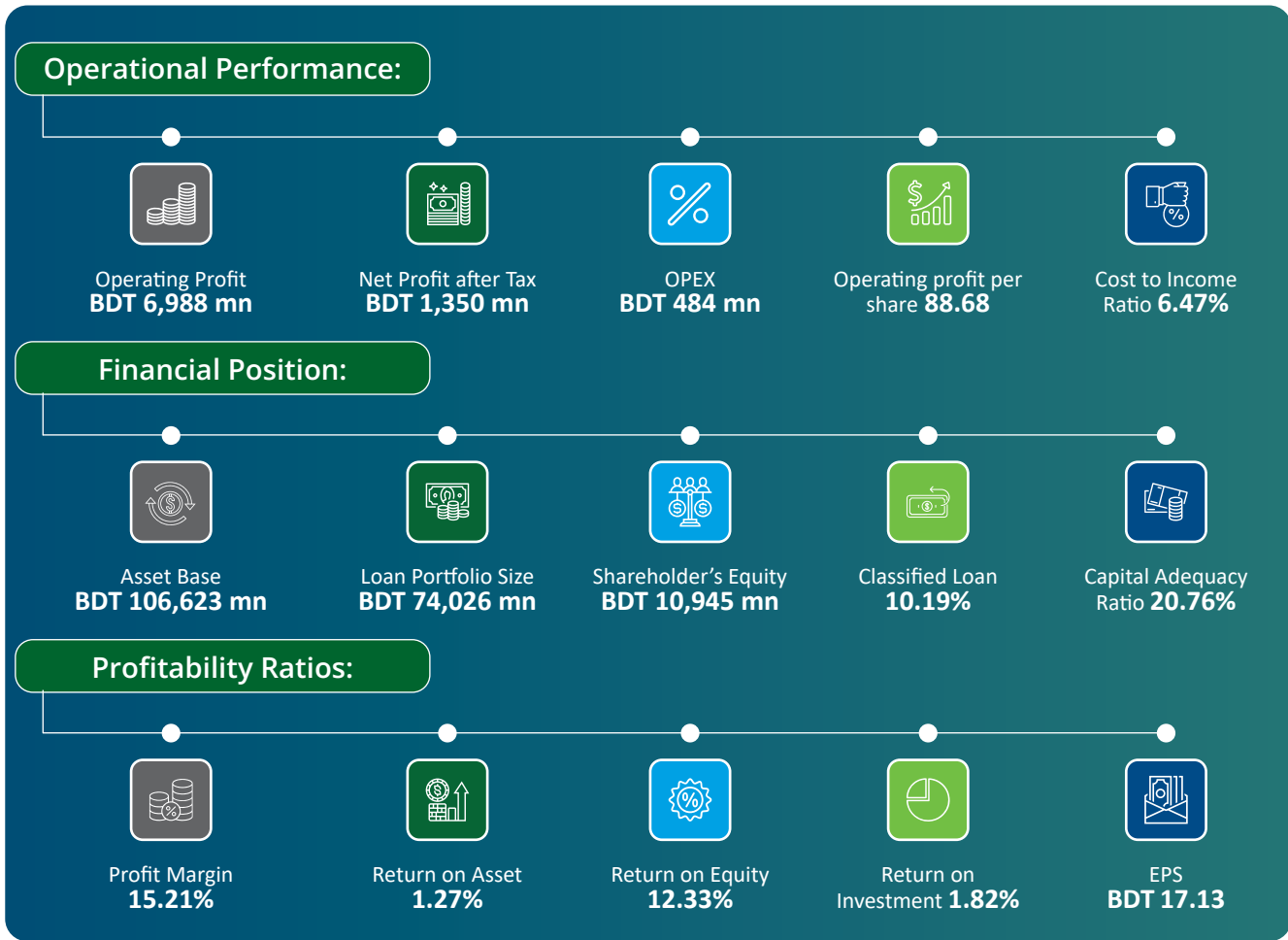
FINANCIAL PERFORMANCE ANALYSIS

KEY OPERATING AND FINANCIAL HIGHLIGHTS

Particulars	2022	2021	2020	2019	2018	5 years CAGR %
Financial Performance (BDT million):						
Total assets	106,623	100,129	98,201	90,876	82,293	6.69%
Total liabilities	95,678	90,034	88,972	82,523	75,491	6.10%
Long-term investment	333	417	700	500	-	0.00%
Short term investment	28,886	19,684	7,979	12,713	17,166	13.90%
Loan and advances	74,026	75,142	79,127	68,799	60,742	5.07%
Net current assets	15,748	20,426	15,455	20,014	18,864	-4.41%
Operational Performance (BDT million):						
Total revenue	8,877	5,291	4,482	5,378	4,921	15.89%
Operating income	7,471	4,377	3,705	4,551	3,154	24.06%
Operating expenses	484	400	523	538	308	11.94%
Financial expenses	1,406	914	777	827	1,767	-5.55%
Operating Profit	6,988	3,977	3,182	4,013	2,846	25.18%
Net profit after tax	1,350	1,097	1,535	1,378	703	17.70%
Operating profit per employee	17.00	9.40	7.47	9.25	7.95	20.93%
Operating profit per share*	88.68	50.47	40.38	50.92	36.12	25.18%
Financial Ratios:						
Debt equity ratio (Times)	7.70	8.11	8.93	9.09	9.93	-6.17%
Debt ratio (%)	79.02	81.81	83.88	83.57	82.10	-0.95%
Debt Service Coverage Ratio (times)	3.65	3.11	3.37	2.60	2.36	11.52%
Cost to income ratio	6.47	9.15	14.12	11.82	9.76	-9.77%
Financial expense coverage ratio (times)	5.97	5.35	5.09	5.85	2.61	22.97%
Current ratio (Times)	2.07	9.36	12.84	15.19	8.59	-29.93%
Return on assets (%)	1.27	1.10	1.56	1.52	0.85	10.32%
Return on Investment (%)	1.82	1.45	1.92	1.99	1.16	11.89%
Return on shareholders' equity (%)	12.33	10.86	16.63	16.50	10.34	4.50%
Profit margin (%)	15.21	20.73	34.24	25.63	14.29	1.56%
Earnings per share (BDT)*	17.13	13.92	19.48	17.49	8.93	17.70%
Non-performing loans (%)	10.19	5.74	1.53	4.54	7.15	9.26%
Equity Statistics:						
Number of shares (No.)	78,800,000	73,800,000	71,500,000	65,000,000	60,000,000	7.05%
Paid up capital (BDT million)	7,880	7,380	7,150	6,500	6,000	7.05%
Total shareholders equity (BDT million)	10,945	10,095	9,229	8,353	6,802	12.63%
Net asset value per share (BDT)*	138.89	128.11	117.12	106.00	86.32	12.63%

*Restated

FINANCIAL HIGHLIGHTS & REVIEW



Profitability Analysis

During FY 2022, the financial performance of IDCOL remained quite satisfactory despite the overall stress in the economy and the consequent challenging financial environment. Interest income in short term deposit and interest income from renewable energy project loans have increased by 77.83 percent and 9.82 percent respectively compared to the previous year. However, interest income from infrastructure project loans has decreased mainly due to early settlement of a large loan amounting BDT 6,000 million approx. Overall, interest income has increased by 6.62 percent during the year. In addition, income from fees and commission and other operating income have also increased in the reporting period. Fees and commission income has increased mainly due to the receipt of prepayment fees against a large loan. Moreover, other operating income has increased mainly due to the substantial net exchange gain against the strong foreign currency asset base.

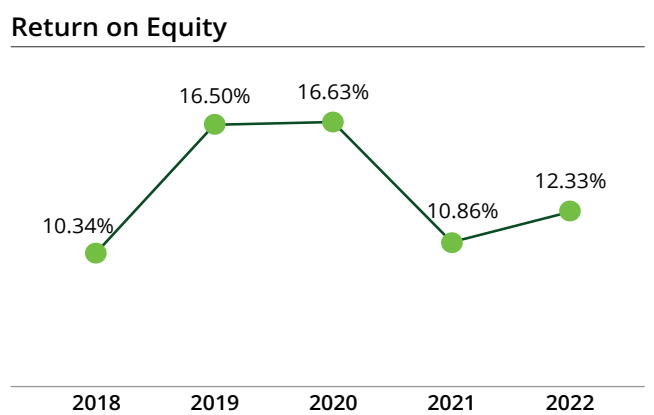
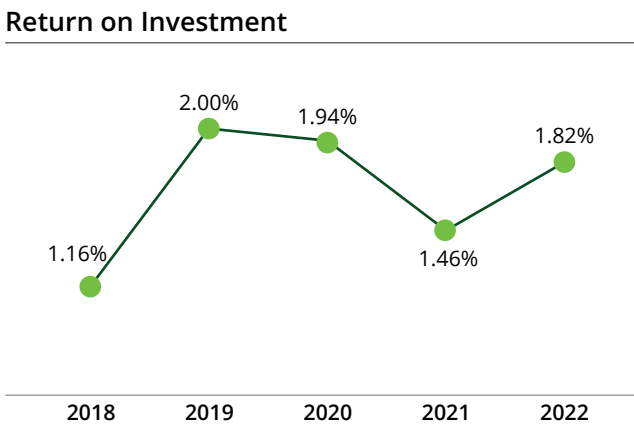
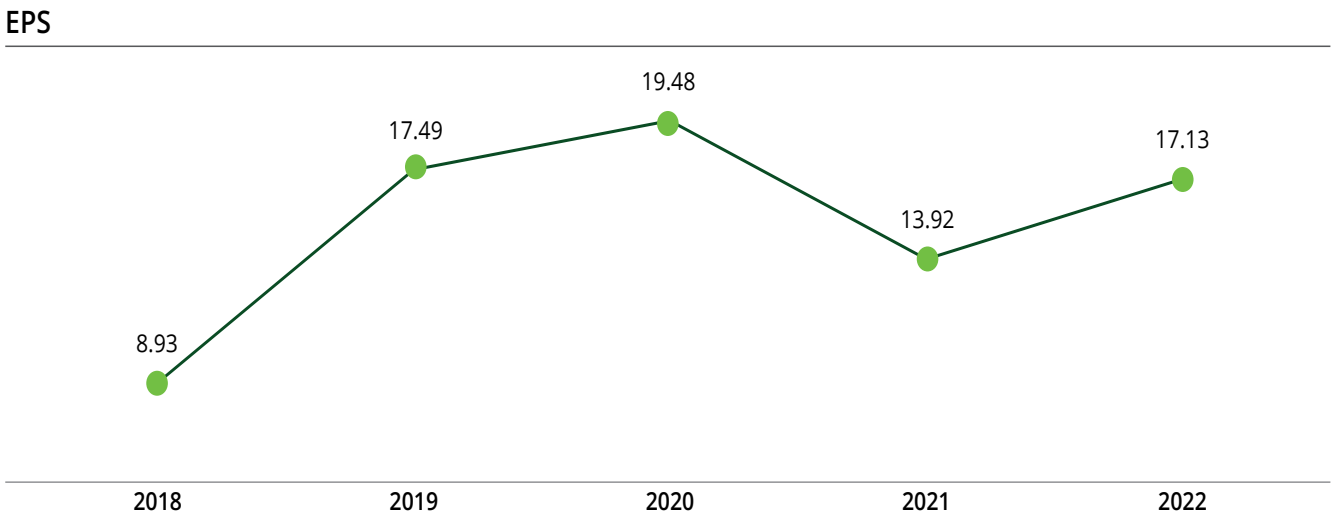
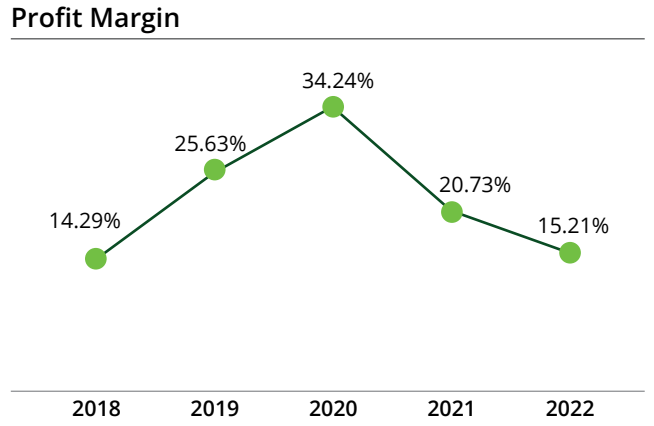
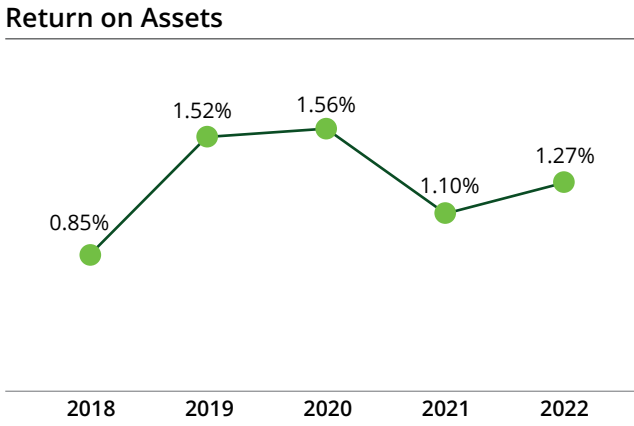
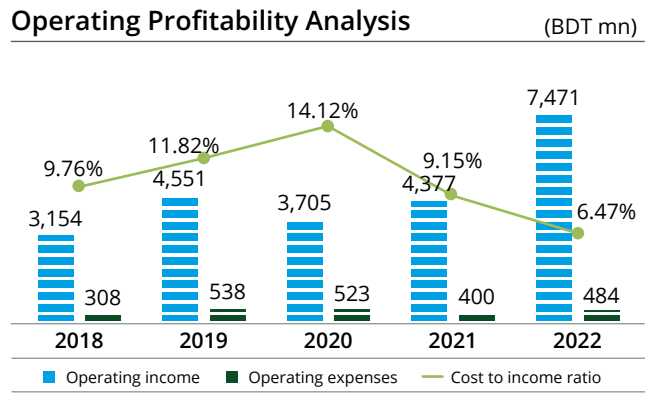
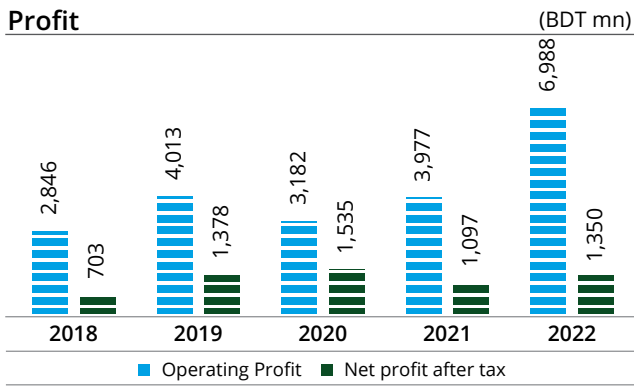
On the other hand, during FY 2022, interest expense has increased by 53.87 percent mainly due to the increased LIBOR rate in USD borrowings and drawdown of loans from the Government. However, the company has efficiently

managed its operating expenses, which has been reflected in the cost to income ratio that declined by 28.04 percent compared to FY 2021. Notably, IDCOL's cost to income ratio is one of the lowest in the industry. Finally, profit before provision and tax has increased by 75.72 percent compared to the previous year. The company maintained an amount of BDT 4,737 million as provision for loans & advances, investments and others and BDT 901 million as provision for income tax during the year. As a result, net profit during the year stood at BDT 1,350 million, which is 23.07 percent higher than the prior fiscal year.

In summary, the company achieved a profit margin of 15.21 percent which is 26.65 percent lower than the profit margin of 2021 i.e. 20.73 percent.

Considering the overall financial environment of both the country and the world in 2022 and the consequent overall tension in the economy, IDCOL's financial performance remained quite favorable. In 2022, return on assets stood at 1.27 percent which was 1.10 percent a year earlier. Besides, IDCOL reported Return of Investment (RoI) of 1.82 percent and Return on Equity (RoE) of 12.33 percent which was 1.45 percent and 10.86 percent respectively in 2021. Adjusted EPS has increased from BDT 13.92 in 2021 to BDT 17.13 in 2022.





Financial Position Analysis

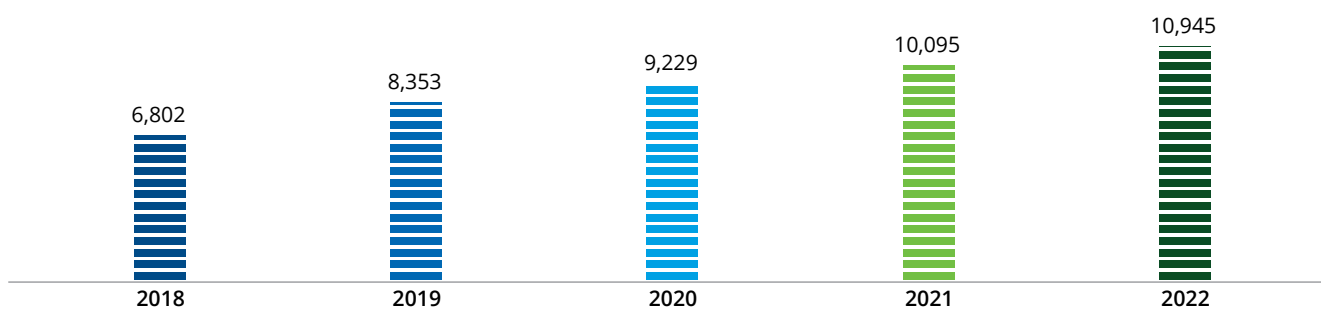
The asset size of IDCOL has shown growth rate of 6.49 percent reaching BDT 106,623 million in 2022 from BDT 100,129 million in 2021. As a result of waiving SHS loans of BDT 1,730 million and early settlement of a large loan, the company experienced a slight decrease of 1.48 percent in loans and advances balance during the year. The amount stood at BDT 74,026 million in 2022 which was BDT 75,142 million a year earlier. However, the company's ongoing projects and disbursements

from the fund along with prudent expertise is expected to create a surge in demand of loans and advances of eligible projects.

In line with the asset size of the firm, equity share of the shareholders has also risen accordingly from BDT 10,095 million in 2021 to BDT 10,945 million in 2022. Whereas the shareholder's equity has risen by 8.42 percent, debt to equity ratio has fallen by 5.12 percent. Issuance of new shares by 5 million is the Asset Concentration & Quality Analysis

Shareholders' Equity

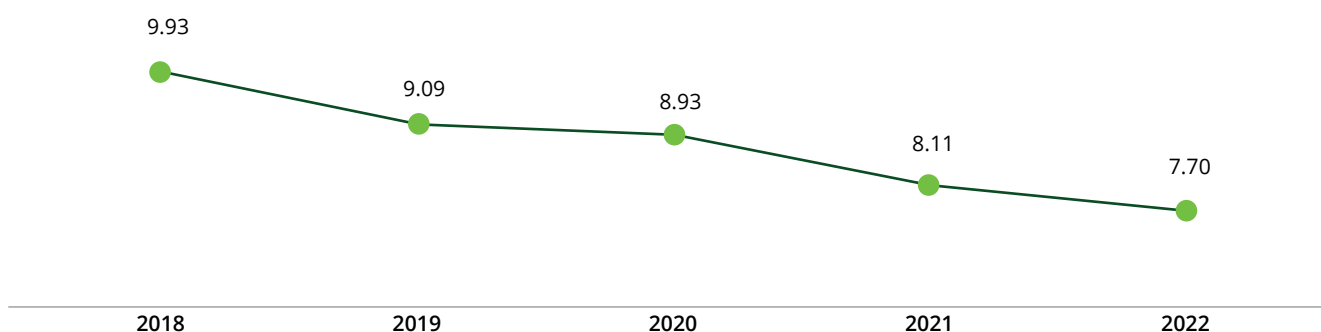
(BDT mn)



The loan portfolio of IDCOL has been very consistent in demonstrating impressive growth over the years. This year the loan portfolio stood at BDT 74,026 million indicating a slight decrease of 1.49 percent from last year and consequently the 5-year CAGR of our loan portfolio becomes 5.07 percent. During FY 2022, the company made a total disbursement of BDT 9,079 million

under infrastructure and renewable energy programs which is 55.04 percent higher and 51.50 percent lower compared to the previous fiscal year and budgeted amount respectively. During the year, IDCOL conducted a stringent approach for the customer selection and credit assessment criteria in the overall economic slowdown. On the other hand, it was important to ensure a high-

Debt to Equity Ratio



quality portfolio against a potentially weakened one in the future. Due to this conservative approach in customer selection and strict due diligence, actual disbursement is 51.50 percent less than the budgeted disbursement in the reporting period.

However, despite the growth of disbursement in FY 2022 compared to the previous year, total loans and advances has decreased by 1.48 percent mainly due to the write-

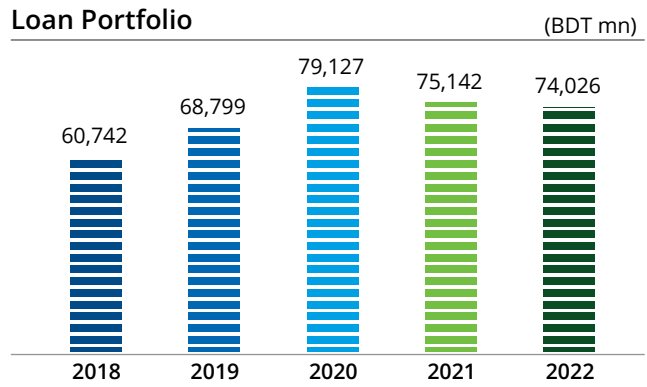
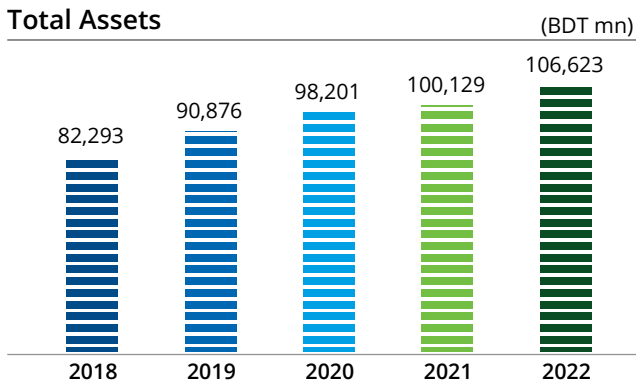
off of BDT 1,730 million against waiver application under IDCOL SHS program and early settlement of a large loan during the year.

On the contrary to that, during FY 2022, percentage of non-performing loan (NPL) has increased to 10.19 percent compared to 5.74 percent in previous fiscal year. The amount of non-performing loans stands at BDT 7,540 million in FY 2022 which was BDT 4,313 million in

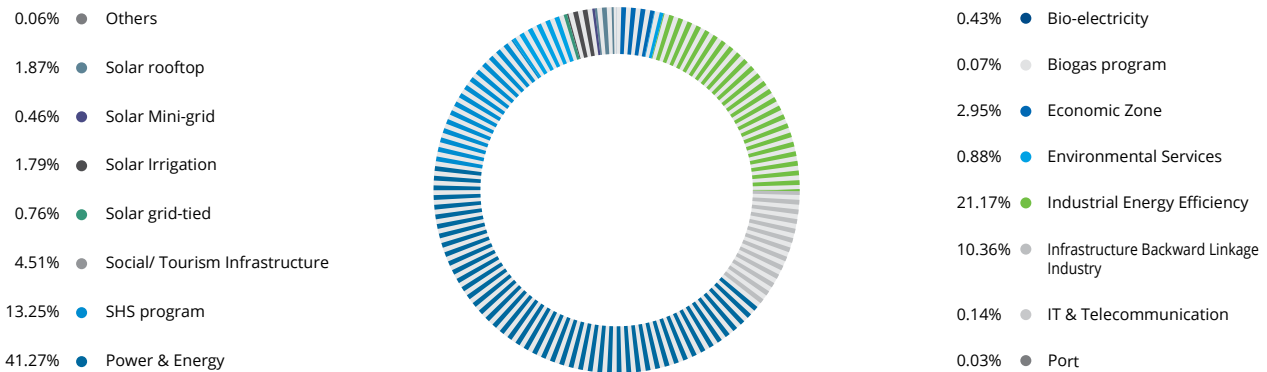


FY 2021. Notably, the major portion of this NPL is related to the IDCOL SHS program which has been struggling for a long period of time. In connection to this, IDCOL Board of Directors has taken necessary steps to write off the amount in the coming years. The percentage of

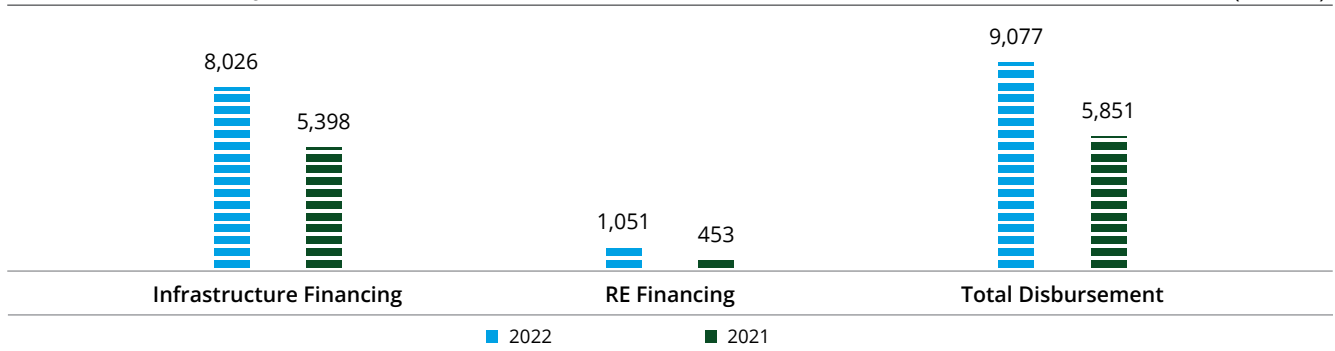
NPL without considering IDCOL SHS program is 3.33 percent (BDT 2,464 million). Apart from this, IDCOL brick manufacturing program is also struggling like the SHS program. The percentage of NPL with considering both the programs stands at 1.06 percent (BDT 782 million).



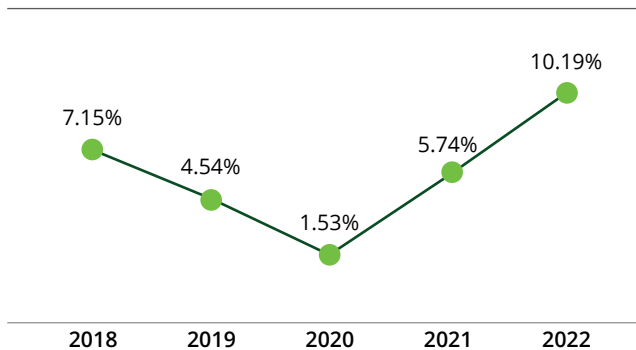
Sector Wise Loan Portfolio for FY 2022



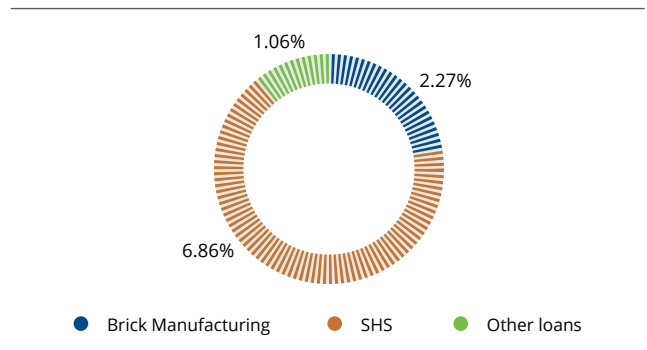
Disbursement Analysis (BDT mn)



% of Classified Loans



Breakdown of 2022 NPL



HORIZONTAL ANALYSIS

Horizontal Analysis

BALANCE SHEET

For the Last 5 Years

Particulars	2022	2021	2020	2019	2018
Property and Assets					
Cash	94%	121%	2074%	1168%	100%
Cash in Hand	0%	53%	60%	132%	100%
Balance with Bangladesh Bank	94%	121%	2075%	1168%	100%
Balance with other banks and Financial Institutions	153%	118%	73%	94%	100%
Inside Bangladesh	153%	118%	73%	94%	100%
Outside Bangladesh	-	-	-	-	-
Money at call and Short Notice	-	-	-	-	-
Investment					
Government	-	-	-	-	-
Others	-	-	-	-	-
Loans and advances	122%	124%	130%	113%	100%
Loans, cash credit, overdraft etc.	122%	124%	130%	113%	100%
Bill purchased and discounted	-	-	-	-	-
Fixed assets including land, Building, Furniture and Fixtures	154%	130%	133%	157%	100%
Other assets	67%	67%	88%	93%	100%
Non-banking assets	-	-	-	-	-
Total Assets	130%	122%	119%	110%	100%
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial institutions	125%	121%	122%	112%	100%
Term deposits	-	-	-	-	-
Other liabilities	144%	102%	83%	83%	100%
Total Liabilities	127%	119%	118%	109%	100%
Shareholders' Equity					
Paid up capital	131%	123%	119%	108%	100%
Statury reserve	0%	0%	0%	0%	0%
Retained earnings	382%	339%	259%	231%	100%
Total Shareholder's Equity	161%	148%	136%	123%	100%
Total Liabilities and Shareholder's Equity	130%	122%	119%	110%	100%



Horizontal Analysis

PROFIT AND LOSS ACCOUNT

For the Last 5 Years

Particulars	2022	2021	2020	2019	2018
Operating income					
Interest income	118%	111%	96%	109%	100%
Less: Interest expenses on deposits & borrowings	80%	52%	44%	47%	100%
Net interest	145%	151%	130%	150%	100%
Income from investment	-	-	-	-	-
Fees, Commission & brokerage	50%	40%	43%	110%	100%
Other operational income	2344%	134%	33%	120%	100%
Total operating income	237%	139%	117%	144%	100%
Operating expenses					
Salary and allowances	235%	187%	220%	156%	100%
Rent, taxes, insurance, electricity etc.	122%	147%	117%	91%	100%
Legal expenses	41%	26%	74%	160%	100%
Postage, stamp, telecommunication etc	324%	295%	238%	91%	100%
Stationary, printing, advertisement	200%	77%	144%	91%	100%
CEO's salary and fees	84%	73%	124%	135%	100%
Director's fees	174%	184%	180%	118%	100%
Audit fees	222%	222%	222%	106%	100%
Depriciation, repairs and maintenance	182%	172%	190%	153%	100%
Other expenses	116%	102%	151%	208%	100%
Charges on loan losses	-	-	-	-	-
Total operating expenses	157%	130%	170%	175%	100%
Profit/(Loss) before provision & Tax	246%	140%	112%	141%	100%
Provision for loans and advances	472%	138%	77%	164%	100%
Net profit/(loss) before Tax	122%	141%	131%	128%	100%
Tax expenses	79%	131%	77%	87%	100%
Net profit/(loss) after tax	192%	156%	218%	196%	100%
Earning per share (EPS)	192%	156%	218%	196%	100%

VERTICAL ANALYSIS

Vertical Analysis

BALANCE SHEET

For the Last 5 Years

Particulars	2022	2021	2020	2019	2018
Property and Assets					
Cash	0.10%	0.14%	2.51%	1.53%	0.14%
Cash in Hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.10%	0.14%	2.51%	1.53%	0.14%
Balance with other banks and Financial Institutions	28.09%	23.11%	14.51%	20.27%	23.79%
Inside Bangladesh	28.09%	23.11%	14.51%	20.27%	23.79%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and Short Notice	0.83%	0.00%	0.00%	0.00%	0.00%
Investment	0.31%	0.42%	0.71%	0.55%	0.00%
Government	0.00%	0.00%	0.00%	0.00%	0.00%
Others	0.31%	0.42%	0.71%	0.55%	0.00%
Loans and advances	69.43%	75.05%	80.58%	75.71%	73.81%
Loans, cash credit, overdraft etc.	69.43%	75.05%	80.58%	75.71%	73.81%
Bill purchased and discounted	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed assets including land, Building, Furniture and Fixtures	0.13%	0.11%	0.12%	0.15%	0.11%
Other assets	1.11%	1.18%	1.57%	1.80%	2.14%
Non-banking assets	0.00%	0.00%	0.00%	0.00%	0.00%
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	79.02%	81.81%	83.88%	83.57%	82.10%
Term deposits	0.00%	0.00%	0.00%	0.00%	0.00%
Other liabilities	10.71%	8.11%	6.72%	7.24%	9.63%
Total Liabilities	89.74%	89.92%	90.60%	90.81%	91.73%
Shareholders' Equity					
Paid up capital	7.39%	7.37%	7.28%	7.15%	7.29%
Statury reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings	2.87%	2.71%	2.12%	2.04%	0.97%
Total Shareholder's Equity	10.26%	10.08%	9.40%	9.19%	8.27%
Total Liabilities and Shareholder's Equity	100.00%	100.00%	100.00%	100.00%	100.00%



Vertical Analysis

PROFIT AND LOSS ACCOUNT

For the Last 5 Years

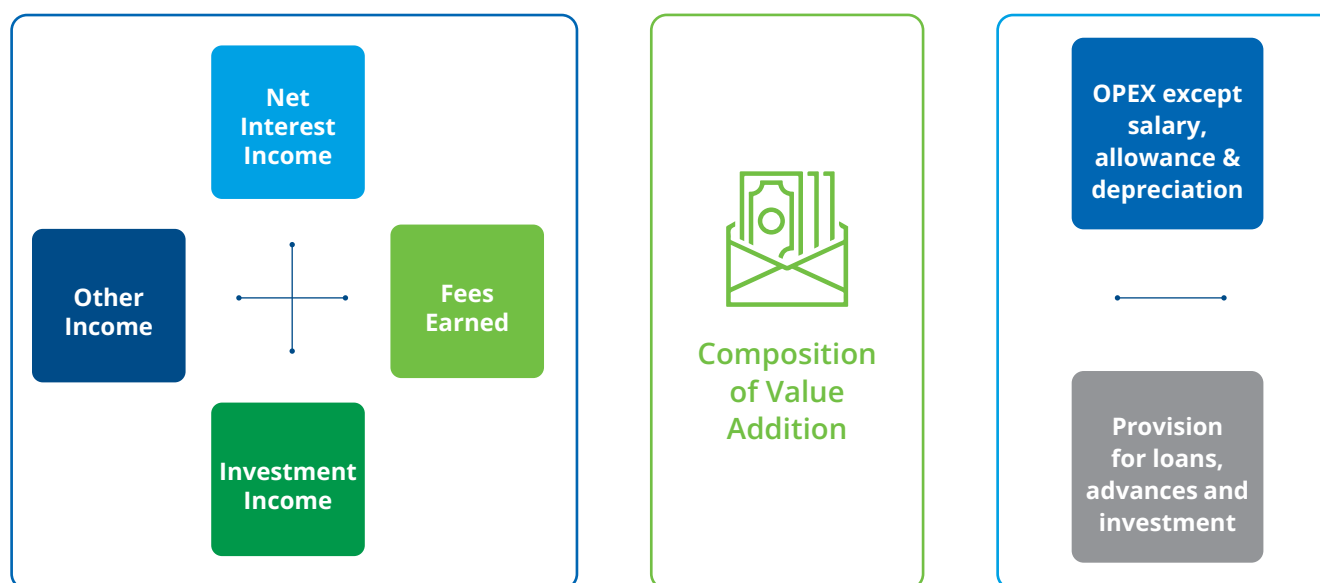
Particulars	2022	2021	2020	2019	2018
Operating income					
Interest income	58.61%	92.23%	93.74%	88.82%	89.27%
Less: Interest expenses on deposits & borrowings	15.83%	17.27%	17.35%	15.38%	35.90%
Net interest	42.77%	74.96%	76.39%	73.44%	53.37%
Income from investment	0.46%	1.17%	1.57%	0.07%	0.00%
Fees, Commission & brokerage	2.16%	2.88%	3.62%	7.83%	7.75%
Other operational income	38.77%	3.72%	1.07%	3.28%	2.98%
Total operating income	84.17%	82.73%	82.65%	84.62%	64.10%
Operating expenses					
Salary and allowances	2.82%	3.77%	5.23%	3.09%	2.17%
Rent, taxes, insurance, electricity etc.	0.09%	0.18%	0.17%	0.11%	0.13%
Legal expenses	0.10%	0.11%	0.35%	0.64%	0.44%
Postage, stamp, telecommunication etc	0.05%	0.07%	0.07%	0.02%	0.03%
Stationary, printing, advertisement	0.16%	0.10%	0.23%	0.12%	0.14%
CEO's salary and fees	0.11%	0.16%	0.33%	0.30%	0.24%
Director's fees	0.04%	0.06%	0.07%	0.04%	0.04%
Audit fees	0.01%	0.01%	0.01%	0.00%	0.00%
Depriciation, repairs and maintenance	0.31%	0.49%	0.64%	0.43%	0.30%
Other expenses	1.78%	2.61%	4.57%	5.25%	2.76%
Charges on loan losses	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating expenses	5.45%	7.57%	11.67%	10.00%	6.26%
Profit/(Loss) before provision & Tax	78.72%	75.16%	70.99%	74.62%	57.84%
Provision for loans and advances	53.37%	26.13%	17.21%	30.58%	20.38%
Net profit/(loss) before Tax	25.35%	49.03%	53.77%	44.04%	37.46%
Tax expenses	10.15%	28.30%	19.53%	18.40%	23.16%
Net profit/(loss) after tax	15.21%	20.73%	34.24%	25.63%	14.29%

VALUE ADDED STATEMENT

For the year ended December 31, 2022

Value added is the wealth IDCOL has created through extending loans and various services. The value added statement shows the way total worth has been 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	2022		2021	
	Amount (BDT)	%	Amount (BDT)	%
Value added				
Net interest income	3,796,958,019	149.62%	3,966,011,485	140.25%
Fees earned	192,027,382	7.57%	152,537,520	5.39%
Investment income	41,018,519	1.62%	62,001,850	2.19%
Other income	3,441,399,013	135.61%	196,588,337	6.95%
Operating expense except salary & allowances, depreciation	(196,324,907)	-7.74%	(166,597,909)	-5.89%
Provision for loan, advances, investments and others	(4,737,392,457)	-186.68%	(1,382,640,981)	-48.89%
Total value added by the company	2,537,685,569	100.00%	2,827,900,302	100.00%
Distribution of Value added				
Employees				
As salary & allowances	260,014,145	10.25%	208,179,292	7.36%
Provider of Capital				
Dividend to ordinary shareholders	500,000,000	19.70%	230,000,000	8.13%
Dividend to preference shareholders	-	0.00%	-	0.00%
Government				
Income tax	900,711,580	35.49%	1,497,312,214	52.95%
Expansion and business growth				
Retained earnings	849,793,069	33.49%	866,733,989	30.65%
Depreciation & amortization	27,166,775	1.07%	25,674,807	0.91%
Total distribution	2,537,685,569	100.00%	2,827,900,302	100.00%

Distribution of Value Added in 2022 and 2021

	2022	2021
Expansion & business growth	34.56%	31.56%
Employees	10.25%	7.36%
Provider of Capital	19.70%	8.13%
Government	35.49%	52.95%



ECONOMIC VALUE ADDED (EVA) STATEMENT

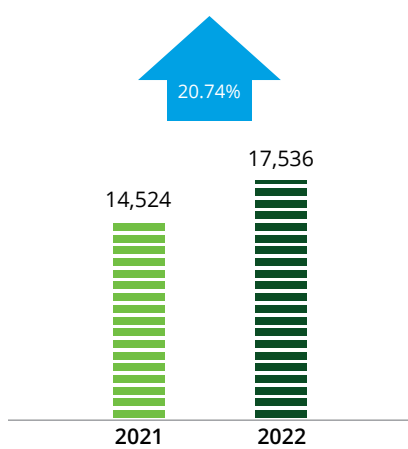
Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create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

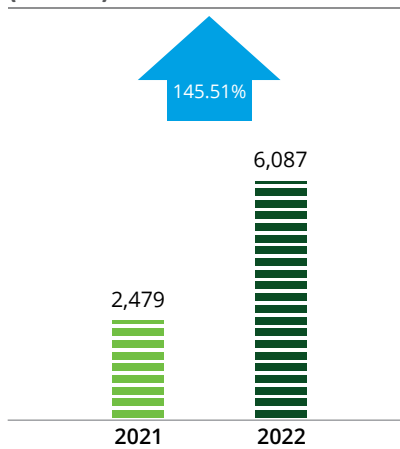
$$\text{EVA} = \text{Net Operating Profit} - \text{Taxes} - \text{Cost of Capital}$$

Particulars	Amount in BDT	
	2022	2021
Net operating profit	6,987,897,106	3,976,687,184
Tax expense	900,711,580	1,497,312,214
Net operating profit after tax (NOPAT)	6,087,185,526	2,479,374,970
Charges for capital		
Capital employed	17,536,024,021	14,523,909,261
Average cost of capital (%)	2.71%	1.36%
Capital Charge	475,226,251	197,525,166
Economic Value Added	5,611,959,275	2,281,849,804
Capital employed as on 31 December, 2022		
Shareholder's equity	10,944,552,625	10,094,759,557
Accumulated provision for doubtful accounts and future losses	8,520,106,056	5,512,629,804
Average shareholders' equity	17,536,024,021	14,523,909,261

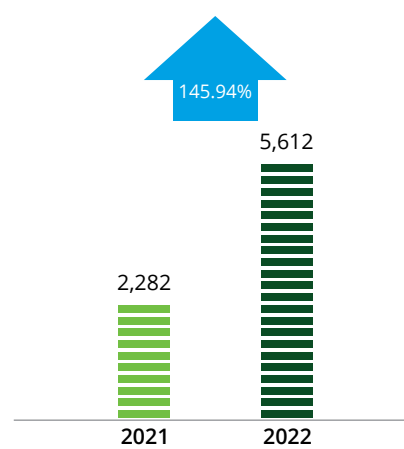
Average Shareholders' Equity



Net Operating Profit After Tax (NOPAT)



Economic Value Added (EVA)

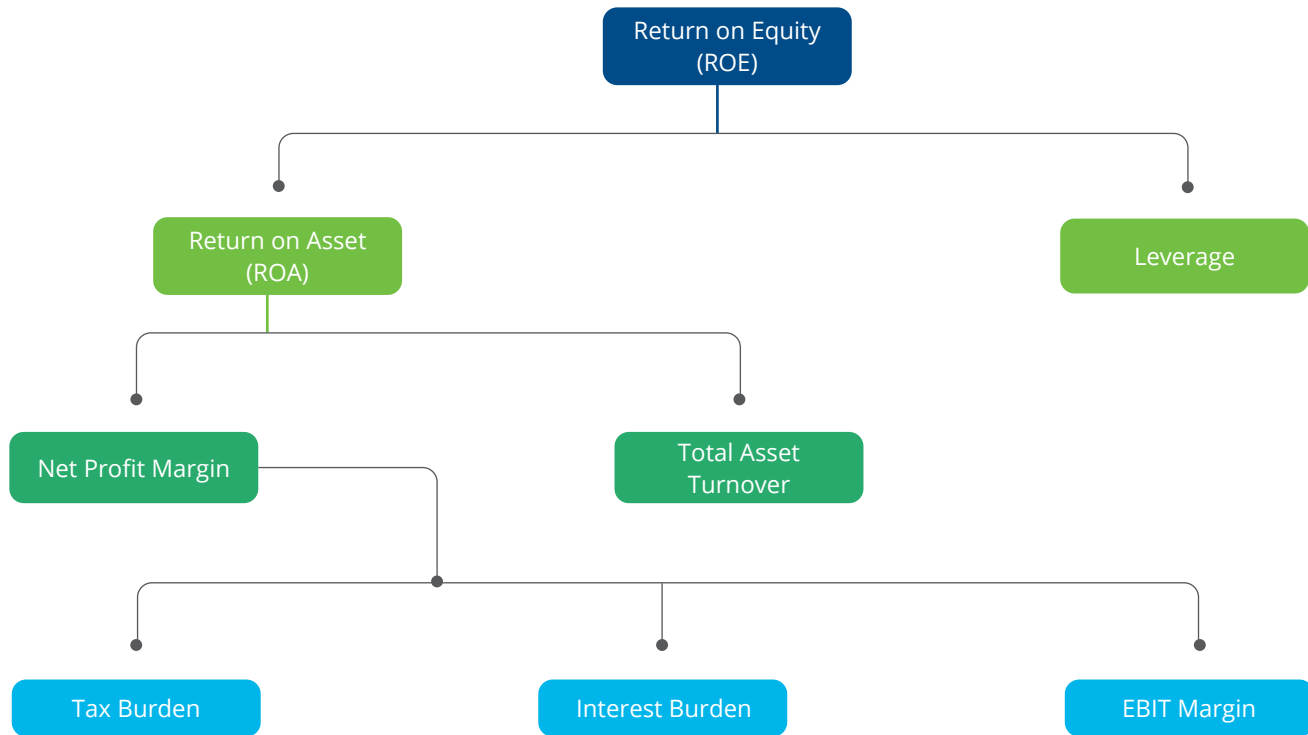


Key Ratios	2018	2019	2020	2021	2022
EVA/Operating income	43.35%	62.19%	57.68%	52.13%	75.11%
EVA/Avg. Shareholder's equity	13.15%	23.58%	16.26%	15.71%	32.00%
Net profit after tax/operating income	22.30%	30.29%	41.43%	25.06%	18.07%

FIVE FACTOR DUPONT ANALYSIS

5 step DuPont analysis is an extended decomposition of Return on Equity (ROE) to better understand the operational performance and know which factors affect the ROE of the company. Generally, ROE can be broken

down into Net Profit Margin (NPM), Asset Turnover and Financial Leverage. EBIT margin, tax effect and interest burden together constitute NPM.



DuPont Breakdown	Formulas	2022	2021	2020	2019
ROE (A= B*C*D)		12.33%	10.86%	16.63%	16.50%
Financial leverage (B)	Asset/ Equity	9.74	9.92	10.64	10.88
Total Asset Turnover (C)	Revenue/ Total Asset	8.33%	5.28%	4.56%	5.92%
Net Profit Margin (D= P*Q*R)	Net income/ Revenue	15.21%	20.73%	34.24%	25.63%
Tax Burden (P)	Net income/EBT	59.98%	42.28%	63.68%	58.21%
Interest Burden (Q)	EBT/EBIT	61.55%	73.96%	75.61%	74.12%
EBIT Margin (R)	EBIT/ Revenue	41.19%	66.30%	71.12%	59.42%



During FY 2022, IDCOL consistently managed a balanced capital structure with lower leverage over time, suggesting the strength of its asset size and increasing stability in its equity base. In addition, total revenue has also increased during the period mainly due to increased interest income and substantial increase in exchange rate of USD at the end of the year which caused a significant increase in accounting income during FY 2022 (exchange rate: BDT 101/USD in FY 2022 vs BDT 85.8/USD in FY 2021). As a result, IDCOL's revenue in FY 2022 has increased by 67.79 percent compared to FY 2021.

During FY 2022, total assets and total equity have increased by 6.49 percent and 8.42 percent respectively resulting in a slight decrease of financial leverage from the previous year. On the other hand, total asset turnover has increased by 57.77 percent from FY 2021, due to the strong growth of the asset base in addition to the revenue growth of the company. During FY 2022, the statutory requirement for IDCOL's loans and advances is higher compared to the previous year, mainly due to the struggling SHS and brick kiln program. Besides, the company also kept voluntary provision towards building a reserve against loans under SHS program for potential

future default risk. As a result, earnings before taxes (EBT) have decreased by 13.24 percent in FY 2022. On the other hand, the company wrote off some SHS loans against waiver application which resulted in an adjustment of tax expense during the year. Because of this adjustment, despite decreased EBT, net profit has increased by 23.07 percent. As a result of the decrease in EBT and increase in net profit, the tax burden ratio has increased by 41.86 percent compared to the previous fiscal year. However, for the reason of the significant increase in revenue over net income and EBIT, the net profit margin has decreased by 26.63 percent and EBIT Margin (also known as operating margin) has decreased by 37.87 percent compared to the previous year. Besides, since EBT has decreased and EBIT has increased during the year, interest burden ratio has decreased 16.78 percent.

Overall, the company reported Return of Equity (ROE) of 12.33 percent in 2022, an increase by 13.54 percent compared to the preceding year. In short, because of better asset utilization efficiency almost all other indicators performed seemingly well to generate a decent return for the equity holders of the company.

Leading parameters of ROE in 2022



NPM

15.21%



Asset Turnover

8.33%



Leverage

9.74



**AUDITOR'S REPORT
AND AUDITED
FINANCIAL STATEMENTS**

INDEPENDENT AUDITOR'S REPORT

to the Shareholders of Infrastructure Development Company Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Infrastructure Development Company Limited (the "Company"), which comprise the balance sheet as at 31 December 2022 and the profit and loss account, statement of changes in equity and cash flow statement 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 a true and fair view of the financial position of the Company as at 31 December 2022, and of 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.

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 19.1 of the financial statements, matters related to unrealised exchange gain has been disclosed. Our opinion is not modified in respect of this matter.

Other Matter

The financial statements of Infrastructure Development Company Limited for the year ended 31 December 2021 were audited by another auditor who expressed an unmodified opinion on these financial statements on 07 June 2022.

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in 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 judgement and maintain professional scepticism throughout the audit. We also

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

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

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

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 that

- we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- the expenditures incurred were for the purpose of the Company's business for the year;



- (v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- (vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- (vii) the financial 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;
- (viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- (ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- (x) taxes and other duties which were collected and deposited in the Government treasury by the Company as per Government instructions has been found satisfactory based on test checking;
- (xi) nothing has come to our attention that the Company has adopted any unethical means i.e., 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- (xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management
- (xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory; effective measures have been taken to prevent possible material fraud and forgery; and internal policies are being followed appropriately;
- (xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases have been found satisfactory;
- (xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 830 person hours for the audit of the books and accounts of the Company;
- (xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xvii) the Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and
- (xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dhaka, 19 July 2023
DVC No: 2307200770AS678390



Sabbir Ahmed FCA, Partner
ICAB Enrolment no: 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants

BALANCE SHEET

as at 31 December

Particulars	Notes	2022	2021
		Taka	Taka
Property and assets			
Cash	3		
Cash in Hand		15	13,942
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		111,035,053	144,102,297
		111,035,068	144,116,239
Balance with other banks and financial institutions	4		
In Bangladesh		29,953,447,128	23,135,622,313
Outside Bangladesh		-	-
		29,953,447,128	23,135,622,313
Money at call and short notice	5	880,000,000	-
Investments	6		
Government		-	-
Others		333,333,334	416,666,667
		333,333,334	416,666,667
Loans and advances	7		
Loans, cash credit, overdraft etc.		74,026,460,094	75,141,947,836
Bill purchased and discounted		-	-
		74,026,460,094	75,141,947,836
Fixed assets including land, building, furniture and fixtures	8	133,580,753	112,896,539
Other assets	9	1,185,156,733	1,177,735,512
Non-banking assets		-	-
Total assets		106,623,013,110	100,128,985,106
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	84,257,962,935	81,911,871,991
Deposit and other accounts		-	-
Other liabilities	11	11,420,497,550	8,122,353,558
Total liabilities		95,678,460,485	90,034,225,550
Shareholders' equity			
Paid-up Capital	12	7,880,000,000	7,380,000,000
Statutory Reserve	12.1	-	-
Retained earnings	13	3,064,552,625	2,714,759,557
Total shareholders' equity		10,944,552,625	10,094,759,557
Total liabilities and shareholders' equity		106,623,013,110	100,128,985,106



BALANCE SHEET (CONTINUED)

as at 31 December

Particulars	Notes	2022	2021
		Taka	Taka
Off-Balance Sheet Items			
Contingent Liabilities			
Acceptances and Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities	39	24,029,147	24,029,147
		24,029,147	24,029,147
Other commitments			
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	138.89	128.11


The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.


Company Secretary


Executive Director & CEO

  
Director Director Chairman

As per our report of same date


Sabbir Ahmed FCA, Partner
ICAB Enrolment no: 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 19 July 2023
DVC No: 2307200770AS678390

PROFIT AND LOSS ACCOUNT

for the year ended 31 December

Particulars	Notes	2022	2021
		Taka	Taka
Operating income			
Interest income	15	5,202,632,873	4,879,535,336
less: Interest on deposits, borrowings etc.	16	1,405,674,854	913,523,851
Net interest income		3,796,958,019	3,966,011,485
Investment income	17	41,018,519	62,001,850
Commission, fees, exchange and brokerage	18	192,027,382	152,537,520
Other operating income	19	3,441,399,013	196,588,337
Total operating income (A)		7,471,402,933	4,377,139,192
Operating expenses			
Salaries and allowances	20	249,998,268	199,504,209
Rent, taxes, insurance, electricity etc.	21	8,018,157	9,678,845
Professional & Legal expenses	22	8,806,451	5,651,591
Postage, stamp, telecommunication etc.	23	4,069,014	3,698,770
Stationery, printing, advertisement etc.	24	14,206,826	5,492,170
Chief Executive's salary and benefits	25	10,015,877	8,675,083
Directors' fees	26	3,115,043	3,286,704
Auditors' fees	27	453,663	453,663
Depreciation and repair of Company's assets	28	27,166,775	25,674,807
Other operating expenses	29	157,655,755	138,336,167
Charges on loan losses	30	-	-
Total operating expenses (B)		483,505,827	400,452,008
Profit/(Loss) before provision & Tax (C) = (A - B)		6,987,897,106	3,976,687,183
Provision for loans and advances/investment	31.7		
Provision for loans and advances		4,453,478,804	1,082,640,981
Provision for investment		300,000,000	300,000,000
Provision for others		(16,086,347)	-
Total provision (D)		4,737,392,457	1,382,640,981
Net profit/(loss) before Tax (E) = (C - D)		2,250,504,649	2,594,046,203
Tax expenses (F)	32	900,711,580	1,497,312,214
Net profit/(loss) after tax (G) = (E - F)		1,349,793,068	1,096,733,989
Appropriation			
Statutory reserve	12.1	-	-
General reserve		-	-
Retained surplus		1,349,793,068	1,096,733,989
Earnings Per Share (EPS)	33	17.13	13.92

The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.


Company Secretary



Executive Director & CEO


Director


Director


Chairman

As per our report of same date


Sabbir Ahmed FCA, Partner
ICAB Enrolment no: 770
Hoda Vasi Chowdhury & Co.
Chartered Accountants

Dhaka, 19 July 2023
DVC No: 2307200770AS678390



CASH FLOW STATEMENT

for the year ended 31 December

Particulars	Notes	2022	2021
		Taka	Taka
A. Cash flows from operating activities			
Interest received		5,104,907,219	4,956,675,015
Interest paid		(1,063,481,040)	(851,964,661)
Investment Income received		41,666,667	71,999,994
Fees and commission received		192,027,382	152,537,520
Recovery of loan previously written off		5,843,176	5,303,647
Paid to employees and directors		(348,296,129)	(300,560,058)
Paid to suppliers		(107,748,679)	(63,565,256)
Income tax paid		(1,495,616,923)	(966,309,439)
Receipts from other operating activities		(120,290,459)	132,633,988
Cash generated from operating activities before changes in operating assets and liabilities		2,209,011,215	3,136,750,749
(Increase)/decrease in operating assets and liabilities			
Advances, deposits and prepayments		36,844,291	(37,644,267)
Accounts receivables		(9,332,723)	497,891,003
Loans and advances		(508,059,245)	3,765,784,625
Interest suspense account		226,307,079	(120,111,733)
Payables and accrued expenses		275,923,943	(284,900,702)
Unearned revenue - monitoring Fees		(4,865,486)	1,684,807
Provisions other than loans		-	(23,986,328)
Lease liability		(9,373,570)	(7,181,546)
		7,444,289	3,791,535,859
Net cash flows from operating activities		2,216,455,504	6,928,286,608
B. Cash flows from investing activities			
Acquisition of fixed assets (excluding donor funded assets)		(26,635,971)	(802,230)
Acquisition of Right of Use asset		(1,996,533)	(1,566,306)
Settlement of investment		83,333,333	283,333,333
Disposal of fixed assets		311,457	-
Net cash flows from investing activities		55,012,286	280,964,797
C. Cash flows from financing activities			
Loan drawdown from Government of Bangladesh		6,847,282,616	3,543,572,056
Loan repayment to Government of Bangladesh		(4,501,191,672)	(4,005,912,632)
Dividend paid		(500,000,000)	(230,000,000)
Net cash flows from financing activities		1,846,090,944	(692,340,576)
D. Net increase in cash and cash equivalents (A+B+C)		4,117,558,734	6,516,910,828
E. Effects of exchange rate changes on cash and cash equivalents		3,547,184,910	50,471,383
F. Cash and cash equivalents at the beginning of the year		23,279,738,552	16,712,356,341
G. Cash and cash equivalents at the end of the year (D+E+F)		30,944,482,196	23,279,738,552
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)	3.1	15	13,942
Money at call and short notice	5	880,000,000	-
Balance with Bangladesh Bank and its agent banks	3.2	111,035,053	144,102,297
Balance with other banks and financial institutions	4	29,953,447,128	23,135,622,313
		30,944,482,196	23,279,738,552
Net operating cash flow per share	35	28.13	87.92

The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.


Company Secretary


Executive Director & CEO


Director


Director


Chairman

Infrastructure Development Company Limited
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2022

in Taka

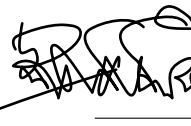
Particulars	Paid up Capital	Statutory Reserve	Retained earnings	Total shareholders' equity
Balance as at 01 January 2022	7,380,000,000	-	2,714,759,556	10,094,759,557
Adjustment	-	-	-	-
Balance	7,380,000,000	-	2,714,759,556	10,094,759,557
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,349,793,068	1,349,793,068
Bonus shares	500,000,000	-	(500,000,000)	-
Cash dividend	-	-	(500,000,000)	(500,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2022	7,880,000,000	-	3,064,552,625	10,944,552,625
Balance as at 01 January 2021	7,150,000,000	-	2,078,874,575	9,228,874,575
Adjustment	-	-	(849,007)	(849,007)
Balance	7,150,000,000	-	2,078,025,568	9,228,025,568
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	-	-	1,096,733,989	1,096,733,989
Bonus shares	230,000,000	-	(230,000,000)	-
Cash dividend	-	-	(230,000,000)	(230,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2021	7,380,000,000	-	2,714,759,557	10,094,759,557

The annexed notes 1 to 42 and Annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.


Company Secretary


Executive Director & CEO


Director


Director


Chairman



Infrastructure Development Company Limited

LIQUIDITY STATEMENT (ASSET AND LIABILITY MATURITY ANALYSIS)

as at 31 December 2022

in Taka

Particulars	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
Assets						
Cash in hand (including balance with Bangladesh Bank)	111,035,068					111,035,068
Balance with other banks and financial institutions	19,982,952,712	8,199,800,000	45,000,000	1,725,694,416	-	29,953,447,128
Money at call and short notice	880,000,000					880,000,000
Investments			83,333,333	250,000,001		333,333,334
Loans and advances	264,191,715	3,093,402,582	10,702,955,369	41,445,385,000	18,520,525,428	74,026,460,094
Fixed assets including land, building, furniture and fixture	56,042,310	1,392,754	8,235,061	34,216,774	33,693,853	133,580,752
Other assets	65,604,817	34,253,265	998,563,232	85,709,420	1,026,000	1,185,156,734
Non-banking assets						
Total assets	21,359,826,621	11,328,848,601	11,838,086,996	43,541,005,611	18,555,245,281	106,623,013,110
Liabilities						
Borrowings from Government of Bangladesh		2,421,827,738	9,242,676,503	32,625,276,662	39,968,182,033	84,257,962,936
Deposits						
Other Accounts						
Provision and other liabilities	31,890,621	936,272,843	2,085,312,091	3,028,456,699	5,338,565,296	11,420,497,550
Total liabilities	31,890,621	3,358,100,581	11,327,988,594	35,653,733,361	45,306,747,329	95,678,460,485
Net Liquidity Gap	21,327,936,001	7,970,748,020	510,098,402	7,887,272,250	(26,751,502,048)	10,944,552,625

Infrastructure Development Company Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2022

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 (NBFII) 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 collaborates with multiple development partners and multilateral banks to jointly finance large-scale infrastructure projects. By prioritizing sectors that are important to the Government of Bangladesh, IDCOL helps facilitate funding for these projects. Over the years, IDCOL has played a pioneer role in changing the country's infrastructure, particularly in the private power generation sector. In the last few years, IDCOL extended its financing not only in Power Plant projects but also in other potential projects including Port, Economic Zones, LNG Terminals, Steel Manufacturing etc. IDCOL's investment scope in infrastructure covers various areas including industries that support infrastructure, economic zones, social infrastructure, hotels and tourism, ports, gas-related infrastructure, water supply and sewage, telecommunications, information and communication technology, toll roads and bridges, shipyards, shipbuilding, mass transportation systems, infrastructure backward linkages and urban environmental services. As of 31 December 2022, IDCOL's Infrastructure projects portfolio stands at over BDT 44 billion.

IDCOL's commitment to promoting private sector investment in infrastructure has resulted in the mobilization of significant co-financing, both in terms of equity and loans, from both local and foreign sponsors, banks, non-banking financial institutions, and development financial institutions for infrastructure projects. By leveraging its experience in working with international lenders for long-term USD financing, IDCOL has been able to successfully secure funds for various local projects from the global market. In 2022, IDCOL secured credit line worth USD 200 million from Asian Infrastructure Investment Bank for financing in infrastructure projects in Bangladesh. Moreover, in 2022, IDCOL signed a loan agreement with Asian Development Bank for availing credit line of USD 278.29 million to invest in infrastructure projects in our country. Additionally, collaborating with multiple foreign DFIs and commercial banks has not only strengthened IDCOL's lending capacity but also solidified its reputation as a reliable co-financier among foreign lenders.

IDCOL not only provides financing but has also diversified its services to include arranging and advising. They arrange syndication loan facilities from local and international markets to finance large projects, which is in line with their goal of promoting private sector infrastructure financing. IDCOL has been arranging loans since its inception and has established itself as a prominent arranger, especially for power projects. In 2019, IDCOL became the top fund arranger for private sector infrastructure projects in Bangladesh, having arranged approximately USD 190 million in long-term loans from various sources. In 2022, IDCOL has arranged BDT 650 crore from various sources for financing in infrastructure projects.

Renewable Energy Projects

Under renewable energy program, IDCOL is implementing projects in four major areas- Solar Home Systems (SHS), domestic biogas plants, Improved Cook Stoves (ICS), and small-scaled renewable energy based power plants.

IDCOL started its SHS Program in 2003 with an initial target to finance 50,000 SHSs with financial assistance from the World Bank and Global Environment Facility (GEF). Subsequently, a number of development partners participated in the program by providing refinancing and grant support. IDCOL provides soft loans and grants as well as necessary technical assistance under the program. IDCOL's SHS Program has been acclaimed as the largest off-grid renewable energy program in the world having installation of more than 4.13 million SHSs in the remote areas of the country. It has brought significant changes in lives in remote rural areas of Bangladesh through providing access to basic electricity.



IDCOL has been implementing Biogas Program in Bangladesh since 2006. Initially, the program started as National Domestic Biogas and Manure Programme (NDBMP) with support from SNV (Stichting Nederlandse Vrijwilligers) Netherlands Development Organization and KfW Development Bank, Germany. In 2012, the World Bank also joined to support the program under its Household Energy Initiatives. Under the program, IDCOL has a target to install 100,000 domestic size biogas plants in Bangladesh by 2029.

IDCOL launched the 'Improved Cook Stove (ICS) Program' in May 2013 and the program has a target to install 5 million ICS across the country by 2023. The objectives of the program are to create mass awareness of ICS, to reduce Indoor Air Pollution (IAP) and use of cooking fuel and to establish a strong capacity base to achieve 100% clean cooking coverage by 2030 as per Bangladesh Country Action Plan. Under the program, IDCOL provides institutional development grant and technical assistance to its partner organizations (POs). Till December 2022, a total of 3.7 million ICS have been installed under the Program.

Besides, IDCOL has been financing various renewable energy interventions including solar irrigation pumps, solar mini-grids, biomass gasification-based power projects, biogas based power plants, solar powered solution for telecom BTS etc. Moreover, IDCOL is financing large scale industrial rooftop and utility scale grid tied projects. IDCOL has a target to finance 300 MWp rooftop solar by 2025 and 10,000 solar irrigation pumps by 2030. In addition, IDCOL is exploring opportunities of financing waste to energy and wind projects in near future.

Corporate Advisory Services

IDCOL provides a wide range of fee-based advisory services with project advisory, capacity building, financial advisory, government advisory, climate consulting and transaction advisory as its focus areas. IDCOL has been awarded four advisory assignments in 2022 by Ministry of Energy, Government of Malawi; USAID Bangladesh Advancing Development and Growth through Energy (BADGE) Project; Skills for Employment Investment Program (SEIP) under Finance Division (Tranche 3) and FAO Representation in Bangladesh. IDCOL earlier provided advisory services to the UK Department of Business, Energy and Industrial Strategy (BEIS); Skills for Employment Investment Program (SEIP) under Finance Division; Rural Energy Agency of Tanzania; Loughborough University of UK; Climate Vulnerable Forum-Vulnerable 20 Group (CVF-V20); UNDP; Power Cell; Bangladesh Power Development Board; IRENA and Acron Infrastructure Services Ltd. In addition, IDCOL has provided training and capacity building services to 1,600 professionals in Bangladesh and hosted 160 international delegates as part of experience sharing program on Renewable Energy.

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, French Development Agency (AFD), Green Climate Fund (GCF) 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 2021. In addition, some applicable policies have been disclosed during the year, which were being followed in earlier years as well.

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 development partners, lenders, etc., realization of principal and interest from borrowers, loan and grants disbursed to borrowers, repayment of loans to development partners, 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 an independent auditor. These amounts are not reflected in the company's financial statements, except for those disclosed in note # 40 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 # 40.

2.2 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.

2.3 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: Bangladesh Bank has issued templates of financial statements vide DFIM Circular # 11 dated December 23, 2009 which would strictly be followed by NBFIs. The templates of financial statements issued by Bangladesh Bank do not permit to include Statements of Other Comprehensive Income (OCI) nor the elements of Other Comprehensive Income in the statements of Comprehensive Income.

2.4 Non banking assets

IFRS: IFRSs/IASs provide no requirement to disclose non-financial institutional assets separately under non-banking assets head on the face of the balance sheet.

Bangladesh Bank: DFIM Circular-11 dated December 23, 2009 provides the requirement to disclose non-banking assets separately on the face of the balance sheet.

2.5 Current/ Non-current distinction

IFRS: As per Para 60 of IAS-1 Presentation of Financial statement, an entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.

Bangladesh Bank: Bangladesh Bank has issued templates of financial statements vide DFIM Circular # 11 dated December 23, 2009 which would be followed by NBFIs. In Bangladesh Bank provided templates, there is no current and non current segregation of assets and liabilities.

2.6 Fees, Commission and Brokerage

IDCOL is a specialized NBFi 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.s. However, Upon submission of explanation, Bangladesh Bank granted exemption from said circular vide letter number DFIM(P) 1052/27/2020-1683, dated: 23 September 2020 with effect from 2021.

2.7 Cash flow statement

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

Bangladesh Bank: As per 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.

2.8 Provision for loans and advances

IFRS: As per IFRS 9 "Financial Instruments", an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.



Bangladesh Bank: As per DFIM Master Circular no. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

Loan classification status during the year ended 31 December 2021 has been determined as per DFIM Circular Letter No. 13 dated 28 June 2022, DFIM Letter: 1052/27/2022-21 dated 2 January 2022, DFIM Circular Letter No 33 dated 19 December 2021 and DFIM Master Circular no. 04 dated 26 July 2021.

Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

As per DFIM circular letter no 33 dated 19 December 2021, 2% additional provision has been reserved against accounts availing deferral facility.

2.9 Cash and cash equivalent

IFRS: Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits shall be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.

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

2.10 Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 "Financial Instruments" and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per DFIM Master Circular no. 04 dated 26 July 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

2.11 Financial instruments: presentation and disclosure

IFRS: IFRS 7 require specific presentation and disclosure relating to all financial instruments.

Bangladesh Bank: As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.

2.12 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.

2.13 Income Tax

Current tax: Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendments made thereto from time to time. Current tax liability of the company is computed applying the following tax rates:

- Regular business tax rate: 40%
- Dividend income: 20%

Deferred tax: A deferred tax asset has been recognized in accordance with IFRS for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements. However, no deferred tax asset has been recognized for any deductible temporary difference against lease, loans and advances as per DFIM circular No. 7, dated 31 July 2011 of Bangladesh Bank.

2.14 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.

2.15 Valuation of Investments in quoted and unquoted shares

IFRS: As per requirements of IFRS 9 "Financial Instruments" classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the period-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per FID circular No. 08 dated 03 August 2002, investments in quoted shares and unquoted shares are revalued at the year or period end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost.

2.16 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.

2.17 Functional and Presentation Currency

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

2.18 Revenue Recognition

Revenue is only recognized when it meets the following five steps model framework as follows:

- i) identify the contract(s) with a customers;
- ii) identify the performance obligations in the contract;
- iii) determine the transaction price;
- iv) allocate the transaction price to the performance obligations in the contract;
- v) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized following accrual basis of accounting.

2.19 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. Depreciation is charged monthly in straight line method. Depreciation on additions to fixed assets is charged in full for the month of addition, and no depreciation is charged for the month in which an asset is disposed. Depreciation rates are aligned with Laws of the Land along with IAS/IFRS. The following rates of depreciation are applied:

<u>Category of assets</u>	<u>Rate of depreciation</u>
Office space	10%
Furniture, fixture and decoration	10%
Computer and computer equipment	25%
Office equipment	10%
Vehicle	20%
Software - Bangladeshi made software	50%
Software - Imported	10%

2.20 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.



2.21 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.

2.22 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 is recognized where amounts are either recovered and/or adjusted against securities/properties or advances.

2.23 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.

2.24 Related party disclosure

As per International Accounting Standards (IAS 24) , parties are considered 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 38.

2.25 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.

As per Financial Reporting Council notification # 179/FRC/FRN/notification/2020/2 dated 07 July 2020, an amount of Tk. 242,321 was forfeited from contributory provident fund during the period 1 January 2021 to 31 December 2021 and was repatriated to IDCOL during FY 2022.

Defined benefit plan (gratuity fund)

The Company operates a funded 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. During FY 2022, an amount of Tk. 27,030,706 was transferred to the trustee fund. Details are given in note 11.2.

2.26 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.

2.27 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.

2.28 Disclosure on Compliance of International Financial Reporting Standard (IFRS)

Name of the standards	Ref No.	Compliance status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	Not applicable
Share Based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Applied
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Financial Instruments: Disclosures	IFRS-7	Applied with some departures (note 2)
Operating Segments	IFRS-8	Not applicable
Financial instruments	IFRS-9	Applied with some departures (note 2)
Consolidated Financial Statements	IFRS-10	Not applicable
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in Other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied with some departures (note 2)
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue from Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departures (note 2)
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied with some departures (note 2)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Applied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Cost	IAS-23	Not applied*
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Not applicable
Investments in Associates	IAS-28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not applicable
Financial Instruments: Presentation	IAS-32	Applied with some departures (note 2)
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairments of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

*Not applied as there were no relevant transaction.

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2022 have been considered. However, these amendments have no material impact on the financial statements of the Company.

2.29 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.



2.30 Events after the reporting period

Events after the reporting period: As per IAS 10 "Events after the reporting period", all material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note 37.

2.31 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.32 Reporting period

These financial statements have been prepared for the period from 1 January 2022 to 31 December 2022.

2.33 Complete set of financial statements

IAS 1 "Presentation of Financial Statements"

As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are:

- i) Statement of financial position;
- ii) Statement of profit or loss and other comprehensive income;
- iii) Statement of changes in equity;
- iv) Statement of cash flows;
- v) Notes, comprising significant accounting policies and other explanatory information;
- vi) Comparative information in respect of the preceding period; and
- vii) Statement of financial position at the beginning of preceding period for retrospective restatement.

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are

- i) Balance sheet;
- ii) Profit and loss account;
- iii) Cash flows statement;
- iv) Statement of changes in equity;
- v) Statement of liquidity; and
- vi) Notes, comprising significant accounting policies and other explanatory information.

2.34 Number of employees

During the year under audit, there were 411 (2021: 410) employees employed for the full period and 9 (2021: 13) employees for less than full period at a remuneration of Taka 3,000 and above per month.

2.35 Workers' Profit Participation and Welfare Fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, IDCOL did not recognize the WPPF.

2.36 Exemptions and waivers

Financial Institutions Division (currently known as Department of Financial Institutions and Market) of Bangladesh Bank vide its letter no. FID(L)1053/69/4 dated 05 January 1998 had granted IDCOL exemption from several sections of the Financial Institutions Act-1993 considering its special operational nature as a specialized financial institution. However, IDCOL complies with circulars and directives issued by Bangladesh Bank from time to time in order to ensure uniformity of supervision and governance in the financial services industry.

2.37 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.



		Notes	2022	2021
			Taka	Taka
3	Cash			
	Cash in hand	3.1	15	13,942
	Balance with Bangladesh Bank and its agent bank	3.2	111,035,053	144,102,297
			111,035,068	144,116,239
3.1	Cash in Hand			
	Local Currency		15	13,942
	Foreign Currencies		-	-
			15	13,942
3.2	Balance with Bangladesh Bank and its agent bank			
	Bangladesh Bank balance in local currency		1,647,355	144,102,297
	Bangladesh Bank balance in foreign currency		109,387,698	-
			111,035,053	144,102,297
3.2.1	Balance with Bangladesh Bank and its agent bank			
			Amount in JPY	Exchange Rate per JPY
			2022	2021
			2022	2021
	Bangladesh Bank balance in foreign currency	148,584,214	-	0.7362
			109,387,698	-
			109,387,698	-
As on 31 December 2022, an amount of JPY 148,584,214 (Equivalent of BDT 109,387,698) has been maintained with JICA Bangladesh Bank Imprest Account.				
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 notice FID(G) 1051/circular 2/10, dated 22 October 1997, IDCOL is exempted from complying with section 9 (Statutory Reserve) and 19 (maintaining liquid assets) of the Financial Institutions Act, 1993. As such, maintenance of a Statutory Reserve, Cash Reserve Ratio (CRR) or Statutory Liquidity Ratio (SLR) is not required for IDCOL.				
3.5	Capital Adequacy Ratio (CAR)			
Under the section 6 of Financial Institutions 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 1 January 2012; Financial Institutions are required to maintain a CAR of minimum 10%.				
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. To achieve the development objective of the Government, IDCOL is exempted from several sections of FI Act 1993; i.e. minimum capital requirement for Financial Institutions (Section 6, as per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997). Nevertheless, IDCOL currently maintains the minimum capital prescribed under section 6 sub-section (1) and DFIM Circular No. 14/2011. As on 31 December 2022, Capital Adequacy Ratio was 20.76%.				

	Notes	2022 Taka	2021 Taka
Core Capital (Tier-1)/Shareholders' Equity			
Paid-up capital		7,880,000,000	7,380,000,000
Share premium		-	-
Statutory reserve		-	-
General reserve		-	-
Dividend equalization reserve		-	-
Retained earnings		3,064,552,625	2,714,759,557
Non-controlling interest		-	-
A) Sub total		10,944,552,625	10,094,759,557
Supplementary capital (Tier - II)			
General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)		617,241,329	676,631,065
Assets Revaluation Reserves up to 50%		-	-
Revaluation Reserve for Securities up to 45%		-	-
All others preference shares		-	-
Others (if any other item approved by Bangladesh Bank)		-	-
B) Sub total		617,241,329	676,631,065
C) Total eligible capital (A+B)		11,561,793,954	10,771,390,622
D) Total risk weighted assets		55,692,806,320	59,835,080,088
E) Required capital based on risk weighted assets (10% of D)		5,569,280,632	5,983,508,009
F) Surplus (C-E)		5,992,513,322	4,787,882,613
Capital Adequacy Ratio (%) (C / D)		20.76%	18.00%
4 Balance with other banks and financial institutions			
<i>Inside Bangladesh</i>			
Local currency			
Current and short-term deposits in local currency	4.1	1,014,118,439	1,731,294,518
Fixed deposits in local currency	4.2	8,373,194,416	13,420,694,416
		9,387,312,855	15,151,988,934
<i>Foreign currency</i>			
Current and short-term deposits in foreign currency	4.3	53,034,272	1,720,233,379
Fixed deposits in foreign currency	4.4	20,513,100,000	6,263,400,000
		20,566,134,272	7,983,633,379
Outside Bangladesh			
		-	-
		29,953,447,128	23,135,622,313
4.1 Current and short-term deposits in local currency			
Janata Bank Ltd.	4.1.a	724,421,346	1,655,013,761
The City Bank Ltd.	4.1.b	3,908,639	2,674,335
Prime Bank Ltd.	4.1.c	6,922,893	6,854,043
National Credit and Commerce Bank Ltd.	4.1.d	3,176,962	3,171,639
National Bank Ltd.	4.1.e	389,841	382,514
Islami Bank Bd. Ltd.	4.1.f	182,989	173,854
Agrani Bank Ltd.	4.1.g	257,958,639	16,870,150
Eastern Bank Ltd.	4.1.h	832,574	818,756
Standard Chartered Bank	4.1.i	6,073,464	24,999,850
Dhaka Bank Ltd.	4.1.j	10,251,094	20,335,617
		1,014,118,439	1,731,294,518



	Notes	2022	2021
		Taka	Taka
4.1.a	Janata Bank Limited		
	<u>Accounts under development partner funded projects</u>		
	IDA -5158-BD : REREDP-II	49,172,658	73,706,346
	IDA -5514-BD : Additional Financing REREDP-II	89,076,695	20,617,748
	IDB -151-BD :	7,641,646	7,653,207
	JICA BD P-90	-	859,507,151
	JICA BD P-109	293,214,738	-
	KFW-PUREP	1,002	2,065,578
	AFD Loan no. CBD 1026-01-W	-	1,327,713
	<u>Company accounts</u>	-	-
	STD Account	285,314,606	690,136,018
		724,421,346	1,655,013,761
4.1.b	The City Bank Limited		
	<u>Accounts under development partner funded projects</u>		
	KfW - 2006.65.612 -NDBMP	136,187	136,313
	<u>Company accounts</u>		
	Imprest account	3,772,452	2,538,022
		3,908,639	2,674,335
4.1.c	Prime Bank Limited		
	<u>Company accounts</u>		
	Salary account	495	495
	<u>Accounts for Regional Offices</u>		
	Barisal	385,192	394,376
	Bogura	500,501	516,293
	Chattogram	394,773	375,264
	Dhaka	1,174,673	1,160,852
	Faridpur	353,200	362,651
	Rangpur	576,844	567,130
	Thakurgaon	751,374	710,591
	Rajshahi	392,868	421,220
	Kushtia	654,218	656,711
	Jashore	582,328	527,286
	Jamalpur	389,891	391,635
	Khulna	384,994	386,529
	Mymensingh	381,541	383,009
		6,922,893	6,854,043
4.1.d	National Credit and Commerce Bank Limited		
	<u>Revolving fund account under projects</u>		
	PPIDF: ADB 2453-BAN (SF)	2,790,935	2,795,229
	<u>Accounts for Regional Offices</u>		
	Brahmanbaria (Cumilla)	196,348	187,949
	Noakhali	189,679	188,461
		3,176,962	3,171,639

	Notes	2022	2021
		Taka	Taka
4.1.e	National Bank Limited <u>Accounts for Regional Office</u> Sylhet	389,841	382,514
		389,841	382,514
4.1.f	Islami Bank Bangladesh Limited <u>Accounts for Regional Office</u> Borguna	182,989	173,854
		182,989	173,854
4.1.g	Agrani Bank Limited <u>Accounts under development partner funded projects</u> IDA-6202 IDA-6363 TF0A7640	8,409,337 249,095,453 453,849	16,870,150 - -
		257,958,639	16,870,150
4.1.h	Eastern Bank Limited <u>Revolving fund account under projects</u> P-075 : JICA	832,574	818,756
		832,574	818,756
4.1.i	Standard Chartered Bank <u>Company Account</u> Salary Account	6,073,464	24,999,850
		6,073,464	24,999,850
4.1.j	Dhaka Bank Limited <u>Revolving fund account under projects</u> P-090 : JICA	9,901,739	9,744,146
	<u>Accounts under development partner funded projects</u> KFW-REP	349,355	10,591,471
		10,251,094	20,335,617
4.2	Fixed deposits in local currency		
	Agrani Bank Ltd.	-	1,090,000,000
	Al Arafah Islami Bank Ltd.	-	550,000,000
	Bangladesh Development Bank Ltd.	-	605,000,000
	BD Finance	144,000,000	214,000,000
	Dhaka Bank Ltd.	870,000,000	540,000,000
	EXIM Bank Ltd.	880,000,000	1,580,000,000
	FAS Finance & Investment Ltd.	290,000,000	290,000,000
	First Finance Ltd.	300,000,000	300,000,000
	GSP Finance Company (Bangladesh) Ltd.	42,986,416	42,986,416
	IFIC Bank Ltd.	880,000,000	1,220,000,000
	International Leasing and Financial Services Limited	290,000,000	290,000,000
	Janata Bank Ltd.	-	1,200,000,000
	Mercantile Bank Ltd.	-	500,000,000
	Mutual Trust Bank Ltd.	840,000,000	100,000,000
	NCC Bank Ltd.	880,000,000	1,580,000,000
	Premier Leasing & Finance Ltd.	350,000,000	350,000,000
	Prime Bank Ltd.	211,500,000	-
	Prime Finance & Investment Ltd.	286,500,000	286,500,000
	Rupali Bank Ltd.	-	840,000,000
	Social Islami Bank Ltd.	490,000,000	650,000,000
	Standard Bank Ltd.	-	120,000,000

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	Notes	2022		2021	
		Taka		Taka	
Trust Bank Ltd.		879,000,000		-	
Union Capital Ltd.		82,208,000		82,208,000	
United Commercial Bank Ltd.		657,000,000		990,000,000	
		8,373,194,416		13,420,694,416	
4.3 Current and short-term deposits in foreign currency					
Janata Bank Ltd.		45,322,577		122,166,192	
Commercial Bank of Ceylon (PPIDF-1 revolv. USD)		7,711,695		1,598,067,187	
		53,034,272		1,720,233,379	
4.3.1 Details of current and short-term deposits in foreign currency					
		Amount in USD		Exchange Rate per USD	
		2022	2021	2022	2021
Janata Bank Ltd.		448,738	1,423,848	101.00	85.80
Commercial Bank of Ceylon (PPIDF-1 revolv. USD)		76,353	18,625,492	101.00	85.80
		53,034,272		1,720,233,379	
4.4 Fixed deposits in foreign currency					
Fixed deposit receipt with:					
Janata Bank Ltd.	4.4.1	20,513,100,000		6,263,400,000	
		20,513,100,000		6,263,400,000	
4.4.1 Details of fixed deposits in foreign currency					
		Amount in USD		Exchange Rate per USD	
		2022	2021	2022	2021
Janata Bank Ltd.		203,100,000	73,000,000	101.00	85.80
		20,513,100,000		6,263,400,000	
		20,513,100,000		6,263,400,000	
4.5 Maturity grouping of balance					
On demand		1,067,152,712		3,451,527,897	
Up to one month		18,915,800,000		2,211,600,000	
More than one month but less than three months*		8,199,800,000		15,830,800,000	
More than three months but less than one year*		45,000,000		-	
More than one year but less than five years*		1,725,694,416		1,641,694,416	
More than five years		-		-	
		29,953,447,128		23,135,622,313	
* 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 Money at call and short notice		880,000,000		-	
		880,000,000		-	
6 Investments					
Investment in Summit LNG Terminal Co. (Pvt.) Ltd Preference Shares					
33,333,334 outstanding shares with a face value of Tk. 10 per share		333,333,334		416,666,667	
		333,333,334		416,666,667	

	Notes	2022 Taka	2021 Taka
6.1	Maturity grouping of Investments		
	On demand	-	-
	Upto one month	-	-
	More than one month but less than three months	-	-
	More than three months but less than one year	83,333,333	83,333,333
	More than one year but less than five years	250,000,001	333,333,334
	More than five years	-	-
		333,333,334	416,666,667
7	Loans and advances		
	Inside Bangladesh		
	Long-term finance	7.1 73,305,735,351	74,527,402,697
	Short term financing	7.2 1,363,780	1,553,395
	Interest receivable on loans and advances	7.3 719,360,963	612,991,744
		74,026,460,094	75,141,947,836
	Outside Bangladesh	-	-
		74,026,460,094	75,141,947,836
7.1	Long-term finance		
	Opening balance at January 01	74,527,402,697	78,375,181,944
	Add: Disbursement made during the year	9,100,718,846	5,800,057,342
	Add: Interest Capitalization during the year	63,557,752	461,869,757
		83,691,679,295	84,637,109,043
	Less: Realization during the year	(13,145,823,802)	(10,366,820,991)
	Less: Written-off/waived during the year	(1,729,916,206)	(98,154,676)
	Less: Disbursement Reversal	-	(22,617,000)
	Add: Forex gain/ (Loss)	4,489,796,064	377,886,321
	Closing balance at December 31	73,305,735,351	74,527,402,697
7.1.1	Sector wise disclosure of long term finance		
	Infrastructure loan	59,364,509,984	58,413,720,012
	Renewable energy project	7.1.1a 13,894,335,285	16,074,231,022
	Employee car loan	13,363,747	6,324,718
	Employee home Loan	33,526,335	33,126,945
		73,305,735,351	74,527,402,697
7.1.1a	Renewable energy project		
	Solar home system	9,807,071,853	12,507,285,522
	Biogas program	50,425,197	82,144,344
	Other renewable energy project	4,036,838,235	3,484,801,156
		13,894,335,285	16,074,231,022
7.2	Short term financing		
	Opening balance at January 01	1,553,395	17,713,449
	Add: Disbursement made during the year	-	38,119,200
		1,553,395	55,832,649
	Less: Realization during the year	(189,615)	(54,279,254)
	Closing balance at December 31	1,363,780	1,553,395



	Notes	2022	2021
		Taka	Taka
7.2.1	Short term financing		
	Biogas Program	1,363,780	1,553,395
		1,363,780	1,553,395
7.3	Interest on loan and advance		
	Interest receivable on infrastructure loan	670,361,052	538,578,307
	Interest receivable on renewable energy loan	7.3.1 48,999,911	74,413,436
		719,360,963	612,991,744
7.3.1	Interest receivable on renewable energy loan		
	Solar home system project	-	-
	Biogas project	1,024,674	761,472
	Biogas advance facility	33,801	33,801
	Other renewable energy project	47,941,435	73,618,164
		48,999,911	74,413,436
7.4	Large Loan Disclosure		
	Kushiara Power Company Limited	4,328,048,784	3,817,024,777
	Grameen Shakti	4,153,787,708	4,507,710,098
	Confidence Power Bogura Limited (CPBL)	3,555,182,012	3,112,490,859
	Confidence Power Rangpur Limited (CPRL)	3,367,481,207	3,060,902,647
	Doreen Hotels and Resorts Ltd.	3,114,477,953	2,839,989,880
	Sena Kalyan Sangstha (SKS)	2,717,229,475	2,938,092,787
	Rural Services Foundation	2,629,747,670	2,659,009,067
	Regent Energy and Power Ltd.	2,537,039,207	2,262,840,781
	Meghna Cement Mills Limited	2,514,286,324	2,693,304,362
	Feni Lanka Power Limited (FLPL)	2,473,341,066	2,306,622,290
	BSRM Steels Limited (BSRMSL)	2,325,222,657	2,626,312,501
	BRAC University (BRACU)	2,001,068,076	-
	Karnaphuli Power Ltd. (KPL)	1,963,520,282	-
	Zodiac Power Chittagong Limited (ZPCL)	1,884,057,724	2,093,426,036
	Ace Alliance Power Limited (AAPL)	1,814,058,267	1,697,575,959
	City Navigations Limited (CNL)	1,761,916,255	2,438,636,372
	DBL Industrial Park Ltd. (DIPL)*	1,701,713,555	1,757,437,500
	Summit Barisal Power Ltd.	1,673,597,773	1,650,824,101
	Midland East Power Limited (MEPL)	1,585,758,840	1,534,639,327
	Seven Circle (Bangladesh) Limited	1,404,355,230	1,604,977,408
	Nutan Bidyut Bangladesh Limited (NBBL)*	-	5,695,767,515
	City Seed Crushing Industries Limited (CSCIL)*	N/A	1,355,737,500
		49,505,890,064	52,653,321,769

*The above list represents the top 20 large loans based on the outstanding closing balance as on the respective fiscal years. Some of the loan accounts that appeared on the list of top 20 large loans in the previous year were omitted during the current year as those are no longer large loans based on the outstanding balance as at 31 December 2022. However, outstanding balances of such accounts at the end of FY 2022 are Tk. 0 and Tk. 1,209,768,757 in the cases of Nutan Bidyut Bangladesh Limited (NBBL), City Seed Crushing Industries Limited (CSCIL) respectively.

	Notes	2022	2021
		Taka	Taka
7.5	Particulars of Loans, Advances and leases		
	a) Loan considered good in respect of which the FI is fully secured	8,549,730,047	5,581,112,941
	b) Loan considered good in respect of which the FI is partially secured	65,476,729,839	69,560,834,895
	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.	-	-
		74,026,459,886	75,141,947,836
	g) Loan due by directors or officers of the FI or any of them either separately or jointly with any other persons.	46,890,082	39,451,663
	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 separately or jointly with any other persons.	19,135,917	7,223,578
	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 or managing agents or in case of private companies as members.	-	-
	k) Due from other Bank/FI companies.	-	-
	l) Classified loans advances and leases.	-	-
	(i) Classified loans, advances and leases on which interest has not been charged	7,540,087,671	4,313,393,366
	(ii) Provision kept against bad loans, advances and leases	2,285,696,215	638,698,896
	(iii) Interest credited to Interest Suspense Account	875,549,977	906,286,711
		10,701,333,863	5,858,378,973
	m) Cumulative amount of written off loans, advances and leases		
	Opening Balance	2,724,704,865	2,631,853,836
	Amount written off during the year	128,941,670	98,154,676
	Amount received from written off loans and leases during the year	(5,843,176)	(5,303,647)
	Balance of written off loans, advances and leases	2,847,803,359	2,724,704,865
7.6	Maturity grouping of loans and advances		
	On demand	-	-
	Upto one month	264,191,715	123,336,370
	More than one month but less than three months*	3,093,402,582	1,985,801,529
	More than three months but less than one year*	10,702,955,369	7,352,351,074
	More than one year but less than five years*	41,445,385,000	27,676,771,296
	More than five years	18,520,525,428	38,003,687,567
		74,026,460,094	75,141,947,836

* 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.



	Notes	2022 Taka	2021 Taka
7.7	Disclosure for significant concentration		
a)	<u>Advances to allied concerns of Directors</u>	-	-
b)	<u>Advances to Chief Executive and other executives</u>	46,890,082	39,451,663
c)	<u>Advances to customer groups:</u>		
	Bio-electricity	319,828,231	340,250,169
	Biogas program	52,847,347	84,491,854
	Economic Zone	2,186,227,536	2,260,358,742
	Environmental Services	652,599,560	698,051,232
	Industrial Energy Efficiency	15,670,945,713	12,161,585,583
	Infrastructure Backward Linkage Industry	7,668,992,241	7,978,520,653
	IT & Telecommunication	100,406,027	101,406,028
	Port	20,182,523	25,534,147
	Power & Energy	30,551,226,920	32,773,700,459
	SHS program	9,807,071,148	12,507,285,924
	Social/ Tourism Infrastructure	3,335,334,437	3,082,538,967
	Solar BTS	-	45,393,129
	Solar grid-tied	565,678,479	597,620,415
	Solar Irrigation	1,322,856,747	1,658,230,817
	Solar Mini-grid	339,397,010	384,496,775
	Solar rooftop	1,385,976,092	403,031,279
		74,026,460,094	75,141,947,835
7.8	Geographical Location - wise Loans and Advances		
	Inside Bangladesh		
	Dhaka Region	30,488,223,399	25,947,546,277
	Chattogram Region	17,751,333,682	17,363,356,486
	Khulna Region	4,168,944,376	4,757,465,226
	Rajshahi Region	4,517,225,652	4,277,494,652
	Barisal Region	3,817,703,528	9,921,504,984
	Rangpur Region	5,701,886,333	5,699,155,326
	Sylhet Region	6,178,413,535	5,986,311,298
	Mymensingh Region	1,402,729,590	1,189,113,587
		74,026,460,094	75,141,947,836
	Outside Bangladesh	-	-
		74,026,460,094	75,141,947,836
7.9	Classification of loans and advances		
	Unclassified		
	Standard	62,496,422,849	64,925,146,653
	Special Mention Account	3,989,949,573	5,903,407,817
		66,486,372,422	70,828,554,469
	Classified*		
	Sub-Standard	887,177,724	2,869,100,359
	Doubtful	3,914,814,695	596,797,360
	Bad or loss	2,738,095,252	847,495,648
		7,540,087,671	4,313,393,366
		74,026,460,094	75,141,947,836

*Out of the total classified loan amount of Tk. 754 crore, an amount of Tk. 507.64 crore is related to SHS program portfolio and an amount of Tk. 168.14 crore is related to the brick manufacturing projects portfolio. Notably, these are government priority development sectors and due to certain setbacks, loans under these portfolios are struggling. Classified loan without considering SHS program stands at Tk. 246.37 crore (3.33%) and without considering both the SHS and brick manufacturing program stand at Tk. 78.22 crore (1.06%).

			Notes	2022	2021
				Taka	Taka
7.9.1	Particulars of required provision for loans and advances				
Status	Base for provision	Rate (%)			
General provision					
Standard loans/ advances	62,034,409,318	1%		594,573,965	581,092,248
Standard loans/ advances (DFIM circular no. 33 applied)	-	1%		117,882,803	65,097,502
*Special provision (as per DFIM circular letter no. 33)		2%		-	130,195,005
Interest receivable on standard loan	338,202,111	1%		3,382,021	3,061,721
Special mention account (SMA)	3,887,570,306	5%		210,984,293	290,771,099
	<u>66,260,181,736</u>			<u>926,823,082</u>	<u>1,070,217,574</u>
Specific provision					
Sub-standard	705,412,368	20%		150,246,824	432,391,393
Doubtful	3,246,714,259	50%		1,623,357,130	220,278,215
Bad/loss	2,285,696,215	100%		2,285,696,215	638,698,896
	<u>6,237,822,842</u>			<u>4,059,300,169</u>	<u>1,291,368,503</u>
Total provision required at 31 December				4,986,123,250	2,361,586,077
Voluntary General Provision				2,333,480,238	2,234,454,813
Total provision kept (note 31)			72,498,004,578	7,319,603,488	4,596,040,890
* As per DFIM circular letter no 33 dated 19 December 2021, 2% additional provision has been reserved against accounts availing deferral facility. Please see note 31.					
Movement of provision for loans and advances					
Opening balance at January 01				4,596,040,890	3,611,554,585
Provision made during the year:					
Regulatory requirement				2,753,478,843	1,082,640,981
Voluntary provision				1,700,000,000	-
				<u>4,453,478,843</u>	<u>1,082,640,981</u>
Adjustment during the year:					
Written-off loan-statutory				(128,941,670)	(98,154,676)
Written-off loan-voluntary				(1,600,974,575)	-
Closing balance at December 31				<u>7,319,603,488</u>	<u>4,596,040,890</u>
7.10	Net Loans and advances				
Closing outstanding balance				74,026,460,094	75,141,947,836
Less: Interest suspense			11.3.1	(540,507,906)	(306,820,271)
Provision for loans and advances			31	(7,319,603,488)	(4,596,040,890)
Net loans and advances				<u>66,166,348,700</u>	<u>70,239,086,675</u>

7.11 Disclosure of disbursement of loan from development partner funded projects during the year
 IDCOL has been implementing various development partner funded projects i.e. WB, ADB, JICA, KFW, AFD etc. A separate books of accounts are maintained under these projects where detailed receipts, payments and utilization under the projects are reported. Disclosures of loan disbursed from various development partner funded projects during the year are given below:



	Notes	2022 Taka	2021 Taka
A.	REREDP-II funded by IDA (Credit # 5158)		
	a) Refinancing to Partner Organizations (POs)	-	-
	b) Loan to other renewable projects	24,715,771	178,946,696
		24,715,771	178,946,696
	REREDP-II funded by IDA (Credit # 5514)		
	a) Refinancing to Partner Organizations (POs)	-	-
	b) Loan to other renewable projects	-	61,392,399
		-	61,392,399
	REREDP-II funded by IDA (Credit # 6202)		
	a) Refinancing to Partner Organizations (POs)	-	-
	b) Loan to other renewable projects	8,171,665	44,609,747
		8,171,665	44,609,747
B.	SREP funded by IDA (Credit # 6363)		
	a) Loan for Rooftop PV projects	340,132,599	71,292,913
		340,132,599	71,292,913
	SREP funded by IDA (Credit # TF0A7640)		
	a) Loan for RFFF establishment	81,236,240	22,513,552
		81,236,240	22,513,552
C.	PPIDF funded by ADB (Loan No. 3554-BAN)		
	Loan to large infrastructure projects (LIP)	-	1,875,000,000
		-	1,875,000,000
	PPIDF funded by ADB (Loan No. 3555-BAN)		
	Refinancing to POs under Renewable Energy Project (REP)	-	111,136,099
		-	111,136,099
D.	Energy Efficiency funded by JICA (Loan# BD-P90)		
	Refinancing to Participating Organizations (POs)	-	-
	Loan to energy efficiency projects	967,919,900	244,158,067
		967,919,900	244,158,067
	Energy Efficiency funded by JICA (Loan# BD-P109)		
	Refinancing to Participating Organizations (POs)	-	-
	Loan to energy efficiency projects	1,082,314,900	-
		1,082,314,900	-
E.	REP Project funded by KfW		
	Loan to C&I grid-connected PV plants and off-grid RE projects	342,643,268	214,094,389
		342,643,268	214,094,389
F.	SUNREF Project funded by AFD		
	Loan for energy efficiency, renewable energy and environmental performance projects	681,217,897	1,179,800,000
		681,217,897	1,179,800,000
	Total	2,446,037,341	4,002,943,862

7.12 As per DFIM Circular No. 08 dated 17 August 2021 and FRC letter (Ref. no-178/FRC/APR/2021/28(17)) dated 21 December 2021, IDCOL is required to obtain and preserve audited financial statements for loans and advances sanctioned/renewed to public interest entity. IDCOL obtained and preserved audited financial statements in its loan files for 100% loans and advances sanctioned/renewed to public interest entity during FY 2022.

	Notes	2022 Taka	2021 Taka
8	Assets including land, building, furniture and fixtures		
	Fixed assets including land, building, furniture and fixtures	Annex-H 116,465,064	97,608,757
	Right-Of-Use Asset	Annex-H 17,115,688	15,287,781
		133,580,753	112,896,539
8.1	Fixed assets including land, building, furniture and fixtures		
	<u>Cost</u>		
	Opening balance at January 01	248,046,447	236,108,511
	Add: Purchased during the year	34,403,965	11,937,936
	Less: Disposal during the year	(7,212,361)	-
	Less: Transfer to held for sale	(2,476,036)	-
	Closing balance at December 31	272,762,014	248,046,447
	<u>Depreciation</u>		
	Opening balance at January 01	150,437,690	134,582,333
	Add: Charged during the year	14,941,956	15,855,357
	Less: Adjustment during the year	(6,606,660)	-
	Less: Transfer to held for sale	(2,476,036)	-
	Closing balance at December 31	156,296,951	150,437,690
	Written Down Value at December 31	116,465,064	97,608,757
	Details of fixed assets are given in Annexure -H		
8.2	Right-Of-Use Asset		
	<u>Recognition</u>		
	Opening balance at January 01	39,937,158	28,956,361
	Add: Recognized during the year	14,052,724	10,980,797
	Less: Disposal during the year	-	-
	Closing balance at December 31	53,989,882	39,937,158
	<u>Depreciation</u>		
	Opening balance at January 01	24,649,377	14,829,927
	Add: Charged during the year	12,224,817	9,819,450
	Less: Adjustment during the year	-	-
	Closing balance at December 31	36,874,194	24,649,377
	Written Down Value at December 31	17,115,688	15,287,781
9	Other Assets		
	Advances, deposits and prepayments	9.1 38,749,834	75,594,125
	Advance income tax	9.2 934,281,709	887,132,875
	Advance VAT	9.3 9,120,339	9,120,339
	Accounts receivables	9.4 200,412,255	199,723,097
	Interest receivables on Investments	2,592,597	3,240,745
	Deferred tax asset	9.5 -	2,924,330
	Non current asset held for sale	9.6 -	-
		1,185,156,733	1,177,735,512

All the assets recorded in "other assets" category are non income generating assets.



	Notes	2022	2021
		Taka	Taka
9.1	Advances, deposits and prepayments		
	Advance for SHS project	1,680,651	2,777,740
	Advance NDBMP project expense	1,691	3,400,017
	Advance under KfW REP	13,789,534	38,056,728
	Advance for other RE projects	81,328	208,385
	Advance for travelling	3,795,901	4,443,950
	Advance subsidy- NDBMP	-	1,843,754
	Advance for Building	-	10,852,811
	Advance for Land	-	6,419,222
	Corporate advisory advance	-	1,530,000
	Directors remuneration	-	210,000
	Rental advance	3,648,898	4,785,898
	Salary advance	-	62,497
	Advance, deposit and prepayments	8,182,769	215,678
	Advance for ICS Program	220,802	137,446
	Others	7,348,261	650,000
		38,749,834	75,594,125
9.2	Advance income tax		
	Opening balance at January 01	887,132,875	822,957,642
	Add: Advance tax (Including TDS) paid during the year	1,481,757,716	959,155,143
	Less: Adjustment with Provision for Tax	(1,434,608,883)	(894,979,910)
	Closing balance at December 31	934,281,709	887,132,875
9.3	Advance VAT		
	Balance at January 01	9,120,339	9,120,339
	Add: Advance VAT paid during the year	-	-
	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
	Receivable from Malawi under advisory program	4,670,743	-
	Receivable from CER fund	20,600,372	-
	Receivable from GCF Fund	144,772	-
	Receivable from AFD	4,365,809	-
	Recivables from KfW-REP -Biogas subsidy	17,594,500	17,695,500
	Fees and other receivable from advisory services	14,394	14,394
	Interest receivable on fixed deposit (FDR)	120,832,276	129,475,841
	Other receivables	1,055,525	12,229,366
	Receivable under RE projects	31,133,865	39,842,451
		200,412,255	199,723,097

	Notes	2022 Taka	2021 Taka
9.4.1	Receivable under RE projects		
	Receivables under IDA 5514 AF	1,749,324	26,558,826
	Receivables under IDA 6202 TA for HE	15,426,715	7,059,368
	Receivables under IDA 6202 TA for AE	8,444,185	6,224,257
	Receivables under IWMI	44,706	-
	Receivables under SREP	5,468,935	-
		31,133,865	39,842,451
9.5	Deferred tax asset	Annex-G	
	Opening balance at January 01	2,924,330	8,484,386
	Provision/(reversal) during the year	(2,924,330)	(5,560,056)
	Closing balance at December 31	-	2,924,330
9.6	Non current asset held for sale		
	Opening balance at January 01	-	-
	Addition during the year	-	-
	Disposed during the year	-	-
	Closing balance at December 31	-	-

IDCOL Board of Directors in its 298th meeting held on 29 December 2022 decided to dispose a total number of 392 non current asset as scrap. Out of this total, a number of 59 units of computers having a written down value of BDT nil at the time of disposal are still in use which will subsequently be disposed after replacement. These computers will be disposed within one year period. Therefore, as per IFRS 5, these assets are kept as held for sale.

10 Borrowings from other banks, financial institutions and agents

Abbreviations

ADB	: Asian Development Bank
AFD	: French Development Agency
BB	: Bangladesh Bank
BKEI	: Brick Kiln Efficiency Improvement
IDA	: International Development Association (The World Bank)
IDB	: Islamic Development Bank
IPFF II	: Investment Promotion and Financing Facility II
KfW	: German Development Bank
NDBMP	: National Domestic Biogas and Manure Programme
PPIDF	: Public-Private Infrastructure Development Facility
PSIDP	: Private Sector Infrastructure Development Project
REREDP	: Rural Electrification and Renewable Energy Development Project
REP	: Renewable Energy Program
SCF	: Strategic Climate Fund
SREP	: Scaling Up Renewable Energy Project

Inside Bangladesh

Unsecured long-term loans from the Government of Bangladesh

IDA financing under PSIDP- (Credit# 2995)	10.1	7,729,423,587	8,053,323,587
IDA financing under REREDP	10.2	20,894,619,740	22,928,913,032
ADB financing under PPIDF (Loan # 2453, 2454, 3045, 3046, 3554 & 3555)	10.3	40,059,745,655	38,039,817,986
IDB financing under REP (Credit # 151)	10.4	547,343,674	631,356,324
KfW financing under NDBMP (Credit # 2006.65.612)	10.5	259,879,471	259,879,471
JICA financing	10.6	10,716,635,941	9,623,503,094
BB Financing under BKEI project	10.7	338,580,721	394,263,755
AFD Financing under CBD 1026-1-W	10.8	1,861,017,897	1,179,800,000
BB Financing under IPFF-II Project	10.9	472,944,596	493,113,888
WB financing under SCF	10.10	115,048,160	22,513,552



	Notes	2022 Taka	2021 Taka
IDA financing under SREP	10.11	705,985,836	71,292,913
KfW financing under REP	10.12	556,737,657	214,094,389
		84,257,962,935	81,911,871,991
<i>Outside Bangladesh</i>		-	-
		84,257,962,935	81,911,871,991
10.1 IDA financing under PSIDP (Credit # 2995)			
Opening balance at January 01		8,053,323,587	8,172,723,587
Add: Drawdown made during the year		-	-
		8,053,323,587	8,172,723,587
Less: Repayment made during the year		(323,900,000)	(119,400,000)
Closing balance at December 31		7,729,423,587	8,053,323,587
10.2 IDA financing under REREDP			
IDA credit # 4643	10.2a	2,684,052,093	3,066,667,397
IDA credit # 3679	10.2b	2,530,532,700	2,641,132,700
IDA credit # 5013	10.2c	5,562,293,665	6,180,326,293
IDA credit # 5158	10.2d	6,168,881,361	6,765,074,048
IDA credit # 5514	10.2e	3,748,343,123	4,083,367,461
IDA credit # 6202	10.2f	200,516,798	192,345,133
		20,894,619,740	22,928,913,032
10.2a IDA credit # 4643			
Opening balance at January 01		3,066,667,397	3,449,282,701
Add: Drawdown made during the year		-	-
		3,066,667,397	3,449,282,701
Less: Repayment made during the year		(382,615,304)	(382,615,304)
Closing balance at December 31		2,684,052,093	3,066,667,397
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		(110,600,000)	-
Closing balance at December 31		2,530,532,700	2,641,132,700
10.2c IDA credit # 5013			
Opening balance at January 01		6,180,326,293	6,798,358,921
Add: Drawdown made during the year		-	-
		6,180,326,293	6,798,358,921
Less: Repayment made during the year		(618,032,628)	(618,032,628)
Closing balance at December 31		5,562,293,665	6,180,326,293
10.2d IDA credit # 5158			
Opening balance at January 01		6,765,074,048	7,200,643,764
Add: Drawdown made during the year		24,715,771	178,946,696
		6,789,789,819	7,379,590,460
Less: Repayment made during the year		(620,908,458)	(614,516,412)
Closing balance at December 31		6,168,881,361	6,765,074,048

	Notes	2022 Taka	2021 Taka
10.2e	GoB Loan REREDP-II (AF) - IDA 5514		
	Opening balance at January 01	4,083,367,461	4,315,573,286
	Add: Drawdown made during the year	-	99,784,363
		4,083,367,461	4,415,357,649
	Less: Repayment made during the year (adjustment)	(335,024,338)	(331,990,188)
	Closing balance at December 31	3,748,343,123	4,083,367,461
10.2f	GoB Loan REREDP-II (AF II) - IDA 6202		
	Opening balance at January 01	192,345,133	147,735,386
	Add: Drawdown made during the year	8,171,665	44,609,747
		200,516,798	192,345,133
	Less: Repayment made during the year (adjustment)	-	-
	Closing balance at December 31	200,516,798	192,345,133
10.3	ADB financing under PPIDF (Loan # 2453 & 2454)		
	ADB credit # 2453 -REP	3,682,590,106	4,112,598,292
	ADB credit # 2453 -SMIP	221,753,540	247,647,227
	ADB credit # 2454 -LIP	4,902,580,400	4,638,965,760
	ADB credit # 3045 -OCR	7,685,600,000	7,202,050,000
	ADB credit # 3046 -SF	573,585,509	609,420,607
	ADB credit # 3554 -OCR	22,120,000,000	20,355,500,000
	ADB credit # 3555 -COL	873,636,099	873,636,099
		40,059,745,655	38,039,817,986
10.3a	ADB credit # 2453 -REP		
	Opening balance at January 01	4,112,598,292	4,503,045,725
	Add: Drawdown made during the year		
		4,112,598,292	4,503,045,725
	Less: Repayment made during the year	(430,008,186)	(390,447,433)
	Closing balance at December 31	3,682,590,106	4,112,598,292
10.3b	ADB credit # 2453 -SMIP		
	Opening balance at January 01	247,647,227	271,158,695
	Add: Drawdown made during the year		
		247,647,227	271,158,695
	Less: Repayment made during the year	(25,893,687)	(23,511,468)
	Closing balance at December 31	221,753,540	247,647,227
10.3c	ADB credit # 2454 -LIP		
	Opening balance at January 01	4,638,965,760	5,009,763,520
	Add: Drawdown made during the year	-	-
		4,638,965,760	5,009,763,520
	Less: Repayment made during the year	(503,325,020)	(424,864,960)
	Add: Fair value adjustment (exchange loss)	766,939,660	54,067,200
	Closing balance at December 31	4,902,580,400	4,638,965,760



	Notes	2022	2021
		Taka	Taka
10.3d	ADB credit # 3045 -OCR		
	Opening balance at January 01	7,202,050,000	7,625,700,000
	Add: Drawdown made during the year	-	-
		7,202,050,000	7,625,700,000
	Less: Repayment made during the year	(445,350,000)	(423,650,000)
	Add: Fair value adjustment	928,900,000	-
	Closing balance at December 31	7,685,600,000	7,202,050,000
10.3e	ADB credit # 3046 -SF		
	Opening balance at January 01	609,420,607	645,255,705
	Add: Drawdown made during the year	-	-
		609,420,607	645,255,705
	Less: Repayment made during the year	(35,835,098)	(35,835,098)
	Closing balance at December 31	573,585,509	609,420,607
10.3f	ADB credit # 3554 OCR		
	Opening balance at January 01	20,355,500,000	18,301,000,000
	Add: Drawdown made during the year	-	1,875,000,000
		20,355,500,000	20,176,000,000
	Less: Repayment made during the year	-	-
	Add: Fair value adjustment (exchange loss)	1,764,500,000	179,500,000
	Closing balance at December 31	22,120,000,000	20,355,500,000
10.3g	ADB credit # 3555 COL		
	Opening balance at January 01	873,636,099	762,500,000
	Add: Drawdown made during the year	-	111,136,099
		873,636,099	873,636,099
	Less: Repayment made during the year	-	-
	Closing balance at December 31	873,636,099	873,636,099
10.4	IDB financing under REP (Credit # 151)		
	Opening balance at January 01	631,356,324	715,368,974
	Add: Drawdown made during the year	-	-
		631,356,324	715,368,974
	Less: Repayment made during the year	(84,012,650)	(84,012,650)
	Less: Fair value adjustment	-	-
	Closing balance at December 31	547,343,674	631,356,324
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

	Notes	2022 Taka	2021 Taka
10.6	JICA financing under REDP (Credit # P 75, P 90 & P 109)		
	JICA credit # P 75	5,385,239,677	5,895,073,654
	JICA credit # P 90	3,956,754,767	3,728,429,439
	JICA credit # P 109	1,374,641,496	-
		10,716,635,941	9,623,503,094
10.6a	JICA financing under REDP (Credit # P 75)		
	Opening balance at January 01	5,895,073,654	6,404,907,631
	Add: Drawdown made during the year	-	-
		5,895,073,654	6,404,907,631
	Less: Repayment made during the year	(509,833,977)	(509,833,977)
	Add: Fair value adjustment	-	-
	Closing balance at December 31	5,385,239,677	5,895,073,654
10.6b	JICA financing under REDP (Credit # P 90)		
	Opening balance at January 01	3,728,429,439	3,728,429,439
	Add: Drawdown made during the year	223,838,085	-
		3,952,267,524	3,728,429,439
	Less: Repayment made during the year	-	-
	Add: Fair value adjustment	4,487,243	-
	Closing balance at December 31	3,956,754,767	3,728,429,439
10.6c	JICA financing under REDP (Credit # P 109)		
	Opening balance at January 01	-	-
	Add: Drawdown made during the year	1,374,641,496	-
		1,374,641,496	-
	Less: Repayment made during the year	-	-
	Add: Fair value adjustment	-	-
	Closing balance at December 31	1,374,641,496	-
10.7	BB Financing under BKEI project		
	Opening balance at January 01	394,263,755	422,105,272
	Add: Drawdown made during the year	-	-
		394,263,755	422,105,272
	Less: Repayment made during the year	(55,683,034)	(27,841,517)
	Less: Fair value adjustment	-	-
	Closing balance at December 31	338,580,721	394,263,755
10.8	AFD Financing under CBD 1026-1-W		
	Opening balance at January 01	1,179,800,000	519,273,000
	Add: Drawdown made during the year	681,217,897	679,819,000
		1,861,017,897	1,199,092,000
	Less: Repayment made during the year	-	(19,292,000)
	Closing balance at December 31	1,861,017,897	1,179,800,000

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	Notes	2022 Taka	2021 Taka	
10.9	BB Financing under IPFF-II Project			
	Opening balance at January 01	493,113,888	480,374,794	
	Add: Drawdown made during the year	-	12,808,091	
		493,113,888	493,182,885	
	Less: Repayment made during the year	(20,169,292)	(68,997)	
	Closing balance at December 31	472,944,596	493,113,888	
10.10	WB financing under SCF			
	Opening balance at January 01	22,513,552	-	
	Add: Drawdown made during the year	92,534,608	22,513,552	
		115,048,160	22,513,552	
	Less: Repayment made during the year	-	-	
	Closing balance at December 31	115,048,160	22,513,552	
10.11	IDA financing under SREP			
	Opening balance at January 01	71,292,913	-	
	Add: Drawdown made during the year	634,692,923	71,292,913	
		705,985,836	71,292,913	
	Less: Repayment made during the year	-	-	
	Closing balance at December 31	705,985,836	71,292,913	
10.12	KfW financing under REP			
	Opening balance at January 01	214,094,389	-	
	Add: Drawdown made during the year	342,643,268	214,094,389	
		556,737,657	214,094,389	
	Less: Repayment made during the year	-	-	
	Closing balance at December 31	556,737,657	214,094,389	
10.13	Maturity-wise grouping			
	On demand	-	-	
	Upto one month	-	-	
	More than one month but less than three months*	2,421,827,738	1,270,813,782	
	More than three months but less than six months*	2,974,758,858	2,022,791,583	
	More than six months but less than one year*	6,267,917,645	5,846,619,678	
	More than one year but less than five years*	32,625,276,662	31,445,515,559	
	More than five years but less than ten years*	29,265,339,713	30,434,029,732	
	More than ten years	10,702,842,320	10,892,101,657	
		84,257,962,936	81,911,871,990	
	* 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 ten years respectively.			
11	Other Liabilities			
	Payable and accrued expenses	11.1	1,379,940,682	761,822,925
	Provision for income tax	32	869,517,499	1,434,584,285
	Employees' gratuity fund	11.2	-	-
	Interest suspense account	11.3	582,312,222	356,005,143
	Provision for loans and advances	31.3	7,319,603,489	4,596,040,890
	Provision for short term investment	31.4	1,200,000,000	900,000,000

	Notes	2022 Taka	2021 Taka
Grant fund received from development partners	11.4	39,097,893	39,991,285
Lease liability	11.5	15,137,252	12,454,630
Deferred tax liability	11.6	14,385,946	-
Unearned Revenue		-	4,865,486
Provisions for other assets	31.5	262,275	16,348,622
Provisions for off balance sheet items	31.6	240,292	240,292
		11,420,497,550	8,122,353,558
11.1 Payable and accrued expenses			
Interest payable to GoB	11.1a	701,911,586	359,717,772
Accrued expenses		683,350	1,264,350
Certified Emission Reductions (CERs) Proceeds		207,824,138	-
Initial deposit under REREDP (Loan # IDA - 5158)		48,779,629	73,495,400
Initial deposit under REREDP (Loan # IDA 5514)		88,106,482	19,331,526
Initial deposit under REREDP (Loan # IDA 6202)		8,332,301	16,503,966
Other payables		43,290,156	53,630,073
Payable to IDCOL Staffs		12,795	12,795
Penalty for ICS		2,472,000	2,472,000
Payable of audit fees		453,663	-
Payable of legal and professional fees		805,000	-
REREDP PO's deposit (Loan # 3679)		187,891,716	183,488,065
Retention from POs under KFW REP program		3,776,500	2,076,000
Retention from POs under WB GCF 4774 ICS Program		37,718,988	-
Retention HE IDA 5158 ICS		18,180	-
Retention HE IDA 6202 ICS		40,574,315	42,512,050
Security deposit from POs under NDBMP project		6,729,863	6,686,863
SHS maintenance expenses -Disaster		560,020	560,020
VAT and Tax Payable		1	72,045
		1,379,940,682	761,822,925
11.1a Interest payable to GoB			
Interest payable to GoB-PPIDF (Credit # 2453 & 2454)	11.1a.1	77,014,441	19,689,806
Interest payable to GoB - REREDP	11.1a.2	14,723,480	10,887,166
Interest payable to GoB - IDB (Credit # 151)		9,811	11,319
Interest payable to GoB - JICA (Credit # P 75, P 90 and P 109)		167,653,863	119,690,971
Interest payable to GoB - OCR & SF (Credit # 3045 & 3046)		115,806,596	50,299,152
Interest payable to GoB - OCR & SF (Credit # 3554 & 3555)		313,029,250	147,357,958
Interest payable to GoB - BB BKEI Project		7,840,152	9,311,112
Interest payable to GoB - AFD CBD 1026		3,317,659	1,671,383
Interest payable to GoB- SCF TF0A7640		797,861	-
Interest payable to GoB- KfW REP		1,665,659	784,738
Interest payable to GoB- IPFF II		52,812	14,165
		701,911,586	359,717,772
11.1a.1 Interest payable to GoB - PPIDF			
Payable against Credit # 2453 -IEEF		3,326,302	3,714,707
Payable against Credit # 2454 -LIP		73,688,139	15,975,100
		77,014,441	19,689,806



	Notes	2022	2021
		Taka	Taka
11.1a.2	Interest payable to GoB - REREDP		
	Payable against Credit # 4643	121,454	138,766
	Payable against Credit #5013	135,179	150,199
	Payable against Credit # 5158	8,097,184	8,537,220
	Payable against Credit # 5514	229,433	181,339
	Payable against Credit # 6202	1,879,643	1,879,641
	Payable against Credit # 6363	4,260,586	-
		<u>14,723,480</u>	<u>10,887,166</u>
11.2	Employees' gratuity fund		
	Opening balance at January 01	-	-
	Add: Provision made during the year	27,030,706	11,558,301
		<u>27,030,706</u>	<u>11,558,301</u>
	Less: Settlement made during the year (Transfer to BoT)	(27,030,706)	(11,558,301)
	Closing balance at December 31	-	-
11.3	Interest suspense account		
	Opening balance at January 01	356,005,143	476,116,876
	Add: Amount transferred to "Interest Suspense" A/c during the year	875,549,977	906,286,711
		<u>1,231,555,120</u>	<u>1,382,403,587</u>
	Less: Transferred to Income during the year	(649,242,898)	(1,026,398,444)
	Amount written off during the year	-	-
		<u>582,312,222</u>	<u>356,005,143</u>
11.3.1	Interest suspense account		
	Interest on loans and advances	11.3.1.1 540,507,906	306,820,271
	Interest on short-term investment*	11.3.1.2 41,804,316	49,184,872
		<u>582,312,222</u>	<u>356,005,143</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 their ongoing liquidity crisis. Therefore, considering the ongoing liquidity crisis and adverse impact of COVID-19 on financial market, interest accrued on FDRs maintained with some of the FIs has been transferred to interest suspense account as per IAS 37.		
11.3.1.1	Interest suspense account- loans and advances		
	Opening balance at January 01	306,820,271	413,916,170
	Add: Amount transferred to "Interest Suspense" A/c during the year	875,549,978	906,286,711
		<u>1,182,370,249</u>	<u>1,320,202,881</u>
	Less: Transferred to Income during the year	(641,862,343)	(1,013,382,610)
	Amount written off during the year	-	-
		<u>540,507,906</u>	<u>306,820,271</u>
11.3.1.2	Interest suspense account- short-term investment		
	Opening balance at January 01	49,184,872	62,200,706
	Add: Amount transferred to "Interest Suspense" A/c during the year	-	-
		<u>49,184,872</u>	<u>62,200,706</u>
	Less: Transferred to Income during the year	(7,380,556)	(13,015,834)
	Amount written off during the year	-	-
		<u>41,804,316</u>	<u>49,184,872</u>

	Notes	2022 Taka	2021 Taka
11.4	Grant Fund received from development partners		
	Opening balance at January 01 (Written Down Value)	39,991,285	37,034,893
	Add: Assets received during the year	7,767,994	11,135,706
		47,759,279	48,170,599
	Less: Amortization/disposal made during the year	(8,661,386)	(8,179,314)
	Closing balance at December 31 (Written Down Value)	39,097,893	39,991,285
	Development partner wise disclosures of cumulative grant assets		
	Grant assets received from:		
	The World Bank	115,835,622	112,203,200
	SNV - Netherlands Development Organization	2,522,016	3,644,259
	KFW-NDBMP	953,712	1,043,007
	Total value at cost (a)	119,311,350	116,890,466
	Accumulated amortization:		
	The World Bank	76,771,515	72,303,983
	SNV - Netherlands Development Organization	2,517,016	3,605,359
	KFW-NDBMP	924,928	989,837
	Total amortization (b)	80,213,459	76,899,179
	Written down value (a - b)	39,097,891	39,991,287
11.5	Lease Liability		
	Opening Balance as at Jan 01	12,454,630	10,221,685
	Add: Addition during the year	12,056,192	9,414,491
	Less: Adjustment during the year	(9,373,570)	(7,181,546)
	Closing Balance as at Dec 31	15,137,252	12,454,630
11.6	Deferred tax liability	Annex-G	
	Opening balance at January 01	-	-
	Provision/(reversal) during the year	14,385,946	-
	Settlement during the year	-	-
	Closing balance at December 31	14,385,946	-
12	Paid-up Capital		
	<u>Authorized capital</u>		
	100,000,000 Ordinary shares @ Tk. 100 each	10,000,000,000	10,000,000,000
	<u>Issued, subscribed and paid-up capital</u>		
	78,800,000 shares @ Taka 100 each	7,880,000,000	7,380,000,000



Details of shareholding position of the company

Name of shareholders	No. of shares as at 31 December 2022	No. of shares as at December 31, 2021	Paid up capital as at December 31, 2022	Paid up capital as at December 31, 2021
Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	78,799,000	73,799,000	7,879,900,000	7,379,900,000
Ms. Sharifa Khan	450	-	45,000	-
Dr. Ahmad Kaikaus	50	50	5,000	5,000
Mr. Abu Hena Md. Rahmatul Muneem	50	50	5,000	5,000
Ms. Fatima Yasmin	50	450	5,000	45,000
Mr. Abdur Rouf Talukder	-	50	-	5,000
Mr. M. Tofazzel Hossain Miah	50	50	5,000	5,000
Mr. Tapon Kanti Ghosh	50	50	5,000	5,000
Mr. Md. Habibur Rahman	50	50	5,000	5,000
Mr. Abdul Baki	-	100	-	10,000
Mr. Md. Shahriar Kader Siddiky	50	-	5,000	-
Ms. Nihad Kabir	50	50	5,000	5,000
Mr. Abdul Haque	50	50	5,000	5,000
Mr. A. K. M. Nurul Fazal Bulbul	50	50	5,000	5,000
Mr. Alamgir Morshed	50	-	5,000	-
	78,800,000	73,800,000	7,880,000,000	7,380,000,000

12.1 Statutory Reserve

As per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997, IDCOL is exempted from complying with section 9 (Statutory Reserve) of the Financial Institutions Act, 1993. As such, maintenance of a Statutory Reserve is not required for IDCOL.

13 Retained earnings

Opening Balance as at Jan 01		2,714,759,557	2,078,874,575
Add: Prior year adjustments	13.1	-	(849,007)
Add: Net profit for the year		1,349,793,068	1,096,733,989
Less: Payment of dividend			
- Bonus shares		(500,000,000)	(230,000,000)
- Cash dividend		(500,000,000)	(230,000,000)
Less: Statutory Reserve		-	-
		3,064,552,625	2,714,759,557

13.1 Prior year adjustments

Waive of LPC income from SKS LPG	13.1.1	-	849,007
		-	849,007

13.1.1 In 2020, an amount of Tk. 849,007 was shown as LPC income received from SKS LPG. However, during FY 2021, the Board waived the LPC income resulting in adjustment of the said LPC income from retained earnings.

14 Income Statement

Income			
Interest and similar income	15	5,202,632,873	4,879,535,336
Investment income	17	41,018,519	62,001,850
Fees and commission	18	192,027,382	152,537,520
Other Operating income	19	3,441,399,013	196,588,337
		8,877,077,787	5,290,663,042
Expenses			
Interest on deposits and borrowings	16	1,405,674,854	913,523,851
Administrative expenses	20-27	298,683,298	236,441,035
Other operating expenses	29	157,655,755	138,336,167
Depreciation on assets	28	27,166,775	25,674,807
		1,889,180,682	1,313,975,860
		6,987,897,105	3,976,687,182

15 Interest income

Interest on loans and advances	15.1	4,176,437,683	4,302,483,970
Interest on balance with other banks & financial institutes	15.2	1,026,195,190	577,051,366
		5,202,632,873	4,879,535,336

	Notes	2022 Taka	2021 Taka
15.1	Interest Income on loans and advances		
	Interest on Infrastructure loan	15.1.1 3,954,143,078	4,099,564,942
	Interest on Renewable Energy Project loan	15.1.2 220,129,711	200,449,462
	Interest on employee car loan & home loan	2,164,894	2,469,566
		4,176,437,683	4,302,483,970
15.1.1	Interest Income on Infrastructure loan		
	Interest income-Infra-IF	2,356,774,115	2,415,721,220
	Interest income-Infra-IEEF	1,107,846,134	1,208,870,415
	Interest income-Infra-PPP	489,522,830	474,973,307
		3,954,143,078	4,099,564,942
15.1.2	Interest Income on Renewable Energy Project loan		
	Interest on Biogas project	2,571,296	5,163,833
	Interest on Biogas advance facility	-	1,164,635
	Interest on Other renewable energy project	217,558,415	194,120,994
		220,129,711	200,449,462
15.2	Interest on balance with other bank & FIs		
	Interest on short term bank deposit	20,526,393	40,652,211
	Interest on fixed deposit	15.2.1 1,002,039,033	536,150,613
	Interest on call money lending	3,629,764	248,542
		1,026,195,190	577,051,366
15.2.1	Due to the downward trend of the business and liquidity crisis of some NBFIs over the years, there is significant uncertainty about the inflow of economic benefits from interest on FDR. Hence, interest income from some FDR with NBFIs were left aside in computation of interest income on fixed deposit in such cases where it is probable that such income may not flow to the company.		
16	Interest on deposits, borrowings etc.		
	Borrowing cost under REREDP	16.1 48,746,743	43,574,022
	Borrowing cost under PPIDF	16.2 1,185,079,164	739,869,310
	Borrowing cost under JICA	16.3 78,974,937	70,229,321
	Borrowing cost under IPFF II	12,591,724	15,345,399
	Borrowing cost under IDB	233,314	265,641
	Borrowing cost under BB	18,478,916	20,637,667
	Borrowing cost under AFD	52,405,117	17,682,391
	Borrowing cost under KfW	9,164,939	5,920,100
		1,405,674,854	913,523,851
16.1	Borrowing cost under REREDP		
	Interest against Credit # 4643	1,026,573	1,161,019
	Interest against Credit #5013	1,122,200	1,238,846
	Interest against Credit # 5158	28,601,722	29,373,546
	Interest against Credit # 5514	4,649,380	4,673,790
	Interest against Credit # 6202	6,352,496	6,144,513
	Interest against Credit # 6363	5,731,889	746,554
	Interest against Credit # TF0A7640	1,262,483	235,754
		48,746,743	43,574,022



	Notes	2022 Taka	2021 Taka
16.2	Borrowing cost under PPIDF		
	Borrowing cost under PPIDF (Credit # 2453 & 2454)	16.2.1 149,332,023	71,357,743
	Borrowing cost under PPIDF II (Credit # 3045 & 3046)	16.2.2 263,501,759	176,630,693
	Borrowing cost under PPIDF III (Credit #3554 & 3555)	16.2.3 772,245,383	491,880,874
		1,185,079,164	739,869,310
16.2.1	Borrowing cost under PPIDF (Credit # 2453 & 2454)		
	Interest against Credit # 2453 -SMIP (IEEF)	11,843,010	13,100,640
	Interest against Credit # 2453 -REP	-	-
	Interest against Credit # 2454 -LIP	137,489,013	58,257,103
		149,332,023	71,357,743
16.2.2	Borrowing cost under PPIDF II (Credit # 3045 & 3046)		
	Interest against Credit # 3045 - OCR (BDT & USD)	262,284,090	175,339,422
	Interest against Credit # 3046 -SF	1,217,669	1,291,271
		263,501,759	176,630,693
16.2.3	Borrowing cost under PPIDF III (Credit # 3554 & 3555)		
	Interest against Credit # 3554 - OCR	415,694,449	343,194,451
	Interest against Credit # 3554 - OCR USD	329,977,839	123,910,025
	Interest against Credit # 3555 - SF	26,573,095	24,776,398
		772,245,383	491,880,874
16.3	Borrowing cost under JICA (Credit # P 75 & P 90)		
	Interest against Credit # P 75	30,253,582	32,945,021
	Interest against Credit # P 90	37,755,034	37,284,300
	Interest against Credit # P 109	10,966,321	-
		78,974,937	70,229,321
17	Investment income		
	Investment income-Pref. Share Inv.	41,018,519	62,001,850
		41,018,519	62,001,850
	This refers to the dividend income against investment in preferred stock. As per Finance Act 2022, 20% tax is applicable to the said investment income.		
18	Commission, fees, exchange and brokerage		
	Fees income from renewable energy project	18.1 100,000	1,983,460
	Fees income from infra project	18.2 178,515,471	140,330,731
	Income from advisory services	13,411,911	10,223,329
		192,027,382	152,537,520
18.1	Fees income from renewable energy project		
	Fees for GCF project	-	1,863,460
	Enlistment of RE equipment	100,000	120,000
		100,000	1,983,460
18.2	Fees income from infra project		
	Participation & arrangement fees	9,801,136	20,131,085
	Loan application, processing & documentation fees	505,000	1,964,361
	Due diligence fees	18,305,951	2,007,250
	Commission income	-	314,518

	Notes	2022 Taka	2021 Taka
Commitment charges		-	2,100,242
Waiver, cancellation & prepayment fees		119,650,642	49,564,651
Upfront fees		14,137,095	34,000,000
Agency & monitoring Fees		16,115,647	30,248,625
		178,515,471	140,330,731
19 Other operating income			
Exchange gain	19.1	3,309,198,141	176,741,817
Deferred income (grant income)		8,661,386	8,179,319
Others		123,539,486	11,667,201
		3,441,399,013	196,588,337
19.1 Exchange gain			
Realized exchange gain		5,041,753	-
Unrealized exchange gain		3,304,156,388	176,741,817
		3,309,198,141	176,741,817
<p>The aforesaid net unrealised exchange gain has been originated due translation of monetary assets and liabilities at the closing exchange rate. Due to the significant variation in closing exchange rates between 31 December 2021 and 2022, the amount is substantially higher than the previous year. As the Company's foreign currency denominated assets (primarily cash at bank) are higher than the foreign currency liabilities (borrowings), due to the depreciation of functional currency (BDT) net exchange gain has been originated.</p> <p>Since the unrealised exchange gain/loss is not subject to income tax, and in future due to movement in exchange rates the unrealised amount would always change, no deferred tax has been recognised on this balance. Any tax implication will be considered at the time of any such exchange gain/loss is realized.</p>			
20 Salary and allowances			
Salary and allowances		224,585,341	188,002,073
Gratuity		25,412,927	11,502,136
		249,998,268	199,504,209
21 Rent, taxes, insurance and electricity etc.			
Rent		2,664,132	2,664,142
Insurance premium		3,969,432	5,974,650
Electricity & utilities		1,146,226	801,686
Holding & land tax		238,367	238,367
		8,018,157	9,678,845
22 Professional & Legal expenses			
Legal Expenses		1,661,706	1,634,014
Professional fees	22.1	7,144,745	4,017,577
		8,806,451	5,651,591
22.1 Professional fees			
Consultancy under JICA Projects		4,844,876	4,017,577
Other professional fees		2,299,870	-
		7,144,745	4,017,577
23 Postage, stamp, telecommunication, etc.			
Postage and courier		166,274	171,037
Telephone, fax and e-mail		3,902,740	3,527,733
		4,069,014	3,698,770



	Notes	2022 Taka	2021 Taka
24 Stationery, printing, advertisements, etc.			
Printing and stationeries		2,230,693	2,161,539
Marketing, promotion & business dev. Exp.		8,267,607	1,995,719
Advertisement		3,708,526	1,334,913
		14,206,826	5,492,170
25 Chief Executive's salary and benefits			
Salary		4,029,300	4,565,100
Allowances		3,100,810	3,593,123
Bonus		2,519,100	123,600
Company's contribution to provident fund		366,667	393,260
		10,015,877	8,675,083
26 Directors' fees			
Honorarium for attending board meetings		2,816,711	2,983,370
Incidental expenses for attending meeting		298,332	303,334
		3,115,043	3,286,704
27 Auditors' fees			
		453,663	453,663
		453,663	453,663
28 Depreciation and repair of company's assets			
Depreciation of company's assets	28.1	14,941,958	15,855,357
Depreciation on Right-of-use asset	28.2	12,224,817	9,819,450
		27,166,775	25,674,807
28.1 Depreciation of Company's assets			
Office space		-	-
Furniture & fixture		3,960,875	4,123,332
Interior decoration		2,414,942	3,561,986
Computer & computer equipment		2,129,460	1,816,424
Other office equipment		3,973,387	3,996,479
Software		139,640	-
Vehicle		2,323,654	2,357,136
		14,941,958	15,855,357
28.2 Depreciation on Right-of-use asset			
Rented Office Space		12,224,817	9,819,450
		12,224,817	9,819,450
29 Other operating expenses			
AGM and other meeting expenses		2,489,900	1,038,268
Bank and other charge		7,852,552	4,488,948
Books and periodicals		31,107	1,087,659
Car Maintenance -reimbursement		12,011,000	11,702,000
Conveyance and travelling expense		1,740,886	1,197,163
Corporate advisory service expense		-	113,142
Credit rating expenses		268,750	268,750

	Notes	2022 Taka	2021 Taka
CSR activities expenses		10,750,000	4,650,000
Entertainment		2,668,405	2,162,412
Fees to regulatory authorities		56,628	593,343
IT & automation expense		565,736	409,372
Leave fare assistance		9,472,723	9,462,061
Lease interest expense		304,099	168,106
Loss on disposal of fixed assets		294,244	-
Litigation cost & court fees		1,171,590	183,602
Maintenance and utility of UTC building		2,382,494	2,109,568
Membership subscription fees		255,555	-
Monitoring expense		4,729,177	1,248,184
Office supplies and maintenance		2,257,428	2,339,535
Operations and logistics		2,700,368	1,527,625
Other office expenses		-	263,088
Payment to intern & adhoc employees		-	30,000
Provision other than loans	29.1	-	10,651,889
Recruitment cost		2,720,060	656,608
Repair and maintenance		1,870,764	4,132,679
Retreat and review meeting exp		7,237,689	5,027,368
Seminar, workshop & roadshows		1,839,069	557,004
Stamps and duties		18,307	18,715
SPF, gratuity fund and other audit fee		115,000	417,600
Training and exposure visit		471,994	186,234
Tuition fee reimbursement		27,713	-
Vehicle fuel & maintenance expense		8,514,343	4,003,269
Expenses under TR/KABITA	29.2	72,838,175	67,641,976
		157,655,755	138,336,167
29.1 Provision other than loans			
Provision for other asset		-	10,411,597
*Provision for off balance sheet items		-	240,292
		-	10,651,889
*As per Bangladesh Bank DFIM circular no-4 dated 26 July 2021, 1% on off balance sheet item has been kept as provision during FY 2021.			
29.2 Operating Expenses under TR/KABITA			
Salary & allowances		55,319,274	44,872,646
Physical verification expenses		14,818,010	19,271,121
Monitoring expenses		37,950	98,900
Meeting & entertainment expenses		512,965	755,032
Travelling & conveyance		242,271	213,921
Operation & logistics		1,907,705	2,430,356
		72,838,175	67,641,976
30 Charges on loan losses		-	-
		-	-



	Notes	2022 Taka	2021 Taka
31	Provision for loans and advances, short term investment and other than loans		
	Provision for loans and advances	7,319,603,489	4,596,040,890
	Provision for short-term investment	1,200,000,000	900,000,000
	Provision for other assets	262,275	16,348,622
	Provision for off balance sheet items	240,292	240,292
		8,520,106,056	5,512,629,804
31.1	Movement of provision for loans and advances, short term investment and other than loans		
	Opening balance at January 01	5,512,629,804	4,217,491,611
	Provision made for the year	5,050,150,619	1,450,794,401
	Provision released during the year	(312,758,161)	(57,501,532)
	Provision charged during the year	4,737,392,458	1,393,292,869
	Less. Written off/waived	(1,729,916,206)	(98,154,676)
	Closing balance at December 31	8,520,106,056	5,512,629,804
31.2	Break-up of provision for loans and advances		
	General provision	926,823,082	940,022,570
	Special provision (as per DFIM circular no.33)	-	130,195,005
	Specific provision	4,059,300,169	1,291,368,503
	Voluntary provision	2,333,480,238	2,234,454,813
		7,319,603,488	4,596,040,890
31.3	Movement of provision for loans and advances		
	Opening balance at January 01	4,596,040,890	3,611,554,585
	Provision made for the year	4,750,150,619	1,082,699,029
	Provision released during the year	(296,671,814)	(58,049)
	Provision charged during the year	4,453,478,805	1,082,640,980
	Less. Written off/waived	(1,729,916,206)	(98,154,676)
	Closing balance at December 31	7,319,603,489	4,596,040,890
31.3.1	Movement of provision for loans and advances- statutory provision		
	Opening balance at January 01	2,361,586,077	1,377,099,772
	Provision made for the year	3,050,150,619	1,082,699,029
	Provision released during the year	(296,671,815)	(58,049)
	Provision charged during the year	2,753,478,804	1,082,640,980
	Less. Written off/waived	(128,941,631)	(98,154,676)
	Closing balance at December 31	4,986,123,250	2,361,586,077
31.3.2	Movement of provision for loans and advances- voluntary provision		
	Opening balance at January 01	2,234,454,813	2,234,454,813
	Provision made for the year	1,700,000,000	-
	Provision released during the year	-	-
	Provision charged during the year	1,700,000,000	-
	Less. Written off/waived	(1,600,974,575)	-
	Closing balance at December 31	2,333,480,238	2,234,454,813

* 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.

	Notes	2022 Taka	2021 Taka
31.4	Movement of provision for short term investment		
	Opening balance at January 01	900,000,000	600,000,000
	Provision made for the year	300,000,000	300,000,000
	Provision released during the year	-	-
	Provision charged during the year	300,000,000	300,000,000
	Less. Written off/waived	-	-
	Closing balance at December 31	1,200,000,000	900,000,000
	As per the recommendation of Bangladesh Bank, since 2019, IDCOL has been maintaining provision for short-term investment kept in various financial institutions considering their liquidity crisis to mitigate default risk.		
31.5	Movement of provision for other assets		
	Opening balance at January 01	16,348,622	5,937,025
	Provision made for the year	-	67,855,080
	Provision released during the year	(16,086,347)	(57,443,483)
	Provision charged during the year	(16,086,347)	10,411,597
	Less. Written off/waived	-	-
	Closing balance at December 31	262,275	16,348,622
31.6	Movement of provision for off-balance sheet		
	Opening balance at January 01	240,292	-
	Provision made for the year	-	240,292
	Provision released during the year	-	-
	Provision charged during the year	-	240,292
	Less. Written off/waived	-	-
	Closing balance at December 31	240,292	240,292
31.7	Break-up of provision made during the year		
	General provision	(13,199,488)	122,216,743
	Special provision (as per DFIM circular no.33)	(130,195,005)	130,195,005
	Specific provision	4,497,847,872	830,229,233
	Voluntary provision on loans and advances	99,025,425	-
	Voluntary provision on short term investment	300,000,000	300,000,000
	Provision for other assets	(16,086,347)	-
	Provision for off-balance sheet	-	-
		4,737,392,457	1,382,640,981
32	Provision for income tax		
	Opening balance at January 01	1,434,584,285	844,966,332
	Add: Provision made during the year	869,517,499	1,434,584,285
	Add: Provision made for FY 2020 (AY 2021-22)	-	50,013,578
		2,304,101,783	2,329,564,195
	Less: Settlement of previous year's tax liabilities	(1,434,584,285)	(894,979,910)
	Closing balance at December 31	869,517,499	1,434,584,285
	Tax expenses		
	Deferred tax (income)/ expense	17,310,276	5,560,056
	Current tax expense	869,517,499	1,434,584,285
	Tax payment for appeal FY 2017 (AY 2018-19)	10,000,000	-
	Prior year tax	3,883,805	57,167,873
		900,711,580	1,497,312,214



Reconciliation of effective tax rate	2022		2021	
	Taka	%	Taka	%
Tax on profit before taxes	900,201,859	40.00%	1,037,618,481	40.00%
<u>Adjustment of tax effect for</u>				
Provision for non-deductible expenses	2,272,161,710	100.96%	940,651,908	36.26%
Adjustment/provision released during the year	(1,619,083,292)	-71.94%	(514,370,737)	-19.83%
Tax on investment income	8,203,704	0.36%	12,400,370	0.48%
Adjustment for loan write off during the year	(691,966,482)	-30.75%	(41,715,737)	-1.61%
Other adjustments (net)	-	0.00%	-	0.00%
Effective tax rate	869,517,499	38.64%	1,434,584,285	55.30%

Notes	2022	2021
	Taka	Taka
33 Earnings per share (EPS)		
<u>Profit attributable to ordinary shareholders</u>		
Net profit for the year	1,349,793,068	1,096,733,988
Ordinary shares at January 01	55,000,000	55,000,000
Bonus shares issued during 2018	5,000,000	5,000,000
Bonus shares issued during 2019	5,000,000	5,000,000
Bonus shares issued during 2020	6,500,000	6,500,000
Bonus shares issued during 2021	2,300,000	2,300,000
Bonus shares issued during 2022	5,000,000	5,000,000
Total number of shares at December 31-Restated	78,800,000	78,800,000
Weighted average number of ordinary shares	78,800,000	78,800,000
Earnings per share	17.13	13.92
Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2022 as per International Accounting Standard (IAS)-33. According to IAS-33, EPS for the period ended 31 December 2021 was restated for the issuance of bonus shares (for 2021) in 2022.		
34 Net asset value (NAV) per share		
Net asset (total asset - total liabilities) (A)	10,944,552,625	10,094,759,556
Weighted average number of ordinary shares (B)	78,800,000	78,800,000
NAV per share (A/B)	138.89	128.11
Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2022, 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 2022 and 2021 has been based on the new number of shares of 78,800,000. Before adjusting the bonus share NAV of 2021 was Tk.136.79 per share.		
35 Net Operating Cash Flows Per Share (NOCFPS)		
Net cash flows from operating activities (A)	2,216,455,504	6,928,286,608
Total number of ordinary shares outstanding (B)	78,800,000	78,800,000
Net operating cash flows per share (NOCFPS) (A/B)	28.13	87.92
Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2022, weighted average number of shares outstanding for the NOCFPS computation has been retrospectively adjusted for the effect of the bonus issue. As such the NOCFPS calculation for 2022 and 2021 has been based on the new number of shares of 78,800,000. Before adjusting the bonus share NOCFPS of 2021 was Tk. 93.88 per share.		

	Notes	2022	2021
		Taka	Taka
36 Debt service coverage ratio (DSCR)			
Profit/(Loss) before provision & tax		6,987,897,106	3,976,687,183
Depreciation and repair of company's assets	28	27,166,775	25,674,807
Interest on deposits, borrowings etc	16	1,405,674,854	913,523,851
Realization during the year	7.1	13,145,823,802	10,366,820,991
Cash available for debt Service (CADS) (A)		21,566,562,537	15,282,706,832
Interest payment	16	1,405,674,854	913,523,851
Principal payment (repayment made during the year)		4,501,191,672	4,005,912,632
Debt Service (B)		5,906,866,526	4,919,436,483
Debt service coverage ratio (DSCR) (A/B)		3.65	3.11

37 Events after the reporting period

Proposed dividend: The Board of Directors in its 303rd meeting held on 19 July 2023 has recommended cash dividend amounting Tk. 600,000,000 and stock dividend amounting Tk. 600,000,000 for the year ended 31 December 2022 for placement before the shareholders for approval on 26th AGM of the Company.

38 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 2022 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	16,060,181	-	3,280,774	12,779,407

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 2022, loans amounting to Tk. 12,779,407 are outstanding with the Deputy CEO & CFO and the Head of Renewable Energy Investment.

39 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 appealed before the Appellate Tribunal of the board and the honorable tribunal has set aside and annulled all the claims demanded by the VAT authority vide order no. "নথি নং-সিইভিটি/কেইস (জাট)-১৯৯/১৮ তারিখঃ ০২/০৭/২০২০". In this order the honorable tribunal has also instructed the commissioner, customs, excise & VAT Commissionerate, Dhaka (South) to reassess the VAT by giving opportunities to all the relevant parties. Accordingly a committee has been formed by the commissioner, customs, excise & VAT Commissionerate, Dhaka (South) office vide letter no. নথি নং-৪/মুসক/৮ (২৮)করফাঁকি/বিচার/১৮/৯৩৪ (০৭), তারিখ ৭/১২/২০২০ including various relevant officers in order to reassess the VAT claim and settle the issue.

40 Accumulated movement of funds under projects

Fund inflow

Long term loans

Loan from IDA under PSIDP	6,210,400,000	6,210,400,000
Loan from IDA under REREDP	3,719,480,586	3,715,076,936
Loan from KfW under solar program	5,230,801	5,230,801
Loan from KfW under NDBMP	259,879,471	259,879,471
	10,194,990,858	10,190,587,208



Notes	2022	2021
	Taka	Taka
<u>Grants received for project implementation</u>		
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 KfW under RE program*	768,995,880	611,234,900
Grant from GIZ under solar program	1,075,300,229	1,075,300,229
Grant provided under JICA-REDP	172,980,423	172,980,423
Grant provided under JICA-EE&EC	220,065,163	220,065,163
Grant provided under ADB-PPIDF	256,712,855	256,712,855
Grant provided WB under USAID	512,818,301	512,818,301
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	171,120,011	171,120,011
Grant received under IDA 5158 (HE)	572,800,231	572,609,957
Grant received under IDA 5158 (AE)	382,416,445	382,416,445
Grant received under IDA 5514 (AF)	548,520,901	461,110,891
Grant received under IDA 6202 (HE)	1,677,381,808	1,311,309,198
Grant received from AFD	19,327,300	19,327,300
Grant received under GCF Trust Fund # 0B4774	604,660,260	115,000,000
Grant received under SREP TF0A7640	28,554,586	10,000,000
Grant from KfW under NDBMP	520,094,670	520,094,670
	15,258,502,713	14,138,853,992
<u>Principal repayment and interest received from projects</u>		
Principal repaid by the projects financed under PSIDP	6,694,860,108	6,694,860,108
Principal repaid by the projects financed under REREDP	3,996,380,165	3,612,632,050
Interest paid by the projects financed under PSIDP	6,888,299,083	6,888,299,083
Interest paid by the projects financed under REREDP	1,327,910,160	1,327,910,160
	18,907,449,516	18,523,701,401
Interest from bank accounts	66,276,969	64,647,480
Exchange gain from bank accounts	413,701,360	25,537,120
	44,840,921,416	42,943,327,200
Fund outflow		
<u>Loans and advances</u>		
Projects financed under PSIDP	6,210,400,000	6,210,400,000
Loan to POs under REREDP	3,715,065,945	3,715,065,945
Loan to POs under KfW funded solar program	5,230,801	5,230,801
Loan to POs under KfW funded NDBMP	227,578,344	227,578,344
	10,158,275,090	10,158,275,090
<u>Grants utilized for project implementation:</u>		
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP	2,855,959,380	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
KfW grants used for project under REP	768,995,880	611,234,900
GIZ grants provided to POs under solar program	902,664,924	902,664,924
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	171,083,341

	Notes	2022	2021
		Taka	Taka
JICA grants used for project under EE&EC		220,186,335	220,186,335
USAID grants provided to POs under REREDP		425,256,649	425,256,649
USAID grants used for project under REREDP		87,561,652	87,561,652
BCCRF grants provided to sponsors under REREDP		708,195,019	708,195,019
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 AFD		632,379,113	622,144,256
Grants provided to POs under IDA 5158 (HE)		271,500,394	271,318,594
Grants used for project under IDA 5158 (HE)		382,416,445	382,416,445
Grants used for project under IDA 5158 (AE)		366,255,360	366,255,360
Grants used for project under IDA 5514 (AF)		340,080,731	252,670,721
Grants Provided to POs under IDA 6202 (HE)		779,032,948	663,823,538
Grants used for project under IDA 6202 (HE)		610,434,255	392,414,211
Grants used for project under TA0A7640		18,554,587	3,380,839
Grant used under GCF Trust Fund # 0B4774		484,497,312	-
Grants provided to POs under SREPGen		171,120,011	171,120,011
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
		14,984,112,699	13,895,624,539
<u>On lending by IDCOL from reflows:</u>			
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		5,195,930,624	4,909,357,862
Refund, tax and charges		73,353,511	70,819,592
Balance at bank	40.4	2,968,550,674	2,448,551,299
		44,840,921,416	42,943,327,200
40.1 Movement during the year			
Fund inflow			
<u>Long term loans:</u>			
Loan from IDA under PSIDP		-	-
Loan from IDA under REREDP		4,403,650	-
Loan from KfW under solar program		-	-
Loan from KfW under NDBMP		-	-
		4,403,650	-
<u>Grants received for project implementation:</u>			
Grant from World Bank (GEF, IDA, GPOBA) under REREDP		-	-
Grant from KfW under solar program		-	-
Grant from KfW under RE program		157,760,980	596,917,625
Grant from GIZ under solar program		-	-
Grant provided under JICA-REDP		-	-
Grant provided under EE&EC		-	22,719,437
Grant provided under ADB-PPIDF		-	-



	Notes	2022	2021
		Taka	Taka
Grant provided WB under USAID		-	-
Grant provided WB under BCCRF		-	-
Grant provided by DFID		-	-
Grant provided by SREPGen		-	34,782,956
Grant received under IDA 5158 (HE)		190,274	-
Grant received under IDA 5158 (AE)		-	-
Grant received under IDA 5514 (AF)		87,410,010	58,227,850
Grant received under IDA 6202		366,072,610	589,127,472
Grant received from AFD		-	19,327,300
Grant received under GCF Trust Fund # 0B4774		489,660,260	115,000,000
Grant received under SREP TFOA7640		18,554,586	10,000,000
Grant from KfW under NDBMP		-	-
		1,119,648,720	1,446,102,640
<u>Principal repayment and interest received from projects:</u>			
Principal repaid by the projects financed under PSIDP		-	-
Principal repaid by the projects financed under REREDP		383,748,115	2,201,826
Interest paid by the projects financed under PSIDP		-	-
Interest paid by the projects financed under REREDP		-	-
		383,748,115	2,201,826
Interest from bank accounts		1,629,490	2,183,389
Exchange gain from bank accounts		388,164,240	25,537,120
		1,897,594,216	1,476,024,975
Fund outflow			
<u>Loans and advances:</u>			
Projects financed under PSIDP		-	-
Loan to POs under REREDP		-	-
Loan to POs under KfW funded solar program		-	-
Loan to POs under KfW funded NDBMP		-	-
		-	-
<u>Grants utilized for project implementation:</u>			
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP		-	-
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP		-	-
KfW grants provided to POs under solar program		-	-
KfW grants used for project under solar program		-	-
KfW grants used for project under REP		157,760,980	596,917,625
GIZ grants provided to POs under solar program		-	-
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		-	-
JICA grants used for project under EE&EC		-	22,719,437
USAID grants provided to POs under REREDP		-	-
USAID grants used for project under REREDP		-	-
BCCRF grants provided to sponsors under REREDP		-	-

Notes	2022	2021	
	Taka	Taka	
BCCRF grants used for project under REREDP	-	-	
DFID grants provided to POs under RE	-	-	
DFID grants used for project under RE	-	-	
Grants provided to POs under AFD	10,234,857	-	
Grants provided to POs under IDA 5158 (HE)	181,800	-	
Grants used for project under IDA 5158 (HE)	-	-	
Grants used for project under IDA 5158 (AE)	-	-	
Grants used for project under IDA 5514 (AF)	87,410,010	58,227,850	
Grants Provided to POs under IDA 6202 (HE)	115,209,410	248,209,527	
Grants used for project under IDA 6202 (AE & HE)	218,020,044	315,979,429	
Grants used for project under TA0A7640	15,173,748	3,380,839	
Grant used under GCF Trust Fund # 0B4774	484,497,312	-	
Grants provided to POs under SREPGen	-	62,579,733	
KfW grants provided to POs under NDBMP	-	-	
KfW grants used for project under NDBMP	-	-	
KfW grants used for project under NDBMP	-	-	
	1,088,488,160	1,308,014,440	
<u>On lending by IDCOL from reflows:</u>			
Projects financed from reflows under PSIDP	-	-	
Projects financed from reflows under REREDP	-	-	
	-	-	
Debt service of IDA loans	286,572,762	286,572,762	
Refund, tax and charges	2,533,919	1,846,160	
Balance at bank	519,999,375	(120,408,387)	
	1,897,594,216	1,476,024,975	
40.2	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 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.		
40.3	The development partners 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, development partners 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.		
40.4	Disclosure for balance at bank accounts maintained under projects (Separately accounted for each project and also audited separately by an independent auditor. Not reflected in the financial statements of the Company except for the disclosures made in this note 40).		
	Bangladesh Bank Repayment account in USD under IDA Credit# 2995-BD	2,579,249,228	2,191,084,988
	Bangladesh Bank Repayment account in BDT under IDA Credit# 2995-BD	20,523	20,523
	Bangladesh Bank Repayment A/c in BDT under IDA Credit# 3679-BD	156,192,321	54,613,319
	Commercial Bank of Ceylon account # 2809007305 under SREPGEN	1,141	861,139



Notes	2022	2021
	Taka	Taka
Janata Bank CONTASA account # 36002256 under IDA 5158 (HE)	6,398	-
Agrani Bank CONTASA A/C # 0200012858680 under IDA 6202 (HE)	93,750,077	60,928,268
Janata Bank CONTASA A/C # 0100226810247 under GCF Trust Fund #OB4774	120,113,378	115,007,467
Janata Bank A/C #0100219078514 under AFD	9,168,081	19,336,964
Agrani Bank CONTASA Account #0200015912769 under SREP #TF0A7640	10,049,527	6,698,632
	<u>2,968,550,674</u>	<u>2,448,551,299</u>

41 Exchange Rate

In consolidated movement of funds, amounts are cumulative and foreign currencies (USD) are converted into equivalent Bangladesh Taka applying exchange rates of BDT 101.00/USD, BDT 0.7362/JPY, prevailing at December 31, 2022 and 85.80/USD, BDT 0.7463/JPY prevailing at December 31, 2021.

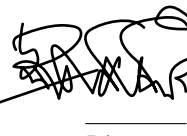
42 General

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


Company Secretary


Executive Director & CEO


Director


Director


Chairman

SCHEDULE OF LOAN DISBURSEMENT FROM REREDP- II PROJECT

Funded by IDA (Credit # 5158, # 5514 and Credit # 6202)

For the year ended 31 December 2022

(A) Loan to other RE Projects (Cat-1) under IDA Credit # 5158

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Dishari Unnoyon Sangstha	-	-	2	3,723,650
2	Dutch Dairy Ltd.	-	-	1	83,150,378
3	Gazi Renewable Energy Ltd.	108	4,648,429	138	9,985,555
4	Npolymer Construction Ltd.	63	20,067,342	-	-
5	Salek Solar Power Ltd.	-	-	72	24,261,054
6	SARPV	-	-	22	17,546,034
7	Sun Home Energy Ltd.	-	-	11	18,734,882
8	WAVE Foundation	-	-	57	21,545,143
	Sub Total (A)	171	24,715,771	303	178,946,696

(B) Loan to other RE Projects (Cat-1) under IDA Credit # 5514

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Bengal Renewable Energy Ltd.	-	-	31	48,307,833
2	SARPV	-	-	22	13,084,566
	Sub Total (B)	-	-	53	61,392,399

(C) Loan to other RE Projects (Cat-1) under IDA Credit # 6202

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Bright Green Energy Foundation	5	8,171,665	-	-
2	Npolymer Construction Ltd.	-	-	21	30,947,258
3	Salek Solar Power Ltd.	-	-	5	10,926,691
4	Sun Home Energy Ltd.	-	-	-	2,735,798
	Sub Total (C)	5	8,171,665	26	44,609,747

	Grand Total (A+B+C)	176	32,887,436	382	284,948,842
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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 SREP PROJECT

Funded by IDA (Credit # 6363 and Credit # TF0A7640)

For the year ended 31 December 2022

(A) Loan to Rooftop PV projects (Cat-2) under IDA Credit # 6363

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	AKH Knitting & Dyeing Limited	-	43,928,000	-	-
2	GPH Renewable Energy Ltd.	-	114,460,606	-	-
3	Janata Jute Mills Ltd.	-	36,933,662	-	-
4	Hatil Complex Ltd.	-	45,950,846	-	-
5	Mega Yarn Dyeing Mills Ltd.	-	13,465,028	-	-
6	NAAFCO Pharma Limited	-	19,692,328	-	-
7	Snowtex Outerwear Ltd.	-	-	-	6,689,829
8	Paragon Poultry Ltd.	-	-	-	22,783,364
9	Rancon Infrastructures and Engineering Ltd.	-	5,313,386	-	-
10	Kazi Farms Ltd.	-	53,963,746	-	-
11	Khantex Fashions Ltd.	-	-	-	5,411,399
12	Fakhruddin Textile Mills Ltd.	-	6,424,997	-	36,408,321
	Sub Total (A)	-	340,132,599	-	71,292,913

(B) Loan for REFF establishment (Cat-1) under Credit # TF0A7640

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	AKH Knitting & Dyeing Limited	-	13,872,000	-	-
2	GPH Renewable Energy Ltd.	-	36,145,455	-	-
3	Mega Yarn Dyeing Mills Ltd.	-	4,252,114	-	-
4	NAAFCO Pharma Limited	-	6,218,630	-	-
5	Snowtex Outerwear Ltd.	-	-	-	2,112,578
6	Paragon Poultry Ltd.	-	-	-	7,194,747
7	Rancon Infrastructures and Engineering Ltd.	-	1,677,911	-	-
8	Kazi Farms Ltd.	-	17,041,183	-	-
9	Khantex Fashions Ltd.	-	-	-	1,708,863
10	Fakhruddin Textile Mills Ltd.	-	2,028,947	-	11,497,365
	Sub Total (B)	-	81,236,240	-	22,513,552
	Grand Total (A+B)	-	421,368,839	-	93,806,465

Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM PPIDF PROJECT

Funded by ADB (Loan # 3554 & 3555)

For the year ended 31 December 2022

Refinancing to POs under Renewable Energy Project (Loan # 3555 -Special Operation)

SL #	Name of sponsors	2022		2021	
		No. of Plant	Amount (Taka)	No. of Plant	Amount (Taka)
1	Sympa Solar Power Ltd.	-	-	-	111,136,099
	Sub Total (A)	-	-	-	111,136,099

Loan to Large Infrastructure Projects (Loan # 3554 -Ordinary Operation)

SL #	Name of sponsors	2022		2021	
		Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
1	Doreen Hotels & Resorts Ltd.		-		1,000,000,000
2	DBL Industrial Park Ltd.	-	-	-	875,000,000
	Sub Total (B)	-	-	-	1,875,000,000
	Grand Total (A+B)	-	-	-	1,986,136,099



SCHEDULE OF LOAN DISBURSEMENT FROM RED PROJECT

Funded by JICA (Loan # BD-P 75 & 90)

For the year ended 31 December 2022

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.

(A) Disbursement detail under Solar Irrigation program

SI #	Name of PO	2022		2021	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
	None	-	-	-	-
Sub-total (A)		-	-	-	-

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.

(B) Disbursement detail under Solar Minigrid program

SI #	Name of PO	2022		2021	
		Pumps (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
	None		-	-	-
Sub-total (B)			-	-	-
Total under Other Renewable Energy program (A+B)			-	-	-

Loan to Energy Efficiency Projects (Loan # JICA BD-P-90)**(C) Disbursement detail under Infrastructure Project**

SI #	Name of PO	2022		2021	
		Units	Amount (Taka)	Units	Amount (Taka)
1	Samuda Power Limited	-	118,900,000	-	-
2	Shanta Holdings Limited	-	804,908,350	-	-
3	Snowtex Sportswear Ltd.	-	44,111,550	-	244,158,067
Sub-total (C)		-	967,919,900	-	244,158,067

Loan to Energy Efficiency Projects (Loan # JICA BD-P-109)**(D) Disbursement detail under Infrastructure Project**

SI #	Name of PO	2022		2021	
		Units	Amount (Taka)	Units	Amount (Taka)
1	Envoy Textiles Ltd.	-	405,770,002	-	-
2	Samuda Power Limited	-	85,000,000	-	-
3	BRAC University	-	591,544,898	-	-
Sub-total (D)		-	1,082,314,900	-	-
Grand Total (A+B+C+D)		-	2,050,234,800	-	244,158,067

SCHEDULE OF LOAN DISBURSEMENT FROM KFW REP PROJECT

Funded by KfW

For the year ended 31 December 2022

(A) Loan for C&I grid-connected PV plants and off-grid RE projects

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	AKH Knitting & Dyeing Limited	-	55,280,328	-	-
2	Fakhruddin Textile Mills Ltd.	-	53,720,668	-	-
3	Hatil Complex Limited	-	60,461,640	-	-
4	Janata Jute Mills Limited	-	43,434,568	-	-
5	K. A. Design Ltd.	-	-	-	15,864,988
6	Kazi Farms Limited	-	60,354,190	-	-
7	Khantex Fashions Limited	-	7,120,263	-	-
8	Libas Textiles Ltd.	-	-	-	17,300,000
9	Mega Yarn Dyeing Mills Limited	-	17,717,143	-	-
10	Naafco Pharma Limited	-	23,902,037	-	-
11	Paragon Poultry Limited	-	-	-	16,870,199
12	Rancon Infrastructures & Engineering Limited	-	6,991,298	-	-
13	Snowtex Outerwear Ltd.	-	13,661,133	-	4,648,115
14	Square Textiles Ltd.	-	-	-	118,465,791
15	United Mymensingh Power Ltd.	-	-	-	40,945,296
	Sub Total (A)	-	342,643,268	-	214,094,389
	Grand Total (A)	-	342,643,268	-	214,094,389



Infrastructure Development Company Limited

SCHEDULE OF LOAN DISBURSEMENT FROM SUNREF PROJECT

Funded by AFD

For the year ended 31 December 2022

(A) Loan to Sponsors for financing of energy efficiency, renewable energy and environmental performance projects

SL #	Name of sponsors	2022		2021	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Comfit Composite Knit Limited	-	681,217,897	-	-
2	Seven Circle Bangladesh Ltd.	-	-	-	1,179,800,000
	Sub Total (A)	-	681,217,897	-	1,179,800,000
	Grand Total (A)	-	681,217,897	-	1,179,800,000

DEFERRED TAX ASSETS

For the year ended 31 December 2022

Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2022			
Fixed assets including land, building, furniture and fixtures	116,465,064	78,019,194	38,445,870
Right of use asset	17,115,688	-	(17,115,688)
Lease Liability	15,137,252	-	15,137,252
Gratuity Provision	-	-	-
General provision other than loans	502,567	-	(502,567)
Total temporary difference	149,220,572	78,019,194	35,964,866
Applicable tax rate			40.0%
Deferred Tax (Asset)/ Liability (see note: 9.5) (A)			14,385,946
Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2021			
Fixed assets including land, building, furniture and fixtures	97,608,757	85,498,416	12,110,341
Right of use asset	15,287,781	-	(15,287,781)
Lease Liability	12,454,630	-	12,454,630
General provision other than loans	16,588,914	-	(16,588,914)
Total temporary difference	141,940,083	85,498,416	(7,311,725)
Applicable tax rate			40.0%
Deferred Tax Asset (see note: 9.5) (B)			(2,924,690)
Movement of Deferred Tax Asset (B-A)			(17,310,636)



Infrastructure Development Company Limited
SCHEDULE OF FIXED ASSETS
as at 31 December 2022

Annexure - H

Particulars of Assets	Cost					Rate	Depreciation				Amount in Taka			
	Balance at 1 Jan 2022	Additions	Disposal / written off	Transfer to held for sale	Balance as at 31 Dec 2022		Accumulated at 1 Jan 2022	Charge for the year	Disposal	Held for sale	Accumulated at 31 Dec 2022	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2022
Office space	19,412,311	-	-	-	19,412,311	10%	16,335,407	-	-	16,335,407	-	-	3,076,904	
Furniture and fixture	42,541,958	120,691	1,658,269	-	41,004,380	10%	20,909,794	3,960,877	1,590,466	23,280,205	67,803	-	17,724,175	
Interior decoration	23,977,634	-	-	-	23,977,634	10%	19,947,306	2,414,939	-	22,362,245	-	-	1,615,389	
Computer & computer equipment	34,028,655	5,295,285	2,560,812	2,476,036	34,287,092	25%	30,678,102	2,129,459	2,504,403	27,827,122	56,409	-	6,459,970	
Other office equipment	42,101,960	910,671	1,704,819	-	41,307,812	10%	16,243,123	3,973,388	1,338,816	18,877,695	366,003	-	22,430,117	
Software	6,191,420	5,506,847	-	-	11,698,266	10%-50%	6,191,420	139,640	-	6,331,060	-	-	5,367,206	
Vehicle	59,660,526	-	1,288,461	-	58,372,065	20%	40,132,534	2,323,653	1,172,975	41,283,212	115,486	-	17,088,853	
Land	20,131,980	549,054	-	-	20,681,034	0%	-	-	-	-	-	-	20,681,034	
Construction in Process- IDCOL Green Tower	-	22,021,417	-	-	22,021,417	0%	-	-	-	-	-	-	22,021,417	
Balance as on 31 Dec 2022	248,046,443	34,403,965	7,212,361	2,476,036	272,762,011		150,437,685	14,941,956	6,606,660	156,296,946	605,701	-	116,465,065	
Balance as on 31 Dec 2021	236,108,507	11,937,936	-	-	248,046,443		134,582,333	15,855,357	-	150,437,690	-	-	97,608,753	
Right-of-use assets														
Office Space (Rent)	39,937,158	14,052,724	-	-	53,989,882		24,649,377	12,224,817	-	36,874,194	-	-	17,115,688	
Balance as on 31 Dec 2022	39,937,158	14,052,724	-	-	53,989,882		24,649,377	12,224,817	-	36,874,194	-	-	17,115,688	
Balance as on 31 Dec 2021	28,956,361	10,980,797	-	-	39,937,158		14,829,927	9,819,450	-	24,649,377	-	-	15,287,781	



Particulars of Assets	Cost			Rate	Depreciation				Written down value as at 31 Dec 2022			
	Balance at 1 Jan 2022	Additions	Disposal / written off		Transfer to held for sale	Balance as at 31 Dec 2022	Charge for the year	Disposal		Held for sale	Accumulated at 31 Dec 2022	Attributable to Asset sold or written off
Office space	19,412,311	-	-	-	19,412,311	10%	-	-	16,335,407	-	-	3,076,904
Furniture and fixture	25,763,682	120,691	755,123	-	25,129,250	10%	2,531,059	697,295	11,144,256	2,531,059	57,828	12,151,229
Interior decoration	11,802,397	-	-	-	11,802,397	10%	766,601	-	10,338,967	-	-	696,829
Computer & computer equipment	8,355,640	2,284,138	908,782	-	9,730,996	25%	898,981	852,373	7,209,897	-	56,409	2,474,491
Other office equipment	9,851,528	910,671	43,921	-	10,718,278	10%	764,822	36,236	4,468,426	764,822	7,685	5,521,266
Software	2,117,749	750,000	-	-	2,867,749	10%-50%	100,000	-	2,117,749	2,217,749	-	650,000
Vehicle	33,720,690	-	157,425	-	33,563,265	20%	1,687,887	142,425	21,923,807	1,687,887	15,000	10,093,996
Land	20,131,980	549,054	-	-	20,681,034	0%	-	-	-	-	-	20,681,034
Construction in Process- IDCOL Green Tower	-	22,021,417	-	-	22,021,417	0%	-	-	-	-	-	22,021,417
Balance as on 31 Dec 2022	131,155,976	26,635,971	1,865,251	-	155,926,697		6,749,350	1,728,329	73,538,510	6,749,350	136,921	77,367,166

Balance as on 31 Dec 2021	130,353,746	802,230	-	-	131,155,976		7,676,043	-	65,862,463	7,676,043	-	57,617,470
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The World Bank

Particulars of Assets	Cost			Rate	Depreciation				Written down value as at 31 Dec 2022			
	Balance at 1 Jan 2022	Additions	Disposal / written off		Transfer to held for sale	Balance as at 31 Dec 2022	Charge for the year	Disposal		Held for sale	Accumulated at 31 Dec 2022	Attributable to Asset sold or written off
Office space	-	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	14,685,526	-	433,768	-	14,251,758	10%	1,428,658	425,793	7,679,946	1,428,658	7,975	5,568,947
Interior decoration	12,175,237	-	-	-	12,175,237	10%	1,648,338	-	9,608,338	1,648,338	-	918,560
Computer & computer equipment	24,281,498	3,011,147	1,467,735	2,324,698	25,824,910	25%	1,230,478	1,467,735	22,076,698	1,230,478	-	3,985,470
Other office equipment	31,446,210	-	1,103,033	-	30,343,177	10%	3,183,637	774,912	11,055,386	3,183,637	328,121	16,879,067
Software	3,674,893	4,756,847	-	-	8,431,739	10%-50%	39,640	-	3,674,893	39,640	-	4,717,206
Vehicle	25,939,836	-	1,131,036	-	24,808,800	20%	635,766	1,030,550	18,208,726	635,766	100,486	6,994,857
Land	-	-	-	-	-	0%	-	-	-	-	-	-
Construction in Process- IDCOL Green Tower	-	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2022	112,203,200	7,767,994	4,135,572	2,324,698	115,835,622		8,166,518	3,698,990	72,303,987	8,166,518	436,582	39,064,107
Balance as on 31 Dec 2021	101,067,494	11,135,706	-	-	112,203,200		8,135,172	-	64,168,811	8,135,172	-	39,899,217

SNV-Netherlands Development Organisation

Particulars of Assets	Cost				Rate	Depreciation				Accumulated at 31 Dec 2022	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2022
	Balance at 1 Jan 2022	Additions	Disposal / written off	Transfer to held for sale		Balance as at 31 Dec 2022	Charge for the Year	Disposal	Held for sale				
Office space	-	-	-	-	10%	-	-	-	-	1,619,372	-	-	-
Furniture and fixture	2,092,750	-	469,378	-	10%	2,085,591	-	-	-	-	2,000	-	4,000
Interior decoration	-	-	-	-	10%	-	-	-	-	-	-	-	-
Computer & computer equipment	537,916	-	95,000	151,338	25%	537,916	-	151,338	442,916	-	-	-	-
Other office equipment	614,815	-	557,865	-	10%	583,074	543	-	-	55,950	30,198	-	1,000
Software	398,778	-	-	-	10%-50%	398,778	-	-	-	398,778	-	-	-
Vehicle	-	-	-	-	20%	-	-	-	-	-	-	-	-
Land	-	-	-	-	0%	-	-	-	-	-	-	-	-
Construction in Process- IDCOL Green Tower	-	-	-	-	0%	-	-	-	-	-	-	-	-
Balance as on 31 Dec 2022	3,644,259	-	1,122,243	151,338		3,605,359	1,703	1,090,045	151,338	2,517,016	32,198	-	5,000

Balance as on 31 Dec 2021	3,644,259	-	-	-		3,585,603	19,756	-	-	3,605,359	-	-	38,900
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Particulars of Assets	Cost				Rate	Depreciation				Accumulated at 31 Dec 2022	Attributable to Asset sold or written off	Attributable to Asset held for sale	Written down value as at 31 Dec 2022
	Balance at 1 Jan 2022	Additions	Disposal / written off	Transfer to held for sale		Balance as at 31 Dec 2022	Charge for the Year	Disposal	Held for sale				
Office space	-	-	-	-	10%	-	-	-	-	-	-	-	-
Furniture and fixture	-	-	-	-	10%	-	-	-	-	-	-	-	-
Interior decoration	-	-	-	-	10%	-	-	-	-	-	-	-	-
Computer & computer equipment	853,600	-	89,295	-	25%	853,600	-	89,295	-	764,305	-	-	-
Other office equipment	189,407	-	-	-	10%	136,237	24,386	-	-	160,623	-	-	28,784
Software	-	-	-	-	10%-50%	-	-	-	-	-	-	-	-
Vehicle	-	-	-	-	20%	-	-	-	-	-	-	-	-
Land	-	-	-	-	0%	-	-	-	-	-	-	-	-
Construction in Process- IDCOL Green Tower	-	-	-	-	0%	-	-	-	-	-	-	-	-
Balance as on 31 Dec 2022	1,043,007	-	89,295	-		989,837	24,386	89,295	-	924,928	-	-	28,784
Balance as on 31 Dec 2021	1,043,007	-	-	-		965,451	24,386	-	-	989,837	-	-	53,170

INTEGRATED REPORTING 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.	37-43 94-143 273-274	CEO's statement, Programs and Projects of IDCOL, 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:	65-167 44-64 192-195	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 	65-167 44-64 192-195	About IDCOL, Director's Report, Report on Internal Control
<ul style="list-style-type: none"> Ownership and operating structure including size of the organization, location of its operations) 	17 150-151 61-62	Representation in IDCOL Board of Directors, Organogram, Directors' Report (Internal Audit Section)
<ul style="list-style-type: none"> Principal activities and markets 	37-43 92-93 94-143 273-274	CEO's statement, National Footprint, Programs and Projects of IDCOL, 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) 	94-143	Programs and Projects of IDCOL
<ul style="list-style-type: none"> Position within the value chain 	90-91	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	229-239 251-254 263-328	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) 	37-43 94-143	CEO's statement, Programs and Projects of IDCOL
<ul style="list-style-type: none"> The legitimate needs and interests of key stakeholders 	94-143	Programs and Projects of IDCOL
<ul style="list-style-type: none"> Macro and micro economic conditions, such as economic stability, globalization, and industry trends 	44-64	Director's Report
<ul style="list-style-type: none"> Market forces, such as the relative strengths and weaknesses of competitors and customer demand 	94-143	Programs and Projects of IDCOL
<ul style="list-style-type: none"> The speed and effect of technological change 	94-143	Programs and Projects of IDCOL
<ul style="list-style-type: none"> Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems 	242-244	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 	212-217 218-219 220-228 245-248	IDCOL's Contribution Towards Green Financing, Sustainable Financing in Industrial Energy Efficiency Sector, Compliance of Environmental and Social Safeguards at IDCOL Funded Projects, Disaster Management
<ul style="list-style-type: none"> The legislative and regulatory environment in which the organization operates 	192-195 44-64	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 	94-143	Programs and Projects of IDCOL
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.	44-64	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 	20-26 44-64 146-149	Director's Profile, Director's Report, Profile of the IDCOL Management
<ul style="list-style-type: none"> Mandatory and voluntary code of corporate governance adopted by the Company. 	63	Director's Report (Corporate Governance Section)
<ul style="list-style-type: none"> Code of ethical conduct adopted by the Company in relation to ethical business. 	192-195	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 	201-208 192-195	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 	44-64 37-43 200	Director's Report, CEO's statement, 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 	44-64 37-43 200	Director's Report, CEO's statement, Statement of CRO
<ul style="list-style-type: none"> Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies 	169-174	Director's Responsibility
<ul style="list-style-type: none"> The responsibility those charged with governance take for promoting and enabling innovation 	44-64 169-174	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. 	229-239	Human Resource Management
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.	94-143 92-93 90-91	Programs and Projects of IDCOL, National Footprint, Value Creation Structure

SL No.	Page Reference	Chapter/ Section Reference
<ul style="list-style-type: none"> 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 unrespects 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.	94-143 90-91	Programs and Projects of IDCOL, Value Creation Structure
An integrated report need to identify the various forms of capitals which are essential for the success of its business operations.	94-143 90-91	Programs and Projects of IDCOL, 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.	37-43 295-303	CEO's statement, 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.	229-239	Human Resource Management
Intellectual Capital -Organizational Knowledge based intangibles.		
Human Capital -People's competences, 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.	94-143	Programs and Projects of IDCOL
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	94-143 90-91	Programs and Projects of IDCOL, Value Creation Structure
An integrated report need to describe the business model, including key:		
<ul style="list-style-type: none"> Inputs Business activities Outputs Outcomes 	94-143	Programs and Projects of IDCOL
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 A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organization Narrative flow that is logical given the particular circumstances of the organization Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment 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). 	94-143	Programs and Projects of IDCOL



SL No.	Page Reference	Chapter/ Section Reference
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.	94-143 90-91	Programs and Projects of IDCOL, 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) 	37-43 94-143	CEO's statement, Programs and Projects of IDCOL
<ul style="list-style-type: none"> How the organization approaches the need to innovate 	37-43	CEO's statement
<ul style="list-style-type: none"> How the business model has been designed to adapt to change. 	94-143 90-91 37-43	Programs and Projects of IDCOL, Value Creation Structure, CEO's statement
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	37-43 229-239	CEO's statement, Human Resource Management
Outputs		
An integrated report identifies an organization's key products and services. There might be other outputs, such as byproducts and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.	94-143 90-91	Programs and Projects of IDCOL, 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) 	94-143 90-91 240-241 259-260 261-262 263-328	Programs and Projects of IDCOL, Value Creation Structure, Contribution to National Economy, Value Added and EVA Statement, Five factor DuPont Analysis 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). 	37-43 90-91	CEO's statement, 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	37-43 44-64 251-254	CEO's statement, 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 	14-15 37-43 44-64 251-254 255-258	Performance at a Glance, CEO's statement, Director's Report, Financial Highlights & Review, Horizontal & Vertical Analysis,
<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 	44-64 90-91	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 	44-64 201-208	Director's Report, IDCOL Risk Management Report

SL No.	Page Reference	Chapter/ Section Reference
<ul style="list-style-type: none"> The linkages between past and current performance, and between current performance and the organization's outlook. 	250 251-254 255-258 185 263-328 209-210 37-43	Key Operating and Financial Highlights, Financial Highlights & Review, Horizontal & Vertical Analysis, Organizational Highlights, Audited Financial Statements, Capital Adequacy and Market Discipline, CEO's statement
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).	94-143	Programs and Projects of IDCOL
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.	201-208 37-43 44-64 200	IDCOL Risk Management Report, CEO's statement, 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 effectiveness of the system of internal controls.	201-208 200 192-195	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 (egg: 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 course, 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. 	201-208 200 192-195	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)	32-36 37-43	Chairman's communique, CEO's statement
An integrated report needs to identify:		
<ul style="list-style-type: none"> The organization's short, medium and long term strategic objectives 	65-167 32-36 37-43	About IDCOL, Chairman's letter, CEO's statement
<ul style="list-style-type: none"> The strategies it has in place, or intends to implement, to achieve those strategic objectives 	32-36 37-43	Chairman's letter, CEO's statement



SL No.	Page Reference	Chapter/ Section Reference
<ul style="list-style-type: none"> How the entity has positioned in the wider market 	1 37-43 44-64	Together for Smart Tomorrow CEO's statement, Director's Report
<ul style="list-style-type: none"> How the long term strategies relate to current business model. 	94-143 90-91	Programs and Projects of IDCOL, Value Creation Structure
<ul style="list-style-type: none"> The resource allocation plans it has to implement its strategy 	94-143 90-91	Programs and Projects of IDCOL, Value Creation Structure
<ul style="list-style-type: none"> How it will measure achievements and target outcomes for the short, medium and long term. 	250 251-254 255-258 185 44-64	Key Operating and Financial Highlights, Financial Highlights & Review, Horizontal & Vertical Analysis, 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 	90-91 37-43	Value Creation Structure, CEO's statement
<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 	201-208 192-195	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 	37-43 94-143	CEO's statement, Programs and Projects of IDCOL
<ul style="list-style-type: none"> how the organization develops and exploits intellectual capital 	229-239	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 	212-217 218-219 220-228	IDCOL's Contribution Towards Green Financing, Sustainable Financing in Industrial Energy Efficiency Sector, Compliance of Environmental and Social Safeguards at IDCOL Funded Projects,
<ul style="list-style-type: none"> Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans. 	94-143	Programs and Projects of IDCOL
<ul style="list-style-type: none"> Highlighted challenges facing our company and strategies to counter them 	37-43 94-143	CEO's statement, Programs and Projects of IDCOL
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	37-43 94-143 201-208	CEO's statement, Programs and Projects of IDCOL, 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 	200	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. 	200 37-43	Statement of CRO, CEO's statement
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 	37-43	CEO's statement

SL No.	Page Reference	Chapter/ Section Reference
<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. 	229-239 94-143 90-91	Human Resource Management, Programs and Projects of IDCOL, 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 evaluation of the current outlook.	44-64	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.	209-210 6-10 187-191	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?	273-328	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 	273-328	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 	94-143	Programs and Projects of IDCOL
<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. 	169-174	Director's Responsibility
<ul style="list-style-type: none"> A description of the reporting boundary and how it has been determined 	6-10	Integrated Reporting
E.g.: 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 	6-10 44-64	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).		
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 	6-10 44-64	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 		



SL No.	Page Reference	Chapter/ Section Reference
3. Other Qualitative Characteristics of an Integrated Report		
3.1 Conciseness		
An integrated report should be concise.		Navigating Through the Report
An integrated report need to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information		
E.g.:		
Follows logical structure and includes internal cross-reference as appropriate to limit repetition.		
Express concepts clearly and in as 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	6-10 44-64 169-174	Integrated Reporting, Director's Report, Director's Responsibility
The organization achieves the reliability and completeness through,		
<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 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. 	37-43 94-143	CEO's statement, Programs and Projects of IDCOL
When information includes estimates, this is clearly communicated and the nature limitations of the estimation process are explained.	263-328	Audited Financial Statements, Notes to the Financial Statements
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 	6-10 44-64	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 	6-10	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) 	250 251-254	Key Operating & Financial Highlights, Financial Highlights & Review, Organizational Highlights, Programs and Projects of IDCOL
<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). 	185 94-143	
<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. 	250 251-254 14-15	Key Operating & Financial Highlights, Financial Highlights & Review, Performance at a glance, Organizational Highlights, Programs and Projects of IDCOL, Notes to the Financial Statements
<ul style="list-style-type: none"> Reporting the same KPIs if they continue to be material across reporting period. 	185 94-143 273-328	

SL No.	Page Reference	Chapter/ Section Reference
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.	90-91	Value Creation Structure
<ul style="list-style-type: none"> • Capitals • Content elements 		
<ul style="list-style-type: none"> • Past, Present & Future 		
<ul style="list-style-type: none"> • Finance and other information 	44-64 37-43 169-174	Directors Report, CEO's statement, Director's Responsibility
	263-328	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	90-91 192-195 200	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 	187-191 192-195 200	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 	264-266	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	



