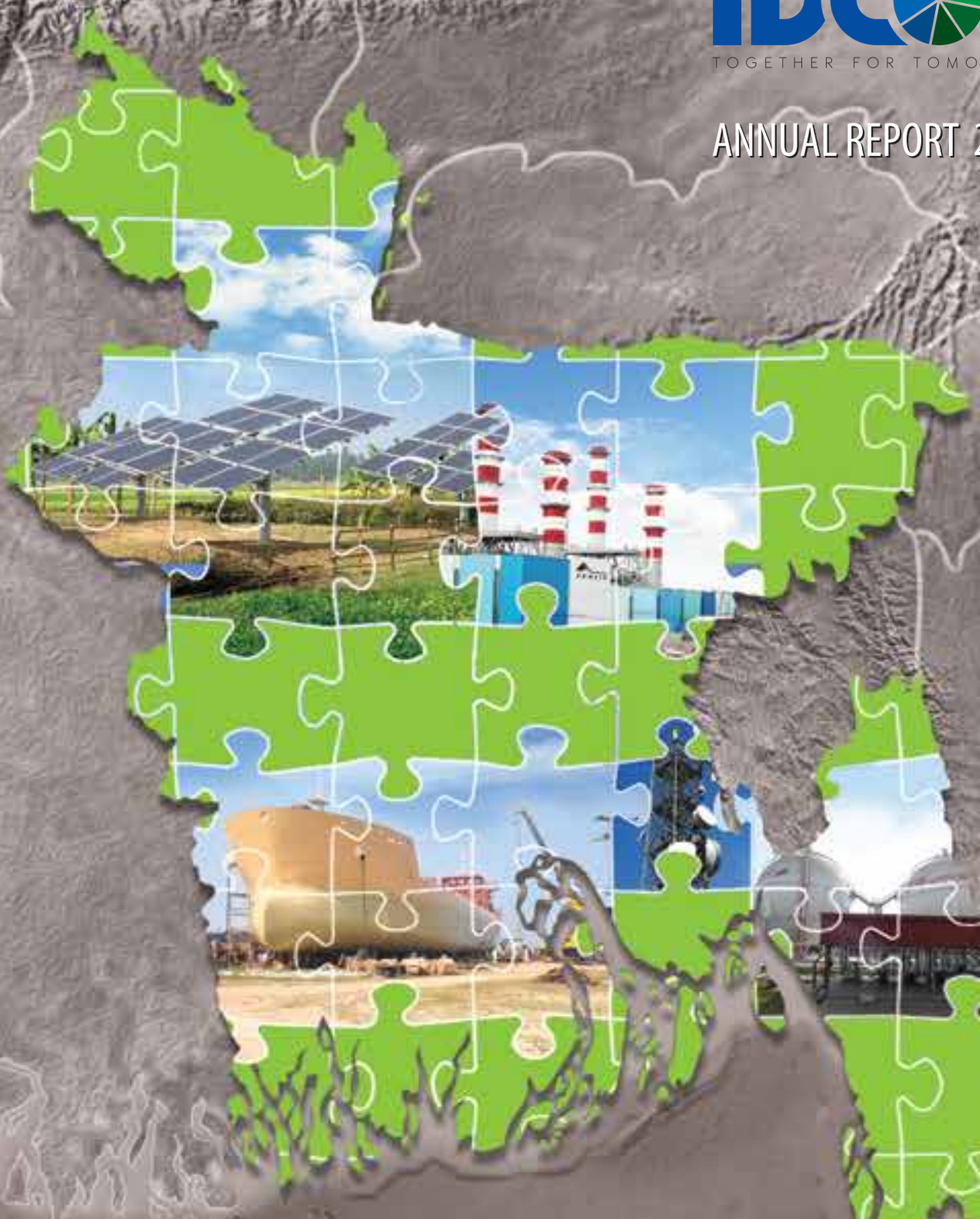
IDCOL

TOGETHER FOR TOMORROW

ANNUAL REPORT 2018



Progression to Shining Delta

PROGRESSION TO SHINING DELTA

The Infrastructure Development Company Limited (IDCOL), a government owned public limited company, incorporated on 14 May 1997, started its journey as a non-bank financial institution on February 1998 with a nominal paid-up capital of BDT 1 lac only. With an equity contribution of BDT 35 crore from the Government of Bangladesh (GoB), the company's paid up capital now stands at BDT 600 crore, remaining being generated out of company's retained earnings, portrays an exemplary performance of the company over the years.

Since its inception, IDCOL is playing a major role in bridging the financing gap for developing large infrastructure, renewable energy and energy efficiency projects in Bangladesh. After a couple of decades, 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.

IDCOL has already emerged a development financial institution and a partner of choice.



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Letter of Transmittal

All Shareholders,

Subject: Annual Report for the year ended on December 31, 2018

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, 2018 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary

Notice of the 22nd Annual General Meeting

The Twenty-second Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on Sunday, 28 April 2019 at 6:30 pm in the office the secretary, Economic Relations Divison (ERD), Room # 3, Block # 8, Sher-e-Bangla Nagar, Dhaka.

Agenda for the meeting are:

1. To consider and adopt the Board of Directors' report of the Company and the Accounts of the Company with the Auditor's Report thereon for the year ended on 31 December 2018.
2. To declare the dividend of the Company for the FY 2018.
3. To consider increase of Company's paid up capital to Tk. 650 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 of the Companies Act, 1994.
5. To appoint auditor(s) and fixing-up their remuneration for the FY 2019.
6. Any other business.

You are requested to kindly attend the meeting.
By order of the Board of Directors

(M. Maftun Ahmed)
Company Secretary

Integrated Reporting

Our 2018 Annual Report has been presented as an 'Integrated Report' with the aim of articulating how IDCOL, as an organization, has effectively managed its business to deliver consistent value to its stakeholders. It encompasses the efforts the company has undertaken towards contributing to economic prosperity, environmental sustainability and social well-being for a brighter and more optimistic future.

Scope and Reporting Boundary

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

In explaining the Company's operations and financial performance, financial information so disclosed has been extracted from the Audited Financial Statements for the FY 2018 with relevant comparative information. The financial statements consistently comply with the requirements of the followings:

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

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

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

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

The scope of our Annual Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as IDCOL does not have operation or subsidiary in other countries. Furthermore, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of December 31, 2018.

External Assurance

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

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

Comparability & Materiality

All the information presented in this report is on the same basis as the 2017 report in terms of the measurement methods applied and time frames used. Ratios used are comparable across the industry. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication to our stakeholders.

Availability of the Annual Report

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

Responsibility over the Integrity of the Integrated Report

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

Sd/-
Mahmood Malik
Executive Director & CEO



Company Information

General Information

Registered Office

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

Business Hours

10 am to 6 pm
Sunday to Thursday

Auditors

ACNABIN
Chartered Accountants

External Legal Panel

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

Bankers

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

Credit Rating of IDCOL

Long-term	:	AA1
Short-term	:	ST-1
Outlook	:	Stable
AA1	:	Financial Institutions rated 'AA' have very strong capacity to meet their financial commitments They differ from the highest-rated Financial Institutions only to a small degree. AA is judged to be of very high quality and is subject to very low credit risk.
ST-1	:	Financial institution rated in this category are considered to have the highest capacity for timely repayment of obligations. Financial Institutions rated in this category are characterized with excellent position in term of liquidity, internal fund generation, and access to alternative sources of funds are outstanding.
Rated by	:	Credit Rating Agency of Bangladesh (CRAB)
Valid till	:	30 June 2019



Chairman's Statement

On behalf of the board of the directors, I am pleased to present the Annual Report along with the audited accounts of our company for the year ended 31 December 2018. FY 2018 was another year of great performance. We have demonstrated we have the right strategy, the right culture and the right market footprint to deliver consistent and sustained value for our stakeholders, and to contribute to Government's target for 2020. Besides this, our Board has re-evaluated the strategic plan to cope up with Bangladesh Bank's intensive and intrusive supervision on credit flows in order to moderate the imbalance from high import growth and shift to a more sustainable trend.

IDCOL's small but exceptional team were fundamental to the delivery of 2018's successful results. With time the team is growing as IDCOL ventures into new business opportunities to drive up economic development of the country.

Overall Performance of 2018

I am delighted to report that IDCOL is sustaining its recovery for the second year from the 2016's radical disruption, due to policy reform. The financial performance of IDCOL for 2018 exceeded expectation as it regained its turnaround momentum with a growth in net income of 33 percent. And the normalized earnings per share were up 21 per cent to BDT 11.72. Our shareholders' equity has also increased from BDT 6,298 million to BDT 6,802 million. Over recent years, we have simultaneously increased our income, earnings per share, capital ratio and cumulative contribution to the Government of Bangladesh (GoB). We are really proud of our consistent track record in creating stakeholders' value.

Our after tax Return on Equity ("ROE") of 10.34% and Return on Asset ("ROA") of 0.85% remain as one of the highest in the industry. This is the result of our continued stringent loan approval process and monitoring techniques. In addition to that, we also believe relationships are the fuel that feeds the success of our business, and therefore we do not only finance but also support the private sector with various capacity building, technology transfer and various market linkage activities to ensure their business performs well.

Board of Directors

IDCOL is managed by an eight member Board of Directors comprising four senior government officials and three prominent business leaders from the private sector nominated by the Government and an appointed full time Executive Director & Chief Executive Officer. IDCOL's Board of Directors formulates broad goals and strategies, states clear objectives and policies to have a framework for the Chief Executive to work within. The Board also helps set priorities for the bank and limit the bank's exposure to excessive risk of all kinds, including legal, reputational and financial. So far the Board members' collective effort has led the company in delivering long-term sustainable success for the benefit of all our shareholders.

IDCOL's mission is 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. Therefore I believe it has a perfect mix of individuals as members of the board, from both the public and the private sector with the relevant experience, skills and determination to take the company forward as a successful for-profit social enterprise.

Preserving Values

As a state owned NBFI, trust in our commitment for the greater good is the value-added advantage many seek in our business. It builds trust among our stakeholders that we practice Zero-Tolerance policy on corruption and unethical practices. Our culture centers on observing strict statutory compliant practices in all we do, be it our business activities or operations. The Bank follows through the culture of integrity, transparency and good governance in our practice. During the year, initiatives to strengthen our corporate and conduct culture include enhancement of our whistle-blowing policy and code of conduct.

Fulfilling Social Responsibilities for Sustainable Development

As a Government owned financial institution, IDCOL has been working to support the Government of Bangladesh (GoB) in meeting its national target and to attain significant progress of SDGs in Bangladesh. IDCOL has always focused on the need to "put people first" in development processes. And in doing so, IDCOL has supported the activities that are meant to promote social inclusion of the poor and vulnerable; by empowering people, building cohesive and resilient societies, and making institutions accessible and accountable to citizens.

Our economy needs alternative sources of funding to secure finances for infrastructure development, since GoB has limited fiscal space to finance all the investments, as well as the skills needed to design and manage them. GoB is continuously trying to create an investment supporting environment for the private sector. And estimates that for FY 2018-19, out of the total, private investment will be 25.15% of GDP while 8.39% will come from public investment.

Presently Government contributes nearly 90% of infrastructure financing in Bangladesh, while the private sector contributes only 10%. The contribution

of the Government in infrastructure investment is much higher compared to other countries, where the average contribution is 70%. However, it is an achievement that our country is successfully leveraging private sector investment in infrastructure, through institutions like IDCOL, and this indicates that it is well serving its purpose.

Within the 10% of private contribution, IDCOL's sturdy appearance as the co-financier of major first of the kind green infrastructure projects, that caused significant mobilization of private finance is noteworthy. As its includes financing of (a) 2,674 MW IPP Power Projects (b) the 1st private river in Munshiganj (c) largest Central Effluent Treatment Plant (d) 1st PET Recycling Project and many more

Therefore the GoB have high expectation from autonomous financial institutions like IDCOL to crowd in private investment and private management in the infrastructure development arena of the country. To create a sustainable investment practice that not only de-risk the private business, but enables to achieve greater cost-efficiencies and profitability resulting in higher valuations in the capital market.

IDCOL has made significant progress in recent years but we also know there is more to do and we need to continue our efforts to understand and tackle the challenges and opportunities ahead. During the last decade IDCOL has established itself as the face of solar home system in Bangladesh enriching lives of more than 12% of the population, with the help of its private sector partners. And now the initially unrecognized potential of solar energy has become a daily commodity in accessing electricity in every nook and corner of the country. IDCOL further added to the expansion of solar industry by promoting Solar Mini-grid and Solar Irrigation and continues to strengthen the ambition of renewable energy in Bangladesh through its R&D activities.

Alongside, IDCOL began its successful journey towards achieving 10% conservation of total power generation as per Government's power system Master Plan 2016. IDCOL's concessional funding to the industrial sector, which have a huge potential for energy savings have yielded ripple effects. IDCOL has been able to mobilize funds from various development partners like AFD, ADB, GCF and KfW, which provides an opportunity for the country to tap the energy savings in other sectors as well.

IDCOL is also conscious about capitalizing on knowledge dissemination, through various national and international Advisory Services. And is aiding in the replication of IDCOL's Renewable Energy and Energy Efficiency interventions in other countries, thorough skill and knowledge sharing, which is creating new business opportunities abroad and is making IDCOL's presence felt globally.

Having said all of that, we also have to acknowledge that Bangladesh economy and the business/ macroeconomic environment is changing and demand for various infrastructure requirements is rising. The socio-economic aspirations of the people are also changing. And therefore, it is of significance that IDCOL suitably positions itself in this changing market. Therefore, IDCOL has decided that this changing perspective should be pursued through a consciously derived Strategic Plan over the next 3 to 5 years. The ultimate goal is to leverage on the organizational strength to exploit the opportunities available. We are constantly exploring to introduce efficient technologies in renewable energy and enter different infrastructure sub-sectors to diversify revenue streams. We will consider additional opportunities wherein IDCOL will strengthen its current loan offerings as well as advisory services to boost fee based income.

We at IDCOL follow a continuous progress approach, where we want to improve our performance step by step. With this in mind, we continuously strive to enhance our contribution to a sustainable future, so that our stakeholders and beneficiaries can fully trust in our services. So far IDCOL has borne full responsibility to make a positive contribution to the economic and social well-being of our country and this has been proven when IDCOL was awarded as Country's Top Tax Payer for the assessment year 2015-16 and 2014-15 in the category of "Non-Bank Financial Institutions" for depositing highest amount of taxes to the state as a gesture to influence others to be just as compliant.

Management and Colleagues

I would like to thank all of our people for living IDCOL values and going the "extra mile" during 2018. Undoubtedly IDCOL leads a highly talented and experienced management team and we have over 300 colleagues. The commitment, skills and client service standards our colleagues deliver make the difference.

Setting Strategic Direction

Since IDCOL has an advantage of low cost of source of funds, it is looking to expand its presence in the infrastructure sector. Such an expansion would also help IDCOL reduce its concentration risk in the Renewable Energy program. IDCOL in the year 2018 has achieved a disbursement portfolio of 51.17% in Large Infrastructure and 45.34% in Renewable Energy, compared to 39.64% in the Large Infrastructure and

59.82% in Renewable Energy in the year 2016. The shift in the portfolio is expected to continue as Bangladesh economy continues to grow and unravel several infrastructure investment opportunities.

Bangladesh is making significant progress towards fulfillment of "Vision 2021" road map, planning to join the middle-income countries. However according to an Asian Infrastructure Investment Bank (AIIB) report, Bangladesh still requires 24 billion U.S. dollars' worth of investments in infrastructure per year to be adorned with the middle-income country status. And in order to facilitate such investment, organization like IDCOL has to play a significant role as a public-private interface as well as for the purpose of developing the front-end stages of private sector infrastructure investment projects. However, with the graduation of the country from Least Developed Country (LDC) status to a developing country, funds from multilaterals would start to reduce and become expensive. Considering this IDCOL is now strategizing to expand its scope for sourcing concessional funds beyond national territory, to have a breakthrough in mobilizing private capital for infrastructure in the country.

In addition to above IDCOL being a national accredited entity to the Green Climate Fund (GCF), will also have to fulfill the obligation to fund projects that decelerate climate change and contribute to sustainable development in Bangladesh. IDCOL has already funded an Effluent Treatment Plant which is expected to lower disposal of hazardous and toxic wastes. In this regard IDCOL may look to fund water conservation and management projects. However since such projects fall under the purview of local Municipal authorities and the Government, it would be difficult for IDCOL to fund these projects as its current mandate allows only to fund private sector / PPP projects.

As the economy of Bangladesh and the business/ macroeconomic environment is changing and demand for various infrastructure requirements is rising. The socio-economic aspirations of the people are also changing. It is of significance that IDCOL suitably positions itself in this changing market. Therefore, IDCOL has decided that this changing perspective should be pursued through a consciously derived strategic plan over the next 3 to 5 years. The ultimate goal is to leverage on the organizational strength to exploit the opportunities available. We are constantly exploring to introduce efficient technologies in renewable energy and enter different infrastructure sub-sectors to diversify revenue streams. We will consider additional opportunities wherein IDCOL will strengthen its current loan offerings as well as advisory services to boost fee based income.

Acknowledgement

On behalf of the Board of Directors, I would like to thank the Directors, management and all employees of IDCOL for their commitment and contribution during 2018. I would also like to take the opportunity to thank our shareholders, associates, clients, bankers, sub-contractors and suppliers for your continuing understanding and support to IDCOL.



From the CEO's Desk

Bangladesh being able to satisfy all the three graduation criteria, with significant comfort margins, has been adorned with a crown for its achievements in development. This graduation of Bangladesh to developing country, will bring a lot of opportunities and at the same time quite a few challenges as well. Therefore, IDCOL being a state-owned development financial institution will have a strong role to contribute in the upcoming years, to reinforce our country's importance in the international arena.

As we head towards a new era of progress, IDCOL will continue to transform lives and take on new challenges for initiating structural transformation of the economy.

Strategic Action Plan

Experts believe that with the graduation, Bangladesh will lose preferential treatment as it previously received as a LDC, for which the country will face an additional 6.7 percent tariffs resulting in a possible export loss of USD 2.7 billion. The preference erosion will have consequent adverse implications for export earnings, industrial production and jobs unless compensatory measures are put in place.

IDCOL hopes to contribute in this issue, by mobilizing private sector investment for trade facilitation measures, which has the potential to draw Foreign Direct Investment and restore country's export competitiveness or boost export oriented production. In order to do so, IDCOL may have to adjust its conventional financing modality for development projects, as the graduation will drive up interest rates of foreign aid, along with more stringent terms. Therefore, taking into account the possible upcoming scenarios, IDCOL is now realigning its financing strategy to prioritize projects that will help promote private investments.

As seen in FY17-18, private sector investment was 14.02 percent higher compared to the TK 4,564 crore investment the previous fiscal year. And this was mainly because of government steps, related to introducing the One-Stop Service and establishing Special Economic Zones (SEZs) to attract investment have paved the way to luring investment from home and abroad. Similarly, IDCOL with its experience and expertise in infrastructure financing will focus on projects and programs that will catalyze private sector investment.

Facilitating the 2020 Target

In addition to above, IDCOL will continue to support the Government of Bangladesh (GoB) to meet its targets for the year 2020. We are constantly analyzing and measuring our performance against the GoB's vision for the year 2020. In line with GoB's target to generate 10 percent of its electricity through renewable energy by 2020, IDCOL has aligned its business strategy and have mobilized almost BDT 180 crore under its Renewable Energy Program in 2018.

The current initiative for solar power promotion through net metering will be a good opportunity for consumers, to sell their additional solar electricity to the government through net metering system. For which a wide scale adoption of solar generated electricity systems will be ensured in the country. This, will solve a major barrier related to scarcity of land, as different forms of new systems like floating solar and rooftop solar are already becoming increasingly popular among the private sector.

On the other hand, the cost of the solar technology has experienced a sharp decline in the recent years, causing both capital investment and leveled cost of renewable electricity to drop, and thus make it more attractive to the private sector. With all these substances materializing with time, new ventures in the renewable energy sector are becoming more prominent, especially Solar Roof-top projects and Grid tied solar projects.

According to an IDCOL assessment, only textile and spinning mills which are members of Bangladesh Textile Mills Association (BTMA) have an aggregated roof-top space of approximately 420 lac square feet. Considering 100,000 sq. ft. roof space required for 1 MWp solar system, more than 400 MWp solar roof-top systems can be installed in these industries. Besides, there is huge potential for establishing solar roof-top systems in other industries e.g. garments, poultry, etc. It needs to be remembered that future steps in expanding clean energy in the country will require bipartisan participation between the public and the private sectors. Presently, Government contributes nearly 90 percent of infrastructure financing in Bangladesh, while the private sector contributes only 10 percent. The contribution of the Government in infrastructure investment is much higher compared to other countries, where the average contribution is 70 percent. Therefore we are accommodating more space for the private sector and deploying public concessional financing with a key target to mobilize private sector resources.

SREDA under the Ministry of Power, Energy and Mineral Resources, in coordination with various stakeholders including IDCOL have successfully installed 3.02 percent of total power generation through renewable energy. And considering the implementation of large solar power projects and the expansion of net-metering, we hope to get closer to the goal by 2020, if not pass the production limit.

Besides this, as part of the Government's efforts to disseminate cleaner and more sustainable energy to all, IDCOL through private sector entities has installed more than 1.62 million clean stoves in homes and around Bangladesh so far, and has met its initial target of 1 million installation, almost two years ahead of the project completion period. IDCOL is now planning for the next phase of the program with the aim of installing an additional 4 million stoves in the next five years. IDCOL's R&D initiatives upgraded the stoves under the program from Tier 1(>=15%) to Tier 3 (>=35%) level of thermal efficiency. Now, with increases in thermal efficiency, the stoves burn

lesser amount of fuel, which has led to reduced GHG Emission and decreased Indoor Air Pollution significantly.

Moreover, IDCOL is successfully continuing its journey towards achieving 15 percent conservation of total power generation by 2021, as per Government's power system Master Plan 2016. IDCOL has been able to mobilize funds from various development partners like AFD, ADB, GCF and KfW, which provides an opportunity for the country to tap the energy savings in other sectors as well. IDCOL's concessional funding to the industrial sector, to adopt Energy Efficient (EE) machineries, have successfully lead to an annual savings of approximately 5,000 toe, which is equivalent to electricity of savings of approximately 17 MWh over the life of the energy efficient equipment installed. Furthermore, IDCOL by organizing various capacity development and market linkage activities are increasingly sensitizing the market about the benefits of EE equipment. By doing so, we hope to bring out the full potential of this sector and strongly contribute to the energy transition of the country.

Infrastructure and PPP Sector Development

Bangladesh's GDP is expected to grow by 7.9 percent this year, making it the second best performing economy in 2019, according to forecast data by the Economist Intelligence Unit (EIU). As per the UN's World Economic Situation and Prospects 2018 Report, Bangladesh's economy is set to continue expanding at a rapid pace, underpinned by strong domestic demand, especially large infrastructure projects and new initiatives in the energy sector.

The 7th Five Year Plan (2016-2020) presents opportunities in various sectors such as Power, Ports, Gas & Gas related Infrastructure, Social Infrastructure, ICT and other sectors. The GoB has also recognized the importance of Public Private Partnerships to accelerate progress in the infrastructure space. The PPP cell of the Government has identified a total of 43 projects across road, rail, port etc. with total investment requirement of ~USD 14 Bn, for implementation. Leveraging on the GoB's plan for 2020, IDCOL has diversified its portfolio to include power generation, ports, industrial energy efficiency, shipbuilding and shipyard, IT & telecommunication, social and tourism infrastructure, infrastructure backward linkage projects. IDCOL has also invested in LPG plant, Oil & Gas Refinery, Hospital, effluent/waste treatment plants, telecommunications, and environmental services sectors. IDCOL has ventured into financing container terminal projects and currently container terminal projects financed by IDCOL handles 268,000 TEUs p.a. This accounts for 22 percent of the total export container capacity of the country. The infrastructure and PPP projects loan portfolio reached to BDT 39.82 billion as of 2018 with its usual skewness towards power sector which 47.50 percent of the total investment portfolio. The contribution to the company's loan portfolio increased to 66 percent from that of last year's 46 percent.

In the Seventh Five Year Plan (SFYP 2016-2020) the Government of Bangladesh rightly prioritized the need for improved power, energy, transport and other infrastructure for achieving its growth strategy to fulfill the Government's vision 2021 of transforming Bangladesh from a low-income economy to a middle income one. In particular, highest priority was placed in improving the supply of electricity and subsequently major expansion programs in power and gas supplies were identified for implementation. Important programs for improving roads, highways, bridges, railways and water transport networks have been included in the Plan. In addition to this policies and institutional support among other things were also put into effect, to help leverage private investments alongside public investments in the energy and infrastructure sectors. The financing strategy emphasized both public funding as well as financing based on public-private partnership. Emphasis was also placed on improving efficiency and service delivery through a series of structural reforms involving pricing policy and institutional reforms.

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

IDCOL has made an aggregate investment via private sector of USD 357 million to 17 power plants, ranging from rental to IPP, engine based to combined cycle, HSD to natural gas that has installed generation capacity of more than 2,007 MW of electricity.

IDCOL also participated into various syndications and maintained its market presence with strong ties with participating banks and financial institutions. Apart from its regular lending operation, focus has been placed for loan arrangement & subsequent agency operations. A good number of arrangement deals has been signed with various sponsors and the projects are expected to go into commercial operation by 2019-2020.

IDCOL by financing private sector-led infrastructure projects directly supports government's infrastructure development agenda. For the financial year 2018, the Infrastructure Financing Unit of IDCOL, disbursed BDT 10,354.20 million and the major infrastructure financing for the reporting year were for projects relating to power, energy, tourism, health and brick kiln. The power segment constitutes the chunk of 56.97 percent of the total loan portfolio as of December 2018 and it results to the generation of more than 2,007 MW of electricity which is about 12 percent of the National Electricity generation. In 2018, two large infrastructure projects comprising of 150 MW HFO fired Midland East Power Limited

(MEPL) and 149 MW HFO fired Ace Alliance Power Limited (AAPL). In addition, IDCOL also successfully arranged USD 68.6 million for Ace Alliance Power Limited (AAPL) from multilateral development banks.

As part of IDCOL's strategy for service and market diversification, the PPP & Investment Advisory unit of IDCOL provides consultancy and transaction advisory related services to different public and private organizations. In 2018, IDCOL together with Quality Growth Services Pvt Ltd, India provided advisory service to Bangladesh Power Development Board (BPDB) for Designing, Developing, Formulating and Implementing systems on Occupational Health and Safety Assessment Series (OHSAS 18001:2007) and to assist BPDB for obtaining OHSAS 18001:2007 Certification on Dec 31, 2018. Moreover, IDCOL provided consultancy service for a capacity building workshop in Fiji organized by International Renewable Energy Agency (IRENA) focused on strengthening the capacity of local financial institution of Small Island Developing States (SIDS) to appraise and finance renewable energy projects. IDCOL also provided consultancy services to Power Cell of Bangladesh for "Feasibility Study for Electrification of Rangabali Upazila with Renewable Energy" as the part of Government's plan to electrify the whole Rangabali Upazilla under Patuakhali District with renewable energy resources. In addition, IDCOL has partnered with different foreign and local Consulting bodies to develop long term partnership for mutual business development and for offering financial and consultancy related services.

Renewable Energy (RE)

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

The Government of Bangladesh has set a target to ensure electricity for all by 2021. According to the Power Sector Master Plan 2016, installed power generation capacity needs to be increased to 24,000 MW and 39,000 MW by 2021 and 2030, respectively.

Also, according to Renewable Energy Policy 2008, 10 percent of power generation will be sourced from renewable energy by 2020 and as such, more than 2000 MW generation has to be sourced from renewable energy. Notably, about 3.02 percent electric energy is now being generated from renewable energy sources. Bangladesh being a good recipient of solar irradiation plans to source the majority of the renewable energy based power generation from solar energy. However, installation of one mega-watt-peak solar power plant requires approximately 3.5 ~ 4 acres of land. Therefore, land constraint seems to be a challenge in the way of achieving this target for a densely populated country like Bangladesh. In spite of this circumstance, we can still achieve our target by making an optimum use of plenty open rooftops, which will address the space constraint issue for installing solar panels. According to SREDA website, the government has a plan to implement at least 30 MWp solar roof-top systems by 2020.

With the declining price trend of solar panel as well as upward movement in grid electricity tariff, solar roof-top has appeared to be an attractive solution to the industrial sector of Bangladesh. The price of solar panel has declined by 70 percent since 2006 whereas the electricity tariff has increased by 8 percent per year, on average, since 1999. Cost of electricity generation from solar roof-top is BDT 8 - BDT 9 per kWh, which is equivalent to the cost of electricity bought from the utility service providers. The solar roof-top tariff is expected to be cheaper considering the possibility of future power tariff increase of utility electricity.

Furthermore, the current initiative for solar power promotion through net metering will be a good opportunity for consumers, to sell their additional solar electricity to the government through net metering system. For which a wide scale adoption of solar generated electricity systems will be ensured in the country. This, will solve a major barrier related to scarcity of land, as different forms of new systems like floating solar and rooftop solar are already becoming increasingly popular among the private sector.

Another, growing segment of RE is the Solar Irrigation Program, which is aimed to provide an eco-friendly and economic solution to the off-grid agro-economy of Bangladesh. The current diesel consumption for irrigation purpose is costing Bangladesh ~ BDT 7000 crore annually in foreign exchange. Solar pumps can reduce this dependency on fossil fuels for irrigation purpose. The program has so far approved 459 solar irrigation pumps of which 324 are already in operation. IDCOL has targeted to install 1500 pumps by 2016. The project has further targeted to install 50000 pumps by 2025

IDCOL is currently the major financier for Grid Tied Solar projects in Bangladesh and is well set to be the pioneer in this field as well. IDCOL provides up to 75percent of the total Project Cost at Concessionary rate for such projects.

Along with IDCOL's solar projects/programs, its Domestic Biogas & Bio-fertilizer Program and Improved Cook Stove (ICS) Program have proven to be successful interventions in the field of renewable energy. In 2018, a total of 80,666 ICS have been installed against a target of 700,000 ICS installation.

Green Climate Fund (GCF)

The Green Climate Fund (GCF) is a new global fund created to support the efforts of developing countries to respond to the challenge of climate change. GCF helps developing countries like Bangladesh to limit or reduce their greenhouse gas (GHG) emissions and adapt to climate change. It was set up by the 194 countries who are parties to the United Nations Framework Convention on Climate Change (UNFCCC) in 2010, as part of the Convention's financial mechanism. It aims to deliver equal amounts of funding to mitigation and adaptation, while being guided by the Convention's principles and provisions.

In 2015, ERD nominated IDCOL as a potential applicant for accreditation as the National Direct Access Entity (DAE) in Bangladesh, in order to directly access, manage and distribute GCF in the country. Subsequently on September 2015, IDCOL initiated the three-stage accreditation application process for accessing senior concessional loans under GCF's on-lending and blending criteria to implement mitigation projects/programs with intended size up to USD 250 million and having not more than Category B environmental and social risk impact. In June 2017, on the seventeenth board meeting of the GCF, IDCOL received its accreditation to the Fund as a national-level Direct Access Entities from Bangladesh. Presently, IDCOL is developing Funding Proposals for both the private and public sector, and expects to place its first proposal by 2019. IDCOL also received a grant of USD 301,563, as Project Preparation Facility to complete the comprehensive project preparation activities.

Financing Energy Efficiency

The primary energy intensity in Bangladesh has been improving at a rate over 11 percent since 2005 and this is on par with the global energy intensity trend. This means, energy use and economic development have been decoupling with gross domestic product (GDP) growing at a faster pace than primary energy use.

Recognizing the need for strong energy efficiency policy to realize national energy goals, the government has set targets and laid out a clear roadmap for market transformation. The EE&C master plan aims to achieve global best energy intensity in manufacturing and building sectors by 2025 and accelerated penetration of high efficient and super-efficient appliances in the residential sector by 2030.

There is huge potential for end use energy efficiency gains in the manufacturing, residential appliances and commercial buildings. EE&C measures deployed at scale could deliver peak shaving, complement load shedding and minimize negative impact on the economy. Energy savings from the efficiency improvements can reduce the burden of energy subsidies and improve fiscal deficit scenario of Bangladesh. A range of direct and indirect economic benefits can flow from improving energy efficiency, including for employment, productivity, and the incomes of individuals and businesses. Increased energy efficiency can also improve access to energy. Energy efficiency can help increase energy access by ensuring a greater level of energy service per unit of energy consumed. Integrating energy efficiency with energy access interventions can optimize energy system capacity, defer capital expenditure and bring significant economic benefits.

Preferential lending from local financial institutions supported by low cost credit lines from international development finance institutions is the dominant mechanism for energy efficiency financing in the current scenario of Bangladesh. JICA, World Bank, ADB, KfW, AfD and many other development financing institutions are actively operating / designing such credit lines to accelerate investment in niche energy efficiency markets. The Energy Efficiency and Conservation Promotion Financing Project (EECPF) is a 100 Mn USD JICA credit line administered by SREDA, and IDCOL is one of the participating financial institutions for further on-lending this fund at preferential rates to eligible projects based on a predefined criteria.

Under the JICA funded Energy Efficiency and Conservation Promotion Financing Project (EECPFP), IDCOL has approved BDT 208 crore in the in the RMG and Cement sectors, out of which 134 has been already disbursed. The financed project would help the end consumer in saving 25 percent and 34 percent of primary energy consumption in the RMG and Cement facility respectively. This would further lead to an annual savings of approximately 5,000 toe with the installation of these energy efficient equipment. This means that an electricity of savings of approximately 17 MWh over the life of the equipment. This would also result in a cost saving of approximately BDT 14 Crore per year for these installations for the end consumers. It is to be noted that the direct benefit which is only on account of savings on energy bill cost. Additional benefits, by means of improved production efficiency, higher reliability of equipment, factory space saving, emissions reduction, are also expected. Including these indirect benefits, the EECPF Project effect is likely to be more that what is being exhibited. This would further help the country in achieving the targets envisaged in the EECMP."

For accelerating private sector participation, it is crucial to establish trust and confidence in the capabilities and capacity among private players. Innovation in establishing robust payment security mechanisms and established structures for adopting legal recourse of payment defaults can further go a long way in creating self-sustaining markets for these alternate financing mechanisms.

Operating Results

In 2018 IDCOL increased its paid-up capital by 9 percent as the company expanded its asset base. With a growth in asset by 7 percent, IDCOL is in a comfortable position to meet its short term obligations. On the other hand the rise in the long-term liability is mainly due to accrued interest payable to the GoB,

and also due to the expansion of the organization, which demanded additional man power and a provision for increased gratuity. It is expected that IDCOL will be reaping the benefits of increased organizational capacity in the form of greater returns in the subsequent years.

IDCOL accomplished a growth of 33 percent in its net profit after tax in 2018, which was possible only due to improved loan performance. Moreover, income from other renewable energy and infrastructure projects are expected to grow given that a number of such projects have been approved recently, as well as a decent-sized pipeline awaits for approval.

Interest income from Renewable Energy project loan has declined mainly because of decline in the sale of SHSs. As the market of the SHS is currently non-existent due to government's free distribution of SHSs under its safety net program (KABIKHA/TR program). Nonetheless, this income is expected to rise, once the disbursements under the Solar Roof-top Projects takes full swing. The solar roof top projects along with the solar irrigation program will be the key areas for increasing interest income from Renewable Energy.

On the other hand the interest income from the Infrastructure Project loan has increased by the 85 percent, due to 247 percent, 193 percent and 32 percent rise in interest income from IEEF, PPP and LIP respectively. The JICA credit line under the Energy Efficiency and Conservation Promotion Financing Project, has been one of the major contributor of IEEF's extra ordinary performance in 2018, for which IDCOL is now sourcing additional funding from GCF to scale up investment in energy efficient equipment.

Our Return on Equity during FY 2018 was 10.24 percent which is 22 percent higher than the last fiscal year. Our Return on Investment during the year stood at 1.16 percent compared to 1.26 percent last year, despite 28 percent rise in OPEX as percentage to income. IDCOL managed to secure a profit margin growth of 27.4 percent by improving its loan performance. Presently, IDCOL belongs to the top among similar financial institutions in terms of return on equity and return on investment.

Risks and Opportunities

IDCOL's primary source of funding is multi-lateral agencies like International Development Association (IDA), Japan International Cooperation Agency (JICA), Asian Development Bank, German Development Bank (KfW) and many more. Globally and within Bangladesh NBFIs and commercial banks use multiple sources like loans from commercial banks, term deposits, capital markets, bonds issue, private equity investments and many more as potential source of funds. IDCOL's dependence on multilateral funding agencies can prove to be risky in case these funds start to dry up as Bangladesh economy matures into a developed economy.

On the other hand, new financing opportunity emerged when IDCOL received $526 Million credit line from ADB which will focus on diverse infrastructure investments. Considering this credit line fructifying and the existing project pipeline, IDCOL will be able to disburse this USD 526 Mn infrastructure credit line in the next 6 years and diversify its portfolio. Furthermore, IDCOL has been accredited to the Green Climate Fund developed by United Nations Framework Convention on Climate Change (UNFCCC) that allows IDCOL to finance projects up to USD 250 Mn related to climate change.

Looking Forward

There is a strong pipeline of infrastructure projects in Bangladesh. Almost ~$800 Mn to $1 Bn worth of opportunities IDCOL aims to increase its investments in the infrastructure sectors. In the Renewable Energy Sector, IDCOL is expected to see a decline in investments as the flagship solar home system program is declining. Considering the present market scenario, IDCOL expects to invest majorly in grid connected solar projects and roof-top solar projects under its RE programs.

On the other hand, to curb the climate change impacts in Bangladesh, IDCOL will facilitate the Government of Bangladesh and the private sector of the country to access the UNFCCC's Green Climate Fund (GCF) to finance various mitigation and adaptation projects in the country.

Our Humble Submission

Relationship with the Government, multilateral & bilateral development agencies and all our suppliers and partners are fundamental to our success. IDCOL's perception as a transparent and trustworthy partner is derived from its commitment to integrity. We are sincere in dealing with our stakeholders and the communities where we have an impact. I would like to end my message by thanking all our valued development partners i.e., the World Bank, ADB, JICA, SNV, KfW, GIZ, IDB, USAID, GPOBA, DFID and above all the Government of Bangladesh for their continuous support towards IDCOL. I also wish to convey my deep gratitude to all our partners, who form an extensive network of valuable business resources and ensure delivery of excellent performance. I appreciate our Board, which consists of successful individuals with diverse set of skills and experiences, for its continuous support and guidance. Finally, my utmost gratitude goes to my fellow colleagues for their united efforts, diligence, commitment and their ability to embrace change. In our journey towards excellence, it has been a highly rewarding experience to be recognized and acknowledged by local and international organizations.



About IDCOL

Vision

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

Mission

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

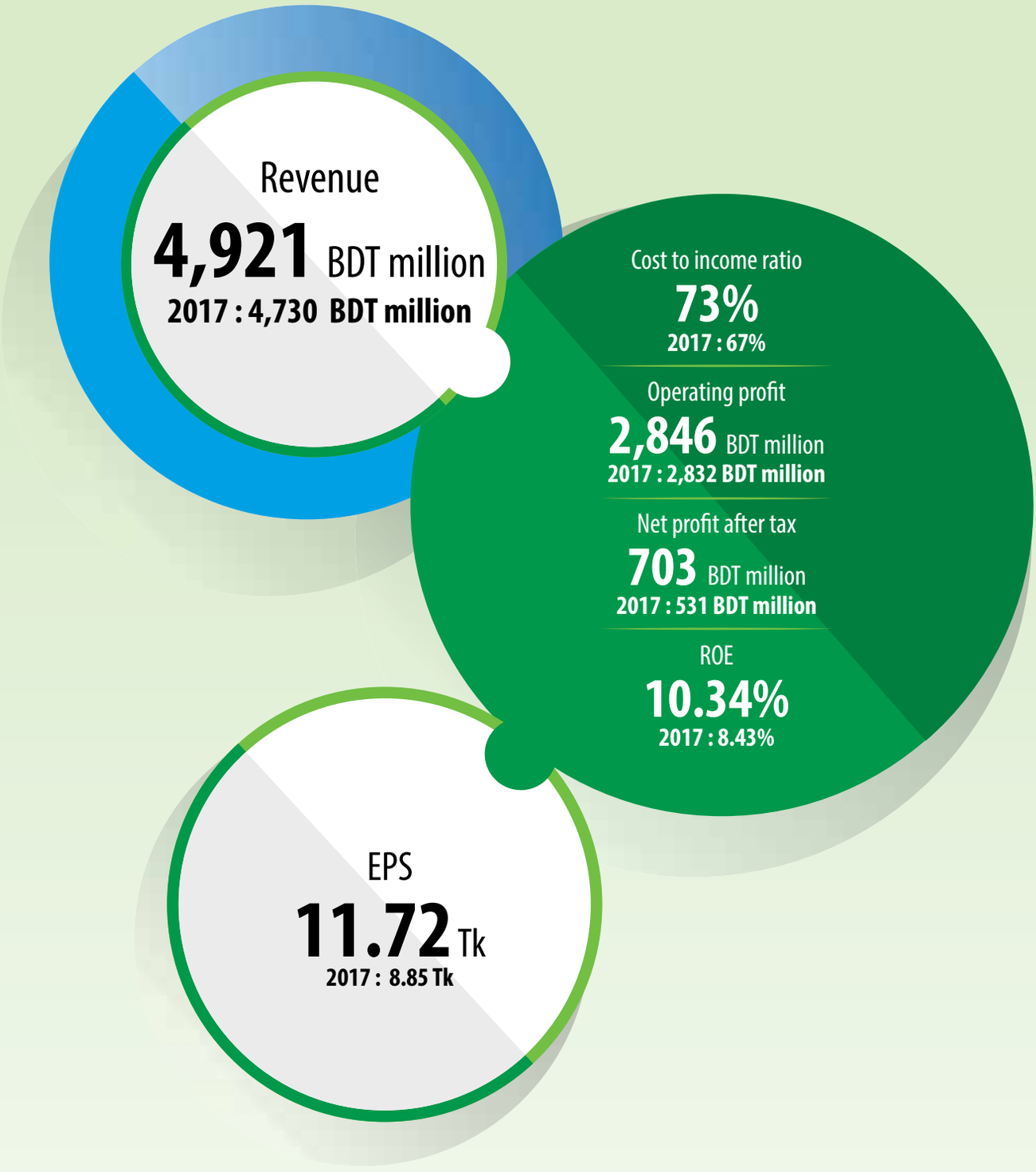
Core Values

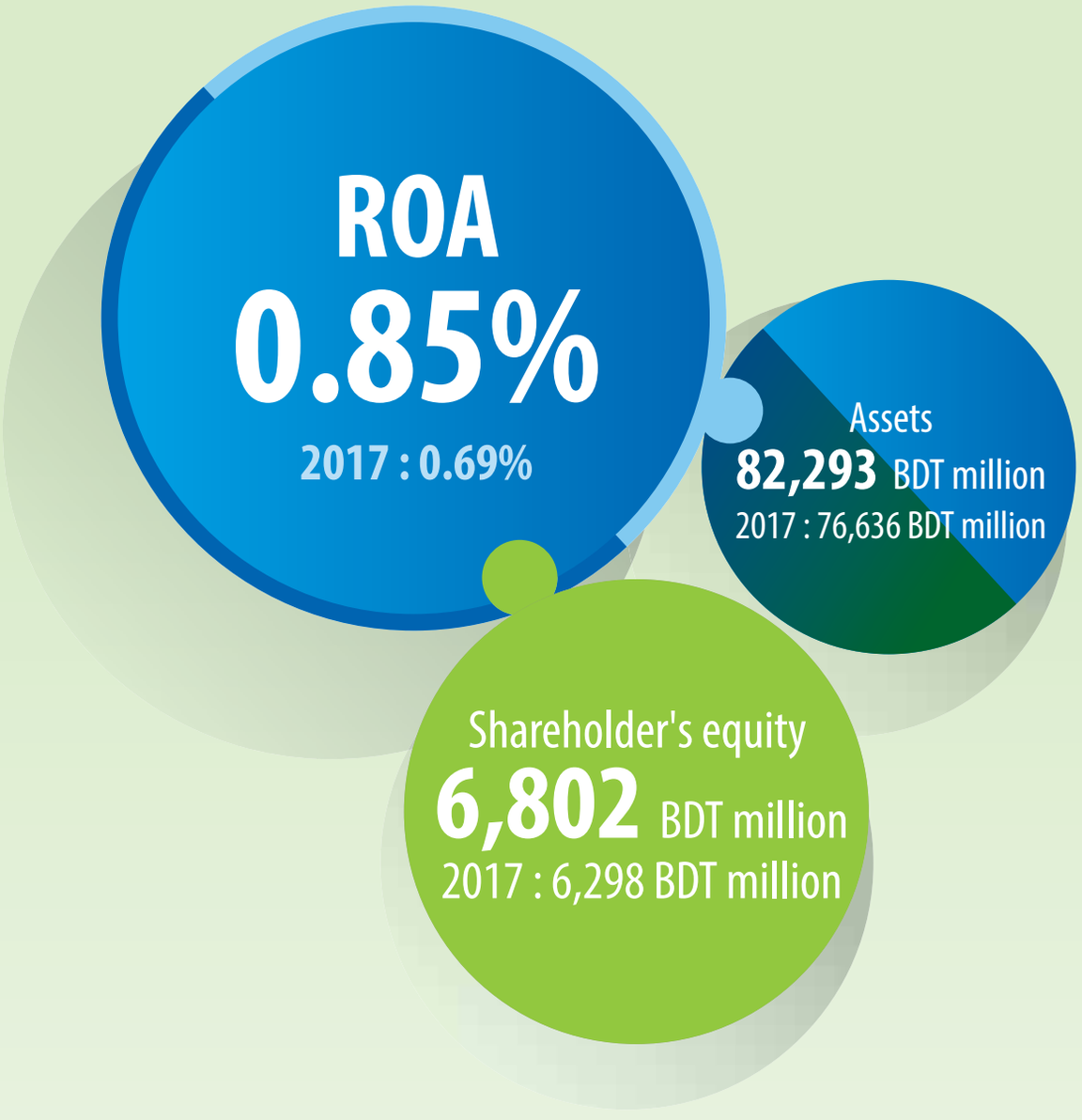
Global Standard and Competence: IDCOL is committed to deliver financial services to the clients maintaining global standards and competence.

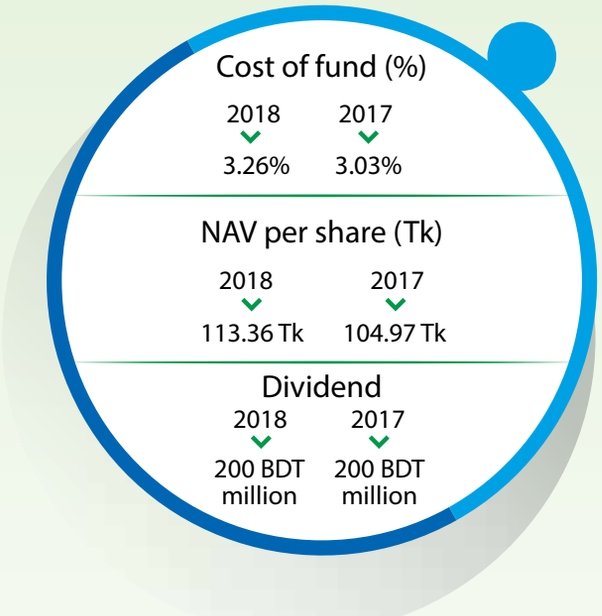
Transparency and Integrity: IDCOL believes in maintaining transparency and integrity in all activities performed by the Company.

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

Performance at a Glance




ROA
0.85%
2017 : 0.69%
Assets
82,293 BDT million
2017 : 76,636 BDT million
Shareholder's equity
6,802 BDT million
2017 : 6,298 BDT million


Cost of fund (%)
2018
3.26%
2017
3.03%
NAV per share (Tk)
2018
113.36 Tk
2017
104.97 Tk
Dividend
2018
200 BDT million
2017
200 BDT million

From Stepping Stones to Milestones

1997	
14-May	Incorporation of the Company
14-Nov	Signing of Project Agreement for USD 225 million with the International Development Association (IDA) under Private Sector Infrastructure Development Project (PSIDP)

1998	
5-Jan	Licensing from Bangladesh Bank as NBFI

2001	
11-Apr	Financing of the 1st Independent Power Plant (IPP) Project 450 MW Meghnaghat Power Ltd.

2002	
16-Jul	Signing of Project Agreement with the International Development Association (IDA) under Rural Electrification and Renewable Energy Development Project (REREDP)
16-Jul	Signing of Financing Agreement for USD 7 million with the Global Environmental Facility (GEF) under the REREDP

2003	
1-Jan	Commencement of the Solar Home System (SHS) Program

2004	
14-Dec	Financing of the 1st ever Satellite Earth Station project in Bangladesh

2005	
6-Sep	Inauguration of the installation of 50,000 SHSs by the Honorable Prime Minister
22-Sep	Start of working as a full-fledged financial institution with the financing of 11.6 MW captive power plant of Shah Cement Power Ltd.

2006	
5-Jan	Financing of the 1st ever land ports operated through the private sector on Build, Operate and Transfer (BOT) arrangement
20-Mar	Signing of Financing Agreement with the GIZ-German Development Cooperation under Renewable Energy Project

2007	
15-Feb	Extending BDT 30 million to Ranks Telecom Ltd., the largest private sector PSTN operator of the country
30-Nov	Signing of Financing Agreement for USD 165 million with the Asian Development Bank (ADB) under Public Private Infrastructure Development Facility (PPIDF)
19-Dec	Signing if the 1st Emission Reduction Purchase Agreement in Bangladesh
26-Dec	Signing of Financing Agreement for EUR 25 million with KFW-German Financial Cooperation under Renewable Energy Project

2008	
2-Dec	Launching of Shonchalok Facility for the Information and Communication Technology (ICT) sector

2009	
28-Oct	Extending BDT 260 million to Fiber@Home Ltd. for setting up the first nationwide telecommunication transmission network of Bangladesh
26-Nov	Signing of Financing Agreement for USD 18 million with the Islamic Development Bank under Improving Rural Households Livelihood through Solar Energy Project
20-Dec	Financing of the 1st Solar Based Irrigation Project

2010	
23-Mar	Investing BDT 1 billion in senior, secured, non-convertible bond of Orascom Telecom Bangladesh Ltd.
1-Apr	Opening of the 1st Regional Office under the SHS Program
8-Apr	Financing of the Central Effluent Treatment Plant at CEPZ
12-Apr	Financing of the 1st Solar Based Mini-Grid Project

2012	
18-Feb	Inauguration ceremony for the installation of 1 million new Solar Home Systems and 20,000 Biogas plants under IDCOL Renewable Energy Programs by the Honorable Prime Minister
26-Jun	Registration with UNFCCC to avail CDM benefits under the SHS Programs

2013	
12-May	Celebration of the installation of 2 million Solar Home Systems and launching of the installation of 1 million Improved Cooked Stoves (ICS) Project by the Honorable Prime Minister

2014	
5-Nov	Celebration marking the installation of 3 million Solar Home Systems by the Honorable Prime Minister

2015	
Jan-Mar	Three Solar PV based mini-grid projects under IDCOL financing went into commercial operation
2-Apr	IDCOL received the first ever CDM fund in Bangladesh under the United Nations Framework Convention on Climate Change (UNFCC)
15-Sep	IDCOL received NBR award as country's third(3rd) highest tax paying company

2016	
26-Oct	IDCOL received "ICMAB Best Corporate Award 2015" in the category of NBFI
24-Nov	IDCOL received NBR award as country's top tax payer in the category of NBFI
29-Nov	IDCOL received "ICAB National Award for Best Presented Annual Reports 2015" in the category of "Public Sector Entities"
30-Nov	Financed the first PPP Project in Healthcare Sector of Bangladesh-Sandor Dialysis Services Bangladesh Private Ltd.

2017	
27-Jan	IDCOL awarded as the Joint Winner for "Best Presented Annual Reports 2015" in the category of "Public Sector Entities" by the South Asian Federation of Accountants
14-Jun	IDCOL achieved the opportunity to advise BPDB for Designing, Developing, Formulating and Implementing systems on Occupational Health and Safety Assessment Series (OHSAS) and to assist BPDB for obtaining OHSAS 18001:2007 Certification.
6-Jul	IDCOL received Global Climate Fund (GCF) accreditation in Songdo, South Korea
19-Nov	IDCOL signed Third Public-Private Infrastructure Development Facility-Tranche 1 under Asian Development Bank
25-Nov	IDCOL secured 2nd Position in "ICAB National Award for Best Presented Annual Reports 2016" in the category of "Public Sector Entities"
6-Dec	IDCOL awarded as the Winner for "Best Presented Annual Reports 2016" in the category of "Public Sector Entities" by the South Asian Federation of Accountants

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

Awards and Recognitions



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



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



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



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



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



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



'ICMAB Best Corporate Award 2015' in the category of Public Sector Entities



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



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



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



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



'ICMAB Best Corporate Award 2014' in the category of Public Sector Entities



'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



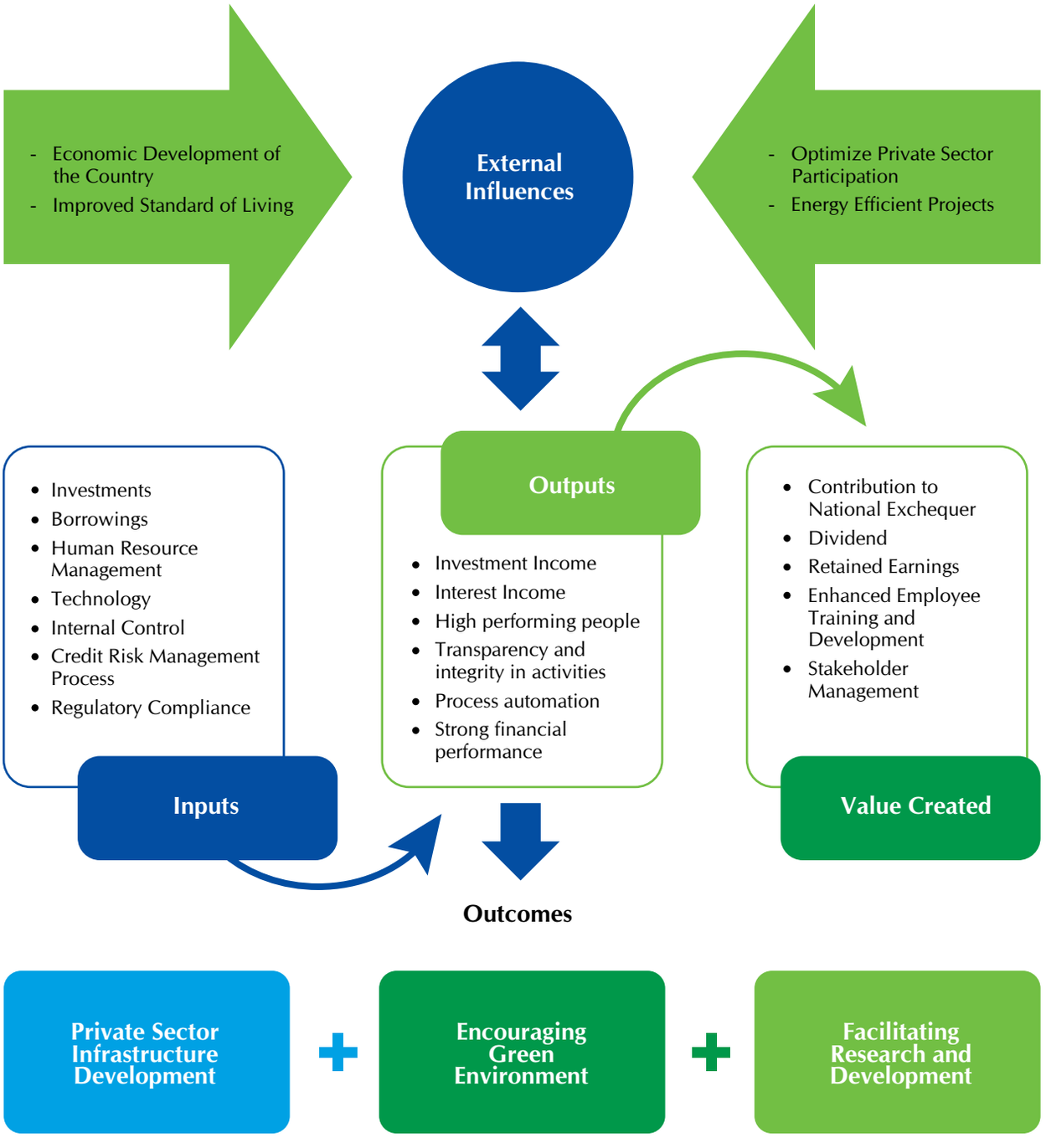
'Canada Business Award 2012' in the category of Best Green Company of Bangladesh by Canada BD Chamber of Commerce and Industry (CBCCI)



Best Innovation in Financial Services Award

Value Creation Structure

Value is created by taking inputs from the capitals and transforming them through business activities and interactions to produce outputs and outcomes that, over the short, medium and long term, create or destroy value for the organization, its stakeholders, society and the environment. IDCOL incorporates its vision, mission and core values to create the highest regard to its stakeholders.



Programs & Projects

Infrastructure & Public Private Partnership (PPP)

12% National Electricity Installed Generation Capacity

IDCOL has made an aggregate investment of USD 357 million to 17 power plants, ranging from rental to IPP, engine based to combined cycle, HSD to natural gas that has installed generation capacity of more than 2,007 MW of electricity

22% export container handled by IDCOL financed port projects

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

USD 526 million credit line added for infrastructure financing

IDCOL secured the third credit line from the Asian Development Bank (ADB) amounting to USD 526 million for financing private sector infrastructure projects

JPY 4.989 billion credit line for financing Energy Efficiency and Conservation (EE&C) Project

Japan Government has extended a loan amounting JPY 9.978 billion to the GoB for financing energy efficiency and conservation (EE&C) projects. JICA is working as the donor agency and this fund will be partially channeled through IDCOL as Implementing Financial Institutions (IFI)

USD 416.70 million shared credit line of IPFF II

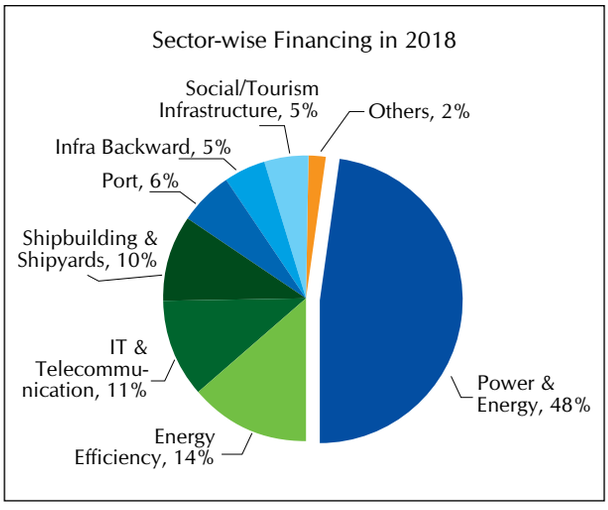
IDCOL became one of the PFIs (Participatory Financial Institutes) to avail USD 416.70 million fund of IDA & GoB for Infrastructure projects under Bangladesh Bank IPFFII Credit Line

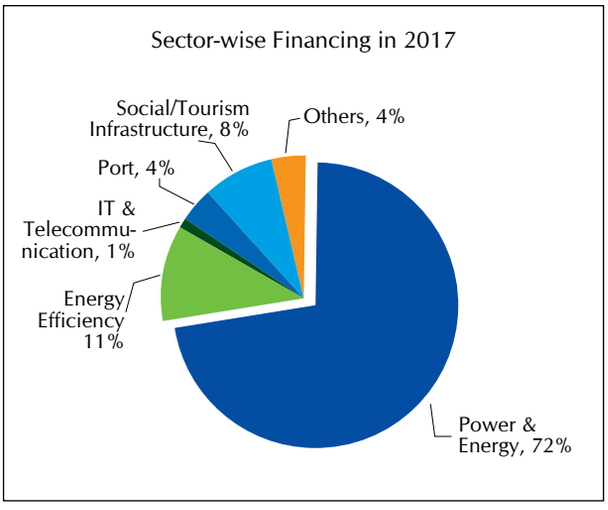
EUR 100 million credit line for financing Industrial Energy Efficiency Projects

Agence Française de Développement (AFD), the French Development Agency, has approved EUR 100 million in 2018 for financing Industrial Energy Efficiency Projects through IDCOL

Portfolio Diversification

IDCOL has diversified its portfolio to include power generation, ports, industrial energy efficiency, shipbuilding and shipyard, IT & telecommunication, social and tourism infrastructure, infrastructure backward linkage projects. IDCOL has also invested in LPG plant, Oil & Gas Refinery, Hospital, effluent/waste treatment plants, Shipbuilding, Telecommunications, Environmental Service and Social Infrastructure sector. The infrastructure and PPP projects loan portfolio reached to BDT 39.82 billion with its usual skewness towards power sector which 47.50% of the total investment portfolio. The contribution to the company's loan portfolio increased to 66% from that of last year's 46%.







150 MW HFO fired Independent Power Plant (IPP) by Midland East Power Limited at Ashugonj, Brahmanbaria

IDCOL also participated into various syndications and maintained its market presence with strong ties with participating banks and financial institutions. Apart from its regular lending operation, focus has been placed for loan arrangement & subsequent agency operations. A good number of arrangement deals has been signed with various sponsors and the projects are expected to go into commercial operation by 2019-2020.

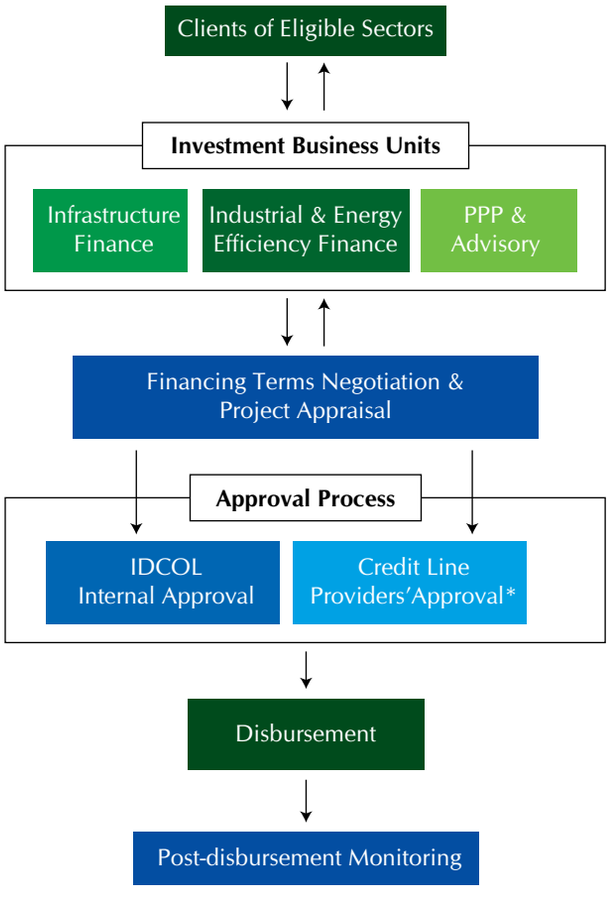
About IDCOL



Steel melting and billet casting plant with annual capacity of 430,248 MT by BSRM Steels Ltd. at Mirsarai, Chattogram.

Business Model

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



**Applicable when financing with external credit lines*

All the units follow similar integrated business model and can extend credit facility to eligible sectors (as per IDCOL's Lending Policy) through either availing external credit lines or using its own funds and reflow. There is a two-way communication between the clients and the business units where the client sometimes approach first for meeting its financing needs and also the business units at times sought out new projects and clients.

All the projects to be financed by Investment department go through stringent appraisal after financing terms have been negotiated and different third-party advisors are appointed to help assess the feasibility of the project. After due diligence is completed, a project has to pass-through a three-tier internal approval process before disbursement. In addition, for all the projects that are financed using external credit lines, it might be required to obtain an additional approval from credit line providers.

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

Risk and Opportunities of the Program

Opportunities: Bangladesh is ranked among the top ten fastest growing economies in the World in 2016 as per the report published by International Monetary Fund (IMF). The country has achieved a GDP growth rate of 7.86% in 2017-18 fiscal year which was higher than the GoB's set growth target and the highest in its history. The GoB has set its vision to become a middle-

income country by 2021. To keep up the economy's present growth rate and attain these ambitious vision, increased investment in infrastructure especially from private sector is mandatory. This creates a unique opportunity for IDCOL's Investment Department which was formed with the vision to mobilize private sector investment in infrastructure.

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

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

Due to limited investment opportunities in different private sector projects that meet IDCOL's eligibility criteria in the past years, this Department has significantly higher exposure in the power sector which exposes the portfolio to concentration risk. However, this risk would hopefully mitigate in the coming years as the Department diversify its portfolio into new eligible sectors.

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

Benefits Created for the End Customers through Investment Department

Supporting GoB's vision of Electricity for All: IDCOL, through its Investment Department has extended significant financing to the private sector power generation to support the Government of Bangladesh's (GoB) ambitious vision of ensuring Electricity for All Citizens by 2021. These power projects have not only added to the country's power generation capacity but also created direct and indirect employment opportunities and developed skilled professionals. Till date, IDCOL financed projects have added 2,007 MW installed power generation capacity to the national grid which is 12% of the total national installed capacity and IDCOL is committed to increase its share in the coming years to make electricity more accessible to the people of Bangladesh and bring down the load-shedding.

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

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

Promoting Industrial Energy Efficiency Projects: IDCOL is also playing a key role in implementing GoB's 'Energy Efficiency and Conservation Master Plan' by providing low-cost long-term debt financing to the industrial consumers for implementing energy efficient projects. According to the plan country's aim is to improve energy intensity by 15% by 2021 and 20% by 2030 compared to 2013 level. Given more than 50% of energy (electricity and natural gas) is consumed by the industrial sector, various regulatory and reward mechanisms are being been undertaken by IDCOL to incentivize industrial consumers to use energy efficient equipment and implement other energy efficiency measures.

Promoting Environment-friendly Projects: IDCOL is committed towards the preservation of environment and keeping in line with that, its Investment Department has been financing a number of environment-friendly auto-brick kiln and recycling projects for promoting greener and cleaner environment.

Renewable Energy

4.13 Million SHSs

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.

49,150 Biogas Plants

IDCOL has financed construction of more than 49,150 domestic biogas plants which provides clean energy solution to more than 221,000 rural people of the country.

1,429 Solar Irrigation Pumps

IDCOL secured the third credit line from the Asian Development Bank (ADB) amounting to USD 526 million for financing private sector infrastructure projects

9 Biogas Based Power Projects

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

27 Solar Mini Grids

IDCOL has approved financing for 27 solar mini-grid projects of which 21 are in operation and providing grid quality electricity in remote rural areas.

2 Biomass Based Power Plants

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

2 Rooftop Solar plants installed on the rooftop of 2 factories

IDCOL has already approved financing of 8 projects with total capacity of around 5 MWp. 2 projects from the approved ones are currently in operation stage and another 2 will be commissioned shortly.

138 Solar Powered Telecom BTSs

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

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

IDCOL Solar Home System (SHS) Program

IDCOL started SHS program in January 2003 to fulfill basic electricity requirement of the off-grid rural people of Bangladesh by 2021. IDCOL SHS program has been acclaimed as the largest off-grid electrification program in the world. Till date, about 4.13 million SHSs have been installed under the program with an installed capacity of 185 MWp in the remote areas where electrification through gird expansion was challenging and costly. Thus, the program has ensured supply of solar electricity to 18 million people i.e. 12% of the country's total population who previously used kerosene lamps for lighting purpose.

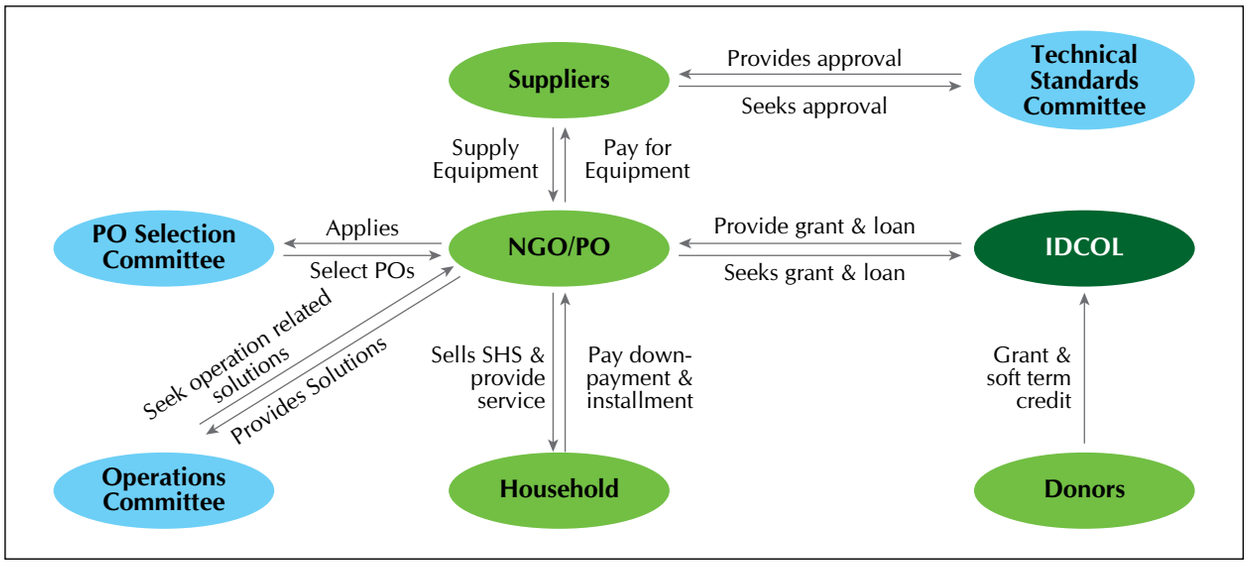


Solar Home System providing electricity in rural off-grid areas

Program Structure

IDCOL has developed a unique model for dissemination of SHS. The model has been proved effective and accepted by the beneficiaries under the program. It introduced ownership model through micro-finance/ cash sale rather than fee-for-service model.

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



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

At present, 56 Partner Organizations (POs) which are non-government organizations, micro-finance institutions, societies, foundations, and/or private entities are implementing the program and installed a total of 4,135,512 SHSs in rural areas of Bangladesh.

IDCOL provides subsidy and concessionary credit to the POs. IDCOL also provides necessary trainings and promotional support and ensure quality of the program. POs select customers, extend loan, install the systems, and provide after sale service. IDCOL's total investment under the program is BDT 52,277 million (USD 696.50 million) out of which loan USD 600 million and grant USD 96.50 million.

Besides creating access, IDCOL sets quality standards in the market as per global standards and closely monitors POs to ensure quality of installation and on-time after sales service support. Overall by financing and promoting market competition, IDCOL developed a sustainable, robust and regulated rural SHS market chain.

Overall Impact of the Program

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



Studying at night with help of Solar Home System

- ***Study Hours and Schooling:*** According to BIDS, boys and girls in SHS households have longer study hours compared to their counterparts in non-SHS households. The SHS study also found that boys and girls in SHS households have completed more schooling than those in non-SHS households.
- ***Safety and Amenities:*** BIDS study also revealed that SHS households enjoy higher safety, comfort and convenience compared to non-SHS households. For instance, SHS user household members have higher sense of security at night time 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.



Weaving handicraft at night with help of Solar Home System

- ***Benefits for Women:*** Women have been one of main target beneficiaries of SHS program. SHS has a positive influence on women's mobility, general and economic decision-making. Women are found to use more time for tutoring children, watching TV, socializing, visiting friends and neighbors with the adoption of SHS.
- ***Employment Generation:*** The program has contributed towards development of local support industries and creation of more than 75,000 direct or indirect jobs.

Kerosene Saving: The program has so far saved consumption of 1.14 million tons of kerosene worth USD 411 million (considering USD 0.30 per liter). In addition, already installed 4.13 million SHS will save consumption of another 3.6 million tons of kerosene worth USD 1300 million in the next 15 years. Therefore, total saving in terms of reduction in kerosene use is almost 3 times of IDCOL's total credit investment.

IDCOL Biogas & Bio-fertilizer Program

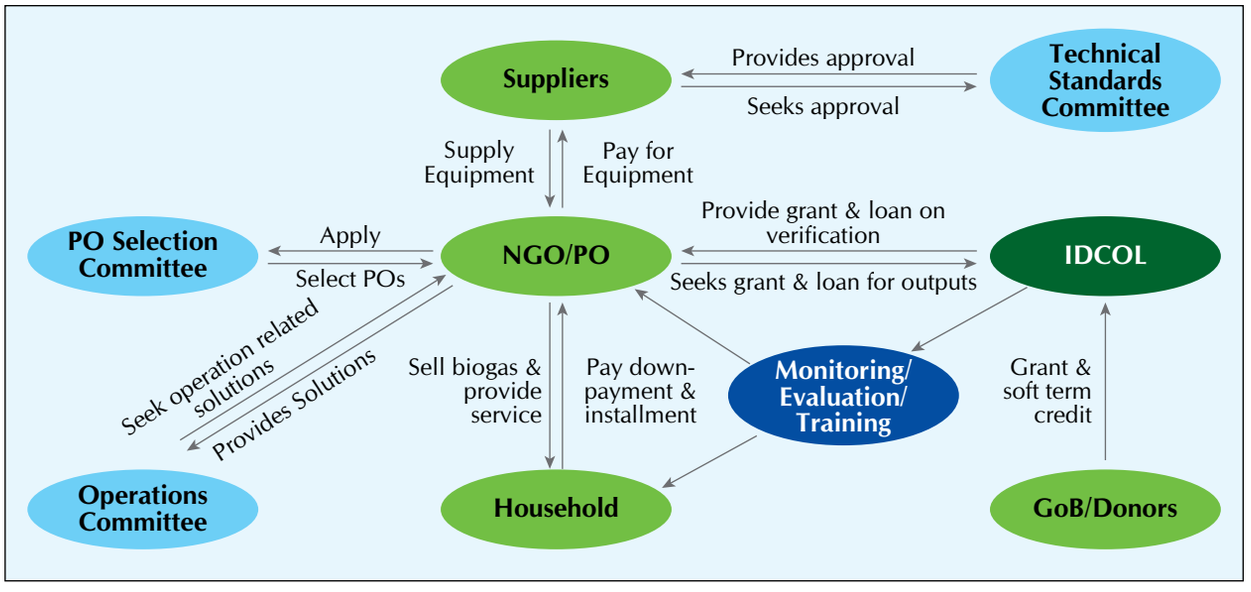


IDCOL Biogas & Bio-fertilizer Program helping household of Bangladesh since 2006

IDCOL has been implementing its Biogas & Bio-fertilizer Program for households in Bangladesh since 2006 with support from KfW Development Bank, the World 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 to establish a sustainable and commercial biogas sector in Bangladesh. More than 49,150 biogas plants have been constructed till December 2018 through Participating Organizations. These plants provides clean energy solution to around 221,000 beneficiaries.

Program Structure

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



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

The Program has lowered usage of firewood by approximately 47,200 tons per year which is worth USD 3.95 million. Biogas plants not only provide gas for cooking but also produce organic fertilizer for crops in the form of bio-slurry. Bio-slurry is also an excellent food source for fish.

Biogas plants constructed under the Program save approximately 41,800 tons of chemical fertilizer worth USD 9.9 million by generating around 292,000 tons of organic fertilizer each year. From 2014, IDCOL is financing fiberglass bio-digesters along with conventional brick-cement based biogas plants. Fiberglass bio-digesters can be relocated after installation, take less time to be installed and can be fixed easily if damaged. Furthermore, they are factory made, do not require masonry during installation, and adverse weather conditions do not affect installation.



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

Solar Irrigation Program



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

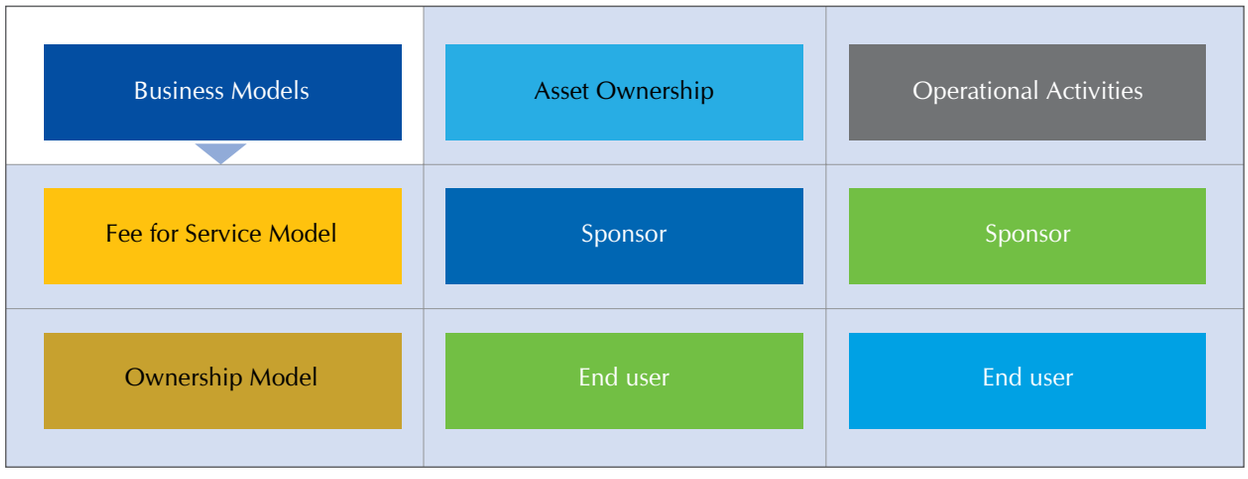
Agricultural sector is one of the most crucial contributors to Bangladesh's economy in terms of employment, food security and GDP growth. There are about 1.4 million diesel run pumps currently operating in Bangladesh using 1 million tons of diesel per year. Given the energy shortage and fluctuating price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

About IDCOL

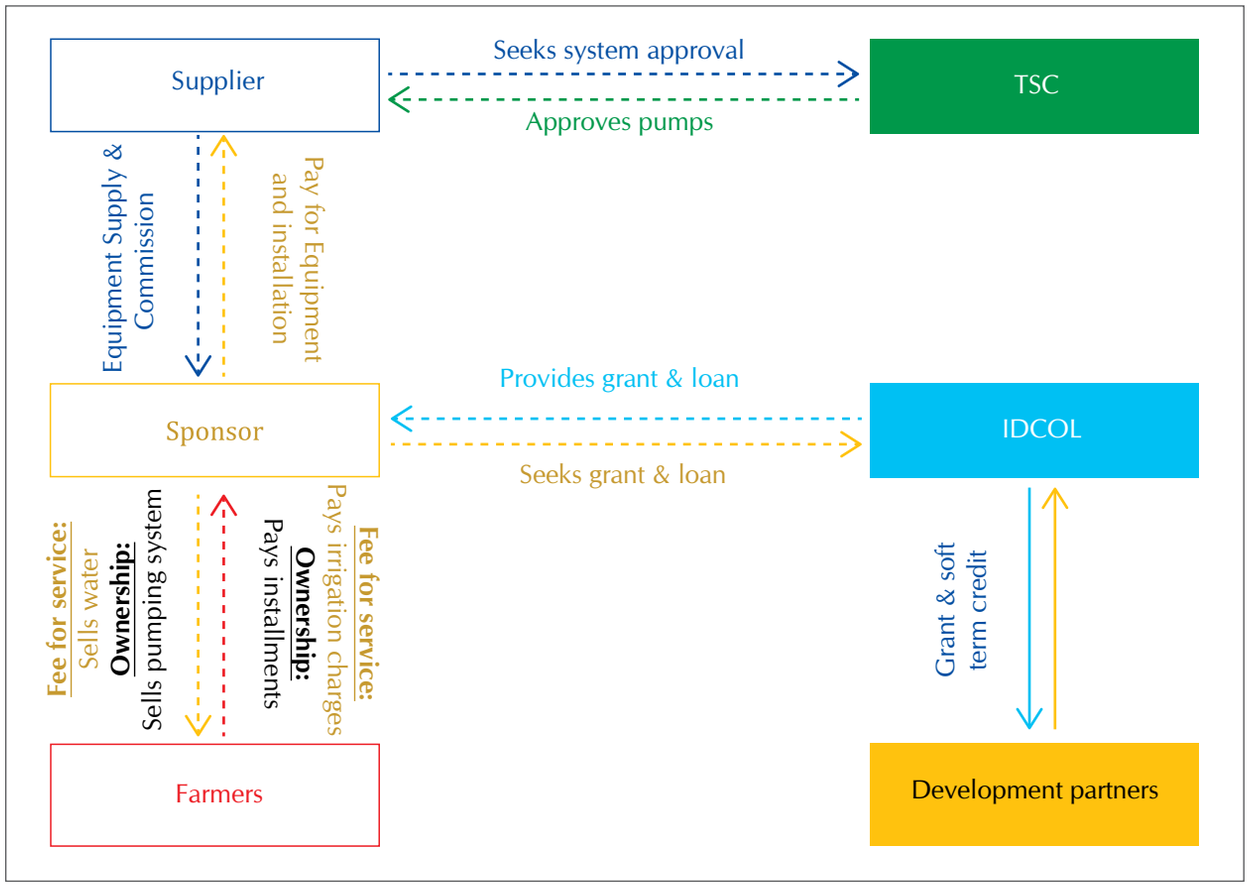
Solar based irrigation system is an innovative, economic and environment friendly solution for the agro- based economy of Bangladesh. The program is intended to provide irrigation facility to off-grid areas and thereby reduce dependency on fossil fuel. Till date, IDCOL has approved 1,429 solar irrigation pumps of which 1,186 are already in operation. The remaining pumps will come into operation shortly. IDCOL has a target to finance 50,000 solar irrigation pumps by 2025. The World Bank, KfW, GPOBA, JICA, USAID, ADB and Bangladesh Climate Change Resilience Fund (BCCRF) are supporting this initiative.

Program Structure

IDCOL currently follows 'fee for service' model where farmers will avail the water supply from the pump by paying an agreed price or fee for water. IDCOL is also in the process of exploring 'ownership model' for implementing solar irrigation projects where farmers will be the owners of pumps instead of taking water supply. Hence, based on the "asset ownership" and "role in operational activities" two different business model has been developed as given in the following diagram:



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



Overall Impact of the Program

Opportunities

(a) Scaling up of the program

To scale up the program, IDCOL has taken different initiatives. IDCOL has already collected data on water requirement for more than 200 sub-districts of the country by engaging agriculturists for expedited implementation of solar irrigation projects.

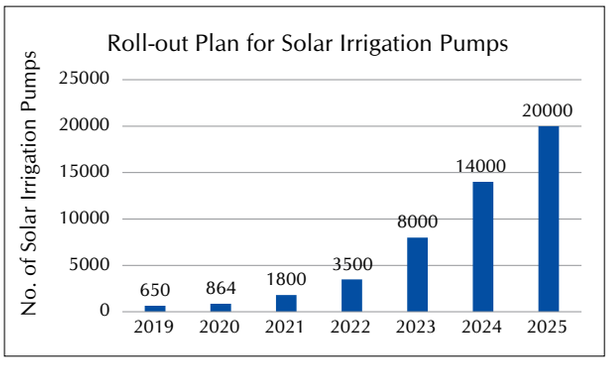
Technical standards for equipment used under the project have been finalized by Technical standards committee based on which supplier enlistment under the project is being conducted.

IDCOL has organized seminars and undertaken promotional activities at different areas of the country to create general awareness among the farmers and attract potential sponsors.

(b) Future Expansion Plan

Installation target under its solar irrigation program till 2025 is shown below:

Figure 5: Installation plan under IDCOL solar irrigation program (2019-2025)



Threats

During the implementation of solar irrigation projects, IDCOL as well as sponsors have identified several challenges as well as lessons learned which could be successfully harnessed in further scaling up of the program:

(c) High Upfront Cost

During initial phase of the program, the upfront cost of the pumping system along with related accessories was quite high compared to the diesel pumps which was a major deterrent for attracting potential sponsors. Subsequently, new suppliers introduced pumps of different origins which are more cost-effective in nature.

Introduction of new ranges of products allowed pump price to reduce by about 40% than the prices during first phase of the program. IDCOL is also encouraging development of local industries related to solar irrigation pump components to allow pump prices to go down further.

(d) Funding Constraints of Sponsors

Sponsors are required to inject a portion of the project cost as equity in the project which appears to be a constraint for sponsors when they go for scaling up. During initial stage, some project sponsors were required to spend 30% of project cost as equity under the project which was later on reduced to 20% and then finally at 15% by IDCOL.

Foreseeing fund constraints of sponsors, among others, during rapid scale up of the project, IDCOL introduced 'ownership model' to allow sponsors to distribute the burden of equity injection between themselves and farmers.

(e) Collateral Requirements

IDCOL generally requires sponsors to secure the loan portion by providing collateral to IDCOL in the form of bank guarantee/land mortgage/lien on FDR. However, majority of the sponsors do not have land which can be mortgaged to IDCOL whereas bank guarantee has cost implications due to quarterly margin fees to be provided to the guarantor banks. In case of rapid rollout of the program, providing such collateral for each project might not be feasible for most of the sponsors.

Considering the credit risk as well as roll-out issues in mind, IDCOL reduced the collateral requirement to 50% of the loan amount for the sponsors which have already injected equity of BDT 7.5 million, in aggregate, in previously implemented solar irrigation projects, implemented at least 10 solar irrigation pumps and has successfully operated one full agricultural season as project operator. IDCOL is planning to reduce the requirement to 25% of the loan amount provided the sponsor has good track record, injected BDT 20 million as equity in previous irrigation projects as well as implements and successfully operates 25 solar irrigation pumps.

(f) Capacity Development of Stakeholders

Capacity development of the sponsors in efficient management of solar irrigation pumps is very important for success of the program. To capacitate sponsors, IDCOL arranges different training sessions for them on better operational practices of solar irrigation projects. It has appointed agriculturists to assist farmers under IDCOL irrigation projects for selection of efficient cropping pattern, water management and better irrigation and agricultural practices. The agriculturists also provides value added services to the sponsors and provide knowledge supports to IDCOL.

(g) Monitoring and Quality Control Process

IDCOL has been recognized globally for its success in dissemination of renewable energy technologies

in Bangladesh which has been possible because of its strong monitoring and quality assurance process. For Monitoring and Quality Control under the program, IDCOL has dedicated Monitoring Unit as well as Agriculturists in order to monitor operational performance of solar irrigation pumps during pre-approval and post-approval stages of projects, as shown in the following figure:

Figure 1: Monitoring and quality assurance process



(h) Government Support

IDCOL solar irrigation pumps are targeted to replace diesel pumps. Given the lower irrigation charges offered by electric pumps, solar pumps cannot complete with electric pumps. Therefore, business case of a solar irrigation pump is hampered if electric pumps are installed subsequently. Therefore, the government intervention is required to ensure that electric pumps are not installed in areas of solar irrigation pumps. The issue has been discussed in a number of meetings in different discussion forums with SREDA, REB and the Power Division. While the government in general discourages installation of electric pumps, continuous support of the government will be required to ensure risk-free operation of solar pumps.

Solar Mini-grid Projects

Solar PV based mini-grid projects are installed in remote areas of the country where the national grid electricity expansion is deemed to be close to impossible and the possibility of grid expansion

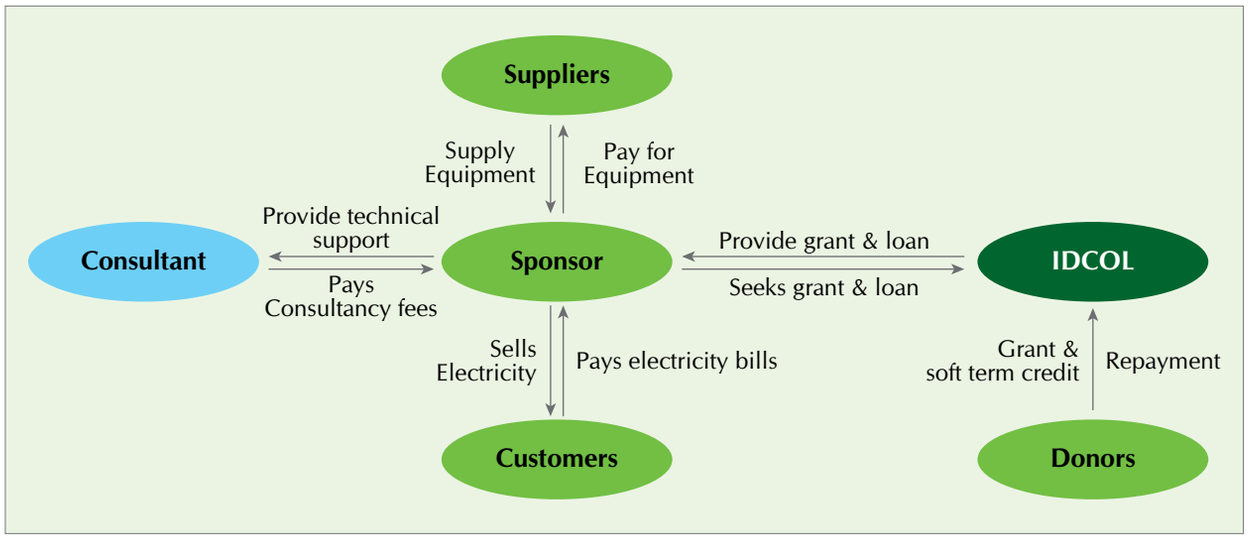


Solar PV based Mini-Grid Project is installed in remote areas of the country where possibility of grid expansion is remote in near future

is quite low in distant future. Thanks to these solar minigrid projects, which provide grid quality electricity to households and nearby village markets and thereby encourages commercial activities in the project areas. So far, IDCOL has approved financing for 27 mini-grid projects of which 21 are already in operation and the remaining would be going into operation shortly. IDCOL has a target to finance 50 solar mini-grid projects by 2025. The World Bank, KfW, GPOBA, JICA, USAID, ADB and DFID are providing financing support in these projects.

Program Structure

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



Overall Impact of the Program

Opportunities

(a) 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 6 ~ 8 years. The systematic demand driven technical design ensures that the project capacity is not under or oversized. Besides, sponsors using prepaid metering system ensures 100% collection efficiency.

IDCOL directs the sponsors to promote use of energy efficient appliances to reduce the monthly electricity bills. This not only enables the customers to afford maximum electricity benefits but also allows the project serve more customers with the electricity saved because of use of energy efficient appliances.

(b) Enlistment of New Suppliers

Because of IDCOL solar mini-grid projects, several suppliers started manufacturing 2V battery. Besides, a number of organizations have developed their capacity to provide installation and commissioning services which has played a vital role in project implementation.

(c) Establishing Regulatory Framework

IDCOL is pursuing the government to establish a regulatory framework for solar mini-grid projects that will provide for detail guideline about the power purchase arrangement between the mini-grid sponsors and the government once grid electricity is expanded in the project area. Power Division under the Ministry of Power, Energy, and Mineral Resources developed

'Guidelines for the Implementation of Solar Power Development Program 2013'. According to paragraph 3.7 of the Guideline *"if the government, extends the grid line to the mini-grid project area after 5 years of its completion, the project operator will be allowed to feed the electricity generated from renewable energy sources into the grid for rest of the project period. In that case tariff will be determined upon negotiation with the power purchaser considering the operational, maintenance and other administrative cost of the project and 15% return on equity."*

IDCOL has already developed a tariff model in this regard and has approached the Power Division to review the tariff model in order to devise a tariff structure for solar mini-grid projects under different scenarios. On pursuance of IDCOL, SREDA facilitated with Department of Environment to withdraw solar mini-grid projects from 'Red' category (power projects are in Red category).

(d) Addressing Threat of Grid Expansion

Mini-grid projects are installed only in isolated off-grid areas. IDCOL takes clearance from the Power Division before approval of every project. Recently, the Government agreed, in principle, to purchase electricity even if grid is extended within 5 years of project completion.

(e) Promoting Use of Energy Efficient Appliances

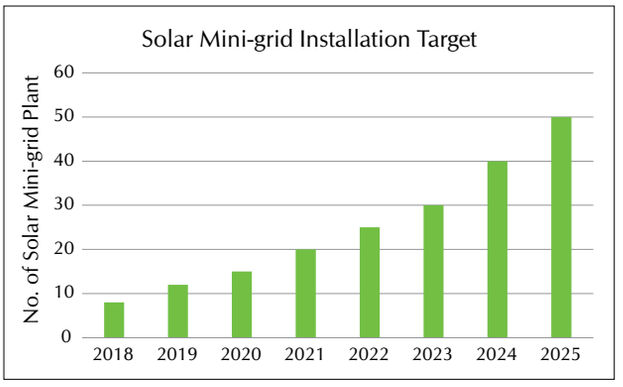
The solar mini-grid projects are designed based on the assumptions that the customers will use energy efficient appliances. However, the prices of energy efficient appliances are higher compared to the conventional appliances, making it difficult for the rural customers purchase these appliances. IDCOL is, therefore, now in discussion with an international organization which will arrange to provide subsidy and make energy efficient appliances available in solar mini-grid project areas. The wide use of these appliances by the mini-grid customers will not only keep the electricity bill affordable for local customers, it will enable the project to provide electricity to more customers than before.

(f) Reduction of Co2 emission

About 750 customers including households, offices, shops, mosque, madrasha etc. can be connected under a solar mini-grid plant of 250 kWp capacity. 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, total Co2 emission reduction from a solar mini-grid plant is about 58.6 tons in a year and 1,171 tons in 20 years.

(g) Future Expansion Plan

Installation target under IDCOL solar mini-grid projects till 2025 is provided below:



Threats

(a) Overcoming Technical Challenges

The first solar mini-grid project was installed in Bangladesh in 2010 which provided the base case and detail understanding of mini-grids. After that 12 more projects were implemented till now. Out of that, 8 projects are operational for more than a year and they have provided opportunities for improvement in system design and other related aspects. Learning from the previous projects provides valuable input in this regard. Notably, IDCOL will direct to conduct an independent technical audit of its solar mini-grid projects by an independent expert to assess technical performance as well as design validation. The procurement for the technical consultant is currently in process.

(b) Possibility of Grid Extension

Possibility of extension of grid in the project areas may disrupt the business viability by making the project electricity tariff uncompetitive. IDCOL thus consults power division/REB/BPDB/SREDA regarding their possibility of grid expansion in the project area in the next 5 years before approving any site for installation of solar mini-grid.

(c) Lack of Adequate Technical Supports in the Private Sector

There are limited number of technical experts in the industry who can provide technical support for these projects. IDCOL is encouraging other engineering institutions to provide technical consultancy services under solar mini-grid projects.

(d) Lack of Proven Technology

The first solar mini-grid project was implemented under IDCOL financing in 2010. However, no other sponsor came forward with mini-grid project immediately after the commercial operation of that project unless seeing the viability of the project. The successful track record of the project for seven (7) years along with lessons learned from the project have built confidence in the private sector to undertake the subsequent projects.

(e) Ensuring Adequate Financial Return

The private sector will not be interested to implement solar mini-grid project unless adequate return is ensured for the sponsors. According to financial model of solar mini-grid, given full capacity utilization is ensured within two years of project operation, the average return on equity of solar mini-grid project is 14% p.a. and the payback period is about 7-8 years. In order to address the market risk, a detail market survey based on systematic random sampling is conducted in the project area to assess the demand for electricity which is used for designing plant capacity. Besides, IDCOL and the sponsor encourage the customers to use energy efficient appliances to keep the electricity bill at affordable range for the local customers. Use of prepaid metering system helps to address the payment collection risk.

(f) Availability of Quality Equipment

The technical solution to the first solar mini-grid project was provided by foreign expert. Now, there are plenty of local suppliers that are capable of handling installation and commissioning of solar mini-grid project and all the subsequent mini-grids were successfully commissioned by local solution providers.

(g) Ensuring Competitive Price

There are many suppliers who are interested to supply solar PV module, inverter, generator, etc. to solar mini-grid project. IDCOL requires the sponsors to collect at least three quotation for all the major equipment which provides a ground for price competition to the suppliers leading to offering competitive prices for equipment. Notably, now local suppliers are supplying batteries at competitive prices to solar mini-grid projects.

IDCOL Rooftop Solar Projects (RTS)

Bangladesh is a very land scarce country. Rooftop Solar projects is a very good option to implement renewable energy in the country and promote drives for sustainable source of electricity.

IDCOL's rooftop solar project financing scheme is designed for all industries and commercial establishments. Basic purpose of the product is to reduce the electricity costs of the plant owners and promotion of green energy. It has already been acclaimed by all industry participants. Till date total 8 such projects have been approved with cumulative capacity of around 5 MWp and two projects are at the running stage. Cumulative installed capacity of the running projects are around 2 MWp.

Program Structure

As a financier, IDCOL works with both project owners and developers. In most of the cases, the roof owners own the project assets. For this purpose, they avail the financing facility from IDCOL. In the similar manner, the project developers also can take the financing directly to implement such projects on the roofs of a particular company. In this case, they use the roofs of the company under a lease agreement and supply solar generated electricity to them.

IDCOL has been working with the development partners like KfW and the World Bank for such projects. They have been providing funding and technical support to IDCOL for the program.

The attractive feature for the program includes concessionary financing with attractive terms that are market competitive as well as technical support. Borrowers usually get support for efficient and sound designs of the projects, cost verification, quality equipment selection and performance monitoring. IDCOL has established a pool of experts for the program, who are country leading persons in renewable energy. These experts work as Independent Engineer who will provide expert opinion regarding technical aspects of the projects. Besides, Technical Standards Committee of IDCOL also independently verify the project details.

Biogas Based Electricity Projects

IDCOL finances commercial biogas based electricity projects for captive consumption. Since 2006, IDCOL



Picture: IDCOL financed 1.1 MWp Rooftop Solar Project at Far East Spinning Mills Ltd.



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

has setup 9 large-scale biogas projects. The capacity of each of these biogas or biomass gasification systems ranges from electrical generator capacities from 10 to 400 kW. The plants uses poultry litters and cow dung as feed material in the digesters for generation of gas which, in turn, is used for generation of electricity. Establishment of biogas based electricity plants in the poultry farms and dairy farm reduces dependency on fossil fuel by running captive generators. This also ensures bio-security and proper litter management in these farms. Moreover, slurry produced in the digesters as byproduct is a good bio-fertilizer.



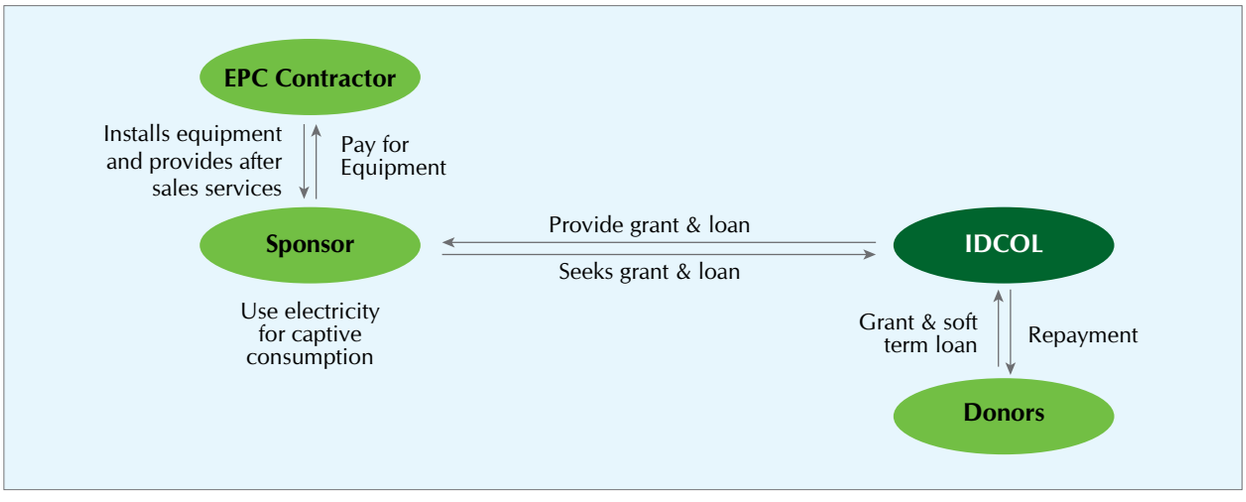
Rice-husk based Power Plant of Dreams; Power at Gazipur

Biomass Gasification based Power Projects

IDCOL provided concessionary loans and grant support to two rice-husk based power plants, first one with a capacity of 250 kW at Kapasia, Gazipur and the second one with a capacity of 400 kW at Thakurgaon. Both the plants use rice husk as fuel for power generation.

Program Structure

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



Monitoring and Quality Control Process

To ensure the monitoring of the project performance and satisfactory output, IDCOL ensures strong monitoring mechanism in the project sites under its financing. For Monitoring and Quality Control under the projects, IDCOL has dedicated Monitoring Unit to monitor operational performance of the projects during pre-approval and post-approval stages of projects.

Overall Impact of the Program

Opportunities

i. Reduction of CO2 emission

The project involves production of biogas as an end product of anaerobic digestion. Through anaerobic digestion energy stored in organic matter will be converted into biogas. The produced gas will then be used in industries or manufacturing plant for running machineries or for generating electricity. Through this process, the carbon emitting fuel is replaced with cleaner source of energy, thus mitigation carbon emission. These projects will also be implemented through the private sponsors within grid or off-grid areas and may only be for captive consumption.

ii. Alternative source of energy

By producing electricity from poultry litter/cow-dung, biogas based power projects provide opportunities for saving electricity bills and diesel consumption.

Threats

i. Lack of awareness

Such projects require skilled manpower for plant operation and maintenance. In addition, the availability of the technology is yet to be adequately

disseminated among potential sponsors e.g. poultry/ dairy farms.

ii. Overcoming Technical Challenges

The operational biogas based power projects provided the base case and detail understanding of such projects. Nine (9) projects are operational for more than a year and they have provided opportunities for improvement in system design and other related aspects. Learning from the 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 implement of these technologies is expected to bring about necessary solution to make these projects more viable and sustainable.

iii. Lack of Suppliers

Only a handful of suppliers are providing technical solution, 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.

iv. Lack of Research and Development

Lack of experience on 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.

v. Government Support

To make these projects more financially viable and sustainable, the major equipment of these projects need to be more cost effective. In this regard, Government may exempt Tax and VAT for the equipment such as biogas generator, water separator and other machineries. 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 Government may encourage the poultry/dairy farms in undertaking biogas based electricity projects.

Solar Powered Solution for Telecom BTS

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



Solar powered BTS of Grameenphone Limited

Energy Efficiency

BDT 4 Billion Financing Support

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

1.65 Million Improved Cook Stove (ICS)

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

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,



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

IDCOL launched its 'Green Brick Program' in 2013 with a plan to invest BDT 4 billion by 2021for setting up modern brick kilns using latest state of the art technology. IDCOL provides long term concessionary financing to encourage potential sponsors to set up environment friendly brick kilns. In this regard, around BDT 2240 million has already been approved for 8 tunnel kiln and 1 HHK brick projects, with aggregate daily production capacity of 11,40,000 bricks. Most of the projects are expected to come into commercial operation shortly. IDCOL is 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).

Energy Efficient Equipment Financing

IDCOL has so far financed BDT 4,138 million for setting up energy efficient VRM machines for the cement and various machines for the RMG sector. Beside own fund, IDCOL refinances energy efficient equipment under JICA funded Energy Efficiency & Conservation Promotion Financing Project.



Energy efficiency finance in the RMG sector contributing to the country's environment and economy



Energy Efficient VRM

Improved Cook Stove Program

To ensure household energy efficiency, IDCOL Improved Cook Stove (ICS) program was inaugurated

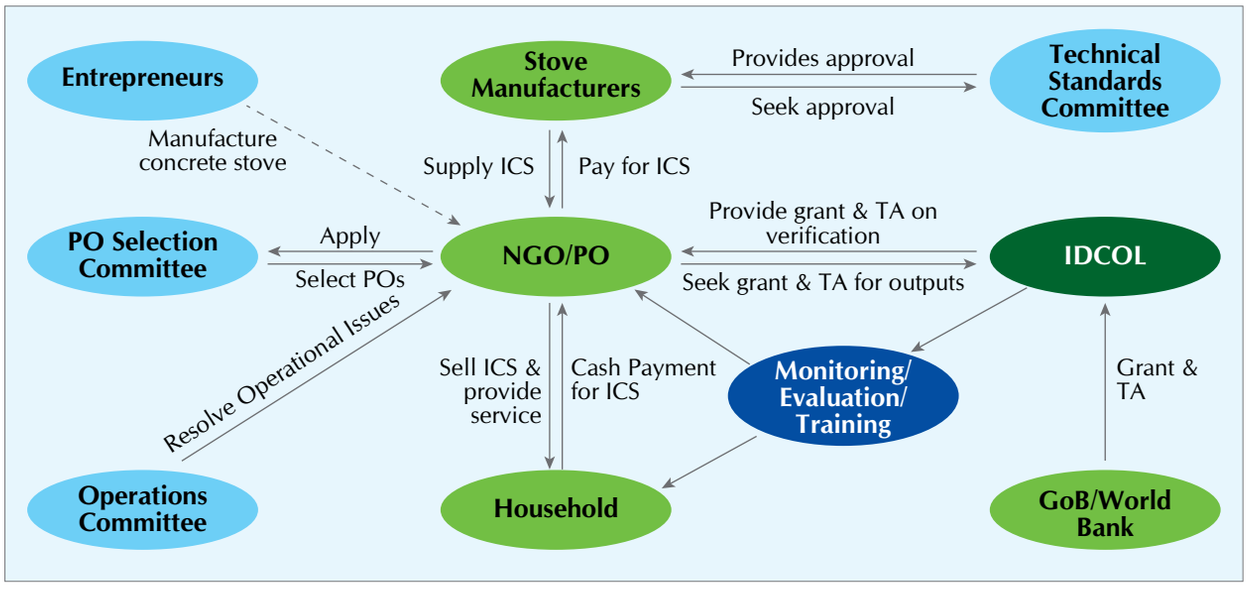


Improved Cooked Stoves (ICS) reduces Green House Gas Emission and Indoor Air Pollution (IAP)

by the Honorable Prime Minister of Bangladesh in May 2013. IDCOL received necessary financial support from the World Bank and the Government of Bangladesh. On March 2018, IDCOL received approval of the Green Climate Fund (GCF); the first clean cooking program in the world to have received such fund.

The program has achieved its initial target of disseminating 1 million ICS in January, 2017, almost two years ahead of the project completion period. Now, the Program is aiming to disseminate 5 million ICS by 2021. As of December 2018, a total of 1.65 million ICS have been disseminated in 290 upazilas.

The primary objectives of the program are to reduce GHG emissions, solid fuel use for cooking and the impact of Indoor Air Pollution (IAP) - which substantially affects women and children - by creating a sustainable market-based approach towards adoption of higher efficiency cook-stoves in the country. The Program is being implemented by a dedicated Project Management Unit (PMU) whereas IDCOL Board is responsible for oversight, policy guidance and monitoring of the PMU. The overall structure of the component is given in the figure below:



IDCOL undertook R&D initiatives with BUET to upgrade the stoves under the program from Tier 1(>=15%) to Tier 3 (>=35%) level of thermal efficiency. With increases in thermal efficiency, the stoves burn lesser amount of fuel and therefore, GHG Emission and IAP decrease significantly. At present, 49% of the stoves disseminated under the Program are Tier 3 stoves.

The Risks and opportunities of the program is as follows:

Opportunities:

Mass Awareness and Local capacity Building: IDCOL ICS Program with a network of 33 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 2021 of which 1.65 million ICS has already been installed.

Reducing Emission and Fuel Wood Saving: With installation of 5 million cookstoves by 2021 and considering two years lifetime of a stove, IDCOL ICS Program will save 11.6 million ton fuel wood and reduce emissions of 19.5 million ton CO2. Notably, an ICS saves 1.16 ton fuel wood per year and decreases 1.95 ton CO2 emission (burning of 1 ton fuel wood emits 1.68 ton CO2) per year.

Through installation of 5 million stoves, the program will create mass awareness on ICS and local capacity which will significantly contribute towards achieving government's target of 30 million stoves. These 30 million stoves will save 69.6 million ton fuel wood and reduce emissions of 117 million ton CO2.

Program Risks and Mitigation:

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

aspect of the program. IDCOL provide the demand creation incentives under the program to support POs in conducting these activities.

Availability of skilled human resources: Selling and promotion of cookstoves as a professional still requires a lot of motivation and enthusiasm. Through regular training and capacity building activities, the program has ensured availability of skilled masons and technicians. However, a significant portion of the POs are facing high rates of employee dropouts. IDCOL is providing regular trainings on promotional activities to motivate the sales force of ICS.

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

Lack of international standard Testing Facilities: IDCOL's undertook initiatives to establish three testing facilities for cookstoves in Bangladesh. In its own premises, IDCOL also established a technical monitoring facility for testing cookstoves to validate the field performance of the stoves. However, these laboratories are not ISO certified or internationally recognized for stove testing. It is essential to have an internationally recognized standard testing lab for cook stoves to measure the impact of ICS in Bangladesh compared to the global standards.

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

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

Investment Advisory

Following its success in disseminating renewable energy in Bangladesh and expertise in financing infrastructure projects, IDCOL has established a dedicated advisory unit to provide knowledge support to various local/foreign institutions. In addition, IDCOL also provides advisory services to different public and private sector entities related to strategic and operational policy formulation and implementation.

Trained more than 1600 Professionals

Since 1999, IDCOL has been organizing various workshops, seminars and training courses for the capacity development of its industry stakeholders. So far, IDCOL has arranged 25 Project Finance, 20 Financial Modeling, 2 Financing Power Project Training courses and various capacity development workshops such as Investment in Energy Efficient Brick Project, Financing Utility Scale Solar Project, and Industrial Energy Efficiency etc. Till date, more than 1600 professionals have been trained under its Training and Capacity Building Program of IDCOL.



20th Financial Modelling Training Program organized by IDCOL

Corporate & Transaction Advisory Services

IDCOL provides business related support services to its business partners based on specialized knowledge, best practices, and technology. So far IDCOL has delivered advisory support to Bangladesh Infrastructure Finance Fund Limited (BIFFL), IDLC Finance Limited, Acorn Infrastructure Services Ltd. (AISL) and Green Energy Limited to provide investment advisory services and conduct financial, technical, legal, and environmental due diligences of infrastructure projects. This year IDCOL has provided consultancy to Bangladesh Power Development Board (BPDB) and International Renewable Energy Agency (IRENA) for capacity building. Furthermore, IDCOL prepared feasibility study for electrification of Rangabali upozila with renewable energy being awarded by Power Cell, Power Division, MoPEMR. In future IDCOL is planning to provide advisory services related to Debt and Equity Financing options, Business Valuation and Modeling, Corporate Restructuring, Mergers and Acquisition services etc.



IDCOL together with Quality Growth Services Pvt. Ltd, India has provided advisory services to BPDB for Designing, Developing, Formulating and Implementing systems on Occupational Health and Safety Assessment Series (OHSAS) and to assist BPDB for obtaining OHSAS 18001:2007 Certification on 31 December 2018.

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





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

Green Financing by IDCOL

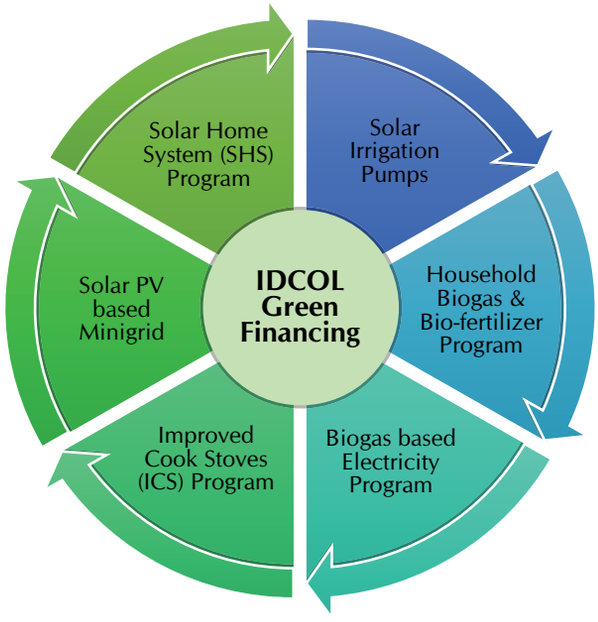
Green financing refers to financial investments flowing into sustainable development projects and initiatives, environmental products, and policies that encourage the development of a more sustainable economy. Following the same thought Infrastructure Development Company Limited (IDCOL) has started its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

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

IDCOL mainly finances Solar Home System (SHS), Solar irrigation, Solar mini-grid, Biogas based electricity,

About IDCOL

Biogas and bio-fertilizers Program and Grid-tied solar projects by sourcing fund from various donors. Each of the projects contribute towards the objectives by reducing carbon dioxide emission, avoiding lock-in of long-lived high-carbon capital/infrastructure, increasing house-hold access to low emission energy. These as a result have millions of direct beneficiaries and help to increase the potentiality of Sustainable Development in the following ways:



Solar Home System (SHS):

- About 4.13 million SHSs have been installed till date providing better quality solar electricity to 18 million people who used kerosene lamps before as well as extra lighting hours at similar cost in the off-grid areas of Bangladesh.
- Easy access to electricity ensures that students in the off-grid rural areas benefit from longer study hours and this substantially increased the number of completed school years. As a result, the country will have a better future as the future generation have increased chance of a better life and living standard.
- The program reduced the consumption of kerosene substantially and thus decreased carbon dioxide emission. This has a positive effect on health as households now suffer less from respiratory diseases.
- Solar electricity also benefits small business as they can enjoy extended operating hours and earn more revenue.
- Rural women can now easily perform household chores and also feel secured during the night hours due to better lighting condition.

Solar Irrigation:

- 1,186 solar irrigation pumps installed under IDCOL program are benefiting more than 35,484 farmers living in off-grid rural areas of Bangladesh which in turn contributes to food security through increasing agricultural yield during dry season/drought.
- Having reliable electricity at the right time in the season means farmers' cultivation costs are reduced, since less labor and less fertilizer are needed to prepare the land. Having the opportunity to irrigate the fields on time to increases productivity of land and ultimately boost yield of the farmers.
- With proper availability of irrigation system, farmers can harvest vegetable more than twice during this season which was not possible before. Also irrigation charges offered by the sponsors are lower than that of diesel run pumps. Moreover, farmers have enough free time to do some other works. All these have helped improve their household income.
- Through the replacement of diesel pump, the program also reduces government's burden of fuel subsidy for the agriculture sector as well as for diesel imports, enabling increased public investment in other sectors such as health and education.
- The rural women of Bangladesh besides performing household chores also actively help their husband in agriculture especially during land preparation and seed sowing as these became less burdensome. This allows women to participate more actively in income-generating and social activities, giving them a sense of empowerment.

Solar Mini-Grid:

- Currently under IDCOL's solar mini grid project rural beneficiaries are purchasing electricity by the means of a prepaid meter. This helps them better monitor their energy consumption and motivates them for energy conservation, thus reducing wastage.
- Due to availability of grid quality electricity at an affordable rate, several educational institutions, health service centers and hospitals, major markets, computer service centers and several commercial enterprises are emerging in the remote off-grid areas, improving the lifestyle of communities.
- With increased electrification and lightning, rural women will be more active in their daily

chores after sundown, since it gives them an increased sense of security. Hence many female entrepreneurs are emerging in the remote areas of Bangladesh.

- With the introduction of IDCOL's prepaid meter system based solar mini grid service, the consumers who usually paid more for diesel-powered micro-grids are now accessing clean energy as per their need at a much lower cost.

Solar Roof-top:

- Bangladesh is a good recipient of solar irradiation and it can generate significant electricity from solar power. Installation of one mega-watt-peak solar power plant requires approximately 3.5 ~ 4 acres of land. However, availability of plenty open rooftops may address the space constraint issue for installing solar panels.
- Recognizing that rooftop solar projects can be a power generation source, IDCOL has started financing industrial rooftop solar systems in urban areas with concessionary loan facility.
- Till now it has approved 8 rooftop solar projects out of which 2 projects went into commercial operation. The combined capacity of these 02 rooftop solar systems is 1823 KWp.

Solar Grid-tied Projects:

- Grid-tied solar projects will generate electricity using sunlight during day-time and supply the generated electricity to national grid, consequently increasing the capacity of the national grid and ensuring demand fulfilment for the subscribers.
- IDCOL arranged financial facilities for Engreen for a 3MWp grid-tied solar project at Sharishabari. The project went to commercial operation on August 02, 2017.
- IDCOL has also financed for Sympa Solar Power Ltd for a 8 MW grid-tied solar project at Majhipara, Tetulia, Panchagar. The project is currently under construction and expected to achieve commercial operation by May 2019.
- A massive portion of Government's subsidy on fossil fuel for electricity generation will be saved and national energy security will be sustained.
- Substantial state-of-the art technologies from developed countries will be transferred, facilitating replication and ensuring that Bangladesh follow a low-carbon growth path.

Biogas & bio-fertilizer Program

- The Program decreased the use of traditional stoves burning biomass thereby reducing household air pollution. As such, children and women who spent most of the time in the house get relief from health problems.
- The Biogas plants provide gas for cooking purpose which is lowering the usage of firewood and as a result reducing deforestation.
- Bio- slurry, which is generated from biogas plant is a rich source of organic fertilizer. Usage of bio-slurry reduces dependence on chemical fertilizer, contributing to improved soil fertility and food security.

Biogas based Power Generation:

- Implementation of such projects will reduce potential environment hazards resulting from improper disposal of poultry, dairy and agriculture wastes.
- Market creation of bio-waste for electricity production, will diversify the source of income of rural households, as they can now earn extra revenue from agricultural and dairy waste.
- Establishment of biogas based electricity plants in the poultry farms and dairy farms reduced dependency on fossil fuel by running captive generators. This gives access to grid quality electricity at low cost.

Improved Cook Stoves (ICS):

- IDCOL with support from the World Bank and the Government of Bangladesh started Improved Cook Stove (ICS) Program in 2013 with installation target of 1 million ICS by December 2018. The program achieved this target almost two years ahead of the project completion period in January, 2017. IDCOL is now implementing phase-II of the program for dissemination of 5 million ICS by 2021.
- Indoor Air Pollution (IAP) resulting from traditional cook stoves affects 143 million people in Bangladesh and contributes to 107,000 premature deaths per year.
- IDCOL ICS Program aims to create a sustainable market for adoption of higher efficiency cookstoves in the country. The objectives of the program are to reduce GHG emissions, solid fuel used for cooking and the impact of Indoor Air Pollution (IAP) - which substantially affects women and children.
- On March 2018, IDCOL received approval of the Green Climate Fund (GCF); the first clean cooking program in the world to have received such fund.

Green Climate Fund

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

In order to access GCF, the National Designated Authority (NDA) of Bangladesh that is the Ministry of Finance, nominated IDCOL to go through the accreditation process to become a National Implementing Entity (NIE), to administer the GCF funds and manage the local projects.

Following an accreditation process of twenty-two (22) months, IDCOL was approved to become the 1st National Implementing Entity (NIE) from Bangladesh, in the 17th Board meeting of GCF held on 6th July 2017. IDCOL has been accredited for the funding instrument of Senior Loan and can receive financing of up to 250 million dollars for each project from GCF. Later on 25th June 2018, IDCOL applied for up gradation of its accreditation status to access Grant & the review is under process at GCF.

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

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

At present, IDCOL holds a strong pipeline of climate change projects specializing in the domain of both adaptation and mitigation, Within this pipeline, concept notes (CNs) have been submitted for several projects and these CNs have already received approval from GCF for progressing further to develop them into full funding proposals. The projects that have already received CN approval are as follows:

1. *i) Promoting private sector investment through large scale adoption of energy saving technologies and equipment for textile sector of Bangladesh (Expected Program/project value of USD 165.00 million)*
2. *ii) Promoting private sector investment through large scale adoption of energy saving technologies and equipment for garment sector of Bangladesh (Expected Program/project value of USD 250.00 million)*
3. *iii) Climate Resilient Sustainable Coastal Forestry in Bangladesh (Expected Program/ project value of USD 80.00 million)*

IDCOL, as a Direct Access Entity (DAE) under the Green Climate Fund can avail Project Preparation Facility (PPF) for preparation of each individual project. Notably, PPF supports Accredited Entities (AE) like IDCOL in the form of grant, repayable grant or equity, for development of several project appraisal documents which includes pre-feasibility and feasibility studies, as well as project design; environmental, social and gender studies; risk assessments; and other project preparation activities.

On 05 November 2018, IDCOL received approval for Project Preparation grant of USD 301,562.00 through GCF's Project Preparation Facility (PPF). This fund has been sanctioned to start the necessary groundwork to assess and plan the most appropriate technologies to use, and best way to design and implement the upcoming Program titled "Promoting private sector investment through large scale adoption of energy saving technologies and equipment for textile sector of Bangladesh". The fund is the first of its kind to enter Bangladesh, and through IDCOL, such type of PPF fund will inaugurate its arrival into the country.

Events and Achievements





Inauguration Ceremony of Rooftop Solar Project of Paragon Poultry Ltd

Infrastructure Development Company Limited (IDCOL) and the Paragon Poultry Limited (PPL) jointly organized an inauguration ceremony of 723 kWp roof-top solar project on top of the poultry sheds of layer division of PPL located at Baniarchala, Bhabanipur, Gazipur on 18 February 2018. The project is expected to save grid electricity and electricity generated by diesel generators for captive consumption of the feed mill section of PPL and adjacent plastic fiber section and thus, reduce electricity expenses of PPL. Total cost of the project was BDT 58 million of which 20% was invested by PPL as equity and rest 80% was financed by IDCOL at an interest rate of 6% for 10 years.

Mr. Nasrul Hamid, MP, Honorable State Minister for Ministry of Power, Energy and Mineral Resources has inaugurated the event as the Chief Guest. Mr. Kazi Shofiqul Azam, Chairman, IDCOL and Secretary, Economic Relations Division was present as the special guest of the event.



IDCOL to raise $63m for a power project of Acorn Infrastructure.

The Infrastructure Development Company Ltd (IDCOL) has recently been mandated for raising $63 million term loan for a 100 Megawatt heavy fuel oil fired power project of Acorn Infrastructure Services Unit-2 Ltd (AISLII).

IDCOL CEO Mahmood Malik, Director for Investment Nazmul Haque, AISLII Managing Director Tarique Ekramul Haque and Group CEO M Jahangir Alam signed the term sheet for the project located in Julda of Chittagong, at the head office of IDCOL in Dhaka on February 19.

About IDCOL





Infrastructure Development Company Limited (IDCOL) distributed blanket at Tunirhat, Chakla and Kamatkajal Union of Panchagarh on 24 January 2019

To support the cold victims of northern rural people, Infrastructure Development Company Limited (IDCOL) undertook a blanket distribution program at Tunirhat, Chakla and Kamatkajal Union of Panchagarh on 24 January 2019. Over 2,950 blankets were distributed by the team to help the under-privileged that cannot afford blanket or cloth on their bare bodies. A team of volunteers from IDCOL, led by Rasel Ahmed, Manager, IDCOL identified such needy and distributed blankets among them. All of them were happy to receive the blankets and were also excited that now they would be able to have a sound sleep in cold winter nights.

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



Inauguration Ceremony of IDCOL financed 1.1 MWp Rooftop Solar Project of Far East Spinning Industries Ltd. (FESIL)

Infrastructure Development Company Limited (IDCOL), with support from KfW Development Bank, organized an inauguration ceremony of IDCOL financed 1.1 MWp rooftop solar project at the premises of FESIL located at Uttor Surma, Teliapara, Madhabpur, Hobiganj on 26 November 2018. The installed project is saving grid electricity consumption of FESIL and thus reducing its electricity expenses. Excess electricity is being sold to the Government through net-metering arrangement. Total cost of the project is BDT 8.90 crore of which 20% was invested by FESIL as equity and rest 80% was financed by IDCOL at an interest rate of 6% for 10 years.

Dr. Tawfiq-e-Elahi Chowdhury, Bir Bikram, Energy Adviser to the Hon'ble Prime Minister, inaugurated the project as the Chief Guest. Additional Secretary and Chairman of Sustainable and Renewable Energy Development Authority (SREDA) Mr. Md. Helal Uddin, was present as the Special Guest of the event. The ceremony was also attended by Mr. Mahmudul Kabir Murad, Deputy Commissioner, Habiganj, Mr. Md. Tazmilur Rahman, Peng, Deputy Director, KfW Development Bank, Mr. Asif Moyeen, Chairman, Far East Spinning Industries Ltd., and Mr. Mahmood Malik, Executive Director and CEO, IDCOL.



Infrastructure Development Company Limited (IDCOL) has organized a CEO Roundtable to promote energy efficient technologies in the textile and RMG sectors across Bangladesh

The CEO Roundtable, organised by IDCOL at its Head Office on Sunday, 18 March 2018, showcased the technology interventions related to energy efficiency measures in the RMG and Textile sector of Bangladesh. Top executives of the major textile and RMG companies were present in the Roundtable. The Roundtable provided the participants with greater insights on emerging energy efficient measures implemented in Bangladesh as well as those considered as global best practices.

The participants of the roundtable pointed that the growth of Bangladesh's economy relies heavily on the RMG and Textile industry, which employs around 4 million people. To compete successfully, firms must control their costs – while meeting ever stricter requirements for working conditions and environment friendly practices defined by international buyers. With rising cost of energy and depleting natural resources, the growth trajectory of Bangladesh textile and RMG industry can only be sustained by investing in smart energy efficient technologies. Adopting energy efficient technologies will also create quality jobs, attract important new investments, create new business opportunities and improve the quality of life.



Study Visit of Nepal Delegation to IDCOL

Key representatives of clean cooking sector of Nepal took part in a study tour at Infrastructure Development Company Limited (IDCOL) to learn about approaches taken under IDCOL Improved Cooked Stoves (ICS) Program. The World Bank initiated the study tour following the success of the fastest growing successful clean cooking program in the world.

The delegates conducted the visit during 11 to 15 March 2018 comprising of 10 members with representation from the World Bank, Alternative Energy Promotion Center (AEPC), Government of Nepal, and stove & fuel manufacturers from private sector. One of the key objectives of the study was to observe how IDCOL graduated from Tier 1 (TE, 25%) to Tier 3 thermal efficiency stoves (TE . 35%) through its R&D activities.

About IDCOL



IDCOL organized training and experience sharing program on renewable energy for high level delegation from Uganda

IDCOL arranged an 11-day training and experience sharing program on renewable energy for a 10-member high level delegation from Uganda comprising senior public and private sector officials from March 11 to March 21, 2018.IDCOL finances projects and programs that utilize various forms of renewable energy sources. IDCOL's Solar Home System (SHS) program is one of the largest off-grid electrification programs in the world. In addition, IDCOL also has nationwide programs on improved-cook stove, solar irrigation, solar mini-grid, biomass and biogas based electricity. IDCOL is also exploring to finance new renewable energy projects i.e. solar-powered transportation, rooftop solar system, solar cold storage and dryers, battery charging stations, community biogas projects etc.Following IDCOL's success in the renewable energy dissemination, other developing countries are keen to replicate similar programs in their respective countries. In this regard, IDCOL earlier provided knowledge support to, Ethiopia, Gambia, Ghana, Guinea, Sudan, Mali, Mauritania, Niger, Saudi Arabia and Senegal.



USD 95 million Term Loan Arrangement Signing Ceremony between IDCOL and Kushiyara Power Company Limited

Infrastructure Development Company Limited (IDCOL), a government owned development financial institution involved in private sector energy and infrastructure financing in Bangladesh, has recently signed a mandate letter with Max Group to raise USD 95 million term loan facility for establishment of 163 MW Gas based Combined Cycle IPP at Fenchuganj, Sylhet by Kushiara Power Company Limited (KPCL).



IDCOL's 21st Annual General Meeting held on 30 April 2018 at The Westin Dhaka



IDCOL to help develop market for Improved Cooking Stoves (ICS)

IDCOL plans to develop a sustainable market for adoption of ICS in Bangladesh after it successfully installed 1 million burners two years ahead of schedule. IDCOL achieved the target in January 2017, and more than 1.48 million ICS were disseminated among the rural households till February 2018.

IDCOL looks to install 5 million Improved Cooking Stoves (ICS) by 2021

In the wake of growing demand for Improved Cooking Stoves (ICS), IDCOL has extended its ICS Program up to 2021, aiming to install 5 million such stoves in rural households. The objective of the project is to reduce the emission of greenhouse gas (GHG) and carbon monoxide (CO), use of solid fuel for cooking and the impacts of indoor air pollution which will help achieved Sustainable Development Goals (SDGs) related to health of women and children.





20th Financial Modeling Training Program of IDCOL

Infrastructure Development Company Limited (IDCOL) organized its "20th Financial Modeling Training Program" during May 6-8, 2018 at Six Seasons Hotel. 34 professionals from various banks, financial institutions and corporate houses attended the training program.

About IDCOL



MoU Signing Ceremony with Institute of Architects Bangladesh (IAB) to Implement the Green and Energy Efficient Building of IDCOL

Mahmood Malik, CEO of Infrastructure Development Company Limited (IDCOL), and Qazi M Arif, general secretary of the Institute of Architects Bangladesh (IAB), exchange documents after signing a deal at the IAB Centre in Dhaka on May 15, 2018 over the construction of IDCOL's headquarters at Agargaon, Sher-e-Bangla Nagar in Dhaka.



Signing Ceremony: 2nd Additional Financing of US$ 55 million under Rural Electrification and Renewable Energy Development Project II



IDCOL signed Master Facility Agreements (MFA) with Bangladesh Bank on 07 August, 2018 for availing fund for Infrastructure projects under IPFF II



IDCOL to finance first rooftop solar project at a cold storage with a capacity of 322.5 kWp

IDCOL recently signed an agreement with Egarosindur Cold Storage Ltd. (ECSL) where IDCOL will finance first rooftop solar project at a cold storage with a capacity of 322.5 kWp.The project is expected to reduce grid electricity and electricity generated by diesel generators for caoptive consumption of the ECSL and thus reduce electricity expenses of ECSL. . Total cost of the project is BDT 25.12 milliom of which 20% was invested by ECSL as equity and rest 80% was financed by IDCOL at an interest rate of 6% for 10 years.



Germany supports Bangladesh's first grid-connected solar rooftop programme

On October 15, 2018, Economic Relations Division, the Ministry of Finance of the People's Republic of Bangladesh and KfW Development Bank acting on behalf of the German Federal Government signed an Agreement to support Bangladesh's first grid-connected solar rooftop programme and to promote other renewable energy projects. The Financing Package consists of a concessional loan of EUR 60 million and a grant of EUR 10 million.



IDCOL extends BDT 694 million term loan facility to Sympa Solar Power Limited

A term loan facility agreement for BDT 694 million was signed between Sympa Solar Power Limited (SSPL) and Infrastructure Development Company Limited (IDCOL) on 15 October 2018 at IDCOL head office to set up an 8 MW (AC) utility scale solar power plant at Tetulia in Panchagar. The tariff of the project will be US $ 0.13 per kWh. IDCOL is providing the required financing as term loan for a term of 15 years at 7% with 2 years grace period.

About IDCOL



25th Project Finance Training Program of IDCOL

Infrastructure Development Company Limited (IDCOL) organized its "25th Project Finance Training Program" during Nov 5-7, 2018 at IDCOL Head Office. 24 professionals from various banks, financial institutions and corporate houses attended the training program. Mr. Mahmood Malik, Executive Director & CEO of IDCOL was present as chief guest in the certificate awarding ceremony.



IDCOL awarded as the Joint Winner for Best Presented Annual Reports Awards 2017 in the category of Public Sector Entities by the South Asian Federation of Accountants

On the basis of evaluation of Annual report 2017 of IDCOL, the South Asia Federation of Accountants (SAFA) awarded IDCOL as the "Joint Best Presented Annual Report Awards" under the category of "Public Sector Entities".

The Award under different categories were conferred on the basis of evaluation administered by SAFA's Committee for improvement in Transparency, Accountability & Governance of the published annual reports of entries from South Asian Countries.

The Award was distributed in a ceremony on 22nd January 2019 on the premises of Pune Chapter of the Institute of Cost Accountants of India.



IDCOL secured Third Position under public sector entities category in the 18th ICAB National Award for Best Presented Annual Reports-2017

IDCOL secured Third Position under public sector entities category in the 18th ICAB National Award for Best Presented Annual Reports-2017. Mohammed Jabed Emran received the award on behalf of IDCOL from Honorable Finance Minister Mr. Abul Maal Abdul Muhith MP as an award ceremony organized in Pan Pacific Sonargaon, Dhaka on 24th December 2018.



Annual Retreat 2018 held at Sayeman Beach Resort, Cox's Bazar



Corporate Governance

Shareholding Structure of IDCOL Board

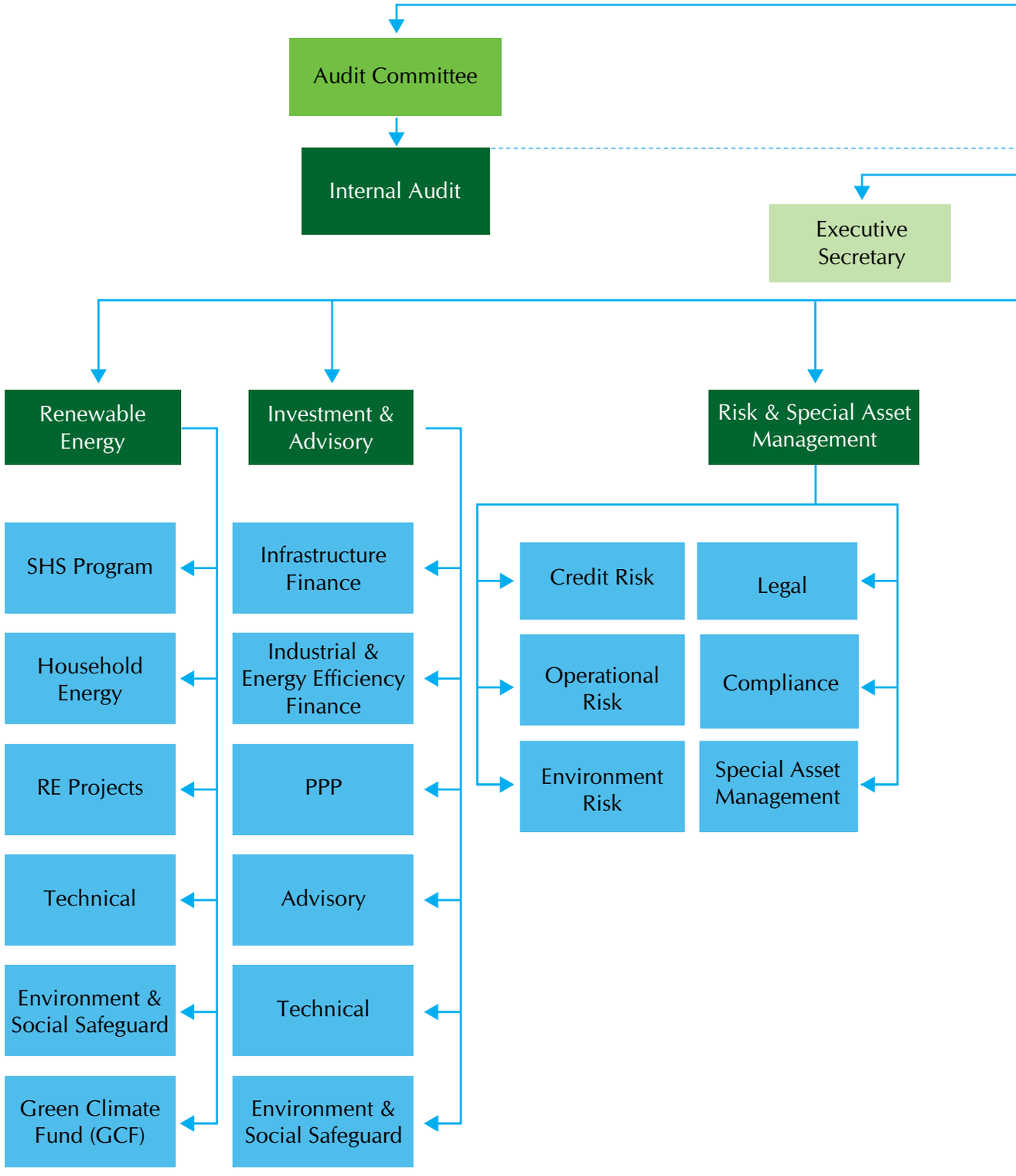
IDCOL is committed to ensure that the board is comprised of members as per the criteria set out by the mandate of the government, also consider their contribution and conduct at board meeting. IDCOL is managed by a nine member independent Board of Directors comprising five senior government officials and three prominent entrepreneurs from the private sector nominated by the Government and an appointed full time Executive Director & Chief Executive Officer.

Director's Name	No. Of Shares(Own)	Total Face Value Of Shareholdings(In Taka)
Mr. Monowar Ahmed, Chairman	500	50,000
Mr. Md. Shah Kamal, Director	50	5,000
Dr. Ahmad Kaikaus, Director	50	5,000
Mr. Sajjadul Hasan, Director	50	5,000
Mr. Adbur Rouf Talukder, Director	50	5,000
Mr. A. K. M. Nurul Fazal Bulbul, Director	10	1,000
Ms. Nihad Kabir, Director	50	5,000
Mr. Abdul Haque, Director	50	5,000
Mr. Mahmood Malik, ED and CEO	40	4,000
Board Members who retired during 2018		
Mr. Kazi Shofiqul Azam, Chairman	500	50,000
Ms. Suraiya Begum ndc, Director	50	5,000
Mr. Mohammad Muslim Chowdhury, Director	50	5,000
Mr. Waliur Rahman Bhuiyan, Director	10	1,000

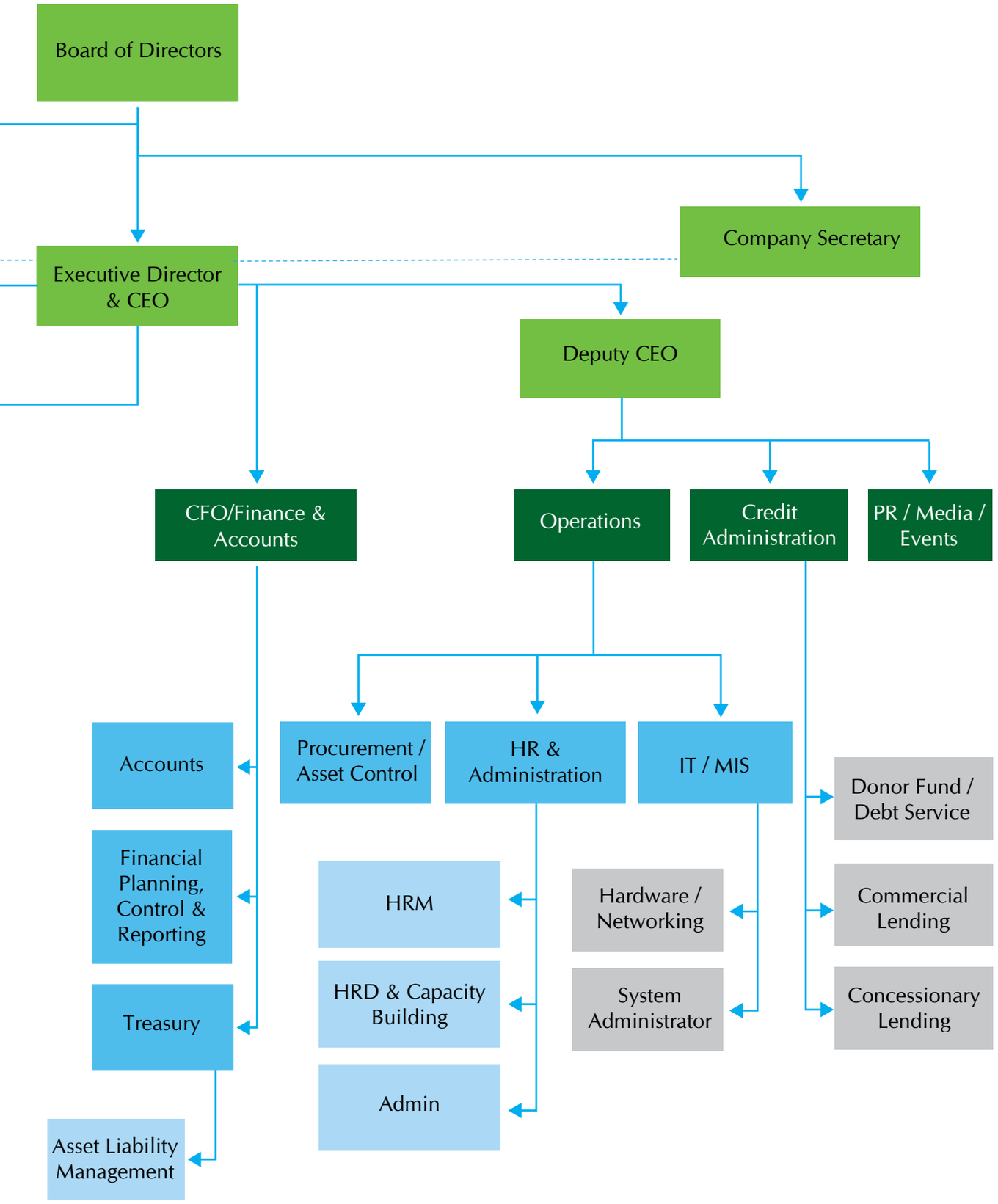
Shareholding Structure of IDCOL

Serial No	Name	No. of Shares	Amount in BDT	Percentage
1	Economic Relations Division, Ministry of Finance	59,999,000	5,999,900,000	99.9980%
2	Mr. Monowar Ahmed, Secretary, Economic Relations Division (ERD), Ministry of Finance	500	50,000	0.00110%
3	Mr. Sajjadul Hassan, Secretary, Prime Minister's Office	50	5,000	0.00010%
4	Mr. Abdur Rouf Talukder, Secretery, Finance Division, Ministry of Finance	50	5,000	0.00010%
5	Dr. Ahmad Kaikaus, Senior Secretary, Power Division	50	5,000	0.00010%
6	Mr. Md. Shah Kamal, Senior Secretary, Ministry of Disaster Management and Relief	50	5,000	0.00010%
7	Ms. Nihad Kabir, Senior Partner, Syed Ishtiaq Ahmed & Associates	50	5,000	0.00010%
8	Mr. Abdul Haque, Managing Director, Haq's Bay Automobiles Ltd.	50	5,000	0.00010%
9	Mr. A. K. M. Nurul Fazal Bulbul, Vice Chairman, CDBL	10	1,000	0.00002%
10	Mr. Md. Nojibur Rahman, Principal Secretary to the HPM	50	5,000	0.00010%
11	Mr. Md. Mozammel Haque Khan, Member, Anti-Corruption Commission	50	5,000	0.00010%
12	Mr. Shabhashish Bose, Former Senior Secretary, Ministry of Commerce	50	5,000	0.00010%
13	Mr. Mahmood Malik, ED and CEO, IDCOL	40	4,000	0.00008%
Total		**60,000,000**	**6,000,000,000**	**100%**

Organogram



Note : IDCOL in its 206th board meeting held on 9 August 2015 approved the organogram


Board of Directors
Company Secretary
Executive Director & CEO
Deputy CEO
CFO/Finance & Accounts
Operations
Credit Administration
PR / Media / Events
Accounts
Financial Planning, Control & Reporting
Treasury
Asset Liability Management
Procurement / Asset Control
HR & Administration
IT / MIS
HRM
HRD & Capacity Building
Admin
Hardware / Networking
System Administrator
Donor Fund / Debt Service
Commercial Lending
Concessionary Lending

Board of Directors



Mr. Monowar Ahmed
Chairman, IDCOL

Mr. Md. Shah Kamal
Director, IDCOL

Mr. Ahmad Kaikaus
Director, IDCOL

Mr. Abdur Rouf Talukder
Director, IDCOL



Mr. Sajjadul Hassan
Director, IDCOL

Ms. Nihad Kabir
Director, IDCOL

Mr. Abdul Haque
Director, IDCOL

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

Mr. Mahmood Malik
Executive Director & CEO

Profile of Directors



Mr. Monowar Ahmed

Chairman, IDCOL
Secretary, Economic Relations Division (ERD)

Mr. Monowar Ahmed joined the Economic Relations Division, Ministry of Finance on 25 October 2018 as the Secretary in-charge. Having joined the Bangladesh Civil Service in 1986 as a member of BCS Administrative Service 1984 Batch, he served in different Ministries and Divisions including Cabinet Division, Ministry of Public Administration, Ministry of Local Government, Rural Development and Cooperatives in various capacities. Mr. Ahmed's journey in ERD kicked off in July 2006 as a Deputy Secretary. Immediately before taking the current assignment, he served in same Division as Additional Secretary and founder Wing Chief of the newly established Development Effectiveness Wing.

During his career as a civil servant spanning over 32 years, Mr. Ahmed has garnered diversified experience, particularly in dealing with the issues pertaining to Paris Declaration on Aid Effectiveness, Accra Agenda for Action and Busan Partnership Agreement. Among the civil servants of the government, he pioneered the activities regarding the Development Effectiveness and brought this issue into the policy discourse. He was involved with the preparation of Busan Partnership Agreement as an Alternate Sherpa from Bangladesh and was a member [alternate] of the Post-Busan Interim Group (PBIG) from Bangladesh. He was also involved with the preparation of Bangladesh Report on Paris Declaration Evaluation, OECD-DAC Survey, Harmonization Action Plan and Joint Cooperation Strategy. His involvement as member of Working Party on Aid Effectiveness and task team on Monitoring the Paris Declaration are considered as instrumental in steering the effective development cooperation related activities. He also worked as focal person on SDGs, Istanbul Program of Action (IPoA) and LDC Graduation.

At the Global arena, he acted as the Alternate Vice-Chair of IATI Governing Board and co-chaired the Global Partnership Initiatives on Results & Mutual Accountability with Switzerland. Currently, he has devoted his service towards localization of Development Effectiveness Principles at the country level. Apart from these, he is working as the Alternate Co-Chair of Global Partnership for Effective Development Cooperation (GPEDC).

He obtained his Bachelors and Masters degrees from the Department of Economics, Jahangir Nagar University. Later he pursued Masters in Administrative Science from the German University of Administrative Sciences, Speyer, Germany in 1998.

Dr. Ahmad Kaikaus

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



Dr. Ahmad Kaikaus is the Senior Secretary, of the Power Division, Ministry of Power, Energy and Mineral Resources (MPEMR). He joined the Power Division as Secretary-in-Charge on 15 December, 2016 and on 23 February, 2017 he took over the office of Secretary. Prior to joining the Power Division, Dr. Ahmad worked for 3 years as the Deputy Chief of Party of the Policy Research and Strategy Support Program (PRSSP) at the International Food Policy Research Institute (IFPRI), which was funded by the United States Agency for International Development (USAID). He has a unique combination of civil service experience and high academic accomplishments with solid empirical research involvement. His civil service career provided him an exceptional opportunity to work in diverse places encompassing both rural and urban areas, regulatory and development agencies, and local government as well as ministerial positions. His academic and research background, on the other hand, made him well conversant of the development policy perspectives.

Dr. Kaikaus received his Master of Arts degree in Development Economics from the Center for Development Economics, Williams College, Massachusetts, USA, and PhD in Public Policy and Political Economy from the University of Texas at Dallas, Texas, USA. His research focus covers interdisciplinary subjects such as governance, poverty, development, labor market, migration, etc. Dr. Ahmad has published research papers and survey reports for IFPRI. One of the significant journal articles was in the World Development Journal on the structural transformation in Bangladesh economy. He has expertise on developing questionnaires and sampling frames for surveys. Along with his current government responsibilities, he is also researching on cluster-based economic transformation, fish value chain, rural nonfarm economy, and public expenditure for economic development.

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



Mr. Md. Shah Kamal

Director, IDCOL

Senior Secretary, Ministry of Disaster Management and Relief

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

Mr. Abdur Rouf Talukder

Director, IDCOL

Secretary, Finance Division



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

Born on August, 1964, in Dhaka, Mr. Talukder joined the Bangladesh Civil Service in 1988 (1985 batch). He worked in wide range of government positions in his long illustrious career but his specialization in public finance and economic management has brought him back to Finance Division at almost every rank of his career. He is the only civil servant in Bangladesh who has experiences of working in Finance Division as Assistant Secretary, Senior Assistant Secretary, Deputy Secretary, Joint Secretary and Additional Secretary before being elevated to the position of Secretary. In Finance Division, he has contributed in important areas like budgetary reform, macroeconomic management etc. He was instrumental in implementing Medium Term Budget Framework (MTBF) during 2005-06 and new Budget and Accounting Classification System (BACS) in 2017-18. He is a passionate advocate of reform in Public Financial Management (PFM) including introduction of IT in PFM and one of the key contributors in drafting the Public Money and Budget management Act, 2009. He also contributed to the introduction of payroll automation for the government employees and EFT for pensioners.

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

Mr. Abdur Rouf Talukder has long experience in designing and implementing projects under Annual Development Programme (ADP). He worked in the Financial Management Reform Project (FMRP) as MTBF Specialist while he was a Deputy Secretary. Again, in the later part of his career, he led the team of officials in designing and implementing the Skills for Employment Investment Program (SEIP) which is a comprehensive approach to the skill development of the country. He has served as the first Executive Project Director of SEIP and then went on to become the National Project Director.

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

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

Mr. Talukder is married to Mrs. Selina Rawshan, a teacher by profession and they have one daughter and one son.



Mr. Sajjadul Hassan

Director, IDCOL
Secretary, Prime Minister's Office (PMO)

Mr. Sajjadul Hassan is the Secretary to the Prime Minister's Office (PMO). Prior to his current position he was appointed as the Private Secretary to Prime Minister at the PMO for almost three years.

Being a BCS Cadre Officer of the 85th Batch, Mr. Hassan had served in various important Government positions since 1988.

He initially held the position of Assistant Commissioner (Land) for District Commissioner (DC) office of Jamalpur, Bakshiganj and Divisional Commissioners office Dhaka, respectively for almost five years from 1988 to 1993.

Later he joined as Nezarat Deputy Collector, in the District Commissioner (DC) office Narayanganj on October 21, 1993 and served there for more than four years.

In March 1997, Mr. Hassan was posted to Ministry of Agriculture as Senior Assistant Secretary and there he attended more than three years, before moving on to Ministry of Establishment, where he was posted as OSD for Foreign Training. Mr. Hassan continued this position for almost 2 years and in 2004 he took over the role of Upazila Nirbahi Officer of Kapasia, Gazipur, for another two years. Then became the Additional Deputy Commissioner of the District Commissioners (DC) office, Mymensingh, from April 06, 2004 to January 25, 2006.

For about an eight months, Mr. Hassan also led the role of Senior Assistant Secretary in Ministry of Establishment and was also the OSD (DY. Secretary) in the same ministry.

He was also the Secretary of National Housing Authority and Deputy Commissioner of DC office Cox's Bazar and Sylhet.

In 2010, Mr. Hassan became the Director to Prime Minister's Office and after serving for two years he became the OSD (Joint Secretary) to Ministry of Public Administration and was also attached to PMO as an OSD. He was also the Joint Secretary of Road Division for almost two years and later became Divisional Commissioner of Sylhet.

Moreover, Mr. Hassan is an Agricultural Economist, who have completed his M.Sc. in Agricultural Economics from Bangladesh Agriculture University (BAU) and further obtained a foreign advanced degree from University of Western Sydney.

Mr. A.K.M Nurul Fazal Bulbul

Director, IDCOL



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

He is the Co-founder of (1) EXIM Bank Ltd., (2) Sunlife Insurance Co., (3) Japan-Bangladesh Medical Associates, (4) Ei Floor Group etc. He is Vice Chairman of Central Depository Bangladesh Ltd. (CDBI) and Director of Infrastructure Investment Facilitations Company (IDCOL) from 2011 and BCl Board. He is the Advisor of Japan-Bangladesh Hospital, Sunlife Insurance Co., AML Group and Doreen Power Generation Co. etc. He served as Founder Board Audit Chairman of EXIM Bank for route than a decade. He was the Director of FBCCI, SAARC Chamber, OIC Business Forum, Central Zakat Board and FBCCI Foundation. In mid 1990, he served as Group Management Consultant / Advisor of Akij Group. Navarra Group. Padma-Sonali Group & Swedish Motors as well. He achieved 4 (Four) times CIP status.

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

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

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

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

Mr. Bulbul was elected General Secretary of National Student League In 1984 then he elected unanimous president. He played significant role in democratic movement in 1990 and took the charge of the Chairman of central youth league. With this continuation he was elected as member of central secretariat in Bangladesh Awaml League Central Committee for two terms from 1992 to 2002. Long decade he served as Founder Executive Committee Member of the Father of the nation Bangabandhu Sk. Mujib Memorial Museum at Dhanmondi. Although In new century, he totally apart from the politics and religiously involved in corporate social life.



Ms. Nihad Kabir

Director, IDCOL

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

Mr. Abdul Haque

Director, IDCOL



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

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

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



Mr. Mahmood Malik

Executive Director & CEO, IDCOL

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

IDCOL Team





IDCOL Management





Sitting from the Left
Mr. S. M. Monirul Islam, Deputy CEO and CFO
Mr. Mahmood Malik, Executive Director & CEO
Mr. Nazmul Haque, Director (Investment) and Head of Advisory

Standing from the Left
Mr. Mohammed Jabed Emran, Chief Risk Officer
Mr. Md. Enamul Karim Pavel, Head of Renewable Energy
Mr. M. Maftun Ahmed, Company Secretary

Profile of IDCOL Management



Mr. S. M. Monirul Islam

Deputy CEO and CFO

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

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

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

Mr. Nazmul Haque

Director (Investment) and Head of Advisory

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

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





Mr. Md. Enamul Karim Pavel

Head of Renewable Energy

Mr. Md. Enamul Karim Pavel joined IDCOL in 2004 and played a key role in development and implementation of IDCOL's renewable energy programs and projects i.e. solar home system program, solar irrigation program, domestic biogas program, improved cook-stoves program, solar mini-grid, biogas and biomass based electricity projects, etc. IDCOL's solar home system program is the largest off-grid renewable energy program in the world, which is providing electricity to 10% population of the country living in off-grid areas of rural Bangladesh. He is also leading the renewable energy team to promote other renewable energy technologies in Bangladesh.

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

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

Mr. Mohammed Jabed Emran

Chief Risk Officer



Mr. Mohammed Jabed Emran joined IDCOL in 2017 and played a vibrant role to enhance and embed the risk management culture across the organization. As Chief Risk Officer, Mr. Emran is leading the Risk Management Department i.e. Credit Risk Management Unit, Legal Unit, Compliance Unit and Special Asset Management Unit.

Prior to joining IDCOL, Mr. Emran was the Head of Syndication & Structured Finance Unit in Trust Bank Limited. He started his career as Management Trainee Officer in Dhaka Bank Limited and in his long tenor with the bank, he was the credit in charge of Islampur Branch and eventually was posted to the Syndication & Structured Finance Unit. Mr. Emran also worked in the Structured Finance Unit of The City Bank Limited for a short period before joining Trust Bank Limited.

Mr. Emran has been trained, home and abroad, on all risk management segments including Credit Risk, Operational Risk, Money Laundering Risk, ICT Risk, etc. He attended special training on Arbitration & Mediation also. Mr. Emran represented IDCOL in multiple local and international seminars and workshops as key note speaker. He completed his Bachelors and Masters in Economics from University of Dhaka and earned his MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka.



Mr. M. Maftun Ahmed

Company Secretary

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

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

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

Renewable Energy Department





Sitting From Left

Farzana Rahman, Unit Head, Renewable Energy
Md. Enamul Karim Pavel, Head of Renewable Energy
Md. Wahidur Rahman, Vice President

Standing in First Row from Left

Sajjad Uddin Mahmud, Senior Officer, Technical, Renewable Energy
Fariha Jannat, Manager, SHS Program
Tanushka Mumtahina Billah, Management Trainee, Green Climate Fund
Mithila Sanhita Majumder, Assistant Manager, SHS Program
Sanjidaa Hoque, Assistant Manager, Relationship, ICS Program
Mafruda Rahman, Manager, Green Climate Fund
Syeeda Yeasmeen Meer, Manager, Renewable Energy
Lina Binta Ataur Rahman, Assistant Manager, SHS Program
Sadia Raisa Khan, Senior Officer, Renewable Energy
Md. Imran Hossain, Manager, Renewable Energy
Dr. Ahmedul Hye Chowdhury, Environment Specialist, Renewable Energy
Saikat Das, Senior Officer, Technical, Renewable Energy

Standing in Second Row from Left

Md. Ashaduzzaman, Program Manager, SHS Program
Tasmia Khan, Management Trainee, Renewable Energy
Md. Serajul Hossain, Unit Head, SHS Program
Mukaddim Sarwar, Manager, Renewable Energy
Md. Nazmul Haque, Unit Head, Corporate Affairs and Promotion & Capacity Building
Md. Abdullah Hell Baki, Manager, ICS Program

Standing in Third Row from Left

Kazi Ahsan Uddin, Manager, Renewable Energy
Shadman Bin Zahir, Senior Officer, Renewable Energy
M. Mosleh Uddin, Unit Head, Green Climate Fund
Rashed Rahman Khan, Manager, Renewable Energy
Md. Jobair Bin Habib, Management Trainee, Renewable Energy
Md. Belal Siddiqui, Assistant Manager, (Agriculture-Monitoring), Renewable Energy
Molla Anisur Rahman, Manager, Renewable Energy
Muntasir-Al-Khaledunnabi, Junior Officer, Renewable Energy
Hassan Muhaiminul Aziz, Assistant Manager, Renewable Energy

Standing in Fourth Row from Left

Shuvajit Mandal, Manager, Renewable Energy
Mofazzal Hossain, Assistant Manager, (Agriculture-Monitoring), Renewable Energy
Asif Shahriar, Assistant Manager, SHS Program
Shibli Mohammad Faiz, Unit Head, Biogas Program
Junaed Tazdik, Manager, SHS Program
Likhon Amin, Management Trainee, Relationship, ICS Program
Faisal Mahmud Khan, Management Trainee, Renewable Energy
A. S. M Sazzad Parveg, Senior Officer, Technical, Renewable Energy
Mohammad Bin Monjil, Senior Officer, Technical, Renewable Energy
Md. Raisul Islam, Senior Officer, Renewable Energy

Not in the Picture

A F M Shahed, Unit Head, ICS Program
Asif Hasan, Manager, Biogas Program
Md. Rasel Ahmed, Manager, Promotion & Capacity Building
Mashiur Rahman, Junior Officer, Renewable Energy
Md. Abdullah Al Matin, Assistant Manager, Renewable Energy

Infrastructure Department





Sitting From Left

Zeesha Samah, Management Trainee, Infrastructure Finance
Mohammed Zahidul Haque, Unit Head, Industrial & Energy Efficiency Finance
Nazmul Haque, Director (Investment) & Head of Advisory
Raihan Uddin Ahmed, Environment Specialist, Infrastructure Finance
Sumaya Mahmud, Assistant Manager, Infrastructure Finance

Standing in First Row from Left

Md. Ashraf-Ul-Islam, Manager, Industrial & Energy Efficiency Finance
Raqib Ahmed Chowdhury, Manager, Infrastructure Finance
Md. Ashadur Rahman Bhuiyan, Manager, Industrial & Energy Efficiency Finance
Chayan Kumar Barua, Manager, Industrial & Energy Efficiency Finance
Sifat Monzur, Assistant Vice President, Infrastructure Finance
Mazadul Islam, Unit Head, PPP & Investment Advisory
Md. Aqil Ahmed, Senior Officer, PPP & Investment Advisory
Md. Hamid Iqbal, Assistant Manager, Infrastructure Finance
Shadman Sakib Mozumder, Management Trainee, PPP & Investment Advisory
Charles Amit Mohonto, Management Trainee, PPP & Investment Advisory
Abu Shoaib Khan, Management Trainee, Industrial & Energy Efficiency Finance

Not in the Picture

Mashref Ul Hoque, Manager, PPP & Investment Advisory
Amit Kumar Dutta, Manager, Infrastructure Finance

Finance & Accounts and Credit Administration Department





Sitting from the Left

M. Mizanur Rahman, Vice President & Unit Head, Accounts & Financial Planning
S. M. Monirul Islam, Deputy CEO & CFO
Farhan Reza, Vice President & Unit Head, Credit Administration

Standing from the Left

Zabir Ibne Raquib, Manager, Credit Administration
Rezwana Ali Tanima, Senior Officer, Credit Administration
Mohammad Abir Chowdhury, Management Trainee, Credit Administration
Mokaddim Jashim Bhuiyan, Assistant Manager, Credit Administration
Eshrat Ahmed Jehan, Management Trainee, Finance & Accounts
Nazmul Hasan, Management Trainee, Finance & Accounts
Md. Imrul Hasan, Manager, Finance & Accounts
Becky Christopher Rozario, Management Trainee, Finance & Accounts
Charishma Masud Biswas, Senior Officer, Finance & Accounts
Shek Mijanur Rahman, Assistant Vice President, Finance & Accounts

Not in the Picture

Ashraf Hossain Bhuiyan, Assistant Manager, Credit Administration

Risk & Special Asset Management and Legal Department





Standing from the Left

Khandkar Imran Bin Khaled, Assistant Manager, Credit Risk Management
Tanvir Ahmed, Assistant Manager, Legal
Khondker Ajwad Hossain, Assistant Manager, Credit Risk Management
Bibi Ayesha Begum, Management Trainee, Compliance
Mohammed Jabed Emran, Chief Risk Officer
Nadia Shahrin, Assistant Manager, Credit Risk Management
Md. Rifat Bin Rahman, Senior Officer, Compliance
F. M. Anwarul Kabir, Assistant Manager, Credit Recovery
Kazi Ibrahim Md. Adnan, Assistant Manager, Legal

Not in the Picture

Merina Kashem, Senior Vice President & Unit Head, Credit Risk Management
Md. Shaikat Azad, Assistant Vice President, Compliance
Kazi Ishfak Ahmad, Assistant Manager, Legal
Sabbir Ahmmed, Junior Credit Recovery Officer

Operations Department





Sitting from the Left
M. Maftun Ahmed, Company Secretary
S. M. Monirul Islam, Deputy CEO & CFO
Mohammad Rashedul Islam, Assistant Vice President, IT

Standing from the Left
Raisa Rahman, Management Trainee, Human Resource Management
Ashrafuzzaman Khan, Manager, Administration
Shuvendu Sarkar, Management Trainee, Human Resource Management
Saifullah-Al-Munsur, Management Trainee, Procurement
Md. Rezaur Rahman, Junior Officer, Admintration
Md. Monirul Haque, Junior Officer, Accounts & Admintration
Md. Kawsar Hossain, Junior Officer, IT
Sajjad Bin Siddique, Senior Officer, Procurement
Md. Ashadur Rahman Akand, Junior Officer, IT
Tahmina Shafiq, Manager, Human Resource Management

Internal Audit





Standing from the Left

Chandra Shekhor Mondal, Junior Audit Officer

Md. Shahriar Rana, ACCA, CIA, Assistant Vice President & Unit Head, Internal Audit

Rezoan Al Mahmud Suzan, Senior Officer, Internal Audit

Mohammad Abdul Hannan, Junior Audit Officer

Directors' Report

Dear Shareholders,

The Board of Directors of Infrastructure Development Company Limited (IDCOL) takes the pleasure to present the annual Audited Financial Statements of the company ended on 31 December 2018.

The Directors have given relevant disclosures and explanations regarding issues which are important to ensure compliance, good governance practices and transparency. We hope that this report will provide all required information about the company's annual performance during the period January-December 2018.

1. The Global Economy

During 2018, the global output has been estimated to have grown by 3.7 percent which is the same as the growth rate of 2017. The global economy continues to expand, the third-quarter growth has disappointed in some countries. New fuel emission standards in Germany, natural disasters in Japan etc. weighed on activity in large economics. But these developments occurred against a backdrop of weakening financial market sentiment, trade policy uncertainty, and concerns about China's outlook. While the December 1 announcement that tariff hikes have been put on hold for 90 days in the US-China trade dispute is welcome, the possibility of tensions rising in the spring casts a shadow over global economic prospects.

The prices of crude oil have been volatile since August reflecting supply influences, including US policy on Iranian oil exports and, more recently, fears of softening global demand. Besides, the financial conditions in emerging markets have tightened modestly since the fall, with notable differentiation based on country specific factors.[1] Emerging market equity indices have sold off over this period, in a context of rising trade tensions and higher risk aversion.

In the field of capital flows and exchange rates, since investors generally lowering exposure to riskier assets, emerging market economics experienced net capital outflow in the third quarter of 2018. As of early January, the US dollar remains broadly unchanged in real effective terms relative to September, the euro has weakened by about 2 percent amid slower growth and concerns about Italy, and the pound has depreciated about 2 percent as Brexit-related uncertainty increased. In contrast, the Japanese yen has appreciated by about 3 percent, on higher risk aversion. Several emerging market currencies—including the Turkish lira, the Argentine peso, the Brazilian real, the South African rand, the Indian rupee, and the Indonesian rupiah—have staged recoveries from their 2018 valuation lows last August-September.

An overview of world output growth projection is given in table 1.[1] The growth rate of the United States is estimated 2.9 percent in 2018 and expected to decline to 2.5 percent in 2019 and soften further to 1.8 percent in 2020 with the unwinding of fiscal stimulus and as the federal funds rate temporarily overshoots the neutral rate of interest.

	Estimated (in percentage)		Projection (in percentage)	
Year	**2017**	**2018**	**2019**	**2020**
World Output	3.8	3.7	3.5	3.6
Advanced Economics	2.4	2.3	2.0	1.7
USA	2.2	2.9	2.5	1.8
Euro Area	2.4	1.8	1.6	1.7
Japan	1.9	0.9	1.1	0.5
Emerging Market and Developing Economics	4.7	4.6	4.5	4.9
Emerging and Developing Asia	6.5	6.5	6.3	6.4
China	6.9	6.6	6.2	6.2
India	6.7	7.3	7.5	7.7
UK	1.8	1.4	1.5	1.6

Table 1: world output growth projection (Source: World Economic Outlook Update, January 2019)

The growth rate in the euro area is estimated 1.8 percent in 2018 and expected rate is 1.6 percent in 2019. The growth rate is of the United Kingdom is estimated 1.4 percent in 2018. There is substantial uncertainty around the baseline projection of about 1.5 percent growth in the UK in 2019-20. The growth rate of China is estimated 6.6 percent in 2018 and the expected growth rate is 6.2 percent in 2019. Japan's economy is set to grow by 1.1 percent in 2019 where the estimated growth rate was 0.9 percent in 2018. Finally the growth in emerging and developing Asia will dip from 6.5 percent in 2018 to 6.3 percent in 2019.[1]

Among advanced economics, core annual consumer price inflation in the United States, where unemployment hovers around multi decade lows, has exceeded 2 percent since March. Core inflation in the United Kingdom averaged slightly more than 2 percent in the first half of 2018, lower than last year, as the effects of the large sterling depreciation of 2016-17 on domestic prices have gradually faded. In

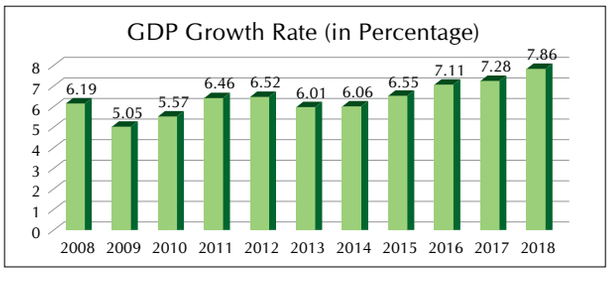
1 World Economic Outlook Update, January 2019 (https://www.imf.org/en/Publications/WEO/Issues/2019/01/11/weo-update-january-2019)

the euro area and Japan, core inflation remains weak at about 1 percent in the euro area and 0.3 percent in Japan. In the emerging market and developing economy group, core inflation remains contained at about 2 percent in China, where domestic demand has slowed in response to financial regulatory tightening. In India, core inflation (excluding all food and energy items) has risen to 6 percent as a result of a narrowing output gap and pass-through effects from higher energy prices and exchange rate depreciation.

2. The Local Economy

The Bangladesh economy has maintained sustainable growth at an average rate of more than 6 percent over the last decade (FY2006-07 to FY2015-16). The GDP growth is estimated at 7.86 percent in FY2017-18, which is 7.97 percent higher compared to 7.28 percent in FY2016-17[2]. The growth rate exceeded 7 percent mark for the second time after the FY2016-17. Before that the country saw a persistent growth of around 6 percent in the previous years. The GDP growth rate of 7.86 percent is the highest growth rate of the country.

Figure 1: Bangladesh GDP Annual Growth Rate (From FY2007-08 to FY 2017-18):[3] [4]



The agricultural sector experienced a growth of 3.47 percent in FY2017-18 from 1.96 percent in the year before, due to the good performance in all its sectors and sub-sectors. The growth of the three subsectors of agriculture and forestry sector i.e. crops and horticulture; animal farming; forest and related services reached 3.06 percent, 3.40 percent and 5.51 percent respectively in FY2017-18, which were 0.96 percent, 3.31 percent and 5.60 percent respectively in previous fiscal year. The growth in industry sector was 12.06 percent in FY2017-18, where the previous growth rate was 10.22 percent in the FY2016-17. The manufacturing sector accounts for 22.85 percent of GDP in FY2017-18, where the contribution of manufacturing sector accounts for 21.74 percent of GDP in the previous year. The growth in large and medium-scale manufacturing sector has increased to 14.26 percent compared to 11.20 percent in FY2016-17. However, the growth rate of small-scale manufacturing sector has been decreased to 9.25 percent from 9.82 percent in FY2016-17. There was a downfall in the performance of mining and quarrying. But, an increase in electricity, gas and water supply sectors of the broad industry sector had been observed. However, growth of construction sector increased to 9.92 percent in FY2017-18 from 8.77 percent in FY2016-17. The share of broad industry sector reached 33.66 percent in FY2017-18 from 32.42 percent in FY2016-17.

In FY2017-18, the share of broad service sector in GDP stood at 52.11 percent, from 52.85 percent in previous year. Within the broad service sector, the contribution of wholesale and retail trade sector 13.95 percent was the highest. Among the service broad sectors, the contribution of support transport services, storage, monetary intermediation, other financial auxiliaries and public administration and defence sector has increased.

The economy of Bangladesh has been able to maintain a sustainable economic growth. The economy grew at a rate of 7.86 percent in FY 2017-18, satisfactorily up from 7.28 percent in the previous fiscal year. The per capital national income reached US$ 1,751 in FY2017-18, up by US$141 a year earlier. Continuing the declining trend since FY2013-14 year on year inflation in FY2017-18 slid down to 5.78 percent. The growth of revenue receipt in FY2017-18 was 14.78 percent. Exports registered an increase of 5.81 percent and import increased by 25.23 percent in FY2017-18. Remittances inflow rebounded by 17.33 percent. Due to deficits in the current account, the surplus in capital and financial account left the overall balance of the Balance of Payment (BoP) account in deficits. Despite deficit in BoP foreign exchange reserve still remained steady. At the end of June 30, 2018 foreign exchange reserve stood at US$32,916 million which is sufficient for maintaining 6 month import payment. During the period, exchange rate greatly remained stable.

Private sector credit grew at 16.95 percent. The GDP under the Medium-Term Macroeconomic Framework (MTMF) has been projected to grow at the rate of 7.8 percent in FY2018-19 which is expected to be achieved through the implementation of prudent fiscal management, effective application of cautions monetary policy, appropriate management of expenditure, and sound implementation of the reform activities.

3. Future Outlook

In year 2018, Bangladesh fulfilled all three eligibility criteria for graduation from the UN's Least Developed

2 Finance Division, Ministry of Finance, GoB. Bangladesh Economic Review 2018. (http://mof.portal.gov.bd/site/page/44e399b3-d378-41aa-86ff-8c4277eb0990/Bangladesh-Economic-Review)

3 GDP growth reaches 7.86pc in final count (https://www.thedailystar.net/business/bangladesh-present-gdp-growth-rate-7.86-percent-in-2017-18-1635835)

4 (https://tradingeconomics.com/bangladesh/gdp-growth)

Countries (LDC) list for the first time and is on track for graduation in 2024[5]. According to the report of the United Nations, Bangladesh will be the third fastest growing economy in the world in terms of achieving GDP in 2019.[6] Bangladesh economy is set to continue expanding at a very fast pace in the near term, above 7 percent per year, amid strong fixed investment, vigorous private consumption and accommodative monetary policy.

The World Bank predicts Bangladesh's economy to expand for the next two fiscal years supported by strong domestic demands, exports, remittance and investment. In the FY2019 budget, GDP growth has been set at 7.8 percent. The forecasted 12 month average inflation will be at a range of 5.5 percent to 6 percent in FY2019. Exports are expected to see a robust growth of around 16 percent in 2019 owing to the trade war between US and China boosting the exports to the US along with the depreciation of the BDT. Import growth is set to plummet from the 31.75 percent growth seen in FY2018 to around 15 percent in FY2019. Remittance is expected to rise by around 15 percent in FY2019 due to a lagged effect of larger number of worker going abroad in recent years, along with the depreciation of BDT encouraging the usage of official channels to send back remittance. The current account deficit is expected to be smaller in FY2019 compared to FY2018 due to higher exports and remittance combined with reduced import growth. Large infrastructure projects and new initiatives in the energy sector are expected to contribute to the growth. Investments are expected to rise due to low interest rates and improved infrastructure.[7]

Bangladesh can accelerate and sustain economic growth by taking advantage of the global recovery to undertake institutional and market reforms. Proper implementation of strong macroeconomic policy reforms will help to boost growth.[8]

4. Economic Indicators

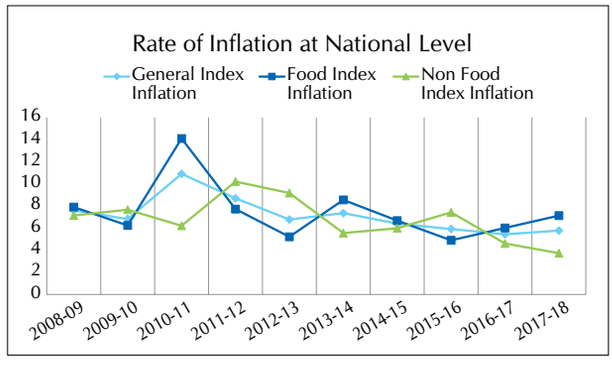
4.1. Savings and Investment

During the FY2017-18, domestic savings reached 22.83 percent of GDP, down by 2.5 percentage points from the preceding year. National savings as percent of GDP declined from 29.64 percent to 27.42 percent. On the other hand, during the FY2017-18, investment as a percentage of GDP has increased to 31.23 percent which is 0.72 percent higher than the previous year.

4.1. Inflation

The CPI inflation rate in FY2017-18 was 5.78 percent at the national level, which was 5.44 percent in FY2016-17.[9] During this period, the-food inflation stood at 7.13 percent with an increase of 1.11 percentage point compared to previous fiscal year. Satisfactory domestic production, favorable domestic environment, low budget deficit and prudent monetary policy coupled with low fuel and commodity prices in the international markets contributed to such sliding of overall inflation.

Figure 2: Rate of inflation at national level[10]



From the above Figure, it is observed that during FY2017-18 the rate of inflation stood at 5.78 percent which was 5.44 percent in the previous fiscal year showing a slight increase.

It is also noted that during FY2017-18, non-food inflation was lower than food inflation. It is worth mentioning that the general level of inflation stood at 7.60 percent in FY2008-09 which came down to 5.78 percent in FY2017-18 with some fluctuations over the entire period of 10 years.

In FY2017-18 the rate of inflation at national level in July 2017 was 5.57 percent on a point-to-point basis. The Government has taken a number of initiatives to lower the price level and to keep the prices of essential commodities stable. In this regard, the monetary policy for FY2017-18 aimed at attaining inclusive growth as well as containing average inflation below the targeted level of 5.8 percent at the end of the year. Nevertheless, the rate of inflation slightly increased to 6.12 percent in September 2017. During this period, food inflation increased to 7.62 percent in January 2018 from 6.53 percent in January 2017.

5 Moving Out of LDC Category: Bangladesh well on track (https://www.thedailystar.net/frontpage/moving-out-ldc-category-bangladesh-well-track-1549405)

6 Bangladesh to become 3rd fastest growing economy in world in 2019 (https://www.dhakatribune.com/business/2019/01/22/bangladesh-to-become-3rd-fastest-growing-economy-in-world-in 2019)

7 2019 Bangladesh Economic Prospects (http://lbamcl.com/wp-content/uploads/2019/01/Bangladesh-Economic-Prospects-2019.pdf)

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

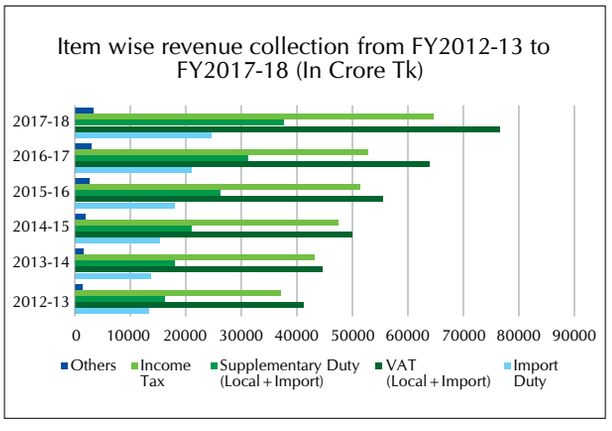
9 Finance Division, Ministry of Finance, GoB. Bangladesh Economic Review 2018.(http://mof.portal.gov.bd/site/page/44e399b3-d378-41aa-86ff-8c4277eb0990/Bangladesh-Economic-Review)

10 Finance Division, Ministry of Finance, GoB Chapter 3, Prices, Wages and Employment. Bangladesh Economic Review 2018.(http://mof.portal.gov.bd/site/page/44e399b3-d378-41aa-86ff-8c4277eb0990/Bangladesh-Economic-Review)

4.3. Revenue Collection

According to the Bangladesh Economic Review-2018, target of revenue collection was at Tk. 2,59,454 Crore during FY 2017-18. Of this targets, NBR Tax Revenue was Tk. 2,25,000 Crore (which is 10 percent of GDP), Non-NBR Tax Revenue was Tk. 7,500.Crore (which is 0.33 percent of GDP) and Non-Tax Revenue was Tk. 26,953 Crore (which is 1.21 percent of GDP). According to NBR statistics, against the targets, revenue collection stood at Tk.2,06,400.19 crore, which is 91.73 percent of the revised target and 20.24 percent higher than the revenue collection of last fiscal year. The following figure shows the item wise revenue collection from FY2012-13 to FY2017-18

Figure 3: Item wise revenue collection from FY2012-13 to FY2017-18 (Source: National Board of Revenue)

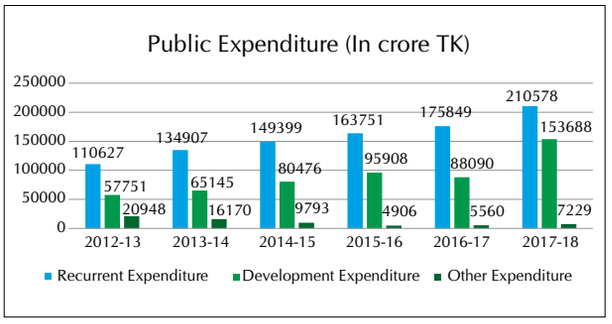


From figure 3 it is observed that in the FY2017-18 the highest amount of revenue is collected from VAT which is 76,539.56 crore taka, a 19.88 percent higher than the previous fiscal year. An amount of 64,548.26 crore taka is collected from income tax in FY2017-18, where the amount was 52,734.93 crore in the previous year. Besides, In FY2017-18, 37,551.38 crore taka is collected from supplementary duty, 24,502.12 crore taka is collected from import duty and an amount of 3,265.93 crore is collected from other sources.

4.4. Government Expenditure

According to revised budget, in FY 2017-18 the total Govt. expenditure target was estimated at Tk. 3,71,495 Crore which is 16.22 percent of GDP. Of this, the Annual Development Programme expenditure was Tk. 1,48,381 Crore (6.59 percent of GDP) According to the provisional estimate of iBAS++, the total expenditure stood at Tk. 3,21,107 Crore. The total expenditure under recurrent budget increased to TK 2,21,014 from TK 1,85,230 crore indicated an increase of 19.32 percent.

Figure 4: Public Expenditure (Source: Budget in Brief, Finance Division, M/O Finance.)



4.5. Budget Balance and Financing

In the revised budget of the current fiscal year the total budget deficit was estimated at Tk. 1,07,584 Crore (4.78 percent of GDP). To meet this budget deficit an amount of Tk. 41,567 Crore would be collected from external sources and Tk. 66,017 Crore would be collected from domestic resources.

4.6. Interest Rate

At the end of June 2018, the weighted average lending rate of commercial banks was increased to 9.95 percent compared to 9.56 percent from the previous year. Also, an increase of 5.5 percent was seen in the deposit rate, where the rate was 4.48 percent in the preceding year. The interest rate spread slightly decreased to 4.45 percent from 4.72 percent at the end of June 2018.

4.7. Capital Market

At the end of June 2018 the number of listed securities in DSE stood at 572 where it was 563 in June, 2017. The market capitalization of DSE stood at Tk. 3,84,734.78 Crore at the end of June 2018 compared to Tk. Tk. 3,80,100.10 Crore at the end of June 2017, showing a rise of 1.22 percent. The market capitalization of CSE stood at Tk. 3,12,352 Crore at the end of June 2018 showed a rise of 0.33 percent from the previous year end.

4.8. Remittance

Bangladesh received US$14.98 billion remittance in 2018, which is far below from $12.8 billion in the year 2017, according to the Bangladesh Bank data. Remittance received in 2018 was 17.32 percent higher than the previous year. About 8.8 lakh Bangladeshi employees went abroad in quest of jobs in FY2017-18, which was 2.8 percent lower than the previous year. In spite of the decreased mitigation rate, Bangladesh has earned a significant amount of remittances in the FY2017-18.

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

Figure 5: Manpower Export and Remittance Inflow.[11]

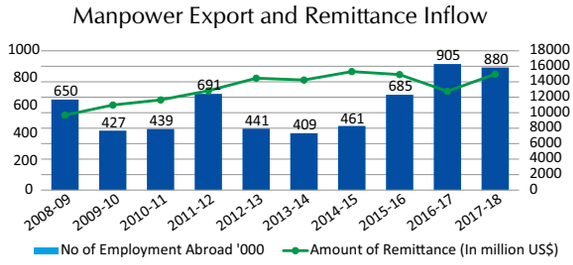


Figure 5 shows that despite a declining trend of inward remittances in the recent past, an upward trend in the number of manpower export has been observed, especially in FY2016-17. But it changed in last year. In the fiscal year 2016-17, the number of manpower export was 905,000 but in the FY2017-18 the number has been reduced to 880,000.

The ratios of remittances to GDP and remittances to export earning show a mixed trend. The remittance sent by Bangladeshi expatriates was 9.44 percent of GDP and 62.25 percent of total export earnings during FY2008-09. But this ratios had declined and stood at 5.49 percent of GDP and 40.86 percent of total export earnings in FY2017-18 respectively.

4.9. Export

In the FY201-18, the export earnings was US$ 36,668 million, which is 5.81 percent higher than the export earnings in the FY2016-17. The increase of the export earnings was happened for the reason of the increase of the export of agricultural product, ceramic product, handicraft, cotton and cotton products, knitwear, woven garments, chemical products, jute goods etc.

4.10. Import

In FY2017-18, the total import payments was US$ 58,865 million which was 25.23 percent higher than the import payments of the previous fiscal year. In terms of the value of total imported commodities, China secured the first position for our import in FY2017-18. 27.07 percent of the total imported commodities were came from China.

4.11. Balance of Payments (BoP)

Trade Deficit has increased significantly at US$18,258 million in the FY2017-18 compared to US$9,472 million in FY2016-17 due to high import payments. In addition, Service account and Primary income account deficit also increased significantly by 39.11percent and 27.91 percent respectively. But the Secondary income account surplus increased by 16.13 percent in FY2017-18 compared to previous year due to the high growth of workers' remittances. The financial account achieved a surplus of US$9,076 million as compared to US$4,247 million in FY2016-17. The overall balance recorded the deficit of US$885 million in FY2017-18 due to higher deficit of US$9,780 million of current account balance.

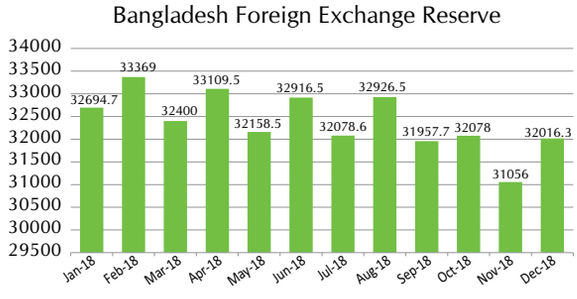
4.12. Exchange Rates

The weighted average inter-bank rate stood at Tk.82.10 per US$ in FY2017-18, which was Tk.79.12 per US$ in FY2017-18, resulting in a depreciation of 3.77 percent.

4.13. Foreign Exchange Reserve

Foreign Exchange Reserves in Bangladesh increased to 32016.30 USD Million in December from 31056 USD Million in November of 2018. Foreign Exchange Reserves in Bangladesh averaged 19328.31 USD Million from 2008 until 2018, reaching an all-time high of 33596.30 USD Million in August of 2017 and a record low of 7470.90 USD Million in June of 2008.

Figure 6: Bangladesh Foreign Exchange Reserve [12]



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

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

5. Capital Market Review

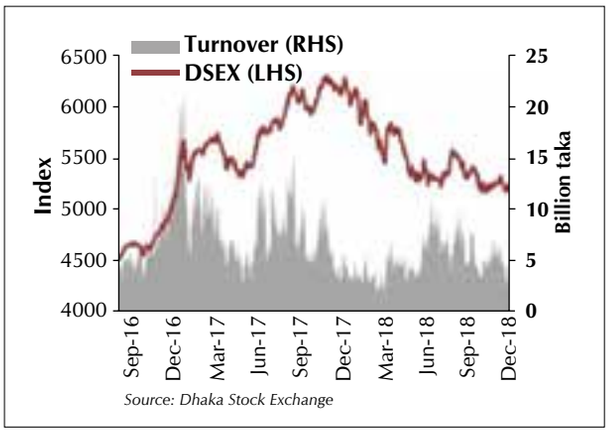
During January to June 2018, stock market prices measured by the DSE broad Index (DSEX) rose by more than 10 percent and 24 percent since June 2017 and December 2016, respectively reaching their recent

11 Finance Division, Ministry of Finance, GoB Chapter 3, Prices, Wages and Employment. Bangladesh Economic Review 2018.(http://mof.portal.gov.bd/site/page/44e399b3-d378-41aa-86ff-8c4277eb0990/Bangladesh-Economic-Review)

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

highs[13]. On the other hand during July to December 2018, the DSEX witnessed some price fluctuations. It was the aftermath of a strong performance in the first half of the fiscal year. [14]The DSEX index and turnover graph is given in the following.

Figure 7: DSEX Index and Turnover[15]

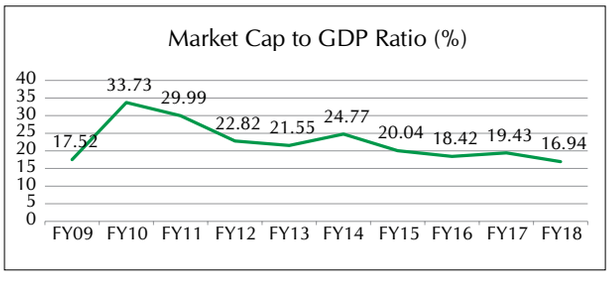


Source: Dhaka Stock Exchange

Given Bangladesh's growing trade and financial integration and the increased participation of global portfolio investors in DSE, the price and market turnover closely tracked the movement in the global markets. On the last trading day of the year DSEX closed at 5386 points compared to 6254 points on the first trading day. The total transaction figure stood at BDT 13,359 crore in FY2017-18, which was 38.43 percent less than the last year.

Overall, during the FY2017-18 the ratio of market capitalization to GDP was less than 17 percent where the percentage was 19.43 in the previous fiscal year. Market cap to GDP ratio is a measure of the total value of all publicly traded stock in a country, divided by the country's GDP. [16]The following graph shows the market cap to GDP ratio over the years. The data for this graph is taken from DSE and BBS.

Figure 8: Market Cap to GDP Ratio[17]



13 Monetary policy statement January-June 2018 (https://www.bb.org.bd/monetaryactivity/mps/mps.php)

14 Monetary policy statement July-December 2018 (https://www.bb.org.bd/monetaryactivity/mps/mps.php)

15 Monetary policy statement January-June 2019 (https://www.bb.org.bd/monetaryactivity/mps/mps.php)

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

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

From the above figure, it can be said that the growth of market cap could not keep pace with the country's economic growth. As a result, the capital market, compared to the size of the country's economy, lost its depth. The unsuccessful initiatives to offload shares of state owned enterprises and the reluctance of private companies to get themselves listed.

From analyzing the perspectives, it can be concluded in the FY2017-18, the market index and turnover, foreign investment and market cap to GDP ratio has declined.

6. Financial Sector and Sustainable Development Goals

After the success of the Millennium Development Goals (MDGs), the 17 Sustainable Development Goals (SDGs) came into force in 2015. The aims of the SDGs include eradicating poverty, improving quality of education, reducing inequalities, affordable clean energy, decent work and economic growth, controlling the climate change etc. There are 169 targets for the 17 goals. Few goals of SDG are the continuation of the goals of MDGs. The Millennium Development Goals Bangladesh Progress Report 2015, showed that Bangladesh had registered remarkable progresses in the areas of poverty alleviation, ensuring food security, primary school enrolment, gender parity in primary and secondary level education, lowering the infant and under-five mortality rate and maternal mortality ratio, improving immunization coverage; and reducing the incidence of communicable diseases.

Bangladesh was able to reduce poverty from 56.7 per cent in 1991-92 into 31.5 per cent in 2010 and finally 24.8 per cent in 2015 and estimated poverty level stood at 23.1 per cent and 21.8 percent in 2017 and 2018 respectively. The quality of education has increased significantly. The percentage of lower secondary education completion rate has increased to 76.5% in 2016 from 58.9% in 2003.[18] The quality of the education and rapid improvement of the industry and innovation are the most important determinants towards the better achievement of the SDGs. Better quality of education can contribute towards poverty reduction, zero hunger, gender equality, responsive consumption and production. On the other hand, industry – innovation and infrastructure can lead to decent work and economic growth, reduction of inequality, no poverty and zero hunger.

Financial sector of Bangladesh, mostly dominated by the banking sector, plays a major role in the economic growth. Five out of seventeen goals of SDGs are directly and more intensively while other

18 https://cpd.org.bd/wp-content/uploads/2018/11/What-are-the-Prospects-of-Achieving-SDGs-in-Bangladesh-Fahmida-Khatun.pdf

goals are indirectly/loosely related with the activities of the banking sector of Bangladesh. Financial growth is crucial for ensuring better quality of education, accelerated poverty reduction and employment generation. So, different financial institutions can play a vital role in implementing the SDGs of Bangladesh. Bangladesh became a middle income country due to the financial growth of the economy. Bangladesh using public development finance to catalyze private finance is the key to achieve the SDGs. The key challenges of Bangladesh financial sector to support SDGs are lower investment and saving rates, lower quality of human resource, lower total factor productivity and emerging land constraint. Recent shocks and emerging challenges require improvement in the financial sector governance.

The starting time of the Sustainable Development Goals (2016-2030) and the 7th Five Year Plan (2016-20) was a mere coincidence but it provided the country a good opportunity to integrate SDGs in the 7th FYP and Bangladesh was an early starter of implementation of SDGs. All the 17 goals were integrated into the plan - 14 goals (82%) are thematically fully aligned 3 goals (Goal 14, Goal 16 and Goal 17) of the SDGs (18%) are partially aligned with the 7FYP. Thus achievement of Plan objectives and targets will contribute towards achievement of SDGs. Bangladesh's achievement in implementing the 7th FYP will be rewarding internationally for fulfilling the global commitments.[19]

7. Infrastructure Scenario

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

Realizing the importance of infrastructure, The Government of Bangladesh along with the international development partners have insisted for investment in the infrastructure sector to meet the requisite aggregate national growth. The Government of Bangladesh, itself has regularly increased its investment in the infrastructure sector. In the annual budget for FY2018-19, the Government of Bangladesh has allocated BDT 173,000 crore for the Annual Development Program (ADP). The proposed ADP budget is 6.8 percent of the next fiscal year's projected GDP. From the overall perspective, in the budget of FY2018-19, 12.2 percent has been allocated in the transport and communication sector, 5.4 percent has been allocated to energy and power sector, 4.963 percent for the housing sector, 7 percent for the local govt. and rural development sector which are the major sectors of infrastructure developments.

In the Annual Development Program, 112 new projects are included in the FY2019 where the number was 90 in FY2018. According to the project completion timeline, a total of 538 projects are scheduled to be concluded in FY2019. Currently, Padma Multipurpose Bridge Project, Dhaka Mass Rapid Transit Development Project (Metro Rail), Matarbari 2x600 MW Ultra Super Critical Coal-Fired Power Project, 2x660 MW Moitree Super Thermal Power Plant (Rampal), Construction of Rooppur Nuclear Power Plant, Padma Bridge Rail Link, Construction of Single Line Dual Gauge Track from Dohazari-Ramu-Cox's Bazar and Ramu to Ghundum near Myanmar Border, Developing Port Infrastructure/Support Facilities of Payra Port for commencing Port Operations are some of fast track projects of Bangladesh.[20] Some of the other mentionable infrastructure projects include Sonadia Deep Seaport, Maheshkhali LNG Terminal, Elevated Expressway etc.

According to 7th Five Year Plan, Bangladesh currently invests about 2% of GDP infrastructure which needs to be raised to 6% of GDP to meet country's growth ambitions. It means at least USD 15 billion is needed to be invested for achieving the growth. The Government of Bangladesh has put emphasis on strengthening bilateral economic ties with different countries such as Japan, China, India, etc. for securing their investment into Bangladesh infrastructure sector. Increasing the private sector's investment in the infrastructure sector is also crucial to attain the GDP target. Public Private Partnership (PPP) is an important strategy taken by the Govt. to develop the

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

20 An Analysis of the National Budget for FY2018-19 (https://webcache.googleusercontent.com/search?q=cache:W5R8ZVVNwFIJ:https://cpd.org.bd/wp-content/uploads/2018/06/CPD-Presentation-on-Analysis-of-the-National-Budget-for-FY2018-19.pdf+&cd=2&hl=en&ct=clnk&gl=bd)

infrastructure scenario of Bangladesh. 47 projects from 9 sectors have been approved for implementation under PPP strategy. Approximately USD 14 billion will be invested to implement the projects. Different developments partners have been actively investing in the private sector infrastructure to mobilize additional investment from financial institutions. In order to attract the local and foreign private sector investors by removing hindrances investment, the Government unified both the Privatization Commission and the Board of Investment to a single organization called 'Bangladesh Investment Development Authority'. Moreover, different investment-friendly rules and regulations have been promulgated by the Government to ensure congenial environment for private investment.

Bangladesh is making rapid progress in terms of building infrastructure projects. According to The World Bank findings, building infrastructure in Bangladesh is the costliest in the world. In spite of various challenges, we are on our way of becoming a middle income country. Overall, the effectiveness and efficiency of the budgetary allocations and private investments depend on the manner the fund is utilized. This issue needs to be addressed to ensure that infrastructure development in Bangladesh grows at a healthy pace and facilitates the growth vision of the country.

8. Renewable Energy Scenario

Due to global warming and global climate change situation, renewable energy has arisen as an alternative source of energy solution around the world. Likewise other countries, the prospect of renewable energy in Bangladesh is very promising, especially in case of solar energy, biogas, biomass etc. The prospect of solar home system is very bright in Bangladesh. Bangladesh witnessed a 27 percent year on year jump in the number of solar home system (SHS) installed last year. At present, 17 million Bangladeshis use SHSs, making it the country with the second highest number of people who avail the system. About 13 percent of the total population in Bangladesh gained access to electricity through off-grid solar home systems. [21]

Some other sources of renewable energy include wind power, hydro power, geothermal energy, tidal power, ocean wave energy etc. which will be a great source of energy in the near future. In line with the international trend, the Government of Bangladesh has taken a systematic approach towards renewable energy development. As part of its initiatives, the Government has adopted Renewable Energy Policy (REP) in 2008 and formed a focal point called Sustainable and Renewable Energy Development Authority (SREDA) for coordinating the activities related to the development of renewable energy technologies and financing mechanisms. The policy envisions to achieve the targets for developing renewable energy resources to meet five percent of the total power demand by 2015 and 10 percent by 2020.

To monitor and coordinate renewable energy and efficiency of energy related issue different agencies are working with SREDA. A total of 19 renewable energy based projects (13 solar park projects, 2 solar irrigation projects, 3 wind projects and 1 waste to energy project) are now under implementation.[22]

IDCOL is committed to play a pioneering role in attaining this vision of the government. Government is considering to enact the SREDA Act, which will replace the REP 2008. IDCOL is implementing and financing several renewable energy programs and projects, the likes of which include IDCOL's Solar Home System program, Biogas programs, Solar rooftop projects, Solar irrigation projects, Solar power based mini grid projects, solar powered solution for telecom BTSs, biogas and biomass based electricity, etc. As part of encouraging more usage in renewable energy sector, the Power Cell is now at the final stage of finalizing the net metering policy to unlock the opportunity for the end users for trading electricity to the government.

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

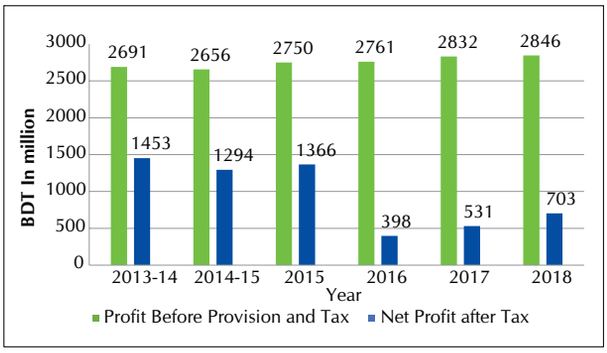
9. Operational Performance of IDCOL

During the reporting period, the total revenue of the company was BDT 4,920 million out of which BDT 1,996 million was interest from infrastructure projects, BDT 769 million was interest from renewable energy projects, BDT 373.4 million was fees income from infra project finance, BDT 3.7 million fees income from renewable energy projects and BDT 1,624 million was interest income from short-term investments. During the same period, the company's operating and interest expenses were BDT 2,074.6 million and profit before tax and provision was BDT 2,846 million. Provision of BDT 1003 million has been made for loans and advances and BDT 1,139.7 million for tax. Retained earnings at the end of the reporting period was BDT 801.7 million.

21 http://www.idlc.com/public/images/uploads/gdJ0npjxEzQc7muyhSwuON.pdf

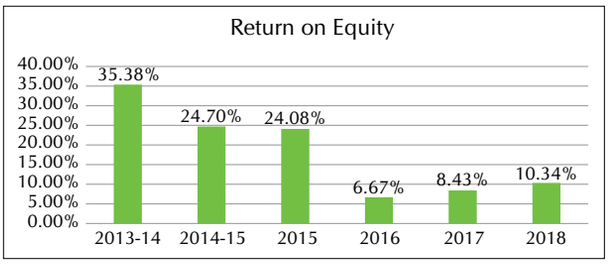
22 Finance Division, Ministry of Finance, GoB Chapter 10 Power and Energy Bangladesh Economic Review 2018.(http://mof.portal.gov.bd/site/page/44e399b3-d378-41aa-86ff-8c4277eb0990/Bangladesh-Economic-Review)

Figure 9: A Comparison between Profit before provision & Tax and net Profit after Tax



The Board has proposed payment of BDT 200 million as cash dividends to government. During the financial year the company has issued bonus share of BDT 500 million to increase its paid up capital from BDT 5,500 million to BDT 6,000 million, leaving a balance of 101.8 million as retained earnings to be carried forward to FY 2019. With a vision to become the national development finance institution, IDCOL is committed to making its capital structure as per global standards as soon as practicable. IDCOL's loan portfolio was diversified covering various infrastructure sectors like power, telecommunication, tourism etc. The after tax income of the company stood at BDT 703.4 million as opposed to BDT 531 million in the same period last year, an increase by 32.46%. Shareholder's equity also experienced almost 8% growth over the last year. During the reporting period, the company maintained the role of the market leader in private sector energy and infrastructure financing in Bangladesh. Most of the revenues during the period came out of income from interests on loans and advances. Even with 7.38% increase in asset base and 8% increase in equity, the profitability indicators fared well with the ROA and ROE being 0.85% and 10.34% respectively. The ROA and ROE of the company has gone up by 0.16% and 1.91% respectively as compared to the last yearly results ended on 31 December 2017. It should be noted that given the asset size, the ROA is consistent with the market average and the ROE is one of the highest among similar financial institutions. It is expected that the expansion in the asset and equity base of the company would enable it to reap the benefits in the form of enhanced returns in the years to come.

Figure 10: Return on Equity Comparison



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

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

10. Comparison of Actual and Budgeted Performance of IDCOL

The actual interest and operating revenue for the FY2018 was BDT 492.06 which was 1.13% lower than the previous year. On the other hand the actual interest and operating expenses were 2.30% higher than the previous year. The actual profit before tax and provision for the FY 2018 was BDT 284.60 crore which is 3.49% lower than the budgeted figure of BDT 294.88 crore. However, the actual net profit after tax and provision is BDT 70.34 crore which is BDT 3.15 crore more than the budgeted net profit after tax and provision.

Particulars	FY 2018 Actual	FY 2018 Budget (Revised)	Variance Actual/ Budget 18
	Crore Tk	Crore Tk	%
Interest & Operating Revenue	492.06	497.66	-1.13%
Interest & Operating Expenses	207.46	202.79	2.30%
Profit before tax and provision	284.60	294.88	-3.49%

Particulars	FY 2018 Actual	FY 2018 Budget (Revised)	Variance
			Actual/ Budget 18
	Crore Tk	Crore Tk	%
Provision for loans	100.29	105.02	-4.50%
Profit after provision for loan	184.32	189.86	-2.92%
Provision for tax	113.97	122.67	-7.09%
Net Profit after tax	70.34	67.19	4.69%

11. Infrastructure & PPP Projects

To cater to the increasing demand and to provide better services to its customers, Investment department enhanced the scope of work of its three units- Infrastructure Finance (IF), Industrial and Energy Efficiency Finance (IEEF) and PPP & Investment Advisory (PPP & IA) in the year 2018. To attain IDCOL's target of additional USD 1 billion investment in infrastructure by 2020, the department focused on building a strong pipeline for the organization in 2018. This is evident from the BDT 34,965.53 million approval obtained in 2018 which marks an impressive 86% increase from the approval of BDT 18,800 million of the previous year.

The major approvals obtained during the reporting period include:

- USD 50 million for a 163 MW gas fired combined cycle power plant by Kushiara Power Company Limited;
- USD 24.3 million for development of a 149 MW duel fuel (HFO/Gas fired) power plant at Kodda, Gazipur by Ace Alliance Power Limited;
- USD 30 million for development of a 113 MW HFO fired power plant at Mithapukur, Rangpur by Confidence Power Rangpur Limited;
- USD 30 million for development of a 113 MW HFO fired power plant at Shajahanpur, Bogra by Confidence Power Bogra Limited;
- USD 32 million for development of a 114 MW HFO fired power plant at Kashimpur, Feni by Feni Lanka Power Limited;
- BDT 1,680 million for development of a 54 MW HFO fired power plant at Potia, Chattogram by Zodiac Power Chittagong Limited;
- USD 12 million and BDT 920 million for development of a 150 MW HFO fired power plant at Ashuganj, Brahmanbaria by Midland East Power Limited;
- BDT 1,282.5 million for expansion of off-dock facilities by Summit Alliance Port Limited (SAPL) in Chattagram;
- BDT 109.03 million for Tosrifa Industries Limited and BDT 740 million for Shun Shing Cement Industries Ltd. under JICA funded Energy Efficiency & Conservation Promotion Financing Project;
- BDT 4,000 million for City Navigations Limited for procurement of inland maritime vessels;
- BDT 4,000 million for Robi Axiata Limited for its 4G network expansion and related capital expenditure;
- BDT 1,590 million for Meghna Cement Mills Limited for procurement of additional supporting machineries and equipment required to support the planned energy-efficient VRM installation already financed by IDCOL for their plant at Mongla, Bagerhat;
- USD 20 million and BDT 1,500 million for development of a 110 MW HFO based power plant at Shikalbaha, Chittagong, by Karnaphuli Power Limited;
- USD 40 million for development of a 100 MW HFO based power plant at Jhulda, Karnaphuli, Chittagong, by Acorn Infrastructure Services Unit-2 Limited;
- BDT 446 million for Kushiyara Auto Bricks Limited to set up a 180,000 bricks per day environment friendly tunnel kiln based auto bricks plant at Beani Bazar, Sylhet;
- BDT 1625 million term loan for facilitating the expansion of a ceramic tile manufacturing plant established by DBL Ceramics Limited, a concern of DBL Group.

In the year 2018, Infrastructure & PPP projects made disbursements totaling BDT 22,291.98 million that included the following projects:

- USD 22.3 million for a 212-220 MW dual-fuel (Gas/HSD fired) power plant at Bhola by Nutan Bidyut (Bangaldesh) Limted, a concern of Shapoorji Pallonji Group, India;
- USD 24.3 million for a 149 MW duel fuel (HFO/ Gas fired) power plant at Kodda, Gazipur by Ace Alliance Power Limited;
- USD 12 million and BDT 920 million for a 150 MW HFO fired power plant at Ashuganj, Brahmanbaria by Midland East Power Limited;
- BDT 1,282.5 million for expansion of off-dock facilities by Summit Alliance Port Limited (SAPL) in Chattogram;
- BDT 1,255.5 million for developing a 78,000 TEUs capacity Inland Container Depot (ICD) and Container Freight Station (CFS) by Ispahani Summit Alliance Terminal Limited (ISATL) in Chattogram;
- BDT 2,061 million for developing a steel melting and billet casting plant by BSRM Steels Limited in Chattogram;

- BDT 1,270 million for expansion and setting up of energy efficient Vertical Roller Mill (VRM) machine for a cement industry in Khulna;
- BDT 769.14 million for setting up of a petroleum refinery project in Chittagong and a 7,000 MT capacity LPG storage and bottling plant in Khulna;
- BDT 281.31 million for setting up of a PET bottle recycling plant, a tertiary care hospital, a refrigerator manufacturing plant to produce energy efficient refrigerators and procurement of a river dredger.
- BDT 4,000 million for City Navigations Limited for procurement of inland maritime vessels;
- BDT 4,000 million for Robi Axiata Limited for its 4G network expansion and related capital expenditure;
- BDT 1,500 million for setting up of an edible oil refinery plant with an annual capacity of 150,000 MT at Fatulla, Narayanganj;
- BDT 275 million term loan for facilitating production of a wide range of transformers, pre-engineered building components and other electrical products implemented by Sylvan Technologies Limited, a concern of Pran-RFL Group.

IDCOL also participated in various syndications and maintained its market presence with strong ties with participating banks and financial institutions. A number of arrangement deals has been signed with various sponsors and projects are expected to be into commercial operation within the period 2018-20. Notable arrangement deals of IDCOL are as follows:

- Mandated Lead Arranger for the debt financing of USD 95 million term loan facility for establishment of 163 MW gas fired combined cycle IPP in Sylhet by Kushiara Power Company Limited.
- Mandated Lead Arranger for the debt financing of USD 135 million term loan facility for establishment of three HFO fired IPPs, having a combined capacity of 280 MW, in Bogra, Rangpur, and Chattogram by Confidence Group;
- Mandated Lead Arranger for the debt financing of USD 68.60 million term loan facility for establishment of 149 MW duel fuel (HFO/Gas fired) power plant at Kodda, Gazipur by Ace Alliance Power Limited;
- Mandated Lead Arranger for the debt financing of USD 64.00 million term loan for establishment of 114 MW HFO fired power plant at Kashimopur, Feni by Feni Lanka Power Limited;
- Joint Mandated Lead Arranger for the debt financing of USD 70.05 million and BDT 920 million term loan facility for establishment of 150 MW HFO fired power plant at Ashuganj, Brahmanbaria by Midland East Power Limited;
- Mandated Lead Arranger for arranging BDT 2,750 million finance for setting up a 30 MW grid tied solar power plant at Rangpur, and
- Mandated Lead Arranger USD 35 million and BDT 2,840 million for setting up of a 110 MW HFO based power plant in Chattogram.
- It has also jointly signed mandate with Midland Bank Limited (MBL) to raise fund for a tunnel kiln based auto brick plant, namely Kushiyara Auto Bricks Limited (KABL) with a capacity of 180,000 bricks per day.

Towards the auto brick sector development, IDCOL has entered into an agreement with Climate & Clean Air Coalition (CCAC) under the United Nations Environment Program (UNEP) in order to provide assistance in its Green Brick Program to address the barriers IDCOL has faced over the years in financing the energy efficient brick plants.

12. Renewable Energy Projects

IDCOL Solar Home System Program

During January 2018 to December 2018, 56 participating organizations (PO) of IDCOL installed 4,160 Solar Home Systems (SHSs) in the rural areas of Bangladesh, leading the total number of installation to 4,135,512 at the end of December 2018. Till December 2018, IDCOL disbursed USD 504.5 million (BDT 41,727 million) as credit and channeled USD 96.62 million (BDT 7042) million as grant to all POs.

During the period January 2018 to December 2018, IDCOL received BDT 2,605 million as principal repayment and earned BDT 617 million as interest income and BDT 2.43 million as monitoring and administration fees.

IDCOL Biogas & Bio-fertilizer Program

As of December 2018, a total of 49,150 biogas plants have been constructed under the program. During the reporting period, 2,132 plants have been constructed by the Participating Organizations. Till December 2018, IDCOL provided refinancing facility of BDT 645.90 million to the POs.

Furthermore, till December 2018, IDCOL earned BDT 128.67 million as interest and received BDT 388.39 million as principal repayment.

IDCOL Improved Cook Stove (ICS) Program

IDCOL launched the 'Improved Cook Stove Program' in 2013 with the funding support from the World Bank and Bangladesh Government with

the installation target of 1 million ICS in Bangladesh within December 2018. In January, 2017 IDCOL ICS Program has achieved its initial target of installing 1 million ICS, almost two years ahead of the project completion period and set a new target of installing another 4 million stoves by 2021.

The objective of IDCOL ICS Program is to reduce the use of cooking fuel as well as to ensure reduction of Green House Gas (GHG) emission and Indoor Air Pollution (IAP) especially for women and children through promoting supply of higher efficiency cook-stoves. The program also aims to establish a strong base which include 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.

A total of 1.65 million ICS has been installed under the program till December, 2018 among which 249,501 ICS have been installed during January – December, 2018. The total grant amount disbursed for the program during January-December, 2018 is BDT 83.89 million.

Other Renewable Energy Projects

Till December 2018, 21 solar mini-grid projects out of previously approved 27 solar mini-grid projects of IDCOL went into commercial operation. The combined capacity of these 21 mini-grids is 3.87 MWp. Rest 06 mini-grids will be operational within 2019. All these mini-grids will meet the electricity requirements of more than 19,784 households and commercial entities located in the isolated, off-grid areas of the country. In addition, as of December 2018, 1,186 solar irrigation pumps went to commercial operation under IDCOL financing.

Recently IDCOL has started financing industrial rooftop solar systems in urban areas. Till now it has approved 8 rooftop solar projects out of which 2 projects went into commercial operation. The combined capacity of these 02 rooftop solar systems is 1823 KWp.

During the period, a total of BDT 1640 million has been disbursed for renewable energy projects, of which BDT 669 million has been provided as loan and BDT 971 million as grant.

13. Status of IDCOL Loans

As of 31 December 2018, overall collection rate of IDCOL loans is around 88.43 percent. There were in total thirty one classified loan accounts of which twenty one were in bad, four were in doubtful and six were in sub-standard category. The classified loan accounts were closely monitored and necessary actions under the finance and security documents have been taken against the borrowers to recover the outstanding amount.

13.1. Private Sector Infrastructure Development Project (PSIDP)

During the reporting period, the company effectively monitored its loan to Meghnaghat Power Limited (MPL). MPL settled the entire outstanding including interest, fees and other charges under the loan arrangement during the year. IDCOL, on behalf of the government, received USD 1.61 million as interest and USD 23.23 million as principal repayment. IDCOL also earned in total USD 1,697,925 as monitoring and prepayment fees and charges.

13.2. Rural Electrification and Renewable Energy Development Project (REREDP)

During the reporting period, IDCOL, on behalf of the Government, received BDT 3.57 million as interest and BDT 28.92 million as principal repayment. IDCOL further earned monitoring fees of BDT 0.11 million.

13.3. Short Term Investment

During the reporting period, IDCOL earned an amount *of 1,624.33 million* from balance with banks and financial institutions, out of which *BDT 10.31 million* from short term bank deposit, *BDT 1,595.54 million* from fixed deposit and *BDT 18.49 million* from call money operations.

14. IDCOL's Debt Service Performance

During the reporting period, IDCOL's debt service obligation under all the loans were current. IDCOL made a total debt service of BDT 3,815 million under various projects which are as follows:

Sl No.	Project	Interest and Fees (BDT million)	Principal (BDT million)
1	REREDP funded by IDA	533	1,572
2	PPIDF funded by ADB	532	622
3	JICA	218	239
4	Improving Rural Households' Livelihoods through Solar Energy Project in Bangladesh funded by IDB	15	84
	Total	1,298	2,517

14.1. Classified loan status

Principal outstanding of classified loans as a percentage to total principal outstanding of all loans was 6.37% as on 31 Dec'18.

15. Our Regional Offices

IDCOL has 17 regional offices in Dhaka, Chattogram, Rangpur, Sylhet, Khulna, Barisal, Bogura, Barguna, Cumilla, Faridpur, Mymensingh, Noakhali, Rajshahi, Thakurgaon, Kushtia, Jamalpur and Jashore under its renewable energy department. 9 of these offices, which accommodate more than one program, are managed by a Divisional Manager each (Dhaka Office has 2 Divisional Managers). The rest 8 are headed by a Regional Manager each. Each office has 10-14 quality inspectors for inspection and quality maintenance. The regional offices are clustered into 3 Zones, each headed by a Zonal Manager. Currently, a total of 231 quality inspectors and field auditors are conducting physical verification and managing operations of SHS, biogas and bio fertilizer, ICS, renewable energy projects, training and capacity building activities financed by IDCOL and monitoring collection efficiency of unit/branch offices of the partner organizations.

16. Investment Advisory

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

Under Investment Advisory services, various workshop, seminars, and training programs are regularly arranged for capacity development of industry stakeholders. In 2018, IDCOL arranged three training courses on 'Financial Modeling' and 'Project Finance'. More than 80 professionals from banks and financial institutions, project sponsors and development companies, international organizations and consulting firms were trained under these training and capacity building programs.

In line with IDCOL's success in the renewable energy dissemination in Bangladesh, other developing countries are keen to replicate similar programs in their respective countries. In this regard, IDCOL earlier provided knowledge support to, Uganda, Sudan, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Afghanistan, Myanmar and Nepal. Subsequently in 2018, IDCOL has arranged an 11-day training and experience sharing program on renewable energy for a 10-member high level delegation from Uganda comprising senior public and private sector officials

As part of IDCOL's strategy for service and market diversification, the PPP & Investment Advisory unit of IDCOL provides consultancy and transaction advisory related services to different public and private organizations. In 2018, IDCOL together with Quality Growth Services Pvt Ltd, India provided advisory services to Bangladesh Power Development Board (BPDB) for Designing, Developing, Formulating and Implementing systems on Occupational Health and Safety Assessment Series (OHSAS 18001:2007) and to assist BPDB for obtaining OHSAS 18001:2007 Certification on 31 December 2018. IDCOL also provided consultancy service for a capacity building workshop in Fiji organized by International Renewable Energy Agency (IRENA) focused on strengthening the capacity of local financial institution of Small Island Developing States (SIDS) to appraise and finance renewable energy projects. This year, IDCOL also provided consultancy services to Power Cell of Bangladesh for "Feasibility Study for Electrification of Rangabali Upozila with Renewable Energy" as the part of Government's plan to electrify the whole Rangabali Upozilla under Patuakhali District with renewable energy resources. In addition, IDCOL has partnered with different foreign and local Consulting bodies to develop long term partnership for mutual business development and for offering financial and consultancy related services.

17. Internal Audit

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

18. Risk Management

At IDCOL, a strong risk culture is promoted throughout the organization to enable effective risk management. It is built on the best practices of Corporate Governance

enabling the institution to accomplish and engrain sustainable risk governance and risk management culture. Risk Management culture is essential to strike the perfect balance between risk and return. The embedded risk management culture enables IDCOL to manage the identified and unidentified risks, IDCOL inherits as a Financial Institution, in a prudent manner to emphasize business growth in a risk minimized method.

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

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

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

19. Credit Rating

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

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

20. Directors' Responsibilities of Preparation of Financial Statements

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

21.Going Concern

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

22. Directors' Statement Pursuant To the Disclosure and Transparency

To the best of their knowledge and belief and according to the information and explanations obtained by them, our Directors make the following statements:

- That in the preparation of the annual accounts for the year ended 31 December 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- That such accounting policies have been selected and have been applied consistently and judgment and estimates have been made that

they are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company as on 31 December 2018, and of the profit of the Company for the year ended on that date;

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

23. Integrated Reporting

Annual Report 2018 of IDCOL has been presented as an integrated report in accordance with the international IR framework issued by International Integrated Reporting Council (IIRC) on a basis that is consistent over time. It provides an insight into the nature and quality of IDCOL's relationships with its key stakeholders by providing transparency, accountability and how it provides value to its stakeholders. It includes all material matters without material error and incorporates the efforts the company has taken towards economic prosperity, environmental sustainability and social well-being for a brighter future

24. Director's Meeting & Attendance

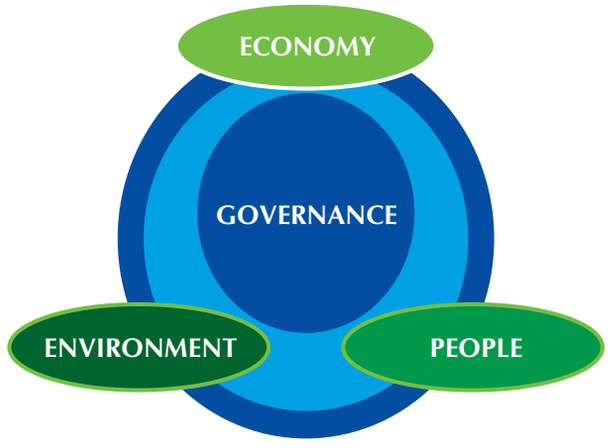
From 01 January to 31 December 2018, a total of 15 (fifteen) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 80 percent. The core activities of the Board were carried out in scheduled meetings of the Board and its Committees. Those meetings were timed to link to key events in the company's corporate calendar and regular reviews conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which require decisions outside the scheduled meetings.

25. Corporate Governance

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

26. Sustainability

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



and sets company principles and values that guide our business practices. A separate detailed Sustainability report is included as part of the Annual Report.

27. Business Ethics

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

28. Contribution to the National Exchequer and the Economy

During the year January-December 2018, the company contributed a total amount of BDT 1,139.7 million as corporate tax, BDT 22.89 million as Tax Deducted at Source (TDS) and BDT 57.05 million as VAT and BDT 200 million as dividend to the government, in total BDT 1419.6 million was paid to the national exchequer. By adopting a responsible

behavior, as well as through sustainability added-value approach, IDCOL contributes most effectively in social, environmental and economic progress.

IDCOL has been awarded the Tax Payer's Award in FY2015 and FY2016.

29. Responsibility Towards Civil Society

As a responsible corporate citizen, IDCOL strives to play a positive role in society, by building a culture that promotes employee volunteering, and through corporate giving to support the communities in which it operates. IDCOL is committed to sharing its business expertise by helping to build better understanding of the needs of individuals and the society at large.

30. Auditors

ACNABIN Chartered Accountants have been appointed as auditors for the Company's accounts for the year starting from January 2018 to December 2018. The Financial Institutions Act, 1993 stipulated that an auditor of a financial institution cannot be appointed for more than three consecutive years. Section 210 (10) of the Company's Act, 1994 also gives authority to shareholders of the company to fix the auditor's remuneration. So, the board recommended appointing ACNABIN Chartered Accountants as the auditor for IDCOL.

Acknowledgement

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

By order of the Board
Date: 24 April 2019

Sd/-
Monowar Ahmed
Chairman
IDCOL Board

Directors' Responsibility

Board Committees

IDCOL is committed to high standards of corporate governance and have a corporate governance framework which supports our long-term performance and sustainability as well as protects and enhances our stakeholders' interests. IDCOL believes that the effective governance is achieved through a culture of transparency and openness between Management, Board and across the organization. We regularly review our corporate governance arrangements and practices to ensure they reflect developments in regulation, market practice and stakeholder expectations. This section while detailing the required governance and regulatory assurances and disclosures also provides an insight into how governance operates at IDCOL and how effective governance supports and guides our culture and behavior.

Board of Directors

The board is responsible for long term success of the company through superior financial performance and for ensuring leadership within a framework of effective controls. The board sets the strategic directions of the organization, approves the strategy, and takes the appropriate action to ensure that the organization is suitable resourced to achieve its strategic aspirations. The board considers both the impact of its decisions and responsibilities to all of the stakeholders' including the employees, shareholders, clients, regulatory bodies, environment and the communities in which it operates.

Audit Committee

Oversight and review of financial statement, internal financial control, Audit and non-audit functions.

Credit Committee

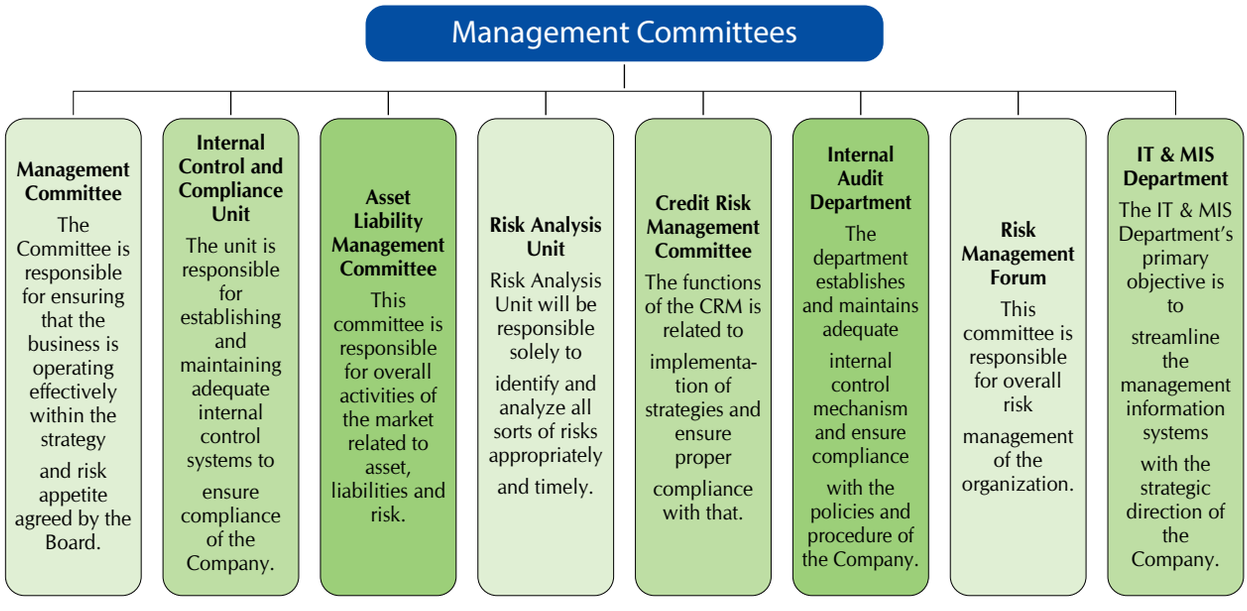
Primarily responsible for reviewing all project appraisal reports and making necessary recommendations to the Board.

Organization Committee

The Committee is responsible for overseeing the overall Human Resources strategy and policies of the Company.

Management Committees

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



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

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

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

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

Board Key Roles and Responsibilities

Chairman

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

Directors

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

Executive Director and CEO

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

Board Meetings 2018

In 2018, 15 board meetings were held

233rd Meeting	25th January, 2018
234th Meeting	25th February, 2018
235th Meeting	28th March, 2018
236th Meeting	30th April, 2018
237th Meeting	27th May, 2018
238th Meeting	28th June, 2018
239th Meeting	31st July, 2018
240th Meeting	11th September, 2018
241st Meeting	08th October, 2018
242nd Meeting	27th October, 2018
243rd Meeting	20th November, 2018
244th Meeting	03rd December, 2018
245th Meeting	09th December, 2018
246th Meeting	20th December, 2018
247th Meeting	27th December, 2018

Board Attendance															
Name of the Director's	Board Meetings														
	233rd	234th	235th	236th	237th	238th	239th	240th	241st	242nd	243rd	244th	245th	246th	247th
Mr. Monowar Ahmed, Chairman											✔	✔	✔	✔	✔
Mr. Md. Shah Kamal, Director		✔	✔	✔	✔		✔	✔	✔	✔	✔	✔	✔	✔	✔
Dr. Ahmad Kaikaus, Director	✔	✔	✔	✔	✔		✔		✔					✔	
Mr. Sajjadul Hasan, Director			✔	✔	✔	✔	✔		✔	✔	✔			✔	✔
Mr. Abdur Rouf Talukder, Director								✔	✔	✔	✔	✔	✔	✔	✔
Mr. A.K.M. Nurul Fazal Bulbul, Director				✔	✔		✔	✔	✔	✔	✔	✔	✔	✔	✔
Ms. Nihad Kabir, Director					✔	✔	✔			✔		✔		✔	
Mr. Abdul Haque, Director	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Mr. Mahmood Malik, ED & CEO	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔
Board Members who stepped down during 2018															
Mr. Kazi Shofiqul Azam, Chairman	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔	✔				
Ms. Suraiya Begum ndc, Director	✔	✔	✔												
Mr. Mohammad Muslim Chowdhury, Director	✔	✔	✔	✔	✔	✔									
Mr. Waliur Rahman Bhuiyan, Director	✔														

Credit Committee Meetings 2018

In 2018, 7 Credit Committee meetings were held

62nd Credit Committee Meeting	22nd January, 2018
63rd Credit Committee Meeting	19th February, 2018
64th Credit Committee Meeting	24th May, 2018
65th Credit Committee Meeting	29th July, 2018
66th Credit Committee Meeting	10th September, 2018
67th Credit Committee Meeting	7th October, 2018
68th Credit Committee Meeting	18th December, 2018

Audit Committee and Organization Committee Meetings 2018

In 2018, 3 Audit Committee and 1 organization Committee Meetings were held.

14th Audit Committee Meeting	14th January, 2018
15th Audit Committee Meeting	25th March, 2018
16th Audit Committee Meeting	21st October, 2018
Organization Committee Meeting	20th June, 2018

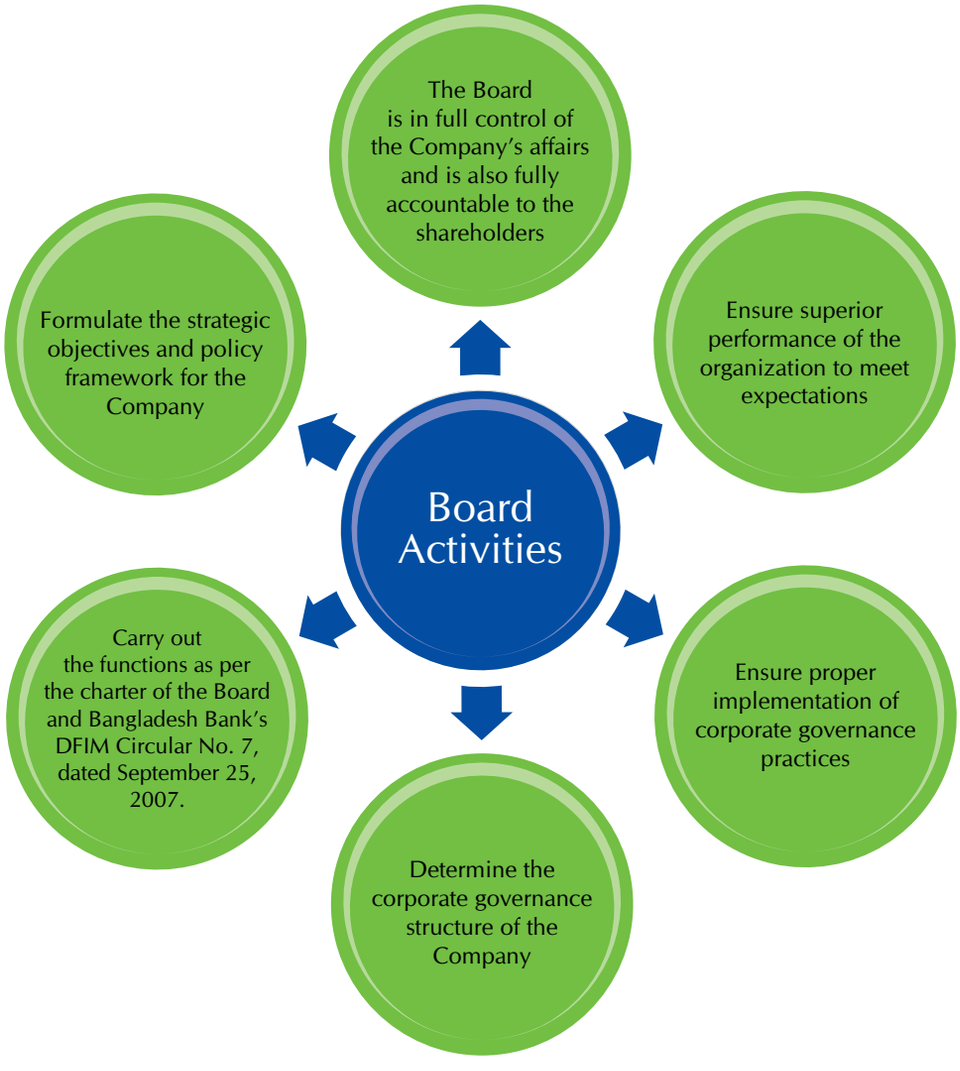
Conducting Board Meeting

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.

Board meeting procedure of IDCOL is structured in a way that helps the members keeping the flow orderly. Four members' presence are mandatory for conducting 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.



Time Commitment

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.

Appointment, retirement and re-election of Directors

As a government owned organization IDCOL has no authority over the appointment of the board member of its own. The board members are appointed on the basis of the government directives. It mandated to allow 9 members in the board including the Chairman and the Chief Executive Officer. In the annual general meeting it is mandatory for the 50% of the board members to resign from the post who and those members may be re-elected at the vote of the members for next one year.

Director Induction

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

consist 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 director's appointment. The total process is regularly reviewed and take into account director's feedback to ensure they are continually improved.

Ongoing Development Plan

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

Board Effectiveness

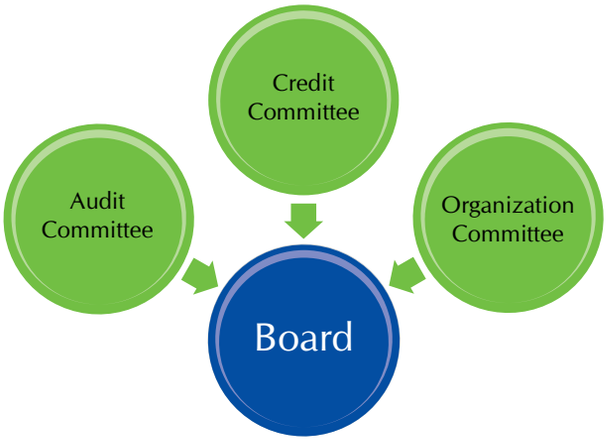
An effective Board of Directors is at the heart of the governance structure of a well-functioning and well governed company, acting as the ultimate internal monitor. Ideally, the Board guides long-term corporate strategy, puts the key agents in place to implement it, and monitors performance against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

Annual Evaluation of the CEO

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

Committees of the Board

The IDCOL Board may form special Committees comprising Board members or any other members from outside of the Company for special purposes. The board places significant reliance on its committee by delegating a broad range of roles and responsibilities. It therefore remains crucial that effective linkages are in place between the committees and the board as a whole. Mechanisms are in place to facilitate those linkages including ensuring that there are no gaps or unnecessary duplications between the remit of each committee. The following figure depicts the existing committees of the IDCOL Board;



Audit Committee

Composition

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

Role & Responsibilities

The Audit Committee assures the independence of IDCOL's internal control functions and audit activities in compliance with the requirements established in Development Credit Agreement, Agency and Administration Agreement, various Project Agreements and Boards' decisions.

This Committee is responsible-

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

Credit Committee

Composition

1. Dr. Ahmad Kaikaus, Chairman
2. Mr. Sajjadul Hasan, Member
3. Mr. Abdur Rouf Talukder, Member

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

Role & Responsibilities

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

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

Organization Committee

Composition

1. Mr. Monowar Ahmed, Chairman
2. Dr. Ahmad Kaikaus, Member
3. Mr. Abdur Rouf Talukder, Member
4. Ms. Nihad Kabir, Member
5. Mr. Mahmood Malik, Member

Role & Responsibilities

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

- A rich supply of high caliber employees with the capability to lead the business now and in the future.
- Diversity of employees to reflect the available talent in the market place and consumer demographics.
- Training and development that will equip employees with the skills and knowledge to perform their duties efficiently.
- A high performance culture and employee engagement that will drive organization success.
- A level and composition of reward and recognition for employees that:
  - will attract, retain and motivate employees with the requisite skills and expertise towards high performance;
  - is linked to Company and individual performance;
  - maintains the integrity of the Company's remuneration strategies and practices;
  - provides appropriate alignment between shareholder interests and employee interests;
  - provides a framework for undertaking reviews of remuneration proposals; and
  - Is compliant with current governance and legislative requirements related to remuneration practices.
- The committee will guide, advise, review and recommend initiatives related to corporate matters within the following areas:
  - Organization Structure (Organogram)
  - Staff Manual
  - Compensation
  - Human Resource Development
  - Performance Management
  - Succession Plan
  - Other matter that may be delegate by the Board from time to time

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

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012 issued a notification regarding compliances on Corporate Governance for listed companies. Besides, Securities and Exchange Commission issued another notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 which shall be complied within 31 December 2018 (given in pg-232-239). Notably, IDCOL is not yet listed with any stock exchange so this notification does not apply. However, IDCOL voluntarily complies with many of the requirements. The status report on compliance with those conditions is furnished below:

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

Corporate Governance

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

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

Corporate Governance

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

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

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the DFI M Circular no. 7 dated 25 September 2007 taken appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

Condition No.	Particular	Complied status (put √ in the appropriate column)		Remarks(If any)
		Complied	Not complied	
01	Responsibilities and authorities of Board of Directors the responsibilities of the Board of Direct-tors 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 acid 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.	√		

Condition No.	Particular	Complied status (put √ in the appropriate column)		Remarks(If any)
		Complied	Not complied	
01	**Benefit to the Chairman**			
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in ,.the business-interest of the company subject-to the approval of the Board.	√		
02	**Responsibilities and Duties of Chairman**			
	i. Chairman shall not personally possess the jurisdiction to apply policy making or executive or operational and routine affairs of the Company.	√		
	ii. The Minutes of the Board meetings shall be signed by the Chairman.	√		
	iii. Chairman shall sign-off the personal for appointment of Managing Director and revision of his salaries & allowances.	√		
03	**Responsibilities of Managing Director** The Managing Director or Chief Executive officer of the company or whatsoever be called, shall work under the following area:			
	i. Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for 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 DMG & GM (as equivalent to EVP) shall be vested upon the Managing Director. He shall act such in accordance with the approve 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		2018	2017
1	Paid-up capital	BDT million	6,000	5,500
2	Total capital	BDT million	7,629	6,826
3	Surplus/(shortage) capital	BDT million	1,010	980
4	Total Assets	BDT million	82,293	76,636
5	Total deposits	BDT million	Nil	Nil
6	Total loans & advances	BDT million	60,742	42,037
7	Total contingent liabilities and commitments	BDT million	Nil	Nil
8	Loans to deposit ratio (total loans/total deposits)	%	N/A	N/A
9	% of classified loans against total loans	%	7.15	10.91
10	Profit after tax and provision	BDT million	703	531
11	Classified laons, advances and leases during the year	BDT million	3,401	4,058
12	Provisions kept against classified loans, advances and leases	BDT million	2,955	2,792
13	Provision surplus/(deficit) against classified loans, advances and leases	BDT million	334	633
14	Cost of fund	%	3.26	3.03
15	Interest earning assets	BDT million	77,908	68,923
16	Non-interest earning assets	BDT million	4,385	7,713
17	Return on investment (ROI)	%	1.16	1.26
18	Return on asset (ROA)	%	0.85	0.69
19	Income from investment	BDT million	Nil	Nil
20	Operating profit per share	in BDT	47.43	51.49
21	Earnings per share	in BDT	11.72	8.85
22	Price earning ratio	Times	N/A	N/A

Report on Internal Control over Financial Reporting

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

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

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

Due to its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis. Also, projections of any evaluation of the effectiveness of internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management evaluated, under the supervision of and with the participation of the ED & CEO, Chief Financial Officer and Chief Risk Officer, the effectiveness of our internal control over financial reporting as of 31 December 2018.

Based on that evaluation, management concluded that, as of 31 December 2018, 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 2018.

Our internal control over financial reporting as of 31 December 2018 has been audited by ACNABIN Chartered Accountants., who also audited our Consolidated Financial Statements for the year ended 31 December 2018. The Auditor also assesses the effectiveness of our internal control and determines the degree and extent of reliance on internal control system.

Sd/-
Mahmood Malik
Executive Director and CEO

Sd/-
S. M. Monirul Islam
Chief Financial Officer & Deputy CEO

24 April 2019

Audit Committee Report

IDCOL's Audit Committee is a sub-committee of The Board 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 reliability and integrity of information for inclusion in company's financial statements;
- compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations;
- the integrity of company's internal control framework;
- safeguarding the independence of the external and internal auditors;
- ensuring that the management has selected accounting policies that are in line with applicable accounting standards; and
- Review interim financial releases i.e., quarterly and half yearly unaudited financial statements and recommend the same to the Board of Directors for approval.

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

Composition of the Board Audit Committee

The Board Audit Committee consists of five Directors of the Company and the chairman and members of the audit committee are appointed by board. In order to fulfill a quorum, at least two members of the committee must be present in the meeting. The appointment of an Independent Director is nominated by Government of Bangladesh (GOB). An Independent Director is in the Chair of the Board Audit Committee.

The Committee comprises the following members as of the date of this report:

Mr. Abdur Rouf Talukder (Secretary of Finance Division, Ministry of Finance), one of the independent directors, is the Chairman of the Audit Committee, possessing of vast experience. Four other independent members are Mr. Dr. Ahmad Kaikaus (Secretary, Power Division), Ms. Nihad Kabir (Advocate, Supreme Court of Bangladesh) , Mr. Abdul Haque (Renowned Business Person) and Mr. A. K. M. Nurul Fazal Bulbul (Reputed Business Person). They also possess significant experience in finance, accounting 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. 68-71 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

To assist the Board of Directors in fulfilling its oversight responsibilities for (1) the integrity of the IDCOL's financial statements, (2) IDCOL's compliance with legal and regulatory requirements, (3) the External Auditor's qualifications and independence, (4) evaluate the operating effectiveness of internal control system and (5) the performance of IDCOL's internal audit function and independent auditors. The audit committee will also conduct the functions that regulatory rules require to be done.

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.

Responsibility

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.

In Respect of Internal Control

It reviews the implementation of key accounting policies and financial reporting and evaluates the implementation of internal control systems and the risk management process.

In Respect of Financial Statements

The Committee shall meet and review with management and the independent external 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 external auditors the matters required to be communicated to the Committee by the independent external auditors under auditing standards established from time to time, including any difficulties the independent external 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 external 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 external 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.

In Respect of Internal Audit

The Committee shall discuss with the internal auditors and the independent external 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 external auditors.

In Respect of External Audit

The independent external auditors are ultimately accountable to the Committee and the Board. The Committee shall be responsible for the appointment, compensation and general oversight of the work of the independent external auditors. The Committee shall review 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. Based on its' review, the Committee shall recommend to the Board for their approval and onward submission before the shareholders of the Company in the Annual General Meeting (AGM) for final selection of the Independent External Auditors of the Company.

In Respect of Compliance with existing regulation

The Committee shall periodically review and discuss with management, the internal auditors, and the independent external auditors the overall adequacy and effectiveness of the Company's legal, regulatory and ethics and compliance programs.

Activities of the Audit Committee in the Year 2018

The audit Committee carried out among others the following activities in the year 2018:

- Discussed with the external auditors and management prior to finalization of financial statements of IDCOL for the year ended December 31, 2018;
- Reviewed draft audited financial statements of IDCOL for the year ended December 31, 2018 along with the auditor's report thereon;
- Reviewed the proposal of external auditors for appointment and recommended the same to the board;
- Reviewed the Bangladesh Bank Inspection Report on corporate head office of IDCOL as of December 31, 2017, and management responses to the report;

- Reviewed Audit Plan of Internal Audit Department for the year 2018;
- Reviewed the internal audit reports issued by the Internal Audit Department during the year 2018;
- Reviewed the Management Letter issued by external auditors, ACNABIN Chartered Accountants, on annual audit of financial statements of IDCOL for the year ended December 31, 2018;
- Reviewed the departmental activities of the company;
- Reviewed the report on the non-performing / default clients;
- reviewed the report on business operations;
- reviewed the revised and 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.

Audit Committee Meeting

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 & 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.

The Audit Committee and Internal Control and Compliance

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 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.

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 ICC are reviewed on a regular basis by the Committee.

Reporting of the Audit Committee

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

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

No such issues arose at IDCOL during the year ended 31 December 2018.

Sd/-
Abdur Rouf Talukder
Chairman, Audit Committee
24 April 2019

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

Regular Review of Audit Plan

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

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

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

Compliance Framework

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

Company's state of compliance with laws, regulations and internal policies and procedures are reported to 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
- Credit 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 in the Group 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 Boards. 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, the IDCOL has in place policies and procedures that govern recruitment and appointment, performance management, talent management, succession planning, compensation and reward, learning Statement on Internal Control and human capital development 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 & CFO

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

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

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

(i) We have reviewed financial statements for the year and that to the best of our knowledge and belief:

   a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

(iii) Proper books of account as required by law have been kept by the Company;

(iv) The expenditure incurred was for the intended purposes of the Company's business and projects;

(v) Adequate provisions have been made for loans and advances and other assets which are, in our opinion, doubtful of recovery.

Sd/-
Mahmood Malik
Executive Director & CEO

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

Corporate Governance Disclosure Checklist

Particulars		Page Number
1. Board of Directors, Chairman and CEO		
1.1	Company's policy on appointment of directors disclosed.	106-112
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	63, 68-71
1.3	At least one independent director on the board and disclosure / affirmation of the board on such director's independence.	N/A
1.4	Chairman to be independent of CEO	68-71
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	106-112
1.6	Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	106-112
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	106-112
1.8	Disclosure of policy on training (including details of the continuing training program) of directors and type and nature of training courses organized for directors during the year Existence of a scheme for annual appraisal of the board's performance	N/A
1.9	At least one director having thorough knowledge and expertise in finance and accounting to provide guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.	68-71
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	106-112
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	90-105
2. Vision/Mission and Strategy		
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	21
2.2	Identification of business objectives and areas of business focus disclosed	1
2.3	General description of strategies to achieve the company's business objectives	10-29
3. Audit Committees		
3.1	Appointment and Composition	111-112, 122-124
3.1.1	Whether the Audit Committee Chairman is an independent Non - Executive Director and Professionally Qualified	
3.1.2	Whether it has specific terms of reference and whether it is empowered to investigate /question employees and retain external counsel	122-124
3.1.3	More than two thirds of the members are to be Non-Executive Directors	63

Particulars		Page Number
3.1.4	All members of the audit committee to be suitably qualified and at least one member to have expert knowledge of finance and accounting.	106-112, 68-71
3.1.5	Head of internal audit to have direct access to audit committee	125-127
3.1.6	The committee to meet at least four times a year and the number of meetings and attendance by individual members disclosed in the annual report.	N/A
3.2	Objectives & Activities	122-124
3.2.1	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	122-124
3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues	122-124
3.2.3	Statement of Audit committee involvement in the review of the external audit function	122-124
	* Ensure effective coordination of external audit function	122-124
	* Ensure independence of external auditors	
	* To review the external auditor's findings in order to be satisfied that appropriate action is being taken	
	* Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.	
	* Recommend external auditor for appointment/ reappointment	
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	122-124
3.2.5	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	122-124
3.2.6	Reliability of the management information used for such computation	122-124
4. Internal Control & Risk Management		
4.1	Statement of Director's responsibility to establish appropriate system of internal control	106-112, 125-127
4.2	Narrative description of key features of the internal control system and the manner in which the system is monitored by the Board, Audit Committee or Senior Management. 147-	125-127
4.3	Statement that the Directors have reviewed the adequacy of the system of internal controls	125-127
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally	135-140
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	135-140

	Particulars	Page Number
5. Ethics and Compliance		
5.1	Disclosure of statement of ethics and values, covering basic principles such as integrity, conflict of interest, compliance with laws and regulations etc.	104-105
5.2	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same	104-105, 125-127
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	104-105, 125-127
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	133-140
6. Remuneration Committee		
6.1	Disclosure of the charter (role and responsibilities) of the committee	111-112
6.2	Disclosure of the composition of the committee (majority of the committee should be nonexecutive directors, but should also include some executive directors)	
6.3	Disclosure of key policies with regard to remuneration of directors, senior management and employees	201
6.4	Disclosure of number of meetings and work performed	107-109
6.5	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	201
7. Human Capital		
7.1	Disclosure of general description of the policies and practices codified and adopted by the company with respect to Human Resource Development and Management, including succession planning, merit based recruitment, performance appraisal system, promotion and reward and motivation, training and development, grievance management and counseling.	153-155
7.2	Organizational Chart	64
8. Communication to Shareholders & Stakeholders		
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	90-105
8.2	Disclosure of company's policy on ensuring participation of shareholders in the Annual General Meeting and providing reasonable opportunity for the shareholder participation in the AGM.	5, 30-52
9. Environmental and Social Obligations		
9.1	Disclosure of general description of the company's policies and practices relating to social and environmental responsibility of the entity	145-150
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	



Risk Management

Statement of the Chief Risk Officer

Risk Management culture at IDCOL has seen constant development over the years to strike the perfect balance between risk and return. The embedded risk management culture enables IDCOL to manage the identified and unidentified risks, IDCOL inherits as a Financial Institution, in a prudent manner to emphasize business growth in a risk minimized method. In IDCOL, managing the risks are always of high priority.

Headed by the Chief Risk Officer (CRO), the Risk and Special Asset Management team, is accountable for the measuring and suggesting mitigation of the identified risks resulting in improvised decision making to enhance the measures to better protect IDCOL from the risk arising from its business. The Risk and Special Asset Management Team performs several important activities including:

- Developing strategies, policies, risk management tools and guidelines to minimize risks embedded in the daily businesses and activities of the institution.
- Develop base criterion to better manage risks arising from the external stake holders.
- Setting risk appetite compatible to the growing business of IDCOL and developing control metrics to maintain goal congruency.
- Measuring, monitoring and reporting risk levels defined by the authorities from time to time.
- Provide independent assessment of risk and legal perspective before entering into any deal.
- Identifying and assessing potential strategic risks arising from the business of IDCOL.
- Ensuring compliance with regulation set forth by the central bank and following market practices.

IDCOL Risk Appetite

At IDCOL, to prevent putting the institution from identified and unidentified risk, a risk appetite is already developed clearly defining the precincts Business can magnify to. To accommodate the growing business environment and economy, the risk appetite statement set forth by the lending policy, is reviewed annually. The development of the risk appetite is kept in conjunction with the strategic, financial, regulatory requirements and capital planning of IDCOL. Having development mandate in the Infrastructure sector of the country, IDCOL risk appetite is designed to strike the right balance between the development role and sound risk management in a narrow gauge.

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

Risk Policies and Strategies

At IDCOL, A Risk Management Framework is already in place. This framework is further strengthened by developed standards, guidelines, processes, procedures and control that governs day to day activities of IDCOL. The eventual objective of all policies and strategies developed across the institution is to ensure all anticipated and unanticipated risks are measured, monitored, assessed and controlled in accordance to the risk appetite and culture embedded in IDCOL. All the standards and guidelines are reviewed from time to time by the Board and Senior Management Committees.

Risk Identification, Measurement and Mitigation

In the year 2018, IDCOL ventured into multiple new sectors ranging from cement manufacturing to cold storages and battery recycling plants. The growing business of IDCOL requires better risk Identification, measurement and mitigation. Hence, the Risk and Special Asset Management team has been segregated into four units, namely, Credit Risk Management Unit, Legal Unit, Compliance unit and Special asset Management Unit. Every Unit has a set of framework which guides the process of risk identification, measurement, mitigation and reporting. Risk identification is a continuous process at IDCOL and is achieved through:

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

The decision to undertake risks is based on a comprehensive risk assessment and due diligence. A separate committee is in place represented by management members, upon approval of which any proposal is deemed suitable to be placed in the board for approval.

Risk Management

Risks at IDCOL:

Type of Risk	Arising From	Mitigated By
Credit Risk	A borrower or counterparty failing to make required debt payment	- Guidelines, Policies and Strategies - Risk Management Tools
Market Risk	Adverse changes in the underlying market factors including interest rate, foreign exchange rate, etc.	-IDCOL has no Depository Relationship -Stress Testing & Scenario Analysis
Liquidity Risk	Unanticipated withdrawals and deposits, additional pledging and collateral requirements.	-IDCOL has no Depository Relationship -Asset Liability Management Committee
Operational Risk	Inadequate or failed internal system, process and people or from external events.	- Risk Management Tools - Risk Management Framework - Close Monitoring - Sophisticated Governance Structure
Legal Risk	- Defective Transaction -Civil, criminal or regulatory enforcement against IDCOL -Change in Law, etc.	- Risk Management Framework - Credit Risk Management Guideline - Capable in-house legal -External Legal Counsel
Regulatory Compliance Risk	Failure to comply with regulatory requirement	- Review of reports via sub committees developed - In house training
Environmental Risk	Financial loss associated with environmental issues.	- Standards and guidelines - In house environmental specialist

Highlights of 2018:

In the year 2018, the portfolio of IDCOL has seen considerable growth and for the accommodation of the same, the risk management techniques, policies and strategies has been amended and developed to better identify and mitigate the risk arising from growing businesses. The following has been accorded for the better management of the risk:

- Extension of the capacity of the Credit Risk Management Committee and review of delegation of the Committee for ensuring more responsibility and accountability.
- Development of industry specific credit risk grading matrix to better understand and measure industry specific risk.
- Development of numerous standard operating procedures with clearly defined tasks of each unit to minimize embedded and inherited risk of business.
- Development of multiple policies for the enlistment of third party service provider.
- Development of several management level committee to review strategies and policies developed for the mitigation of risks.
- Streamlining of multiple guidelines including the lending policy, AML guideline, CRM Guideline, etc.
- Arranged multiple trainings and capacity building programs for Risk Management.

The continuous efforts of the Risk Management Units are enabling IDCOL to embed the risk management culture across the institution. All Risk Management Committees and the Senior Management is actively reviewing the Framework, policies, guidelines and adopting new strategies to better manage, identify, measure and mitigate risks arising from the activities of the institution.

Sd/-
Mohammed Jabed Emran
Chief Risk Officer

Risk Management Report

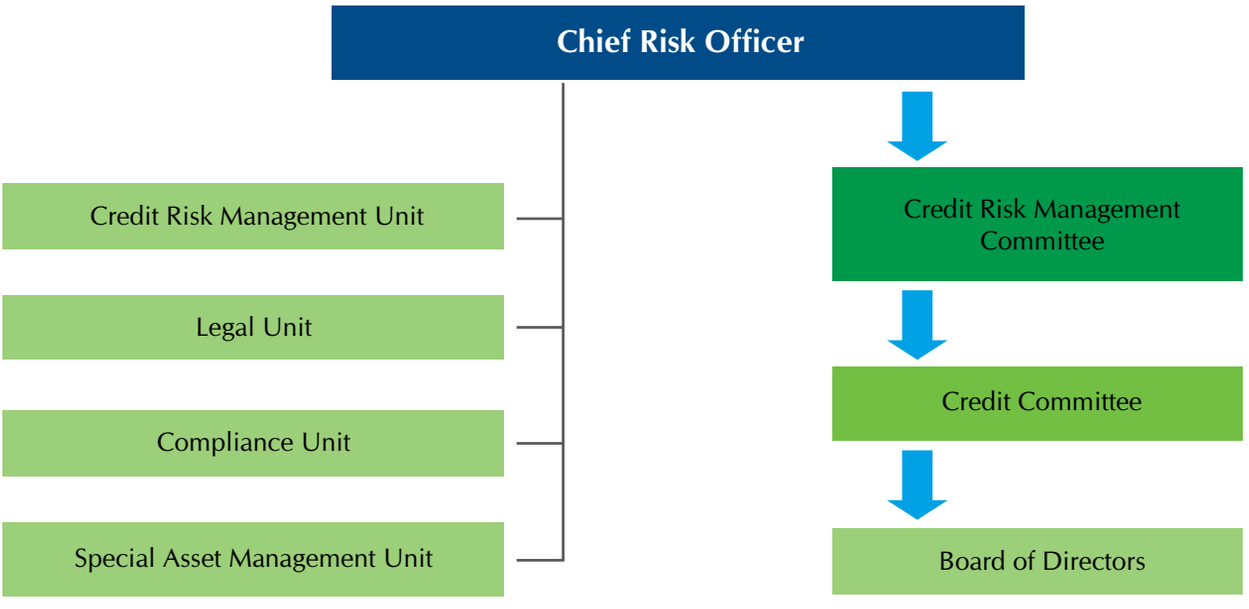
At IDCOL, A strong risk culture is promoted throughout the organization to enable effective risk management. It is built on the best practices of Corporate Governance enabling the institution to accomplish and engrain sustainable risk governance and risk management culture. To emboss the risk management culture across the organization and develop a more resilient financial institution, an inclusive and robust Risk Management framework has been established in IDCOL. The Risk Management Framework is based on the following:

The Risk Management Framework of IDCOL enables the Risk Management units to closely manage the risks, both financial and non-financial, with the objective of maximizing risk adjusted returns. It is in congruence with the compliance on regulation as defined by the regulators with full conjunction of international practice standards in leverage, governance and risk management to ensure resilience of IDCOL. The Framework is forward looking with a view of economic, business and credit conditions enabling IDCOL to proactively manage the portfolio.

Risk Management Framework



A. Risk Governance



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

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

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

B. Risk Appetite

The growing business of IDCOL and changing economy is regularly accommodated in the Risk appetite of IDCOL. The risk boundaries are clearly defined along with the lending windows and terms to be offered at par with market standards keeping the competitive business edge integral. The lending policy of IDCOL developed as per Bangladesh Bank's Guideline, is revised from time to time to ensure constant growth with maximized risk adjusted return. The increased scope of risk appetite metrics is essential to manage the risks effectively and to ensure goal congruency.

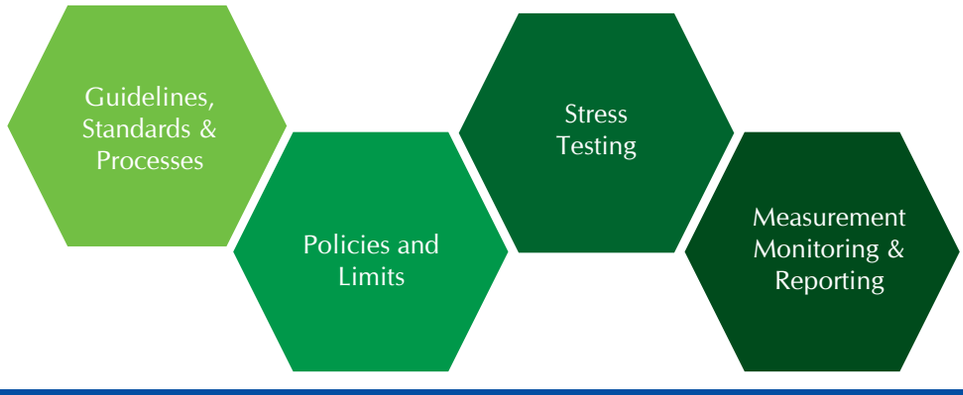
IDCOL's risk appetite framework is composed of the qualitative and quantitative terms required for the organization to achieve its strategic and financial objective. The identification, evaluation and mitigation of risk, together with the response of IDCOL with the external operating environment are keys to survival of the institution in the long run. The lending policy acts as a guide in determining the amount and types of risks the organization is willing to prudently undertake

With a mandate for development unlike other Financial Institutions, IDCOL's risk appetite is limited to selective sectors, like Infrastructure, Renewable Energy and Energy Efficiency projects only. Under the commercial lending window, IDCOL is greatly involved in sectors ranging from Power, Telecommunication, Information and Communication Technology, Land and sea ports, Hotel and Tourism etc. In congruence with the national policies, IDCOL is continuously promoting financing in energy efficient equipment and machinery, namely Auto Brick projects, Cement Mills, Spinning mills etc. IDCOL is in the constant lookout to finance projects under the initiative of Public Private Partnership Authority, GoB and Infrastructure backward linkage and other industries.

With an aim to strengthen and incorporate renewable energy generation practices countrywide, in addition to commercial lending, IDCOL is significantly involved in concessionary lending. IDCOL's solar rooftop project and Solar Home system program left an everlasting mark in the green energy sector of Bangladesh. Ranging from Solar Minigrid and Irrigation pumps to Improve Cook Stove system and Biogas systems, IDCOL is prudently undertaking financing activities to the green energy sector. Unorthodox to the financing industry, IDCOL is also financing solar cold storages, Biogas Based power projects, Solar charging stations and solar diesel hybrid solutions.

C. Risk Management Tools

Risk Management tools enables IDCOL to address, identify, prioritize and respond to uncertainties by generating metrics and tracking risks. It is essential for the long run, that a set of tools is clearly identified and embedded organization wide so as to minimize and better mitigate the risks generated from business activities. The tools are reviewed regularly and updated constantly to ensure consistency with the risk appetite and compliment the goal of IDCOL.



Risk Management Tools

D. Three Line Defense Model

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.

Line of Defense	Definition	Key Responsibilities
1st	The business units of IDCOL engaged in booking business for IDCOL that owns and manage risks	• Conduct due diligence as per IDCOL guideline and requirement • Propose business in accordance to the Risk Appetite • Ensure project and sponsors meet criteria set forth by the 2nd line of defense
2nd	The units directly involved in Risk Management, independent of the first line.	• Identify, monitor and mitigate risk issues as guided by Risk Management Guidelines and Policies to provide independent risk assessment. • Oversee and Challenge first line defense mechanism and review of projects and sponsors • Propose risk appetite in regular intervals to promote the health of IDCOL loan portfolio • Set risk data reporting requirements and develop criterion for third party service provider. • Monitor the status of project implementation to identify any risks arising from project implementation • Monitor the projects operating to foresee any material risk.
3rd	Independent assessment by the Internal Audit Function to review and assure the directives provided by guidelines to the first and second line of defense.	• Assess independently the adequacy of the process developed by the first and second line of defense. • Ensure that all line of defense are following the established risk management process.

E. Segregation of Risk and Special Asset Management Unit

In order to enhance risk management at operational level and to define risk identification centers, the Risk and Special Asset Management Unit in IDCOL has been segregated in four units. Each unit has a defined and unique set of risk identification methodology. Guided by multiple policies and standards set forth by the management, the risk management units thrive continuously to embed the risk management culture across the organizations. The units are:



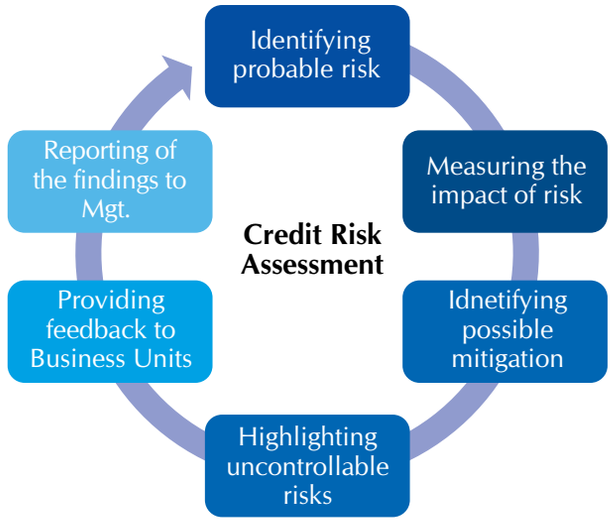
Credit Risk Management Unit

The Credit Risk Management Unit is independent of the Business Unit. Employees at all level across the organization is responsible for the management and escalation of the risks. At IDCOL, a holistic approach of all employees aids to manage and strengthen the risk management culture across the institution. Risk Assessment and monitoring are the core functions of the Credit Risk Management Unit. To better understand the nature of each project and the inherited risks embedded in the operations of the proposed project, it is essential at IDCOL for every personnel involved in the process to physically visit the site and conduct due diligence. Credit Risk Management at IDCOL, has siphoned the broader challenge into components to better measure and assess the risks and to provide adequate mitigations measures.

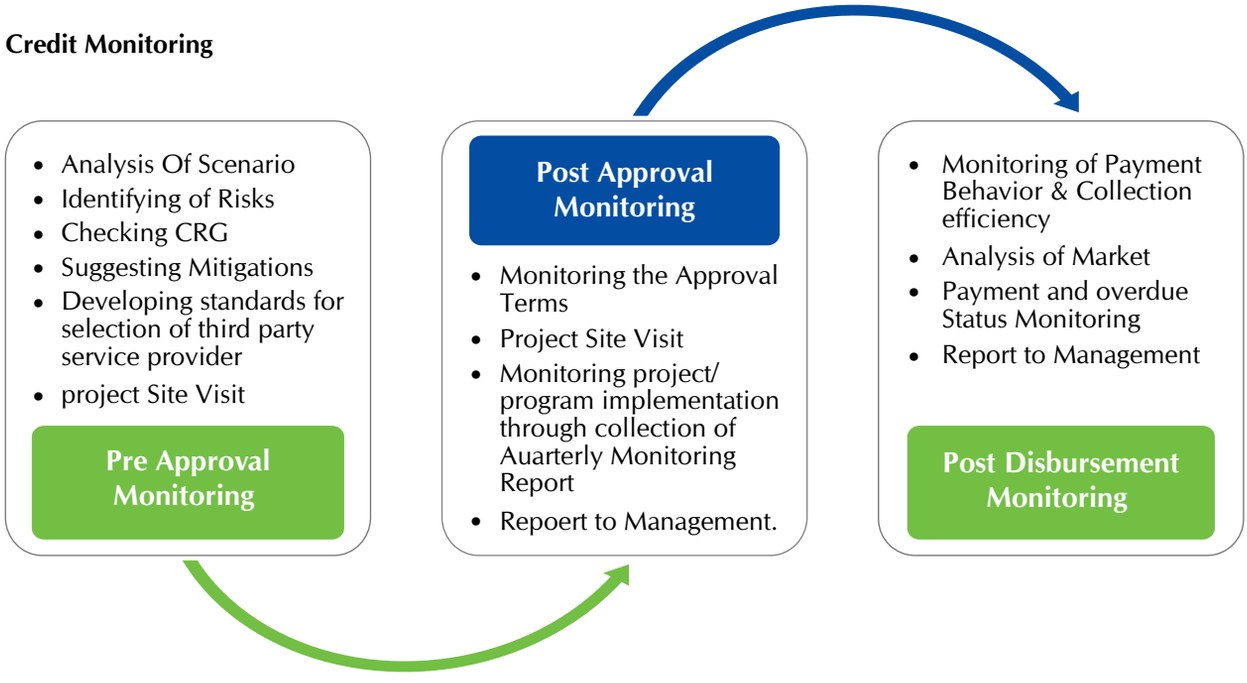
Risk Management

Credit Risk Assessment Process:

To complement the Risk management framework, risk appetite and tools, the credit assessment process in IDCOL has been developed to better identify, measure and mitigate financial and non-financial risk. The policies, procedures, guidelines and processes established at IDCOL addressees 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 CRM unit is involved in risk assessment, identifying risk and proposing probable mitigation.



Credit Monitoring



Compliance Unit

Compliance unit is the risk management unit which ensures proper coordination with the central bank of Bangladesh and accurate operationalization of day to day activities through compliance with internal guidelines of IDCOL. It also safeguards the implication of policies within the organization which is set forth by the central bank. Compliance unit also ensures timely submission of required monthly, quarterly and annual report to the regulatory body. Additionally, compliance unit address and satisfy queries raised by the central bank. This unit works as a bridge between the central bank and IDCOL.

Besides, compliance team compares current practices and identify gaps to ensure appropriate compliance of internal control function. This unit is also responsible to take necessary steps in case of non-compliance issues. In addition, compliance unit is liable to prepare various guidelines or manuals for further development of an existing standard. This unit also assesses business environment and organizational culture to glorify a cooperative and supportive environment.

To strengthen the risk management culture across the institution, Compliance unit arranges required training programs for employees. It ensures strategic implementation of programs to combat terrorist financing and fight against Anti-Money laundering as well. As an attempt to further identify and measure the risks of the assets of IDCOL, the compliance unit is also dedicated towards the updated insurance policies of all projects along with the CRG grading so as to identify any possible risks arising from the market. Core responsibilities of the compliance unit are as follows:



Special Asset Management Unit

Non-performing loans arise when debtors fail to make scheduled payments. The central bank has clear regulations set forth for the classification of the non-performing loans (NPL). NPL has an adverse effect in the productivity and prosperity of any financial institution. The Special Asset Management (SAM) Unit, formed in 2017 is solely responsible for the collection, maintenance and reporting of the loans that are classified and non-performing in nature. As of 31st December 2018, IDCOL has BDT 135.92 million as written off loans. Major objective of SAM unit is to recover classified loans to safeguard possible losses and overcome crisis of the situation due to non-recovery. Objectives for recovery of loans are to:

i. Recover Non Performing Loans.

ii. Assist in conducting risk assessment, related due diligence and recommending appropriate risk mitigation measures.

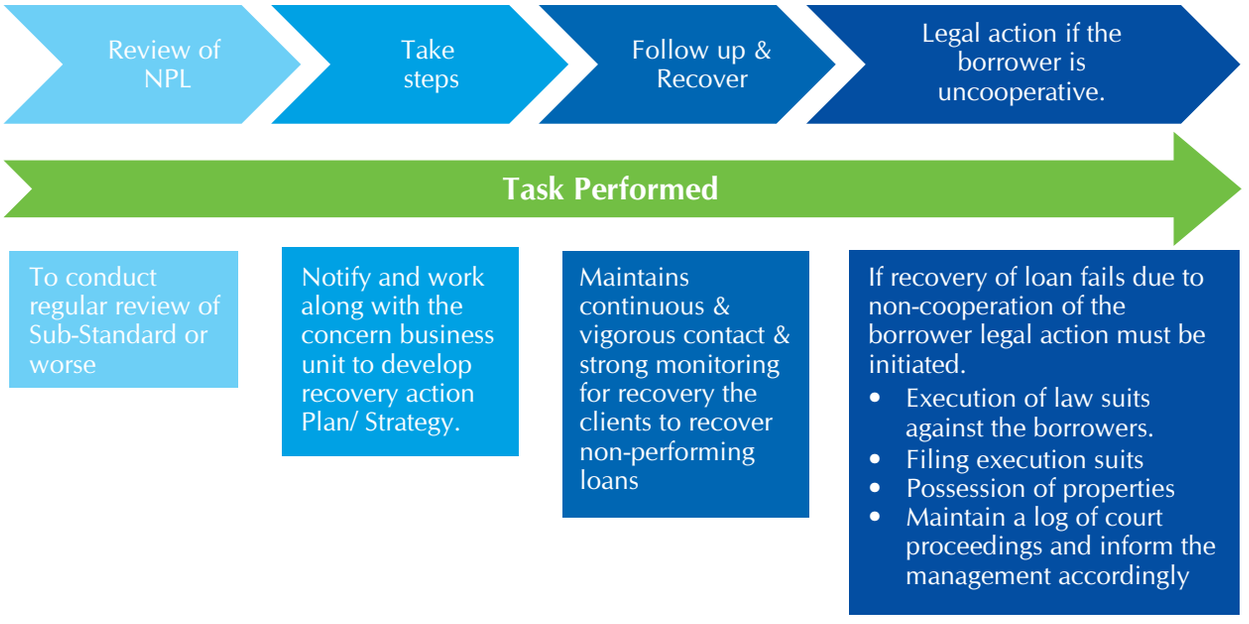
iii. Assist with the internal and external reporting obligations of Risk Management department.

iv. Facilitate timely legal steps as per law to avoid law of limitation.

v. Adhere to Bangladesh Bank's policy guidelines.

The main job of SAM Unit is devoted to reduce and adjust FI's Non-Performing Assets. For better management of classified liabilities, SAM unit is continuously adopting advanced & specialized tools and mechanism including initiating legal procedures to arrest deterioration of assets and speed up recovery of written-off investment. SAM maintains continuous & vigorous contact with the client & ensures strong monitoring to recover non-performing loans dues. SAM also processes all the related issues like negotiations for settlement outside of Court, Written-off and Rescheduling for better result of reducing the NPL.

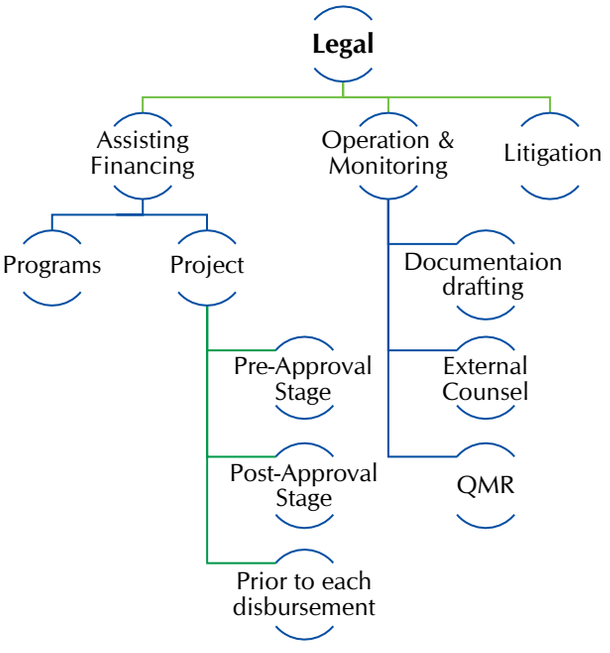
Risk Management



Legal Unit

To enrich the risk management culture and with the emphasis of enhanced risk management at IDCOL, IDCOL has its own team of in-house legal team. The growing portfolio of IDCOL requires constant legal assistance and services. Furthermore, IDCOL has a rich panel of external legal counsels consisting of renowned law firms to ensure proper risk resilience from all aspects. The external counsels provide various legal services in relation to the individual programs and projects that are being financed by IDCOL.

The in house legal team ensures uninterrupted Risk Management at enterprise level. In brief, the Legal Unit ensures legal compliance for the various programs & projects, vetting of important finance, security & legal documents and providing legal advice. Besides, the unit is currently providing diverse assistance to the operational units. Overall, the various tasks can be shown as follows that are being undertaken by the legal unit to mitigate the risks arising from different aspects:



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

Capital Adequacy and Market Discipline (CAMD)

1. Scope of Application:

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

2. Capital Structure:

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

Quantitative Disclosures:

Amount in Crore (BDT)

Particulars	Consolidated
1. Tier-1 (Core Capital)	
Paid-up Capital	600.00
Statutory Reserve	0.00
Non-repayable Share premium account	0.00
General Reserve	0.00

Quantitative Disclosures:	
	Amount in Crore (BDT)
Particulars	**Consolidated**
Retained Earnings	80.18
Minority interest in Subsidiaries	0.00
Non-cumulative irredeemable preference shares	0.00
Dividend Equalization Account	0.00
Total Eligible Tier-1 Capital	680.18
2 .Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit + SMA+off Balance Sheet exposure)	82.73
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	82.73
3. Other Applicable Deductions from Capital	0.00
4. Total Eligible Capital	762.91

3. Capital Adequacy:

Qualitative Disclosures	
A summary discussion of the FI's approach to assessing the adequacy of its capital	**Minimum capital requirements** 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%. 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.
	Capital calculation approach 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: 1. Credit Risk - Standardized Approach (SA) 2. Market Risk - Standardized Approach (SA) 3. Operational Risk - Basic Indicator Approach (BIA)

	Capital of the FI 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. Below are few highlights: - Currently Bangladesh Bank prescribed Minimum Capital Adequacy Ratio (MCR) is 10%, whereas as on December 2018 the CAR of the FI was 11.53%. - During the same period Minimum Capital Requirement (MCR) of the FI was BDT 661.86 crore and eligible capital was BDT 762.91 crore; i.e. the FI hold BDT 101.05 crore surplus capital

Quantitative Disclosures:

Amount in Crore (BDT)

Risk Category	Consolidated
Details of Risk Weighted Assets (RWA)	
Credit Risk	
On- Balance sheet	4835.52
Off-Balance sheet	0.00
Total Credit Risk	4835.52
Market Risk	1075.02
Operational Risk	708.01
Total RWA	6618.56
Detail of Risk Wise Minimum Capital Requirement (MCR)	
Credit Risk	
On- Balance sheet	483.56
Off-Balance sheet	0.00
Total Credit Risk	483.56
Market Risk	107.50
Operational Risk	70.80
Total Minimum Capital Requirement	661.86
Total Maintained Capital	762.91
Total Capital Surplus	101.05
Detail of Tier wise Capital of the FI	
Tier-1 Capital	680.18
Tier-2 Capital	82.73
Total Capital	762.91
CAR on Total Capital basis (%) [Total capital/RWA]	11.53%
CAR on Tier 1 Capital basis (%) [Tier 1 capital/ RWA]	10.28%



Sustainability Report

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

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

Sustainability report intends to touch upon all significant environmental, economic and social impacts resulting from IDCOL's activities in the financial year 2018.

Organizational Profile

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

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

Stakeholder Engagement

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

Report Profile

This report has considered the performances of the organization for the calendar year 2018. The previous report was published on 30th April 2018. Any query about this report may be addressed through organization's main email address (contact@idcol.org).

Governance

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

Environmental and Social Compliance

Compliance of Environmental and Social Safeguards at IDCOL Funded Projects

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

1. Environmental and Social Safeguards Policy

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

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

2. Guidelines

In principle, IDCOL is committed to ensure due compliance as has been required by the Department of Environment and Bangladesh Bank. In addition, due to keenness on sustainable project financing, it has also adopted requirements and best practices of Development Partners including Asian Development Bank, The World bank, JICA, KfW and so on. In this regard, IDCOL has introduced Environmental and Social Safeguards Framework (ESSF) and Environmental and Social Management Framework (ESMF) for infrastructure and renewable energy projects respectively, more recently IDCOL introduced another guideline named 'Environmental and Social Management System 'ESMS'' to evaluate Solar Roof-Top and Utility scale Solar Grid Tied projects, against relevant statutory requirements as well as standards of best practices.

3. Institutional Arrangement

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

4. Major Focus Areas

IDCOL primarily focuses on following environmental and social aspects-

Environmental aspects	*Social aspects*
• Air pollution • Water (surface & ground) contamination • Noise generation • Disturbance to biodiversity • Disturbance to natural drainage • Wastage of energy	• 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

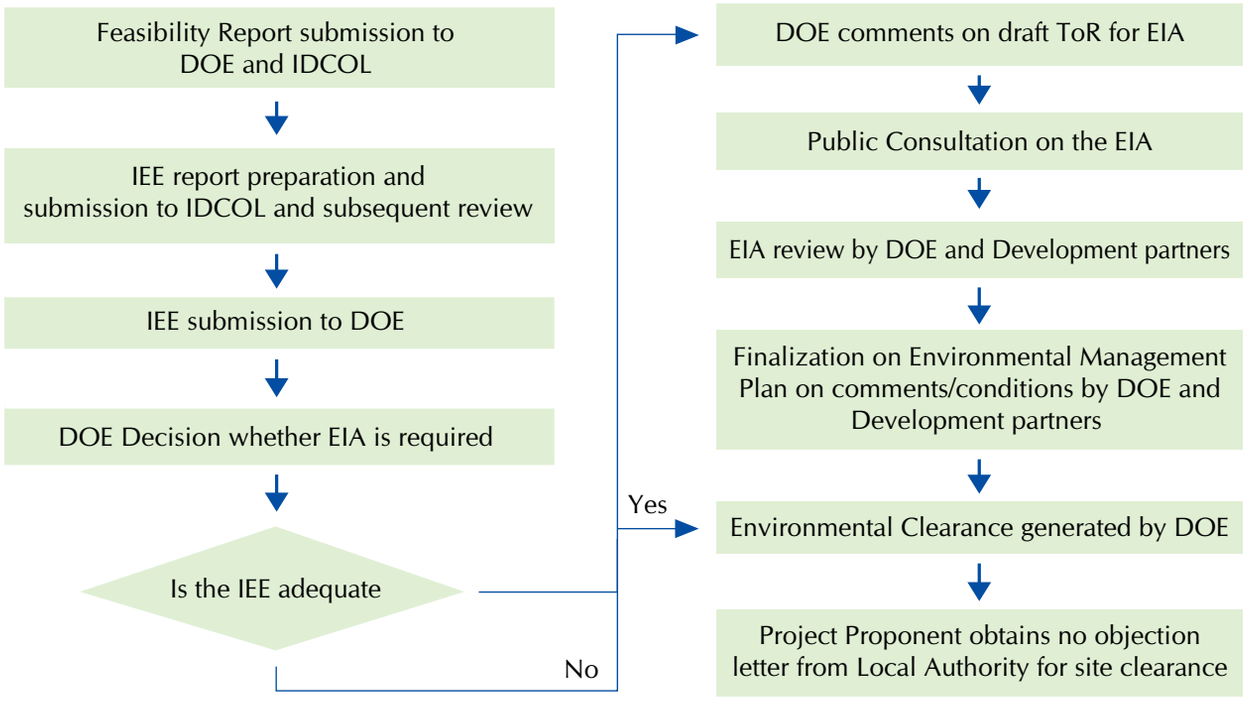
5. Implementation of Environmental and Social Compliance in Infrastructure/Renewable Project Cycle

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

Stage in project cycle	Required compliance practice
Kick-off stage	• understand the major E&S issues of the proposed project • aware sponsor about the potential E&S issues
Project appraisal stage	• 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	• The ESA/ESIA is submitted to the Board
Repayment stage	• Based on the scale and intensity of E&S issues, IDCOL official monitors the project and also it requires periodic E&S monitoring report from sponsor.

Figure 01 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 an effective environmental clearance approaches in IDCOL and DOE (Department of Environment).

Figure 01: Environmental clearance approaches in IDCOL and DOE



6. Risks/Impacts and its Mitigation Measures with Focus to Renewable Energy Projects:

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

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
SHS- Construction and Operational Phase : 1. Improper management of expired batteries may lead to environmental pollution and health safety concern. 2. During manufacturing of lead-acid battery, there is significant risk of environmental and health safety hazards.	✔ IDCOL has prepared "Policy Guidelines on Disposal of Warranty Expired Battery". The customers, POs, and manufactures should comply with this policy fully. ✔ IDCOL has introduced the tracking mechanism of proper disposal of expired battery. ✔ IDCOL has deployed 1 solar inspectors spreading over in 1 regional offices with coverage of the entire country to exclusively monitor the management of expired battery. ✔ There is a financial incentive for POs and recyclers for recycling the expired battery properly. ✔ IDOCL has required all battery suppliers and expired battery recyclers under SHS program to be ISO 14001:2004 and OHSAS 18001:2007 compliant in addition of the requirements of the DOE. At present there are 17 battery suppliers and 4 expired battery recyclers, who have complied with these requirements.	 More than 4.5 million Solar Home Systems have been installed all over Bangladesh till February 2019, which replaced around **9.1 million** of kerosene lamps and therefore reduce **1.2 million** tons of carbon di oxide (CO_2) per year.

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
	✔ IDCOL arranges quarterly EHS compliance meeting to raise awareness about EHS and assess the implementation of required EHs standards. ✔ Installation of effluent treatment plant (ETP) and air treatment plant (ATP) have been made mandatory for en-listed battery suppliers and expired battery recyclers	
Solar Irrigation-Construction and Operational Phase: 1. Adverse Impact on ecosystem will not occur in general circumstances. However, moderate change in land use including tree clearing may be required depending on project site. 2. Excessive water use may cause impact on hydrology.	✔ IDCOL has introduced a special environmental and social screening template, which covers most of the relevant aspects. ✔ IDCOL has emphasized the project to prepare a proper way to pump-up water and use plan reference from experience in the surrounding areas and results of hydrological surveys. ✔ IDCOL has conducted a survey by an expert about the water availability in various potential areas.	 1429 solar irrigation pumps have been in approved by the end of December 2018, which replaced **4684 tons** of diesel burn shallow pumps; therefore reduces **12,552 tons** of carbon di oxide (CO_2) each year.
Mini grid- Construction and Operational Phase: 1. Mini-grid requires a considerable piece of land, there is scope of disturbance to site specific ecosystem in the Project area. 2. Due to operation of diesel fueled back-up generator there could be temporal noise and SOx emissions concern.	To address the possible adverse impacts, IDCOL has made mandatory for project sponsor to prepare a detailed environmental impact assessment (ESIA). In this regard, IDCOL has introduced a well-structured ToR for ESIA.	 27 solar mini-grid (all projects located in isolated island in Bangladesh) have been approved by IDCOL, 5.2 MW of electricity will be generated. At this time 21 projects have been in operational mode.
Improve Cook Stoves	IDCOL has required basic environmental and health compliance of manufacturing, operation and maintenance of ICS.	 1.67 million Improve cooking systems have been installed by the end of February 2019, which reduces 3.59 million tons of carbon di oxide (CO2) each and save 2.13 million tons for fuel wood per year.

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
Gasification of Biomass-Construction and Operational Phase: 1. Impact on ecosystem will not occur in ordinary circumstances. However, tree clearing may be required depending on project site. 2. Smoke from biomass gasification plant may cause air pollution. The smoke and dust may include hazardous substances and cause health disturbance to the workers.	**IDCOL** has required a detail environmental impact assessment and the proper implementation of Environmental Management Plan (EMP).	 One biomass based power project has been approved by IDCOL. 400 kW of electricity will be generated and calcium carbonate (CaCO3) and about 918 tons of silica will be produced as byproduct.
Biogas Power Generation-Operational Phase: Waste water will be digested in the system, the environmental load will be reduced. However, improper slurry management may cause water pollution.	**IDCOL** has required the project proponent to install sufficient facilities and conduct the proper maintenance.	 Nine biogas-power generation projects have been approved by IDCOL. Approximately 600 kW of electricity and about 1000 tons of organic fertilizer will be produce as byproduct. Currently, five projects have been in operational mode.

Utility Scale Solar grid-tied projects:

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

IDCOL arranged financial facilities for Engreen for a 3MWp grid-tied solar project at Sharishabari. The project went to commercial operation on August 02, 2017. IDCOL has also financed for Sympa Solar Power Ltd for 8 MW grid-tied solar project at Majhipara, Tetulia, Panchagar. The project is currently under construction and expected to achieve commercial operation by May 2019.

Rooftop Solar Projects (RTS)

IDCOL's rooftop solar project financing scheme is designed for all industries and commercial establishments. Basic purpose of the product is to reduce the electricity and gas or diesel burn generators costs of the plant owners and promotion of green energy to reduce the GHG emissions from environment. Till date total 8 such projects have been approved with cumulative capacity of around 5 MWp and two projects are at the running stage.





Picture: IDCOL financed 1.1 MWp & 724 KWp Rooftop Solar Project at Far East Spinning Mills Ltd and Paragon Poultry Ltd.

7. Comprehensive stakeholder consultation:

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





Photograph: Consultation with Farmers and local stakeholders for SIP and SMG projects

8. Organizational Capacity and Competency:

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

9. Training and Capacity Building of Stakeholders

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





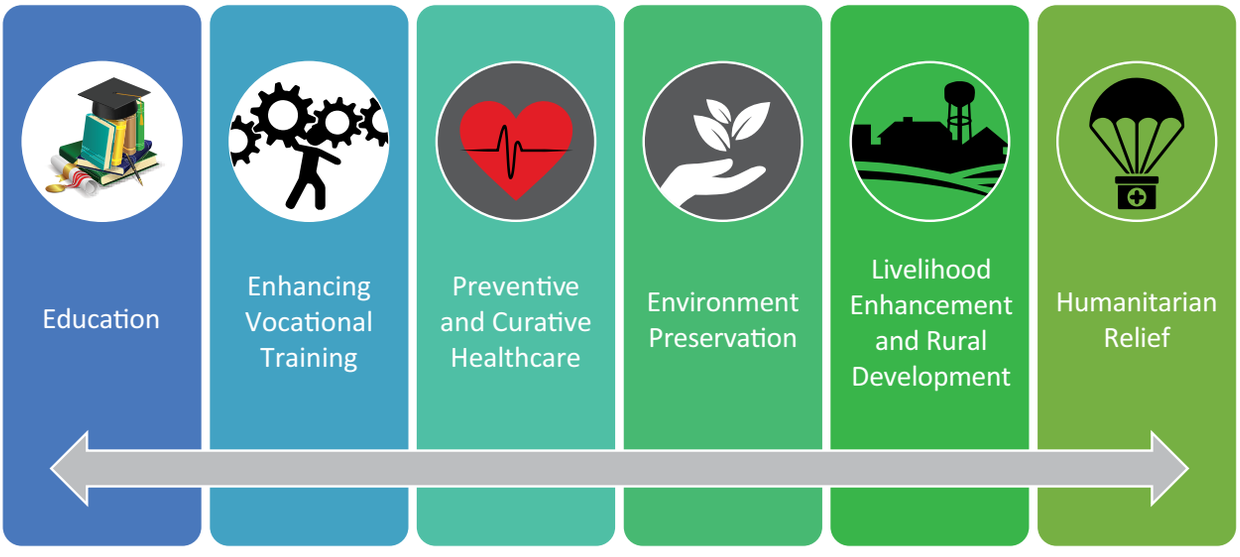
Lead auditor and skill certification (ISO 14001:2004 and OHSAS 18001:2007) training program for battery manufacturers and recycling facilities and EHS & Arsenic testing training for Solar Irrigation projects.

Corporate Social Responsibility

Since its inception, IDCOL has adhered to its social responsibility through making shared value and creating a sustainable impact in the society. As a responsible company, IDCOL believes that a business should use its diverse talent and resources to solve critical problems and serve the deprived people of the society. Over the years, IDCOL has advanced its commitment to better understand our societies concerns and achieve sustainable business growth. All of these efforts have a dramatic effect on its Corporate Social Responsibility (CSR) philosophy. IDCOL CSR Program, initiated in line with the guidance of Bangladesh Bank, is designed to put focus on different CSR activities and ensure transparency. IDCOL envisions to actively foster this social responsibility culture in the near future.

CSR Focus Areas of IDCOL

The CSR policy focuses on the following areas



Education: IDCOL wishes to contribute towards improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to stipends for students from low income family in reputed academic and vocational training institutions, support towards upgrading of facilitates 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 facilitates 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 environmental friendly projects and land preservation.

Livelihood Enhancement and Rural Development: IDCOL aims to develop the livelihood of rural people through rural development. These initiatives can be facilitated through 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 2018:

Support in Cold Affected Area

To support the cold victims of northern rural people, Infrastructure Development Company Limited (IDCOL) undertook a blanket distribution program at Tunirhat, Chakla and Kamatkajal Union of Panchagarh on 24 January 2019. Over 2,950 blankets were distributed by the team to help the under-privileged that cannot afford blanket or cloth on their bare bodies. A team of volunteers from IDCOL identified such needy and distributed blankets among them. All of them were happy to receive the blankets and were also excited that now they would be able to have a sound sleep in cold winter nights.

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





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

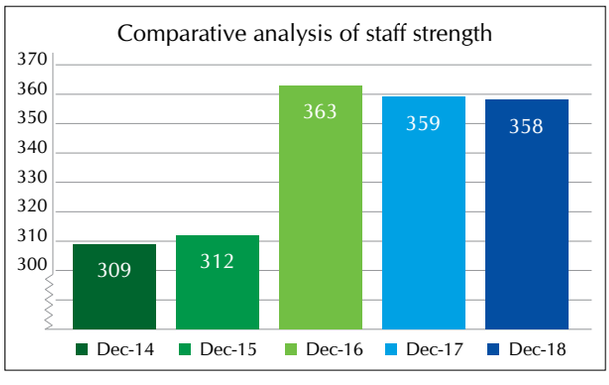
Human Resource Management

Our Human Capital

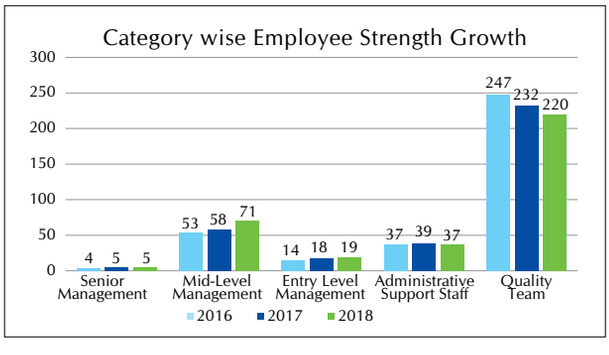
We believe employees are the most important assets of our organization. Our employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate. Here talent is rewarded, ambition is stoked and pride is earned. The way we stand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

Reflection of the Past Years

Since its inception, IDCOL's HR strategy focused on getting the right internal structures and processes in place, investing in employee development and engagement and supporting business growth and development. Getting the right internal structures and processes in place, IDCOL has seen rapid and significant growth over the past five years, with employee numbers increasing from 309 to 358. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.



Our category wise employee strength growth is shown below:



Core Values at Work

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

Strategic HR Management

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

Highlights of our People Practice Strategy

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

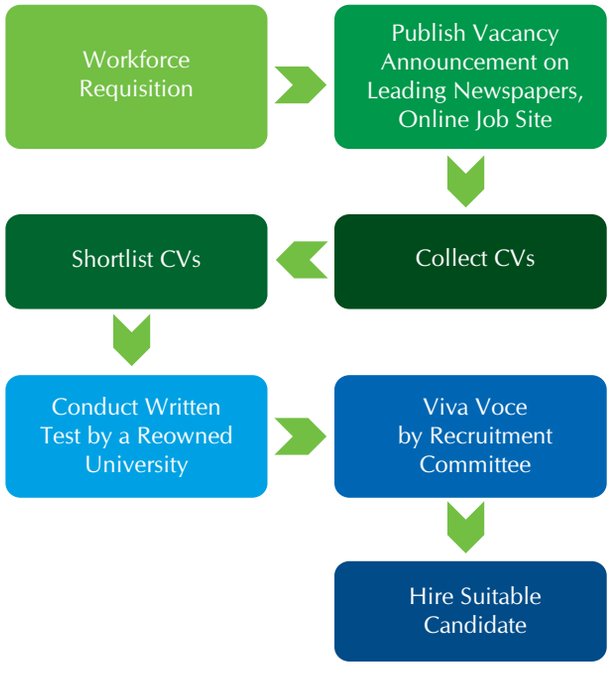
1. **A well balanced work place:** Here employees are provided with a challenging, rewarding, enjoyable and fulfilling career; whereas employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches.
2. **A place for continuous learning and development:** We foster learning as a way of life, encourage creativity and actively promote and

invest in the skill and knowledge development of every employee.

3. **A well reputed organization that ensures service excellence:** We embrace best practices and we ensure service excellence by effectively managing change and objectively measuring performance for continuous improvement.

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

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



Flow Diagram of Recruitment Process

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

Competitive Employee Benefits Package

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

Training and Development

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

Career Development

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





In-House Training: Business Communication and Interpersonal Skill & Corporate Professionalism

Diversity Management

Diversity is about acknowledging and appreciating all the ways in which people differ, not just the obvious ones of gender, ethnicity and age, but also the less visible differences such as background, personality and work style. We believe diversity is a strategic success factor for our business and therefore, sustainable diversity management has become a crucial factor of our organization. We aim to achieve as much diversity as possible among the workforce so that homogenous groups of employees can work more productively. In order to promote such diversity, we systematically integrate all aspects of modern HR concepts. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life.

Vigorous Workplace

At IDCOL we respect dignity of the individual and right of employees to freedom of association. Hence, we conduct our operations with honesty, integrity, openness, and with respect for the human rights and interests of our employees.

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

We take all allegations of harassment seriously, including sexual, communal etc. and prohibit all forms of discrimination. It is our belief that creating a work environment that enables us to attract, retain and fully engage diverse talents leads to enhanced innovation and creativity in our services.

Well-being and Safety

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



IDCOL employees are participating in Monthly Birthday Celebration Program

The Year Ahead

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

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



IDCOL employees are attending Annual Retreat 2018 at Sayeman Beach Resort, Cox's Bazar

Disaster Management

Bangladesh is vulnerable to natural disasters including cyclones, earthquakes, droughts, storm-surge and flooding. It also encounters manmade hazards such as fires and infrastructure collapses. Bangladesh has taken a holistic approach towards disaster management, where emphasis has been given to working together with all stakeholders to build strategic, scientific and implementation partnerships with all relevant government departments and agencies, and other key non-government players including NGOs, academic and technical institutions, the private sector and donors. Significant progress has been made in terms of reducing the vulnerability of Bangladesh's people, for example through an upgraded early warning system, efficient preparedness and community-based response capacity. Through plans and policies, the government has made progress in preparing for these disasters by gradually shifting their disaster management approach to a comprehensive risk reduction methodology based on common disaster experiences, lessons learned, and the desire to reduce future impacts. The government has restructured and established the Disaster Management Department as the main organ or instrument in the field for implementing and coordinating various forms of disaster management activities. Disaster management committees have been formed and trained at all administrative levels who communicate disaster alerts and evacuation instructions.

IDCOL has taken necessary steps to support damages caused by natural disasters and a separate Disaster Management Fund Account (DMFA) is operated by IDCOL on behalf of all the stakeholders. The DMFA is audited by an external auditor each year and the Audit report is submitted before the Board for consideration.

Disaster Management Process for Projects

- **Infrastructure Projects**

  Every infrastructure project has an insurance (including but not limited to machine breakdown, business interruption, third party liability, etc.) for risk mitigation. Depending on project location and its vulnerability due to climate change, necessary civil (consideration includes but not limited to landfilling, highest flood level, embankment and preparation, earthquake zoning) and technical (consideration includes but not limited to proximity to saline water, NFPA compliance, earthing and lightning protection) considerations are taken to mitigate the disaster risks. It is noteworthy to mention that requirement varies depending on the nature of the project.

- **Renewable Energy Projects**

  Renewable Energy Projects of IDCOL include solar irrigation, solar mini-grid, biogas-based electricity and biomass-based power generation projects. Stringent measures have been taken in order to protect from natural disasters and disaster management policies have also been taken into consideration to avoid disruptions in operations.

  - ♦ While formalizing the technical standards of renewable energy projects the type and frequency of natural calamity is taken into consideration.
  - ♦ A contingency money amounting 2% of project cost is to be set aside at the time of approval from the project fund in order to mitigate any cost overrun during the project lifetime including different types of disasters.
  - ♦ IDCOL sponsors insure the capital machinery with insurance coverage on project assets for safeguarding losses from natural calamity

Infrastructure Development Company Limited (IDCOL) has been implementing its Solar Home System Program (**"SHS Program"**) since 2002 and Biogas & Bio-fertilizer Program since 2006 through its Partner Organizations (POs).). Up to December 2018, 4,135,512 Solar Home Systems (SHSs) have been installed under the Program and 49,150 biogas plants have been constructed under the program.

In the past, a large number of SHSs and biogas plants had been affected by natural disasters. Some of the SHSs were partly damaged e.g. panel or battery had been damaged and for the biogas plants, inlet had been damaged or crack was identified in the digester. In order to mitigate these recurring problems, a special disaster management fund was created so that IDCOL can support the customers from time to time in case of natural disasters.

Fund is provided in case of damage caused by natural disasters. In addition to the Natural Disaster, the Fund may be availed by the POs for SHS damaged by fire. In such cases, IDCOL will make individual assessment of damage caused by fire to the affected SHS customers. However, the Fund will not provide any support for operational damage of any SHS as well as for reconstruction of any biogas plant affected due to construction damage and/or operational damage.

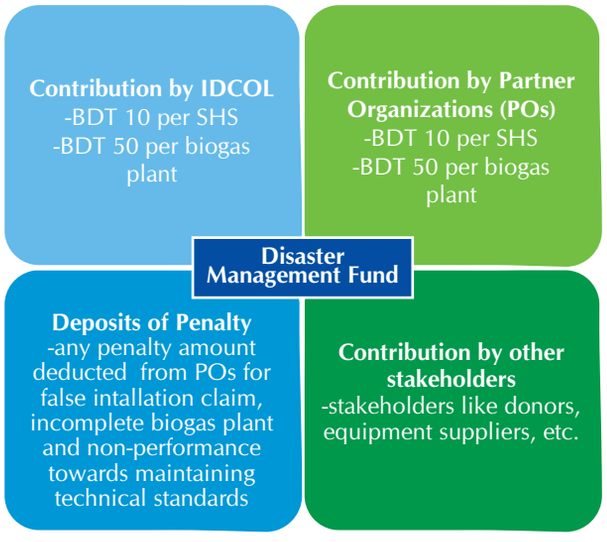
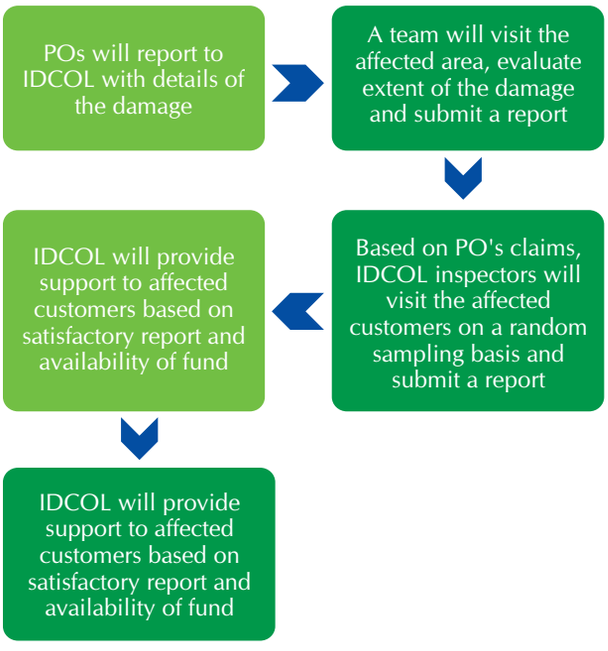


Figure: Sources of Fund

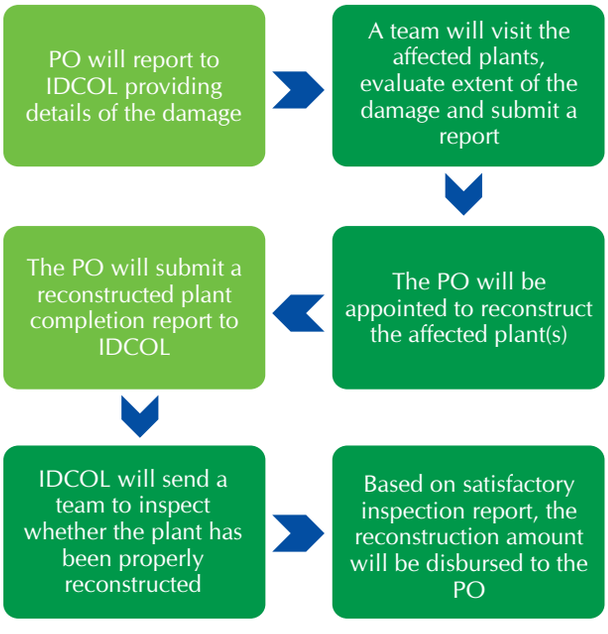
Impact Assessment

The impact of Natural Disaster event on the Program will be assessed through the following steps:

Solar Home System (SHS) Program



Biogas & Bio-fertilizer Program



Disaster Management Process for Management Information System (MIS)

In order to avoid any disruptions in the Management Information System during disasters, it is necessary to have a disaster management process for every company. IDCOL has taken this into consideration and has a disaster recovery (DR) site located in Dhaka Regional Office which is directly connected to the Head Office through a dark fiber rented from a renowned internet service provider of the country. The DR site has two servers running all important services like those running in primary site located in IDCOL head office.

Hence in case of any disasters such as fire, earthquake, etc., IDCOL will receive all data from the backup server located in its disaster recovery site. It will be able to access services present in its primary site immediately from its Disaster Recovery Site so as to avoid disruptions in its operations.

Disaster Management Policies for Physical Infrastructure

IDCOL has its office premises insured by the UTC building management authority. Addressable fire alarm systems are installed for the detection of a fire and there are hinges and fire extinguishers for immediate protection. All the vehicles used for the business are entitled to comprehensive insurance.

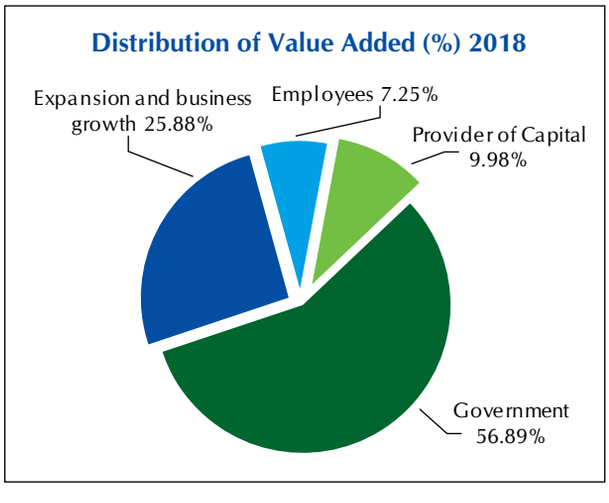
Hence, IDCOL manages to not only have disaster management policies for natural disasters but also for manmade hazards.

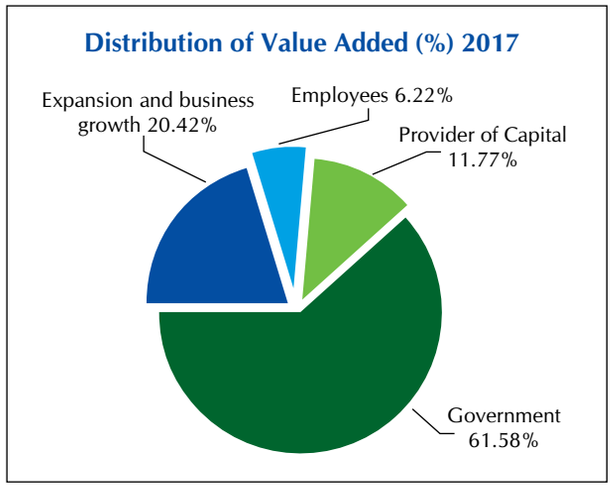
Value Added Statement

For the year ended December 31, 2018

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

Particulars	2018		2017	
	Amount (Taka)	%	Amount (Taka)	%
Value added				
Net interest income	2,626,015,556	131.09%	2,652,432,943	156.13%
Fees earned	381,164,691	19.03%	105,666,726	6.22%
Investment income	-	0.00%	-	0.00%
Other income	146,809,469	7.33%	307,788,616	18.12%
Operating expense except salary & allowances, depreciation	(147,808,395)	-7.38%	(112,100,919)	-6.60%
Provision for loan, advances & investments	(1,002,901,160)	-50.06%	(1,254,957,855)	-73.87%
Total value added by the company	**2,003,280,161**	**100%**	**1,698,829,511**	**100%**
Distribution of Value added				
Employees				
As salary & allowances	145,167,239	7.25%	105,696,185	6.22%
Provider of Capital				
Dividend to ordinary shareholders	200,000,000	9.98%	200,000,000	11.77%
Dividend to preference shareholders	-	0.00%	-	0.00%
Government				
Income tax	1,139,748,445	56.89%	1,046,216,421	61.58%
Expansion and business growth				
Retained earnings	503,409,770.19	25.13%	330,795,112	19.47%
Depreciation & amortization	14,954,707	0.75%	16,121,793	0.95%
Total distribution	**2,003,280,161**	**100%**	**1,698,829,511**	**100%**





Economic Value Added (EVA) Statement

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

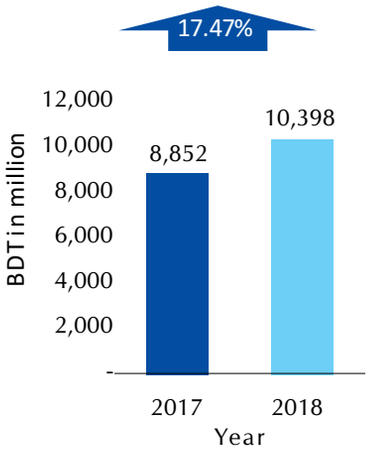
Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create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

EVA has been calculated by the following formula:

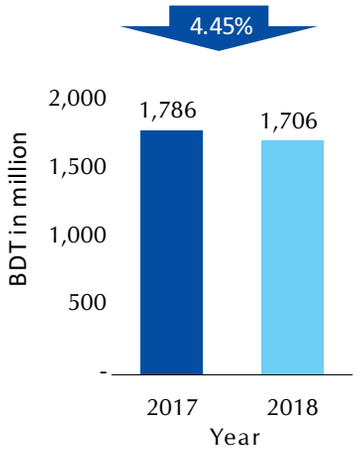
EVA = Net Operating Profit - Taxes - Cost of Capital

Particulars	Amount in BDT	
	2018	2017
Net operating profit	2,846,059,376	2,831,969,389
Tax expense	1,139,748,445	1,046,216,421
Net operating profit after tax (NOPAT)	1,706,310,930	1,785,752,968
Charges for capital		
Capital employed	10,397,566,766	8,851,534,818
Average cost of capital (%)	3.26%	3.03%
Capital Charge	338,960,677	268,201,505
Economic Value Added	1,367,350,254	1,517,551,463
Capital employed as on 31 December		
Shareholder's equity	6,801,777,654	6,298,367,884
Accumulated provision for doubtful accounts and future losses	4,348,944,577	3,346,043,417
Average shareholders' equity	10,397,566,766	8,851,534,818

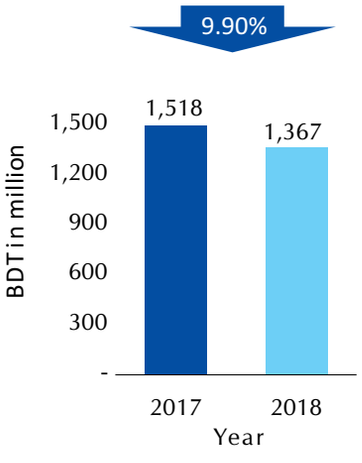
Average shareholders' equity

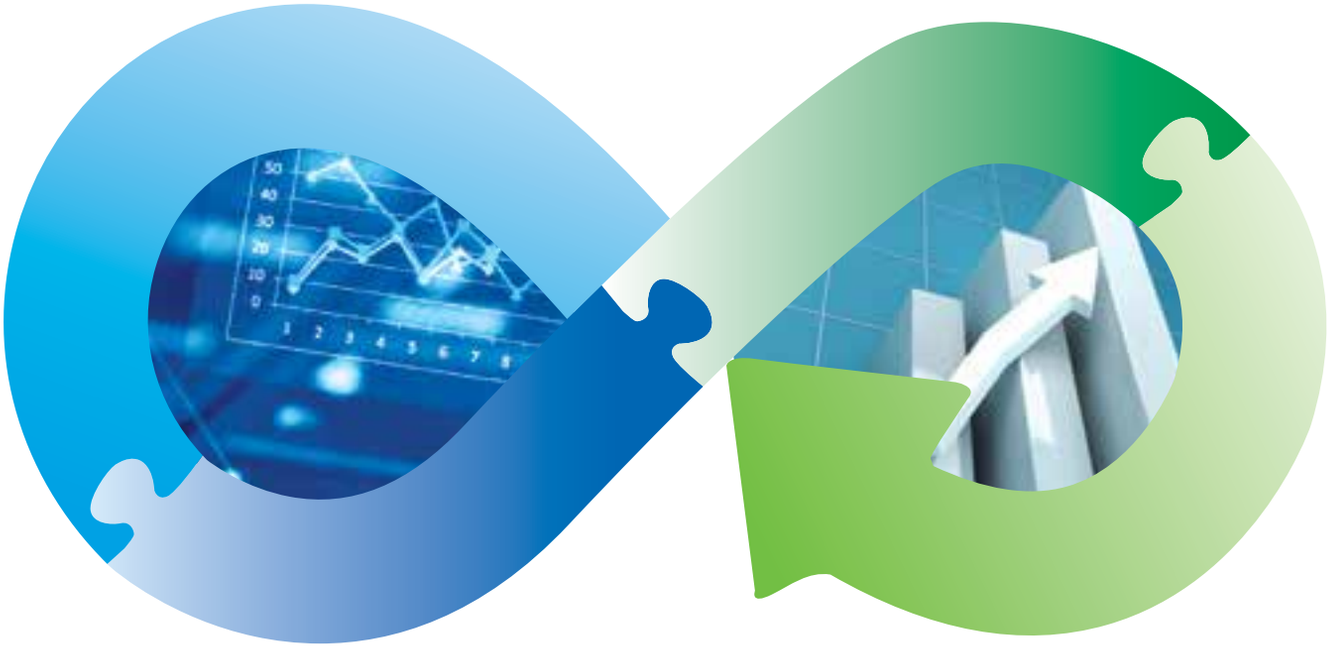


Net operating profit after tax (NOPAT)



Economic Value Added





Financial Highlights & Review

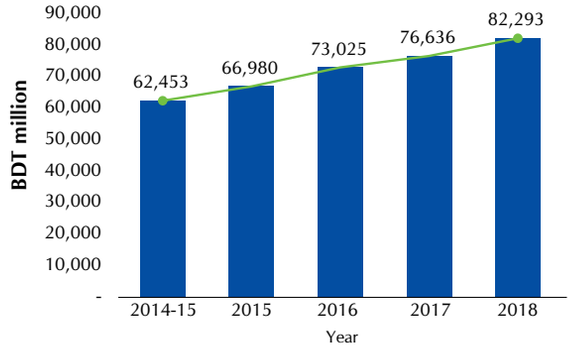
Key Operating and Financial Highlights

Particulars	2014-15	2015	2016	2017	2018
Financial Performance (BDT Million):					
Long-term Investment	-	-	-	-	-
Short term Investment	22,111	24,900	27,069	26,886	17,166
Loan Portfolio	35,973	36,964	41,017	42,037	60,742
Power	9,612	9,282	12,320	13,767	18,477
Ports	96	95	844	733	2,592
Telecommunication	593	490	92	96	4,102
Renewable Energy	25,177	25,746	24,490	22,275	20,135
Energy Efficiency	-	-	-	-	3,506
Others	495	1,351	3,270	5,166	11,931
Total assets	62,453	66,980	73,025	76,636	82,293
Total Liabilities	57,213	61,307	67,057	70,338	75,491
Total equity	5,240	5,673	5,968	6,298	6,802
Net current assets	23,542	26,245	27,160	28,430	18,864
Operational Performance (BDT Million):					
Total Revenue	4,097	4,324	4,509	4,730	4,921
Operating income	2,825	2,950	2,970	3,066	3,154
Operating expenses	170	200	209	234	308
Financial expenses	1,272	1,373	1,539	1,665	1,767
Profit before provision & tax	2,656	2,750	2,761	2,832	2,846
Net profit after tax	1,294	1,366	398	531	703
Financial Ratios:					
Debt equity ratio (Times)	10.06	9.86	10.35	10.09	9.93
Debt ratio (%)	84.42%	83.48%	84.62%	82.94%	82.10%
Current ratio (Times)	9.53	8.44	13.97	13.36	8.59
Return on assets (%)	2.07%	2.04%	0.54%	0.69%	0.85%
Return on Investment (%)	3.60%	3.70%	0.97%	1.26%	1.16%
Return on shareholders' equity (%)	24.70%	24.08%	6.67%	8.43%	10.34%
Profit Margin (%)	31.59%	31.60%	8.82%	11.22%	14.29%
Opex as % of Operating Income	6.00%	6.78%	7.04%	7.63%	9.76%
Earnings per share (BDT)	25.88	27.32	7.96	8.85	11.72
% of Classified Loans	1.58%	6.22%	8.70%	10.91%	7.15%
Equity Statistics:					
Number of shares (No.)	38,500,000	50,000,000	50,000,000	55,000,000	60,000,000
Paid up Capital (BDT million)	3,850	5,000	5,000	5,500	6,000
Shareholders' equity (BDT million)	5,240	5,673	5,968	6,298	6,802

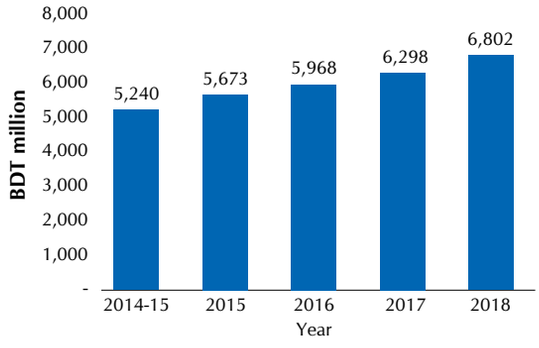
Key Operating and Financial Highlights

1. Financial Position of the Company:

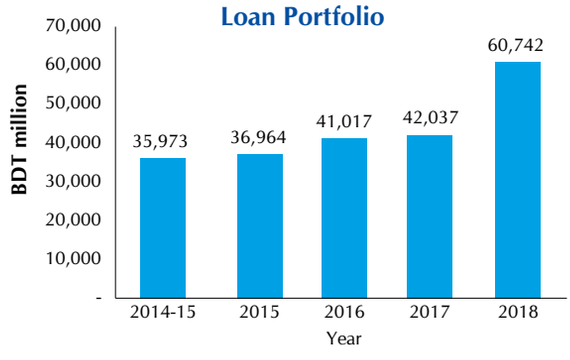
Total Assets



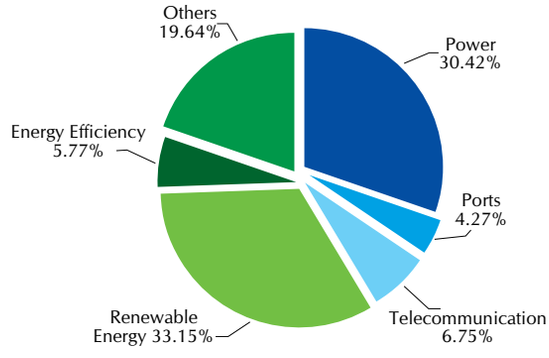
Shareholders' Equity



Loan Portfolio

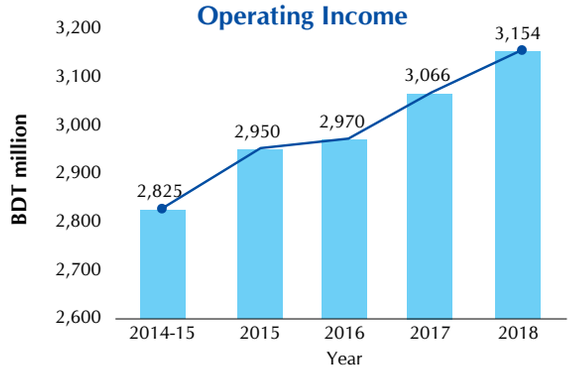


Sector wise Loan Portfolio



2. Operating Performance of the Company:

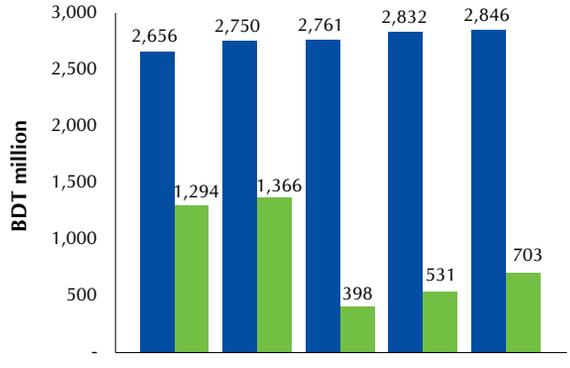
Operating Income



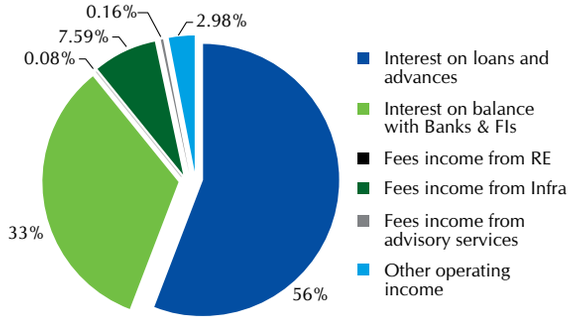
Operating Expense



Profit

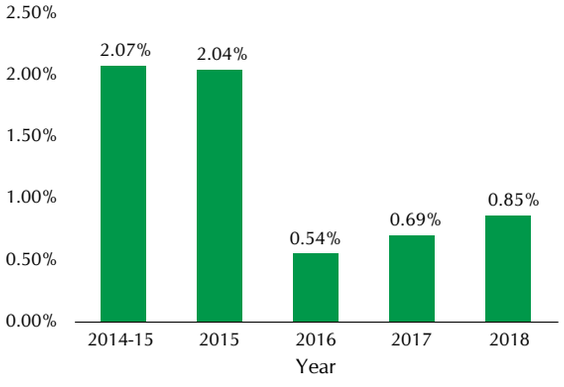


Revenue-2018

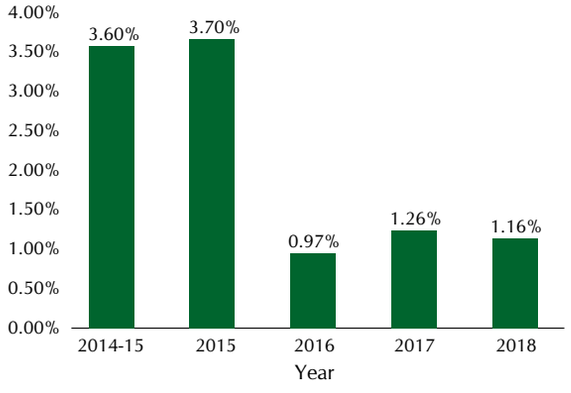


3. Financial Ratios:

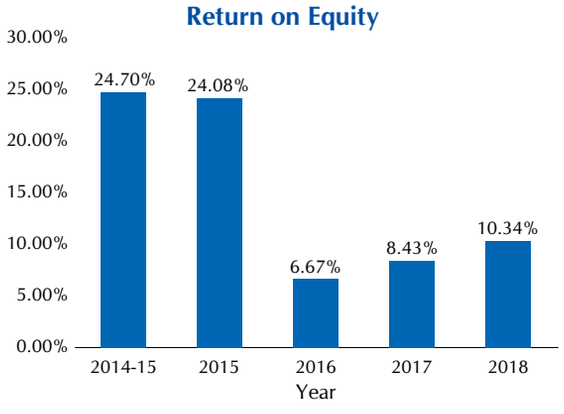
Return on Assets



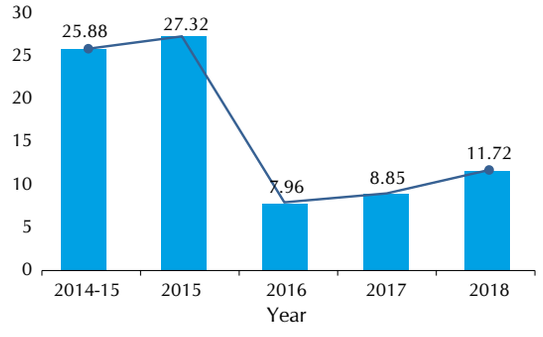
Return on Investment



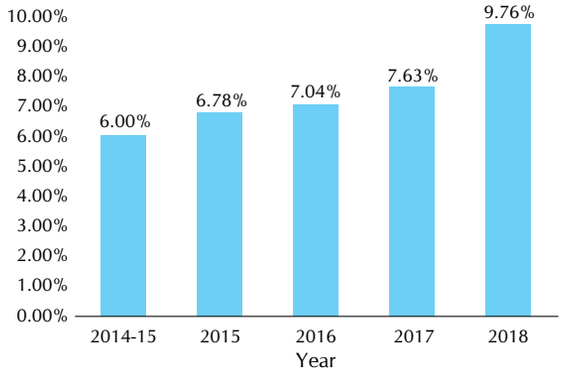
Return on Equity



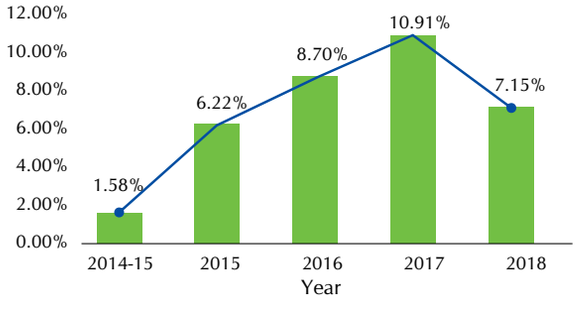
EPS



Opex as% of Operating Income



Classified Loans



Financial Review

The company has been able to align its achievements with its targets for the year 2018, as a result of its consistent performance throughout the year. The company yielded a profit of BDT 703 million in FY 2018 which is 32.52% higher than the profit of FY 2017. Detailed financial facts and figures have been explained below.

Operating Performance BDT million

Particulars	2018	2017	% Change
Net interest income	2,626	2,652	-1.00%
Non-interest income	528	413	27.70%
Revenue	4,921	4,730	4.03%
Operating Expense	308	234	31.64%
Operating Profit	2,846	2,832	0.50%
Provision for loans and advances	1,003	1,255	-20.08%
Tax expenses	1,140	1,046	8.94%
Net profit/(loss) after tax	703	531	32.52%

Net profit for the year ended 31 December 2018, increased by 32.52% and stood at BDT 703 million, as compared to the net profit of BDT 531 million last year. This was due to a decrease in the provision for loans and advances. Operating revenue reported a growth of 4.03% from FY 2017 to FY 2018. Non-interest income consisting of fees, commission and brokerage, exchange gain, other operating income etc. experienced a positive growth of 27.7% from BDT 413 million in FY 2017 to BDT 528 million in FY 2018. Operating expenses rose 31.64% from BDT 234 million to BDT 308 million due to increase in human capital, TR KABITA motoring expenses, legal expenses in order to keep the business aligned with laws & legislations, etc.

Net interest income BDT million

Particulars	2018	2017	% Change
Interest on loans and advances	2,768	2,444	13.27%
Interest on balance with other banks & financial institutes	1,624	1,873	-13.28%
Total interest income	4,393	4,317	1.75%
Interest on deposits and borrowings	1,767	1,665	6.13%
Net interest income	2,626	2,652	-1.00%
Interest earning assets	77,908	68,923	13.04%

Interest on loans and advances have shown a significant rise of 13.27% due to the interest earning assets showing an upward trend from BDT 68,923 million to BDT 77,908 million. Since the company's financial expense also increased from BDT 1665 million to BDT 1767 million, net interest income decreased slightly.

Non-interest income BDT million

Particulars	2018	2017	% Change
Fees, Commission & Brokerage	381	106	260.72%
Other operating income	147	308	-52.30%
Total non-interest income	528	413	27.70%

Fees, commission & brokerage drastically increased by 260.72% (BDT 106 million in FY 2017 to BDT 381 million in FY 2018), being the main reason for the rise in non-interest income. During the year 2018, non-interest income constituted 17% of net income.

Key ratios

Particulars	2018	2017	% Change
Return on assets (%)	0.69%	0.85%	-18.97%
Return on Investment (%)	1.26%	1.16%	9.04%
Return on shareholders' equity (%)	8.43%	10.34%	-18.51%
Profit Margin (%)	11.22%	14.29%	-21.51%
Cost to income ratio (%)	72.89%	67.04%	8.73%
Operating profit per share (BDT)	47	51	-7.88%
Earnings per share (BDT)	12	10	21.45%

Assets BDT million

Particulars	2018	2017	% Change
Cash and bank balances	119	835	-85.77%
Balance with other banks and financial institutions	19,580	31,122	-37.08%
Loans and advances	60,742	42,037	44.50%
Fixed assets including land, building, furniture and fixtures	87	93	-6.59%
Other assets	1,765	2,550	-30.80%
Total Assets	82,293	76,636	7.38%

In order to explore new ventures and expand business activities, the company utilized funds from company and project accounts which led to a sharp decrease in cash and bank balances and a relative decrease in balance with other banks and financial institutions. The under lying reason behind the increment of BDT 18,705 million in loans and advances is a 106% rise in the infrastructural loans.

Liabilities & Shareholder's equity BDT million

Particulars	2018	2017	% Change
Borrowings from other banks and financial institutions and agents	67,566	63,564	6.30%
Other liabilities	7,925	6,774	16.99%
Total Liabilities	75,492	70,339	7.33%
Paid-up Capital	6,000	5,500	9.09%
Retained earnings	802	798	0.43%
Total Capital	6,802	6,298	7.99%
Total liabilities and shareholders' equity	82,294	76,637	7.38%

Total borrowings of the company rose due to increased drawdown from donor funded projects. The components causing the rise of BDT 1151 million in other liabilities are mainly dividend payable and interest payable to government being 18% and 36% respectively.

In addition, paid-up capital of the company increased by BDT 500 million and retained earnings by BDT 4 million causing a total rise of 7.99% in the company's total capital.



Auditor's Report and Audited Financial Statements

Independent Auditor's Report

To the Shareholders of Infrastructure Development Company Limited (IDCOL)

Opinion

We have audited the financial statements of Infrastructure Development Company Limited (the Company), which comprise the balance sheet as at December 31, 2018, and profit and loss account, cash flow statement and statement of changes in equity 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 December 31, 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Financial Institutions Act 1993 and other applicable laws and regulations.

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 Auditors' 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 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.

Other Information

The financial statements of Infrastructure Development Company Limited for the year ended 31 December 2017 were audited by Hoda Vasi Chowdhury & Co., Chartered Accountants who expressed an unmodified opinion on those statements on 28 March 2018.

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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Template of Modified Auditor's Report for Company in Bangladesh

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Bank Company Act 1991 and the rules and regulations issued by Bangladesh Bank, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

c) the balance sheet and profit or loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns;

d) the expenditures incurred and payments made were for the purposes of the Company's business for the year;

e) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards as explained in note # 2 to the financial statements as well as with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

f) adequate provisions have been made for loans, advances, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

h) the records and statements which were submitted by the Company has been properly maintained and recorded in the financial statements;

i) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

j) taxes and duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

k) 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;

l) 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;

m) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud and forgery, and internal policies are being followed appropriately;

n) 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 found satisfactory;

o) the Company has complied with relevant instructions which were issued by Bangladesh Bank with regard to classification, provisioning and calculation of interest suspense;

p) the Company has complied with the "First Schedule" of the Financial Institutions Act,1993 in preparing these financial statements;

q) We have reviewed over 80% of the risk-weighted assets of the Company, and we have spent around 1,446 person-hours for the audit of the books of accounts of the Company; and

r) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Dated, Dhaka
24 April 2019

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Balance Sheet

as at December 31, 2018

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
PROPERTY AND ASSETS			
Cash	3	**118,733,097**	**834,646,574**
Cash in Hand		26,290	302
Balance with Bangladesh Bank and its agent bank		118,706,807	834,646,272
Balance with other banks and financial institutions	4	**19,580,260,290**	**31,121,535,366**
In Bangladesh		19,580,260,290	31,121,535,366
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	-	-
Government securities		-	-
Others		-	-
Loans and advances		**60,742,046,612**	**42,036,663,720**
Loans, cash credit, overdraft etc.	7	60,742,046,612	42,036,663,720
Bill purchased and discounted		-	-
Fixed assets including land, building, furniture and fixtures	8	**86,731,215**	**92,850,674**
Other assets	9	**1,764,757,383**	**2,550,289,304**
Non-banking assets		-	-
Total assets		**82,292,528,597**	**76,635,985,638**
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks and financial institutions	10	67,565,956,984	63,563,786,163
Deposit and other accounts		-	-
Other liabilities	11	7,924,793,959	6,773,831,590
Total liabilities		**75,490,750,943**	**70,337,617,754**
Capital/Shareholders' equity:			
Paid-up Capital	12	6,000,000,000	5,500,000,000
Statutory reserve		-	-
Retained earnings		801,777,654	798,367,884
Total shareholders' equity		**6,801,777,654**	**6,298,367,884**
Total liabilities and shareholders' equity		**82,292,528,597**	**76,635,985,638**

Infrastructure Development Company Limited

Off Balance Sheet Items

as at December 31, 2018

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
Contingent Liabilities:		**24,029,147**	-
Acceptances and Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities	34	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**	**-**
Net Asset Value (NAV) per share	**33**	**113.36**	**104.97**

The annexed notes 1-35 form an intregal part of these statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Monowar Ahmed	**Dr. Ahmad Kaikaus**	**Abdul Haque**	**Mahmood Malik**	**M. Maftun Ahmed**
Chairman	Director	Director	Executive Director & CEO	Company Secretary

As per our report of even date.

Dhaka, 24 April 2019

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Profit and Loss Account

for the year ended December 31, 2018

	Notes	Amount in Taka Jan-Dec 2018	Amount in Taka Jan-Dec 2017
Operating income			
Interest income	14	4,392,711,545	4,317,041,264
less: Interest on deposits, borrowings etc	15	1,766,695,989	1,664,608,320
Net interest income		**2,626,015,556**	**2,652,432,943**
Investment income	16	-	-
Fees, Commission & brokerage	17	381,164,691	105,666,726
Other operating income	18	146,809,469	307,788,616
Total operating income (A)		**3,153,989,716**	**3,065,888,285**
Operating expenses			
Salaries and allowances	19	106,548,221	79,517,094
Rent, taxes, insurance, electricity etc.	20	6,597,233	6,434,433
Legal expenses	21	21,563,111	8,922,399
Postage, stamp, telecommunication etc.	22	1,255,056	1,149,921
Stationery, printing, advertisement etc.	23	7,113,750	9,068,278
Chief Executive's salary and fees	24	11,888,221	12,507,565
Directors' fees	25	1,788,875	1,239,432
Auditors' fees	26	204,758	310,500
Depreciation and repair of Company's assets	27	14,954,707	16,121,793
Other operating expenses	28	136,016,409	98,647,482
Charges on loan losses	29	-	-
Total operating expenses (B)		**307,930,341**	**233,918,897**
Profit/(Loss) before provision & Tax (C) = (A - B)		**2,846,059,375**	**2,831,969,389**
Provision for loans and advances	30	1,002,901,160	1,254,957,855
Total provision (D)		**1,002,901,160**	**1,254,957,855**
Net profit/(loss) before Tax (E)=(C -D)		**1,843,158,215**	**1,577,011,533**
Tax expenses	31	1,139,748,445	1,046,216,421
Net profit/(loss) after tax		**703,409,770**	**530,795,112**
Appropriation:		-	-
Statutory reserve		-	-
General reserve		-	-
Retained surplus		**703,409,770**	**530,795,112**
Earnings Per Share (EPS)	32	**11.72**	**8.85**

The annexed notes 1-35 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Monowar Ahmed	**Dr. Ahmad Kaikaus**	**Abdul Haque**	**Mahmood Malik**	**M. Maftun Ahmed**
Chairman	Director	Director	Executive Director & CEO	Company Secretary

As per our report of even date.

Dhaka, 24 April 2019

Sd/-
ACNABIN
Chartered Accountants

Infrastructure Development Company Limited

Cash Flow Statement

for the year ended December 31, 2018

		Amount in Taka Jan-Dec 2018	Amount in Taka Jan-Dec 2017
A.	**Cash flows from operating activities**		
	Interest received	4,754,197,097	3,927,195,845
	Interest paid	(1,295,524,482)	(1,636,274,991)
	Fees and commission received	381,164,691	105,666,726
	Paid to employees and suppliers	(292,975,634)	(217,345,067)
	Receipts from other operating activities	54,584,911	139,376,970
	Cash generated from operating activities before changes in operating assets and liabilities	**3,601,446,584**	**2,318,619,483**
	(Increase)/decrease in operating assets and liabilities		
	Advances, deposits and prepayments	19,715,306	(66,541,482)
	Advance income tax	(1,199,200,662)	(901,348,995)
	Accounts receivables	(84,130,972)	126,758,228
	Advance VAT	(9,120,339)	-
	Loans and advances	(18,641,951,069)	(904,667,338)
	Interest suspense account	6,046,358	184,519,701
	Payables and accrued expenses	(57,636,640)	(88,825,841)
	Unearned Revenue- Monitoring Fees	(2,754,957)	3,015,139
	Employees' gratuity fund	27,207,664	10,040,700
		(19,941,825,311)	**(1,637,049,889)**
	Net cash flows from operating activities	**(16,340,378,727)**	**681,569,595**
B.	**Cash flows from investing activities**		
	Acquisition of fixed assets (excluding donor funded assets)	(2,319,644)	(22,546,372)
	Disposal of Fixed Assets	143,920	955,500
	Net cash flows from investing activities	**(2,175,724)**	**(21,590,872)**
C.	**Cash flows from financing activities**		
	Loan from Government of Bangladesh	4,002,170,820	1,773,291,382
	Dividend paid	-	-
	Net cash flows from financing activities	**4,002,170,820**	**1,773,291,382**
D.	**Net increase in cash and cash equivalents (A + B + C)**	**(12,340,383,630)**	**2,433,270,106**
E.	**Effects of exchange rate changes on cash and cash equivalents**	**83,195,077**	**158,508,807**
F.	**Cash and cash equivalents at the beginning of the year**	**31,956,181,940**	**29,364,403,027**
G.	**Cash and cash equivalents at the end of the year (D + E + F)**	**19,698,993,387**	**31,956,181,940**
	Cash and cash equivalents at end of the year		
	Cash in hand (including foreign currencies)	26,290	302
	Money at call and short notice	-	-
	Balance with Bangladesh Bank and its agent banks	118,706,807	834,646,272
	Balance with other banks and financial institutions	19,580,260,290	31,121,535,366
		19,698,993,387	**31,956,181,940**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Monowar Ahmed	**Dr. Ahmad Kaikaus**	**Abdul Haque**	**Mahmood Malik**	**M. Maftun Ahmed**
Chairman	Director	Director	Executive Director & CEO	Company Secretary

Dhaka, 24 April 2019

Infrastructure Development Company Limited

Statement of Changes in Equity

for the year ended December 31, 2018

Amount in Taka

Particulars	Paid up Capital	Statutory Reserve	Retained earnings	Total shareholders' equity
Balance as at 01 January 2018	5,500,000,000	-	798,367,884	6,298,367,884
Changes in accounting policy	-	-	-	-
Balance	**5,500,000,000**	**-**	**798,367,884**	**6,298,367,884**
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	703,409,770	703,409,770
Bonus shares	500,000,000	-	(500,000,000)	-
Cash dividend	-	-	(200,000,000)	(200,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2018	**6,000,000,000**	**-**	**801,777,654**	**6,801,777,654**

Particulars	Paid up Capital	Statutory Reserve	Retained earnings	Total shareholders' equity
Balance as at 01 January 2017	5,000,000,000	-	967,572,772	5,967,572,772
Adjustment in Receivables	-	-	-	-
Balance	**5,000,000,000**	**-**	**967,572,772**	**5,967,572,772**
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	-	-	530,795,112	530,795,112
Bonus shares	500,000,000	-	(500,000,000)	-
Cash dividend	-	-	(200,000,000)	(200,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2017	**5,500,000,000**	**-**	**798,367,884**	**6,298,367,884**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Monowar Ahmed	**Dr. Ahmad Kaikaus**	**Abdul Haque**	**Mahmood Malik**	**M. Maftun Ahmed**
Chairman	Director	Director	Executive Director & CEO	Company Secretary

Dhaka, 24 April 2019

Infrastructure Development Company Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)

as at December 31, 2018

	Up to 01 month	1 - 3 months	3 - 12 months	1 - 5 years	More than 5 years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets:						
Cash in hand (including balance with Bangladesh Bank)	118,733,097	-	-	-	-	118,733,097
Balance with other banks and financial institutions	2,414,465,825	10,011,000,000	7,154,794,465	-	-	19,580,260,290
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	-	-	-	-
Loans and advances	154,074,328	1,916,795,624	8,624,766,025	32,883,296,719	17,163,113,917	60,742,046,612
Fixed assets	-	-	-	-	86,731,215	86,731,215
Other assets	351,000	83,794,075	1,566,926,547	73,867,634	39,818,127	1,764,757,383
Non-banking assets	-	-	-	-	-	-
Total assets	**2,687,624,250**	**12,011,589,698**	**17,346,487,037**	**32,957,164,353**	**17,289,663,259**	**82,292,528,597**
Liabilities:						
Borrowings from Government of Bangladesh	-	1,087,046,501	5,324,906,399	20,556,123,165	40,597,880,917	67,565,956,982
Deposits	-	-	-	-	-	-
Other Accounts	-	-	-	-	-	-
Provision and other liabilities	-	589,626,963	1,896,938,674	388,783,696	5,049,444,625	7,924,793,958
Total liabilities	**-**	**1,676,673,464**	**7,221,845,073**	**20,944,906,861**	**45,647,325,542**	**75,490,750,940**
Net Liquidity Gap	**2,687,624,250**	**10,334,916,234**	**10,124,641,964**	**12,012,257,492**	**(28,357,662,283)**	**6,801,777,657**

Infrastructure Development Company Limited

Notes to the Financial Statements

for the year ended December 31, 2018

1. Background

1.1 Legal Status and nature of the company:

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

1.2 Principal activities:

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

Infrastructure Projects

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

Renewable Energy Projects

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

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

IDCOL has been implementing Biogas Program in Bangladesh since 2006. Initially, the program started as National Domestic Biogas and Manure Program (NDBMP) with the support from SNV, Netherlands Development Organization and KFW, German Development Bank. In 2012, the World Bank also joined to support the program under its Household Energy Initiatives. With the support from KFW and the World Bank, IDCOL restructured the Program in 2013. Under this program, IDCOL has a revised target to install 100,000 domestic size biogas plants in Bangladesh by 2021.

IDCOL launched the 'Improved Cook Stove (ICS) Program' in May 2013 with the initial target to install 1 million ICSs across the country by 2018. Under the program, IDCOL provides institutional development grant and technical assistance to its partner organizations (POs). IDCOL's principal objective is commercialization of ICS, which would allow the ICS market to develop and flourish after the completion of the Program. IDCOL has already achieved the target of 1 million within 2017 and has a target to finance additional 5 million ICSs in the second phase by 2021.

Besides, IDCOL has been financing various small-scaled renewable energy projects including solar PV based irrigation pumps, solar PV based micro-grid projects, biomass gasification based power projects, biogas based power plants, solar powered solution for telecom BTS etc. IDCOL has a target to finance 50,000 solar irrigation pumps and 50 solar based mini-grid projects by 2025. In addition, IDCOL is exploring the financing of more Biogas and Biomas based power projects in near future.

Corporate Advisory Services

IDCOL has established an advisory wing to provide knowledge support to various local/foreign institutions on infrastructure projects, renewable energy projects, public private partnership, etc. IDCOL has already provided advisory services to delegates from Ethiopia, Ghana, Sudan, Guinea and Uganda on renewable

energy. In addition, IDCOL signed two different Memorandums of Understanding (MoU) with the Bangladesh Infrastructure Finance Fund Limited (BIFFL) and IDLC Finance Limited to provide necessary support in project due diligence and another one with to provide advisory services to design and launch new financial products for the suppliers under IDCOL Solar Home System (SHS) Program, respectively. Till date, IDCOL trained more than 1,600 professionals from local banks and businesses in twenty three training courses on project finance, nineteen courses on financial modelling, and seven special courses for capacity building.

1.3 Resources

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

2. Significant Accounting Policies and Basis of Preparation

2.1 Basis of accounting

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 projects accounts are being maintained and prepared separately showing movement of funds, i.e. loans and grants received from various donors, lenders, etc., realization of principal and interest from borrowers, loan and grants disbursed to borrowers, repayment of loans to donors, lenders, etc. These projects accounts are maintained separately by IDCOL and Receipts and Payments Statement of each such project is prepared separately, and audited and reported separately by the statutory auditor of the Company. These amounts are not reflected in the company's financial statements, except for those disclosed in note # 35 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 # 35.

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 Institution Act 1993, the rules and regulations issued by Bangladesh Bank and the Companies Act 1994. In case any requirement of the Financial Institution Act 1993, and provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Financial Institution 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: The scheduled banks and financial institutions in Bangladesh have been using certain prescribed templates of financial statements (including names of those financial statements) issued by Bangladesh Bank. Those templates do not include 'Other Comprehensive Income' nor are the elements of OCI allowed to be included in a Single Comprehensive Income Statement (Profit & Loss Account, as per BB format). As such the banks and financial institutions do not prepare a separate OCI Statement. However elements of OCI, if any, are shown in the statements of changes in equity.

2.4 Cash flow statement

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

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

2.5 Provision for loans and advances

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

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

2.6 Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

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

2.7 Recognition of interest in suspense

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

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

2.8 Financial instruments: presentation and disclosure

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

2.9 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.

2.10 Deferred Tax

IFRS: A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized.

Bangladesh Bank: No deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances as per DFIM circular No. 7, dated 31 July 2011

2.11 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.

2.12 Use of estimate and judgements

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 judgement, estimates and assumptions that affect the application of accounting policies. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.13 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.

2.14 Revenue Recognition

Revenue is only recognised when it meets the following five steps model framework as follows:

a) identify the contract(s) with a customers;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognise revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognised on an accrual basis of accounting.

2.15 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is charged on reducing balance

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

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

2.16 Accounting for grant

Accounting for grant has been made in accordance with Bangladesh 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.

2.17 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.

2.18 Write-off

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

2.19 Earning 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.

2.20 Related party disclosure

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

2.21 Employee benefits

Defined contribution plan (provident fund)

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

Defined benefit plan (gratuity)

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

2.22 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.

2.23 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.

2.24 Disclosure for IAS & IFRS Compliance

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

	Name of the IFRS	IFRS #	Compliance status
1	First-time Adoption of IFRS	1	N/A
2	Share Base payment	2	N/A
3	Business combination	3	N/A
4	Insurance Contracts	4	N/A
5	Non-current assets held for sale and discontinued operation	5	N/A
6	Exploration for and Evaluation of Mineral Resources	6	N/A
7	Financial Instruments: Disclosures	7	Applied *
8	Operating Segments	8	Applied
9	Financial Instruments	9	N/A
10	Consolidated Financial Statements	10	Applied
11	Joint Arrangement	11	N/A
12	Disclosure of Interest in Other Entities	12	N/A
13	Fair Value Measurement	13	Applied
14	Regulatory Deferral Accounts	14	N/A
15	Revenue from Contract with Customers	15	Applied

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

2.25 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.

2.26 Risk Management

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

2.26.1 Credit Risk

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

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

2.26.2 Market Risk

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

2.26.3 Liquidity Risk

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

2.26.4 Operational Risk

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

2.26.5 Money Laundering Risk

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

2.26.6 Information Technology and Communication Risk

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

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
3.0	**Cash**			
	Cash in hand	3.1	26,290	302
	Balance with Bangladesh Bank and its agent bank	3.2	118,706,807	834,646,272
			118,733,097	**834,646,574**
3.1	Cash in Hand			
	Local Currency		26,290	302
	Foreign Currencies		-	-
			26,290	302
3.2	Balance with Bangladesh Bank and its agent bank			
	Bangladesh Bank balance in local currency		118,706,807	7,646,272
	Bangladesh Bank balance in foreign currency		-	827,000,000
			118,706,807	834,646,272
3.3	Cash Reserve Ratio (CRR)			
	Required reserve @ 2.5% of average balance of term deposit		-	-
	Actual reserve		-	-
	Surplus		-	-
3.4	Statutory Liquidity Ratio (SLR)			
	Required reserve @ 5% of average liabilities excluding funds from banks/FIs		-	-
	Actual Reserve held		-	-
	Surplus		-	-
	Total Surplus		-	-
	* As per Bangladesh Bank # FID (L) 1053/69/4, maintenance of CRR and SLR is exempted for IDCOL.			
4.0	**Balance with Other Banks and Financial Institutions**			
	Inside Bangladesh		19,580,260,290	31,121,535,366
	Local currency			
	Current and short-term deposits in local currency	4.1	1,748,838,059	2,508,493,058
	Fixed deposits in local currency	4.2	11,566,000,000	24,761,000,000
	Foreign currency			
	Current and short-term deposits in foreign currency	4.3	665,627,766	1,726,561,850
	Fixed deposits in foreign currency	4.4	5,599,794,465	2,125,480,457
	Outside Bangladesh		-	-
			19,580,260,290	**31,121,535,366**

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
4.1	Current and short-term deposits in local currency			
	Janata Bank Ltd.	4.1.a	1,514,983,427	2,386,697,797
	The City Bank Ltd.	4.1.b	4,643,496	8,011,732
	Prime Bank Ltd.	4.1.c	2,023,034	2,376,411
	National Credit and Commerce Bank Ltd.	4.1.d	3,011,586	21,128,275
	National Bank Ltd.	4.1.e	129,117	72,355
	Islami Bank Bd. Ltd.	4.1.f	170,563	189,053
	Agrani Bank Ltd.	4.1.g	1,861,793	81,938,292
	Eastern Bank Ltd.	4.1.h	207,015,164	1,586,202
	Standard Chartered Bank	4.1.i	14,999,880	6,492,942
			1,748,838,059	2,508,493,058
4.1.a	Janata Bank Limited			
	Accounts under donor funded projects			
	IDA -5158-BD : REREDP-II		217,887,039	162,937,651
	IDA -5514-BD : Additional Financing REREDP-II		142,870,546	206,096,032
	IDB -151-BD :		7,670,551	7,663,267
	PPIDF-II (SF)		39,990,145	5,515,598
	JICA BD P-90		355,775,452	1,045,234,618
	KFW-purep		70,821,276	-
	STD Account		679,968,418	959,250,631
			1,514,983,427	2,386,697,797
4.1.b	The City Bank Limited			
	Accounts under donor funded projects			
	KfW - 2006.65.612 -NDBMP		136,774	3,674,522
	Company accounts			
	Imprest account		4,506,722	4,337,210
			4,643,496	8,011,732
4.1.c	Prime Bank Limited			
	Company accounts			
	Salary account		495	495
	Accounts for Regional Offices			
	Barisal		260,633	163,682
	Bogra		294,387	376,956
	Chittagong		49,500	216,781
	Dhaka		685,459	847,666
	Faridpur		377,823	187,742
	Rangpur		221,200	211,562
	Khulna		95,671	195,246
	Mymensingh		37,866	176,280
			2,023,034	2,376,411
4.1.d	National Credit and Commerce Bank Limited			
	Revolving fund account under projects			
	PPIDF: ADB 2453-BAN (SF)		2,803,274	20,858,363
	Accounts for Regional Offices			
	Brahmanbaria		7,868	196,633
	Noakhali		200,444	-
	Laxmipur		-	73,279
			3,011,586	**21,128,275**
4.1.e	National Bank Limited			
	Accounts for Regional Office			
	Sylhet		129,117	72,355
			129,117	**72,355**

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
4.1.f	Islami Bank Bangladesh Limited			
	Accounts for Regional Office			
	Borguna		170,563	189,053
			170,563	189,053
4.1.g	Agrani Bank Limited			
	Accounts under donor funded projects			
	P-075 : JICA		1,861,793	81,938,292
			1,861,793	81,938,292
4.1.h	Eastern Bank Limited			
	Revolving fund account under projects			
	P-075 : JICA		207,015,164	1,586,202
			207,015,164	1,586,202
4.1.i	Standard Chartered Bank			
	Company Account			
	Salary Account		14,999,880	6,492,942
			14,999,880	6,492,942
4.2	Fixed deposits in local currency			
	Fixed deposit receipt (three months' term) with:			
	Al-Arafah Islami Bank Ltd.		1,255,000,000	965,000,000
	BD Finance		380,000,000	100,000,000
	Dhaka Bank Ltd.		700,000,000	480,000,000
	EXIM Bank Ltd.		450,000,000	-
	FAS Finance & Investment Ltd.		290,000,000	-
	First Finance Ltd.		300,000,000	-
	First Security Islamic Bank Ltd.		850,000,000	-
	IFIC Bank Ltd.		1,010,000,000	220,000,000
	Jamuna Bank Ltd.		600,000,000	820,000,000
	Lanka-Bangla Finance Ltd.		160,000,000	-
	Mercantile Bank Ltd.		150,000,000	-
	National Bank Ltd.		1,080,000,000	500,000,000
	NCC Bank Ltd. (PPIDF-1 revolving fund)		625,000,000	-
	One Bank Ltd.		500,000,000	-
	Premier Bank Ltd.		115,000,000	-
	Premier Leasing & Finance Ltd.		350,000,000	-
	Prime Finance & Investment Ltd.		200,000,000	-
	Social Islami Bank Ltd.		300,000,000	-
	Standard Bank Ltd.		366,000,000	-
	South Bangla Agriculture & Commercial Bank Ltd.		100,000,000	-
	United Commercial Bank Ltd.		100,000,000	-
	Union Capital Ltd.		130,000,000	-
	Fixed deposit receipt (six months' term) with:			
	AB Bank Ltd.		210,000,000	520,000,000
	Agrani Bank Ltd.		-	550,000,000
	Al-Arafah Islami Bank Ltd.		-	200,000,000
	Bay Leasing & Investment Ltd.		-	1,000,000,000
	DBH Fin Corp. Ltd.		-	150,000,000
	Dhaka Bank Ltd.		-	560,000,000
	Exim Bank Ltd		200,000,000	-
	FAS Finance & Investment Ltd.		-	1,180,000,000
	First Finance Ltd.		-	400,000,000
	First Security Islamic Bank Ltd.		-	300,000,000
	GSP Finance Company (Bangladesh) Ltd.		50,000,000	400,000,000

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	Habib Bank Ltd		-	510,000,000
	IDLC Finance Ltd.		-	405,000,000
	IFIC Bank Ltd.		-	1,800,000,000
	IPDC Finance Ltd		-	350,000,000
	Jamuna Bank Ltd.		-	195,000,000
	Janata Bank Ltd.		-	815,000,000
	Islami Bank Ltd.		-	1,135,000,000
	International Leasing And Financial Services Limited		290,000,000	1,985,000,000
	Lanka-Bangla Finance Ltd.		-	600,000,000
	Mercantile Bank Ltd.		250,000,000	50,000,000
	National Bank Ltd.		355,000,000	-
	National Finance Ltd.		-	853,000,000
	NCC Bank Ltd.		-	300,000,000
	Premier Bank Ltd.		-	820,000,000
	Prime Finance & Investment Ltd.		100,000,000	-
	Pubali Bank Ltd.		-	928,000,000
	Shahjalal Islamic Bank Ltd.		-	200,000,000
	Southeast Bank Ltd.		-	875,000,000
	Standard Bank Ltd.		-	50,000,000
	Social Islami Bank		-	100,000,000
	South Bangla Agri Bank		-	50,000,000
	The City Bank Ltd.		-	100,000,000
	Trust Bank Ltd.		-	400,000,000
	Union Bank Ltd.		-	100,000,000
	Union Capital Ltd.		-	300,000,000
	United Commercial Bank Ltd.		100,000,000	-
	Uttara Finance Ltd.		-	240,000,000
	Fixed deposit receipt (1 year term) with:			
	AB Bank Ltd.		-	400,000,000
	Mercantile Bank Ltd.		-	570,000,000
	National Bank Ltd.		-	1,035,000,000
	The City Bank Ltd		-	1,250,000,000
			11,566,000,000	24,761,000,000
4.3	Current and short-term deposits in foreign currency			
	Janata Bank Ltd.		521,895,203	1,586,808,040
	Commercial Bank of Ceylon (PPIDF-1 revolv. USD)		143,732,563	139,753,810
			665,627,766	1,726,561,850
4.4	Fixed deposits in foreign currency			
	Fixed deposit receipt (One/six months' term) with:			
	Janata Bank Ltd.		2,627,285,719	-
	Commercial Bank of Ceylon		2,241,452,098	1,436,399,191
	Jamuna Bank Ltd.		219,262,417	206,750,000
	Southeast Bank Ltd.		280,764,456	264,640,000
	Dhaka Bank Ltd.		231,029,775	217,691,266
			5,599,794,465	2,125,480,457
4.5	Maturity grouping of Balance			
	Up to one month		2,414,465,825	4,235,054,909
	More than one month but less than three months		10,011,000,000	3,085,000,000
	More than three months but less than one year		7,154,794,465	20,546,480,457
	More than one year but less than five years		-	3,255,000,000
	More than five years		-	-
			19,580,260,290	31,121,535,366

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
5.0	**Money at Call and Short Notice**			
			-	-
			-	-
6.0	**Investments**			
			-	-
			-	-
7.0	**Loans and Advances**			
	Inside Bangladesh			
	Long-term finance	7.1	59,902,853,800	41,260,905,483
	Short term financing	7.2	5,403,449	5,400,697
	Interest receivable on loans and advances	7.3	833,789,362	770,357,540
			60,742,046,612	42,036,663,720
	Outside Bangladesh		-	-
			60,742,046,612	**42,036,663,720**
7.1	Long-term finance:			
	Opening balance at January 01		41,260,905,483	40,356,306,290
	Add: Disbursement made during the year		23,712,063,714	4,119,331,684
	Add: Interest Capitalization during the year		222,259,638	24,206,965
			65,195,228,835	44,499,844,939
	Less: Realization during the year		(5,485,949,552)	(3,946,764,169)
	Add: Forex gain/ (Loss)		193,574,517	707,824,713
	Closing balance at December 31		59,902,853,800	41,260,905,483
7.1.1	Sector wise disclosure of long term finance			
	Infrastructure loan		40,233,745,875	19,512,642,837
	Renewable energy project	7.1.1a	19,623,840,639	21,700,206,761
	Employee car loan		16,070,160	20,393,571
	Employee home Loan		29,197,125	27,662,314
			59,902,853,800	41,260,905,483
7.1.1a	Renewable energy project			
	Solar home system		17,666,997,382	20,278,665,606
	Biogas program		244,197,530	268,147,609
	Other renewable energy project		1,712,645,728	1,153,393,546
			19,623,840,639	21,700,206,761
7.2	Short term financing			
	Opening balance at January 01		5,400,697	5,332,553
	Add: Disbursement made during the year		12,322,800	8,955,000
			17,723,497	14,287,553
	Less: Realization during the year		(12,320,048)	(8,886,856)
	Closing balance at December 31		5,403,449	5,400,697
7.3	Interest on loan and advance			
	Interest receivable on infrastructure loan		546,942,876	426,439,783
	Interest receivable on renewable energy loan	7.3.1	286,846,486	343,917,757
			833,789,362	770,357,540
7.3.1	Interest receivable on renewable energy loan			
	Solar Home System project		244,999,841	308,658,921
	Biogas project		4,074,153	3,256,001
	Other renewable energy project		37,772,492	32,002,835
			286,846,486	343,917,757

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
7.4	Large Loan Disclosure			
	Grameen Shakti		5,794,438,048	6,300,059,767
	City Navigations Limited (CNL)		4,015,000,000	-
	Robi Axiata Limited (ROBI)		4,004,722,223	-
	Regent Energy and Power Ltd.		3,125,508,568	3,437,705,133
	Rural Services Foundation		2,931,532,944	3,249,461,143
	Summit Barisal Power Ltd.		2,298,967,308	2,488,224,090
	Sena Kalyan Sangstha (SKS)		2,206,112,284	-
	BSRM Steels Limited (BSRMSL)		2,123,619,272	-
	Ace Alliance Power Limited (AAPL)		2,042,009,379	-
	Midland East Power Limited (MEPL)		1,928,973,664	-
	Nutan Bidyut Bangladesh Limited (NBBL)		1,879,592,329	-
	Quantum Power Systems Ltd.		1,824,117,640	1,824,117,640
	Summit Meghnaghat Power Company Ltd.		1,746,224,321	1,907,933,902
	Doreen Hotels and Resorts Ltd.		1,703,791,531	1,660,694,737
	Energypac Confidence Power Venture Chittagong Ltd.		-	1,713,071,121
	Summit Narayanganj Power Unit II Limited		-	1,244,111,838
			37,624,609,510	23,825,379,371
7.5	Particulars of Loans, Advances and leases			
	a) Loan considered good in respect of which the FI is fully secured		10,268,761,363	7,106,518,340
	b) Loan considered good in respect of which the FI is partially secured		50,473,285,249	34,930,145,380
	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.		-	-
			60,742,046,612	42,036,663,720
	g) Loan due by directors or officers of the FI or any of them either separately of jointly with any other persons.		45,267,285	48,055,885
	h) Loan due by companies and firms in which the directors of the FI have interest as directors, partners or managing agent or in case of private companies as members.		-	-
	i) Maximum total amount of advances including temporary advances made at any time during the year to directors and managers or officers of the FI or any of them either severally or jointly with any other persons.		-	-
	j) Maximum total amount of advances including temporary advances made at any time during the year to the companies or firms in which the directors of the FI have interest as directors partners r managing agents or in case of private companies as members.		-	-
	k) Due from other Bank/FI companies.		-	-
	l) Classified loans advances and leases		-	-
	i) Classified loans, advances and leases on which interest has not been charged		3,808,311,953	3,426,065,085
	ii) Provision on doubtful loans, advances and leases		123,409,249	1,137,606,293
	Provision on bad loans, advances and leases		2,750,567,438	1,434,826,163
	Total provisions charged during the year		2,873,976,688	2,572,432,456
	iii) Amount written off loans, advances and leases		-	-
	Total amount realized against loans and leases previously written off		-	-

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	iv) Provision kept against loans and advances classified as bad debts		-	-
	v) Interest credited to Interest Suspense Account		795,304,154	568,400,899
	vi) Cumulative amount of written off loans, advances and leases			
	Opening Balance		-	-
	Amount written off during the year		-	-
			-	-
7.6	Maturity grouping of loans and advances			
	Upto one month		154,074,328	255,661,315
	More than one month but less than three months		1,916,795,624	1,982,295,504
	More than three months but less than one year		8,624,766,025	7,790,114,265
	More than one year but less than five years		32,883,296,719	23,005,518,058
	More than five years		17,163,113,917	9,003,074,578
			60,742,046,612	42,036,663,720
7.7	Disclosure for significant concentration			
a)	Advances to allied concerns of Directors		-	-
b)	Advances to Chief Executive and other executives		45,267,285	48,055,885
c)	Advances to customers' group			
	i) Power		18,476,787,329	13,766,353,106
	ii) Ports		2,592,432,901	733,368,016
	iii) Telecommunication		4,101,936,021	95,959,353
	iv) IT and services		186,085,848	262,109,698
	v) Renewable energy		20,134,673,193	22,274,509,006
d)	Industrial loans		-	-
e)	Hotel & Resorts		1,703,791,531	1,660,694,737
f)	Healthcare		232,117,388	84,634,609
g)	LPG station		616,597,493	-
h)	Brick Kiln		1,176,129,241	-
i)	Knitting Factory		1,056,704,192	-
j)	Cement		1,272,681,112	-
k)	River Dredging		65,062,511	-
l)	Petroleum Refinary		551,616,691	-
m)	Other loans		8,530,163,876	3,110,979,310
			60,742,046,612	42,036,663,720
7.8	Geographical Location - wise Loans and Advances			
	Inside Bangladesh		60,742,046,612	42,036,663,720
	Dhaka Region		21,830,048,941	15,689,472,322
	Chittagong Region		18,239,675,853	7,881,061,077
	Khulna Region		5,552,890,549	4,543,493,428
	Rajshahi Region		1,549,989,695	1,629,545,610
	Barisal Region		7,244,340,956	5,987,838,217
	Rangpur Region		1,931,703,229	1,783,306,329
	Sylhet Region		2,815,139,589	2,728,417,624
	Mymensingh Region		1,578,257,801	1,793,529,113
	Outside Bangladesh		-	-
			60,742,046,612	42,036,663,720

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
7.9	Classification of loans and advances		-	-
	Unclassified:		-	-
	Standard		43,912,115,025	32,883,168,324
	Special Mention Account		12,487,409,262	4,565,224,487
			56,399,524,286	37,448,392,811
	Classified:			
	Sub-Standard		534,210,373	1,162,205,824
	Doubtful		275,447,777	1,851,540,593
	Bad or loss		3,532,864,176	1,574,524,492
			4,342,522,325	4,588,270,909
			60,742,046,612	42,036,663,720

7.9.1 Particulars of required provision for loans and advances

Status	Base for provision	Rate (%)		
General provision	56,329,930,537			
Standard loans/ advances	43,677,084,429	1%	436,770,844	327,060,236
Interest receivable on standard loan	235,025,684	1%	2,350,257	1,771,447
Special mention account(SMA)	12,417,820,424	5%	620,891,021	225,111,834
			1,060,012,122	553,943,517
Specific provision	3,401,264,358			
Sub-standard	403,878,421	20%	80,775,684	219,667,444
Doubtful	246,818,499	50%	123,409,249	1,137,606,293
Bad/loss	2,750,567,438	100%	2,750,567,438	1,434,826,163
			2,954,752,372	2,792,099,900
Total provision required at December 31			4,014,764,494	3,346,043,417
Voluntary General Provision			334,180,083	-
Total provision kept (Note 30)			4,348,944,577	3,346,043,417
Movement of provision of loans and advances				
Opening balance at January 01			3,346,043,417	2,091,085,562
Provision made during the year:			1,002,901,160	1,254,957,855
Regulatory requierment			*668,721,077*	*609,067,034*
Voluntary provision			*334,180,083*	*645,890,821*
Adjustment during the year			-	-
Closing balance at December 31			4,348,944,577	3,346,043,417

7.10	Net Loans and advances			
	Closing outstanding balance		60,742,046,612	42,036,663,720
	Less: Interest suspense (Note 11.3)		(598,764,454)	(592,718,096)
	Provision for loans and advances (Note 7.9.1, 30)		(4,348,944,577)	(3,346,043,417)
	Net loans and advances		55,794,337,581	38,097,902,207

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
7.11	Disclosure of disbursement of loan from donor funded projects during the year			
A.	PSIDP and REREDP funded by IDA	Annex-A		
	Loan extended from reflows under PSIDP (Credit No. 2995-BD)		2,038,770,000	-
	Loan extended from reflows under REREDP (Credit No. 3679-BD)		-	530,000,000
	Sub Total		2,038,770,000	530,000,000
B.	REREDP-II funded by IDA (Credit # 5158)	Annex-B		
	a) Refinancing to Partner Organizations (POs)		-	-
	b) Loan to other renewable projects		120,154,303	68,677,759
	Sub Total		120,154,303	68,677,759
C.	Additional REREDP-II funded by IDA (Credit # 5514)	Annex-C		
	Refinancing to Participating Organizations (POs)		-	24,409,371
	Loan to other renewable energy projects		-	-
	Sub Total		-	24,409,371
D.	PPIDF funded by ADB (Loan No. 3045-BAN)	Annex-D		
	Loan to large infrastructure projects (LIP)		2,537,000,000	-
	Sub Total		2,537,000,000	-
	PPIDF funded by ADB (Loan No. 3046-BAN)	Annex-D		
	Refinancing to POs under Renewable Energy Project (REP)		-	115,245,544
	Sub Total		-	115,245,544
E.	REDP funded by JICA (Loan# BD-P75)	Annex-E		
	Refinancing to Participating Organizations (POs)		-	-
	Loan to other renewable energy projects		381,063,453	311,379,338
	Sub Total		381,063,453	311,379,338
	Energy Efficiency funded by JICA (Loan# BD-P90)	Annex-E		
	Refinancing to Participating Organizations (POs)		-	-
	Loan to other renewable energy projects		1,003,945,861	123,820,000
	Sub Total		1,003,945,861	123,820,000
	Grand Total		6,080,933,617	1,173,532,012

8 Fixed Assets Including Land, Building, Furniture and Fixtures

	Cost		
	Opening balance at January 01	183,381,306	150,837,307
	Add: Purchased during the year	8,938,870	39,814,337
	Less: Disposal during the year	(179,900)	(7,270,338)
	Closing balance at December 31	192,140,276	183,381,306

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	Depreciation			
	Opening balance at January 01		90,530,632	80,271,640
	Add: Charged during the year		14,954,707	16,121,793
	Less: Adjustment during the year		(76,278)	(5,862,802)
	Closing balance at December 31		105,409,061	90,530,632
	Written Down Value at December 31		**86,731,215**	**92,850,674**
	Details of fixed assets are given in **Annexure -G**			
9	**Other Assets**			
	Advances, deposits and prepayments	9.1	138,125,726	157,841,032
	Advance income tax	9.2	1,091,168,037	1,535,853,511
	Advance VAT	9.3	9,120,339	-
	Accounts receivables	9.4	505,229,454	846,015,857
	Deferred Tax Asset	9.5	21,113,827	10,578,904
			1,764,757,383	**2,550,289,304**
9.1	Advances, deposits and prepayments			
	Advance:			
	Advance for SHS project		5,379,891	6,026,364
	Advance for Green Expo 2019		5,661,924	-
	Advance NDBMP project expense		4,178,360	4,075,787
	Advance under PUREP		76,965,383	98,169,449
	Advance under GPOBA II		-	5,763,175
	Advance for other RE projects		630,136	437,784
	Advance for training		948,224	1,693,524
	Advance for travelling		9,432,611	7,469,257
	Advance subsidy- NDBMP		2,181,254	1,843,754
	Advance for Land		18,301,800	18,301,800
	Advance for Building		402,500	-
	Book for project finance course		685,365	685,365
	Corporate advisory advance		135,800	135,800
	Directors remuneration		110,000	-
	Rental advance		9,410,898	4,666,437
	Salary advance		150,001	-
	Advance against training /travelling expenses		1,864,188	7,160,431
	Advance for ICS Program		711,347	686,061
	Advance for corporate advisory service & others		-	-
	Others		976,044	726,044
			138,125,726	157,841,032
9.2	Advance income tax			
	Opening balance at January 01		1,535,853,511	1,776,719,649
	Add: Advance tax (Including TDS) paid during the year		1,199,200,662	901,348,995
	Less: Adjustment with Provision for Tax (FY 2016 & 2017)		(1,643,886,136)	(1,142,215,133)
	Closing balance at December 31		1,091,168,037	1,535,853,511

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
9.2.1	Assessment year wise break up:			
	AY 2014-2015		-	-
	AY 2015-2016		-	28,651,206
	AY 2016-2017		(17,408,383)	619,455,822
	AY 2017-2018		-	1,128,612,621
	AY 2018-2019		-	(240,866,138)
	AY 2019-2020		1,108,576,420	-
			1,091,168,037	1,535,853,511
9.3	Advance VAT			
	Balance at January 01, 2018		-	-
	Add: Advance VAT paid during the year		9,120,339	-
	Less: Adjustment with Provision for VAT		-	-
	Balance at December 31, 2018		9,120,339	-
9.4	Accounts receivables			
	Administration fees under renewable energy projects		465,545	465,545
	Fees and other receivable from infra. Project		7,496	253,069
	Fees and other receivable from advisory services		54,244	32,500
	Interest receivable on fixed deposit (FDR)		243,376,351	668,293,726
	Other receivables		21,972,267	21,602,383
	Receivable under RE projects		213,611,704	145,790,621
	IDCOL SPF		8,304,927	2,137,619
	Gratuity Fund		3,851,535	1,019,633
	Training fees receivable		15,000	15,000
	Receivable under REP-RO	9.4.1	13,570,386	6,405,762
			505,229,454	846,015,857
9.4.1	Receivable under REP -Regional Office (RO)			
	Receivable under REP-Barguna		770,757	396,257
	Receivable under REP-Brahmanbaria		1,162,692	575,931
	Receivable under REP-Bogra		691,329	572,395
	Receivable under REP- Barisal		865,641	407,629
	Receivable under REP-Chittagong		1,249,889	728,208
	Receivable under REP-Dhaka		884,461	773,369
	Receivable under REP-Dhaka-Biogas		682,941	-
	Receivable under REP-Faridpur		958,826	484,613
	Receivable under REP-Khulna		924,424	568,769
	Receivable under REP-Laxmipur		881,064	397,059
	Receivable under REP-Mymensingh		975,255	493,101
	Receivable under REP-Rangpur		877,782	545,034
	Receivable under REP-Sunamgonj		931,886	463,397
	Receivables under REP-Rajshahi RO		15,132	-
	Receivables under REP-Jamalpur RO		18,157	-
	Receivables under REP-Thakurgaon RO		19,368	-
	Receivables under REP-Jashore RO		23,000	-
	Receivables under REP-Kustia RO		25,421	-
	Receivables under REP-Khulna RO_ICS		227,198	-

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	Receivables under REP-Rangpur RO_ICS		452,600	-
	Receivables under REP-Bogra RO_ICS		420,270	-
	Receivables under REP-Dhaka RO_ICS		221,199	-
	Receivables under REP-Barisal RO_ICS		35,420	-
	Receivables under REP-Chittagong RO_ICS		23,902	-
	Receivables under REP-Rangpur RO_ORE		106,946	-
	Receivables under REP-Faridpur RO_ORE		44,735	-
	Receivables under REP-Dhaka RO_ORE		80,091	-
			13,570,386	6,405,762
9.5	Deferred tax			
	Opening balance at January 01		10,578,904	6,602,887
	Provision/(reversal) during the year		10,534,923	3,976,017
	Closing balance at December 31	Annex-F	21,113,827	10,578,904

10 Borrowings from Other Banks, Financial Institutions and Agents

	Inside Bangladesh			
	Unsecured long-term loans from the Government of Bangladesh			
	IDA financing under PSIDP- (Credit# 2995)	10.1	8,172,723,587	6,133,953,587
	IDA financing under REREDP	10.2	27,668,981,725	29,120,663,918
	ADB financing under PPIDF (Loan # 2453, 2454, 3045 & 3046)	10.3	22,160,451,786	19,032,578,050
	IDB financing under REP (Credit # 151)	10.4	883,394,274	967,406,924
	KfW financing under NDBMP (Credit # 2006.65.612)	10.5	259,879,471	259,879,471
	JICA financing under REDP (Credit # P 75)	10.6	8,420,526,140	8,049,304,214
			67,565,956,984	**63,563,786,163**
	Outside Bangladesh		-	-
			67,565,956,984	**63,563,786,163**

Abbreviations

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

10.1	IDA financing under PSIDP (Credit # 2995)		
	Opening balance at January 01	6,133,953,587	6,133,953,587
	Add: Drawdown made during the year	2,038,770,000	-
		8,172,723,587	6,133,953,587
	Less: Repayment made during the year	-	-
	Closing balance at December 31	8,172,723,587	6,133,953,587

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
10.2	IDA financing under REREDP			
	IDA credit # 4643	10.2a	4,214,513,309	4,597,128,613
	IDA credit # 3679	10.2b	2,641,132,700	2,641,132,700
	IDA credit # 5013	10.2c	8,034,424,177	8,652,456,805
	IDA credit # 5158	10.2d	7,964,107,254	8,415,141,515
	IDA credit # 5514	10.2e	4,814,804,285	4,814,804,285
			27,668,981,725	29,120,663,918
10.2a	IDA credit # 4643			
	Opening balance at January 01		4,597,128,613	4,979,743,917
	Add: Drawdown made during the year		-	-
			4,597,128,613	4,979,743,917
	Less: Repayment made during the year		(382,615,304)	(382,615,304)
	Closing balance at December 31		4,214,513,309	4,597,128,613
10.2b	IDA credit # 3679			
	Opening balance at January 01		2,641,132,700	2,111,132,700
	Add: Drawdown made during the year		-	530,000,000
			2,641,132,700	2,641,132,700
	Less: Repayment made during the year		-	-
	Closing balance at December 31		2,641,132,700	2,641,132,700
10.2c	IDA credit # 5013			
	Opening balance at January 01		8,652,456,805	9,270,489,433
	Add: Drawdown made during the year		-	-
			8,652,456,805	9,270,489,433
	Less: Repayment made during the year		(618,032,628)	(618,032,628)
	Closing balance at December 31		8,034,424,177	8,652,456,805
10.2d	IDA credit # 5158			
	Opening balance at January 01		8,415,141,515	8,279,491,084
	Add: Drawdown made during the year		120,154,303	135,650,431
			8,535,295,818	8,415,141,515
	Less: Repayment made during the year		(571,188,564)	-
	Clsoing balance at December 31		7,964,107,254	8,415,141,515
10.2e	GoB Loan REREDP-II (AF) - IDA 5514			
	Opening balance at January 01		4,814,804,285	4,790,394,914
	Add: Drawdown made during the year		-	24,409,371
			4,814,804,285	4,814,804,285
	Less: Repayment made during the year (adjustment)		-	-
	Closing balance at December 31		4,814,804,285	4,814,804,285
10.3	ADB financing under PPIDF (Loan # 2453 & 2454)			
	ADB credit # 2453 -REP	10.3a	5,177,871,905	5,469,130,783
	ADB credit # 2453 -SMIP	10.3b	311,794,522	329,333,179
	ADB credit # 2454 -LIP	10.3c	5,683,100,740	5,910,370,520
	ADB credit # 3045 -OCR	10.3d	8,410,000,000	6,616,000,000
	ADB credit # 3046 -SF	10.3e	707,743,568	707,743,568
	ADB credit # 3554 -OCR	10.3f	1,869,941,050	-
			22,160,451,786	19,032,578,050

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
10.3a	ADB credit # 2453 -REP			
	Opening balance at January 01		5,469,130,783	5,733,442,481
	Add: Drawdown made during the year		-	-
			5,469,130,783	5,733,442,481
	Less: Repayment made during the year		(291,258,878)	(264,311,698)
	Closing balance at December 31		5,177,871,905	5,469,130,783
10.3b	ADB credit # 2453 -SMIP			
	Opening balance at January 01		329,333,179	345,249,165
	Add: Drawdown made during the year		-	-
			329,333,179	345,249,165
	Less: Repayment made during the year		(17,538,657)	(15,915,986)
	Closing balance at December 31		311,794,522	329,333,179
10.3c	ADB credit # 2454 -LIP			
	Opening balance at January 01		5,910,370,520	5,891,670,880
	Add: Drawdown made during the year		83,850,733	-
			5,994,221,253	5,891,670,880
	Less: Repayment made during the year		(311,120,513)	(273,421,784)
	Add: Fair value adjustment (exchange loss)		-	292,121,424
	Closing balance at December 31		5,683,100,740	5,910,370,520
10.3d	ADB credit # 3045 -OCR			
	Opening balance at January 01		6,616,000,000	5,509,000,000
	Add: Drawdown made during the year		1,794,000,000	827,000,000
			8,410,000,000	6,336,000,000
	Less: Repayment made during the year		-	-
	Add: Fair value adjustment (exchange loss)		-	280,000,000
	Closing balance at December 31		8,410,000,000	6,616,000,000
10.3e	ADB credit # 3046 -SF			
	Opening balance at January 01		707,743,568	557,854,971
	Add: Drawdown made during the year		-	149,888,597
			707,743,568	707,743,568
	Less: Repayment made during the year		-	-
	Closing balance at December 31		707,743,568	707,743,568
10.3f	ADB credit # 3554 OCR			
	Opening balance at January 01		-	-
	Add: Drawdown made during the year		1,869,941,050	-
			1,869,941,050	-
	Less: Repayment made during the year		-	-
	Closing balance at December 31		1,869,941,050	-

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
10.4	IDB financing under REP (Credit # 151)			
	Opening balance at January 01		967,406,924	1,051,419,574
	Add: Drawdown made during the year		-	-
			967,406,924	1,051,419,574
	Less: Repayment made during the year		(84,012,650)	(84,012,650)
	Less: Fair value adjustment		-	-
	Closing balance at December 31		883,394,274	967,406,924
10.5	KfW financing under NDBMP (Credit # 2006.65.612)			
	Opening balance at January 01		259,879,471	259,879,471
	Add: Drawdown made during the year		-	-
			259,879,471	259,879,471
	Less: Repayment made during the year		-	-
	Closing balance at December 31		259,879,471	259,879,471
10.6	JICA financing under REDP (Credit # P 75 & P 90)			
	JICA credit # P 75	10.6a	6,938,329,506	6,880,186,225
	JICA credit # P 90	10.6b	1,482,196,634	1,169,117,989
			8,420,526,140	8,049,304,214
10.6a	JICA financing under REDP (Credit # P 75)			
	Opening balance at January 01		6,880,186,225	6,876,772,605
	Add: Drawdown made during the year		297,148,528	3,413,620
			7,177,334,753	6,880,186,225
	Less: Repayment made during the year		(239,005,247)	-
	Add: Fair value adjustment		-	-
	Closing balance at December 31		6,938,329,506	6,880,186,225
10.6b	JICA financing under REDP (Credit # P 90)			
	Opening balance at January 01		1,169,117,989	-
	Add: Drawdown made during the year		313,078,645	1,169,117,989
			1,482,196,634	1,169,117,989
	Less: Repayment made during the year		-	-
	Add: Fair value adjustment		-	-
	Closing balance at December 31		1,482,196,634	1,169,117,989
10.7	Maturity-wise grouping			
	Upto one month			
	More than one month but less than three months		1,087,046,501	586,892,915
	More than three months but less than six months		1,646,142,720	1,373,087,377
	More than six months but less than one year		3,678,763,679	3,161,105,531
	More than one year but less than five years		20,556,123,165	18,969,911,434
	More than five years but less than ten years		28,193,023,295	29,455,380,548
	More than ten years		12,404,857,623	10,017,408,358
			67,565,956,982	63,563,786,163

* Less than three months, less than six months, less than one year, less than five years and less than ten years imply up to three months, up to six months, up to one year, up to five years and up to 10 years respectively.

11 Other Liabilities

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	Payable and accrued expenses	11.1	1,366,864,171	953,329,303
	Provision for income tax	31	1,107,539,616	1,601,142,384
	Employees' gratuity fund	11.2	52,099,203	24,891,539
	Interest suspense account	11.3	598,764,454	592,718,095
	Provision for loans and advances	30	4,348,944,577	3,346,043,417
	Grant assets received from donors	11.4	49,636,392	52,006,347
	Unearned Revenue		260,182	3,015,138
	Provisions other than loans		685,365	685,365
	Dividend payable		400,000,000	200,000,000
			7,924,793,959	**6,773,831,590**
11.1	Payable and accrued expenses			
	Interest payable to GoB	11.1a	848,078,801	376,907,293
	REREDP PO's deposit (Loan # 3679)		100,058,416	137,380,244
	Initial deposit under REREDP (Loan # IDA - 5158)		216,813,196	161,267,480
	Security deposit from POs under NDBMP project		8,029,162	20,082,899
	Other payables		48,312,898	48,032,459
	SHS maintenance expenses -Disaster		560,020	560,020
	Income tax and VAT payable		1	105,002
	Initial deposit under REREDP (Loan # IDA 5514)		140,716,058	205,531,906
	Penalty for ICS		2,472,000	2,407,000
	Payable under corporate advisory service		25,072	25,049
	Payable to IDCOL Staffs		364,427	148,202
	Retention		748,838	-
	Audit fee		392,782	569,250
	Adjustment		-	-
	Credit Rating fee		292,500	312,500
			1,366,864,171	953,329,304
11.1a	Interest payable to GoB			
	Interest payable to GoB - PPIDF (Credit # 2453 & 2454)	11.1a.1	257,704,507	122,023,328
	Interest payable to GoB - REREDP	11.1a.2	396,693,995	134,036,618
	Interest payable to GoB - IDB (Credit # 151)		15,216,604	1,209,261
	Interest payable to GoB - JICA (Credit # P 75 & P 90)		70,024,816	60,747,652
	Interest payable to GoB - OCR & SF (Credit # 3045 & 3046)		95,570,176	49,859,932
	Commitment Charge payable and others		12,868,703	9,030,502
			848,078,801	376,907,293
11.1a.1	Interest payable to GoB - PPIDF (Credit # 2453 & 2454)			
	Payable against Credit # 2453 -SMIP		4,633,613	4,846,253
	Payable against Credit # 2453 -REP		196,971,998	74,172,753
	Payable against Credit # 2454 -LIP		56,098,896	43,004,322
			257,704,507	122,023,328
11.1a.2	Interest payable to GoB - REREDP			
	Payable against Credit # 4643		84,062,772	18,005,427
	Payable against Credit #5013		159,400,913	33,888,787
	Payable against Credit # 5158		71,379,847	75,758,246
	Payable against Credit # 5514		81,850,463	6,384,158
			396,693,995	134,036,618

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
11.2	Employees' gratuity fund			
	Opening balance at January 01		24,891,539	14,850,839
	Add: Provision made during the year		27,207,664	10,040,700
			52,099,203	24,891,539
	Less:			
	Settlement made during the year		-	-
	Transfer to BoT		-	-
			-	-
	Closing balance at December 31		52,099,203	24,891,539
11.3	Interest suspense account			
	Opening balance at January 01		592,718,096	408,198,395
	Add: Amount transferred to "Interest Suspense" A/c during the year		795,304,154	568,400,899
			1,388,022,250	976,599,294
	Less: Transferred to Income during the year		(789,257,796)	(383,881,198)
	Amount waived/written off during the year		-	-
			598,764,454	592,718,096
11.4	Grant assets received from donors			
	Opening balance at January 01 (Written Down Value)		52,006,347	44,641,224
	Add: Assets received during the year		6,619,227	17,267,964
			58,625,574	61,909,188
	Less: Amortization/disposal made during the year		(8,989,183)	(9,902,840)
	Closing balance at December 31 (Written Down Value)		49,636,392	52,006,347
	Donor Wise disclosures of cumulative grant assets			
	Grant assets received from:			
	The World Bank		95,800,952	89,361,624
	KFW-NDBMP		3,864,919	1,162,823
	SNV - Netherlands Development Organization		1,162,823	3,864,919
	Total value at cost (a)		100,828,693	94,389,365
	Accumulated amortization:			
	The World Bank		47,264,337	38,638,271
	KfW-NDBMP		3,021,407	832,687
	SNV - Netherlands Development Organization		906,556	2,912,060
	Total amortization (b)		51,192,301	42,383,018
	Written down value (a - b)		49,636,392	52,006,347

12 Paid-up Capital

	Authorized capital:			
	100,000,000 Ordinary shares @ Tk. 100 each		**10,000,000,000**	**10,000,000,000**
	Issued, subscribed and paid-up capital			
	60,000,000 shares @ Taka 100 each		**6,000,000,000**	**5,500,000,000**
	Detail of shareholding position of the company			

Name of shareholders	No. of shares as at December 31, 2018	No. of shares as at December 31, 2017	Paid up capital as at December 31, 2018	Paid up capital as at December 31, 2017
Economic Relations Division (ERD)	59,999,000	54,999,000	5,999,900,000	5,499,900,000
Monowar Ahmed	500	-	50,000	-
Kazi Shofiqul Azam	-	500	-	50,000
Md Nojibur Rahman	50	50	5,000	5,000
Suraiya Begum ndc	-	50	-	5,000
Md. Mozammel Haque Khan	50	50	5,000	5,000
Abdur Rouf Talukder	50	-	5,000	-
Mohammad Muslim Chowdhury	-	50	-	5,000
Sajjadul Hassan	50	-	5,000	-
Dr. Ahmad Kaikaus	50	50	5,000	5,000
Md. Shah Kamal	50	50	5,000	5,000
Shubhashish Bose	50	50	5,000	5,000
Nihad Kabir	50	50	5,000	5,000
Abdul Haque	50	50	5,000	5,000
Waliur Rahman Bhuiyan	-	10	-	1,000
A. K. M. Nurul Fazal Bulbul	10	-	1,000	-
Mahmood Malik	40	40	4,000	4,000
Total	**60,000,000**	**55,000,000**	**6,000,000,000**	**5,500,000,000**

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
13	**Income Statement**			
	Income			
	Interest and similar income (Note-14)	14	4,392,711,545	4,317,041,264
	Investment income (Note-16)	16	-	-
	Fees and commission (Note-17)	17	381,164,691	105,666,726
	Other Operating income (Note-18)	18	146,809,469	307,788,616
			4,920,685,705	**4,730,496,606**
	Expenses			
	Interest on deposits and borrowings (Note-15)	15	1,766,695,989	1,664,608,320
	Administrative expenses (Note-19-26)	19-26	156,959,225	119,149,622
	Other Operating expenses (Note-28)	28	136,016,409	98,647,482
	Depreciation on Assets (Note-27)	27	14,954,707	16,121,793
			2,074,626,330	**1,898,527,217**
			2,846,059,376	**2,831,969,389**
14	**Interest Income**			
	Interest on loans and advances	14.1	2,768,378,231	2,443,985,098
	Interest on balance with other banks & financial institutes	14.2	1,624,333,314	1,873,056,165
			4,392,711,545	**4,317,041,264**
14.1	Interest Income on loans and advances			
	Interest on Infrastructure loan	14.1.1	1,996,504,199	1,080,197,892
	Interest on Renewable Energy Project loan	14.1.2	769,591,472	1,361,282,033
	Interest on bridge financing		-	-
	Interest on employee car loan & home loan		2,282,560	2,505,173
			2,768,378,231	2,443,985,098

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
14.1.1	Interest Income on Infrastructure loan			
	Interest income-Infra-LIP		1,072,030,299	812,457,114
	Interest income-Infra-SMIP (IEEF)		901,966,449	260,067,881
	Interest income-Infra-PPP		22,507,451	7,672,896
			1,996,504,199	1,080,197,892
14.1.2	Interest Income on Renewable Energy Project loan			
	Interest on SHS project		681,243,008	1,288,316,448
	Interest on Biogas project		12,646,029	17,079,300
	Interest on Other renewable energy project		75,702,435	55,886,285
			769,591,472	1,361,282,033
14.2	Interest on balance with other bank & FIs			
	Interest on short term bank deposit		10,301,017	8,563,377
	Interest on fixed deposit		1,595,541,560	1,863,651,330
	Interest on call money lending		18,490,736	841,458
			1,624,333,314	1,873,056,165
15	**Interest on Deposits, Borrowings etc.**			
	Borrowing cost under REREDP	15.1	795,714,445	836,710,755
	Borrowing cost under PPIDF	15.2	714,801,076	585,704,449
	Borrowing cost under IDB (Credit # 151)		28,679,681	31,228,065
	Borrowing cost under JICA	15.3	227,500,787	210,965,051
			1,766,695,989	**1,664,608,320**
15.1	Borrowing cost under REREDP			
	Interest against Credit # 4643		135,397,368	147,035,250
	Interest against Credit #5013		256,020,016	274,818,508
	Interest against Credit # 5158		251,369,637	259,347,849
	Interest against Credit # 5514		152,927,424	155,509,148
			795,714,445	836,710,755
15.2	Borrowing cost under PPIDF			
	Borrowing cost under PPIDF (Credit # 2453 & 2454)	15.2.1	449,455,748	421,873,898
	Borrowing cost under PPIDF II (Credit # 3045 & 3046)	15.2.2	265,345,328	163,830,551
			714,801,076	585,704,449
15.2.1	Borrowing cost under PPIDF (Credit # 2453 & 2454)			
	Interest against Credit # 2453 -SMIP (IEEF)		16,216,982	17,064,955
	Interest against Credit # 2453 -REP		248,053,214	261,094,821
	Interest against Credit # 2454 -LIP		185,185,552	143,714,122
			449,455,748	421,873,898
15.2.2	Borrowing cost under PPIDF II (Credit # 3045 & 3046)			
	Interest against Credit # 3045 - OCR & 3554 OCR USD		241,500,716	139,328,979
	Interest against Credit # 3046 -SF		21,542,198	20,867,354
	Commitment charge against Credit # 3045 - OCR		2,302,414	3,634,218
			265,345,328	163,830,551
15.3	Borrowing cost under JICA (Credit # P 75 & P 90)			
	Interest against Credit # P 75		214,501,008	209,272,331
	Interest against Credit # P 90		12,999,779	1,692,720
			227,500,787	210,965,051

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
16	**Investment Income**			
			-	-
			-	-
17	**Fees, Commission & Brokerage**			
	Fees income from renewable energy project	17.1	3,704,365	46,203,733
	Fees income from infra project	17.2	373,437,579	56,366,288
	Income from advisory services		4,022,748	3,096,705
			381,164,691	**105,666,726**
17.1	Fees income from renewable energy project			
	Fees for administering SHS program - CDM		-	29,803,850
	Fees for administering SHS program - GIZ		-	-
	Fees for administering SHS program - DFID		2,439,365	11,429,663
	NDBMP administration fees - SNV and KfW		-	3,485,220
	Fees for administering ICS-World Bank		-	-
	Enlistment of RE equipment		1,265,000	1,485,000
			3,704,365	46,203,733
17.2	Fees income from infra project			
	Participation & arrangement fees		36,508,479	5,500,000
	Loan application, processing & documentation fees		4,041,555	2,134,444
	Due diligence fees		35,675,710	8,434,000
	Commission income		1,601,581	3,696,480
	Commitment charges		18,327,717	933,019
	Waiver, cancellation & prepayment fees		143,876,347	2,957,000
	Upfront fees		121,061,975	8,369,170
	Agency & monitoring Fees		12,344,215	24,342,175
			373,437,579	56,366,288
18	**Other Operating Income**			
	Exchange gain		109,415,958	280,435,141
	Deferred Income (Grant Income)		8,989,183	9,902,839
	Gain on disposal of Assets		40,298	-
	Others		28,364,031	17,450,636
			146,809,469	**307,788,616**
19	**Salary and Allowances**			
	Salary and allowances		94,759,950	75,264,007
	Gratuity		11,788,271	4,253,087
			106,548,221	**79,517,094**
20	**Rent, Taxes, Insurance and Electricity**			
	Rent		4,307,613	3,684,671
	Insurance premium		1,280,807	1,781,810
	Electricity & Utilities		770,446	729,585
	Holding tax		238,367	238,367
			6,597,233	**6,434,433**
21	**Legal Expenses**			
	Professional and legal fees		21,563,111	8,922,399
			21,563,111	**8,922,399**
22	**Postage, Stamp, Telecommunication, etc.**			
	Postage and courier		25,340	9,766
	Telephone, Fax and E-mail		1,229,716	1,140,155
			1,255,056	**1,149,921**

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
23 Stationery, Printing, Advertisements, etc.			
Printing and stationeries		2,933,616	3,286,867
Marketing, promotion & Business dev. Exp.		2,972,303	2,846,933
Advertisement		1,207,831	2,934,478
		7,113,750	**9,068,278**
24 Chief Executive's Salary and Benefits			
Salary		6,640,719	6,827,487
Allowances		2,782,062	3,891,666
Bonus		1,801,368	1,105,666
Company's contribution to provident fund		664,071	682,746
		11,888,221	**12,507,565**
25 Directors' Fees			
Honorarium for attending board meetings		1,555,541	1,081,100
Incidental expenses for attending meeting		233,334	158,332
		1,788,875	**1,239,432**
26 Auditors' Fees		204,758	310,500
		204,758	**310,500**

Unlike 2017, a portion of the auditor's fee for the year 2018 has been shown in note 28.1 IDCOL contribution under renewable energy programme.

27 Depreciation and Repair of Company's Assets			
Office space		379,865	422,072
Furniture & fixture		2,888,039	3,024,464
Interior decoration		1,387,936	1,542,151
Computer & computer equipment		3,110,083	3,407,828
Other office equipment		1,870,573	1,973,158
Software		321,722	459,603
Vehicle		4,996,489	5,292,517
		14,954,707	**16,121,793**
28 Other Operating Expenses			
AGM and Other Meeting expenses		2,613,645	2,044,879
Amortization expense		-	-
Bank and other charge		7,447,947	4,749,503
Books and periodicals		48,699	32,711
Car Maintenance Allowance		6,955,167	-
Conveyance and travelling expense		1,337,299	509,516
Corporate advisory service expense		-	18,597
Credit rating expenses		292,500	-
CSR activities expenses		1,356,143	2,352,469
Entertainment		1,735,770	1,302,502
Expense for annual review program		-	4,527,491
Fees to regulatory authorities		17,915	164,431
IT & Automation expense		31,944	507,632
Leave Fare Assistance		4,922,304	4,422,597
Loss on disposal of fixed assets		-	452,037
Maintenance and utility of UTC building		1,493,896	2,957,760
Office supplies and maintenance		1,744,505	896,439
Operations and logistics		827,530	715,950
Other office expenses		358,998	423,838

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	Pmt to Intern & Adhoc Employees		48,334	26,333
	Provision other than loans		-	-
	Receivables & Principle of loan written off		-	-
	Recruitment cost		483,575	263,300
	Repair and maintenance		2,296,069	2,081,644
	Seminar, workshop & roadshows		404,500	909,499
	Stamps and duties		20,230	1,500
	Training and exposure visit		3,375,634	2,080,434
	Tuition fee reimbursement		142,274	285,510
	Vehicle fuel & Maintenance expense		3,552,901	9,143,511
	IDCOL contribution under renewable energy Programme	28.1	94,508,631	57,777,400
			136,016,409	**98,647,482**
28.1	IDCOL contribution under renewable energy programme			
	Salary and allowances	28.1.1	38,619,018	26,179,091
	Monitoring expenditure	28.1.2	26,582,621	16,368,125
	Insurance, fees & marketing expenses	28.1.3	2,857,445	3,939,254
	Postage, stamp & telecommunication	28.1.4	1,378,027	1,025,116
	Stationery, supplies & printing	28.1.5	2,116,597	549,621
	Audit Fee		196,391	-
	Professional Fee under JICA		6,623,398	-
	Other operating expenses	28.1.6	16,135,134	9,716,193
			94,508,631	57,777,400
28.1.1	Salaries and allowances:			
	Salaries and allowances		23,199,625	20,391,478
	Gratuity		15,419,393	5,787,613
			38,619,018	26,179,091
28.1.2	Monitoring expenditure:			
	Physical Verification Exp. (Technical)-REP		26,582,621	16,368,125
	Collection Efficiency Monitoring Exp-REP		-	-
			26,582,621	16,368,125
28.1.3	Insurance, fees & marketing expenses:			
	Insurance		453,316	1,206,883
	Advertisement & promotion		2,404,129	2,732,371
			2,857,445	3,939,254
28.1.4	Postage, stamp & telecommunication:			
	Postage and courier		120,314	49,890
	Telephone, Fax and Internet		1,257,713	975,226
			1,378,027	1,025,116
28.1.5	Stationery, supplies & printing:			
	Stationeries & supplies		1,456,638	394,495
	Printing		659,959	155,126
			2,116,597	549,621
28.1.6	Other operating expenses:			
	Books, Periodicals & Newspaper - REP		14,872	12,527
	Entertainment		847,908	550,317
	Exp for special events under REP		-	-
	Employee Welfare Exp		500,000	-
	IT & automation Expense		-	-
	Leave Fair Assistance - REP		1,085,621	995,868
	Legal and professional fees		7,124,171	4,639,757
	Meeting Expenses		547,679	191,479

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
Operations and logistics		106,272	98,200
Other Expenses		270,750	-
Pmt to Interns & Ad hoc employees		20,000	38,999
Recruitment Cost - REP		139,725	-
Repair & Maintenance		175,961	209,230
Research & Development - REP		828,083	32,413
SHS maintenance expenses -Disaster		-	560,020
Training, workshop & exposure visits		1,628,281	1,195,208
Travelling & Conveyance		2,845,810	1,192,175
		16,135,134	9,716,193

29 Charges on Loan Losses

		-	-
		-	-

30 Provision for Loans and Advances

Opening balance at January 01, 2018		3,346,043,417	2,091,085,562
Recoveries of amount previously written off		-	-
Provision made for the year		2,155,989,964	1,350,017,260
Provision released during the year		(1,153,088,804)	(95,059,405)
Provision charged during the year		1,002,901,160	1,254,957,855
Less. Written off/waived		-	-
Closing Balance at December 31		**4,348,944,577**	**3,346,043,417**
30.1 Provision for loans and advances			
General provision		1,394,192,205	553,943,517
Statutory requirement		1,060,012,122	553,943,517
Voluntary provision*		334,180,083	-
Specific provision		2,954,752,372	2,792,099,900
Statutory requirement		2,954,752,372	2,146,209,079
Voluntary provision*		-	645,890,821
		4,348,944,577	3,346,043,417

* Voluntary provision, in addition to statutory requirement, has been maintained to build a reserve to absorb future shocks due to adverse classification.

31 Provision for Income Tax

Opening balance at January 01		1,601,142,384	1,714,937,327
Add: Provision made during the year for FY 2018 (AY 2019-20)		1,107,539,615	1,049,803,020
Add: Provision made during the year for FY 2017 (AY 2018-19)		42,743,753	-
		2,751,425,752	2,764,740,347
Less: Settlement of previous year's tax liabilities		1,643,886,136	1,163,597,963
Closing balance at December 31		1,107,539,616	1,601,142,384
Deferred tax expense	9.5	(10,534,923)	(3,976,017)
Current tax expense		1,107,539,615	1,049,803,020
Prior year tax		42,743,753	389,418
Tax expenses		**1,139,748,445**	**1,046,216,421**

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
32 Earnings Per Share (EPS)			
Profit attributable to ordinary shareholders			
Net profit for the year		703,409,770	530,795,112
Ordinary shares at January 01		50,000,000	50,000,000
Bonus shares issued during 2017		5,000,000	5,000,000
Bonus shares issued during 2018		5,000,000	5,000,000
Total number of shares at December 31		**60,000,000**	**60,000,000**
Weighted average number of ordinary shares		**60,000,000**	**60,000,000**
Earnings per share		**11.72**	**8.85**

Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2018, as per IAS 33 the number of shares outstanding for the EPS computation has been retrospectively adjusted for the effect of the bonus issue. As such the EPS calculation for 2018 and 2017 has been based on the new number of shares of 60,000,000.

33 Net Asset Value (NAV) Per Share

Net Asset (Total asset - Total liabilities)- (A)	6,801,777,654	6,298,367,884
Weighted average number of ordinary shares (B)	60,000,000	60,000,000
NAV per share (A/B)	**113.36**	**104.97**

Since the Company has issued 5,000,000 bonus shares of Tk. 100 each during the year 2018, 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 2018 and 2017 has been based on the new number of shares of 60,000,000. Before adjusting the bonus share NAV of 2017 was Tk.115 per share.

34 Other Contingent Liability

Contingent liability has been presented in accordance with IAS-37 to reflect the probable liability that may arise due to claim of Value Added Taxes (VAT) by the National Board of Revenue (NBR). IDCOL has already made a appeal before the Appealate Tribunal of the board.

35 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	3,715,076,936	3,715,076,936
Loan from KfW under solar program	5,230,801	5,230,801
Loan from KfW under NDBMP	259,879,471	259,879,471
	10,190,587,208	10,190,587,208
Grants received for project implementation:		
Grant from World Bank (GEF, IDA, GPOBA) under REREDP	3,866,931,321	3,202,408,914
Grant from KfW under solar program	1,178,943,726	1,178,943,726
Grant from GIZ under solar program	1,075,300,229	1,075,300,229
Grant provided under JICA-REDP	218,234,952	206,812,236
Grant provided under ADB-PPIDF	256,712,856	256,712,856
Grant provided WB under USAID	351,587,763	351,587,763
Grant provided WB under BCCRF	787,321,789	787,321,789
Grant provided by DFID	1,893,556,814	1,833,171,163

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
Grant provided by SREPGen		108,104,407	9,229,200
Grant received under IDA 5158 (HE)		572,609,957	475,752,606
Grant received under IDA 5158 (AE)		382,416,445	382,416,445
Grant received under IDA 5514 (AF)		230,111,270	165,295,421
Grant from KfW under NDBMP		520,094,670	520,094,670
		11,441,926,199	10,445,047,018
Principal repayment and interest received from projects:			
Principal repaid by the projects financed under PSIDP		6,694,860,108	4,746,215,152
Principal repaid by the projects financed under REREDP		3,528,746,986	3,499,831,648
Interest paid by the projects financed under PSIDP		6,888,299,083	6,753,127,767
Interest paid by the projects financed under REREDP		1,327,266,313	1,323,693,881
		18,439,172,490	16,322,868,449
Interest from bank accounts		52,211,010	45,745,663
		40,123,896,906	**37,004,248,337**
Fund outflow			
Loans and advances:			
Projects financed under PSIDP		6,210,400,000	6,210,400,000
Loan to POs under REREDP		3,715,065,945	3,715,065,945
Loan to POs under KfW funded solar program		5,230,801	5,230,801
Loan to POs under KfW funded NDBMP		227,578,344	227,578,344
		10,158,275,090	10,158,275,090
Grants utilized for project implementation:			
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP		2,855,959,380	2,311,771,584
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP		739,098,620	711,369,585
KfW grants provided to POs under solar program		954,587,290	954,587,290
KfW grants used for project under solar program		210,758,222	210,758,222
GIZ grants provided to POs under solar program		902,563,224	898,001,844
GIZ grants used for project under solar program		147,676,979	147,676,979
ADB grants provided to POs under PPIDF		201,917,025	201,917,025
ADB grants used for project under PPIDF		54,845,950	54,845,950
JICA grants used for project under REDP		216,346,417	204,923,701
USAID grants provided to POs under REREDP		308,007,355	289,570,025
USAID grants used for project under REREDP		18,616,720	18,014,845
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	1,630,972,846
DFID grants used for project under RE		109,260,118	91,745,684
Grants provided to POs under IDA 5158 (HE)		622,144,256	535,920,348
Grants used for project under IDA 5158 (HE)		227,043,647	217,277,884
Grants used for project under IDA 5158 (AE)		382,416,445	382,416,445
Grants used for project under IDA 5514 (AF)		230,111,270	165,295,421
Grants provided to POs under SREPGen		52,992,118	1,389,432
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
		11,312,334,216	10,318,818,045
On lending by IDCOL from reflows:			
Projects financed from reflows under PSIDP		8,819,566,118	6,780,796,118
Projects financed from reflows under REREDP		2,641,132,700	2,554,449,654
		11,460,698,818	9,335,245,772

		Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
	Debt service of IDA loans		3,404,804,794	3,117,885,423
	Refund, tax and charges		58,949,931	55,988,459
	Balance at bank	35.3	3,728,834,055	4,018,035,547
			40,123,896,906	**37,004,248,337**
35.1	Movement during the year			
	Fund inflow			
	Long term loans:			
	Loan from IDA under PSIDP		-	-
	Loan from IDA under REREDP		-	-
	Loan from KfW under solar program		-	-
	Loan from KfW under NDBMP		-	-
			-	-
	Grants received for project implementation:			
	Grant from World Bank (GEF, IDA, GPOBA) under REREDP		664,522,407	300,039,770
	Grant from KfW under solar program		-	-
	Grant from GIZ under solar program		-	-
	Grant provided under JICA-REDP		11,422,716	13,274,188
	Grant provided under ADB-PPIDF		-	-
	Grant provided WB under USAID		-	16,590,001
	Grant provided WB under BCCRF		-	395,146,647
	Grant provided by DFID		60,385,651	235,175,734
	Grant provided by SREPGen		98,875,207	-
	Grant received under IDA 5158 (HE)		96,857,351	266,455,842
	Grant received under IDA 5158 (AE)		-	-
	Grant received under IDA 5514 (AF)		64,815,849	89,198,320
	Grant from KfW under NDBMP		-	59,984,231
			996,879,181	1,375,864,733
	Principal repayment and interest received from projects:			
	Principal repaid by the projects financed under PSIDP		1,948,644,956	320,129,053
	Principal repaid by the projects financed under REREDP		28,915,338	129,345,314
	Interest paid by the projects financed under PSIDP		135,171,316	199,756,141
	Interest paid by the projects financed under REREDP		3,572,432	15,007,018
			2,116,304,041	664,237,527
	Interest from bank accounts		6,465,347	6,776,770
			3,119,648,568	**2,046,879,030**
	Fund outflow			
	Loans and advances:			
	Projects financed under PSIDP		-	-
	Loan to POs under REREDP		-	-
	Loan to POs under KfW funded solar program		-	-
	Loan to POs under KfW funded NDBMP		-	-
			-	-

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
Grants utilized for project implementation:			
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP		544,187,796	94,751,882
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP		27,729,035	169,935,012
KfW grants provided to POs under solar program		-	-
KfW grants used for project under solar program		-	-
GIZ grants provided to POs under solar program		4,561,380	-
GIZ grants used for project under solar program		-	-
ADB grants provided to POs under PPIDF		-	-
ADB grants used for project under PPIDF		-	-
JICA grants used for project under REDP		11,422,716	12,506,649
USAID grants provided to POs under REREDP		18,437,330	5,795,505
USAID grants used for project under REREDP		601,875	16,051,555
BCCRF grants provided to sponsors under REREDP		-	408,280,868
BCCRF grants used for project under REREDP		-	32,019,843
DFID grants provided to POs under RE		156,653,399	224,951,964
DFID grants used for project under RE		17,514,434	11,366,910
Grants provided to POs under IDA 5158 (HE)		86,223,908	188,468,831
Grants used for project under IDA 5158 (HE)		9,765,763	134,857,126
Grants used for project under IDA 5158 (AE)		-	-
Grants used for project under IDA 5514 (AF)		64,815,849	89,198,320
Grants provided to POs under SREPGen		51,602,686	-
KfW grants provided to POs under NDBMP		-	25,857,500
KfW grants used for project under NDBMP		-	15,825,820
		993,516,171	1,429,867,785
On lending by IDCOL from reflows:			
Projects financed from reflows under PSIDP		2,038,770,000	-
Projects financed from reflows under REREDP		86,683,046	443,316,954
		2,125,453,046	443,316,954
Debt service of IDA loans		286,919,371	321,314,249
Refund, tax and charges		2,961,472	3,814,616
Balance at bank		(289,201,492)	(151,434,573)
		3,119,648,568	**2,046,879,032**

35.2 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.

35.3 The donors provide two types of grants, for purchase of SHS: the buy-down grant to lower initial investment cost of SHS (Grant A), and the institutional development grant for institutional development of POs (Grant B). Both the components of grants decline as market expands and becomes commercially viable. In addition to grants for POs, donors also provide grants for project implementation cost which includes; monitoring, supervision, marketing, physical verification of SHS, technical audit, capacity building of POs, consultants' fees, etc. As per the project agreement executed between the Development Partners and IDCOL, IDCOL is responsible to channel the sub-grants from the designated accounts maintained under each project.

	Notes	Amount in Taka 31-Dec-18	Amount in Taka 31-Dec-17
35.4	Disclosure for balance at bank accounts maintained under projects (Separately accounted for each project and also audited separately by the statutory auditor of the Company. Not reflected in the financial statements of the Company except for the disclosures made in this note # 35)		
	Bd. Bank Repayment account in USD under IDA Credit# 2995-BD	2,314,908,365	2,412,965,413
	Bd. Bank Repayment account in BDT under IDA Credit# 2995-BD	20,523	20,523
	Bd. Bank Repayment A/c in BDT under IDA Credit# 3679-BD	1,241,903,687	1,284,491,021
	City Bank BDT account # 31001038 under GIZ fund for solar program SREPGEN	3,624,058	1,001
	Janata Bank CONTASA account # 36002256 under IDA 5158 (HE)	44,767,431	43,579,468
	Agrani Bank CONTASA account # 373 under JICA-REDP	-	1,888,514
	Rupali Bank CONTASA account # 240000416 under USAID	25,626,968	44,532,465
	Agrani Bank CONTASA account # 3791 under DFID	12,760,358	120,366,616
	Commercial Bank of Ceylon PLC, STD Account# 2809007305	56,107,122	8,050,536
	Commercial Bank of Ceylon PLC, STD A/C no-2809005803	-	3,528,045
	Trust Bank SND A/C # 0030-0320000426 under PICO PV program	29,115,544	33,340,178
	Janata Bank Ltd.-STD A/C # 010236002347 under GPOBA-II TF 019156	-	50,282,245
	Janata Bank Ltd.-STD A/C # 010236002355 under GPOBA-II TF 019157	-	14,989,523
		3,728,834,055	**4,018,035,547**

35.5 In consolidated movement of funds, amounts are cumulative and foreign currencies (USD and EURO) are converted into equivalent Bangladesh Taka applying exchange rates of BDT 83.90/USD and BDT 96.22/EURO prevailing at December 31, 2018 and BDT 82.70/USD and BDT 99.24/EURO prevailing at December 31, 2017.

35.6 General

a) Figures in these notes and the accompanying financial statements have been rounded off to the nearest Taka.

b) Previous year's figures have been rearranged, where necessary, to conform to current year's presentation.

c) Cash flow statement rearranged, due to reclassification of loans and advances to operating activities from investing activities.

For Infrastructure Development Company Limited

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Monowar Ahmed	**Dr. Ahmad Kaikaus**	**Abdul Haque**	**Mahmood Malik**	**M. Maftun Ahmed**
Chairman	Director	Director	Executive Director & CEO	Company Secretary

Annexure-A

Infrastructure Development Company Limited

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

for the year ended December 31, 2018

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

Name of Sponsor/POs	Project	Amount in Taka	
		2018	2017
Ace Alliance Power Limited (AAPL)	Power Plant	2,038,770,000	-
Sub Total (a)		**2,038,770,000**	**-**

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

Name of Sponsor/POs	Project	Amount in Taka	
		2018	2017
SQ Celsius Limited	Knitting Factory	-	530,000,000
Sub Total (b)		**-**	**530,000,000**
Grand Total (a +b)		**2,038,770,000**	**530,000,000**

Annexure-B

Infrastructure Development Company Limited

Schedule of Loan disbursement from REREDP- II project Funded by IDA (Credit # 5158)

for the year ended December 31, 2018

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

Sl #	Name of Participating Organizations	2018		2017	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
	Sub Total (A)	**-**	**-**	**-**	**-**

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

SL #	Name of sponsors	2018		2017	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	ARS Bangladesh	-	-	7	5,948,215
2	GREL	160	120,154,303	-	-
3	RDF solar irrigation	-	-	9	14,691,497
4	Solar Electro Bangladesh Ltd. (SEBL)	-	-	-	47,241,971
5	United Integrated Agro Ltd (UIAL)	-	-	-	796,076
	Sub Total (B)	**160**	**120,154,303**	**16**	**68,677,759**
	Grand Total (A + B)		**120,154,303**		**68,677,759**

Refinancing to Participating Organizations (POs)

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

Loan to other renewable projects

This represents the amount extended under for financing of Solar PV based small scaled power plants and irrigation pumps under Remote Area Power Supply System.

Annexure-C

Infrastructure Development Company Limited

Schedule of Loan disbursement from Additional REREDP- II project Funded by IDA (Credit # 5514)

for the year ended December 31, 2018

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

Sl #	Name of Participating Organizations	2018		2017	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
1	Atmabiswas Souro Shakti Ltd	-	-	48	365,692
2	AVA Development Society	-	-	-	-
3	Bright Green Energy Foundation	-	-	148	1,283,367
4	Bengal Renewable Energy Limited	-	-	31	201,395
5	Clean Energy Foundation	-	-	193	1,775,918
6	Center for Development Innovation and Practices	-	-	82	809,600
7	Centre For Mass Education in Science	-	-	15	187,720
8	DESHA	-	-	4	24,276
9	ECO-Social Development Organisation	-	-	12	192,928
10	Friends in Village Development	-	-	57	570,880
11	Green Housing & Energy Limited	-	-	-	-
12	Grameen Shakti	-	-	-	-
13	Hamko Corporation Limited	-	-	56	610,332
14	Integrated Development Foundation	-	-	-	-
15	Ingen Technology Ltd.	-	-	-	-
16	Jagorani Chakra Foundation	-	-	-	-
17	Padakhep Manbik Unnayan Kendra	-	-	-	-
18	PAGE Development Center	-	-	-	-
19	Patakuri Society	-	-	-	-
20	Pally Bikash Kendra	-	-	-	-
21	Palli Daridra Bimochan Foundation	-	-	-	-
22	Polli Shakti Foundation Limited	-	-	-	-
23	Panna Rural Development Foundation	-	-	211	1,715,180

Sl #	Name of Participating Organizations	2018		2017	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
24	Resource Development Foundation	-	-	-	-
25	Rural Development Sangstha	-	-	-	-
26	Rural Energy and Development Initiative	-	-	91	717,948
27	Rimso Foundation	-	-	211	1,667,820
28	RISDA Bangladesh	-	-	-	-
29	Rural Services Foundation	-	-	743	5,768,405
30	SAIF Powertec Limited	-	-	200	1,619,527
31	Sancred Welfare Foundation	-	-	92	1,010,144
32	Samaj Unnayon Palli Sangstha	-	-	48	463,748
33	SKS Foundation	-	-	72	659,664
34	Sun Home Energy Limited	-	-	23	174,392
35	SunRim Energy Limited	-	-	20	164,070
36	Thengamara Mahila Shabuj Shangha	-	-	-	-
37	United Development Initiatives for Programmed Actions	-	-	352	3,519,777
38	Upakulio Biddutayan O Mohila Unnayan Samity	-	-	-	-
39	WAVE Foundation	-	-	75	906,588
	Sub Total (A)	**-**	**-**	**2,784**	**24,409,371**

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.

Annexure-D

Infrastructure Development Company Limited

Schedule of Loan disbursement from PPIDF project Funded by ADB (Loan # 3045 & 3046)

for the year ended December 31, 2018

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

Sl #	Name of Participating Organizations	2018		2017	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
1	RISDA Bangladesh	-	-	-	-
2	Padakhep Manbik Unnayan Kendra	-	-	-	-
3	Bengal Renewable Energy Limited (Xenegeia)	-	-	70	472,486
4	Panna Rural Development Foundation	-	-	317	2,752,396
5	Bright Green Energy Foundation	-	-	358	3,000,597
6	AFAUS	-	-	43	466,393
7	Rural Services Foundation	-	-	-	-
8	AVA Development Society	-	-	472	3,351,725
9	Rural Services Foundation	-	-	1,951	14,974,835
10	Grameen Shakti	-	-	4,233	38,904,755
11	Center for Development Innovation and Practices	-	-	271	2,856,000
12	Centre For Mass Education in Science	-	-	10	102,720
13	Clean Energy Foundation	-	-	64	625,712
14	DESHA	-	-	74	593,729
15	ECO-Social Development Organisation	-	-	53	730,852
16	Friends in Village Development	-	-	172	1,696,960
17	Hamko Corporation Limited	-	-	189	1,910,372
18	Integrated Development Foundation	-	-	2,762	24,834,936
19	Polli Shakti Foundation Limited	-	-	47	322,728
20	Rural Development Sangstha	-	-	72	356,320
21	Rural Energy and Development Initiative	-	-	118	991,673
22	Resource Development Foundation	-	-	75	696,041
23	Rimso Foundation	-	-	384	3,240,656

Sl #	Name of Participating Organizations	2018		2017	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
24	SAIF Powertec Limited	-	-	287	2,391,754
25	Samaj Unnayon Palli Sangstha	-	-	51	590,339
26	United Development Initiatives for Programmed Actions	-	-	14	179,061
27	SKS Foundation	-	-	236	2,276,058
28	Sun Home Energy Limited	-	-	70	580,862
29	SunRim Energy Limited	-	-	56	519,435
30	Sancred Welfare Foundation	-	-	213	2,363,170
31	Upakulio Biddutayan O Mohila Unnayan Samity	-	-	86	868,613
32	WAVE Foundation	-	-	208	2,594,366
	Sub Total (a)	**-**	**-**	**12,956**	**115,245,544**

Loan to Large Infrastructure Projects (Loan # 3045-Ordinary Operation)

	Name of Sponsor	Units	Amount (Taka)	Units	Amount (Taka)
1	Summit Alliance Port Ltd.	-	1,282,500,000	-	-
2	Ispahani Summit Alliance Terminals Limited	-	1,254,500,000	-	-
	Sub Total (b)	**-**	**2,537,000,000**	-	-

Annexure-E

Infrastructure Development Company Limited

Schedule of Loan disbursement from RED project Funded by JICA (Loan # BD-P 75 & 90)

for the year ended December 31, 2018

Refinancing to Participating Organizations (POs) (Loan # JICA BD-P-75)

Sl #	Name of Participating Organizations	2018		2017	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
		-	-	-	-
Sub Total (A)		-	-	-	-

Refinancing to Participating Organizations (POs)

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

(B) Disbursement detail under Solar Irrigation program

Sl #	Name of PO	2018		2017	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
1	ATES Bangladesh	15	10,510,445	-	-
2	Grameen Shakti	-	-	6	10,516,604
3	GREL	-	-	1	2,077,798
4	GREL-2	20	18,958,023	166	145,467,958
5	KHM Power Ltd.	7	14,440,300	-	-
6	RDF-2	-	-	-	1,918,938
7	RDF-5	-	20,860,961	-	-
8	Npolymer Construction Ltd.	18	27,073,930	-	-
9	Salek Solar Power Ltd.	15	30,416,652	4	6,578,855
10	SDRS	2	6,340,097	2	2,166,112
11	Solargao Limited	-	-	28	16,902,512
12	Solargao Limited-4	141	133,012,391	-	-
13	UDDIPAN	-	-	11	18,672,705
14	WAVE Foundation Ltd.	14	22,412,962	-	-
Sub-total (B)		**232**	**284,025,761**	**218**	**204,301,482**

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

(C) Disbursement detail under Solar Minigrid program

Sl #	Name of PO	2018		2017	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Baraka	-	-	-	9,908,263
2	Blue Marine Energy Ltd.	-	-	1	14,701,350
3	Brit Bangla Trade Initiatives Ltd.	-	11,250,000	1	12,000,000
4	Connectia Ltd.	1	18,004,939	-	-
5	Eastec Ltd.	-	9,099,008	1	13,451,314
6	Envis Energy Limited	-	13,375,157	1	10,735,745
7	Parasol Energy Limited	-	-	-	1,403,721
8	Solargao Limited	-	954,423	-	5,952,791
9	Super Star Renewable Energy Limited	-	3,159,504	-	5,246,232
10	UDDIPAN	-	24,023,151	2	12,527,610
11	Vincen Gtech Ltd.	-	-	1	21,150,830
12	Western Renewable Energy (Pvt.) Ltd.	1	17,171,510	-	-
Sub-total (C)		**1**	**97,037,692**	**7**	**107,077,856**
Total under Other Renewable Energy program (B+C)			**381,063,453**		**311,379,338**

Loan to Enegry Efficiency Projects (Loan # JICA BD-P-90)

(A) Disbursement detail under Infrastrucure Project

Sl #	Name of PO	2018		2017	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Meghna Cement Mills Ltd. - Vertical roller mills	-	950,080,000	-	123,820,000
2	Tosrifa Industries Ltd.	-	53,865,861	-	-
Sub-total (D)		**-**	**1,003,945,861**	**-**	**123,820,000**
Grand Total (A+B+C+D)			**1,385,009,314**		**435,199,338**

Infrastructure Development Company Limited

Deferred TAX Assets

Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2018			
Fixed assets including land, building, furniture and fixtures	86,731,216	86,731,216	-
Gratuity provision	52,099,203	-	(52,099,203)
General provision other than loans	685,365	-	(685,365)
Total temporary difference	139,515,784	86,731,216	(52,784,568)
Applicable tax rate			40.0%
Deferred Tax Asset (see note: 9.5)			(21,113,827)
Year: 2017			
Fixed assets including land, building, furniture and fixtures	92,850,674	92,850,674	-
Gratuity provision	24,891,539	-	(24,891,539)
General provision other than loans	-	-	-
Total temporary difference	117,742,213	92,850,674	(24,891,539)
Applicable tax rate			42.5%
Deferred Tax Asset (see note: 9.5)			(10,578,904)

Annexure - G

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2018

Name of assets	Cost				Rate	Depreciation				Adjustment for Asset Written off	Written down value as on 31 Dec 2018
	Balance as on 1 Jan 2018	Addition during the year	Disposal during the year	Balance as on 31 Dec 2018		Balance as on 1 Jan 2018	Charged during the year	Adjustments during the year	Balance as on 31 Dec 2018		
Office space	9,412,311	-	-	19,412,311	10%	15,613,664	379,865	-	15,993,529	-	3,418,782
Furniture, fixture and decoration	3,246,926	1,660,217	-	34,907,143	10%	6,026,753	2,888,039	-	8,914,792	-	25,992,351
Interior decoration	3,977,634	-	-	23,977,634	10%	10,098,274	1,387,936	-	11,486,210	-	12,491,424
Computer & computer equipment	7,742,025	2,415,345	-	30,157,370	30%	19,790,428	3,110,083	-	22,900,511	-	7,256,859
Other office equipment	24,255,411	947,308	-	25,202,719	10%	6,496,988	1,870,573	-	8,367,561	-	16,835,158
Software	6,191,420	-	-	6,191,420	30%	5,119,012	321,722	-	5,440,734	-	750,686
Vehicle	48,555,578	3,916,000	179,900	52,291,678	20%	27,385,511	4,996,489	76,278	32,305,723	103,622	19,985,955
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2018	**183,381,304**	**8,938,870**	**179,900**	**192,140,274**		**90,530,630**	**14,954,707**	**76,278**	**105,409,060**	**103,622**	**86,731,215**
Balance as on 31 Dec 2017	**150,837,306**	**39,814,336**	**7,270,338**	**183,381,304**		**80,271,638**	**16,121,793**	**5,862,802**	**90,530,629**	**1,407,537**	**92,850,675**

*** Fund wise fixed assets breakdown is given in Annexure- G1**

Annexure - G1

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2018

Name of assets	Cost				Rate	Depreciation				Adjustment for Asset Written off	Written down value as on 31 Dec 2018
	Balance as on 1 Jan 2018	Addition during the period	Disposal during the period	Balance as on 31 Dec 2018		Balance as on 1 Jan 2018	Charged during the year	Adjustments during the year	Balance as on 31 Dec 2018		
*** Company funded assets disclosure**											
Office space	19,412,311	-	-	19,412,311	10%	15,613,664	379,865	-	15,993,529	-	3,418,782
Furniture, fixture and decoration	17,383,306	850,258	-	18,233,563	10%	2,340,288	1,589,328	-	3,929,616	-	14,303,948
Interior decoration	11,802,397	-	-	11,802,397	10%	5,185,562	661,684	-	5,847,246	-	5,955,151
Computer & computer equipment	6,149,386	1,234,085	-	7,383,471	30%	3,649,116	1,120,306	-	4,769,422	-	2,614,049
Other office equipment	5,774,947	235,301	-	6,010,248	10%	2,799,929	321,032	-	3,120,961	-	2,889,286
Software	2,117,749	-	-	2,117,749	30%	1,969,504	44,473	-	2,013,977	-	103,772
Vehicle	26,351,842	-	-	26,351,842	20%	16,589,550	1,952,458	-	18,542,008	-	7,809,834
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2018	**88,991,938**	**2,319,644**	**-**	**91,311,581**		**48,147,613**	**6,069,146**	**-**	**54,216,759**	**-**	**37,094,822**
Balance as on 31 Dec 2017	**70,187,319**	**22,546,372**	**3,741,754**	**88,991,938**		**44,262,876**	**6,734,932**	**2,850,196**	**48,147,612**	**891,559**	**40,844,326**
*** Donor funded Grant assets disclosure**											
The World Bank											
Furniture, fixture & decoration	13,676,950	809,960	-	14,486,910	10%	2,298,133	1,218,878	-	3,517,011	-	10,969,900
Interior decoration	12,175,237	-	-	12,175,237	10%	4,912,712	726,252	-	5,638,965	-	6,536,272
Computer & computer equipment	19,954,567	1,181,260	-	21,135,827	30%	14,749,914	1,915,774	-	16,665,688	-	4,470,139
Other office equipment	17,676,242	712,007	-	18,388,249	10%	3,102,905	1,528,534	-	4,631,439	-	13,756,809
Software	3,674,893	-	-	3,674,893	30%	2,778,645	268,874	-	3,047,519	-	627,373
Vehicle	22,203,736	3,916,000	179,900	25,939,836	20%	10,795,962	3,044,030	76,278	13,763,714	103,622	12,176,122
Balance as on 31 Dec 2018	**89,361,625**	**6,619,227**	**179,900**	**95,800,952**		**38,638,271**	**8,702,343**	**76,278**	**47,264,337**	**103,622**	**48,536,615**
Balance as on 31 Dec 2017	**75,303,125**	**17,267,964**	**3,209,464**	**89,361,625**		**32,231,280**	**9,157,135**	**2,750,144**	**38,638,271**	**459,320**	**50,723,354**

Name of assets	Cost				Rate	Depreciation				Adjustment for Asset Written off	Written down value as on 31 Dec 2018
	Balance as on 1 Jan 2018	Addition during the period	Disposal during the period	Balance as on 31 Dec 2018		Balance as on 1 Jan 2018	Charged during the year	Adjustments during the year	Balance as on 31 Dec 2018		
*** Donor funded Grant assets disclosure**											
SNV-Netherlands Development Organisation											
Furniture, fixture & decoration	2,186,670	-	-	2,186,670	10%	1,388,332	79,834	-	1,468,166	-	718,504
Computer & computer equipment	664,656	-	-	664,656	30%	622,264	12,718	-	634,982	-	29,674
Other office equipment	614,815	-	-	614,815	10%	530,601	8,421	-	539,022	-	75,793
Software	398,778	-	-	398,778	30%	370,863	8,375	-	379,237	-	19,541
Balance as on 31 Dec 2018	**3,864,919**	**-**	**-**	**3,864,919**		**2,912,060**	**109,347**	**-**	**3,021,407**	**-**	**843,512**
Balance as on 31 Dec 2017	**4,125,239**	**-**	**260,320**	**3,864,919**		**3,012,019**	**128,193**	**228,152**	**2,912,060**	**32,168**	**952,859**
kfw											
Computer & computer equipment	973,416	-	-	973,416	30%	769,134	61,285	-	830,418	-	142,998
Other office equipment	189,407	-	-	189,407	10%	63,553	12,585	-	76,138	-	113,269
Balance as on 31 Dec 2018	**1,162,823**	**-**	**-**	**1,162,823**		**832,686**	**73,870**	**-**	**906,556**	**-**	**256,267**
Balance as on 31 Dec 2017	**1,221,623**	**-**	**58,800**	**1,162,823**		**765,463**	**101,533**	**34,310**	**832,687**	**24,490**	**330,136**
Balance as on 31 Dec 2018	**183,381,304**	**8,938,871**	**179,900**	**192,140,275**		**90,530,630**	**14,954,707**	**76,278**	**105,409,060**	**103,622**	**86,731,214**
Balance as on 31 Dec 2017	**150,837,306**	**39,814,336**	**7,270,338**	**183,381,304**		**80,271,638**	**16,121,793**	**5,862,802**	**90,530,629**	**1,407,537**	**92,850,675**

Integrated Report Disclosure Checklist

SL No.	Page Reference	Chapter/ Section Reference
1 Elements of an Integrated Report		
1.1 Organizational overview and external environment		
An integrated report should disclose the main activities of the organization and the environment of which it operates.	14-20 30-52 175	From the CEO's Desk, Programs and Projects, Notes to the FS-1
An integrated report should identify the organization's mission and vision, and provides essential context by identifying matters such as:	21 90-105 125-127	About IDCOL, Director's Report, Report on Internal Control
The organization's:		
• Culture, ethics and values	21 90-105 125-127	About IDCOL, Director's Report, Report on Internal Control
• Ownership and operating structure including size of the organization, location of its operations)	63 64 102	Shareholding Structure, Organogram, Directors' Report (no-17)
• Principal activities and markets	14-20 30-52 175	From the CEO's Desk, Programs and Projects, Notes to the FS-1
• 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)	30-52	Programs and Projects
• Position within the value chain	29	Value Creation Structure
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	153-155 161-165 166-220	Human Resource Management, Financial Highlights & Review, Audited Financial Statements
• 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)	14-20 30-52	From the CEO's Desk, Programs and Projects
• The legitimate needs and interests of key stakeholders	30-52	Programs and Projects
• Macro and micro economic conditions, such as economic stability, globalization, and industry trends	90-105	Director's Report
• Market forces, such as the relative strengths and weaknesses of competitors and customer demand	30-52	Programs and Projects
• The speed and effect of technological change	30-52	Programs and Projects
• Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	151-152	Corporate Social Responsibility
• Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	145-150 156-157	Environmnetal and Social Compliance, Disaster Management
• The legislative and regulatory environment in which the organization operates	125-127 90-105	Report on Internal Control, Director's Report
• The political environment in countries where the organization operates and other countries that may affect the ability of the organization to implement its strategy	30-52	Programs and Projects

SL No.	Page Reference	Chapter/ Section Reference
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.	90-105	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:		
• 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	68-71 90-105 76-77	Profile of the Directors, Director's Report, Profile of the Management
• Mandatory and voluntary code of corporate governance adopted by the Company.	104	Director's Report (no-28)
• Code of ethical conduct adopted by the Company in relation to ethical business.	105 125-127	Director's Report (no-30), Report on Internal Control
• 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	135-140 125-127	IDCOL Risk Management Report, Report on Internal Control
• Particular actions those charged with governance have taken to influence and monitor the strategic direction of the organization and its approach to risk management	90-105 14-20 133-134	Director's Report, From the CEO's Desk, Statement of CRO
• 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	90-105 14-20 133-134	Director's Report, From the CEO's Desk, Statement of CRO
• Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	106-112	Director's Responsibility
• The responsibility those charged with governance take for promoting and enabling innovation	90-105 106-112	Director's Report, Director's Responsibility
• 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.	153-155	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.	30-52 29	Programs and Projects, Value Creation Structure
• How the company has identified its stakeholders		
• Stakeholder engagement methodology		
• Identification of material matters of stakeholders		
• How the Company has applied such matters		
• How the stakeholders are engaged in assessing impacts, implications and outlook 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.	30-52 29	Programs and Projects, Value Creation Structure

SL No.	Page Reference	Chapter/ Section Reference
An integrated report need to identify the various forms of capitals which are essential for the success of its business operations.	30-52 29	Programs and Projects, Value Creation Structure
Financial Capital-The pool of funds that is available to the organization for use in the production of goods or provision of services.	14-20 192-197	From the CEO's Desk, Notes to the Financial Statements- 10 & 11
Manufacturing Capital -Manufactured physical objects that are available to the organization for use in the production of goods and provision of services.	153-155	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.	30-52	Programs and Projects
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	30-52 29	Programs and Projects, Value Creation Structure
An integrated report need to describe the business model, including key:		
• Inputs	30-52	Programs and Projects
• Business activities		
• Outputs		
• Outcomes		
Features that can enhance the effectiveness and readability of the description of the business model include:		
• Explicit identification of the key elements of the business model	30-52	Programs and Projects
• 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).		
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.	30-52 29	Programs and Projects, Value Creation Structure
Business activities		
An integrated report describes key business activities. This can include:		
• How the organization differentiates itself in the market place (e.g., through product differentiation, market segmentation, delivery channels and marketing)	14-20 30-52	From the CEO's Desk, Programs and Projects

SL No.	Page Reference	Chapter/ Section Reference
• How the organization approaches the need to innovate	14-20	From the CEO's Desk
• How the business model has been designed to adapt to change.	30-52 29 14-20	Programs and Projects, Value Creation Structure, From the CEO's Desk
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	14-20 153-155	From the CEO's Desk, Human Resource Management
Outputs		
An integrated report identifies an organization's key products and services. There might be other outputs, such as byproducts and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.	30-52 29	Programs and Projects, Value Creation Structure
An integrated report describes key outcomes, including:		
• 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)	30-52 29 158-159 166-220	Programs and Projects, Value Creation Structure, Value Added and EVA Statement, Audited Financial Statement
• 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).	14-20 29	From the CEO's Desk, Value Creation Structure
1.5 Performance		
An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals	14-20 90-105 161-165	From the CEO's Desk, Director's Report, Financial Highlights & Review
An integrated report should contain qualitative and quantitative information about performance that may include matters such as:		
• Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them	22 14-20 90-105 161-165	Performance at a Glance, From the CEO's Desk, Director's Report, Financial Highlights & Review
• The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain	90-105 29	Director's Report, Value Creation Structure
• The state of key stakeholder relationships and how the organization has responded to key stakeholders' legitimate needs and interests	90-105 135-140	Director's Report, IDCOL Risk Management Report
• The linkages between past and current performance, and between current performance and the organization's outlook.	161-165 120 166-220 141-144 14-20	Financial Highlights & Review, Organizational Highlights, Audited Financial Statements, Capital Adequacy and Market Discipline, From the CEO's Desk
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).	30-52	Programs and Projects
Include instances where regulations have a significant effect on performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organization's non-compliance with laws or regulations may significantly affect its operations.	135-140 14-20 90-105 133-134	IDCOL Risk Management Report, From the CEO's Desk, Director's Report, Statement of the CRO

SL No.	Page Reference	Chapter/ Section Reference
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.	135-140 133-134 125-127	IDCOL Risk Management Report, Statement of the CRO, Report on Internal Control
This can include identifying:		
• The specific source of risks and opportunities, which can be internal, external or, commonly, a mix of the two.	135-140 133-134 125-127	IDCOL Risk Management Report, Statement of the CRO, Report on Internal Control
• The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.		
• The specific steps being taken to mitigate or manage key risks (e.g: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.		
• Risk Management Report (Which includes details about risk, root 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.		
1.7 Strategy and resource allocation		
An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there)	10-13 14-20	Chairman's Statement, From the CEO's Desk
An integrated report needs to identify:		
• The organization's short, medium and long term strategic objectives	20-52 10-13 14-20	About IDCOL, Chairman's Statement, From the CEO's Desk
• The strategies it has in place, or intends to implement, to achieve those strategic objectives	20-52 10-13 14-20	About IDCOL, Chairman's Statement, From the CEO's Desk
• How the entity has positioned in the wider market	1 14-20 90-105	Progression to Shining Delta, From the CEO's Desk, Director's Report
• How the long term strategies relate to current business model.	30-52 29	Programs and Projects, Value Creation Structure
• The resource allocation plans it has to implement its strategy	30-52 14-20 90-105	Programs and Projects, From the CEO's Desk, Director's Report
• How it will measure achievements and target outcomes for the short, medium and long term.	161-165 120 90-105	Financial Highlights & Review, Organizational Highlights, Director's Report
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:		
• 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	29 14-20	Value Creation Structure, From the CEO's Desk
• 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	135-140 125-127	IDCOL Risk Management Report, Report on Internal Control
• What differentiates the organization to give it competitive advantage and enable it to create value, such as:		

SL No.	Page Reference	Chapter/ Section Reference
• The role of innovation	14-20 30-52	From the CEO's Desk, Programs and Projects
• How the organization develops and exploits intellectual capital	153-155	Human Resource Management
• The extent to which environmental and social considerations have been embedded into the organization's strategy to give it a competitive advantage	145-150	Environmental and Social Compliance
• Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.	30-52	Programs and Projects
Highlighted challenges facing our company and strategies to counter them	14-20 30-52	From the CEO's Desk, Programs and Projects
1.8 Outlook		
An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance	14-20 30-52 135-140	From the CEO's Desk, Programs and Projects, IDCOL Risk Management Report
An integrated report should highlight anticipated changes over time and provides information on:		
• The organization's expectations about the external environment the organization is likely to face in the short, medium and long term	133-134	Statement of CRO
• How that will affect the organization		
• How the organization is currently equipped to respond to the critical challenges and uncertainties that are likely to arise.	133-134 14-20	Statement of CRO, From the CEO's Desk
The discussion of the potential implications, including implications for future financial performance may include:		
• The external environment, and risks and opportunities, with an analysis of how these could affect the achievement of strategic objectives	14-20	From the CEO's Desk
• 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.	153-155 30-52 29	Human Resource Management, Programs and Projects, Value Creation Structure
An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyzes. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	90-105	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.	141-144 6-7 122-124	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?	175-220	Navigating Through the Report, Notes to the Financial Statement
An integrated report describes its basis of preparation and presentation, including:		
• A summary of the organization's materiality determination process	175-220	Navigating Through the Report, Notes to the Financial Statement
• Brief description of the process used to identify relevant matters, evaluate their importance and narrow them down to material matters	30-52	Programs and Projects
• Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.	106-112	Director's Responsibility

SL No.	Page Reference	Chapter/ Section Reference
• A description of the reporting boundary and how it has been determined	6-7	Integrated Reporting
Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity		
• A summary of the significant frameworks and methods used to quantify or evaluate material matters	6-7 90-105	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:		
• An acknowledgement of their responsibility to ensure the integrity of the integrated report	6-7 90-105	Integrated Reporting, Director's Report
• An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report		
• Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework		
3. Other Qualitative Characteristics of an Integrated Report		
3.1 Conciseness		
An integrated report should be concise.		Navigating Through the Report
An integrated report need to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information		
Follows logical structure and includes internal cross-reference as appropriate to limit repetition.		
Express concepts clearly and in as few words. 8 Navigating Through This Report		
Favors plain language over the use of jargon or highly technical terminology.		
Avoids highly generic disclosures.		
3.2 Reliability and completeness		
An integrated report should include all material matters, both positive and negative, in a balanced way and without material error	6-7 90-105 106-112	Integrated Reporting, Director's Report, Director's Responsibility
The organization achieves the reliability and completeness through,		
• 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
• Giving equal consecration to both increases and decreases in the capitals, both strengths and weaknesses of the organization, both positive and negative performance etc.	14-20 30-52	From the CEO's Desk, Programs and Projects
When information includes estimates, this is clearly communicated and the nature limitations of the estimation process are explained.	166-220	Audited Financial Statements, Notes to the Financial Statements
3.3 Consistency and comparability		
The information in an integrated report should be presented:		
• On a basis that is consistent over time	6-7 90-105	Integrated Reporting, Director,s Report

SL No.	Page Reference	Chapter/ Section Reference
• 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	6-7	Integrated Reporting, Navigating Through the Report
• 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)	161-165 22-23 120 30-52	Financial Highlights & Review, Performance at a glance, Organizational Highlights, Programs and Projects
• 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).		
• Reporting policies are followed consistently from one period to other unless a change is needed to improve the quality of information reported.	161-165 22-23 120 30-52 175-220	Financial Highlights & Review, Performance at a glance, Organizational Highlights, Programs and Projects, Notes to the Financial Statements
• Reporting the same KPIs if they continue to be material across reporting period.		
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.	29	Value Creation Structure
• Capitals		
• Content elements		
• Past, Present & Future	90-105 14-20 106-112	Director,s Report, From the CEO's Desk, Director's Responsibility
• Finance and other information	166-220	Audited Financial Statements, Notes to the Financial Statements
3.5 Materiality		
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SAFA Best Presented Accounts Checklist

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Status of Compliance with Corporate Governance Guidelines as par SEC notification no. SEC/CMRRCD/2006-158/207/Admin/80

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification no. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued a notification regarding compliances on Corporate Governance for listed companies, which shall be complied within 31 December 2018. Previously, notification no. SEC/CMRRCD/2006-158/134/Admin/44 issued on August 07, 2012 was in effect which has been displayed in page no. 113-116 of this report. 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 NBFI;	-	-	"
1(2)(b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	-	-	"
1(2)(c)	Appointment of ID shall be done by Board and approved by shareholders in the AGM;	-	-	"
1(2)(d)	The position of IDs cannot remain vacant for more than ninety days;	-	-	"
1(2)(e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;	-	-	"
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	-	-	"

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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;	-	-	Not Applicable
1(3)(b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;	-	-	"
1(3)(b)(iv)	ID is/was University Teacher who has 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;	√		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
1(5)(xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement with regard to the protection of minority shareholders from abusive actions of controlling shareholders;	√		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern;	√		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as 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;	√		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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;	-	-	"
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

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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;	-	-	Not Applicable
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;	-	-	Not Applicable
5(3)(a)	The Board of Directors select 1 (one) ID as the Chairman of BAC;	-	-	"
5(3)(b)	Election of Chairman of the particular meeting in absence of regular Chairperson of BAC recording the reasons of such absence in the minutes;	-	-	"
5(3)(c)	Chairman of the BAC shall remain present in the AGM;	√		
5(4)(a)	BAC conducted four meetings in the financial year:	√		
5(4)(b)	The quorum of the meeting of BAC constituted in presence of either two members including ID or two third of the members, whichever was higher;	√		
5(5)(a)	Oversee the financial reporting process;	√		
5(5)(b)	Monitor choice of accounting policies and principles;	√		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced;	√		
5(5)(d)	Oversee hiring and performance of external auditors;	√		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval;	√		
5(5)(g)	Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	-	-	Not Applicable
5(5)(h)	Review the adequacy of internal audit function;	-	-	"
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	√		
5(5)(j)	Review statement of all related party transactions submitted by the management;	-	-	Not Applicable
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;	-	-	Not Applicable

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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);	-	-	"
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	-	-	"
6(2)(b)	All members of the Committee shall be non-executive directors;	-	-	"
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	-	-	"
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	-	-	"
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	-	-	"
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;	-	-	"
6(2)(g)	The company secretary shall act as the secretary of the Committee;	-	-	"
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	-	-	"
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	-	-	"
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	-	-	"
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;	-	-	"
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	-	-	"

Condition No	Title	Status		Remarks
		Complied	Not Complied	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	-	-	Not Applicable
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;	-	-	"
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.	√		

Condition No	Title	Status		Remarks
		Complied	Not Complied	
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;	-	-	"

Note



www.idcol.org

Infrastructure Development Company Limited
UTC Building, Level-16, 8 Panthapath, Kawran Bazar, Dhaka-1215, Bangladesh
Telephone: 9102171-8, Fax: +880-2-8116663, E-mail: contact@idcol.org