A YEAR OF RESILIENCE
REDESIGNING TOMORROW



IDCOL

TOGETHER FOR TOMORROW

ANNUAL REPORT 2020

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REDESIGNING TOMORROW

With the outbreak of COVID 19 pandemic, the economy has been unleashed with unprecedented challenges. Burdened with immobility and inevitable restrictions, the economic debacle in the year 2020 tested us in ways we could not have predicted. Amid the raging pandemic which upended lives across the world, IDCOL has proved itself as a remarkably resilient and sustainable organization in terms of managing its earnings and financial position enabling the entity to hold its head high during the challenging periods. To adapt to the formidable challenges of today and redesign tomorrow – this is the spirit of resilience that IDCOL embodies and stands for. According to a Malay proverb "A tree with STRONG ROOTS laughs at storms." With confidence of our deep-rooted strength we not only weathered storms, but also provided shelter and support to stand out against the adversities and contributed towards fostering our country's progress. From the inception of its journey in 1997 as a government-owned non-bank financial institution, IDCOL portrays an exemplary performance throughout the years. It started with an initial 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 715 crore.

IDCOL is playing a key role in bridging the financing gap for developing large infrastructure, renewable energy and energy efficiency projects. This momentous partaking in investment and operation, ownership and maintenance of new infrastructure facilities, has helped IDCOL attain the success of being a partner of choice and the leader in the private sector energy and infrastructure financing in Bangladesh. We are thus confident to face and overcome future challenges however difficult these may be. Tomorrow is calling - let us get the wheels of progress rolling.

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LETTER OF TRANSMITTAL

All Shareholders,

Subject: **Annual Report for the year ended on December 31, 2020**

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, 2020 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary

NOTICE OF THE 24th ANNUAL GENERAL MEETING

The Twenty-Fourth Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on Wednesday, 30 June 2021 at 7:30 p.m. via Zoom App.

Agendas 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 2020.
2. To declare dividends of the Company for the FY 2020.
3. To consider increase of Company's paid-up capital to Tk. 738 crore.
4. To elect Director(s) in place of those retiring in accordance with the regulations 79 and 80 and are eligible for re-election in accordance with the regulation 81 of schedule I of the Companies Act, 1994.
5. To appoint auditor(s) and fixing-up their remuneration for the FY 2021.
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 REPORT – SCOPE AND ITS BOUNDARY

Integrated Reporting

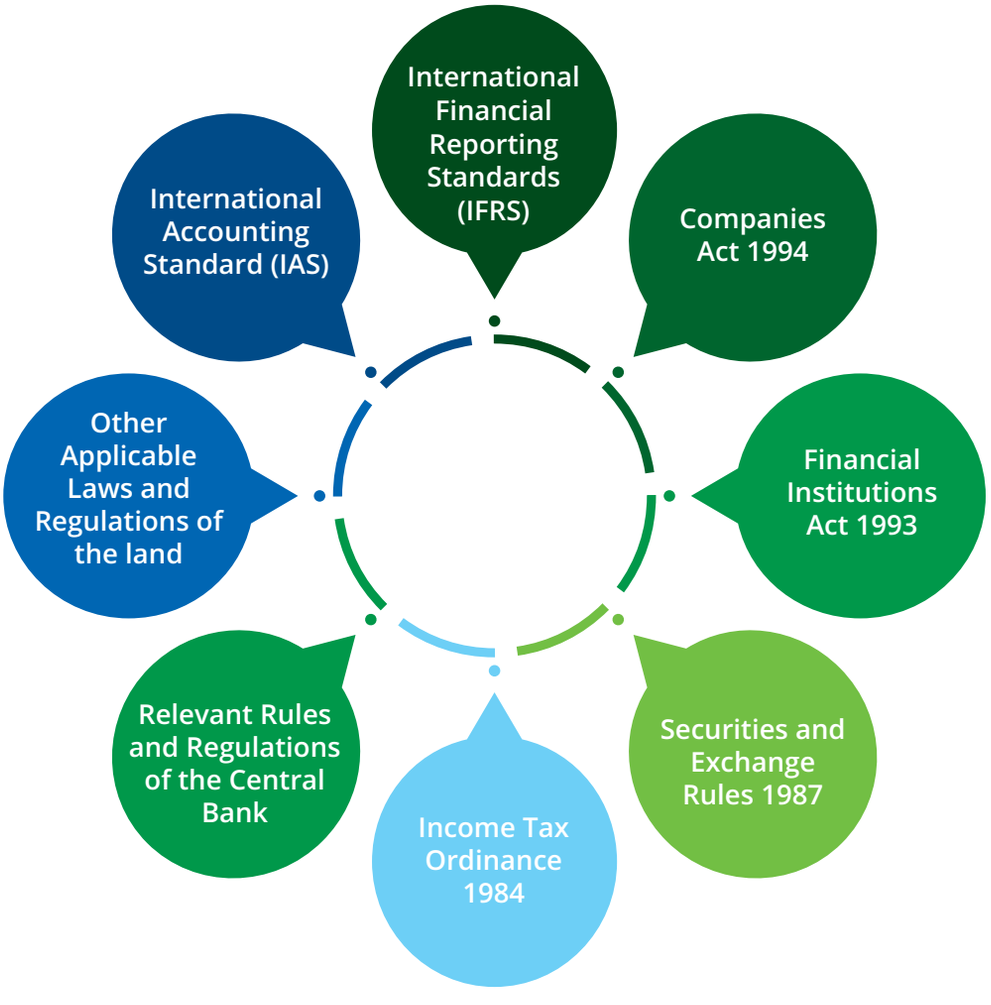
Integrated reporting demonstrates the linkage between strategic objectives, risk and performance to communicate how organizations create value. Our 2020 Annual Report has been presented as an 'Integrated Report' with an aim to articulate how IDCOL, as an organization, has effectively managed its business 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).

Our 2020 Integrated Report covers the period from 1 January 2020 to 31 December 2020. In explaining the company's operations and financial performance, financial information so disclosed has been extracted from the audited financial statements for the FY 2020 with relevant comparative information. The financial statements consistently comply with the requirements of the followings:

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



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, 2020.

External Assurance

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

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

Comparability & Materiality

Information presented in this report is of the same basis as the 2019 report in terms of the measurement methods applied and time frames used. Ratios used are comparable across the industry. The information provided covers all material matters relating to business strategy, risk and areas of critical importance to our stakeholders. The structure of the report has been further developed as part of our continuous focus on improving communication with 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. 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

01

COMPANY **INFORMATION**













GENERAL **INFORMATION**

Registered Office

UTC Building, Level-16, 8 Panthapath
Kawran Bazar, Dhaka-1215, Bangladesh
+880-2-9102171-8, +880-9666743265
16653 (Call center for REP)
+880-2- 9102084
contact@idcol.org
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 Limited ● Standard Chartered Bank ● IFIC Bank Limited ● Trust Bank Limited ● Bangladesh Development Bank Limited

CREDIT RATING OF IDCOL

Long-term Rating

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.

Short-term Rating

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.

Outlook **Stable**

Validity **30 June 2021**

Rated by: Credit Rating Agency of Bangladesh (CRAB)



CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, I am pleased to present the Annual Report along with the audited accounts of our company for the year, ending 31 December 2020. This has been a challenging year for the whole world as it has not witnessed such widespread, horrific devastation of lives and livelihood since the Spanish flu pandemic ravaged the humanity in 1918. As one can expect, the huge challenges stemming from this unnerving situation tested our resilience and ability to perform in what is now known as the new normal. Thanks to the confidence and trust our stakeholders have put in us, which helped IDCOL to move forward towards fulfilling its primary objective-- catalyzing private sector investment in infrastructure, renewable energy and energy efficiency projects. We believe when the crisis is over, we would emerge stronger than ever due to the commitment of our colleagues, trust of our clients and the proven resilience of our financial structure to external shocks.

Overall Financial Performance

During 2020, IDCOL registered Total Revenue of BDT 4,482 million (16.67 percent lower than last year's BDT 5,378 million) and generated Net Profit before provision & tax of BDT 3,182 million (compared to last year's BDT 4,013 million). Our consolidated disbursements stand at BDT 129,935 million and Net Interest Income stands at BDT 3,424 million (13.29 percent lower than last year's figure of BDT 3,949 million). We achieved a 1.56% return on assets while our total assets increased by BDT 7,325 million from last year. Shareholders' equity has also increased from BDT 8,353 million to BDT 9,229 million.

I am pleased to say that IDCOL has delivered another profitable performance in the outgoing Financial Year despite challenges posed by Covid-19. Our timely intervention enabled the company to deliver organic growth and income while managing cost at the same time. The level of profits earned has been calculated after making contributions through interest reliefs to clients impacted by the pandemic, which was done in compliance with regulatory requirements.

Board of Directors

Like the rest of the world, the Board had to adapt its ways of working in 2020. We met virtually for much of the year guiding the management towards expected recovery and future growth. The Board is confident that many opportunities in structured finance, project finance and advisory services lie ahead for an institution with IDCOL's competitive strengths. This makes it all the more important that we position

ourselves to capture them. The Board will continue to guide the management on plans to accelerate progress and investment in key areas of growth and maintain appropriate governance and risk oversight to deliver profitable returns.

Sustainability and Responsibility

As a state-owned financial institution, IDCOL has been working to support the Government in meeting its UN-mandated Sustainable Development Goals by 2030. Achieving SDGs have significant resource implications for basic infrastructure, food security, climate change mitigation and adaptation, health and education. IDCOL plays a crucial role towards creating a sustainable investment practice that enables private businesses to achieve greater cost-efficiencies and profitability. The company also ensures an integrated approach for decarbonizing of electricity generation by shifting from fossil fuels to low-carbon sources. More than 60 percent of the country's present renewable energy generation was achieved through various interventions of IDCOL. Besides, it financed generation of more than 2,900 MW of conventional electricity to the grid and further targets to unlock private equity in the power sector towards ensuring the Government's vision of electricity for all by 2021.

IDCOL has been leading in Bangladesh's climate mitigation initiatives for over a decade now. This has been recognized in 2020 when the Company was awarded three prestigious global prizes-- Alliance for Rural Electrification (ARE) Awards 2020, Karlsruhe Sustainable Finance Awards 2020 and Asian Power Awards 2020. IDCOL also received the Country's Top Tax Payer award in the category of "Non-Bank Financial Institutions" for the fourth time.

Strategic Direction

IDCOL, being the global pioneer of the largest off-grid Solar Home System program that is saving consumption of 3.31 million tons of kerosene worth of USD 411 million, is supporting the Government in implementing other types of renewable energy technologies aimed at achieving its national target of generating 10% of power from renewable resources by 2025. At present, industrial solar rooftops hold huge potential in Bangladesh. With the declining price of solar panel as well as upward movement in grid electricity tariff, solar roof-top has appeared to be an attractive solution to the country's industrial sector. The textile, garment as well as the poultry sector already depend largely on diesel generators for fulfilling their electricity requirements during load shedding. Solar roof tops not only would reduce consumption of diesel but also reduce pressure on national grid.

Besides exploring new avenues of renewable energy, IDCOL intends to increase its share in the infrastructure financing space, and for that it has been in discussions with various bilateral and multilateral entities for financial supports from them. So far, IDCOL has been able to manage two separate credit lines. First, the USD 526 million credit line the company secured from ADB in 2017, would be used largely for infrastructure development activities. And second, the Euro 100 million credit line from Agence Française de Développement (AFD) which was secured in this reporting year, will be used for financing energy efficiency, renewable energy and environmental services projects.

IDCOL, with the assistance from JICA, is encouraging industries to adopt energy-efficient equipment through concessionary and affordable finance options. In addition, the Green Climate Fund (GCF) has sanctioned USD 250 million credit line for promoting private sector investment through large-scale adoption of energy-efficient technologies in the textile and garment sectors. This is the first concessional GCF credit line for Bangladesh, as well as the first private sector financing in the country from GCF.

IDCOL has restructured its Advisory Services unit aimed at utilizing its expertise in Renewable Energy, Climate Finance, Project Finance and Project Management experience. It facilitated IDCOL in providing consultancy support to clients both in Bangladesh and abroad.

Humanity is now standing at a turning point and we are witnessing the emergence of a new world order with many new normal. The fundamentals of the business environment of the country are also changing, raising the need for various infrastructure projects. IDCOL has been able to position itself suitably in this changing context. We believe that the management is on the right track and with meticulous execution of our strategic priorities, we will continue to deliver results for all our stakeholders.

Acknowledgement

On behalf of the Board of Directors, I would like to take the opportunity to thank our shareholders, clients, bankers and patrons for their continuing support.

I am proud of the dedication and professionalism that my colleagues have demonstrated as they helped ensure our clients receive the support they needed under these challenging circumstances. On behalf of the Board, I would like to express my gratitude and heartfelt thanks to all of them for their exceptional services.

FROM THE DESK OF **CEO**



We hope to capitalize on our dynamic business models, excellent partnerships and committed employees in the years to come.

In this atmosphere of foreboding caused by the ravaging coronavirus, I would like to convey the messages of hope, commitment, appreciation and courage to our stakeholders, employees and extended communities. During this difficult time, we hope to stand by our partners and stakeholders and contribute to the economic survival of our country.

With this message, I present to you our Annual Report 2020, which provides a detailed picture about our company's activities and financial performances of last year. Against the backdrop of unprecedented challenges brought on by the pandemic, we somehow managed to make considerable progress in 2020, which is aligned with our strategic and financial objectives. However, it has also become increasingly clear that the fundamentals of the financial services industry are entering a period of significant change, bringing both challenges and opportunities. Going forward, we will continue to identify areas of improvements and align our long-term priorities and make necessary changes that will enable us to respond more effectively and proactively to our operating environment.

We hope to capitalize on our dynamic business models, excellent partnerships and committed employees in the years to come. With our goal to ensure economic prosperity through sustainable and environment-friendly investments in the infrastructure, energy-efficiency and renewable energy sectors of the country, we aspire to support the Government of Bangladesh in implementing its 8th Five Year Plan and achieving the UN-mandated Sustainable Development Goals by 2030.

2020 - Financial Performance

I am very pleased with the financial performance of 2020. IDCOL's loan portfolio had a YoY growth of 15% in 2020. The company's performances in 2020 exceeded the anticipations despite the disruptions brought on by the pandemic with a growth in net income of 11.34% and normalized earnings per share of BDT 21.47.

Total operating income was BDT 3,705 million and profit before tax was BDT 2,410 million. During the year, the asset efficiency increased to 1.56%, proving that IDCOL had made appropriate strategic decisions in terms of its investment in 2020 which generated more net income on less investment. While the growing investments in expanding its workforce caused the OPEX-to-Operating Income ratio to increase in last year, the outstanding return outweighs the increased cost and justifies the timely expansion to leverage the market opportunities.

IDCOL's loan portfolio had a YoY growth of 15% in 2020. The company's performance during the year exceeded the anticipations despite the disruptions brought on by the pandemic with a growth in net income of 11.34% and normalized earning per share of BDT 21.47.

Besides achieving remarkable earnings, IDCOL also focused on strengthening its governance structure over the years, leading to a further decline in the classified loans by 3.01% this year compared to 2019.

Infrastructure Financing

Amid the ongoing pandemic, most countries continue to face many challenges, with most

economies expecting U-shaped recovery. The traditional economic growth drivers, such as domestic consumption and exports, are expected to remain weak for an extended period. Therefore, in addition to its long-term economic benefits, infrastructure development might become a key driver in boosting aggregate demand and accelerating the revival of economic activity.

The Perspective Plan 2041 of the Government of Bangladesh envisages GDP growth of 9% by 2031 and 9.9% by 2041. Bangladesh is on track to graduate from the United Nations' Least Developed Countries (LDCs) in 2026, a significant achievement for a country that had bleak prospects in the initial years of its independence to emerge as a viable nation. Since then, Bangladesh made huge strides, lifting millions of people out of deep poverty through investments in human, social and economic development. In recent years, it is also investing heavily on mega infrastructure and establishing economic zones for foreign direct investment, which would further boost economic growth.

The graduation from LDC requires investment in infrastructure from current level of 2% to at least 6% of GDP. However, the level of investment needed is beyond the available public resources. Therefore, private sector intervention for project implementation and financing is a must. Over the years, bilateral and multilateral agencies provided loans and technical assistance to IDCOL, which directly supported the government's infrastructure development agenda by ensuring long-term funding for private-sector infrastructure projects.

In 2020, we continued our focus on expanding the infrastructure portfolio through product and sector diversification. Total infrastructure portfolio grew by 23.44% in 2020 to BDT 55,228 million. This accounted for 86.05% of total disbursement in 2020 and overall portfolio concentration of 69% by the end of 2020. Power plants, telecommunications, LNG terminal, ICT and infrastructure backward linkage industries were the major investment sectors. In these efforts, the Asian Development Bank (ADB) continued to be the major external funding source for infrastructure investments with its ongoing USD 526 million credit line.

Renewable Energy (RE)

The Government of Bangladesh is keen to increase share of clean electricity from Renewable Energy in the overall energy mix. Considering huge potential of large-scale solar installation in Bangladesh, various national and international investors are showing keen interest in this sector. IDCOL, being the global pioneer in wide-scale installation of off-grid Solar Home Systems, has so far disbursed more than BDT 41,735 million and contributes to more than 60 percent of total clean power generation from renewable energy in the country.

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

Besides solar roof top projects, IDCOL is implementing and financing several renewable energy initiatives, including solar irrigation pumps, solar mini-grids, grid-tied solar systems, biogas/ biomass-based power plants and domestic biogas plants for cooking needs. The World Bank continued to be the major funding source for IDCOL's renewable energy initiative along with KfW, FCDO, ADB, JICA, GIZ, SNV, IsDB, USAID and UNDP. Furthermore, we have developed market for improved cook-stoves that are replacing inefficient traditional stoves in rural households. Due to this, indoor air pollution has declined significantly, reducing risk to diseases such as acute and chronic respiratory conditions, lung cancer, heart disease, stroke, and cataract in the rural household.

IDCOL has received three international recognitions in 2020 for its achievements in the renewable energy sector; Alliance for Rural Electrification (ARE) Awards 2020 for solar mini-grid projects, Karlsruhe Sustainable Finance Awards

2020 and Asian Power Awards 2020 for solar irrigation pump projects. The recognitions were bestowed upon IDCOL for ensuring sustainable energy access in the off-grid Bangladesh and for successful introduction of green finance initiative to the smallholder farmers in rural Bangladesh.

Financing Energy Efficiency

Energy Efficiency (EE), while being a relatively new sector for us, has achieved momentum in recent years. Our primary focus within this sector has so far been industrial energy efficiency and energy-efficient brick kilns. Going forward, we are also keen to promote and finance energy-efficient household appliances. Under its EE initiative, IDCOL extends technical assistance and concessionary financing to a wide range of industrial sectors including cement, RMG, textiles, electronic appliance manufacturing, and real estate for implementing various EE measures. Japan International Cooperation Agency (JICA) extended its Tranche-2 of Energy Efficiency and Conservation Promotion Financing Project this year. In 2020, we also secured funding from Agence Française de Développement (AFD) for Euro 100 million for scaling-up energy efficiency, renewable energy and environmental services projects which are to diversify Bangladesh's energy sources by reducing the use of imported fossil fuels, thus contributing to improving Bangladesh's trade balance and energy mix.

Green Climate Fund

IDCOL is Bangladesh's one of the only two accredited National Implementing Entities (NIEs) that can directly access both Loan and Grant up to USD 250 million from the Green Climate Fund (GCF). In 2020, we received approval of USD 256.5 million from GCF to promote private sector investment through large-scale adoption of energy-efficient technologies in the textile and garment sectors. This was the first concessional GCF credit line for Bangladesh, as well as the first private sector financing under GCF in the country. Till approval, it was also the largest approved funding proposal for any Direct Access Entity of GCF globally. In addition, IDCOL has four projects in GCF pipeline with total financing value of USD 256.15 million in both climate change mitigation and adaptation.

Advisory Services

IDCOL restructured the Advisory Services unit in 2019 and in this reporting year it has been awarded five new advisory contracts.

Bangladesh has assumed the presidency of Climate Vulnerable Forum (CVF) and Vulnerable Twenty (V20) Group and Hon'ble Prime Minister Sheikh Hasina is serving as Chair of the CVF since June 2020. In October 2020, the Prime Minister announced developing the "Mujib Climate Prosperity Plan". This Plan, named after our founding father, Bangabandhu Sheikh Mujibur Rahman, is going to mobilize resources for a secured sustainable future of Bangladesh that will drive prosperity throughout the coming decade. It is the first of all CVF plans that is expected to serve as a template to inspire and facilitate the realization of similar plans in other CVF member states. IDCOL has been engaged by CVF-V20 to conduct power sector analysis and propose a holistic framework to realize low-carbon and climate resilient power sector for the future Bangladesh. The Plan is expected to be launched in June 2021.

IDCOL was awarded two advisory assignments by UNDP as part of a consortium for "Updating and Enhancing the Nationally Determined Contributions (NDCs) for Bangladesh" and for "Conducting Training on Climate Change Adaptation Mainstreaming and Bankable Project Development Skills". A draft interim report of the enhanced NDC of Bangladesh was submitted to UNFCCC on 31 December 2020.

IDCOL has been advising Rural Energy Agency (REA) of Tanzania for the establishment of a Renewable Energy Investment Facility (REIF), which is expected to enable the scaling up of local private sector investment in Tanzania's renewable energy sector. The assignment includes doing a market study to assess the country's private sector investment landscape in renewable energy, structuring the institutional set up of REIF and formulating the operating guideline. Finally, IDCOL was appointed by GIZ for conducting a training session during Digital German Training Week (D-GTW) on legal framework for solar PV project development in Bangladesh.

Organizational Growth

With its superior work environment, training and capacity-building initiatives and competitive compensation packages, IDCOL continued to thrive as the employer of choice in Bangladesh's financial market. As a responsible employer, we invested in our employees to ensure their long-term commitment to the company, maximize individual potential, increase commercial effectiveness, reinforce the company's culture, and help them contribute positively to the greater communities. In 2020, we further expanded our employee base and upgraded the organogram for the best interest of our employees and the company.

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

Challenges and Opportunities

The pandemic had had a significant impact on the economy of Bangladesh. In 2020, the country's GDP growth was recorded at 5.2%, which was largely attributed to the negative impact of COVID-19. According to the World Economic Situation and Prospects 2021 report produced by the United Nations Department of Economic and Social Affairs, Bangladesh's GDP growth will be 7.6% in the fiscal 2021-22.

Following the impact of the COVID-19 pandemic on all sectors of Bangladesh's economy, infrastructure development can spur recovery, improve resilience and support long-term sustainable growth. While it is generally agreed that private sector involvement is key to infrastructure development in Bangladesh, the coordination among public and private sectors remain rudimentary. Therefore, while lack of financing is often identified as the core hindrance, a major challenge faced by the sector is the lack of a strong framework for developing high quality, bankable projects in a timely manner. With regard to financing, the major challenge facing the infrastructure sector is that local currency loans are often expensive and offered for a shorter period.

Nevertheless, opportunities in the infrastructure sector are plenty. Various government support to incentivize private investment in infrastructure i.e. tax holiday, import duty exemption, investment repatriation, sovereign guarantee, and dedicated local infrastructure fund sources can make Bangladesh a lucrative destination for further investment.

Bangladesh has enormous opportunity in the renewable energy sector, compared to other developing countries. In addition to providing low-cost financing, IDCOL also extends technical assistance and capacity-building support to its stakeholders, ensuring welfare of female beneficiaries, supporting income generation activities of end-users, facilitating education of children and capacity building of local entrepreneurs. IDCOL implements innovative financial schemes involving the community at grass roots level to help rural people procure renewable energy systems/services for their livelihoods and income generation. IDCOL, with its various initiatives, will continue to act as a role model and demonstrate that renewable energy applications can be scaled up economically and rapidly to provide an affordable and climate-friendly energy solution for the rural poor.

Looking Forward

Notwithstanding the challenging financial year and uncertainties unleashed by COVID-19, IDCOL is expanding its investment horizon to include more infrastructure and renewable energy sector projects. We are also undertaking projects to make sustainable improvements in social infrastructure, mainly through investments in health and tourism sectors. In addition, our success in financing large infrastructure projects and renewable energy dissemination has encouraged other developing nations to replicate our programs in their respective countries. We continue to provide advisory services and capacity building support to companies as well as other countries for sustainable business development.

Our Humble Submission

Economic growth will remain a challenge in 2021. IDCOL's primary focus in the coming year will be on increasing the stability of our business model,

building resilience and ensuring that there is no deterioration in the asset quality. Relationship with the government, regulatory bodies, the multilateral and bilateral development agencies and above all our customers is fundamental to our success. IDCOL's perception as a transparent and trustworthy partner is derived from its commitment to integrity. We are sincere in dealing with our stakeholders and the communities where we create an impact. I would like to end my message by thanking all our valued development partners i.e. the World Bank, ADB, JICA, KfW, GCF, GIZ, SNV, IsDB, USAID, UNDP, AFD, FCDO and above all the Government of Bangladesh for their continued support to IDCOL. I also wish to convey my deep gratitude to all our customers and partners who form an extensive network of valuable business resources and ensure delivery of excellent performance. I would also like to extend my gratitude to the Board of Directors of IDCOL for their continuing support and guidance. Finally, my utmost gratitude goes to my fellow colleagues for their collective efforts, diligence, commitment and their ability to embrace change. In our journey towards excellence, it has been a highly rewarding experience for the Company to be recognized and acknowledged by local and international organizations.

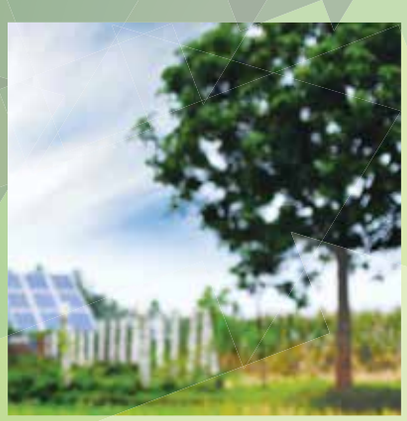
I very much look forward to a progressive and strategic role played by IDCOL in the coming years as it continues to excel in its operations, explore innovative ideas and foster valuable business relationships. I again thank you all.

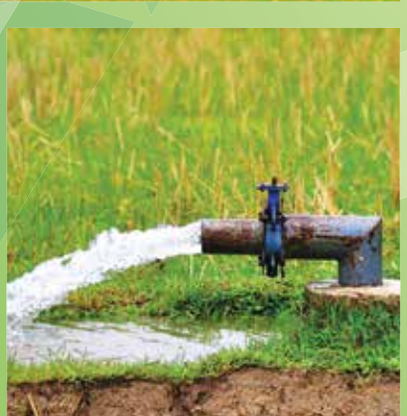
02 About IDCOL

















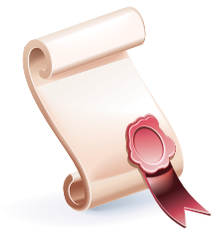
VISION

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 2020

LOANS AND ADVANCES

BDT **79,127** million

2019: BDT 68,799 million

▲ 15%

SHAREHOLDER'S EQUITY

BDT **9,229** million

2019: BDT 8,353 million

▲ 10%

ASSETS

BDT **98,201** million

2019: BDT 90,876 million

▲ 8%

NET PROFIT AFTER TAX

BDT **1,535** million

2019: BDT 1,379 million

▲ 11%

CONTRIBUTION TO NATIONAL EXCHEQUER

BDT **1,559** million

2019: BDT 1,283 million

▲ 22%

DISBURSEMENT

BDT **21,987** million

2019: BDT 16,363 million

▲ 34%

ROA

1.56%

2019: 1.52%

▲ 0.04%

EPS

BDT **21.47**

2019: BDT 19.28

▲ 11%

ROE

16.63%

2019: 16.50%

▲ 0.13%

NET PROFIT MARGIN

34.24%

2019: 26.63%

▲ 8.61%

ROI

1.92%

2019: 1.99%

▼ 0.07%

% OF CLASSIFIED LOAN

1.53%

2019: 4.54%

▼ 3.01%

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 an 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

IDCOL
TOGETHER FOR TOMORROW

2005

14 Dec

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

2006

5 Jan

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

6 Sep

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

2007

30 Nov

Signing of Financing Agreement for USD 165 million with the Asian Development Bank (ADB) under Public Private Infrastructure Development Facility (PPIDF)

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

28 Oct

Extending BDT 260 million to Fiber@Home Ltd. for setting up the first nationwide telecommunication transmission network of Bangladesh

2009

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

1 Apr

Opening of the 1st Regional Office under the SHS Program

12 Apr

Financing of the 1st Solar Based Mini-Grid Project

2012

18 Feb

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

2013

12 May

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

2014

5 Nov

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

2015

2 Apr

Received the first-ever CDM fund in Bangladesh under the United Nations Framework Convention on Climate Change (UNFCC)



2016

13 Jun

Installation of 4 million SHS under IDCOL SHS Program

30 Nov

Financing the first PPP Project in Healthcare Sector of Bangladesh- Sandor Dialysis Services Bangladesh Private Ltd.

2017

30 Mar

Installation of 50,000 biogas plants under IDCOL Biogas & Bio-fertilizer Program

May-June

IDCOL received approval of two Project Preparation Facility (PPF) grant supports from GCF for separate project/program amounting to USD 701, 273.00

6 Jul

Received Global Climate Fund (GCF) accreditation in Songdo, South Korea

2018

22 Feb

Financing it's 1st Solar Rooftop Project with a target of financing 300 MWp Solar Rooftop Projects by 2021

15 Oct

Financing it's 1st Utility Scale Power Project with 8 MW (AC) capacity

2019

7 Jul

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

9 Nov

Inauguration of first-ever grid integration of solar irrigation pump

31 Dec

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

31 Dec

Installation of 2 million ICS under IDCOL ICS Program

2020

15 Jun

Signing of IDCOL's first credit facility with the Agence Française de Développement (AFD), France for EUR 100 million to finance energy-efficient, renewable energy and environment friendly projects

10 Nov

IDCOL, as the Direct Access Entity (DAE) of Green Climate Fund (GCF), received approval for the first concessional GCF credit line for Bangladesh titled, "Promoting private sector investment through large scale adoption of energy-saving technologies and equipment for Textile and RMG sectors of Bangladesh".

15 Nov

Appointed by the Climate Vulnerable Forum for analyzing the Power Sector under the "Mujib Climate Prosperity Plan" of Bangladesh

AWARDS & RECOGNITIONS



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



'Top Taxpayer Award 2020' under Non-Banking Financial category for AY 2019-20 by National Board of Revenue



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



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



'ICMAB Best Corporate Award 2019' in the category of Non-bank Financial Institutions



'Top Taxpayer Award 2019' under Non-Banking Financial category for AY 2018-19 by National Board of Revenue



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



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



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



'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



'SAFA Best Presented Annual Report Award 2016' 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 2015' in the category of Public Sector Entities



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



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



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



'Top Taxpayer Award FY 2013-14' 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



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



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

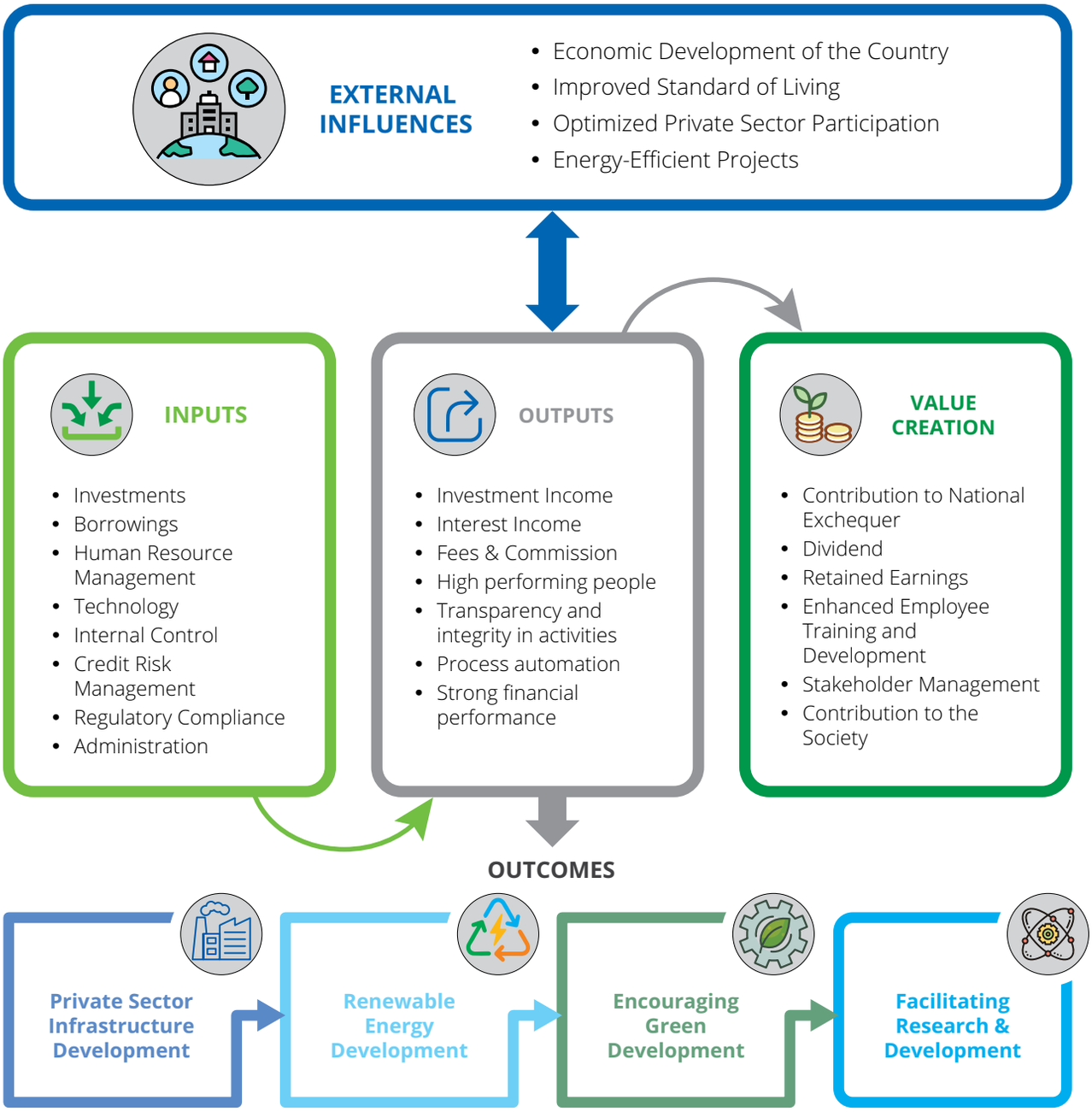


'The Karlsruhe Sustainable Financial Award 2013' by Association of Development Financing Institutions in Asia and Pacific & ETECH Germany in association with Economic Development Department of the City of Karlsruhe, Germany and endorsed by United Nations Environment Programme Finance Initiatives



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

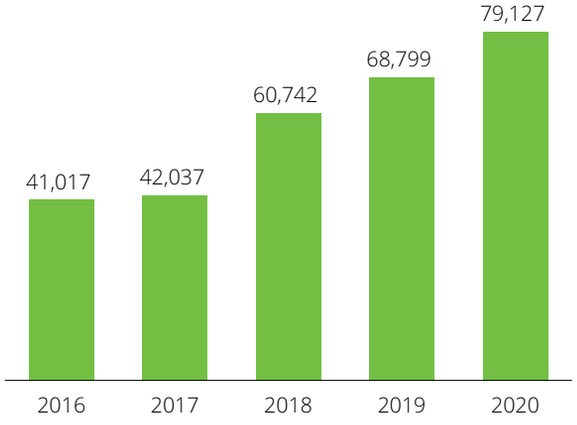
VALUE CREATION STRUCTURE



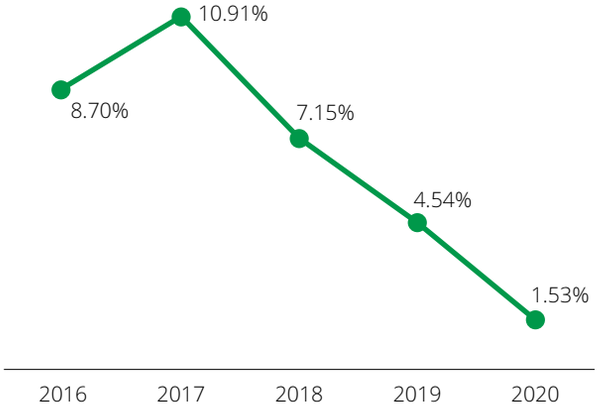
PROGRAMS & PROJECTS of IDCOL

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

Loan Portfolio

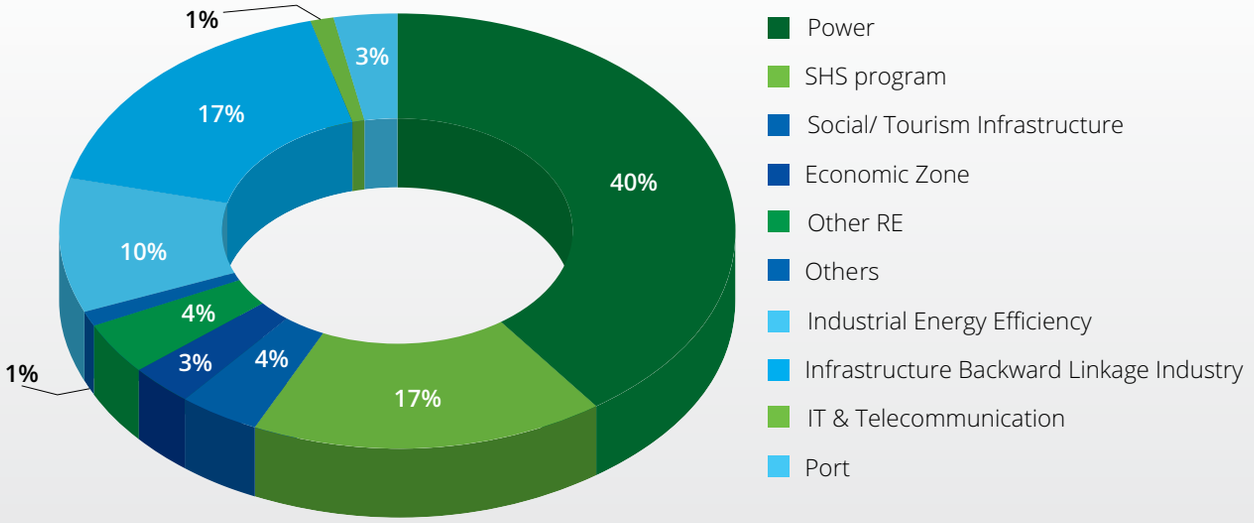


% of Classified Loans



*Figures are in BDT million

Sector Wise Loan Portfolio for 2020



Infrastructure & PPP | Energy Efficiency | Renewable Energy | Green Climate Fund | Advisory Services

INFRASTRUCTURE & PUBLIC-PRIVATE PARTNERSHIP (PPP)

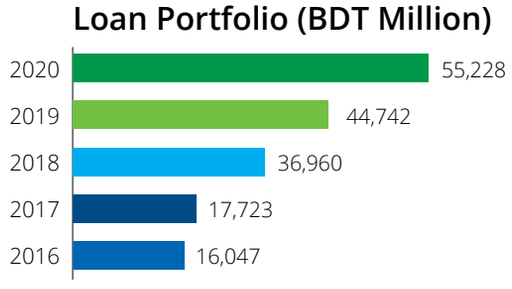
Financing Large to Medium Scale Infrastructure Projects

- Long-term Local & Foreign Currency Loans
- Short-term Local Currency Loans
- Debt and Equity Arrangement
- Agency Operations

69%
OF IDCOL'S TOTAL LOAN PORTFOLIO

USD 940 million+
TOTAL INVESTMENT

USD 620 million+
LOAN PORTFOLIO



2016-2020
244%
PORTFOLIO GROWTH

USD 772 million+
EXTERNAL INFRASTRUCTURE CREDIT LINE

USD 650 million+
TOTAL ARRANGEMENT OF FUNDS



Power & Energy | Port | Economic Zones | ICT & Telecom | Roads & Bridges | Infra Backward Linkages | Social Infra & Tourism

NOTABLE ACHIEVEMENTS

Financed Installation of 25% Private Sector Electricity Generation Capacity

IDCOL has supported the GoB in achieving its ambitious vision of **Electricity for All by 2021**. Till date, IDCOL has approved the financing of **30** private sector power projects and captive projects with an aggregate installed capacity of more than **3,800 MW**. IDCOL's financing of **USD 580 million** to IPPs has facilitated the installation of **25%** of the country's current total private sector electricity generation capacity.





Supported Port Projects with 22% Export Container Handling Capacity

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

Extended USD 116 million Investment to ICT &Telecom Sectors

IDCOL has made an aggregate investment of **USD 116 million** in ICT & Telecommunications, making these thrust sectors IDCOL's **2nd** highest investment recipient among the infrastructure sectors. Financing has been extended to country's leading mobile telecom & PSTN operators; NTTN, ANS, BWA, IGW and ICX service providers etc.





BDT 500 crore Financing Approved for 3 Economic Zones

IDCOL has set its footprints in a new sector-Economic Zones (EZ) by approving an aggregate financing of **BDT 500 crore** to **3 EZs** – including the country's largest private sector EZ. In 2020, IDCOL first extended a cumulative financing of **BDT 247 crore** to this focus sector of the GoB.

NOTABLE ACHIEVEMENTS (CONT'D)

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

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





Over BDT 1,200 crore to Infrastructure Backward Linkage Industries

IDCOL expanded its investment horizon to include infrastructure backward linkage projects. IDCOL has financed the procurement of **20 marine cargo vessels** with aggregate capacity of **70,000 MT**, the establishment of a **4,30,248 MT per annum** production capacity **billet manufacturing plant** and light engineering, ceramic and cement projects.

Presence in the Hotel and Tourism Sector

IDCOL diversified its portfolio and made investment exceeding **USD 30 million** towards the establishment of a 5 star hotel in Gulshan, Dhaka to promote the growing hotel and tourism sector of the country.





Financed 1st PPP Project in Healthcare Sector

IDCOL financed the **1st Healthcare PPP** project that provides low-cost dialysis services to the underprivileged and affordable dialysis to general patients. IDCOL also financed the establishment of a **tertiary hospital** in Chattogram.

BUSINESS MODEL

Infrastructure and PPP projects of IDCOL are financed by the three business units of the Investment Department - **Infrastructure Finance (IF), Public-Private Partnership (PPP) and Industrial & Energy Efficiency Finance (IEEF).** These units work independently with individual focus areas but has a unified target of facilitating financing of infrastructure & PPP projects in the country. These three units also finance and maintain the energy efficiency portfolio of IDCOL.

Business Model: Infrastructure, Industrial & Energy Efficiency & PPP

Business Initiation	• Initiation of new business proposal by IDCOL/ Borrower/ Arranger & negotiation of financing terms • Obtaining Initial Consent from IDCOL Board
Project Appraisal	• In-depth due diligence and feasibility analysis • Appointment of external advisors (as required)
Approval	3-step internal approval process: • Credit Risk Management Committee Approval • Credit Committee Approval • Board Approval *External Credit Line Provider's approval (if applicable)
Financial Closing & Disbursement	Negotiation of loan documents with the borrower and co-financiers followed by Financial Closing and Disbursement
Post-disbursement Monitoring	Monitoring of loan repayment, project's operational performance and E&S compliance

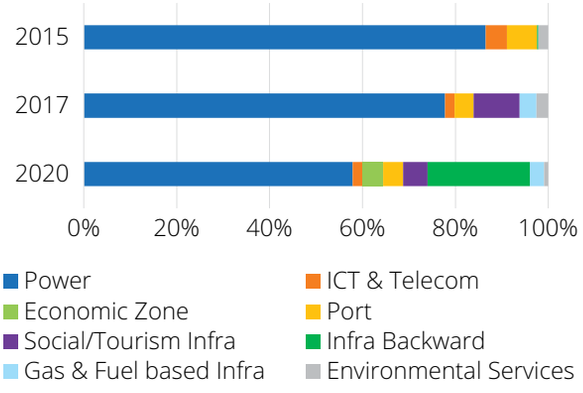
A new financing proposal is initiated through the interaction between IDCOL and Borrower/ Arranger. IDCOL negotiates the key financing terms with the borrower for an eligible project and obtains Initial Consent from its Board. All the proposals are assessed through stringent in-house appraisal process where assistance from external advisors is taken as required. Once the due diligence is completed by the business unit, a project goes through a three-tier internal approval process. After obtaining all required approvals, the loan agreements are negotiated with the borrower. This is followed by financial closing and loan disbursement. Both external infrastructure credit lines and own funds are utilized for financing the eligible projects as per IDCOL's Lending Policy. When utilizing external credit lines, it might be required to obtain an additional approval from the credit line provider. IDCOL monitors the performance of the loans post-disbursement - especially to ensure regular loan repayment, monitor operational status and compliance with environmental and social standards.

DIVERSIFYING THE INFRASTRUCTURE & PPP PORTFOLIO

The loan portfolio of IDCOL's infrastructure and PPP segment stood at over BDT 55 billion as of December 2020 – contributing around 69% of the organization's total loan portfolio**.** The portfolio composition has been historically skewed towards power sector – representing IDCOL's expertise in power project financing. However, in the recent years IDCOL has been focusing on diversifying its portfolio by adding new sectors to minimize concentration risk. Apart from ICT & telecom and port, IDCOL has successfully included social infrastructure, hotel and tourism, economic zone, gas & other fuel-based infrastructure,

infrastructure backward linkage - sectors to its portfolio mix.

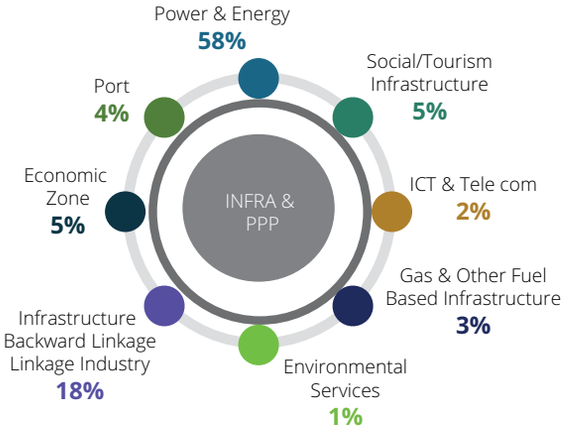
Evolving Portfolio Composition



Power sector exposure reduced to 58% from 87% over the last 5 years

IDCOL has been participating in various syndications for Infrastructure and PPP projects by maintaining good working relationship ties with banks and financial institutions. Alongside its regular lending operations, focus has been placed on loan arrangement & subsequent agency operation. A good number of arrangement deals have been signed with various sponsors from different sectors in the recent years.

Infrastructure and PPP Portfolio Composition (as of 31 December 2020)



NAVINGATING THROUGH A CHALLENGING YEAR - 2020

Despite the unprecedented challenges and set-backs posed by the outbreak of the Covid-19 pandemic at the beginning of 2020, IDCOL's Infrastructure & PPP segment fared reasonably well in this difficult year. The loan portfolio experienced a year-on-year growth of more than 23%. IDCOL achieved a number of new financing approvals, disbursements and financial closings in the power, economic zone, hotel & tourism, infrastructure backward linkages and environmental services sectors. The outstanding performance of IDCOL in infrastructure & PPP segment in a year of uncertainties has been captured in the key highlights below:

2020 IN NUMBERS

6 PROJECTS	10 PROJECTS	41 PROJECTS	4 PROJECTS
BDT Crore 909	BDT Crore 1,477	BDT Crore 346	BDT Crore 1,596
FINANCING APPROVAL	DISBURSEMENT	INTEREST INCOME	FUND ARRANGEMENT

2020 In Photographs



*IDCOL completed the entire **USD 70 million** financing to a 212 MW (HSD)/ 220 MW (Gas) power plant - being implemented by **Nutan Bidyut (Bangladesh) Ltd.** at Bhola, Barisal*



*IDCOL financed **BDT 159.79 crore** to **Meghna Industrial Economic Zone Ltd**- a 110 acre private EZ in Sonargaon. A portion of the financing was sourced from IPFF II Facility of Bangladesh Bank*



*IDCOL extended **USD 40 million** towards establishing a 113 MW HFO fired power project- **Confidence Rangpur Power Limited** at Rangpur*



*IDCOL approved and disbursed **BDT 100 crore** for a 30-key suites hotel by Doreen Hotels and Resorts Limited in Gulshan, Dhaka*



*IDCOL financed **BDT 225 crore** to **City Group** for setting up of **2 captive power plants** with an aggregate capacity of **39 MW***

ASIAN POWER AWARDS 2020

IPP of the Year- Bangladesh

FENI LANKA POWER LIMITED

IDCOL TOGETHER FOR TOMORROW

*IDCOL was the Mandated Lead Arranger and Lead Financier to **Feni Lanka Power Limited** – a power project awarded as **"IPP of the Year – Bangladesh"** by **Asian Power Awards***

RISKS AND OPPORTUNITIES OF INFRASTRUCTURE & PPP

OPPORTUNITIES

- **Growing Infrastructure Landscape**

  Bangladesh is ranked among the fastest growing economies in the world with its economy steadily growing at annual rate of above 7% for the past few years. Even during the pandemic in 2020, Bangladesh economy rose by 5.25%. HSBC report titled **"The World in 2030: Our long term projections for 75 countries"** says Bangladesh is poised to become the **26th largest economy in the world by 2030** from the current 42nd position. To keep up the economy's present growth rate and attain ambitious vision of the GoB, increased investment in envisaged in all major sectors of infrastructure. As per the outlook of Global Infrastructure Hub (a G20 initiative), Bangladesh will require **USD 105 billion infrastructure investment** in **next five years (2021-2025)**. This presents significant opportunity for IDCOL as it specializes in financing private sector infrastructure projects.

- **Long-term Financing in Local and Foreign Currencies**

  The external infrastructure credit lines has enabled IDCOL to extend **long term financing in both local and foreign currency (USD)** to eligible infrastructure & PPP projects. IDCOL has successfully utilized this unique advantage and positioned itself as a credible long term financier in the local market. This has created a **unique market position and brand image** for IDCOL.

- **Experience and Skilled Work Force**

  IDCOL has developed **three dedicated business units** that have skilled professionals with in-depth expertise and knowledge in their relevant sectors and the ability to effectively promote IDCOL's product offerings to the market to take this segment forward.

- **New Roles and Responsibilities**

  Apart from its regular lending operation, IDCOL has been focusing on **loan arrangements and subsequent agency operations**- which adds to the market presence and are good source of fee income.

RISKS AND MITIGATIONS

- **Implementation Risk**

  One of the major risks faced by IDCOL in financing large-scale, capital-intensive infrastructure projects is the risk of their implementation. To minimize the risk, projects from **sponsors with good track-record** are prioritized and detailed appraisal is undertaken by experienced to ensure the **feasibility of the project**.

- **Concertation Risk**

  Due to limited investment opportunities in different private sector infrastructure & PPP projects that meet IDCOL's stringent eligibility criteria, IDCOL has developed significantly higher exposure in the power sector. This exposed the portfolio to concentration risk. However, this risk is being gradually mitigated by **diversification into new eligible infrastructure sectors**.

- **Retention of Key Employees**

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

ENERGY EFFICIENCY

IDCOL is supporting the GoB's target of achieving 20% energy conservation by 2030

Long to short-term Concessional Financing

Long to short-term Market-based Financing

Financing Energy Efficient Projects

291%
GROWTH IN 3 YEARS
FINANCING ENERGY EFFICIENT EQUIPMENT

1.14
MILLION BRICKS/DAY
PRODUCTION CAPAPCITY OF GREEN BRICK PROGRAM

10.23
million
BENEFICIARIES UNDER ICS PROGRAM

1st
GREEN BUILDING PROJECT, "FORUM"

1.22
TON/ICS/YEAR
REDUCTION OF CO_2 EMISSION

FOCUS ENERGY EFFICIENCY SEGMENTS

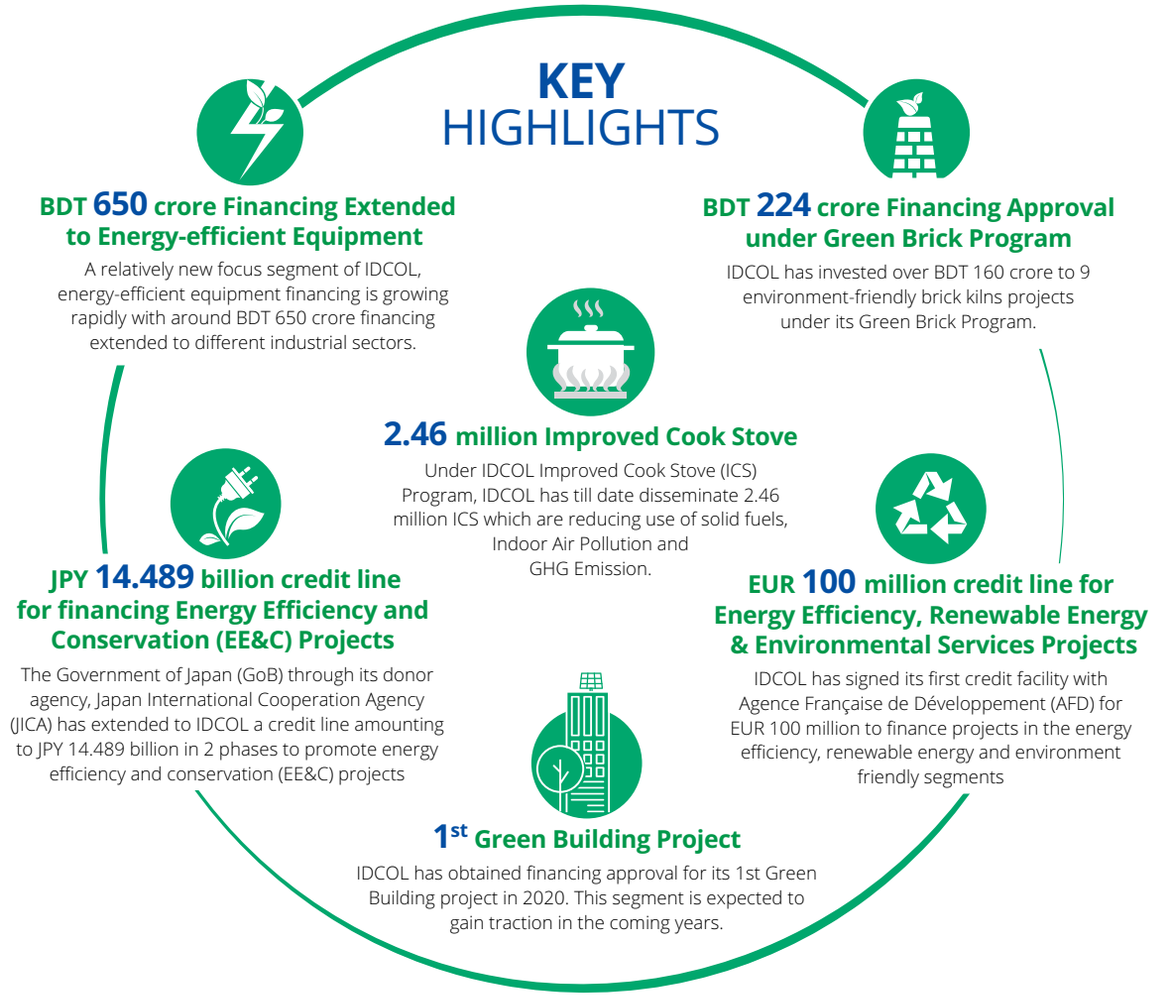

Energy Efficient Equipment


Eco-friendly Brick


Green Building


Improved Cook Stove

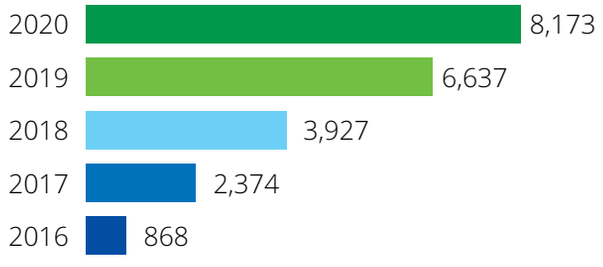
Key Highlights



BUSINESS MODEL

The three business units under the Investment Department - **Industrial & Energy Efficiency Finance (IEEF), Infrastructure Finance (IF) and Public-Private Partnership (PPP)** extend financing to the energy-efficient equipment, eco-friendly bricks and green building segments – following the same business model of infrastructure & PPP projects. Improved Cook Stoves follow a separate grant-based business model.

Loan Portfolio (BDT Million)



FINANCING ENERGY EFFICIENT EQUIPMENT

IDCOL has till date extended around **BDT 650 crore** financing to **10** energy-efficient equipment projects- including setting up of energy-efficient Vertical Roller Mills (VRM) machines in the cement industry and procurement of various energy-efficient machines in the spinning, textile and RMG sector. Energy-efficient equipment are financed with the external credit lines funded by JICA and AFD along with utilizing IDCOL's own funds- as required.

Over a period of only 3 years, IDCOL's portfolio in this segment has almost quadrupled – which reflects the growing financing demand for energy efficient equipment in the market. Currently, this segment accounts for 8% of IDCOL's total portfolio- which is expected to increase significantly in the coming years as IDCOL shifts it focus towards this segment.

FOCUS SECTORS FOR EE EQUIPMENT FINANCING


Spinning & Textile


RMG

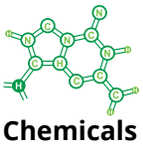

Cement


Glass


Pharmaceuticals


Steel


Food Processing


Chemicals

BENEFITS OF ADOPTING ENERGY EFFICIENT EQUIPMENT

Production Floor		
Enhanced productivity	Superior product quality and value	Competitive edge
Lower production costs	Enhanced asset value	Increased disposable time
Operation and Maintenance		
Extended life-time for plant & machinery	Reduced process / plant downtime	Deferred capital costs towards replacing plant and machinery
Working Environment		
Improved thermal comfort & lighting	Increased worker safety and well-being	Retain and attract skilled staff
Reduced health insurance costs	Improved labour productivity	Reduced noise levels
Environmental		
Reduced compliance costs, fines etc.	Reduced hazardous waste, dust etc.	Reduced CO, CO2, NOx, SOx emissions
	Other Economic	
Decreased liability/ risks	Re-investment of savings/ disposable income	New income streams; increased production capacity

Source: Ernst & Young LLP

Notable Achievements


VRM Installation


Clinker Feeding System

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



Energy Efficient Spinning Line

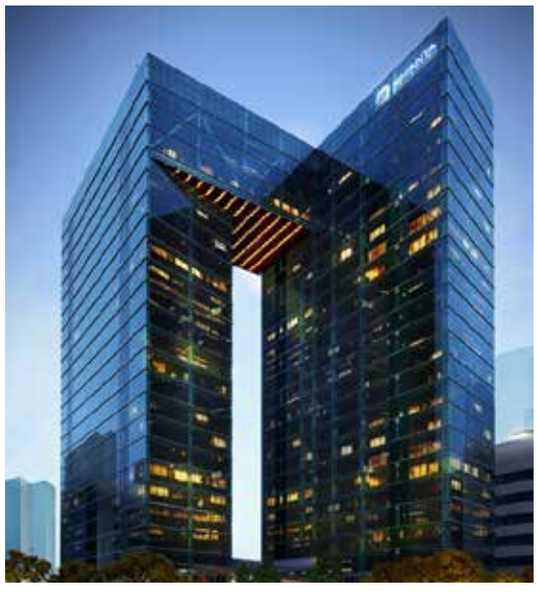


Energy Efficient Sewing Machine

Promoting Energy Efficient Equipment in Spinning, Textile and RMG Sectors

GREEN BUILDING

IDCOL has obtained approval for financing its **1st Green Building** project – an **energy efficient commercial building titled "FORUM".** The project is currently being implemented by Shanta Holdings Ltd. at Tejgaon, Dhaka. This is also IDCOL's first financing in the real estate sector. Under this segment, IDCOL finances a range of energy efficient equipment used in the external and internal construction of the buildings. Considering the increasing shift towards energy-efficient buildings, IDCOL will be looking into adding more commercial and industrial green buildings in its portfolio.



IDCOL to finance its 1st Energy-efficient commercial building "FORUM" by Shanta Holdings Ltd.

GREEN BRICK PROGRAM

To support the government's initiative to gradually replace the country's polluting FCK based brick sector with energy efficient and environment friendly ones, IDCOL launched its **'Green Brick Program'** in **2013** for setting up modern brick kilns using latest state of the art technology. Since then, IDCOL has been providing long term concessionary financing to encourage potential sponsors to set up environment friendly brick kilns.



In this regard, IDCOL approved around **BDT 224 crore** financing for **8 tunnel kiln and 1 HHK brick** projects, with aggregate daily production capacity of **1.14 million bricks.** Till date, over **BDT 160 crore** financing has been extended. IDCOL has also collaborated with Frankfurt School of Finance & Management GmbH (Frankfurt School) under the project, **'Technical assistance (TA) for financing brick kiln in Bangladesh'** supported

by United Nations Environment Program (UNEP) through funding from the Climate and Clean Air Coalition (CCAC).



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

RISKS AND OPPORTUNITIES

OPPORTUNITIES

- **Increasing Shifting Towards Energy Efficiency**

  The fast-paced economic growth in the recent years has transitioned Bangladesh into one of the largest energy consuming countries in the South Asian region. This also makes Bangladesh highly prone to a prime victim of the effects of climate change. To address this, the GoB has set an ambitious target of achieving **20% energy efficiency by 2030 across industrial, residential and commercial sectors.** There is significant energy efficiency potential in the industries sector in Bangladesh. Furthermore, it was reported by International Finance Corporation (IFC) that Bangladesh has **USD 120 billion** of climate-smart investment opportunity from **2018 to 2030 in energy efficiency and green building sector.**

- **Ability to Extend Long-term Concessional Financing**

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

RISKS AND MITIGATIONS

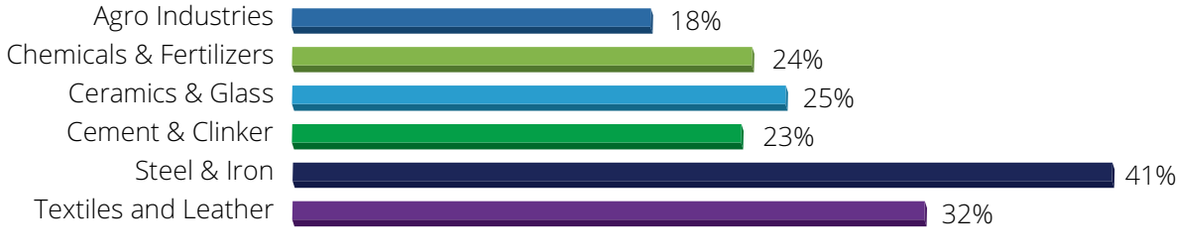
- **Adopting a New Segment**

  Considering the high potential, energy efficiency has become a new arena of focus for IDCOL- especially the industrial energy efficiency segment. As IDCOL quickly shifts towards capturing these new segments, the work-force face the challenge of adequately preparing themselves with knowledge and insight necessary to assess the feasibility of projects across various sectors. To mitigate this risk, IDCOL promotes **training and capacity development** for its employees to develop knowledge and understanding of the sectors.

- **High Exposure to Specific Industries**

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

ENERGY EFFICIENCY POTENTIAL ACROSS DIFFERENT SECTORS



Source: Asian Development Bank

IMPROVED COOK STOVE (ICS) PROGRAM

Key Highlights

Installation	**2.46 million**
Beneficiaries	**10.23 million**
Coverage	**61 districts**
Impact	Biomass savings: **1.54 ton/ICS/year** CO_2 Emission reduction: **1.22 ton/ICS/year**
Target	**5 million** stoves by **2023**



Improved Cook Stoves reduces GHG Emission and Indoor Air Pollution

IDCOL Improved Cook Stove (ICS) program was inaugurated by the Honorable Prime Minister of Bangladesh in **May 2013** with the aim to create a sustainable market for adoption of higher efficiency cookstoves in the country. The initial target of 1 million ICS installation in Bangladesh within December 2018 was successfully achieved by IDCOL in January, 2017 and since then, a total of **2.46 million ICS** have been installed till **December 2020**. IDCOL now aims to finance a total of **5 million ICS by 2023**. IDCOL has received necessary financial support from the GoB, the World Bank and Green Climate Fund (GCF) for implementing the program. IDCOL's ICS Program is the first clean cooking program in the world to receive GCF funding. The program is registered under the Clean Development Mechanism (CDM) and is certified to earn emission reduction credits issued by the UNFCCC.

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

PRIMARY OBJECTIVES

To reduce Green House Gas (GHG) emission by reducing use of cooking fuel,

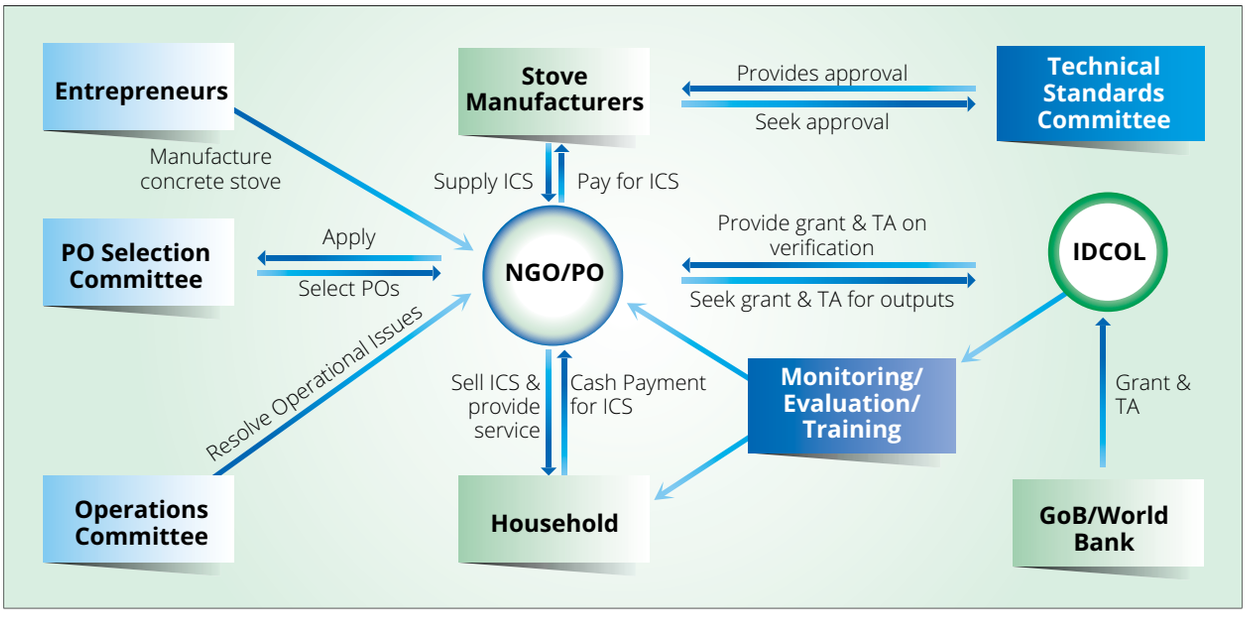
To reduce Indoor Air Pollution (IAP) which substantially affects women and children

To build local capacity and mass awareness for achieving 100% ICS coverage by 2030 as per Bangladesh Country Action Plan

PROGRAM STRUCTURE

The program is being implemented by a dedicated Project Management Unit (PMU) whereas IDCOL Board is responsible for oversight, policy guidance and monitoring of the PMU. The key players in the structure of the program are the donors, IDCOL, POs, stove manufactures, households, technical standard committees, entrepreneurs etc. The overall program structure is shown in the figure.

IDCOL undertook R&D initiatives with BUET to upgrade the stoves under the program from Tier 1(>=15%) to Tier 3 (>=35%) level of thermal efficiency. These stoves can be produced in decentralized Upazila level production centers using local resources. With the increase in thermal efficiency, the stoves burn lesser amount of fuel and therefore, GHG Emission and IAP decrease significantly. At present, all the stoves being disseminated under the Program are Tier 3 stoves and **reduce Particulate Matter (PM) and Carbon Monoxide (CO) emission by 20% and 90%** respectively.



RISKS AND OPPORTUNITIES OF THE ICS PROGRAM

Opportunities

- **Mass Awareness and Local Capacity Building about ICS**

  IDCOL ICS Program with a network of 56 POs will establish a strong base which includes local capacity building and mass awareness for achieving **100% coverage of Improved Cook Stove (ICS) by 2030** as per **Bangladesh Government's Country Action Plan for Clean Cookstoves**. With 85% population living in the rural areas, Bangladesh has a great market potential for ICS, more than 30 million households. IDCOL ICS Program has a target of disseminating ICS in 5 million households by 2023 of which 2.46 million ICS have already been installed.

- **Reducing Emission and Fuel Wood Saving**

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

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

- **Achieving Sustainable Development Goals (SDGs)**

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

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

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

Risks and Mitigations

- **Lack of Awareness among the End-users about ICS**

  Despite the numerous demerits, the households in Bangladesh are comfortable using traditional stoves. As traditional stoves users can make the clay-based stoves by themselves, they do not want to spend money to buy a new cookstove. This behavioral shift is a primary challenge and to address this, the program considers **awareness raising and demand creation activities** as the most important aspect of the program. IDCOL provides the demand creation incentives under the program to support POs in conducting these activities.

- **Scarcity of Skilled Staffs for ICS Program**

  A significant portion of sales employees do not consider their work as a respectable profession and therefore, POs face high rates of employee turnovers. Through **training and capacity building activities**, the program has ensured availability of skilled masons and technicians. IDCOL is also providing regular trainings on promotional activities to motivate the sales force of the PO.

- **Stove Usage Level**

  Some of the users tend to use the stove simultaneously with traditional stoves, or only use ICS for special occasions. As per IDCOL inspection data, such unused stove constitutes about 5% of the total installed stoves. For helping the users comfortably adopt ICS, IDCOL incorporated customer training programs and regular follow-ups under the program.

- **Lack of International Standard Testing Facilities for Cookstoves**

  There are a couple of testing labs in Bangladesh but none of these are ISO certified or internationally recognized for testing of cook-stoves. IDCOL undertook initiatives to establish testing facilities for cookstoves in Bangladesh and also established a technical monitoring facility for testing cookstoves in its own premises. IDCOL has signed contract with BUET to establish an ISO compliant testing facility which is essential to measure the impact of ICS in Bangladesh compared to the global standard.



The ICS Program is contributing towards achieving several SDGs

RENEWABLE ENERGY

IDCOL is actively facilitating the GoB's vision of achieving 10% electricity generation from Renewable Energy by 2025

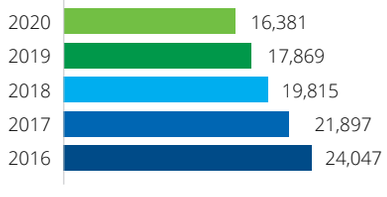
- Concessionary financing and grant supports
- Technical assistance and quality assurance
- Capacity development of stakeholders

12% OF POPULATION GOT ACCESS TO SOLAR ELECTRICITY

3,38,627 TONS OF ORGANIC FERTILIZER PRODUCED USING BIOGAS PLANTS

54,808 TONS FIREWOOD SAVING PER YEAR DUE TO BIOGAS PROGRAM

Loan Portfolio (BDT Million)



3.31 MILLION TONS KEROSENE SAVING DUE TO SOLAR HOME SYSTEM

250 LAC TONS CO_2 REDUCTION DUE TO SOLAR IRRIGATION PUMP

16,000 BENEFICIARIES UNDER IDCOL SOLAR MINIGRID PROJECTS

Focus Sectors for RENEWABLE ENERGY PROJECTS

- Solar Home System
- Solar Irrigation Pump
- Biogas Plant
- Solar Minigrid
- Solar Rooftop Project
- Solar Grid-tied Project
- Solar Telecom BTS
- Biogas Power Project

NOTABLE ACHIEVEMENTS



4.13 million Solar Home Systems

The 4.13 million Solar Home Systems (SHS) installed under IDCOL SHS program provides clean electricity solution to 18 million rural people living in the off-grid areas of Bangladesh



1,515 Solar Irrigation Pumps

Under IDCOL solar irrigation program, 1,515 pumps with around 40MWp capacity have been installed in 5 divisions of Bangladesh



57,092 Biogas Plants

IDCOL has financed construction of more than 57,092 domestic biogas plants which provide clean energy solution to around 256,914 rural people of the country



26 Solar Mini Grids

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



11 Rooftop Solar Projects

IDCOL has till date approved financing of 25 rooftop solar projects with total capacity of 31.35 MWp. Of these, IDCOL has financed the installation of 11 rooftop solar projects on the rooftop of 11 factories- having an aggregate capacity of 10.18 MWp

NOTABLE ACHIEVEMENTS (cont'd)



10 Biogas Based Power Projects

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

8 MW Grid-tied Solar Project

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





138 Solar-powered Telecom BTSs

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

70 MT per day capacity Battery Recycling Plant

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



IDCOL SOLAR HOME SYSTEM (SHS) PROGRAM

Key Highlights

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

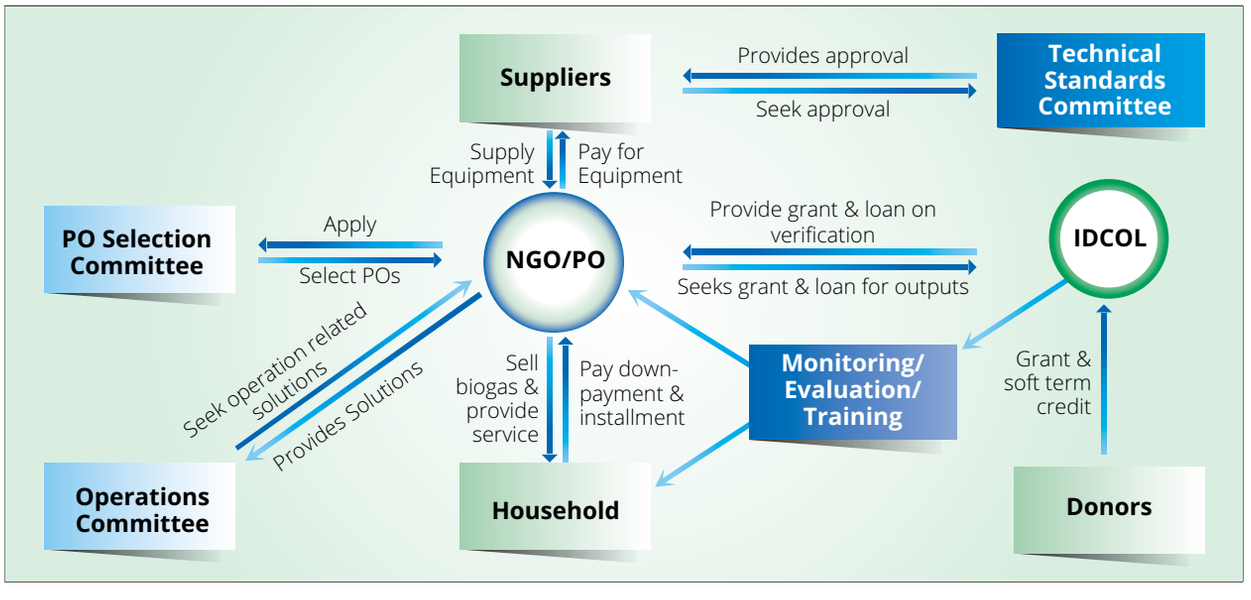
IDCOL started SHS program in **January 2003** to fulfil basic electricity requirement of the off-grid rural people of Bangladesh. IDCOL SHS program has been acclaimed as the largest off-grid electrification program in the world. Till date, about **4.13 million SHSs** have been installed under the program in the remote areas which enabled people to obtain electricity far sooner than would have been possible through grid electricity. Thus, the program has ensured supply of solar electricity to **18 million people i.e. 12% of the country's total population** who previously used kerosene lamps for lighting purpose.



Improved Cook Stoves reduces GHG Emission and Indoor Air Pollution

PROGRAM STRUCTURE

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



SHS Program Structure

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

IDCOL, through its **56 Participating Organizations (POs)** which are non-government organizations, micro-finance institutions, societies, foundations, and/or private entities, implemented the program. IDCOL provided subsidy and concessionary credit to the POs. IDCOL also provided promotional support and necessary trainings to ensure quality of the program. Till December 2020, IDCOL disbursed **USD 504.5 million (BDT 4172.7 crore)** as credit and channeled **USD 96.62 million (BDT 704.2 crore)** as grant to all the POs under the program.

BENEFITS OF THE PROGRAM

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

- **Study Hours and Schooling**

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



Studying at night with help of Solar Home System

- **Safety and Amenities**

  BIDS study also revealed that SHS households enjoy higher safety, comfort and convenience compared to non-SHS households. For instance, SHS user household members have higher sense of security at 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 members also suffer less from several types of preventable illness such as general ailment, respiratory diseases, and GI illness.

- **Benefits for Women**

  Women are one of main target beneficiaries of the SHS program. SHS has a positive influence on women's mobility, general and economic decision-making. Women are found to use more time for tutoring children, watching TV, socializing, visiting friends and neighbors with the adoption of SHS.



Weaving handicraft at night with help of Solar Home System

- **Employment Generation**

  The program has contributed towards development of local support industries and creation of more than **75,000 direct or indirect jobs**. It has successfully created and enhanced working opportunities for women and contributed to improving their living standards and social status in rural areas. Solar electricity also benefits small business as they can enjoy extended operating hours and earn more revenue.

- **Kerosene Saving:** The program has so far saved consumption of 3.31 million tons of kerosene worth USD 411 million (considering USD 0.30 per liter). The already installed 4.13 million SHS will save consumption of another 3.6 million tons of kerosene worth USD 1,300 million in the next 15 years. Therefore, total saving in terms of reduction in kerosene use is almost 3 times of IDCOL's total credit investment. This also reduces CO_2 emission and creates a positive effect on health as households now suffer less from respiratory diseases.

INSTALLATION OF RENEWABLE ENERGY SYSTEMS UNDER TR/KABITA PROGRAM

Based on IDCOL's experience in implementing various renewable energy programs and projects, particularly the globally acclaimed "Solar Home System (SHS) program" through its POs, a decision was taken in a meeting held at the honorable Prime Minister's Office on 23 February 2016 to involve IDCOL in TR/KABITA Program.

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

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

IDCOL also has a dedicated Call Centre which remains open every day from 8 AM to 9 PM except for Fridays and other government holidays to ensure customer service regarding any technical problem and after sales service. Dedicated short code (16653) has been taken for the Call Centre. Call center agents receive complaints from the customers and forward to the respective PO for resolving those. An integrated software is being used for recording, managing and tracking status of these complaints

IDCOL BIOGAS & BIO-FERTILIZER PROGRAM

Key Highlights

Initiation Year	**2006**
Installation	**57,092 plants**
Beneficiaries	**256,914**
Impact	**Firewood saving: 54,808 tons/year** **Fertilizer saving: 48,528 tons/year**
Target	**60,000 plants by 2021**



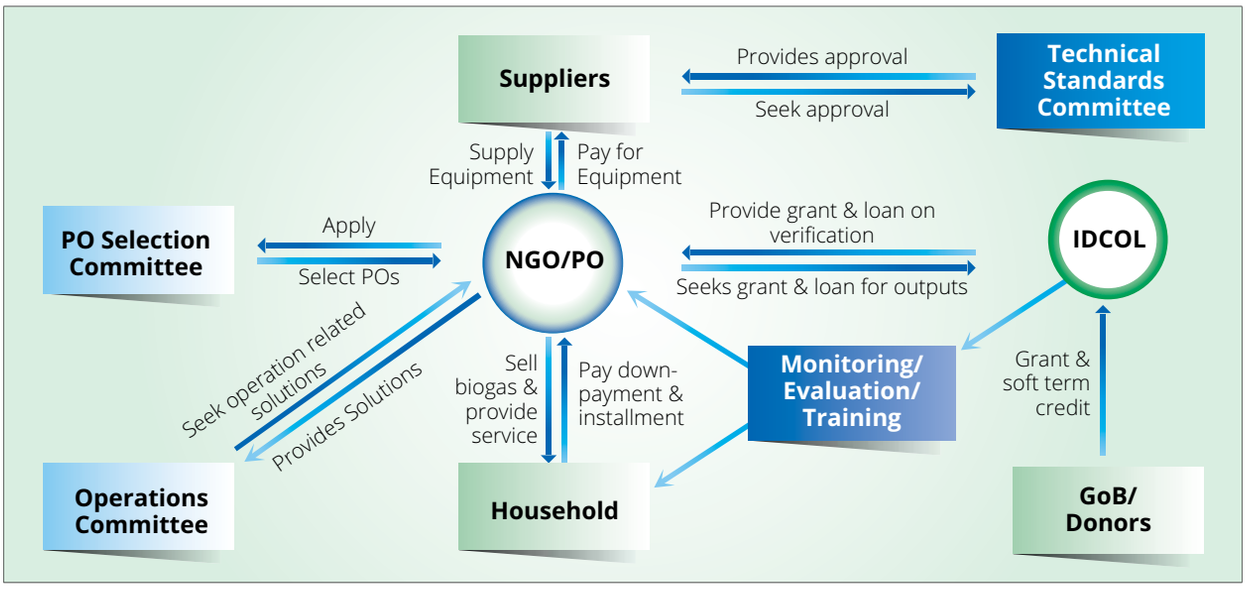
IDCOL Biogas & Bio-fertilize Program helping household of Bangladesh since 2006

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

Realizing the potential of this segment, IDCOL has been implementing its Biogas & Bio-fertilizer Program for households in Bangladesh since **2006** with support from the World Bank, KfW Development Bank and SNV Netherlands Development Organization. IDCOL has registered the program as a CDM project under UNFCCC. The objective of the program is to develop and disseminate biogas plants with the ultimate goal of establishing a sustainable and commercial biogas sector in Bangladesh. **More than 57,092 biogas plants** have been constructed till December 2020 through Participating Organizations (POs). These plants provide clean energy solution to around **256,914 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 are known as POs. The POs identify project areas and potential customers, extend microcredit, procure appliances from IDCOL approved suppliers, construct the plants and provide maintenance and after-sales supports. An independent PO Selection Committee has the responsibility for selection of POs under the program. Technical Standards Committee finalize and upgrade the design of biogas plant and its technical standards, specification of raw materials to be used, set technical standards of appliances and give approval of those. Chaired by the ED and CEO of IDCOL and consisting of program-in-charges from all POs and representatives from IDCOL, the Operations Committee regularly meets to look after the operational aspects of the program. The basic program structure is as follows:



Program Structure

BENEFITS OF THE PROGRAM

- **Cost Savings**

  By providing gas for cooking purpose, the program has lowered the usage of firewood by **approximately 54,808 tons per year** which results in an annual savings of **USD 4.32 million**. Decrease in the use of traditional stoves burning biomass reduces household air pollution. Biogas plants constructed under the program generate around **338,627 tons** of organic fertilizer each year **–"Bio-slurry"** and save approximately **48,528 tons of chemical fertilizer** worth **USD 10.78 million**. Bio-slurry is also an excellent food source for fish.

- **Prefabricated Bio-digester**

  From 2014, IDCOL is financing prefabricated bio-digesters along with conventional brick-cement based biogas plants. Prefabricated bio-digesters can be relocated after installation, take less time to be installed and can be fixed easily if damaged. Furthermore, they are factory made, do not require

masonry during installation, and adverse weather conditions do not affect installation.



Prefabricated bio-digester based on fiberglass

- **Employment Creation**

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

SOLAR IRRIGATION PROGRAM

Key Highlights

Initiation Year	**2012**
Installation	**1,515 solar pumps**
Beneficiaries	**Over 60,000 farmers**
Impact	**Replacement:** **12,120 diesel pump** **Electricity generation:** **40 MWp**
Target	**10,000 by 2025**

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

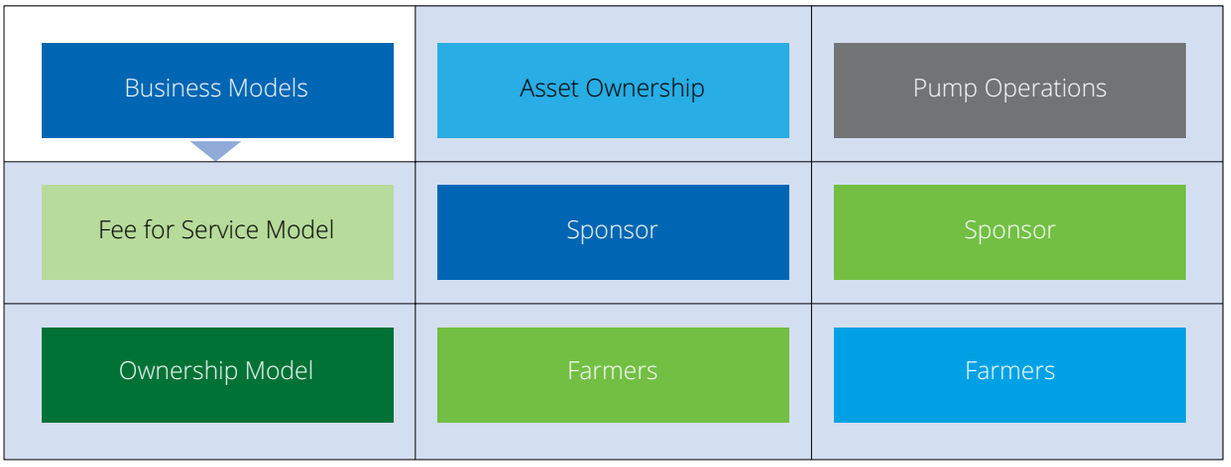


Solar Irrigation Program-an innovative, economic and environment-friendly solution for the agro- based economy of Bangladesh

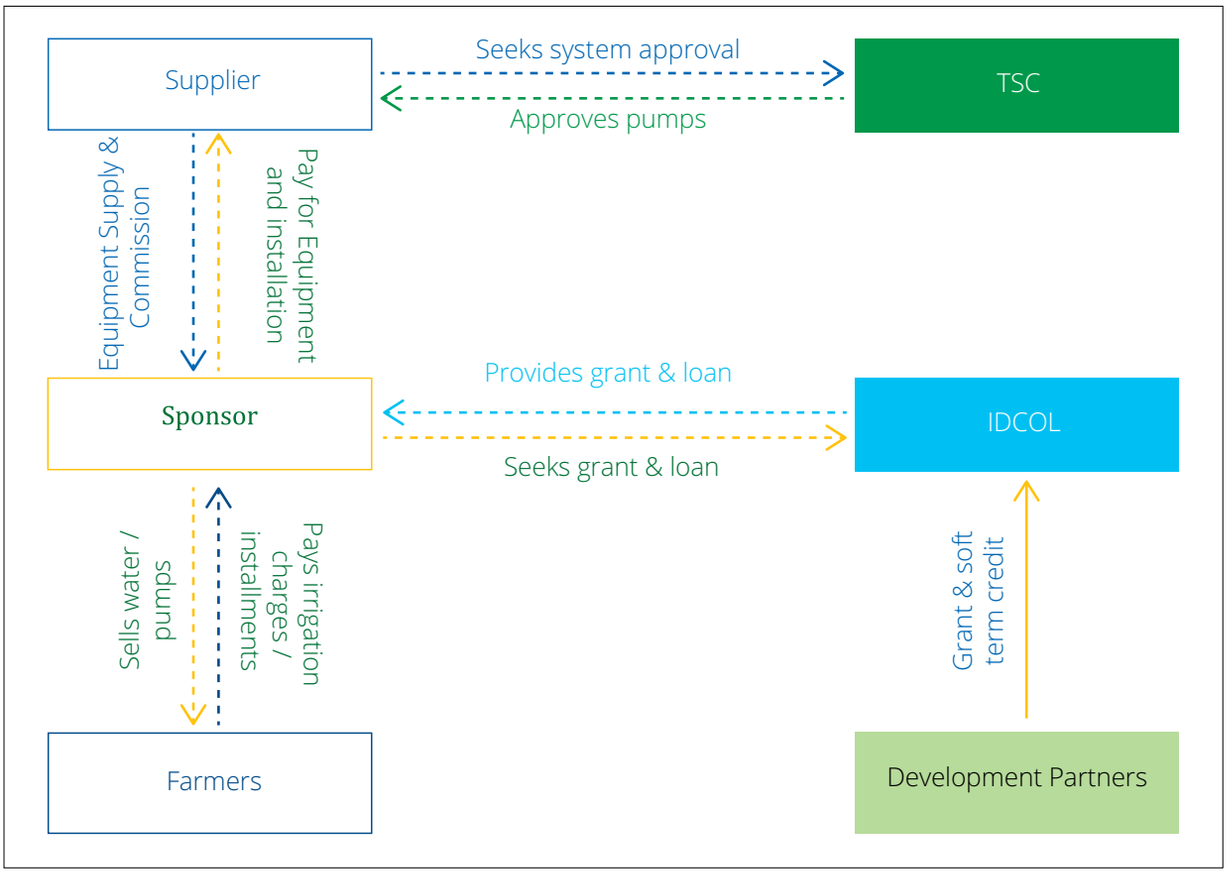
Solar based irrigation system is an **innovative, economic and environment-friendly solution** for the agro- based economy of Bangladesh. IDCOL Solar program is intended to provide irrigation facility to off-grid areas and thereby reduce dependency on fossil fuel. Till date, IDCOL has approved **1,630** solar irrigation pumps of which **1,515** are already in operation. The remaining pumps will come into operation shortly. IDCOL has a target to finance **10,000 solar irrigation pumps by 2025**. The World Bank, KfW, GPOBA, JICA, USAID, ADB and Bangladesh Climate Change Resilience Fund (BCCRF) are supporting this initiative.

PROGRAM STRUCTURE

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



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



MAJOR PROGRAM RESULTS

- **Partner Network Development**

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

- **Geographic Coverage and Capacity Development**

  IDCOL solar irrigation program has presence in **5 divisions** of the country and is covering **17 out of 64 districts** in those divisions. IDCOL is currently working in **46 sub-districts** of these 17 districts. IDCOL has a plan to expand program activities is all the sub-districts of the country. Under the program, IDCOL trained **more than 9,000 farmers**, operators and sponsors' officials

- **Product Development**

  In 2011, there were only 6 suppliers under the program which gradually increased to 24 in order to cater on the created demand for solar irrigation pumps. With the increased number of suppliers, multiple pumps of different country origins have been introduced under the program. Introduction of new ranges of products allowed pump **price to reduce by about 65%** than the prices during first phase of the program.

- **Reduction of CO_2 Emission**

  A single irrigation pump can replace about 8-10 diesel pumps and thus can reduce emission of CO_2 of about 32 tons per year. With successful implementation of IDCOL's **10,000 solar irrigation pumps**, around **250 lac tons of CO_2 per annum.**

- **Increased Productivity and Household Income**

  Having the opportunity to irrigate the fields on time leads to increased productivity, reduction of cultivation cost and ultimately boost yield of the farmers. With proper irrigation system, farmers can harvest vegetable more than twice during this season which was not possible before. Moreover, farmers have enough free time to do some other works. All these have helped improve their household income.

- **Women Empowerment**

  The rural women actively help their husband in agriculture especially during land preparation and seed sowing as these have become less burdensome due to solar irrigation pumps. Women can now participate more actively in income-generating and social activities, which gives them a sense of empowerment.

- **Lessen the Government's Burden of Fuel Subsidy**

  Through the replacement of diesel pumps, the program also reduces government's burden of fuel subsidy for the agriculture sector as well as for diesel imports, enabling increased public investment in other sectors such as health and education.

- **Testing and Standards**

  The TSC now requires testing of solar pumps before providing approval. With the requirements of such testing going up, IDCOL established a technical monitoring facility which consists of necessary equipment and resources for carrying out tests of solar irrigation pumps at the laboratory as well as at the fields.

- **Financial Innovation Award**

  Solar-powered irrigation systems are gaining popularity owing to IDCOL's cost-effective financing and innovative business models. In recognition of this innovation, IDCOL won the prestigious **Karlsruhe Sustainable Finance Awards 2020** in the "**Outstanding Sustainable Project Financing"** category for implementing Solar Irrigation Pump (SIP) Project in Bangladesh.

  In the same year, IDCOL won the prestigious **Asian Power Awards 2020** in the "**Solar Power Project of the Year-Bangladesh"** category for implementing **Solar Irrigation Pump (SIP) Project in Bangladesh.**

SOLAR MINI-GRID PROJECTS

Key Highlights

Initiation Year	**2014**
Installation	**26 mini-grid projects**
Beneficiaries	**16,000**
Coverage	**7 divisions**
Impact	**Grid quality electricity : 24x7** **CO_2 reduction: 29,300 tons**

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

by river or sea. As such, it was challenging to reach out to those population with grid electricity. In this backdrop, solar mini-grids implemented by the private sector under IDCOL financing provided access to **grid quality electricity for 24/7** to these rural population and played an important role to complement the commitment of the GoB to ensure Electricity for all by 2021. Located in river and sea islands, **26 IDCOL solar mini-grids** have not only provided improved electricity services to the rural inhabitants but also encouraged huge economic activities which otherwise are not possible to be served by SHS.



Solar mini-grids installed in remote islands of the country

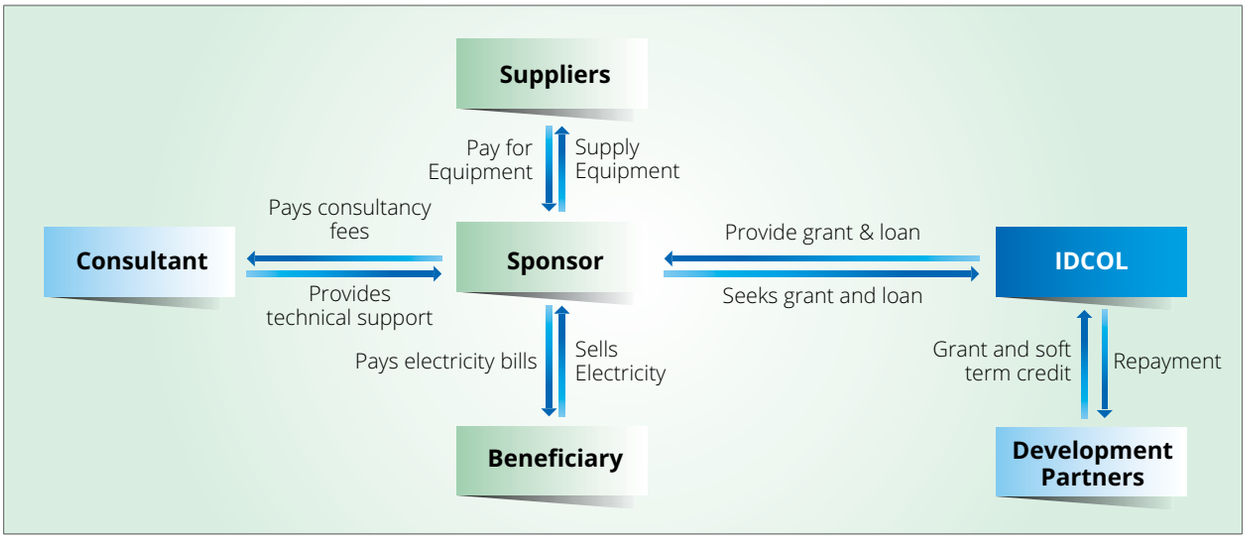
IDCOL extended 50% of the project cost as grant and 30% as long-term concessionary loan to the private sector sponsors so that they can offer electricity services to the rural people at an affordable tariff. The remaining 20% of the project cost was put in as equity by the sponsors. IDCOL sources the required financing from the World Bank, KfW, GPOBA, JICA, USAID, ADB and DFID to implement these solar mini-grids.

PROGRAM STRUCTURE

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

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

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



Solar Mini-grid Program Structure

BENEFITS OF THE PROGRAM

- **Partner Network Development**

  IDCOL currently has **20 sponsors** under solar mini-grid projects which have dedicated workforce to run these plants.

- **Geographic Coverage**

  26 solar mini-grid projects are currently operational in river and sea-islands in **7 divisions** of the country.

- **Sustainable Business Model**

  IDCOL has developed a business model that ensures affordable electricity tariff for customers as well as reasonable return for the sponsors under solar mini-grid projects with minimum return on equity being 13%-15% and payback period being 7~8 years. Besides, sponsors using **prepaid metering system** ensures **100% collection efficiency.** Prepaid meter helps them better monitor their energy consumption and motivates them for energy conservation, thus reducing wastage. IDCOL also directs the sponsors to promote use of energy-efficient appliances to reduce the monthly electricity bills for consumers.

- **Enlistment of New Suppliers**

  IDCOL solar mini-grid projects encouraged several suppliers to start manufacturing of 2V battery. Besides, few local suppliers have emerged that are capable to provide installation and commissioning services to these projects.

- **Establishing Regulatory Framework**

  IDCOL is pursuing the government to establish a regulatory framework to safeguard private sector investments in solar mini-grids. Previously, IDCOL and SREDA successfully facilitated through Department of Environment to mark solar mini-grid projects in **'Green'** category (all power projects were marked as Red category by the Department of Environment).

- **Promoting Use of Energy Efficient Appliances**

  IDCOL arranges training to raise awareness among customers about the benefits of using energy-efficient appliances. Besides, IDCOL encouraged different manufacturers to keep energy-efficient appliances available in the vicinity of solar mini-grid areas. Use of such appliances not only enables the customers to afford maximum electricity benefits but also allows the projects to serve more customers with the electricity saved.

- **Economic Impact Created by Solar Mini-Grids**

  Being a reliable source of electricity, solar mini-grids have successfully contributed towards creation of a vibrant economy in rural areas. Under the projects, about **14,445 connections** have been made so far of which **73.5% are households** and the remaining **26.5% are commercial entities** engaged in different income-generating activities and other productive uses. Customer of such categories include shops, workshops (steel, furniture, carpentry), rice mills, saw mills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospital/clinic, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosque, madrasahs, etc. Many entrepreneurs have been created in these areas because of successful mini-grid interventions. Total number of connections under solar mini-grids are expected to be **20,538** which are estimated to provide electricity access to **more than one lac rural population.**

- **Reduction of CO_2 Emission**

  The solar mini-grid projects contributes towards CO_2 emission reduction target of the country by replacing diesel-based power generation units. A typical solar mini-grid plant of 250 kWp capacity may cater to energy needs of about 750 customers including households, offices, shops, mosque, madrasha etc. Considering kerosene consumption per customer per month of about 2.70 liters while CO_2 emission factor from per liter of kerosene is about 2.41 kg/liter, CO_2 emission reduction from a solar mini-grid is estimated to be about **58.6 tons in a year and 1,171 tons in 20 years.**

IDCOL ROOFTOP SOLAR PROGRAM

Key Highlights

Initiation Year	**2017**
Installation	**11 rooftop solar projects** **10.18 MWp**
Pipeline	**14 projects** **21.17 MWp**
Target	**371 MWp by 2025**



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

As per the 8th Five Year Plan, 10% of power generation has to be sourced from renewable energy by 2025. This means that at least 4,000 MW of electricity to be sourced from the Renewable Energy by 2025. The country is a good recipient of solar irradiation, which is conducive to achieving the target. Yet the challenge for implementing the target is the scarcity of usable lands for such projects as Bangladesh is a densely populated country. Notably, **installation of 1 (one) MWp solar power plant requires about 3~4 acres of land.** Considering the scarcity of land, Rooftop Solar projects can be an effective component towards the shift to renewable energy.

Since the launching of **IDCOL Rooftop Solar Program** in **2017**, it has been showing great prospects at overcoming the challenge and has already come into prominence. The product has already been able to attract the industry players and many foreign and national solution providers. Under such arrangement, unused roof space of buildings across the country can be converted to space for generating electricity. IDCOL's target is to implement such projects with industries as the projects can be implemented at large scale and maintaining quality.



2.66 MWp Rooftop Solar Project of Square Textiles Ltd.

IDCOL has a target to finance a total capacity of **371 MWp by 2025**. Until now, financing has been approved for total **25 projects** with cumulative capacities of **31.35 MWp** and **11 projects** with capacities of **10.18 MWp** are now in operation.

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

With the rise of grid electricity prices and falling solar panel costs, the rooftop solar has become a very cost-effective power solution for the industries. The GoB has already enacted the **Net Metering Policy in 2018** that allows excess electricity from roof-top system to adjust against the grid electricity which ensures optimum use of the generated electricity and increases investment viability of such systems. In addition, electricity from such sources helps promote green credentials for industries.

PROGRAM STRUCTURE

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

- **CAPEX Model:** In this model, the owner of the roof owns the rooftop PV assets and invests the required equity and arranges finance. The benefit of the borrower here comes from saved electricity generated through captive consumption of solar energy and saved electricity bills. Besides, any excess electricity after self-consumption that is generated from the system may be supplied to the distribution grid, and in exchange the owner can either import equal amount of electricity from the grid or receive price of net amount of exported electricity as per the net metering guideline.
- **RESCO/OPEX Model:** In this model, a third-party renewable energy service company (RESCO) leases out rooftop space from a roof-owner to install the solar system, generate and sell entire electricity generation to the rooftop owner under a power purchase agreement executed between the RESCO and the roof-owner. In this case, the rooftop PV assets are owned and the required financing is arranged as equity and loan by the RESCO.

MAJOR PROGRAM RESULTS

- **Energy Security**

  Solar is a sustainable source of electricity which helps ensure alternative source of electricity for the industry owners and thus helps towards ensuring energy security.

- **Financial Benefits**

  Rooftop solar is cheaper than grid electricity. Once connected through the Net Metering, the beneficiary will be able to feed excess electricity to the grid which will be adjusted against the grid electricity bills. Given the costs of solar PV based system, rooftop solar projects have payback period of 5~6 years.

- **Green Initiative**

  Using rooftop solar-based power solution enhances green credentials for industries.

- **Project Benefits**

  Rooftop solar projects are easy to implement, and the installed equipment require minimum maintenance. Therefore, the industries can enjoy environmental-friendly and cost-effective power solution without having to worry about technical complexities.

- **Concessionary Financing and Technical Support**

  The attractive features of IDCOL Rooftop Solar program include concessionary financing with attractive terms as well as technical and monitoring support. As part of its due diligence, IDCOL reviews technical design & equipment selection, conducts project cost verification, and monitors project performance during project operation period. The Technical Standard Committee (TSC) of IDCOL has established a pool of experts under the program who work as Independent Engineers and conduct technical review of the projects during project appraisal, construction and due diligence stages. Notably, these experts are also the leading solar energy experts of the country.

BIOGAS BASED POWER PROJECTS

IDCOL finances commercial biogas-based electricity projects by providing poultry and dairy farms up to 80% of the project cost as long-term concessionary loan. Such projects allow these farms to comply with the environmental compliance requirement of installing biogas plants while using the generated electricity for captive consumption. Since **2006**, IDCOL has financed installations of **10 large-scale biogas projects**. The capacity of each of these biogas systems ranges from **10 to 400 kW.**



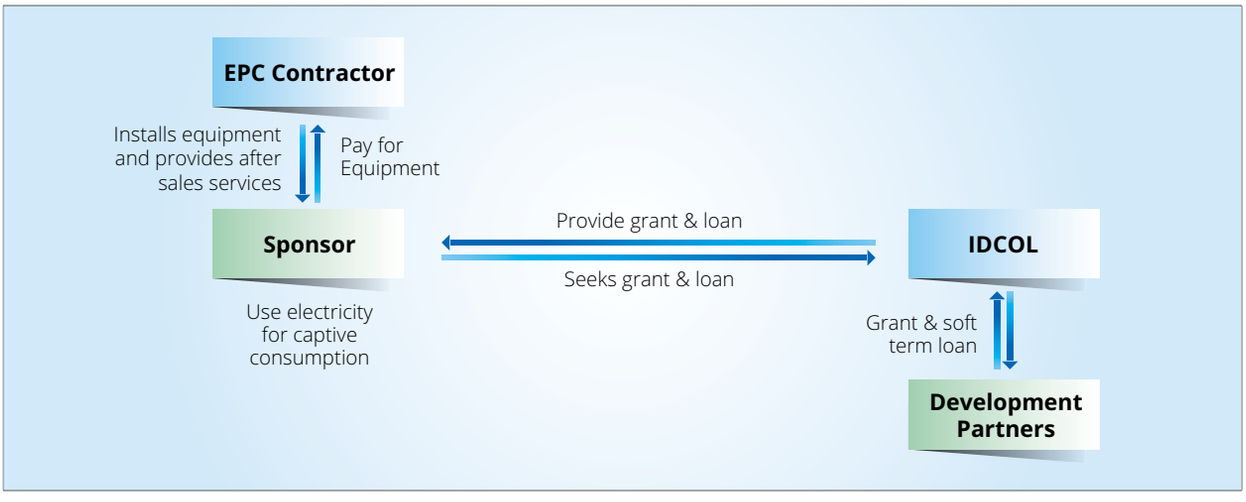


2.66 MWp Rooftop Solar Project of Square Textiles Ltd.

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

PROGRAM STRUCTURE

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



Biogas Based Power Projects Program Structure

BENEFITS OF THE PROGRAM

- **Reduction of CO_2 Emission**

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

- **Alternative Source of Energy**

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

RISKS & MITIGATIONS

- **Lack of Awareness**

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

- **Overcoming Technical Challenges**

  The operational biogas based power projects provided the base case and detail understanding of such projects. Nine 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 implementation of these technologies is expected to bring about necessary solution to make these projects more viable and sustainable.

- **Lack of Suppliers**

  Only a handful of suppliers are providing technical 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.

- **Lack of Research and Development**

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

- **Government Support**

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

OTHER RENEWABLE ENERGY PROJECTS

SOLAR GRID-TIED PROJECTS

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



8 MW Utility Scale Project by Sympa Solar Power Ltd.

BATTERY RECYCLING PROJECT

Recycling of batteries extracts lead from scrap battery repeatedly for reusing in new battery production. Thus the recovery of lead decreases the lead dispersion in the environment and preserves the mineral reserves for the future. The recycled lead can be used to meet the increasing demand of raw materials in the local battery industry. Manual recycling methods release large amounts of lead into the environment. Hence, such environment-friendly recycling plant will ensure the reduction of the release of the harmful chemicals into the air.



Lead-acid battery recycling plant by Panna Battery Ltd.



Lead-acid battery recycling plant by Panna Battery Ltd.

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

SOLAR-POWERED SOLUTION FOR TELECOM BTS

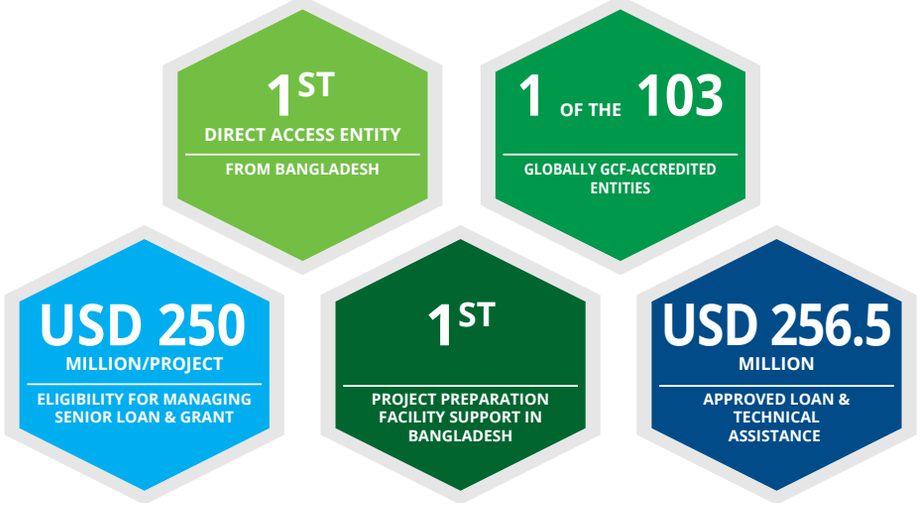
IDCOL has financed solar-powered solution for 138 telecom BTSs in off-grid areas of Bangladesh. With over 3,000 BTSs located in off-grid areas, many of which suffer from frequent power outages, solar-powered solutions provide a novel approach to provide continuous power to telecom BTSs, ensuring uninterrupted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

MONITORING AND QUALITY CONTROL OF PROJECTS

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

GREEN CLIMATE FUND

GREEN CLIMATE FUND



BACKGROUND

At the 2009 UN Climate Change Conference in Copenhagen, the developed countries committed to jointly mobilize a climate fund to address the needs of developing countries and to help them adapt to climate change and grow in a climate-compatible manner. Since inception, Green Climate Fund (GCF) is playing a key role in the process and a significant portion of this commitment will flow through this funding entity.

IDCOL: BANGLADESH'S 1st ACCREDITED ENTITY OF GCF

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

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

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

APPROVAL OF COUNTRY'S 1st CONCESSIONAL CREDIT LINE UNDER GCF

On 10 November 2020, IDCOL received approval of its first GCF funding proposal titled "**Promoting private sector investment through large-scale adoption of energy-saving technologies and equipment for textile and readymade garments sectors of Bangladesh."** This approval marks the arrival of the first concessional GCF credit line for Bangladesh, as well as the first private sector financing of GCF in the country. At the time of approval, this was also the highest approved funding proposal for any DAE of GCF, accredited globally.

Under the program, IDCOL will receive USD 250 million concessional loan for a tenor of 20 years with a grace period of 5 years and USD 6.50 million as Technical Assistance (Grant) for creation of enabling environment, market awareness and capacity building of the stakeholders from GCF. USD 100 million loan will be utilized by IDCOL to finance textile sector energy efficiency projects while USD 150 million loan will be channelled to selected local financial institutions for financing RMG projects.

PROJECT PREPARATION FACILITY (PPF)

IDCOL, as a DAE under the GCF can avail grant support in the form of Project Preparation Facility (PPF) for preparation of each project. GCF has, so far, provided PPF for 3 projects as grant to IDCOL which are the 1st of its kind for Bangladesh. 2 of the PPFs have been fully utilized to develop the approved funding proposal titled "Promoting private sector investment through large-scale adoption of energy-saving technologies and equipment for textile and readymade garments sectors of Bangladesh." This fund was sanctioned to start the necessary groundwork to assess and plan the most appropriate technologies to use, and best way to design and implement the program. The remaining PPF is now being used for developing another project proposal titled **"Climate Resilient Sustainable Coastal Forestry in Bangladesh."**

STRONG PIPELINE OF PROJECTS

At present, IDCOL holds a strong pipeline of climate change projects specializing in the domain of both adaptation and mitigation. The pipeline projects are as follows:

- *Climate Resilient Sustainable Coastal Forestry in Bangladesh (Expected Program size: USD 80.00 million, Executing Entity: Bangladesh Forest Department, Ministry of Environment, Forest & Climate Change, GoB)*
- *Scaling up solar-powered irrigation to ensure food security and enhance resilience in drought prone areas of Bangladesh (Expected Program size: USD 118.21 million, Executing Entity: IDCOL)*
- *Ensuring Clean Energy to the Industrial Sector of Bangladesh through Sustainable Rooftop Solar Programme (Expected Program size: USD 169.00 million, Executing Entity: IDCOL)*
- *Enhancing climate resilience of heritage sites in Bangladesh coastal region (Expected Program size: USD 50.00 million, Executing Entity: Department of Archaeology, Ministry of Cultural affairs, GOB)*

ADVISORY SERVICES

IDCOL has enriched its service offerings by providing advisory services in the country and abroad since 2014 by utilizing its expertise in Renewable Energy, Climate Finance, Project Finance, Financial Analysis, Financial Modeling and Project Management experience. In Bangladesh, IDCOL works closely with government entities and regulators to advise and assist in formulating policy, developing regulatory and institutional frameworks that support private investment and public-private partnerships in renewable energy and infrastructure development. Outside of Bangladesh, IDCOL provides advisory support for implementation and replication of IDCOL's renewable energy and infrastructure projects and programs.

5
ADVISORY ASSIGNMENTS IN 2020

170+
FOREIGN DELEGATES
RECEIVED SUPPORT FROM EXPERIENCE SHARING PROGRAM

1600+
PROFESSIONALS
TRAINED UNDER IDCOL TRAINING & CAPACITY BUILDING PROGRAM

ARRAY OF ADVISORY SERVICES

- **Financial Advisory**
- **Government Advisory**
- **Climate Consulting**
- **Project Advisory**
- **Transaction Advisory**
- **Policy Reform**
- **Capacity Building**

CLIENTELE BASE

IDCOL's consulting clients include United Nations Development Programme (UNDP), International Renewable Energy Agency (IRENA), Power Cell, Bangladesh Power Development Board (BPDB), Climate Vulnerable Forum, GIZ and Rural Energy Agency of Tanzania.

YEAR IN FOCUS- 2020

IDCOL has been awarded **5** advisory assignments in 2020.

1 Bangladesh has assumed the presidency of Climate Vulnerable Forum (CVF) and Vulnerable Twenty (V20) Group and the Hon'ble Prime Minister Sheikh Hasina is serving as Chair of the CVF since June 2020. In October 2020, the Prime Minister announced developing the **"Mujib Climate Prosperity Plan"**

(MCPP). This Plan, named after our founding father, Bangabandhu Sheikh Mujibur Rahman, is going to mobilize resources for a secured sustainable future of Bangladesh that will drive prosperity throughout the coming decade. It is the first of all CVF plans that is expected to serve as a template to inspire and facilitate the realization of similar plans in other CVF member states. IDCOL has been engaged by CVF-V20 to conduct power sector analysis and propose a holistic framework to realize low-carbon and climate-resilient power sector for the future Bangladesh. The Plan is expected to be launched in June 2021.



IDCOL is undertaking Power Sector Analysis of Bangladesh for "Mujib Climate Prosperity Plan"

IDCOL has been executing two (02) advisory assignments by UNDP as part of a consortium for **"Updating and Enhancing the Nationally Determined Contributions (NDCs) for Bangladesh"** and for **"Conducting Training on Climate Change Adaptation Mainstreaming and Bankable Project Development Skills"**. A draft interim report of the enhanced NDC of Bangladesh was submitted to UNFCCC on 31 December 2020.

IDCOL has been advising Rural Energy Agency (REA) of Tanzania for establishment of a **Renewable Energy Investment Facility (REIF)** for enabling the scaling up of local private sector investment in Tanzania's renewable energy sector. The assignment includes doing a market study to assess the private sector investment landscape in renewable energy in Tanzania, structuring the institutional set up of REIF and formulating the operating guideline.

IDCOL was appointed by GIZ for conducting a training session during Digital German Training Week (D-GTW) on legal framework for solar PV project development in Bangladesh.

TRAINING AND CAPACITY DEVELOPMENT

TRAINING & CAPACITY BUILDING PROGRAM

- **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 Projects training courses and various capacity development workshops such as Investment in Energy Efficient Brick Project, Financing Utility Scale Solar Project, and Industrial Energy Efficiency etc. Till date, more than 1600 professionals have been trained under its Training and Capacity Building Program of IDCOL. IDCOL officials have also trained in workshops arranged in foreign countries i.e. Singapore, Indonesia, North Cyprus, Sudan, Uganda, Iran and Cambodia.

EXPERIENCE SHARING PROGRAM

- **Supported more than 170 professionals from over 18 delegations around the world**

  A number of emerging countries all over the world are interested to replicate IDCOL renewable energy model in their respective countries. Considering the huge demand in international market, IDCOL has started providing advisory services and on the job training on rural electrification and renewable energy program implementation to different countries. So far, IDCOL supported more than 170 professionals from over 18 delegation around the world including Uganda, Sudan, Rwanda, Guinea, Ethiopia, Mali, Gambia, Niger, Senegal, Mauritania, Cambodia, Pakistan, Afghanistan, Myanmar, Nepal, Thailand, UK, and Switzerland for implementing similar projects/programs in their country.

EVENTS & **ACHIEVEMENTS**





IDCOL Won Karlsruhe Sustainable Finance Awards 2020

IDCOL won the Karlsruhe Sustainable Finance Awards 2020 in the "Outstanding Sustainable Project Financing" category for implementing Solar Irrigation Pump Project in Bangladesh. The award was given by European Organization for Sustainable Development (EOSD), a dedicated body established for developing strategies, programs and initiatives and undertaking projects that contribute to implementing the EU Strategy for Sustainable Development. The 'Outstanding Sustainable Project Financing' award recognizes success in financing projects that benefit local communities, protect the environment and ensure reliable returns to investors and lenders. IDCOL was conferred the award based on successful introduction of green finance initiative to smallholder collectives and farmers through an innovative business model.





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

IDCOL Won ARE Awards 2020

IDCOL won the ARE Awards 2020 in the "Multilateral / International Organization" category for implementing Solar Mini-Grid projects in Bangladesh. The award was given by Alliance for Rural Electrification (ARE), a Brussels based non-profit global business association.

IDCOL was selected for developing a sustainable business model, ensuring productive access to electricity for the last mile population living in the off-grid areas and facilitating local industries through creating jobs and increasing business activities. In total, ARE received 77 applications this year among which 6 were selected as winners in different categories. IDCOL is the first organization from Bangladesh to receive this prestigious award.



IDCOL Won Asian Power Awards 2020

IDCOL won the Asian Power Awards 2020 in the "Solar Power Project of the Year-Bangladesh" category for implementing Solar Irrigation Pump Project in Bangladesh. The award was conferred through an event held digitally on 27 October 2020 by Asian Power magazine, a Singapore based quarterly publication for the power generation, transmission and distribution industry in the Asia Pacific region. Continuing on its 16th year, this award recognizes ground-breaking projects and trailblazing initiatives in the power sector in Asia.

Among other recipients of this prestigious award, Feni Lanka Power Limited, a fully owned subsidiary of Lakdhanavi Limited Sri Lanka was also awarded for its 114 MW HFO Fired Power Plant Project in Feni, Bangladesh. IDCOL was the Arranger of the transaction, the Intercreditor Agent and the Lead Financier of the project.



Highest Income Tax Payer Award for the AY 2019-2020

The National Board of Revenue (NBR) awarded IDCOL as the Highest Income Tax Payer for the Assessment Year 2019-2020 under the category of Non-Bank Financial Institution. NBR also presented Tax Cards in favour of Ms. Fatima Yasmin, Chairman, IDCOL & Mr. Mahmood Malik, Executive Director & CEO, IDCOL. Mr. Golam Dastagir Gazi (Birpratik), MP, Hon'ble Minister, Ministry of Textiles and Jute, Government of the People's Republic of Bangladesh, handed over the Award and the Tax Cards to Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL, at the award giving ceremony organized by the Large Taxpayers Unit (LTU) of NBR.



IDCOL won ICMAB Best Corporate Award 2019

IDCOL won ICMAB Best Corporate Award-2019 under "Non-Bank Financial Institution (NBFI)" category. Mr. Tipu Munshi, MP, Honorable Minister, Ministery of Commerce, Government of People's Republic of Bangladesh handed over the award to Mr. Jabed Emran, Chief Risk Officer, IDCOL on 25 February 2021.

The award was given based on the publicly disclosed information in the Annual Report for the FY 2019 as well as other performance indicators including capital adequacy, asset quality, earning quality, profitability, management efficiency, liquidity and funding, performance with respect to shareholders, external credit rating, business growth, financial inclusion, sustainable finance, corporate social responsibility, corporate governance, contribution to the national exchequer, regulatory compliance etc.



IDCOL Participated in Global Off-Grid Solar Forum and Expo

Infrastructure Development Company Limited (IDCOL) participated in a session highlighting the "Link between agri and off-grid energy solutions" in the Global Off-Grid Solar Forum and Expo 2020' organized by GOGLA and The World Bank Group.

Advances in technologies and more efficient appliances have brought productive use of solar energy solutions within reach of small scale farmers. Market for these products is estimated at $11.4B (in SSA) and has the potential to transform rural economies and address food security. The session presented findings from the PULSE report and explored the market growth opportunities for off-grid solar-powered solutions in the solar water pumping and agriculture pre and post processing segments. Mr. Shadman Bin Zahir represented IDCOL at this session.

IDCOL's First Credit Facility from Agence Française de Développement (AFD)

On 15 June 2020, a credit facility agreement of EUR 100 million has been signed between GoB and Agence Française de Développement (AFD) in Dhaka. A grant financing facility will also be provided by AFD to support eligible investments and portfolio preperation of the implementing agency. IDCOL as the implementing agency of the facility will povide long-term debt financing to energy efficient, renewable energy and environment-friendly projects in Bangladesh.

Members of IDCOL Board of Directors Visited Akuo Energy Project Site in France during International Study Tour under JICA Energy Efficiency Credit Line





Directors of IDCOL Mr. Abdul Haque and Mr. A. K. M. Nurul Fazal Bulbul accompanied by Mr. Mahmood Malik, Executive Director and CEO, IDCOL, visited project sites of Akuo Energy, France during study tour to Europe under JICA Energy Efficiency Credit Line.

Financing of Zodiac Power Chittagong Limited

On 10 February 2020, IDCOL disbursed a long term financing facility of BDT 168 crore to Zodiac Power Chittagong Limited for implementing a 54.36 MW HFO fired power plant at Patiya, Chattogram. Bank Asia Limited is IDCOL's co-financier in this project. As the Mandated Lead Arranger, IDCOL had raised the required BDT 263.6 crore financing for this project.





Financial Closing of Confidence Power Rangpur Limited

On 3 June 2020, IDCOL as the Mandated Lead Arranger closed a syndicated long-term debt financing arrangement of USD 40 million and BDT 207 crore for the establishment of a 113 MW HFO fired power plant by Confidence Power Rangpur Limited at Mithapukur, Rangpur. IDCOL as the Lead Financier, extended USD 40 million loan in this syndicated financing facility. Eastern Bank Limited and United Commercial Bank Limited financed the BDT portion of the loan facility.



Financing 1st project in the Economic Zone Sector – Meghna Industrial Economic Zone Limited

IDCOL together with 5 Participating Financial Institutions (PFIs) participated in a BDT 282.56 crore syndicated loan utilizing the IPFF II facility of the Bangladesh Bank to finance Meghna Industrial Economic Zone Limited. The projects Financial Closing was on 28 June 2020. This 110 acre private sector project marks IDCOL's entry into the EZ sector as well as IDCOL's first financing under the IPFF II facility. IDCOL also extended a commercial facility of BDT 113.02 crore to the same project.



Financial Closing of Feni Lanka Power Limited

IDCOL as the Mandated Lead Arranger raised USD 64 million for financing of a 114 MW HFO fired power plant –"Feni Lanka Power Limited" at Feni, Chattogram. The project's Financial Closing was on 30 September 2020 – which was followed by disbursement on 29 October 2020. IDCOL as the Lead Financier extended USD 29.5 million financing whereas the remaining portion was extended by OPEC Fund for International Development (OPEC Fund) and Islamic Corporation for the Development of the Private Sector (ICD).





SREDA Chairman and UNDP Team visited IDCOL Solar Irrigation sites

On November 6 and 7, 2020, Mr. Mohammad Alauddin, Chairman of SREDA along with officials of UNDP and IDCOL visited the sites of solar irrigation sites supported by the UNDP-GEF fund through SREPGen projects. The total capacity of the project is 848.44 kWp and the solar irrigation projects will provide subsidized irrigation to more than 1,700 farmers while covering 938 acres of land used for cultivation. Moreover, the projects will reduce the around 12,000 tons of carbon dioxide emission through replacing diesel pumps. The team also visited the first grid integration pilot situated at Kushtia, also supported by SREDA and UNDP-GEF under IDCOL funded solar irrigation project of BGEF. The pilot was a vital element in developing the Grid Integration Guideline for Solar Irrigation published in June 2020.

GREEN CLIMATE FUND

Event under GCF Project

On 23 November 2020, IDCOL organized a workshop titled, "National Stakeholder Consultation Workshop to Assess Risks Associated with Climate Resilient Sustainable Coastal Forestry in Bangladesh" on online platform Zoom, to develop an effective risk mitigation strategy for sustainable implementation of the project, "Climate Resilient Sustainable Coastal Forestry in Bangladesh."



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

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

03 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.

Serial No	Director's Name	No. Of Shares (Own)	Total Face Value Of Shareholdings (In BDT)
1.	Ms. Fatima Yasmin, Chairman	450	45,000
2.	Mr. Abdur Rouf Talukder, Director	50	5,000
3.	Mr. M. Tofazzel Hossain Miah, Director	50	5,000
4.	Mr. Md. Habibur Rahman, Director	50	5,000
5.	Mr. Abdul Baki, Director	50	5,000
6.	Ms. Nihad Kabir, Director	50	5,000
7.	Mr. Abdul Haque, Director	50	5,000
8.	Mr. A. K. M. Nurul Fazal Bulbul, Director	50	5,000
9.	Mr. Mahmood Malik, ED and CEO	50	5,000
Board members who retired since last year:			
1.	Mr. Monowar Ahmed, Director	450	45,000
2.	Mr. Md. Shah Kamal, Director	50	5,000
3.	Dr. Sultan Ahmed, Director	50	5,000
4.	Mr. Md. Sahabuddin Patwary, Director	50	5,000

Shareholding Structure of IDCOL

Serial No	Name	No. of Shares	Amount in BDT	Percentage
1	Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	71,499,000	7,149,900,000	99.99860%
2	Ms. Fatima Yasmin, Secretary, Economic Relations Division (ERD), Ministry of Finance	450	45,000	0.00063%
3	Dr. Ahmad Kaikaus, Principal Secretary to the HPM	50	5,000	0.00007%
4	Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue, Ministry of Finance	50	5,000	0.00007%
5	Mr. Abdur Rouf Talukder, Senior Secretary, Finance Division, Ministry of Finance	50	5,000	0.00007%
6	Mr. M. Tofazzel Hossain Miah, Secretary, Prime Minister's Office	50	5,000	0.00007%
7	Dr. Md. Jafar Uddin, Former Senior Secretary, Ministry of Commerce	50	5,000	0.00007%
8	Mr. Md. Habibur Rahman, Secretary, Power Division	50	5,000	0.00007%
9	Mr. Abdul Baki, Additional Secretary, Economic Relations Division (ERD), Ministry of Finance	50	5,000	0.00007%
10	Ms. Nihad Kabir, Senior Partner, Syed Ishtiaq Ahmed & Associates	50	5,000	0.00007%
11	Mr. Abdul Haque, Managing Director, Haq's Bay Automobiles Ltd.	50	5,000	0.00007%
12	Mr. A. K. M. Nurul Fazal Bulbul, Vice-chairman Central Depository Bangladesh Limited (CDBL)	50	5,000	0.00007%
13	Mr. Mahmood Malik, Executive Director and CEO, IDCOL	50	5,000	0.00007%
	Total	**71,500,000**	**7,150,000,000**	**100%**

BOARD OF **DIRECTORS**



Ms. Fatima Yasmin
Chairman, IDCOL



Mr. Abdur Rouf Talukder
Director, IDCOL



Mr. M. Tofazzel Hossain Miah
Director, IDCOL



Mr. Md. Habibur Rahman
Director, IDCOL



Mr. Abdul Baki
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

DIRECTORS' PROFILE



Ms. Fatima Yasmin

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

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

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

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



Mr. Abdur Rouf Talukder

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

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

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

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

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

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

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

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

Mr. M. Tofazzel Hossain Miah has been serving as Secretary, Prime Minister's Office since 9th January, 2020. Prior to his present position he worked as Private Secretary to the Hon'ble Prime Minister for almost two years.

A man of noble bearing Mr. M. Tofazzel Hossain Miah started his carrier in glorious BCS Administration Cadre in 1991. He is from 9th batch of Bangladesh Civil Service. In his long illustrious career, Mr. Tofazzel held various key positions including Director General, Private Export Processing Zones Authority and Director General-1 in Prime Minister's Office. He also worked in Ministry of Public Administration, Local Government Division, Ministry of Primary and Mass Education and Power Division. At the field level, he is one of the very few officers who successfully served as Deputy Commissioner and District Magistrate in three districts namely Dhaka, Cumilla and Panchagarh. Apart from that, he was Additional Deputy Commissioner in Sylhet, Upazila Nirbahi Officer of Monohardi in Narshingdi district and AC(Land) at Bagerhat Sadar.

Born in Pirojpur, Mr. M. Tofazzel Hossain Miah obtained both his Honours and Master's degree in English Literature from University of Dhaka. He also has a postgraduate degree in Early Childhood Development (ECD) from BRAC University. Mr. Tofazzel has the exposure to many trainings both at home and abroad. He received certificate on excellent performance on Land Administration He had undergone trainings on Project Management and Governance in UK, Vietnam and India. He is a prolific speaker on Governance and Development.

Apart from his professional career, Mr. Tofazzel is currently affiliated as Board of Director with Infrastructure Development Company Limited (IDCOL), Bangladesh Infrastructure Finance Fund Limited (BIFFL), British American Tobacco Bangladesh Company Limited (BAT), Bangladesh Petroleum Exploration Production Company (BAPEX), Titas Gas Company Limited, Grameen Bank and Biman Bangladesh Airlines. He is also a syndicate member of Netrokona Sheikh Hasina University, Jahangirnagar University and Ahsanullah Science and Technology University. Mr. Tofazzel is actively involved with scouting. Presently he is a National Commissioner of Bangladesh Scouts.

Mr.Tofazzel Hossain Miah visited different countries as part of official duty. He is married and blessed with one daughter and one son.



Mr. M. Tofazzel Hossain Miah
Director, IDCOL and Secretary,
Prime Minister's Office



Mr. Md. Habibur Rahman

Director, IDCOL and
Secretary, Power Division

Mr. Md. Habibur Rahman, Secretary, Power Division, Ministry of Power, Energy and Mineral Resources, joined as a Director of Infrastructure Development Company Limited (IDCOL) on November 28, 2020.

Mr. Rahman joined the Bangladesh Civil Service (Administration) cadre in 1991 and belongs to the 10th batch. He started his career as an Assistant Commissioner in the Office of the Divisional Commissioner Rajshahi and subsequently posted at the Office of the Deputy Commissioner, Natore and worked there as an Assistant Commissioner till February'93. Then he worked in the Refugee, Relief and Repatriation Commission at Cox's Bazar from March'93 to February'94. He was posted in the Office of the Deputy Commissioner Habiganj and went on to work as Assistant Commissioner (land) in Habiganj Sadar from April'94 to September'96. There after he worked as Assistant Director in the Bureau of Anti-Corruption from October'96 to November'98. Afterwards he was appointed as Assignment Officer in the Prime Minister's Office and worked there till September'01. As Senior Assistant Secretary he worked at Finance Division from January'03 to September'05 and at Ministry of Education from February'06 to May'07. The high point of his career has been his long stint of more than fifteen years in the Finance Division. He was one of the early bunches of officers who steered the transition from traditional method of budget making to the Medium-Term Budget Framework (MTBF). There, he worked as Deputy Secretary (Budget-1), joint Secretary (Budget 1) before eventually being elevated to the position of Additional Secretary (Budget 1) and was the lynchpin of national budget preparation for more than a decade. He was also a Budget Specialist in the Financial Management Reform Programme and Deepening DMTBF and Strengthening Financial Accountability Project of the Finance Division. He has been teaching all areas pertaining to Public Financial Management at the Institute of Public Finance and most other training institutes and has been instrumental in developing a critical mass of Civil Servants steeped in Public Finance.

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

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

Mr. Abdul Baki, Additional Secretary (World Bank Wing), Economic Relations Division, Ministry of Finance, joined the Bangladesh Civil Service in 1993. He did his Masters in Economics from Jahangirnagar University. He also completed Masters in Governance and Development from BRAC University.

He is a highly motivated, analytical and result-oriented project management professional with more than 28 years of experience driving results in complex and fast paced public sector environments. He experienced in lower judiciary, land management, project management, project preparation, public sector training management, dealing with development partners, debt management, debt servicing and negotiation etc. He has publication on Bangladesh: Unlocking the potentials of Demographic Dividend; Published in Bangladesh Journal of Public Administration, Volume XXII, Number II, 2014, Poverty Reduction, Growth performance and Governance: Policy implications for Bangladesh; Published in Bangladesh Journal of Public Administration, Volume XII, Number II, 2014, a study of policymakers understanding of response to climate change in Bangladesh Proshikkhon, BSTD 2016.



Mr. Abdul Baki

Director, IDCOL and Additional
Secretary, Economic Relations Division,
Ministry of Finance

He is a Director of both Infrastructure Investment Facilitation Company (IIFC) and Infrastructure Development Company Limited (IDCOL). He is a member of Core Committee on LDC graduation process monitoring and evaluation, ERD. He is a member of different professional bodies including Bangladesh Economic Association, Bangladesh Administrative Service Association, Australia Alumni Association Bangladesh. He joined a number of international conferences, seminars, meetings or events as head of delegation/ member of delegation on behalf of Bangladesh government.

Ms. Nihad Kabir is the President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), where she is serving her 4th consecutive term. MCCI, established in 1904, is the oldest chamber of commerce and industry in the country, representing large industry and trade. As President of MCCI, she is actively engaged in advocacy for the betterment of the economy, including for policy, process and legal reform. She is involved with entrepreneurship development in conjunction with the iDEA Fund and a2i. She participates regularly as a speaker and panelist in various forums, and has participated in various programs of BPATC, or which she is currently a member of the Board of Governors.

She is an advocate of the Supreme Court of Bangladesh and the Senior Partner of Syed Ishtiaq Ahmed and Associates, a leading law firm of the country, with many path breaking cases and legal solutions to her credits. She has 30 years of work experience as a lawyer, and has appeared internationally as an expert witness on Bangladesh law. Her expertise is in corporate and commercial law, as well as fiscal and labour laws. She is an independent director on the Board of Square Textiles Limited, and a Director of IDCOL, among others.

Ms. Nihad provides legal advice and services to several agencies of the Government of Bangladesh, as well as many leading multi-national and local corporates and non-governmental institutions including private universities in Bangladesh. She was the Vice President and a Committee Member of MCCI in the past. She was a member of the Drafting Committee for the Labour Rules under the Labour Act 2006, and assisted in drafting and reviewing many pieces of legislation; she is a member of the Company Law Reform Committee. She is a member of the Panel of Experts for the Padma Multipurpose Bridge Project and was a Member of the National Pay and Services Commission. She was the Treasurer and Secretary General of Ain O Salish Kendro, and is currently its Chairperson. Nihad was a member of the National Education Policy Committee. She was the first legal counsel of Bangladesh Securities and Exchange Commission, Bangladesh (BSEC), and worked as Counsel, Office of the General Counsel, Asian Development Bank, from 1996-2000.

Ms. Nihad worked as Counsel at the Asian Development Bank (ADB) from 1996-2000. She worked in projects in many countries in Asia and Indo-China, including China, Mongolia, Thailand, Vietnam, Cambodia and Lao PDR. She has undertaken many technical assistance assignments for the ADB in Bangladesh.

Ms. Nihad was elected as an Independent Director on the Board of BRAC Bank Limited in July 2007. In July 2015 she retired from the Board and joined as Nominee Director in November 2015. She is, among others, Director of bKash Limited, Infrastructure Development Company Limited (IDCOL), and Independent Director of Square Textiles Limited. She has taught Company Law in the Department of Finance, University of Dhaka.

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



Ms. Nihad Kabir
Director, IDCOL



Mr. Abdul Haque
Director, IDCOL

Mr. Abdul Haque is the Managing Director 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. He founded Japan Bangladesh Chamber of Commerce & Industry (JBCCI) with a view to promote trade and investment between Japan and Bangladesh. Later on he was made President of Japan Bangladesh Chamber of Commerce & Industry. 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 founder and current President of Bangladesh Reconditioned Vehicles Importers & Dealers Association, and former Co-chairman of JBCCEC. He was also a member of Executive Committee of SAARC Chamber of commerce and Industry. He also served as a member of the Board of Directors of Bangladesh Road Transport Authority, Janata Bank and Teletalk Bangladesh Ltd.

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

Mr. A.K.M. Nurul Fazal Bulbul 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 degree and enrolled in the Bangladesh Supreme Court Bar. Started his career as Management and Tax Consultant. Then he started El-Noor Corporation 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) El Noor Group etc. He is the Vice-Chairman of Central Depository Bangladesh Ltd. (CDBL) and Director of Infrastructure Investment Facilitations Company (Govt. owned PPP service Provider Company) from 2011. He is being Director of Infrastructure Development Company Ltd. (IDCOL) from April, 2018. He is the Advisor of Japan-Bangladesh Hospital, Sunlife Insurance Co., AML Group etc. He served as Founder Board Audit Chairman of EXIM Bank and as well as Chairman of IT and Green Banking. He was the Director of FBCCI, SAARC Chamber, IICI, OIC Business Forum, BCCI, Central Zakat Board and FBCCI Foundation. In mid 1990 he served as Group Management Consultant / Advisor of Akij Group, Navana Group, Padma-Sonali Group & Swedish Motors (Volvo) as well. He achieved 4 (Four) times CIP status (2008-2012). He is the promotor Director of Central Counterparty Bangladesh Limited and Disaster Recovery Company (Jashore) Limited.

He is the Trustee of two reputed University of Bangladesh i.e. EXIM Agriculture University & BIU 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 elected Secretary General of Gulshan Central Mosque & Eidgah Society.

Other than corporate affairs he vastly involved in CSR activities and sports through EXIM bank Foundation and Bangladesh Association of Banks (BAB). Moderator of many national seminar and workshop and



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

participated in 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, Commonwealth Society, NGHSA, SEACO, Private University Association and Bangladesh Bar Council.

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

His father late M. Noor was imminent Civil Servant and his mother late Fazilatun Noor was a social worker. His wife Advocate Shaila Bulbul was ex APP of Dhaka Judge Court and Notary Public for whole Bangladesh. His only son Ahmed Nafis Arafat and two daughters Nafisa Meena and Nafisa Madina are still studying under Cambridge curriculum. 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 Organizer of British-Indian independence movement.

N.F. Bulbul was elected General Secretary of National Student League in 1984 then he elected unanimous president. He played a significant role in democratic movement in 1990 and took the charge of the Chairman of central youth league. With this continuation he was elected as a member of central secretariat in Bangladesh Awami League Central Committee for two terms from 1992 to 2002. Almost 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 organizational politics and religiously involved in corporate social life.

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



Mr. Mahmood Malik
Executive Director & CEO, IDCOL

PROFILE OF **SHAREHOLDERS** OTHER THAN DIRECTORS



Dr. Ahmad Kaikaus
Principal Secretary to the HPM

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

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

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

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



Mr. Abu Hena Md. Rahmatul Muneem

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

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

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



Dr. Md. Jafar Uddin, Former Senior Secretary

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

Dr. Md. Jafar Uddin joined Ministry of Commerce on 16 September 2019. Previously he was the Secretary of the Ministry of Youth & Sports from 26 February 2019 to 16 September 2019. Before that he has joined Ministry of Youth & Sports as Secretary in charge on 26 February 2019.

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

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

He worked as Additional Secretary (Budget & Macro-Economy) in Finance Division prior to joining as Secretary in Charge. He is a member of Bangladesh Civil Service. He obtained Doctor of Business Administration (DBA) from the University of the East, Manila, Philippines in 2008, Master of Arts in Government Financial Management from the University of Ulster, United Kingdom in 2000 and Master of Commerce with Bachelor of Commerce (Honors) in Finance from the University of Dhaka, Bangladesh in 1983.

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

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

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

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

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

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

HALL OF FAME



Dr. Masihur Rahman

14 May 1997-14 January 2002



Mr. Anisul Huq Chowdhury

14 January 2002-22 July 2003



Mr. Mirza Tasadduq Hussain Beg

22 July 2003-24 February 2005



Mr. Md. Ismail Zabihullah

24 February 2005-23 November 2006



Mr. M. Rafiqul Islam

23 November 2006-22 March 2007



Mr. Md. Aminul Islam Bhuiyan

22 March 2007-2 November 2008

FORMER CHAIRPERSONS OF **IDCOL** BOARD OF DIRECTORS



Mr. M Musharraf Hussain Bhuiyan

2 November 2008-26 October 2011



Mr. Iqbal Mahmood

26 October 2011-18 January 2013



Mr. Md. Abul Kalam Azad

18 January 2013-20 February 2014



Mr. Mohammed Mejbahuddin

20 February 2014-30 January 2017



Mr. Kazi Shofiqul Azam

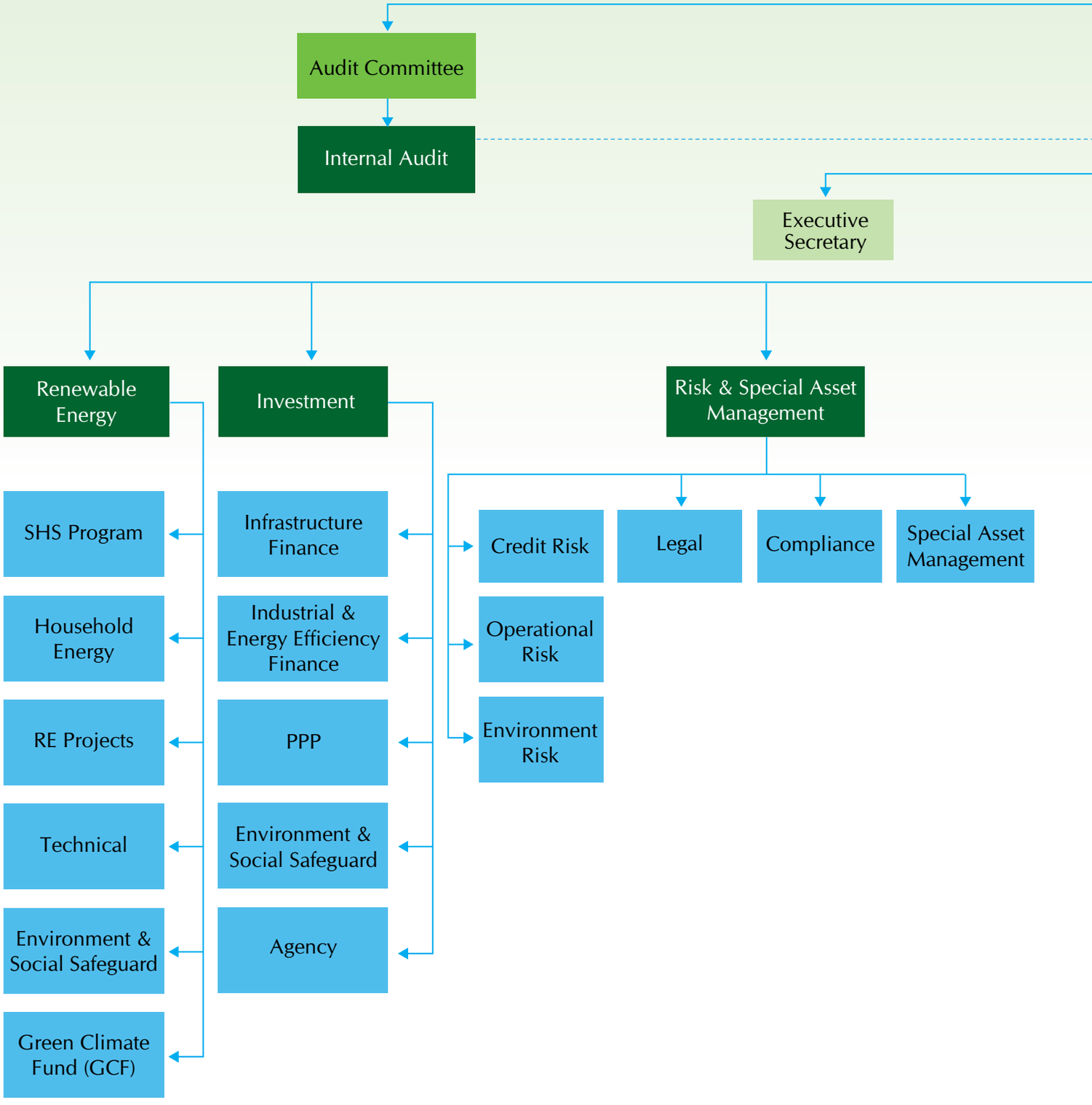
30 January 2017-20 November 2018

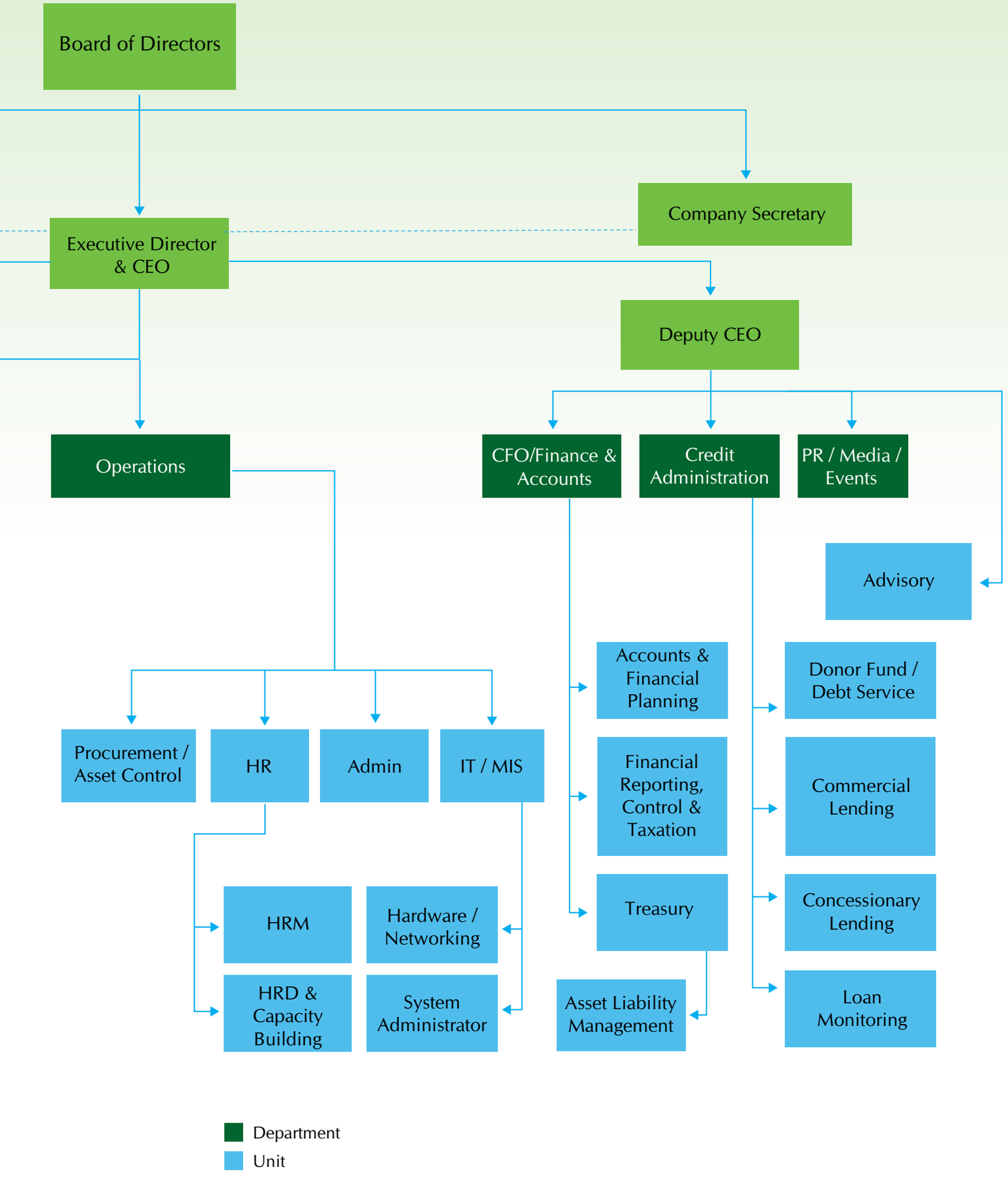


Mr. Monowar Ahmed

20 November 2018-25 March 2020

ORGANOGRAM


Audit Committee
Internal Audit
Executive Secretary
Renewable Energy
Investment
Risk & Special Asset Management
SHS Program
Household Energy
RE Projects
Technical
Environment & Social Safeguard
Green Climate Fund (GCF)
Infrastructure Finance
Industrial & Energy Efficiency Finance
PPP
Environment & Social Safeguard
Agency
Credit Risk
Operational Risk
Environment Risk
Legal
Compliance
Special Asset Management


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

IDCOL MANAGEMENT





Sitting from the Left

Mr. S. M. Monirul Islam, Deputy CEO and CFO

Mr. Mahmood Malik, Executive Director & CEO

Mr. Nazmul Haque, Chief Investment Officer

Standing from the Left

Mr. Md. Enamul Karim Pavel, Head of Renewable Energy

Mr. M. Maftun Ahmed, Company Secretary

Mr. Mohammed Jabed Emran, Chief Risk Officer

PROFILE OF **IDCOL MANAGEMENT**



Mr. S. M. Monirul Islam
Deputy CEO and CFO

Mr. S. M. Monirul Islam joined IDCOL in 1998 and worked as a key resource person of the Company since its inception. Mr. Islam holds 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 Organization, Global Partnership on Output Based Aid (GPOBA), Swedish International Development Cooperation Agency (SIDA), U.S. Agency for International Development (USAID), Bangladesh Climate Change Resilience Fund (BCCRF), etc.

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

Apart from financial management, Mr. Islam also heads the advisory service functions. Besides, he oversees the operational activities of the organization as well which include procurement, administration, people management and ICT.



Mr. Nazmul Haque
Chief Investment Officer

Mr. Nazmul Haque completed his MBA from North South University and joined IDCOL in 2003. He is part of IDCOL's core team that transformed the company from a small fund manager to the country's premier infrastructure financier. Mr. Haque currently leads IDCOL's infrastructure and energy efficiency financing initiatives and manages more than 78% of the company's loan and investment portfolio.

Mr. Haque has significant experience in structuring, financing and raising finance for complex infrastructure projects in sectors like power, telecom, toll roads, ports, ICT etc. Many of these projects are first of its kind in Bangladesh and vital for the national development. Mr. Haque also played a major role in developing IDCOL's large renewable energy interventions.

In addition to financing, Mr. Haque plays a key role in sourcing financing for IDCOL from various bilateral and multilateral development agencies for on-lending to eligible projects. Till date, he played a catalytic role in sourcing more than USD 1.0 billion credit line from ADB, JICA and AFD and currently is in negotiation with multiple other development agencies.

Under his leadership, the dedicated Advisory Unit of IDCOL was launched in 2015 which now provides local and cross-border consulting services. As IDCOL's key resource person, Mr. Haque conducted many training and capacity building programs, both home and abroad, and trained more than 1500 participants on Project Finance, Financial Modeling, Renewable Energy Finance and Public-Private Partnership. Mr. Haque represented IDCOL in various local and international platforms and presented papers in many seminars and conferences in Asia, Europe, North America and Africa.

Mr. Haque completed certification program on 'Project Finance' from IP3 Institute, USA and 'Sustainable Energy Finance' from Frankfurt School of Finance & Management.



Mr. Md. Enamul Karim Pavel
Head of Renewable Energy

Mr. Md. Enamul Karim Pavel joined IDCOL in 2004 and played a key role in implementation of IDCOL's renewable energy projects and programs. He is leading the renewable energy team to develop and promote various renewable energy technologies and business models which are first of its kind in Bangladesh. Mr. Pavel is an expert in Financing Modeling and a faculty in Financing Modeling course offered by IDCOL. He also conducted several trainings in renewable energy technologies for officials and practitioners of a number of African and Asian countries.

Before joining IDCOL, Mr. Pavel served as a civil servant in different administrative positions in the Government of Bangladesh and as a Marine Engineer in Bangladesh Shipping Corporation. He completed BSc. in Marine Engineering from Marine Academy, Chittagong and MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka.



Mr. Mohammed Jabed Emran
Chief Risk Officer

Mr. Mohammed Jabed Emran joined IDCOL in 2017 as the Chief Risk Officer and played a key role to embed risk management culture across the organization. Under his leadership it has become paramount in ensuring IDCOL's control & compliance and thus mitigating risks through the Compliance unit, Credit Risk Management unit, the Legal Affairs unit and the Special Asset Management unit.

Mr. Emran has over 20 years of experience in the banking sector. He started his career as Management Trainee Officer in Dhaka Bank Limited, and in his long career with the bank he had served various positions and was posted ultimately to the Syndication & Structured Finance Unit. Later he became part of the Structured Finance Unit in The City Bank Limited for a brief period; then, he joined Trust Bank Limited. Prior to joining IDCOL, he served Trust Bank as the Head of Syndication & Structured Finance Unit.

Having a sound academic record of accomplishment, Mr. Emran obtained his MBA (Finance) from Institute of Business Administration (IBA), University of Dhaka. He has BSS and MSS in Economics from University of Dhaka. Notably, he is a Certified Expert in Anti-Money Laundering and Financial Crime (CEAF), and a Certified Expert in Risk Management (CERM), jointly certified by BIBM and Frankfurt School of Finance and Management. He also has experiences of participation in various trainings, workshops, and national & international conferences across the globe.



Mr. M. Maftun Ahmed
Company Secretary

Mr. M. Maftun Ahmed joined IDCOL in 2011 and worked as a key resource person of the company. He has vast experiences in company affairs and human resource management as he worked in different institutions over the years. He is involved in organizing the Board and other statutory meetings of the company and has performed all the company affairs under the Companies Act 1994. He is also responsible to supervise the implementation of compliance with 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

1 Md. Enamul Karim Pavel, Head of Renewable Energy
2 Farzana Rahman, Unit Head, Renewable Energy Projects
3 Md. Nazmul Haque, Unit Head, Promotion and Capacity Building
4 Md. Wahidur Rahman, Unit Head, Technical
5 Dr. Ahmedul Hye Chowdhury, Unit Head, Environment and Social Safeguard (Renewable Energy)
6 Md. Serajul Hossain, Unit Head, Solar Home System Program
7 M. Mosleh Uddin, Unit Head, Green Climate Fund
8 A F M Shahed, Unit Head, Improved Cook Stoves Program
9 Shibli Mohammad Faiz, Unit Head, Biogas & Bio-fertilizer Program



10 Molla Anisur Rahman, Assistant Vice President, Solar Home System Program
11 Rasel Ahmed, Assistant Vice President, Promotion and Capacity Building
12 Mukaddim Sarwar, Assistant Vice President, Renewable Energy Projects
13 Md. Imran Hossain, Assistant Vice President, Renewable Energy Projects
14 Mofazzal Hossain, Manager, Renewable Energy Projects
15 Kazi Ahsan Uddin, Manager, Renewable Energy Projects
16 Hassan Muhaiminul Aziz, Manager, Renewable Energy Projects
17 Md. Belal Siddiqui, Manager, Renewable Energy Projects
18 Rashed Rahman Khan, Manager, Biogas & Bio-fertilizer Program
19 Asif Shahriar, Manager, Biogas & Bio-fertilizer Program
20 Mafruda Rahman, Manager, Green Climate Fund
21 Md. Abdullah Hell Baki, Manager, Improved Cook Stoves Program
22 Sanjidaa Hoque, Manager, Improved Cook Stoves Program
23 Md. Abdullah Al Matin, Manager, Technical
24 Md. Ashaduzzaman, Program Manager, Solar Home System Program
25 Md. Jarjish Hasan, Project Engineer, IDCOL Green Building Project
26 Md. Raisul Islam, Assistant Manager, Renewable Energy Projects
27 Shadman Bin Zahir, Assistant Manager, Renewable Energy Projects
28 Sadia Raisa Khan, Assistant Manager, Renewable Energy Projects
29 Faisal Mahmud Khan, Assistant Manager, Renewable Energy Projects
30 Sajjad Uddin Mahmud, Assistant Manager, Technical
31 Raquib-Ul Mesbah, Assistant Manager, Technical
32 Tasmia Khan, Senior Officer, Renewable Energy Projects
33 Tanushka Mumtahina Billah, Senior Officer, Green Climate Fund
34 Zia Uddin Jewel, Senior Officer, Technical
35 Md. Abdullah Al Faisal, Management Trainee, Solar Home System Program
36 Mushfiqur Rahman, Management Trainee, Renewable Energy Projects
37 Md. Rasedul Islam, Management Trainee, Environment & Social Safeguard unit
38 Ishrar Sameen, Management Trainee, Environment & Social Safeguard unit
39 Md. Noor Hasan, Site Engineer, IDCOL Green Building Project
40 Atikur Rahaman Shaown, Officer, Improved Cook Stoves Program
41 Md. Taif Huda, Officer, Renewable Energy Projects
42 Md Shakhawat Hossain, Junior Officer, Renewable Energy Projects
43 Atiqul Islam, Junior Officer, Technical
44 Muntasir-Al-Khaledunnabi, Junior Officer, Technical
45 Mashiur Rahman, Junior Officer, Technical



INVESTMENT DEPARTMENT

1 Nazmul Haque, Chief Investment Officer
2 Raihan Uddin Ahmed, Unit Head, Environment and Social Safeguard (Infrastructure)
3 Mohammed Zahidul Haque, Unit Head, Industrial & Energy Efficiency Finance
4 Sifat Monzur, Unit Head, Infrastructure Finance
5 Md. Mehedi Hasan, CFA, FRM, Unit Head, Public-Private Partnership
6 Md. Ashraf-Ul-Islam, Assistant Vice President, Industrial & Energy Efficiency Finance
7 Md. Ashadur Rahman Bhuiyan, CFA, Assistant Vice President, Industrial & Energy Efficiency Finance
8 Tanvir Ebne Bashar, Manager, Industrial & Energy Efficiency Finance
9 Md. Hamid Iqbal, Manager, Infrastructure Finance
10 Sumaya Mahmud, Manager, Infrastructure Finance



11 Mithila Sanhita Majumder, Manager, Public Private Partnership
12 Md. Aqil Ahmed, Assistant Manager, Public Private Partnership
13 Abu Shoaib Khan, Assistant Manager, Industrial & Energy Efficiency Finance
14 Rawfoon Iqbal, Assistant Manager, Infrastructure Finance
15 Zeesha Samah, Senior Officer, Infrastructure Finance
16 Md. Rauful Islam Sworan, Senior Officer, Infrastructure Finance
17 Charles Amit Mohonto, Senior Officer, Public-Private Partnership
18 Shadman Sakib Mozumder, Senior Officer, Public-Private Partnership
19 Mashiath Khurshid, Management Trainee, Public-Private Partnership



FINANCE & ACCOUNTS DEPARTMENT

1 S. M. Monirul Islam, Deputy CEO & CFO
2 M. Mizanur Rahman, CPA, ACMA, CGMA, Unit Head, Finance & Accounts
3 Shek Mijanur Rahman, Senior Assistant Vice President, Accounts & Financial Planning
4 Md. Imrul Hasan, Assistant Vice President, Financial Reporting, Control and Taxation
5 Sadia Sharmin Bristy, Assistant Manager, Treasury
6 Becky Christopher Rozario, Senior Officer, Financial Reporting, Control and Taxation
7 Nazmul Hasan, Senior Officer, Accounts & Financial Planning
8 Musarrat Jabeen, Senior Officer, Financial Reporting, Control and Taxation
9 Rufaiya Zabin, Management Trainee, Accounts & Financial Planning
10 Mohammad Ikteder Uddin Mahir, Management Trainee, Accounts & Financial Planning
11 Md. Monirul Haque, Officer, Treasury



CREDIT ADMINISTRATION DEPARTMENT

1 S. M. Monirul Islam, Deputy CEO & CFO
2 Farhan Reza, Unit Head, Credit Administration
3 Zabir Ibne Raquib, Assistant Vice President, Credit Administration
4 Junaed Tazdik, Assistant Vice President, Credit Administration
5 Mokaddim Jashim Bhuiyan, Manager, Credit Administration
6 Rezwana Ali Tanima, Assistant Manager, Credit Administration
7 Mohammad Abir Chowdhury, Senior Officer, Credit Administration
8 Manshiah Anis, Management Trainee, Credit Administration
9 Sabbir Ahmmed, Junior Officer, Credit Administration


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RISK & SPECIAL ASSET MANAGEMENT DEPARTMENT

1 Mohammed Jabed Emran, Chief Risk Officer
2 Merina Kashem, Unit Head, Credit Risk Management
3 Md. Shaikat Azad, Unit Head, Compliance
4 Kazi Ishfak Ahmad, Manager, Legal Affairs
5 F. M. Anwarul Kabir, Manager, Credit Recovery
6 Fariha Jannat, Manager, Credit Risk Management



7 Nadia Shahrin, Manager, Credit Risk Management
8 Khondker Ajwad Hossain, Manager, Credit Risk Management
9 Kazi Ibrahim Md. Adnan, Manager, Legal Affairs
10 Tanvir Ahmed, Manager, Legal Affairs
11 Md. Rifat Bin Rahman, Assistant Manager, Compliance
12 Bibi Ayesha Begum, Senior Officer, Compliance
13 Md. Kadirul Islam, Officer, Credit Recovery
14 Md. Abul Hasanat, Officer, Credit Recovery
15 Jannatul Ferdous Sobi, Junior Officer, Legal Affairs

OPERATIONS DEPARTMENT

1 S. M. Monirul Islam, Deputy CEO & CFO
2 M. Maftun Ahmed, Company Secretary
3 Mohammad Rashedul Islam, Senior Assistant Vice President, IT & MIS
4 Ashrafuzzaman Khan, Assistant Vice President, Admin
5 Tahmina Shafiq, Assistant Vice President, HR
6 Sajjad Bin Siddique, Assistant Manager, Procurement
7 Arannya Monzur, Assistant Manager, IT & MIS





8 Raisa Rahman, Senior Officer, HR
9 Shuvendu Sarkar, Senior Officer, HR
10 Saifullah-Al-Munsur, Senior Officer, Procurement
11 Md. Kawsar Hossain, Officer, IT & MIS
12 Md. Rezaur Rahman, Officer, Admin
13 Fairooz Nawar Bushra, Officer, IT & MIS
14 Md. Abu Taleb, Junior Officer (Executive Assistant)
15 Md. Ashadur Rahman Akand, Junior Officer, IT & MIS



INTERNAL AUDIT DEPARTMENT

1 Md. Shahriar Rana, FCCA, CIA, Head of Internal Audit
2 Rezoan Al Mahmud Suzan, Assistant Manager, Risk Based Audit Unit
3 Mohammad Abdul Hannan, Audit Officer, Risk Based Audit Unit
4 Chandra Shekhor Mondal, Audit Officer, Concurrent Audit Unit
5 Salah Uddin Ahmed, Junior Audit Officer, Concurrent Audit Unit
6 Md. Altab Hossain, Junior Audit Officer, Risk Based Audit Unit
7 S. M. Nahidul Islam, Junior Audit Officer, Concurrent Audit Unit







ADVISORY SERVICES

1 S. M. Monirul Islam, Deputy CEO & CFO
2 Shibli Mohammad Faiz, Senior Assistant Vice President, Advisory Services
3 Ashraf Hossain Bhuiyan, Manager, Advisory Services

DIRECTORS' **REPORT**

Dear Shareholders,

The year 2020 has been particularly challenging for all of us. Still, amid the raging coronavirus pandemic which upended lives across the world, we somehow managed to conduct our business to the best of our ability. This explains why we were able to put together this report in due time amid all the uncertainties and dislocation. Against this backdrop, it is indeed a great pleasure of the Board of Directors of Infrastructure Development Company Limited (IDCOL) to present to you the annual Audited Financial Statements of the company for the year, which ended on 31 December 2020.

For your benefit, the Directors have given relevant disclosures and explanations in the report regarding important issues to ensure compliance, good governance practices and transparency. We hope that this report will provide all the required information about the company's annual performance during the period January-December 2020.

1. World Economy[1]

For the most part of 2020, the world had experienced a terrifying scenario in which countries—developed and developing alike—seemed powerless in the face of an invisible virus wreaking havoc all across, devastating lives and livelihoods. Since its first outbreak in the Chinese city of Wuhan in December 2019, the Coronavirus spread with such stunning speed and ferocity that it caught even the most medically advanced and technologically superior nations totally off guard, entailing horrific consequences. So far, more than 3 million people have died and millions more have been sickened, throwing as many others out of jobs and businesses. Unable to tame the virus, Governments around the world were forced to take extreme measures, imposing complete lockdowns, shutting down businesses and severely restricting movements. Bangladesh also could not escape the virus's wrath and had to take similar measures as infections and fatalities rose exponentially. As of now, the country crossed a grim milestone, losing over 10,000 lives. Consequently, the economy and businesses suffered terribly throughout 2020, with mounting job losses, declining economic output and deepening poverty. But as the year was drawing to a close, the lethality of the virus seemed to weaken significantly — raising hopes that the worst was perhaps over and that resumption of normal lives was imminent. The arrival of the much-anticipated vaccines at the end of the year further strengthened that hope. Meantime, a deadlier second wave, now sweeping many countries including Bangladesh, has somewhat dampened that hope, casting a long shadow over any immediate relief. Amid the depressing reality, Governments had taken steps to gradually reopen the economy with utmost caution, adhering to health guidelines aimed at restoring a semblance of normality. To that end, economies around the world—large and small—adopted several policy measures in the form of incentives, cash handouts and massive stimulus. The combined efforts, coupled with the vaccine rollout, resulted in reviving the global growth, although modest. According to the International Monetary Fund, which tracks global economic output, the pandemic is likely to shrink the output to 3.3 percent in 2020 from its original forecast of 4.9 percent. However, IMF said the growth rate is projected to rise to 6 percent in 2021, moderating to 4.4 percent in 2022. Nonetheless, this forecasted growth may hit snags due to the lingering effects of the pandemic, renewed waves of the virus and the near-certain possibility of huge financial loss caused by high debt levels and weak growth.

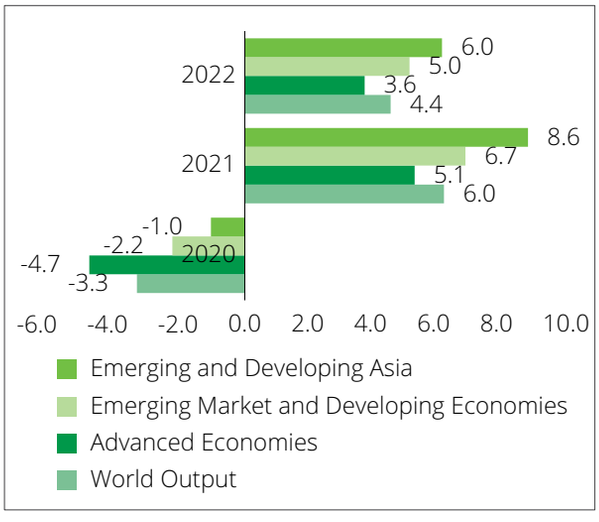
Despite the uncertainty and lingering fear, policymakers are still hoping that the strong policy support and the anticipated widespread availability of vaccines by the summer of 2021, lower borrowing costs and well contained inflation will ensure a smaller projected output loss in Advanced Economies compared to other countries. Emerging Market and Developing Economies (EMDE) are also expected to take diverging recovery paths. For instance, oil exporters and tourism-based economies within the group may face particularly difficult prospects considering the near-certain slow normalization of cross-border travel and the subdued outlook for oil prices. In addition, latest concerns over the efficacy of certain vaccines have further clouded the outlook.

Moreover, additional policy measures announced at the end of 2020—notably in the United States and Japan—are expected to provide further

1 *World Economic Outlook, January 2021, Global Economic Prospects (https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update) (https://openknowledge.worldbank.org/handle/10986/34710)*

support in 2021–22 to the global economy. USA announced more than $1.6 billion in emergency health, humanitarian, economic and development assistance in more than 120 countries. Japan has established COVID-19 Crisis Response Emergency Support Loan, up to $4.5 billion over the next two years from 2020, for helping in revitalize economic activities in the developing countries.

Figure 1: World Output Growth Projection (Percentage change)



(Source: World Economic Outlook Update, April 2021)

2. Bangladesh Economy

Over the past 20 years, Bangladesh economy has made impressive gains, consistently registering higher, sustainable growth. Its growth has been so resilient and transforming that it proved that the deep skeptics were wrong about the country's future prospects, who questioned whether it can ever emerge as a viable economy. In the past three decades, the country has not only surged forward in many areas in the socioeconomic field, it has also edged past some of its South Asian neighbors, including India, which has lagged behind Bangladesh for the past few years in terms of growth and other social indicators like women empowerment, child mortality, sanitation and so on. Bangladesh registered an average of 7%+ growth for three consecutive years (2016-2018) and recorded its highest growth of 8.15% in FY19, surpassing all previous records (Bangladesh Bureau of Statistics). In FY 2020, when most countries registered negative GDP growth caused by the devastating consequences of COVID-19, Bangladesh has managed to grow at 5.2%.The macroeconomic effects of the pandemic are still unfolding and it would be a while before a final assessment is made because the coronavirus continues to wreak havocs on lives and livelihoods.

Figure 2: Macroeconomic Effects of COVID-19 in Bangladesh

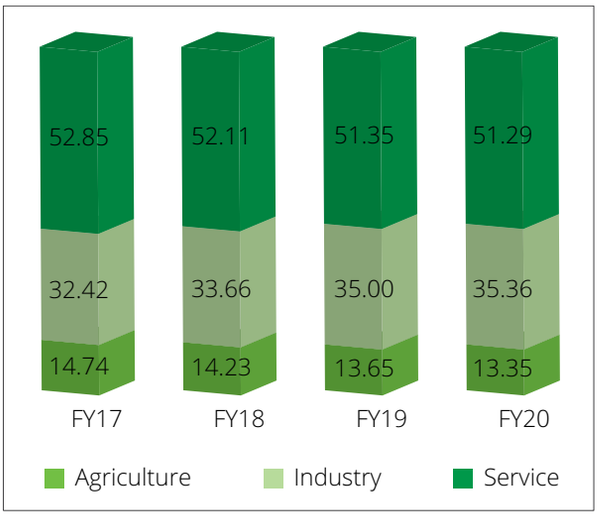
	FY 2020 Actual Outcome	Pre-COVID FY 2020 Expected Outcome
GDP Growth (%)	5.24%	8.19%
Exports ($ billion)	33.67	15.5
Inflation Rate	5.65%	5.5%
Tax Revenue (BDT. bil)	2,207	3,401

(Source: 8th Five Year Plan, Planning Commission, Bangladesh)

Growth of GDP by Sectors

Production-based estimate of gross domestic product, or GDP, encompasses three broad sectors, namely agriculture, industry and service. In addition, overall estimate of GDP consists of 15 sectors; fishing, manufacturing, transport, real estate, financial intermediations etc.

Figure 3: Sectoral share of GDP (%) at constant prices



Source: Bangladesh Bureau of Statistics (BBS)

In the challenging year of 2020, Bangladesh had undertaken several proactive measures to overcome the adverse effects of the pandemic. Most significant of them had been the two-month strict lockdown from 23 March to 31 May 2020. This measure, accompanied by adherence to health guidelines like social distancing, mask

wearing, did result in slowing down infections and fatalities. Against this backdrop, the Government decided to help the underserved with food and cash and had opted simultaneously for reviving the economy and businesses through incentives, stimulus package and other financial help worth of BDT 1,21,353 crore (~4.3% of its GDP). These along with the required policy changes helped the country overcome not only the catastrophic effects of the pandemic but also contribute to maintaining a satisfactory growth rate compared to many other countries in similar situation. That the country is making a comeback, however modest, despite the pandemic-induced challenges, is reflected in the continued uptick in remittance income and export earnings. The surging remittance helped boost the foreign exchange reserve, which crossed USD 44 billion in February 2021. Export receipts registered 12.59 percent growth in March 2021 compared to 18.21 percent de-growth at the same time of the prior year. Bangladesh's per capita income also rose, reaching US$ 2,064 in FY 2019-20, up by US$ 155 from the year earlier.

3. Future Outlook

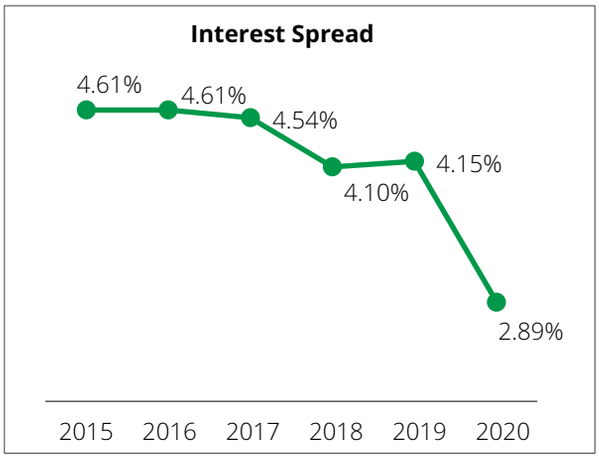
As widely expected, economic output in South Asian region contracted by 6.7 percent in 2020, primarily driven by lockdowns and other restrictive measures aimed at containing the spread of the virus. However, according to the World Bank, things are likely to improve with the rollout of vaccines now underway and is expected to accelerate by the second half of 2021. The Bank also predicts that South Asia is projected to grow by 3.3 percent and 3.8 percent in 2021 and 2022, respectively[2]. But it all depends on how the countries, especially India and Bangladesh, tackle the second wave now sweeping across the region.

For Bangladesh, 2021 will be a special year as it will celebrate the golden jubilee of its independence. According to the World Bank's Global Economic Prospects, the country's projected growth rate may remain modest but is expected to surpass others in South Asia, including India, in 2021. Moreover, it is to be noted that the country is now poised to leave the ignominious Least Developed Country club by 2026 and step into the lower middle-income nation, a stunning turnaround for a country that was nearly written off as a "basket case", a disparaging characterization made in 1974 by former American Secretary of State Henry Kissinger. Bangladesh is now considered a role model for development by international experts and development practitioners. It is worth mentioning here that the graduation from LDC was supposed to be completed in 2024, but will now take place in 2026 as The Committee for Development Policy of the United Nations has agreed to extend the transition period by two more years due to the pandemic[3].

Amid the pandemic, Bangladesh still managed to post the third-highest GDP growth in the world in 2020, as stated by the International Monetary Fund[4]. The World Bank also predicted that the economy may grow at 5.1 percent in 2021-22, despite the adverse impact of the pandemic. The Government of Bangladesh, however, has opted for a growth rate of 7.4 percent in the said period.

4. Brief synopsis on financial sector performance

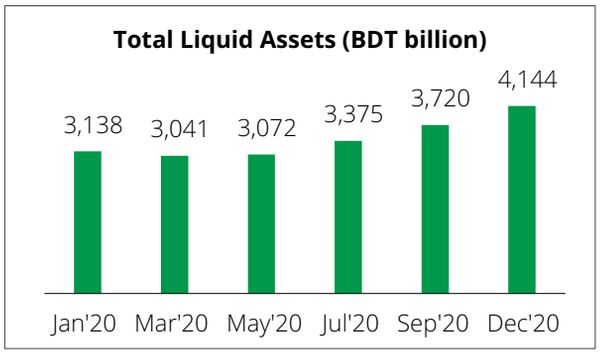
Pandemic-induced economic downturn across the globe has also affected the financial sector of Bangladesh. For instance, private sector credit slipped to single digit and public sector credit declined due to weak internal demand, reduced economic activities and cautious lending by the banks and financial institutions. As a consequence, money market experienced mounting liquidity condition in the just concluded financial year. As on December 31, 2020, total amount of liquid assets in the banking system stood at BDT 4,143.57 billion compared to BDT 3,109.63 billion in 2019. This excess liquidity and poor internal credit demand have brought the call money rate to 2.12 percent at the end of December 2020.

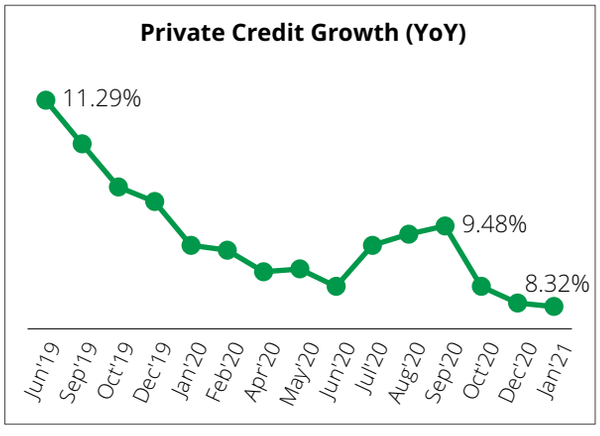


2 *Global Economic Prospects (https://www.imf.org/en/Publications/WEO/Issues/2021/01/26/2021-world-economic-outlook-update)*

3 *https://www.thedailystar.net/business/news/bangladesh-qualifies-ldc-graduation-the-beginning-the-end-2051333*

4 *https://www.thedailystar.net/business/news/gdp-growth-will-be-74pc-fiscal-year-pm-2024225#:~:text=%22Our%20GDP%20grew%20by%205.24,economic%20growth%20in%202020%2D21.*





From April 2020, interest rates on loans (except credit cards) have been fixed at a maximum of 9 percent. In this instance, both lending and deposit rates of commercial banks were brought down to 7.95 percent and 5.06 percent respectively at the end of June 2020. Lowering of both the deposit and lending rates have massively decreased the interest rate spread to 2.89 percent at the end of June 2020 from 4.15 percent within a span of a year. However, Bangladesh Bank did not impose the lending rate ceiling to non-bank financial institutions as they collect deposits from the banks.

Challenges

- Overcome the economic consequences of COVID on trade, business and private sector investment
- Proactively manage treasury operations amidst excess liquidity scenario
- Implement cautious and prudent Lending and Investment strategy
- Manage asset quality considering the inability of the borrowers to timely repay loans

5. Macro-Economic Indicators

Macroeconomic Indicators in FY 2019-20

Savings and Investment

Domestic savings increased to 25.31% of GDP

Gross investment stood at 31.75% of GDP

Remittance

Remittance received - US$ 18,205 million

About 5.31 lakh Bangladeshi employees went abroad in FY2020

Inflation

CPI inflation rate - 5.65%

Average food inflation - 5.56%

Foreign Trade

Total export earnings - US$ 33,674 million

Total import payments - US$ 59,784 million

Revenue Collection

NBR Tax Revenue - BDT 3,00,500 crore

Non-NBR Tax Revenue - BDT 12,567 crore

Non-Tax Revenue - BDT 35,002 crore

Foreign Exchange Reserve

Foreign exchange reserve was US$ 43.16 billion on December 2020

Savings and Investment

During FY2019-20, domestic savings increased to 25.31 percent of GDP, which was 25.02 percent in the previous year. Likewise, national savings as percent of GDP increased to 30.11 percent in FY2019-20, from 29.50 percent of the previous fiscal year. Gross investment as percentage of GDP stood at 31.75 percent in FY2019-20, which was 31.57 percent in the previous fiscal

year. Of this, both public and private investment accounted for 8.12 percent and 23.63 percent of GDP, respectively.

Inflation

The Consumer Price Index (CPI) inflation rate in FY2019-20 was 5.65 percent (slightly higher than the target of 5.50 percent), which was 5.48 percent in FY2018-19[5]. During this period, the average inflation in food stood at 5.56 percent, which was 5.51 percent in the preceding fiscal year. Although Government has taken a number of initiatives to lower inflationary pressure, flood and supply chain disruption due to the pandemic led to the price hike. Rising prices of global commodities along with excess liquidity in the money market may create inflationary pressure in the months to come.

Revenue Collection

According to the Bangladesh Economic Review-2020, the revised target of revenue collection was set at BDT 3,48,069 crore during FY 2019-20, which is 12.41 percent of GDP. Of this target, the National Board of Revenue was supposed to collect BDT 3,00,500 crore, which is 10.71 percent of GDP, non-NBR Tax Revenue was Tk. 12,567 crore, which is 0.45 percent of GDP and Non-Tax Revenue was BDT 35,002 crore, which is 1.25 percent of GDP. According to NBR statistics, against the targets, revenue collection stood at BDT 2,62,813 crore, which is 75.51 percent of the revised target and 4.34 percent higher than the last fiscal year.

Government Expenditure

According to the revised budget, the total Government expenditure target in FY 2019-20 was estimated at BDT 5,01,577 crore, which is 17.88 percent of GDP. Of this, the Annual Development Program (ADP) expenditure was BDT 1,92,921 crore, which is 6.88 percent of GDP. According to the provisional estimate of Integrated Budget and Accounting System for the Government of Bangladesh (iBAS++), the total expenditure stood at BDT 3,98,490 crore, of which the operating expenditure was BDT 2,40,255 crore and development expenditure was BDT 1,48,330 crore.

Remittance

Bangladesh received US$ 18,205 million in terms of remittance in FY 2020, which was 10.87 percent higher from the $16,420 million in FY 2019, according to the Bangladesh Bank. About 5.31 lac Bangladeshis went abroad in search of jobs in the first nine months of FY 2020, compared to 6.93 lac in the previous fiscal year. Adverse global economic conditions due to COVID-19 and falling fuel prices in Middle Eastern countries led to this negative growth rate.

Foreign Trade

In FY 2019-20, total export earnings were US$ 33,674 million, which is 16.93 percent lower than that of FY 2018-19. Global trade slowed down in 2019-20 due to COVID related disruptions, trade war between US and China and falling oil prices.

During the reporting period, total import payments were US$ 59,784 million, which was 8.56 percent lower than the previous fiscal year. In terms of the value of total imported commodities, China, India and Singapore secured the first three positions, accounting for 26.90 percent, 12.93 percent and 3.28 percent, respectively.

Balance of Payments (BoP)

Trade deficit has expanded substantially to US$ 17,861 million in the FY 2019-20, compared to US$ 15,835 million in FY 2018-19 due to high import payments and lackluster exports. The overall balance recorded the surplus of US$ 3,655 million in FY 2020 in comparison to the surplus recorded of US$ 179 million in FY 2019.

Exchange Rates

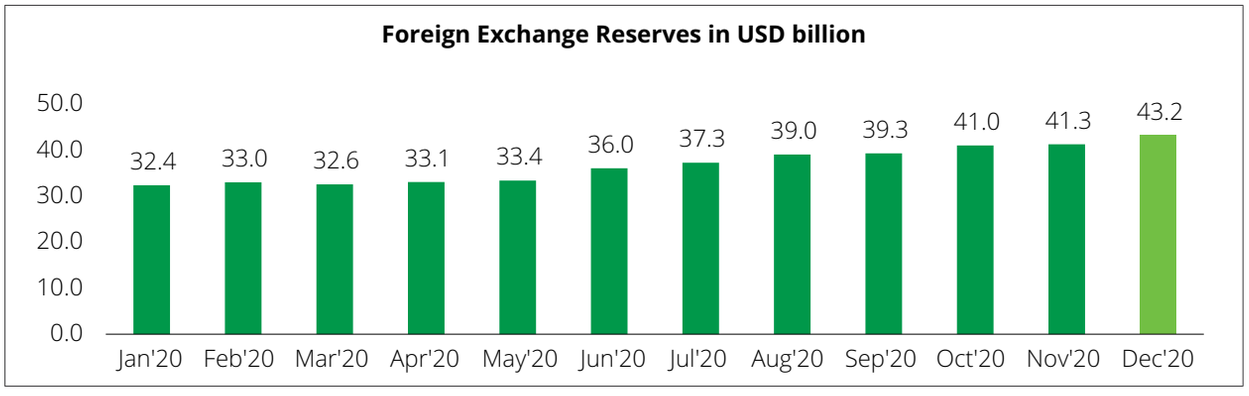
The weighted average inter-bank rate stood at BDT 84.60 per US$ in FY2019-20, which was BDT 84.00 per US$ in FY2018-19, resulting in a depreciation of 0.81 percent.

Foreign Exchange Reserve

Bangladesh Bank maintained stability in retaining foreign exchange reserves. In fact, surplus in overall balance has boosted the foreign exchange reserve. The amount of foreign exchange reserve was US$ 43 billion on December 2020, which was US$ 32 billion during January 2020, up by US$ 11 billion within a year. . It is to be mentioned that rising remittance inflows and lower import payments have boosted the forex reserve in FY2020.

5 *Finance Division, Ministry of Finance, GoB. Bangladesh Economic Review 2020*

Figure 6: Bangladesh Foreign Exchange Reserve[6]

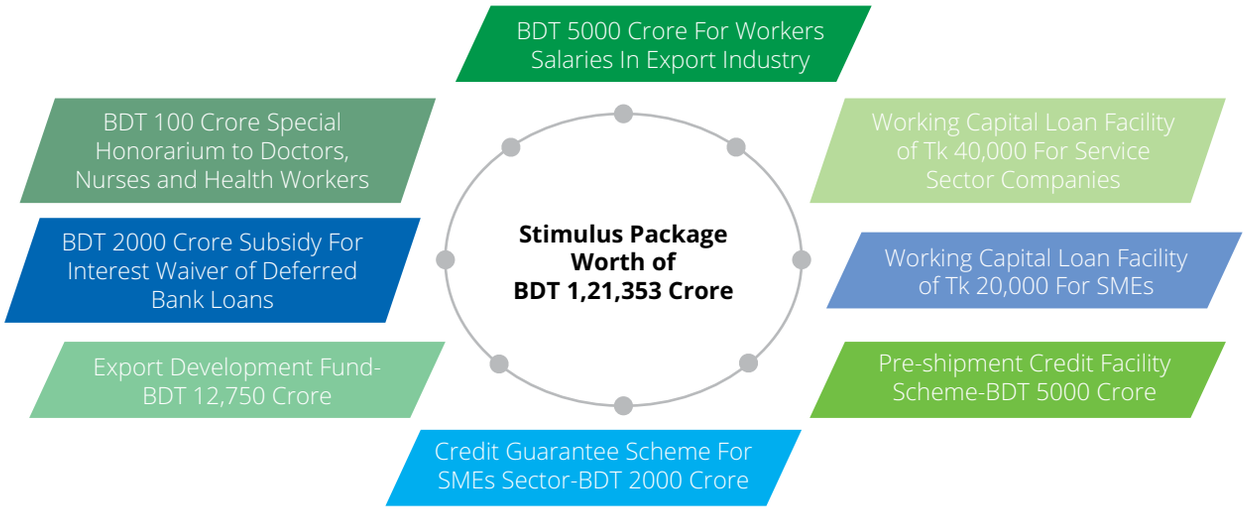


Stimulus Package

To facilitate additional expenditure in the healthcare sector, emergency humanitarian assistance, and the overall economic recovery program from the damage caused by the pandemic, government took several proactive steps and announced fiscal and stimulus package worth BDT 1,21,353 crore, which is 4.3 percent of GDP[7]. It includes four aims-

1. Creating jobs and discouraging luxury spending;
2. Providing low interest credit facilities to the affected business;
3. Increasing scope of social safety net program; and
4. Increasing money supply in the market

Stimulus Package of GoB to combat COVID-19



6. Capital Market Review

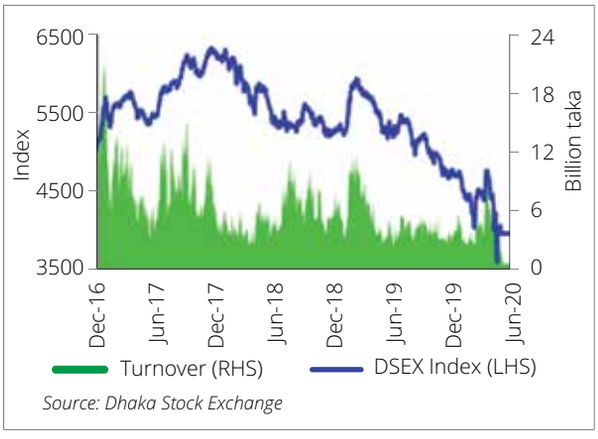
During FY 2019-20, Bangladesh has experienced volatility in the capital market, driven by shaky investor confidence, implementation of interest rate cap and fixation of price floor in Dhaka Stock Exchange aimed at curbing the free fall of share prices. Moreover, trading remained suspended in April and May 2020 as part of the drive to contain the spread of the coronavirus. The daily average turnover reduced to BDT 3.8 billion during FY2020 from BDT 6.1 billion in FY2019. [8]The DSEX index and turnover graph is shown below:

6 *(https://www.bb.org.bd/en/index.php/publication/publictn/3/11)*

7 *(https://thefinancialexpress.com.bd/views/covid-19-stimulus-packages-and-performance-of-the-countrys-banking-sector-1614174857)*

8 *Monetary policy statement Fiscal Year 2020-2021*

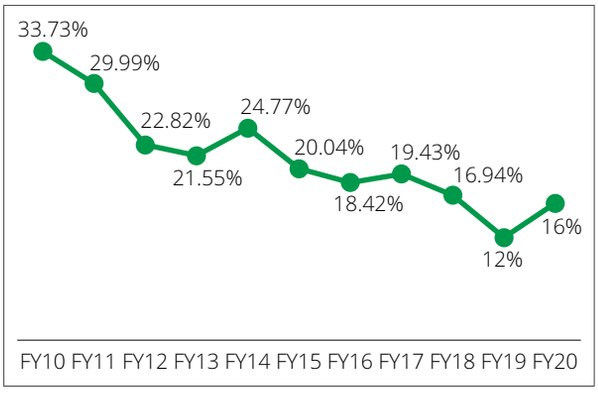
Figure 7: DSEX Index and Turnover



Source: Dhaka Stock Exchange

Even in the midst of the pandemic, the ratio of DSE market capitalization to the country's GDP was 16% at the end of 2020. The ratio hit a 13-year low in 2019 (12%) due to sharp fall in share prices and lack of capital raising by issuing IPO and right shares.

Figure 8: Market Cap to GDP Ratio[9]



7. Emphasis on power & infrastructure development in 8th Five-year Plan

In the Eighth Five Year Plan (8th FYP), the Government aims to achieve 8.5 percent GDP growth by 2025, with special focus on implementing the UN-mandated Sustainable Development Goals and overcoming the challenges of COVID-19. The 8th plan also emphasizes on timely implementation of all power and energy projects and diversification of primary fuel for electricity generation, with special focus on increasing renewable energy generation. During the 8th Plan period, Government plans to generate an additional 15,700 MW of power (inclusive of imports but exclusive of renewable energy). However, generation of 2,362 MW of renewable energy is also planned by 2025. On the investment side, the strategy would continue to prioritize timely completion of all transformational transport infrastructure projects; highways and bridges, power sector projects and access to serviced lands for the investors in Special Economic Zones. Notably, the Rooppur Nuclear Power Plant, the country's first, is expected to start operation by the end of 2024, adding a total of 2,400 MW[10]

Highlights of 8th FYP Strategy for the Power Sector

- Add 2,362 MW of electricity from renewable energy sources
- Generate additional 15,700 MW of Power (inclusive of imports but exclusive of renewable energy)
- Installed generation capacity of 30,000 MW by FY 2025 (including captive and RE)
- Enhancing Transmission Capacity from 132/230 KV to 400 KV
- Increase the proportion of population with primary reliance on clean fuels and technology to 30% by FY 2025

8. Relevance of IDCOL's activities towards Sustainable Development Goals

Sustainable Development Goals (SDGs) specify 17 universal goals, 169 targets and 230 indicators leading up to 2030. Out of the 17 goals, Bangladesh has made considerable progress in SDGs 1 (No Poverty), 2 (Zero Hunger), 3 (Good Health and Well-Being), 4 (Quality Education), 6 (Clean Water and Sanitation) and 10 (Reduced Inequalities). IDCOL, a reliable and responsible partner of the Government, is also contributing towards achieving some of the SDGs relevant to its area of work which have been shown below:

9 *DSE market cap to GDP remains low (https://www.newagebd.net/article/125997/dse-market-cap-to-gdp-remains-low)*

10 *http://www.plancomm.gov.bd/sites/default/files/files/plancomm.portal.gov.bd/files/68e32f08_13b8_4192_ab9b_abd5a0a62a33/2021-02-03-17-04-ec95e78e452a813808a483b3b22e14a1.pdf*

Relevance of IDCOL's activities to SDGs

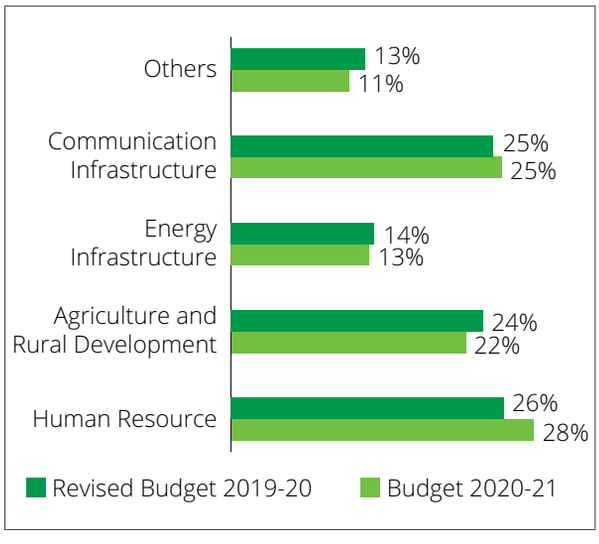
	3 GOOD HEALTH AND WELL-BEING	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	13 CLIMATE ACTION
Solar Home System	☑	☑		☑		☑
Solar Mini-Grid	☑	☑	☑	☑		☑
Solar Irrigation Pump		☑	☑	☑		☑
Industrial Solar Rooftop				☑	☑	☑
Improved Cook Stove	☑	☑		☑		☑
Biogas & Bio-fertilizer	☑	☑		☑		☑
Industrial Energy Efficiency				☑	☑	☑
Infrastructure Financing				☑	☑	
Industrial Backward Linkage					☑	

9. Infrastructure Scenario

Infrastructural development is one of the key determinants of a developed country. In achieving the vision of being a middle-income country by 2021 and a developed country by 2041, infrastructure development will play a significant role. Therefore, a massive improvement of the infrastructure sector should be prioritized. The World Bank's forthcoming Infrastructure Sector Assessment Program (InfraSAP) has identified energy, transport, water resource management and urban services as key subsectors for private sector financing. The transportation sector alone will require an investment of USD 52 billion until 2025 to meet the growing transportation demand. World Bank has identified some determinants that will help Bangladesh to achieve its growth target and meeting the infrastructure gap has been identified as one of the key structural reform challenges.

Realizing the critical importance of infrastructure, the Government, along with the international development partners, have prioritized investment in the sector to achieve the requisite aggregate national growth. The Government itself has regularly increased its investment in the infrastructure sector. In the annual budget for FY2020-21, it has allocated BDT 205,145 crore for the Annual Development Program (ADP).

Figure 10: Sectoral allocation of the ADP for FY 2020-21



(Source: Finance Division)

10. Renewable Energy Scenario

The prospect of renewable energy in Bangladesh is promising, especially in solar, biogas, biomass, wind, and hydroelectric. In recent years, the country has put special emphasis on solar power and it has already paid dividend, which now accounts for 67.5 percent of the renewable energy generation in the country. At present, 722.34 MW electricity is being generated from renewable sources. IDCOL, being the global pioneer of the largest off-grid Solar Home System program that is saving consumption of 3.31 million tons of kerosene worth of USD 411 million. Furthermore, several projects are underway, which will generate 543.08 MW renewable energy and others in the planning stage are expected to produce an additional 1,416.41 MW. According to the 8th FYP, expected share of renewable energy to the total electricity consumption is 4.5% for 2021 which is likely to reach 10% by 2025[11].

11 *http://www.plancomm.gov.bd/sites/default/files/files/plancomm.portal.gov.bd/files/68e32f08_13b8_4192_ab9b_abd5a0a62a33/2021-02-03-17-04-ec95e78e452a813808a483b3b22e14a1.pdf*

IDCOL is committed to play a pioneering role in attaining this goal. To that end, it is implementing and financing several renewable energy programs and projects, which include the Solar Home System, Biogas programs, Industrial Solar Rooftop projects, Solar Irrigation Pump projects, Solar Mini-grid projects, Solar-powered solution for telecom BTSs, Biogas and biomass-based electricity. As part of encouraging more investment in renewable energy sector, Sustainable and Renewable Energy Development Authority (SREDA) has also drafted a National Solar Energy Roadmap 2021-2041. IDCOL in coordination with Climate Vulnerable Forum (CVF) has also conducted a power sector analysis for the Mujib Climate Prosperity Plan where addition of 8,080 MW of renewables was proposed by 2030.

11. Operational Performance of IDCOL

We take pride to say that even in the midst of the pandemic, IDCOL has been proved remarkably resilient and sustainable in terms of managing its earnings performance, achieving a comfortable balance sheet in 2020. A snapshot of the operating performance is shown below:

Operational Performance Snapshot

Core Revenue

Total Revenue-BDT 4,482 Million

Interest from Infrastructure Projects-BDT 3,668 million

Interest from RE Projects-BDT 195 million

Fees and Investment Income

Fees income from Project Finance-BDT 162 Million

Fees income from Advisory Services-BDT 0.16 million

Investment Income-BDT 70 million

Operating Expenditure

Operating Expense- BDT 523 million

Interest Expense-BDT 777 million

Profit before Taxes and Provision

Profit before taxes and provision-BDT 3,182 million

Provisions

Provision for Loans and Advances-BDT 772 million

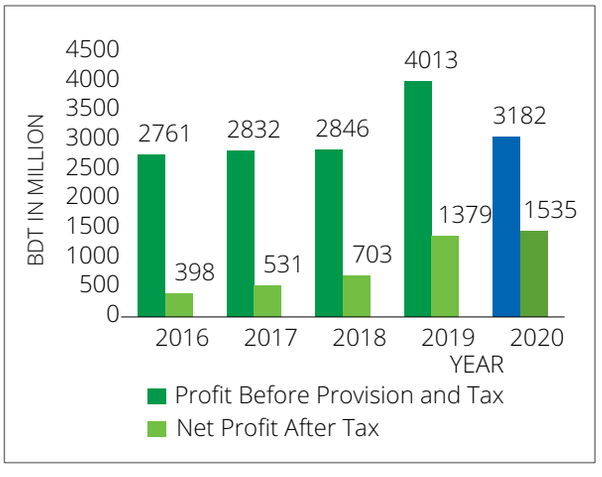
Provision for Tax-BDT 875 million

Retained Earnings

Retained Earnings-BDT 2,079 million

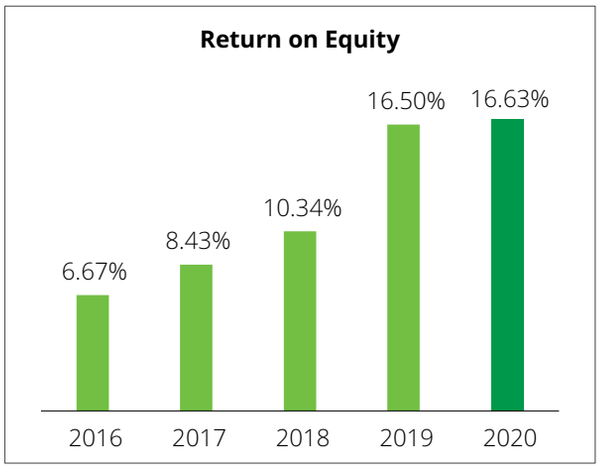
Having been satisfied with its performance, the IDCOL Board has proposed the payment of BDT 400 million dividends for the financial year. Of which, BDT 200 million as cash dividend to the Government and BDT 200 million as bonus share to raise the company's paid up capital from BDT 6,500 million to BDT 7,150 million. From the profit earned in previous financial year, the company had paid dividend of a total of BDT 1,300 million in the form of BDT 650 million as cash and BDT 650 million as bonus share to increase its paid-up capital from BDT 6,500 million to BDT 7,150 million. The after-tax income of the company stood at BDT 1,534 million for the reporting period as opposed to BDT 1,378 million in the same period last year, marking an increase of 11.34 percent. Shareholder's equity also experienced a modest growth, around 10.49 percent over the last year.

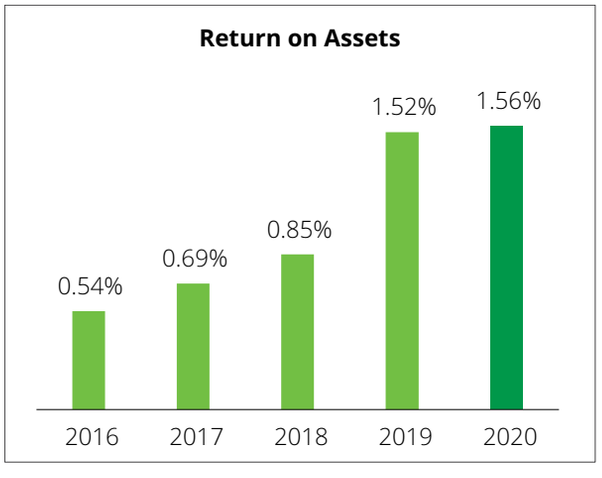
Figure 11: Comparison of Profit before Provision and Tax with Net profit after Tax from FY 2016 to FY 2020



During the reporting period, the company maintained its leading role in private sector energy and infrastructure financing in Bangladesh. Furthermore, IDCOL's loan portfolio was diversified aimed at covering, various other sectors like power, telecommunication, tourism, and industrial backward linkage projects. Majority of the revenue (~97%) during the period came out of income from interests on loans and advances.

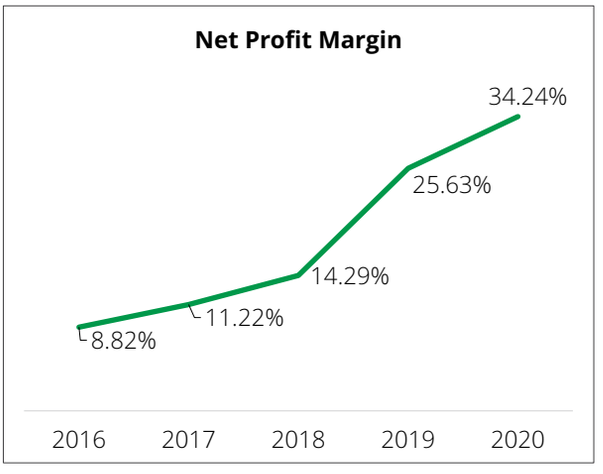
Figure 12: Return on Assets and Return on Equity from FY 2016 to FY 2020





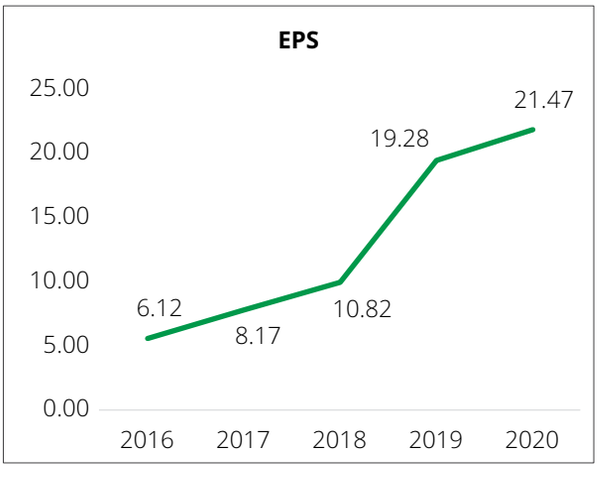
With 8.06% increase in asset base and 10.49% increase in equity in FY 2020, the profitability indicators remained muted with Return on Assets (ROA) and Return on Equity (ROE) of 1.56% and 16.63%, respectively. The ROA and ROE of the company has gone up by 0.04% and 0.13%, respectively as compared to FY 2019. 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 14: Net Profit Margin from FY 2016 to FY 2020



The earning per share (EPS) for the year stood at Tk. 21.47, which was Tk. 19.28 in FY 2019. Besides, profit margin has increased to 34.24% from 25.63%.

Figure 13: EPS from FY 2016 to FY 2020



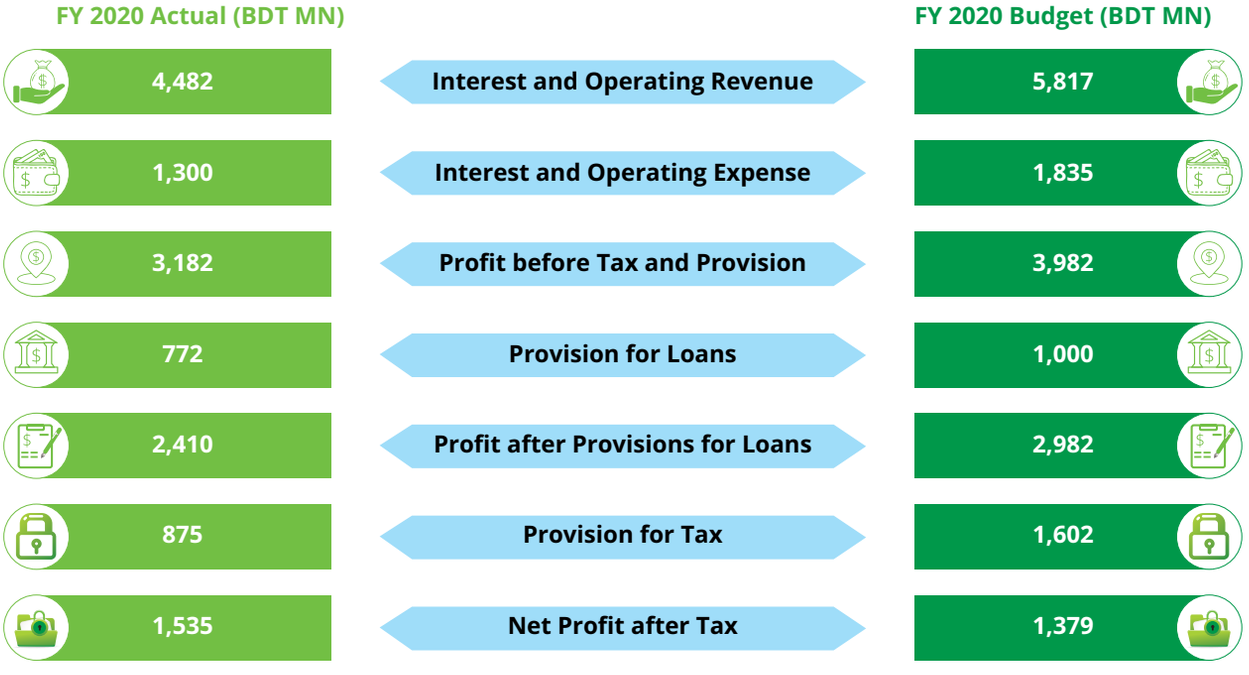
However, increased concentration in particular sectors and supply of unsecured/part-secured loan to support the Government's development initiatives have spawned some difficulties for IDCOL. For instance, over the years, it is facing regulatory and sustainability challenges in terms of capital adequacy and stress testing. In order to ensure sustainable growth in alignment with the future prospect, IDCOL has developed a strategic plan considering the existing risk and opportunities as well as future outlook. Besides, IDCOL is also exploring multiple avenues of funding sources; in addition to the current use of Development Financial Institution (DFI) credit lines. Simultaneously, through the Ministry of Finance (MOF), it is negotiating with the DFIs for other commercial credit lines aimed at obtaining additional funding.

Meanwhile, IDCOL has expanded its eligible sectors for financing, adding new business units and lending windows, and has reinforced corporate governance environment with dedicated risk managers and segmentation of various task with dedicated units. Under the infrastructure window, and for repositioning under the changed dynamics of infrastructure landscape, IDCOL has increased its focus on energy-efficient industrial backward linkage projects and added separate business units to cater to these dedicated segments. Under the renewable energy window, IDCOL has focused on investing in industrial solar rooftops and utility scale solar Independent Power Producer (IPP) plants, in addition to solar home system, solar mini-grids, solar-based irrigation pumps and other programs.

12. Comparison of Actual and Budgeted Performance of IDCOL

The actual interest and operating revenue for the FY2020 is BDT 4,482 million, which was 22.96% lower than the proposed budget for FY2020. Similarly, the actual interest and operating expenses are 29.15% lower than the budgeted figure. The actual profit before tax and provision for the FY 2020 is BDT 3,182 million, which is 20.10% lower; whereas net profit after tax was 11.29% higher than the budgeted figure.

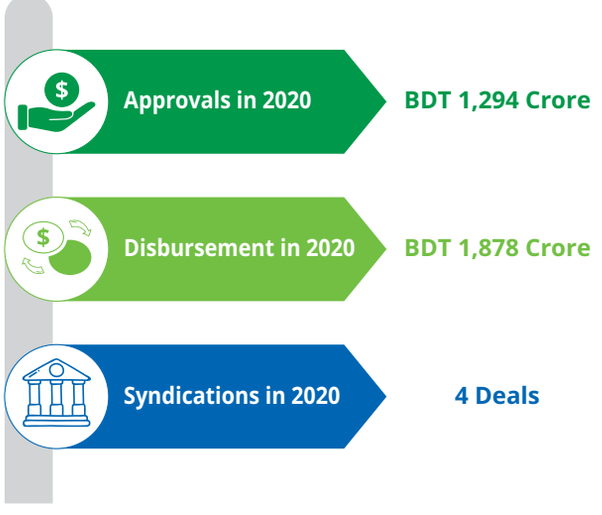
Actual and Budgeted Performance of IDCOL



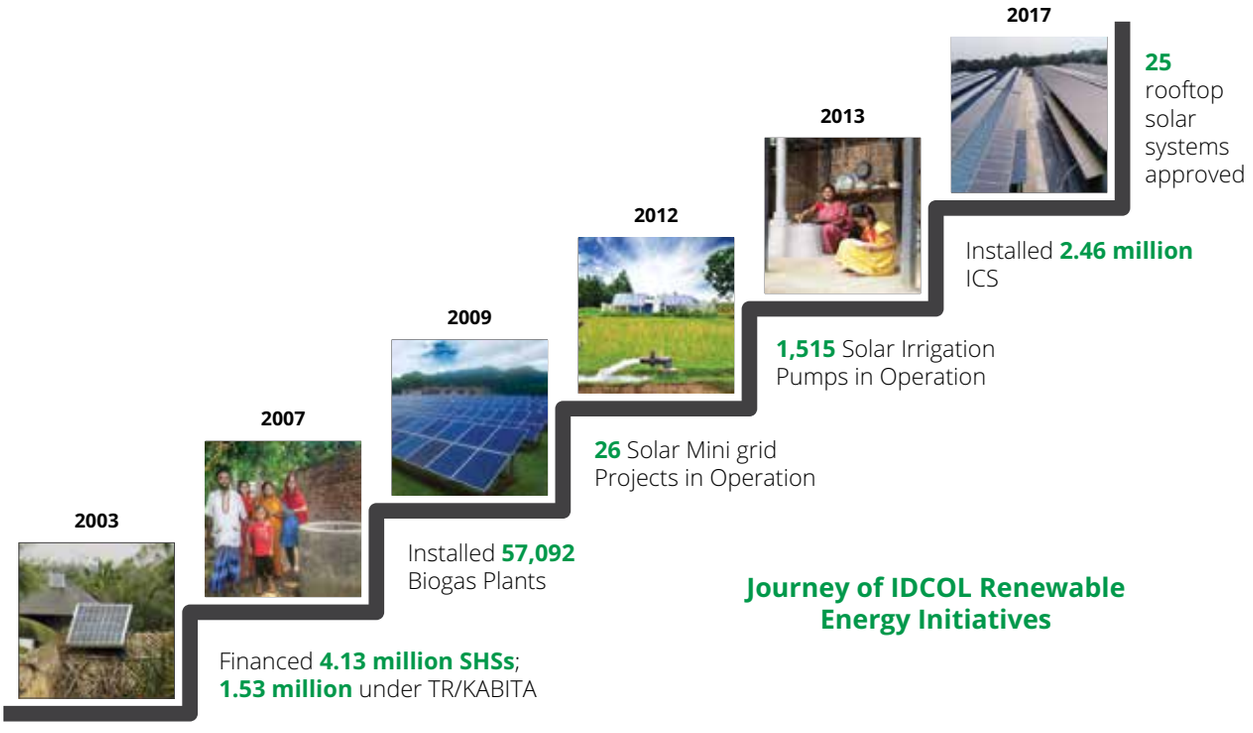
13. Infrastructure & PPP Projects

To cater to the increasing demand and to provide better services to its customers, the Investment Department has enhanced its scope through three units-- Infrastructure Finance (IF), Industrial and Energy Efficiency Finance (IEEF) and Public Private Partnership (PPP). To attain IDCOL's target, the department focused on building a strong pipeline in 2020.

IDCOL's pipeline of infrastructure projects include Power Plants, Energy Efficient Equipment Financing for Industries, Special Economic Zones, Hotels & Resorts, Industrial Parks and Industrial Backward Linkage projects.



14. Renewable Energy Initiatives



Journey of IDCOL Renewable Energy Initiatives

Solar Home System Program

This is the largest program in the world for off-grid electrification, which was initiated by IDCOL in 2003. Using a unique business model, over 4.13 million SHSs have so far been financed and installed in the rural off-grid areas of Bangladesh. Till December 2020, IDCOL disbursed USD 504 million (BDT 41,727 million) as credit and channeled USD 97 million (BDT 7,042 million) as grant to all the Participating Organizations (POs) under the program.

Biogas & Bio-fertilizer Program

As of December 2020, a total of 57,092 biogas plants have been constructed under the program. During the reporting period, 3,930 plants have been constructed by the Participating Organizations. Till December 2020, IDCOL provided refinancing facility of BDT 660 million to the POs.

Improved Cook Stove (ICS) Program

The ICS program was inaugurated by the Honorable Prime Minister Sheikh Hasina in May 2013 with the installation target of 1 million stoves in Bangladesh by December 2018. After successful implementation of the program's first phase, IDCOL has now started the second phase with the target of installing additional 4 million ICS by 2023. Till December 2020, a total of 2.46 million ICS have been installed and the program is on course to achieve the target within the stipulated timeframe.

Renewable Energy Projects

IDCOL financed installation of 26 solar mini-grids in the remote off-grid areas of Bangladesh with a combined capacity of 5 MW. These mini-grids are providing grid quality electricity to more than 20,000 households and commercial entities and thereby creating access to low-emission electricity. The average size of a mini-grid is 250 kW with an average of 500 connections.

As of December 2020, 1,515 solar irrigation pumps went into commercial operation under IDCOL financing, benefitting more than 65,000 farmers and smallholder collectives.

IDCOL has approved 25 rooftop solar projects, out of which 4 projects had already started commercial operation. The combined capacity of these rooftop solar systems is 3,097 kW. IDCOL has also financed an 8 MW (AC) grid-tied solar power plant at Tetulia in Panchaghar district by Sympa Solar Power Limited.

15. Status of IDCOL loans

As of December 2020, the overall collection rate of IDCOL loans was around 92.74 percent. The classified loan accounts were closely monitored and necessary actions had been taken against the defaulters to recover the outstanding amount. Classified loans as a percentage to the total outstanding loan was 1.53 percent as on 31 Dec'20.

16. Short Term Investment

During the reporting period, IDCOL earned BDT 335.28 million by efficient use of its cash funds; out of which BDT 19.71 million was earned from short-term bank deposit, BDT 302.67 million from fixed deposit and BDT 12.91 million from call money operations.

17. IDCOL's Debt Service Performance

During the reporting period, IDCOL's debt service obligation under all the loans were current. The company made a total debt service of BDT 4,459 million under various projects. Of the total, BDT 710 million was paid as interest and fees, and BDT 3,749 million was paid as principal repayment.

18. Our Regional Offices

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

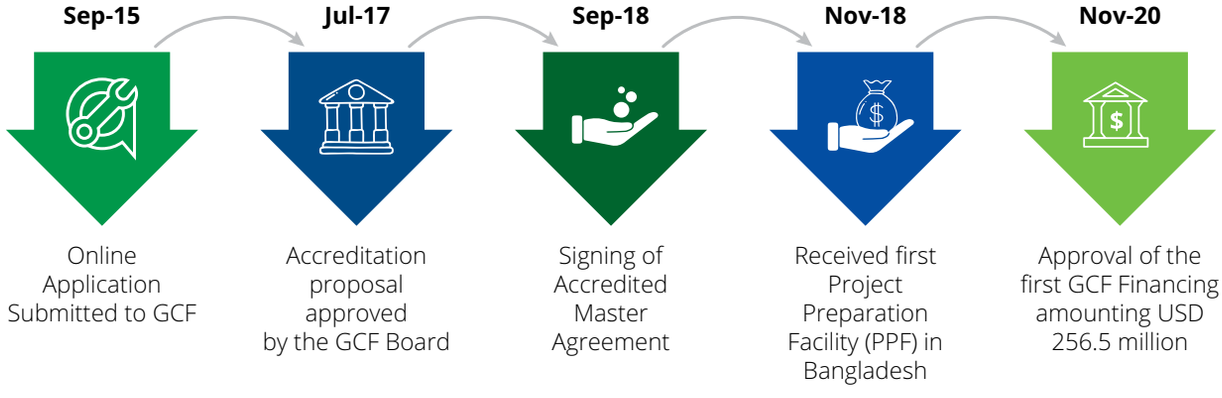
Each Regional Office has 5-30 inspectors, whose jobs are focused on inspection and maintenance of quality. Currently, a total of 182 quality inspectors and field auditors are conducting physical inspection and monitoring operations of various IDCOL-financed renewable energy programs and projects.

19. Green Climate Fund

The Green Climate Fund (GCF) was established at COP 16 in 2010, adopted in 2011, and has been operational since 2015. The mandate of GCF is to promote the paradigm shift towards low-emission and climate-resilient development pathways by providing support to high-risk developing countries to limit or reduce their greenhouse gas emissions and thus helping them to adapt to the impacts of climate change. Presently, GCF portfolio consists of 173 projects with committed amount of USD 8.4 billion.

Economic Relations Division (ERD) of the Ministry of Finance is the National Designated Authority (NDA) of Bangladesh that acts as the core interface between Bangladesh and GCF. IDCOL is Bangladesh's one of the two accredited National Implementing Entities (NIEs) that can directly access both Loan and Grant up to USD 250 million for each GCF project.

IDCOL Timeline of GCF Financing



On 10 November 2020, IDCOL received approval of its first funding proposal titled "Promoting private sector investment through large-scale adoption of energy-saving technologies and equipment for Textile and Readymade Garment (RMG) sectors of Bangladesh". This was the first concessional GCF credit line for Bangladesh, as well as the first private sector financing under GCF in the country. Till approval, it was also the largest approved funding proposal for any Direct Access Entity (DAE) of GCF, accredited globally.

Under the program, IDCOL will receive USD 250 million concessional loan for a tenor of 20 years and USD 6.50 million as Technical Assistance (Grant). Of the total, USD 100 million will be utilized to finance textile sector energy efficiency projects, while USD 150 million will be channeled to selected local financial institutions for financing RMG projects.

20. Advisory Services

IDCOL has been providing advisory services both in Bangladesh and abroad since 2014, utilizing its expertise in Renewable Energy, Climate Financing, Project Financing, Financial Analysis, Financial Modeling and Project Management experience.

In 2020, IDCOL has been awarded five advisory assignments.

Advisory Services



Bangladesh has assumed the presidency of Climate Vulnerable Forum (CVF) and Vulnerable Twenty (V20) Group and the Hon'ble Prime Minister Sheikh Hasina is serving as Chair of the CVF since June 2020. In October 2020, the Prime Minister announced developing the "Mujib Climate Prosperity Plan" (MCPP). This Plan, named after our founding father, Bangabandhu Sheikh Mujibur Rahman, is going to mobilize resources for a secured sustainable future of Bangladesh that will drive prosperity throughout the coming decade. It is the first of all CVF plans that is expected to serve as a template to inspire and facilitate the realization of similar plans in other CVF member states. IDCOL has been engaged by CVF-V20 to conduct power sector analysis and propose a holistic framework to realize low-carbon and climate-resilient power sector for the future Bangladesh. The Plan is expected to be launched in June 2021.

IDCOL has been executing two advisory assignments by UNDP as part of a consortium for "Updating and Enhancing the Nationally Determined Contributions (NDCs) for Bangladesh" and for "Conducting Training on Climate Change Adaptation Mainstreaming and Bankable Project Development Skills". A draft interim report of the enhanced NDC was submitted to UNFCCC on 31 December 2020.

IDCOL has been advising Rural Energy Agency (REA) of Tanzania for the establishment of a Renewable Energy Investment Facility (REIF), which is expected to enable the scaling up of local private sector investment in Tanzania's renewable energy sector. The assignment includes doing a market study to assess the country's private sector investment landscape in renewable energy, structuring the institutional set up of REIF and formulating the operating guideline.

Finally, IDCOL was appointed by GIZ for conducting a training session during Digital German Training Week (D-GTW) on legal framework for solar PV project development in Bangladesh.

21. Internal Audit

The internal audit is meant to provide independent assurance that an organization's risk management, governance and internal control processes are operating effectively. This is done by providing insight and recommendations based on analyses and assessments of data and business processes.

The scope of the internal audit unit of IDCOL is also broad and involves governance, risk management and management control over efficiency/effectiveness of operations (including safeguarding of assets), the reliability of financial and management reporting and compliance with laws and regulations. Our internal auditors also conduct proactive audits and reviews to identify control breakdowns and financial loss. In addition, they advise the management and the Board of Directors on how to discharge and execute their responsibilities in a responsible and effective way.

22. Risk Management

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

IDCOL Risk Management Unit provides independent assessment of each business proposal, strictly adhering to the Risk Management Framework. The company has a structured credit approval process that ensures detail and in-depth project due diligence, addressing associated risks and possible mitigations. Upon completion of the assessment, the proposal is submitted to the Chief Risk Officer, who forwards it to the Credit Risk Management Committee for recommendation and subsequent approval by the Credit Committee and Board of Directors.

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

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

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

23. Credit Rating

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

24. Directors' Responsibilities in the Preparation of Financial Statements

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

25. Going Concern

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

26. 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, which ended 31 December 2020, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any;
- That such accounting policies have been adopted and applied consistently and the judgment and estimates have been made on that basis are reasonable and prudent, so as to give a true and fair picture of the state of affairs of the Company as on 31 December 2020, and of the profit of the Company for the year, which ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1994, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis.

27. Integrated Reporting

Annual Report 2020 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 matters without material error and incorporates the efforts the company has taken towards ensuring economic prosperity, environmental sustainability and social well-being of the country for a brighter future.

28. Director's Meeting & Attendance

From 01 January to 31 December 2020, a total of 14 (fourteen) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 94 percent. The core activities of the Board were carried out in scheduled meetings of the Board

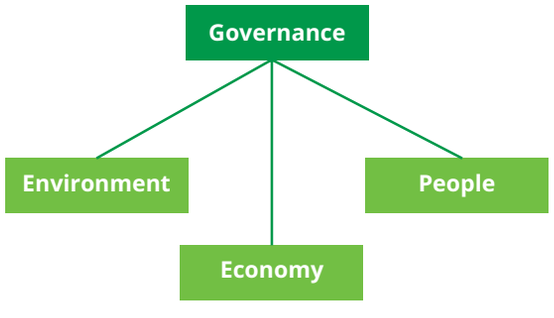
and its Committees. Those meetings were timed to link to key events in the company's corporate calendar and regular reviews were conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters, which required decisions outside the scheduled meetings.

29. Corporate Governance

Since its inception more than 20 years ago, IDCOL has strictly adhered to the principles of sound corporate governance. To further underscore its commitment to sound practice, the Board lays strong emphasis on transparency, accountability and integrity. At the same time, the Board remains committed to guiding the strategic development of the company and supports the principle of collective responsibility for its success. A separate detailed report on Corporate Governance is included as part of the Annual Report.

30. 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. These components are also central to the company's framework governance, which provides corporate direction and sets its principles and values that guide our business practices. A separate detailed Sustainability report is included as part of the Annual Report.



31. Business Ethics

The day-to-day business activities are conducted in a fair, honest and ethical manner at IDCOL. Every person connected with the company has individual responsibility for maintaining an ethical and healthy workplace. Unit heads and management members throughout the company are also 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.

32. Contribution to the National Exchequer and the Economy

During the year January-December 2020, the company contributed a total of BDT 875 million as corporate tax, BDT 14 million as Tax Deducted at Source (TDS) and BDT 20 million as VAT and BDT 650 million as dividend to the Government. Consequently, an amount of BDT 1559 million was deposited to the national exchequer. IDCOL has been awarded the Top Taxpayer's Award in FY 2013-14, FY 2014-15, FY 2017 and FY 2018.

33. Responsibility towards Civil Society

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

34. Auditors

ACNABIN Chartered Accountants have been appointed as auditors for the Company's accounts for the year starting from January 2020 to December 2020. The Financial Institutions Act, 1993, stipulated that an auditor of a financial institution cannot be appointed for more than three consecutive years. Section 210 (10) of the Companies Act, 1994 also gives authority to shareholders of the company to fix the auditor's remuneration. So, the Board recommended appointing ACNABIN Chartered Accountants as the auditor for IDCOL.

Acknowledgement

I would like to express my sincere thanks and gratitude to our development partners, partner organizations and the Board for their continuous assistance and guidance and for having confidence in IDCOL. I also take this opportunity to commend the Management team and all the employees of the company for their hard work, dedication, commitment and integrity which have brought IDCOL to this level.

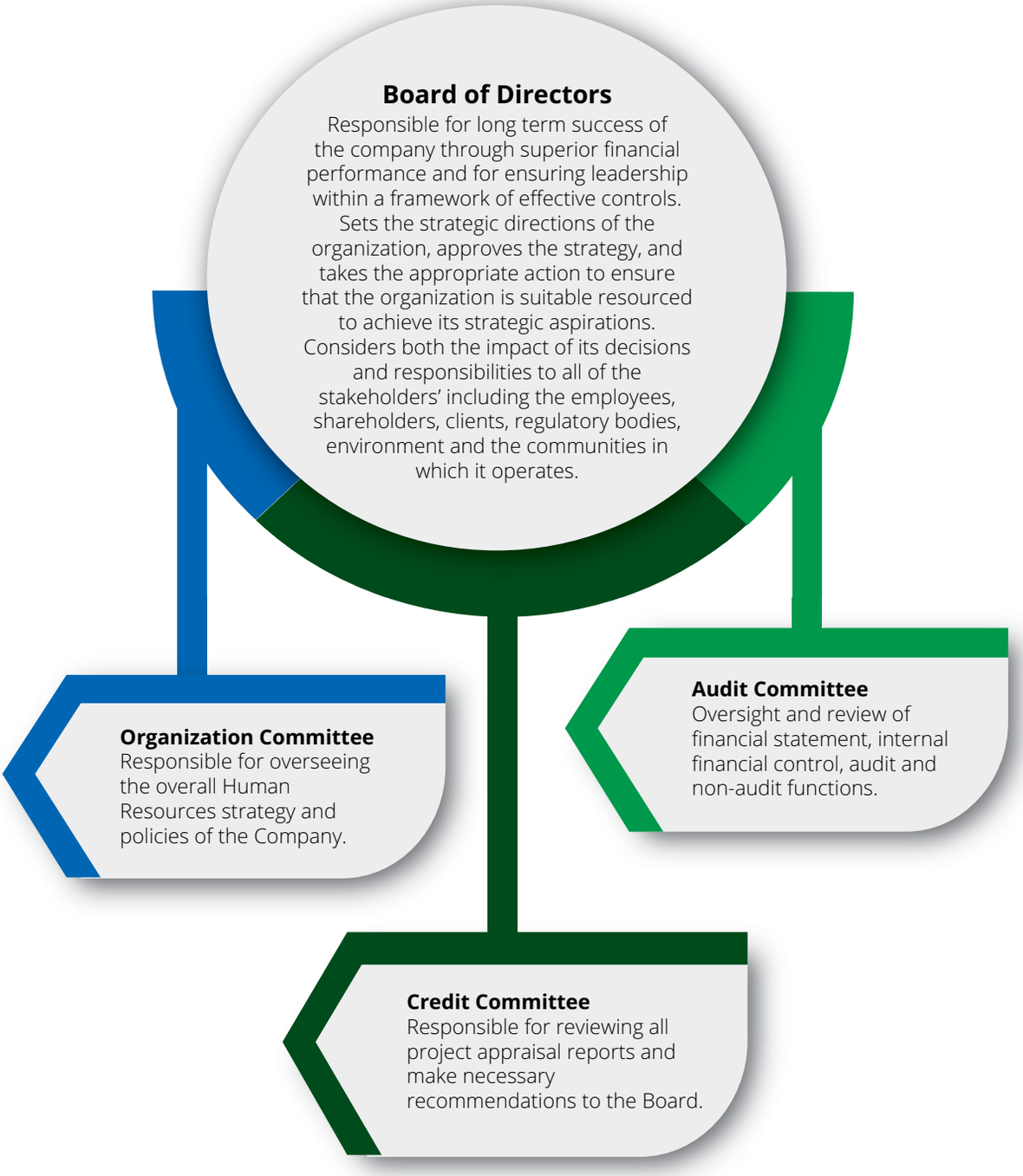
By order of the Board
Sd/-

Fatima Yasmin
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 effectively governance supports and guides our culture and behavior.



Management Level Risk Oversight



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

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

The board 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 board holds the CEO accountable in discharging his/her delegated responsibilities. Delegations are made within the broader corporate governance framework and IDCOL's standards of business governance. Under the delegated authority and the corporate governance framework, management is required to report regularly to the Board in relation to certain specified types of authority exercised by management under the policy and on matters which come or may come within the scope of matters which are reserved for the Board.

Board Key Roles and Responsibilities

Chairman

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

Directors

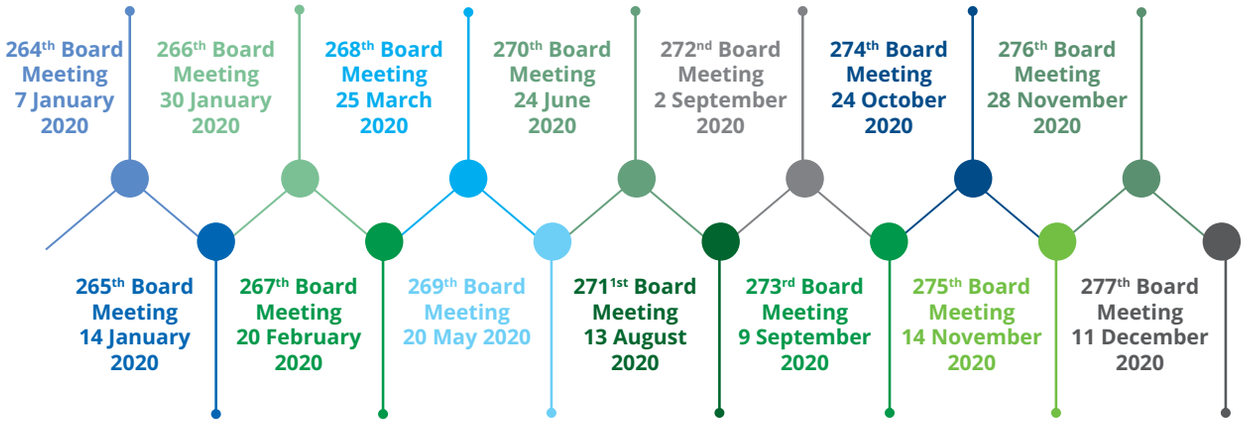
Provides guidance and supports to the chairman as required and in coordination with the chairman acts as the ambassador of the board in its relationship with government, regulators and stakeholders.

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 2020

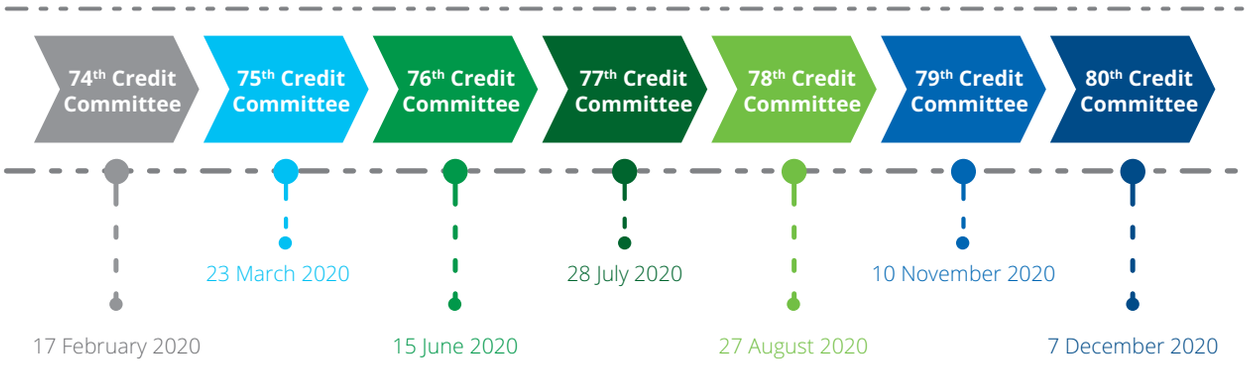
In 2020, 14 board meetings were held



Board Attendance														
Name of the Director's	Board Meetings													
	264th	265th	266th	267th	268th	269th	270th	271st	272nd	273rd	274th	275th	276th	277th
Mr. Monowar Ahmed, Chairman	√	√	√	√	√									
Ms. Fatima Yasmin, Chairman					√	√	√	√	√	√	√	√	√	√
Mr. Md. Shah Kamal, Director	√		√	√		√	√							
Dr. Ahmad Kaikaus, Director		√												
Mr. Sajjadul Hasan, Director	√	√												
Mr. Abdur Rouf Talukder, Director	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Dr. Sultan Ahmed, Director			√	√	√	√	√	√	√	√	√	√	√	√
Md. Tofazzel Hossain Miah, Director			√	√	√	√	√	√	√	√	√	√	√	√
Mr. Md. Sahabuddin Patwary, Director											√	√	√	√
Mr. A.K.M. Nurul Fazal Bulbul, Director	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Ms. Nihad Kabir, Director		√	√	√	√	√	√		√	√	√	√	√	√
Mr. Abdul Haque, Director	√	√	√	√	√	√	√	√	√	√	√	√	√	√
Mr. Mahmood Malik, ED & CEO	√	√	√	√		√	√	√	√	√	√	√	√	√

Credit Committee Meetings 2020

In 2020, 7 Credit Committee meetings were held



Audit Committee and Organization Committee Meetings 2020

In 2020, 4 Audit Committee and 2 organization Committee Meetings were held.



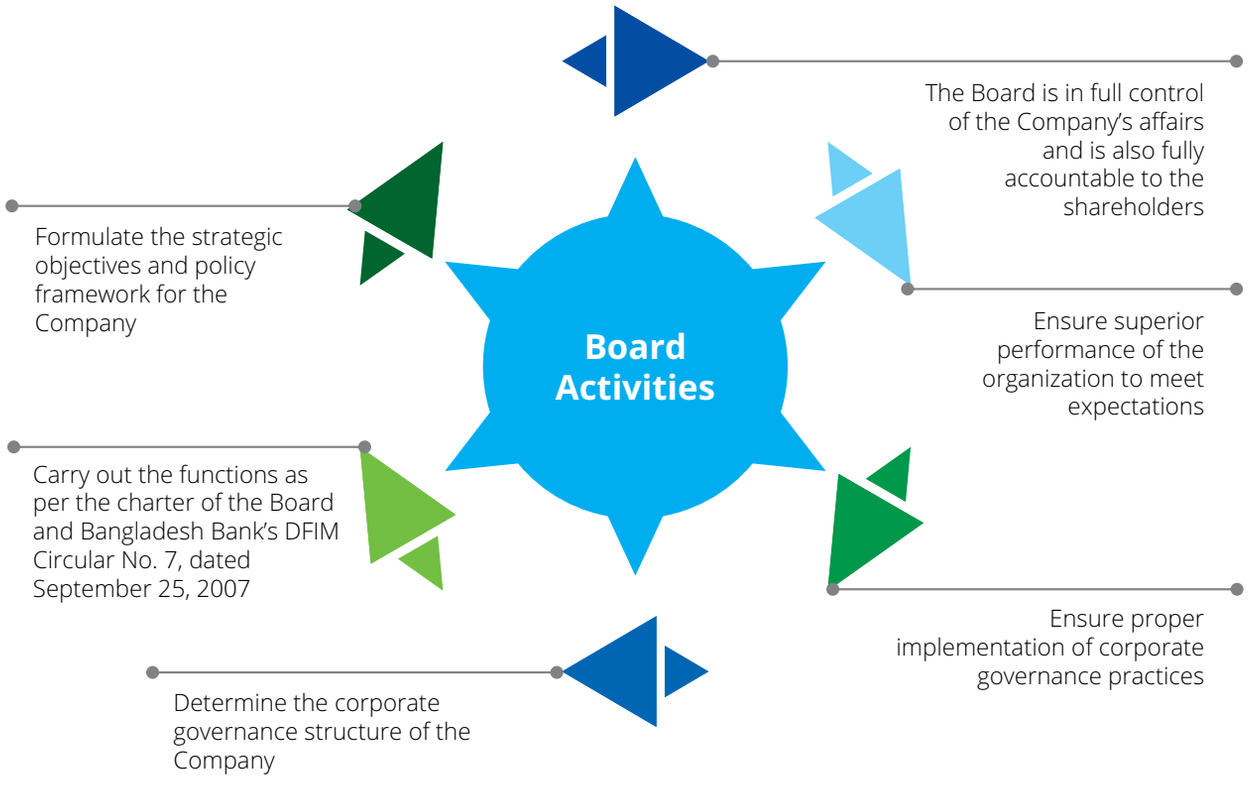
Conducting Board Meeting

Code Compliance

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

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

Board meeting procedure of IDCOL is structured in a way that helps the members keeping the flow orderly. Four members' presence is mandatory for conducting meeting. IDCOL's board meetings follow agendas and any pertinent information is disseminated before the meeting so that members have an opportunity to review information and make informed decisions. Topics are introduced by the chair or committee chairs, and are then opened for discussion and debate to all members. Meeting attendees should follow protocol to ensure that everyone has an opportunity to voice an opinion without the meeting dragging on excessively. If items take too long to get to a resolution, they are postponed, to respect all board members' time. IDCOL's board of directors are committed to devote sufficient time to discharge their responsibilities and considerably more for those who chair or are members of multiple committees.



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

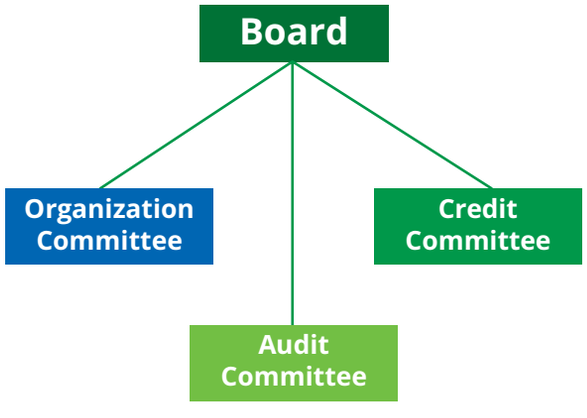
definition, Boards of Directors operate out of sight of the public and most investors. While the nature of confidential board deliberations makes it impossible to demand full transparency of board meetings, there needs to be trust and confidence in the proper functioning of the Board. Since the company's 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

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

Members

- Mr. Abdur Rouf Talukder, Chairman
- Mr. Md. Habibur Rahman, Member
- Ms. Nihad Kabir, Member
- Mr. Abdul Haque, Member
- Mr. A.K.M. Nurul Fazal Bulbul, Member

Roles and Responsibilities

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.

The committee is responsible for-

- Monitoring the integrity of the company's financial statements and announcements;
- Reviewing internal financial control;
- Monitoring and reviewing the internal audit function;
- Recommending the appointment or replacement of external auditors and review the effectiveness of their work;
- Developing and implementing policies on the use of the auditors for non-audit services.

Credit Committee

Credit Committee of IDCOL consists of seven members who are primarily responsible for reviewing all project appraisal reports before submission to the Board for approval.

Members

- Mr. M. Tofazzel Hossain Miah, Chairman
- Mr. Abdur Rouf Talukder, Member
- Mr. Md. Habibur Rahman, Member
- Mr. A.K.M. Nurul Fazal Bulbul, Member
- Ms. Nihad Kabir, Member
- Mr. Abdul Haque, Member
- Mr. Mahmood Malik, Member

Roles & Responsibilities

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

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

Organization Committee

Organization committee of IDCOL consists of five members whose primary responsibility is to oversee the overall human resource strategies, policies and guidelines of the organization

Members

- Ms. Fatima Yasmin, Chairman
- Mr. Md. Habibur Rahman, Member
- Mr. Abdur Rouf Talukder, Member
- Ms. Nihad Kabir, Member
- Mr. Mahmood Malik, Member

Roles & Responsibilities

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

- A rich supply of high caliber employees with the capability to lead the business now and in the future.
- Diversity of employees to reflect the available talent in the marketplace and consumer demographics.
- Training and development that will equip employees with the skills and knowledge to perform their duties efficiently.
- A high performance culture and employee engagement that will drive 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

Status of compliance with the conditions imposed by the Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 issued a notification regarding compliances on Corporate Governance for listed companies. Notably, IDCOL is not yet listed with any stock exchange so this notification does not apply. However, IDCOL voluntarily complies with many of the requirements. The status report on compliance with those conditions is furnished below:

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1	**Board of Directors**			
1(1)	The number of Board members shall not be less than 5 (five) and more than 20 (twenty);	√		
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID);			Not Applicable
1(2)(b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company;			"
1(2)(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above-mentioned shares;			"
1(2)(b)(iii)	ID has not been an executive of the company 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;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(3)(a)	ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;			"
1(3)(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association			"
1(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;			"
1(3)(b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;			"
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

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			"
1(5)(ix)	An explanation on any significant variance between Quarterly Financial performances and Annual Financial Statements;			No such event occurred
1(5)(x)	A statement of Directors remuneration;	√		
1(5)(xi)	A statement on fair preparation of the financial statements by the management of the issuer company;	√		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed in 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;	√		

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and membership of board committees;	√		
	A Management's Discussion and Analysis signed by CEO or MD;			
1(5)(xxv)(a)	Presenting detailed analysis of accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Presenting detailed analysis of changes in accounting policies and estimation, if any;	√		
1(5)(xxv)(c)	Presenting detailed analysis of comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5)(xxv)(d)	Presenting detailed analysis of compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Presenting detailed analysis of briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Presenting detailed analysis of risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	√		
1(5)(xxv)(g)	Presenting detailed analysis of future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report and compliance certificate disclosed as per Annexure-B and Annexure-C;			Not Applicable
1(6)	Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	√		
1(7)(a)	Code of conduct, based on the recommendation of the NRC for the Chairman of the Board, other board members and Managing Director of the company;	√		
1(7)(b)	Code of conduct as determined by the NRC shall be posted on the website of the company;	√		
2	**Governance of Board of Directors of Subsidiary Company**			
2(a)	Composition of the Board of the subsidiary company;			Not Applicable
2(b)	Independent director of the holding company on the Board of the subsidiary company;			"
2(c)	Review of minutes of the subsidiary company's Board meeting by the holding company's Board;			"
2(d)	Statement as to the review of minutes of Subsidiary company by the holding company's Board;			"
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding company;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
3	**Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)**			
3(1)(a)	The Board shall appoint an MD or CEO, CS, CFO and HIAC;	√		
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	Respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	Removal of the MD or CEO, CS, CFO and HIAC with approval of the Board and immediate dissemination to BSEC and stock exchange(s);			Not Applicable
3(2)	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board;	√		
3(3)(a)(i)	Certification of CEO and CFO as to the review of financial statements with declaration that there is no materially untrue and misleading statement;			Not Applicable
3(3)(a)(ii)	Certification of CEO and CFO as to the true and fair view of the financial statements and affairs of the Company's per applicable laws;			"
3(3)(b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;			"
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report;	√		
4	**Board of Directors' Committee**			
4(i)	Board Audit Committee (BAC);	√		
4(ii)	Nomination and Remuneration Committee;			Not Applicable
5	**Audit Committee**			
5(1)(a)	BAC as a sub-committee of the Board;	√		
5(1)(b)	BAC shall assist the Board of Directors as to the the financial statements reflect true and fair view of the state of affairs of the company;	√		
5(1)(c)	BAC is responsible to the Board. The duties of the BAC is clearly set forth in writing;	√		
5(2)(a)	BAC is composed of 3 (three) members;			Not Applicable
5(2)(b)	The Board appointed members of BAC who are non-executive directors and Chairperson is an ID;	√		
5(2)(c)	All members of BAC are "financially literate" and 1 (one) member has accounting or related financial management background and 10 (ten) years of such experience;	√		
5(2)(d)	Filling of casual vacancy in the BAC;			"
5(2)(e)	The CS shall act as the Secretary of the Committee;	√		
5(2)(f)	The quorum of the BAC meeting have not constitute without ID;			"
5(3)(a)	The Board of Directors select 1 (one) ID as the Chairman of BAC;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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;			"
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	√		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	√		
5(5)(m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;			Not Applicable
5(6)(a)(i)	The BAC shall report on its activities to the Board;	√		
5(6)(a)(ii)(a)	The BAC shall immediately report to the Board if any report on conflicts of interests;	√		
5(6)(a)(ii)(b)	The BAC shall immediately report to the Board if any suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	√		
5(6)(a)(ii)(c)	The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	√		
5(6)(a)(ii)(d)	The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary;	√		
5(6)(b)	If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	√		

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
5(7)	Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	√		
6	**Nomination and Remuneration Committee (NRC)**			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;			Not Applicable
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			"
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);			Not Applicable
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			"
6(2)(b)	All members of the Committee shall be non-executive directors;			"
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			"
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			"
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			"
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			"
6(2)(g)	The company secretary shall act as the secretary of the Committee;			"
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			"
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;			"
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			"
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			"
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;			"
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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 a 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.	√		

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
7(1)(ii)	- to perform the financial information systems design and implementation of the company.	√		
7(1)(iii)	- to perform book-keeping or other services related to the accounting records or financial statements of the company.	√		
7(1)(iv)	- to perform broker-dealer services of the company.	√		
7(1)(v)	- to perform actuarial services of the company.	√		
7(1)(vi)	- to perform internal audit services or special audit services of the company.	√		
7(1)(vii)	- to perform any service that the Audit Committee determines of the company.	√		
7(1)(viii)	- to perform audit or certification services on compliance of corporate governance as required under condition No. 9(1) of the company.	√		
7(1)(ix)	- to perform any other service that creates conflict of interest of the company.	√		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company;	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	√		
8	**Maintaining a website by the Company**			
8(1)	The company shall have an official website linked with the website of the stock exchange;			Not Applicable
8(2)	The company shall keep the website functional from the date of listing;			"
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s) ;			"
9	**Reporting and Compliance of Corporate Governance.**			
9(1)	Compliance Audit certification and its disclosure in the Annual Report;			Not Applicable
9(2)	Compliance certification professional shall be appointed by the shareholders in the AGM;			"
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not;			"

STATEMENT OF COMPLIANCE WITH THE GOOD GOVERNANCE GUIDELINE ISSUED BY BANGLADESH BANK

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the 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 a half-yearly basis.	√		
B. Formation of Sub-committee				
	For making a 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.	√		

Condition No.	Particular	Complied status(put √ in the appropriate column)		Remarks (If any)
		Complied	Not complied	
	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).	√		
D. Loan/Lease/Investment Management				
	i. The policies, strategies, procedures etc. in respect of loan appraisal of loan/ lease/investment proposal sanction, disbursement, recovery, rescheduling, and write-off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/lease/ investment and such delegate should desirably be made among the CEO and other top management of the company.	√		
	ii. No Director shall interfere directly or indirectly in the process of loan approval	√		
	iii. Core Risk Management Guidelines shall be approved by the Board of Directors of the Company.	√		
E. Risk Management				
	Approval shall be taken from Board of Directors for syndicate loan/lease/investment and large loan, lease or investment.	√		
F. Internal Control & Compliance				
	Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/ lease/ investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.	√		
G. Human Resources Management (HRM)				
	Policies relating to recruitment, promotion, transfer disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman or the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except 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 with 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		2020	2019	% Change
1	Paid-up capital	BDT million	7,150	6,500	10.00%
2	Total capital	BDT million	10,034	9,045	10.36%
3	Surplus/(shortage) capital	BDT million	3,593	864	309.28%
4	Total Assets	BDT million	98,201	90,876	8.06%
5	Total deposits	BDT million	N/A	N/A	-
6	Total loans & advances	BDT million	79,127	68,799	15.01%
7	Total contingent liabilities and commitments	BDT million	-	-	-
8	Loans to deposit ratio (total loans/total deposits)	%	N/A	N/A	-
9	% of classified loans against total loans	%	1.53	4.54	-3.01%
10	Profit after tax and provision	BDT million	1,535	1,378	11.34%
11	Classified Loans, advances and leases during the year	BDT million	993	2,533	-60.80%
12	Provisions kept against classified loans, advances and leases	BDT million	559	1,926	-70.96%
13	Provision surplus/(deficit) against classified loans, advances and leases	BDT million	650	1,251	-48.03%
14	Cost of fund	%	1.29	1.61	-0.32%
15	Interest earning assets	BDT million	87,807	82,012	7.07%
16	Non-interest earning assets	BDT million	10,395	8,864	17.27%
17	Return on investment (ROI)	%	1.92	1.99	-0.07%
18	Return on asset (ROA)	%	1.56	1.52	0.04%
19	Income from investment	BDT million	70.35	3.89	1708.48%
20	Operating profit per share	in BDT	44.49	56.12	-20.70%
21	Earnings per share	in BDT	21.47	19.28	11.34%
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 CEO & ED and the Chief Financial Officer, the effectiveness of our internal control over financial reporting as of 31 December 2020.

Based on that evaluation, management concluded that, as of 31 December 2020, 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 2020.

Our internal control over financial reporting as of 31 December 2020 has been audited by ACNABIN Chartered Accountants., who also audited our Financial Statements for the year ended 31 December 2020. 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
Dhaka, 12 June, 2021

Sd/-

S. M. Monirul Islam
Deputy CEO & CFO

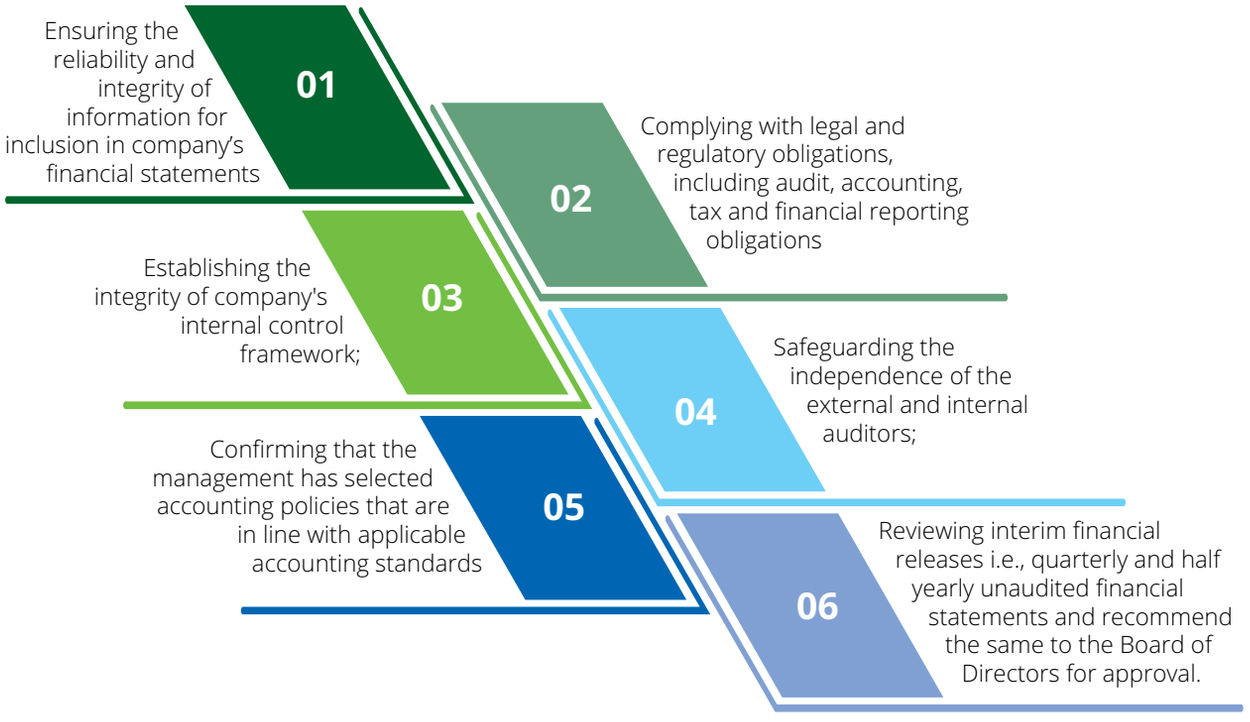
AUDIT COMMITTEE **REPORT**

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

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

Objective of the Audit Committee

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



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

Composition of the Board Audit Committee

The Board Audit Committee consists of five Directors of the Company and the chairman and members of the Audit Committee are appointed by the board. In order to fulfil a quorum, at least two members of the committee must be present in the meeting. The Committee comprises the following members as of the date of this report:

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

All the members of the Committee are financially literate. The qualifications and the biographical details of the current members of the Committee

are set out in detail in their brief profile on page no 78-83 of this annual report.

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

Audit Committee Charter

Purpose

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

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

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

Authority

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

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

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

Meetings and Structure

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

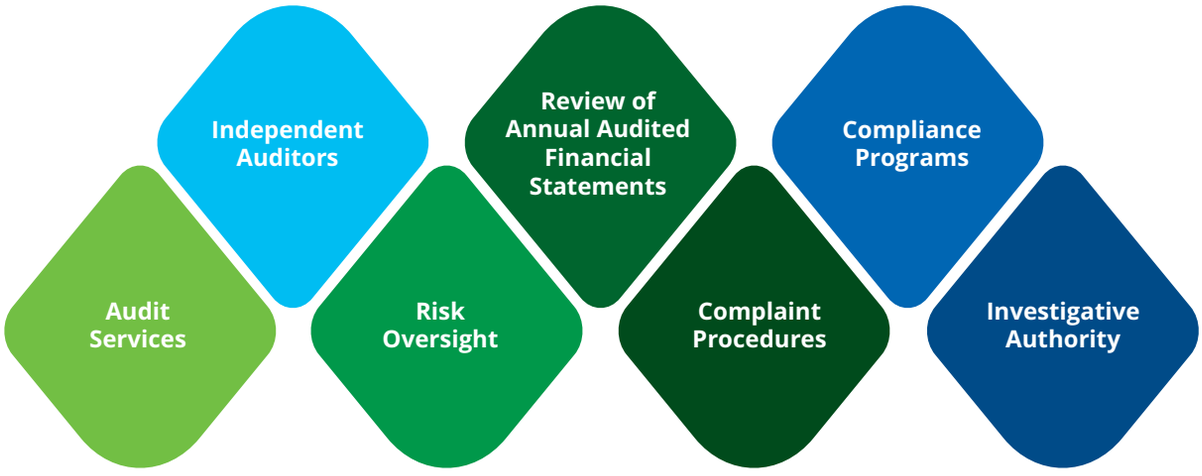
Two members of the Committee shall constitute a quorum. The Chairman of the Committee shall be responsible for finalizing the agenda, presiding over meetings and coordination of reporting to the Board. In the absence of the Chairman of the Committee, the responsibilities of the Chairman may be performed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

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

Responsibilities and Duties

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

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



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

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

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

   The Committee will review and discuss with the independent auditors the matters required to be communicated to the Committee by the independent auditors under auditing standards established from time to time, including any difficulties the independent auditors encountered in the course of their audit work, including any restrictions on the scope of the auditors' activities or on access to requested information, and any significant disagreements with management, and management's response to such difficulties. The Committee will also review and discuss with management and the independent auditors the annual report on internal controls by the executive management, and the report on the effectiveness of the Company's internal controls prepared by the independent auditors.

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

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

Outside Advisors

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

Inclusion of Bangladesh Bank Directives

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

Activities of the Audit Committee in the Year 2020

The audit Committee carried out among others the following activities in the year 2020:

- Discussed with the external auditors and management prior to finalization of financial statements of IDCOL for the year ended December 31, 2019;
- Reviewed the proposal of external auditors for appointment and recommended the same to the board
- Reviewed Audit Plan of Internal Audit Department for the year 2020
- Reviewed the Management Letter issued by external auditors, ACNABIN Chartered Accountants, on the annual audit of financial statements of IDCOL for the year ended December 31, 2019
- Reviewed the report on the non-performing / default clients
- Reviewed the revised annual budget of the company
- Reviewed the overdue status of company's portfolio
- Reviewed draft audited financial statements of IDCOL for the year ended December 31, 2019 along with the auditor's report thereon;
- Reviewed Quick Summary Report of Bangladesh Bank based on Statement of Loan/Lease Classification and Provision as of 31 December 2019
- Reviewed the internal audit reports issued by the Internal Audit Unit during the year 2020
- Reviewed the departmental activities of the company
- Reviewed the report on business operations
- Reviewed the quarterly financial statement of the company

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

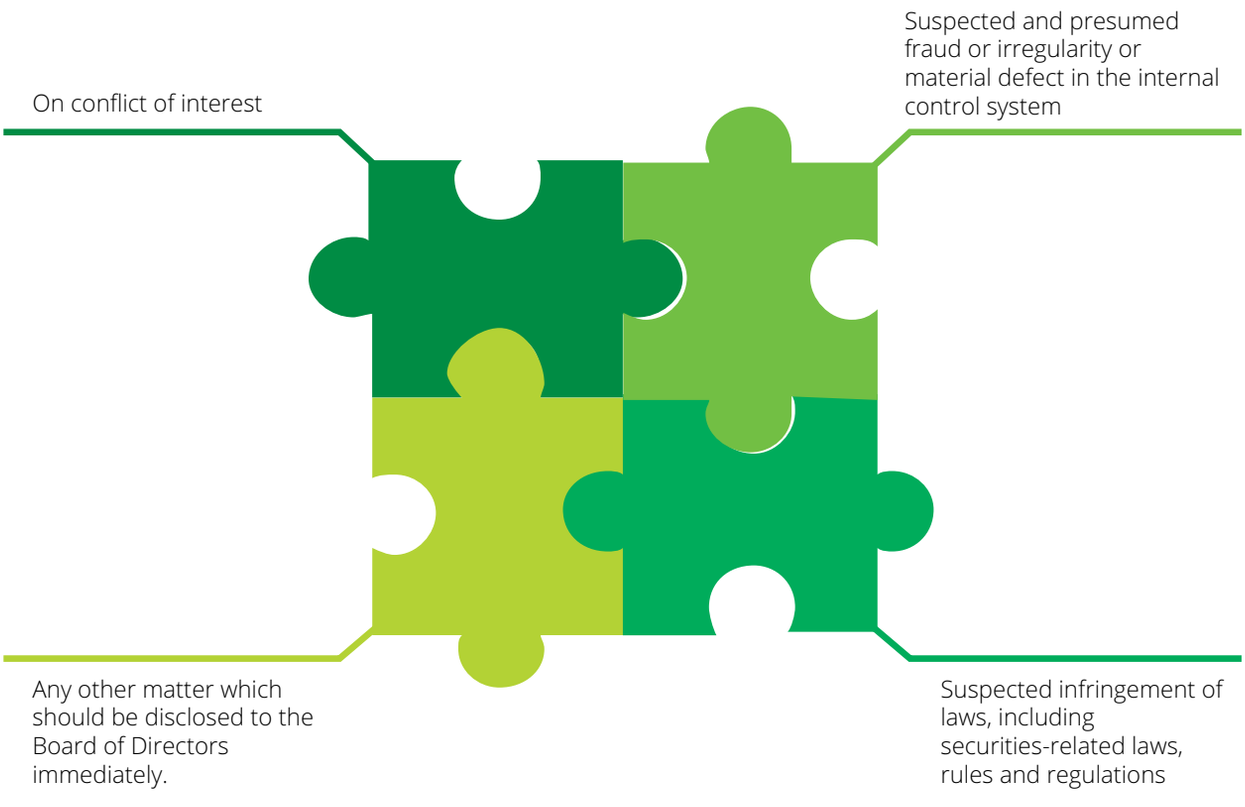
The Audit Committee and Internal Audit

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

The Audit Committee is responsible for approving the annual audit plan of Internal Audit and reviewing the plan's subsequent implementation. The internal audit reports or summaries thereof prepared by the Internal Audit Department 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:



No such issues arose at IDCOL during the year ended 31 December 2020.

Sd/-

Abdur Rouf Talukder
Chairman, Audit Committee
12 June 2021

REPORT ON **INTERNAL CONTROL**

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

INTRODUCTION

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

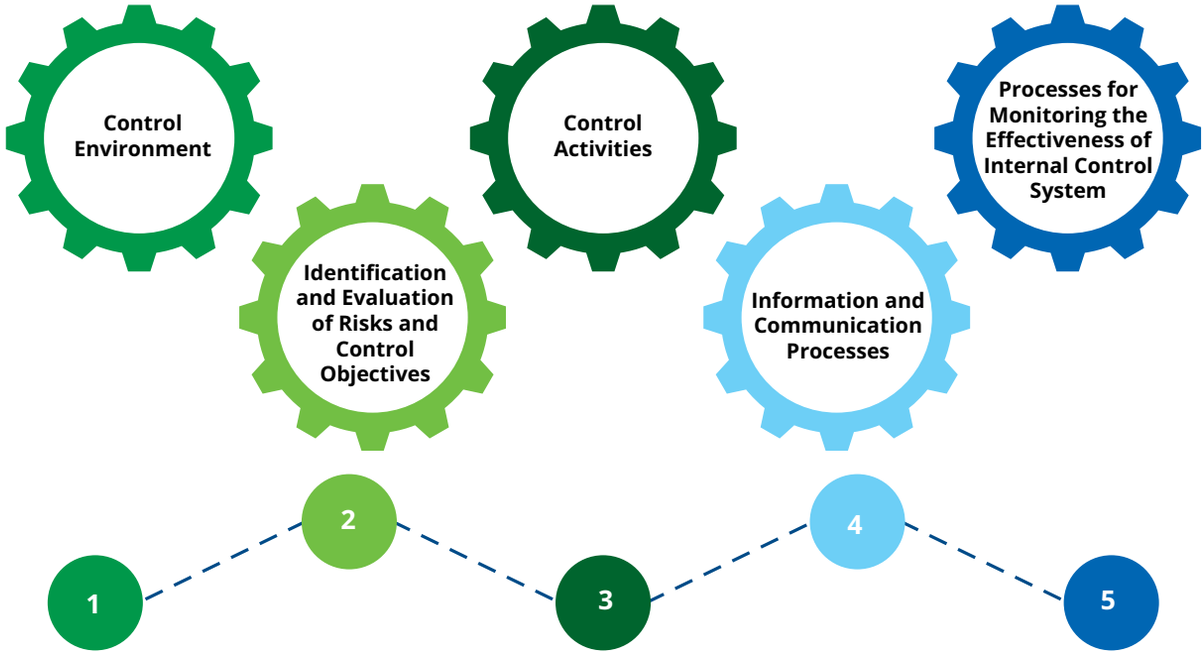
The following statement on internal control has been prepared in accordance with the regulatory requirements not only to comply with the regulatory requirements but also to articulate the practical internal control effectiveness to the existing and potential stakeholders.

RESPONSIBILITY

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

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

DESCRIPTION OF THE INTERNAL CONTROL SYSTEM



Control Environment

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

Identification and Evaluation of Risks and Control Objectives

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

Control Activities

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

Information and Communication Processes

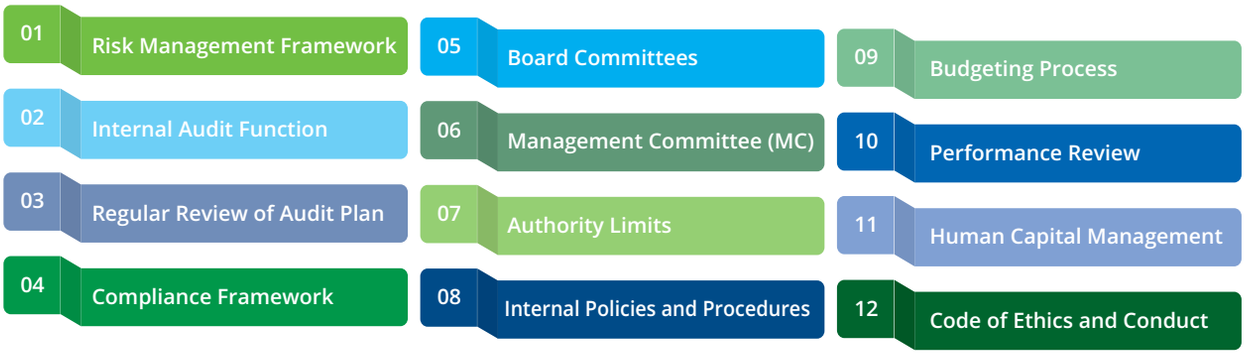
Pertinent information must be identified, captured and communicated in a form and time frame that enables people to carry out their responsibilities. Information systems produce reports, containing operational, financial and compliance-related information, that make it possible to run and control the business. They deal not only with internally generated data, but also information about external events, activities and conditions necessary to informed business decision-making and external reporting. Effective communication must also occur in a broader sense, flowing down, across and up the organization. All personnel must receive a clear message from top management that control responsibilities must be taken seriously. They must understand their own role in the internal control system, as well as how individual activities relate to the work of others. They must have a means of communicating significant information upstream. There also needs to be effective communication with external parties, such as customers, suppliers, regulators and shareholders.

Processes for Monitoring the Effectiveness of Internal Control System

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

INTERNAL CONTROL PROCESS

The key processes that the Board has established in reviewing the adequacy and integrity of 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 Affairs Unit. Each unit has a defined and unique set of risk identification methodology.

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

Internal Audit Function

The Internal Audit Department performs regular review of IDCOL's operational processes and system of internal controls through its two units; Risk Based Audit Unit & Concurrent Audit Unit. The Internal audit department adopts a risk-based approach in determining the auditable units and frequency of audits.

Regular Review of Audit Plan

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

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

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

Compliance Framework

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

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

Compliance in collaboration with the business operating units continuously assesses and recommends improvements to control by carrying out root cause analysis on common incidences of non-compliance, negligence and fraud.

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

Board Committees

Specific responsibilities have been delegated to the relevant Board Committees, all of which have written terms of references. These committees

have the authority to examine and/or consider all matters within their scope of responsibilities and make recommendations to the Board for approval, if such is required. The Board Committees are as follows:

- Organization Committee;
- Audit Committee; and
- 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 are documented and designed to ensure accountability and responsibility.

Internal Policies and Procedures

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

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

Budgeting Process

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

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

Performance Review

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

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

Human Capital Management

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

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

Code of Ethics and Conduct

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

STATEMENT ON FINANCIAL STATEMENTS BY **CEO AND CFO**

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

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

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

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

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

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

(ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which 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
Deputy CEO and CFO

CORPORATE GOVERNANCE DISCLOSURE **CHECKLIST**

Particulars		Page Number
1. BOARD OF DIRECTORS, CHAIRMAN AND CEO		
1.1	Company's policy on appointment of directors disclosed.	122-129
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	75, 78-83
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	78-83
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	122-129
1.6	Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	122-129
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	122-129
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.	78-83
1.10	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	122-129
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	106-121
2. VISION / MISSION AND STRATEGY		
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	19
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	10-31
3. AUDIT COMMITTEES		
3.1	Appointment and Composition	128-129, 144-148
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	144-148
3.1.3	More than two thirds of the members are to be Non-Executive Directors	75
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.	122-129, 78-83
3.1.5	Head of internal audit to have direct access to audit committee	149-152
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	144-148
3.2.1	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	144-148
3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues	144-148
3.2.3	Statement of Audit committee involvement in the review of the external audit function	144-148
	* Ensure effective coordination of external audit function	144-148
	* Ensure independence of external auditors	
	* To review the external auditor's findings in order to be satisfied that appropriate action is being taken	

CORPORATE GOVERNANCE DISCLOSURE **CHECKLIST**

	Particulars	Page Number
	* 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.	144-148
	* 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.	144-148
3.2.5	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	144-148
3.2.6	Reliability of the management information used for such computation	144-148
4. INTERNAL CONTROL & RISK MANAGEMENT		
4.1	Statement of Director's responsibility to establish appropriate system of internal control	122-129, 149-152
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	149-152
4.3	Statement that the Directors have reviewed the adequacy of the system of internal controls	149-152
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally	161-167
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	161-167
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.	120-121
5.2	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same	120-121, 149-152
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	120-121, 149-152
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	157-171
6. REMUNERATION COMMITTEE		
6.1	Disclosure of the charter (role and responsibilities) of the committee	130-131
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	260
6.4	Disclosure of number of meetings and work performed	124-126
6.5	Disclosure of Remuneration of directors, chairman, chief executive and senior executives.	260
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.	188-195
7.2	Organizational Chart	88
8. COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS		
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	106-121
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, 32-67
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	175-185
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	

04 RISK MANAGEMENT








STATEMENT OF THE **CHIEF RISK OFFICER**

Risk Management at IDCOL

Effective risk management in a prudent manner is essential to deliver consistent and sustainable performance for all of our stakeholders. As a central part of the financial and operational management, IDCOL adds value to its clients and the communities in which it operates by taking and managing appropriate levels of risk, which in turn generates returns for the shareholders.

To achieve the optimum level of return and better address the inherent risk along with all business risk arising from the business activities of IDCOL, a structured risk management framework is embedded at IDCOL. The framework is redefined periodically to adopt to ever changing markets and enhance risk management approach to ensure the thorough understanding of risks that is being undertaken to identify any emerging portfolio threats at an early stage, and to develop timely and appropriate risk management strategies. IDCOL's overall approach to risk management is based on:

- **A well-defined Risk Appetite:**

  Businesses at IDCOL are undertaken in alignment with the company's risk appetite. Risk-taking decisions must be consistent with strategic business goals and returns should compensate for the risk absorbed. As part of risk management culture, a well-defined risk appetite is in place at IDCOL which is yearly reviewed to enhance the ability of IDCOL to absorb the changing market conditions.

  Risk Culture

  IDCOL is thriving to promote a culture of integrity and high ethical standards. We aim for a high level of competence and support each other by sharing information, skills and experiences. The embedded risk management framework along with set out guidelines and policies provide strong risk awareness enabling IDCOL to critically review and challenge existing practices.

  Mandate

  IDCOL finance projects promotes productivity, economic and environmental benefits in a sustainable manner. Each project is assessed prudently and sufficiently fulfilling the standard is a prerequisite for financing from IDCOL. Having development mandate in the Infrastructure sector of the country, IDCOL risk appetite is premeditated to strike the right balance between the development role and sound risk management in a narrow gauge.

  Resource efficiency, climate change mitigation, pollution reduction, technical progress and innovation, human capital, infrastructure improvements, and general improvements in market efficiency and the business environment are aspects that IDCOL considers during the evaluation process.

  Lending

  IDCOL provides long-term financing to customers to support the development of their businesses. Due to the ever changing markets and economic conditions and acknowledging the inheritance of credit risk arising from the core activity of lending, IDCOL aims to maintain the high quality of the loan portfolio, while recognizing that some of the lending involves greater risks comparatively. IDCOL diversifies lending across industries and geographies within the country to avoid excessive risk concentrations.

  Sustainability, high ethical and social standards, and protection of the environment in our lending operations are of our utmost priorities. IDCOL does not finance projects that are undesirable from a sustainability or social standards perspective. This includes potential deterioration of the physical, natural, or cultural environment, the surrounding community, or the health and safety of workers directly resulting from the business activity to be financed.

  Earnings

  IDCOL offers financing on competitive market terms and aims for a stable earnings enabling the formation of capital reserves, organic growth, and reasonable return on capital in the long run. Lending operations, the primary source of credit risk, contributes to major share of earnings for the level of risk assumed. Treasury operations, through prudent asset and liability management, contribute to IDCOL's overall returns in line with the defined business objectives and given the core objective of safeguarding the organization's

liquidity. We strive for operational efficiency and to use our resources in ingenious and sustainable ways.

Capital

We aim to maintain a strong capital position in relation to the aggregate risk exposure at all times. The development of the risk appetite is kept in conjunction with the strategic, financial, regulatory requirements and capital planning of IDCOL.

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.

- **Comprehensive Risk Management Frameworks**:

IDCOL's risk management frameworks for all risk types are documented, comprehensive, and consistent.

Effective risk management plays a crucial role and is vital for IDCOL's pursuit of financial stability and superior performance. The adoption of a risk management framework that embeds best practices into the IDCOL's risk culture is the cornerstone of the organizations' financial future.

Crucial components that were considered when creating a risk management framework for IDCOL includes risk identification; risk measurement and assessment; risk mitigation; risk reporting and monitoring; and risk governance.

Risk Management Framework of IDCOL

Credit Risk

Medium

Arising from counter party or borrower's inability to service debt

Mitigated by:

- Guidelines, Policies and Strategies
- Risk Management Tools
- Risk Appetite
- Adequate Security

Operational Risk

Medium

Arising from inadequate or failed internal system, process and people or from external events.

Mitigated by:

- Risk Management Tools
- Standard Operating Procedures
- Risk Management Framework
- Close Monitoring
- Sophisticated Governance Structure

Regulatory Compliance Risk

Medium

Arising from failure to comply with regulatory requirement

Mitigated by:

- Review of reports via sub committees developed
- In house training
- Embedded Risk Management Culture

Market Risk

Low

Arising from unanticipated changes in the underlying market factors

Mitigated by:

- Stress Testing & Scenario Analysis

Liquidity Risk

Low

Arising from unanticipated withdrawals and deposits, additional pledging and collateral requirements.

Mitigated by:

- Asset Liability Management Committee

Legal Risk

Low

Arising from Defective Transaction, Civil, criminal or regulatory enforcement against IDCOL, Change in Law, etc.

Mitigated by:

- Risk Management Framework
- Credit Risk Management Guideline

- Capable in-house legal team
- External Legal Counsel

Environmental Risk

Low

Financial loss associated with environmental issues.

Mitigated by:

- Standards and guidelines
- Developed Frameworks
- Additional Due Diligence
- In house environmental specialist

Risk Reporting and Monitoring:

Risk reporting and monitoring is done on a regular basis on specific and aggregate risk measures in order to ensure that risk levels remain at an optimal level. Findings of the Risk reports are scrutinized to adjust for risk exposures.

Risk Governance:

Risk governance involves defining the roles of all employees, segregating duties, and assigning authority to individuals, committees, and the board for approval of core risks, risk limits, exceptions to limits, and risk reports, and also for general oversight.

The Board of Directors and Senior Management review and endorse IDCOL's risk management framework which includes the establishment of policies for the control of risk. The framework is further strengthened by developed standards, guidelines, processes, procedures and control that governs day to day activities of IDCOL.

- **Holistic Risk Management:**

Risks are managed holistically, with a view to understand the potential interactions among risk types.

The approach begins with proactive participation in all significant risk matters by the independent risk management team. Hence, the Risk and Special Asset Management team has been segregated into four units, namely, Credit Risk Management Unit, Legal Affairs 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 and mitigation 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.
- Taking necessary steps for recovery of Non-Performing Loans.
- Generating Reports on risks identified and measured and assessment of the same periodically to register progress of the mitigations adopted
- Quarterly meetings to identify any early symptoms of clients which may pave its way to credit risk

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

Activities of Risk and Special Asset Management Team:

Under the leadership of the Chief Risk Officer, the Risk and Special Asset Management team is thriving in the identification measurement and mitigation of the risks recognized to aid in business decisions essential for the sustainable growth of IDCOL. 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 IDCOL.
- Development of recovery strategy to better manage Non-performing loans.

- Review of CRM Guideline and lending policy to accommodate the changing markets.
- Setting risk appetite and developing control metrics to promote goal congruency.
- Measuring, monitoring and reporting of risks and risk levels.
- Providing independent view point on legal aspects and risk perspective before entering into any new deal.
- Identifying and assessing potential strategic risks.
- Ensuring compliance with regulation set forth by the Central Bank and following market practices.

2020 – Resilience at our core:

2020 was a year of unprecedented challenges. With COVID-19, the impact of a global crisis driven by public health concerns rather than economic issues has varied vastly across different markets and sectors, with some devastated while others continue to thrive. Uneven recovery trajectories have resulted in volatility in growth rates across periods, although unprecedented levels of government support, and the provision of Stimulus Package, has dampened some of the shock.

The longer-term consequences of this volatility are unclear but we are likely to see an inflationary period in the future. This has created unique challenges in terms of risk management as we strive to support our clients while ensuring we remain robust and resilient. The crisis has also required us to re-examine our systems and processes and adapt to new ways of working that includes:

- Developing sector/account specific risk management strategy.
- Monitoring specific credit risk problem in real-time.
- Developing mechanism of risk identification and mitigation to adjust for unprecedented changes in the market
- Refining strategies, policies, risk management tools and guidelines considering post pandemic situation to minimize risks embedded in the daily businesses and activities of the institution.
- Re-calibrate the risk appetite for sustainable risk management.
- Measuring, monitoring and reporting risk levels.

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

Sd/-

Mohammed Jabed Emran

Chief Risk Officer

RISK MANAGEMENT **REPORT**

Effective risk management is fundamental to the business activities of IDCOL. While we remain committed to increasing shareholder value by developing and growing our business within our board-determined risk appetite, we are mindful of achieving this objective in line with the interests of all stakeholders.

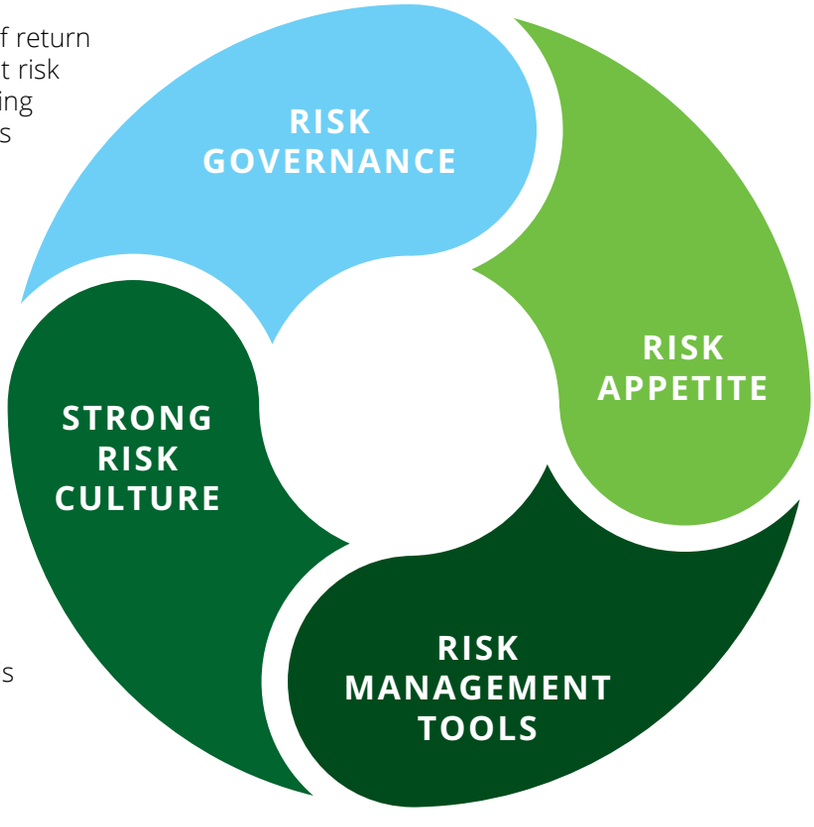
Risk management is at the core of the operating structure of IDCOL. We seek to limit adverse variations in earnings and capital by managing risk exposures within agreed levels of risk appetite. Our risk management approach includes minimizing undue concentrations of exposure, limiting potential losses from stress events and ensuring the continued adequacy of all our financial resources.

Our risk management processes have continued to prove effective throughout the year of 2020, despite a tough economic environment. Our management remained closely involved in important risk management initiatives, which have focused particularly on preserving appropriate levels of liquidity and capital, and effectively managing the risk portfolios.

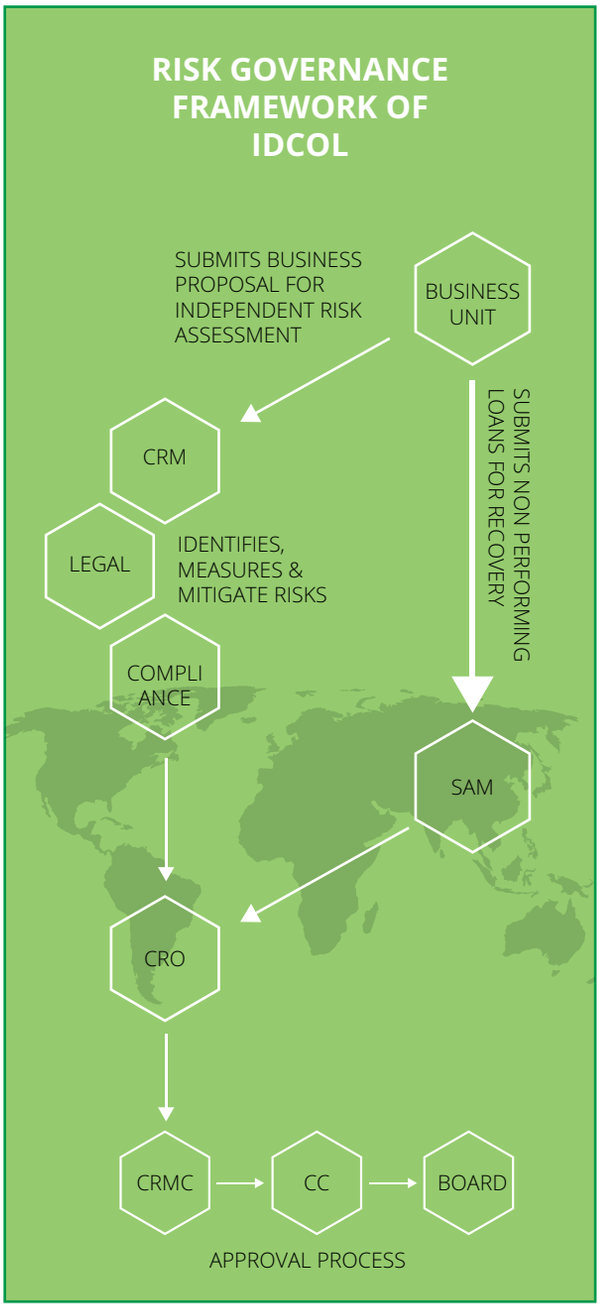
IDCOL applies the risk management process which informs the strategic choices made by the authority. This, in turn, aligns the organization's strategic objectives with the application of the risk management process to realize the expected outcomes.



To achieve the optimum level of return and better address the inherent risk along with all business risk arising from the business activities of IDCOL, a structured risk management framework is embedded at IDCOL. The framework is redefined periodically to adopt to the ever changing markets and enhance risk management approach to ensure the thorough understanding of risks that is being undertaken, to identify any emerging portfolio threats at an early stage, and to develop timely and appropriate risk management strategies. The Risk Management Framework is based on the following:



Risk Management Framework



Risk Governance

IDCOL's approach to risk management is based on well-established governance processes and relies on both individual responsibility and collective oversight, supported by comprehensive reporting.

Risk governance involves defining the roles of all employees, segregating duties, and assigning authority to individuals, committees, and the board for approval of core risks, risk limits, exceptions to limits, and risk reports, and also for general oversight.

The embedded risk governance structure of IDCOL ensures detail and in-depth project due diligence addressing associated risks and possible mitigations. Additionally there is Risk Management Forum and Risk Management Committee in place to review strategic decision made from time to time.

Major risks originates from the core business of IDCOL, i.e. lending. The corporate functions of IDCOL incur and own the risk, whereas the Risk Management Units, provides independent risk assessment of each business proposal in guidance of the Risk Management Framework. Upon completion of the assessment the proposal is submitted to the Chief Risk Officer, which is forwarded to the Credit Risk Management Committee. A separate Credit Risk Management Committee has been developed consisting of the top level management, upon approval of which, a project shall be deemed acceptable to the board of directors for consideration. The Credit Risk Management Committee has also been delegated with different credit authority for various programs and projects. The competent Board of Directors has the ultimate authority to approve or decline any credit proposal and to delegate authority to the management.

1. Risk Appetite

To achieve the optimum level of return and better address the inherent risk along with all business risk arising from the business activities of IDCOL, a structured risk management framework is embedded at IDCOL. As part of a fundament to the risk management framework, a robust risk appetite is essential to adopt to the ever-changing market to ensure stable growth of assets without deteriorating the quality of the same. The risk appetite of IDCOL is redesigned at periodic intervals to enhance the risk taking capacity of the institution and better suit the timely needs of the markets. At IDCOL, overall approach to risk management is based on a well-defined risk appetite that focuses on:

- ***Risk Culture:***

  IDCOL is thriving to promote a culture of integrity and high ethical standards. We aim for a high level of competence and support each other by sharing information, skills and experiences. The embedded risk management framework along with set out guidelines and policies provide strong risk awareness enabling IDCOL to critically review and challenge existing practices.

- ***Mandate:***

  IDCOL finance projects that promote productivity, economic and environmental benefits in a sustainable manner. Each project is assessed prudently, and sufficiently fulfilling the standard is a prerequisite for financing from IDCOL. Having a development mandate in the Infrastructure sector of the country, IDCOL's risk appetite is premeditated to strike the right balance between the development role and sound risk management in a narrow gauge.

  Resource efficiency, climate change mitigation, pollution reduction, technical progress and innovation, human capital, infrastructure improvements, and general improvements in market efficiency and the business environment are aspects that IDCOL considers during the evaluation process.

- ***Lending:***

  IDCOL provides long-term financing to customers to support the development of their businesses. Due to the ever changing markets and economic conditions and acknowledging the inheritance of credit risk arising from the core activity of lending, IDCOL aims to maintain the high quality of the loan portfolio, while recognizing that some of the lending involves greater risks comparatively. IDCOL diversifies lending across industries and geographies within the country to avoid excessive risk concentrations.

  Sustainability, high ethical and social standards, and protection of the environment in our lending operations are one of our utmost priorities. IDCOL does not finance projects that are undesirable from a sustainability or social standards perspective. This includes potential deterioration of the physical, natural, or cultural environment, the surrounding community, or the health and safety of workers directly resulting from the business activity to be financed.

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

SECTOR	PRODUCT	AREA
INFRASTRUCTURE	• LONG TERM LOCAL & FOREIGN CURRENCY LOAN. • SHORT TERM LOCAL CURRENCY LOAN • DEBT & EQUITY ARRANGEMENT	POWER, TELECOMMUNICATION, ICT, PORTS, SOCIAL INFRASTRUCTURS, GAS RELATED INFRASTRUCTURE, WATER SUPPLY & SEWAGE, TOLL ROADS & BRIDGES, SHIPYARD & SHIP BUILDING, HOTEL & TOURISM, MASS TRANSPORT SYSTEMS, BACKWARD LINKAGE INDUSTRY
RENEWABLE ENERGY	• CONCESSIONARY FINANCING & GRANT SUPPORT. • TECHNICAL ASSISTANCE & QUALITY ASSURANCE. • CAPACITY DEVELOPMENT OF STAKEHOLDERS • ARRANGER OF CARBON CREDITS	SOLAR HOME SYSTEMS, BIOGAS, IMPROVED COOK STOVES, GRID TIED SOLAR PLANTS, SOLAR MINI GRID, SOLAR IRRIGATION, SOLAR ROOFTOP, OTHER RENEWABLE ENERGY PROGRAM/PROJECTS
ENERGY EFFICIENCY	• CONCESSIONARY/MARKET BASED FINANCING • CAPACITY DEVELOPMENT.	BRICK KILN, ENERGY EFFICIENT BOILER & INDUSTRIAL MACHINE, GREEN BUILDING, OTHER EFFICIENCY COMPONENT
ADVISORY SERVICES	• CORPORATE ADVISORY SERVICES • TRAINING ON PROJECT FINANCE & FINANCIAL MODELING. • TRAINING & CAPACITY BUILDING ON RENEWABLE ENERGY.	

- ***Earnings:***

  IDCOL offers financing on competitive market terms and aims for a stable earnings enabling the formation of capital reserves, organic growth, and reasonable return on capital in the long run. Lending operations, the primary source of credit risk, contributes to major share of earnings for the level of risk assumed. Treasury operations, through prudent asset and liability management, contribute to IDCOL's overall returns in line with the defined business objectives and given the core objective of safeguarding the organization's liquidity. We strive for operational efficiency and to use our resources in ingenious and sustainable ways.

- ***Capital:***

  We aim to maintain a strong capital position in relation to the aggregate risk exposure at all times. The development of the risk appetite is kept in conjunction with the strategic, financial, regulatory requirements and capital planning of IDCOL.

  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.

2. Risk Management Tools

IDCOL being a financial institution is exposed to several kinds of financial and non-financial risks. Hence, risk management is practiced on a regular basis using risk management tools in order to manage and control risks that IDCOL encounters during its operations and those that it may face in the future.



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



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

At IDCOL, identification, measurement and mitigation of all core risks are set forth by different guidelines, developed from time

to time. In order to strengthen the robust risk management culture, a well-defined set of standards and processes has been developed to maximize risk adjusted return while reaching an optimal risk adherence. Every process in IDCOL is backed by manuals and SOPs designed specifically to reduce redundancy and siphon out any opportunity that gives way to operational risks.

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

All units under the umbrella of the risk and special asset management units are responsible for the monitoring and reporting of risks originating at different points in a business transaction. The reports along with the observations are discussed in different forums and the Audit Committee of the Board.

3. Strong Risk Culture:

Risks are managed holistically, with a view to understand the potential interactions among risk types. The processes used to control the IDCOL's risks are interconnected in a holistic system.

The approach begins with proactive participation in all significant risk matters by the independent risk management team. Hence, the Risk and Special Asset Management team has been segregated into four units, namely, Credit Risk Management Unit, Legal Affairs Unit, Compliance unit and Special asset Management Unit. Every Unit has a set of framework which guides the process of risk identification, measurement, assessment, mitigation and reporting.

The system integrates the main roles and responsibilities of the internal control system of the company in a consistent process and helps to demonstrate effective co-ordination and communication in the area of risk management.

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

THREE LINE DEFENSE UMBRELLA OF IDCOL

1 BUSINESS UNITS	2 RISK MANAGEMENT UNITS	3 INTERNAL AUDIT
• 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	• Identify, monitor and mitigate risk issues as guided by Risk Management Guidelines and Policies. • 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 identity any risks arising from project implementation.	• 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.

- **Segregation of Risk & Special Asset Management Units:**

  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:



1. Credit Risk Management Unit

The Credit Risk Management Unit is independent of the Business Unit. It is a separate unit, headed by the Unit Head, CRM, and is primarily responsible for the assessment of Credit Risks along with all other risks which arise from the business of IDCOL.

The key functions of the Credit Risk Management Unit are Risk Assessment, Post Approval Monitoring and Post Disbursement Monitoring. The credit assessment in IDCOL has been developed to better identify, measure and mitigate financial and non-financial risk. With the aid of the robust framework, the policies, procedures, guidelines and processes established, 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. 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.

2. Compliance Unit

Compliance unit works as a bridge between the central bank of Bangladesh and IDCOL as it drives all the directives and updates of the central bank towards the organization. The compliance unit is a risk management unit, dedicated to dissemination of central bank's directives within the organization. The Compliance unit is also thriving to facilitate establishment of control to ensure that all transactions, approvals and day to day operations of IDCOL, in a broader gauge, is in accordance to the guidelines and policies set forth by the central bank from time to time. Additionally, compliance unit is in charge of periodic reports submitted to the central bank. Moreover, compliance unit address and satisfy queries raised by the central bank regularly.

3. Legal Affairs Unit

In order to ensure proper risk resilience from all aspects, IDCOL has a rich panel of external legal counsels consisting of renowned law firms providing various legal services in relation to the individual programs and projects being financed by IDCOL. However, due to growing portfolio of IDCOL, the business units are frequently in need of legal assistance and services. To ensure uninterrupted and comprehensive Risk Management at enterprise level, IDCOL has its own team of in-house lawyers. In brief, the Legal Affairs Unit ensures legal compliance for the various programs and projects, vetting important finance and legal documents and providing legal advice.

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

4. Special Asset Management Unit

As part of a strong risk culture, a specialized unit has been devised to better address loans that have not been repaid in a defined timeline by the central bank. The core task of the special asset management unit is to follow up and take necessary measures as deemed suitable by the management from time to time to recover assets that has been marked as special.

Categorization of the non-performing loans (NPL) is done following the regulations set forth by the central bank. Litigation is the eventual process that the unit follows to recover the assets that has been classified. The Special Asset Management (SAM) Unit, formed in 2017 is solely responsible for the collection, maintenance and reporting of the loans that are classified and non-performing in nature.

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

Overall, efficient risk management has enabled to ensure a stable growth of IDCOL. From pre-approval stage to the disbursement of each tranche of fund, the vital input of all units reinforces the risk management framework embedded at IDCOL. With the aid of the risk management systems at IDCOL, even during the trying times of the global pandemic, the institution has managed to maintain the stable growth rate enriching the best practices at the institution. With the aid of robust risk management, IDCOL has successfully managed to maintain its asset portfolio in a prudent manner.

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.

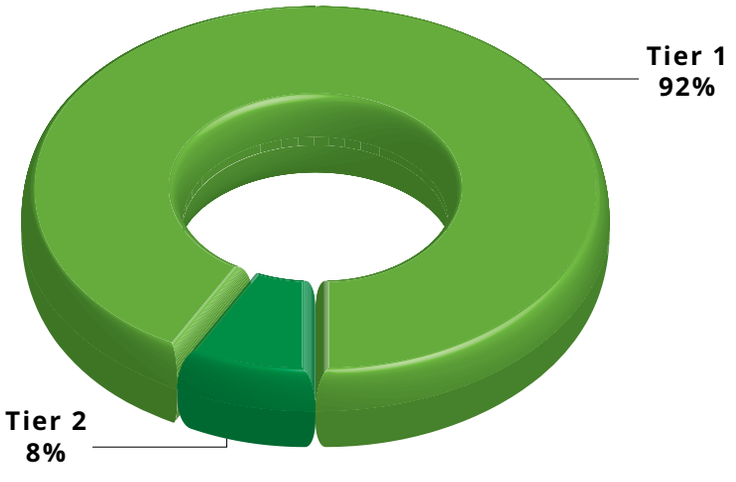
Quantitative Disclosures:

Amount in Crore (BDT)

Particulars	Consolidated
1. Tier-1 (Core Capital)	
Paid-up Capital	715.00
Statutory Reserve	0.00
Non-repayable Share premium account	0.00
General Reserve	0.00
Retained Earnings	207.89
Minority interest in Subsidiaries	0.00

Amount in Crore (BDT)

Particulars	Consolidated
Non-cumulative irredeemable preference shares	0.00
Dividend Equalization Account	0.00
Total Eligible Tier-1 Capital	922.89
2 .Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	80.52
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	80.52
3. Other Applicable Deductions from Capital	0.00
4. Total Eligible Capital	1,003.41



Proportion of Tier-1 and Tier-2 Capital out of Total Capital

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.

Qualitative Disclosures	
	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 2020 the CAR of the FI was 15.58% - During the same period Minimum Capital Requirement (MCR) of the FI was BDT 644.15 crore and eligible capital was BDT 1,003.41 crore; i.e. the FI hold BDT 359.26 crore surplus capital.

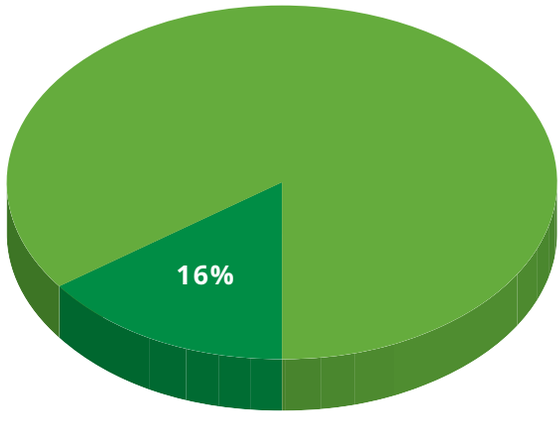
Quantitative Disclosures:

Amount in Crore (BDT)

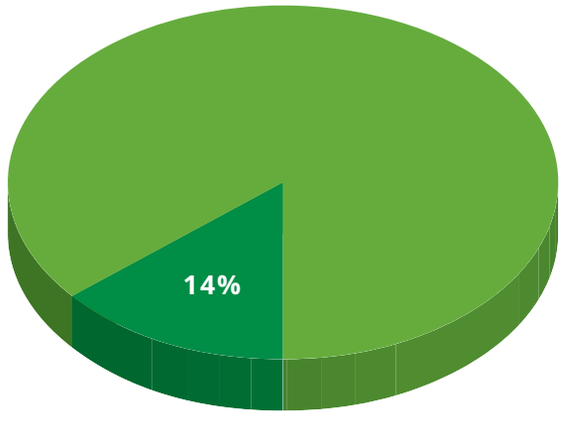
Risk Category	Consolidated
Details of Risk Weighted Assets (RWA)	
Credit Risk	
On- Balance sheet	5,902.97
Off-Balance sheet	0.00
Total Credit Risk	5,902.97
Market Risk	0.00
Operational Risk	538.52
Total RWA	6,441.50
Detail of Risk Wise Minimum Capital Requirement (MCR)	
Credit Risk	
On- Balance sheet	590.30
Off-Balance sheet	0.00
Total Credit Risk	590.30
Market Risk	0.00
Operational Risk	53.85
Total Minimum Capital Requirement	644.15
Total Maintained Capital	1,003.41
Total Capital Surplus	359.26

Amount in Crore (BDT)

Risk Category	Consolidated
Detail of Tier wise Capital of the FI	
Tier-1 Capital	922.89
Tier-2 Capital	80.52
Total Capital	1,003.41
CAR on Total Capital basis (%) [Total capital/RWA]	15.58%
CAR on Tier 1 Capital basis (%) [Tier 1 capital/ RWA]	14.33%



CAR on Total Capital



CAR on Tier-1 Capital

05

SUSTAINABILITY REPORT









IDCOL'S CONTRIBUTION TOWARDS **GREEN FINANCING**

Green financing refers to financial investments flowing into sustainable development projects and initiatives, environmental products and policies that encourage the development of a sustainable economy. Following the same, IDCOL is committed to ensure the economic development and improve standard of living through sustainable and environment friendly investments in various industries such as Cement, Spinning & textile, RMG and Oil refinery that use Energy Efficient Equipment, Green Building & Green Brick projects, Solar Home Systems (SHS), Solar Irrigation Pump, Solar Mini-grid, Biogas based electricity, Biogas & Bio-fertilizer program, Grid-tied solar projects, Improved Cook Stoves by sourcing fund from different development partners. Each of these projects contributes towards green financing by-

Reducing emission of carbon dioxide and other environmental hazards

Increasing household access to low emission energy

Ensuring access to power, gas and electricity in rural areas





1,515 solar irrigation pumps benefitting more than 75,700 farmers by providing irrigation facility in off grid areas and reducing dependency on fossil fuel.

57,092 biogas plants providing clean energy solution to rural areas, reduces in-house air pollution by reducing the use of traditional stove. Also, Biogas plant provides rich source of organic fertilizer.





10 biogas based power plants having capacity that ranges from 10 KW to 400 KW, reduce environmental hazards related to improper disposal of wastes and create market for bio-waste to generate electricity.

2.46 million Improved Cook Stoves (ICS) have been installed so far aiming to create sustainable market for high efficiency cook stoves reducing GHG emissions and indoor air pollution.



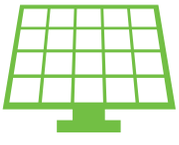


1st Green Building project of IDCOL has obtained approval – an energy efficient commercial building titled "FORUM" by Shanta Holdings Ltd.

~BDT 224 crore financing has been approved for 8 tunnel kiln and 1 HHK brick projects under **Green Brick program.**

Financed BDT 650 crore in 10 Energy Efficient Equipment projects comprising Cement, Spinning & textile, RMG and Oil refinery industries. Expected to improve productivity and life expectancy of the machineries and reduce operational costs.





26 solar PV based Mini Grids and 11 solar Rooftops are in operation generating significant amount of electricity from solar power.

~4.13 million Solar Home Systems (SHS) have been installed for providing better quality solar electricity, reducing extra lighting hours and ensuring easy access to electricity in off grid areas.



Besides, on March 2018, IDCOL received the approval of the Green Climate Fund (GCF); the fund is first of its kind to enter Bangladesh through IDCOL for implementing any climate change adaptation/mitigation project and adoption of energy saving technologies.

As a market leader in private sector infrastructure investment, IDCOL will continue to finance sustainable investments and energy efficient projects considering the increasing move towards green financing, its relevance in attaining the SDGs and positive impact on keeping the environment safe. Also, IDCOL expects to ensure governance to maintain its market leadership in this segment.

ENVIRONMENTAL AND **SOCIAL COMPLIANCE**

Compliance of environmental and social safeguards of IDCOL Financed Projects

Since its inception, IDCOL has been committed to ensure sustainable infrastructure project financing. While adopting Environmental Compliance Manual in 2000, IDCOL appeared as a mentor to peer financial institutions in financing projects by ensuring environmental and social compliances. IDCOL provides financing under two departments namely Renewable Energy Department and Investment Department. Under Renewable Energy Department, IDCOL finances utility scale solar grid-tied projects, solar rooftop projects, solar home systems, solar irrigation pumps, solar mini grids, biogas based power generation projects, battery recycling facility project, improved cook stoves, and domestic biogas plants. Under Investment Department, IDCOL finances power plants, port and terminal projects, telecom, healthcare, tourism, economic zone projects, brick kilns, central waste treatment plants and energy efficient equipment.

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 Policies:

- 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;
- 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 and 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

IDCOL is committed to ensure compliance as required by the Department of Environment and Bangladesh Bank. In addition, IDCOL has also adopted requirements and best practices of development partners including World Bank, Asian Development Bank, JICA, KfW etc. In this regard, IDCOL has introduced Environmental and Social Safeguards Framework (ESSF) and Environmental and Social Management Framework (ESMF) for infrastructure and renewable energy projects respectively. Recently IDCOL introduced another guideline named, Environmental and Social Management System (ESMS), to evaluate solar roof-top and utility scale solar grid tied projects.

3. Institutional Arrangement

In ensuring the satisfactory implementation of E&S compliances, IDCOL has adopted active and passive approaches. As active approach, it has deployed Environmental Specialists in both department. In addition, IDCOL management has ensured satisfactory orientation on E&S in all tiers of operation and management.

4. Major Environmental & Social Focus Areas

IDCOL primarily focuses on following environmental and social aspects:

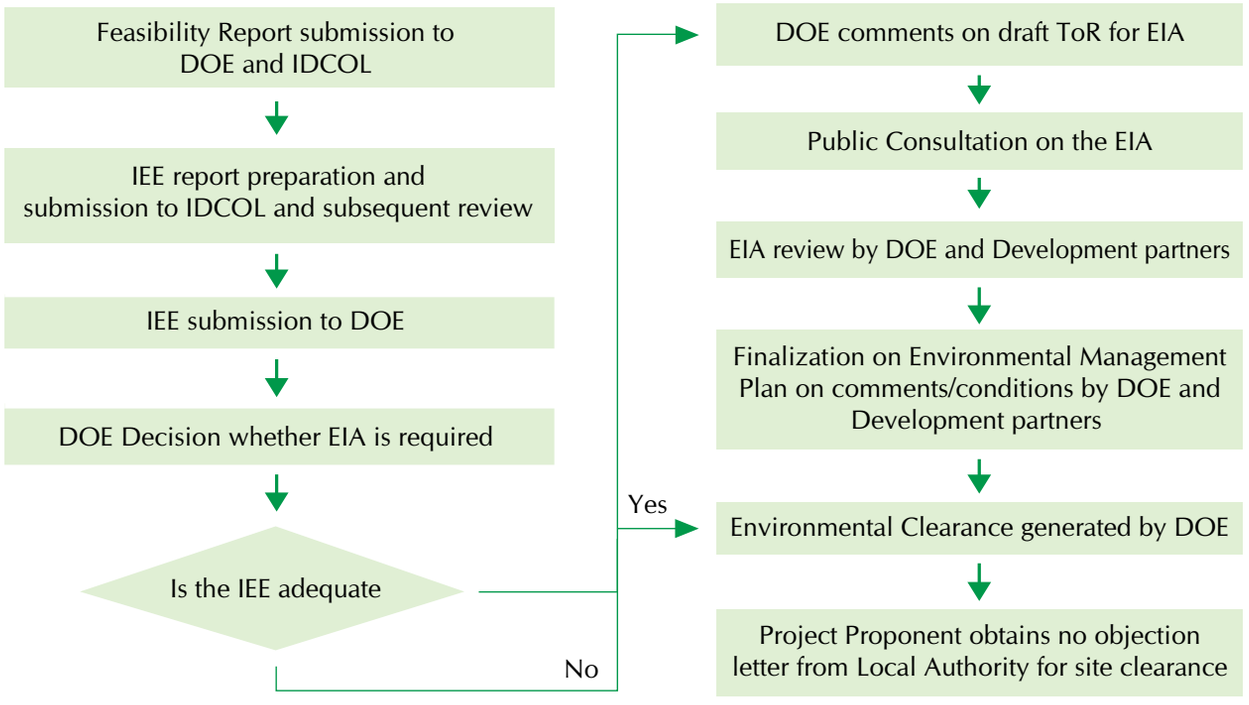
Environmental aspects	*Social aspects*
• Air pollution • Water (surface & ground) contamination • Noise generation • Disturbance to biodiversity • Disturbance to natural drainage • Wastage of energy	• Disturbance to community movement • Involuntary resettlement • Adverse impact to indigenous community • Gender discrimination • Child labor exploitation • Risk on occupational Health safety • Risk on physical cultural resources

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

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

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 detail • Prepare ToR of ESA/ESIA • Cooperate sponsor to source 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 requires periodic E&S monitoring report from sponsor.

The below figure gives an idea of how environment and social impact assessments are carried out to address environmental and social compliance issues in a project.



Environmental clearance approaches in IDCOL and DOE

6. Environmental Measures with Focus on Renewable Energy Projects:

The following major actions have been undertaken under the existing ESMF & ESMS of ongoing projects in respect of environmental and social compliances:

Renewable Energy Projects:

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
SHS - Construction and Operational Phase : • Improper management of expired batteries may lead to environmental pollution and health safety concern. • During manufacturing of lead-acid battery, there is significant risk of environmental and health safety hazards.	• Prepared "Policy Guidelines on Disposal of Warranty Expired Battery". The customers, POs, and manufactures should comply with this policy fully. • Introduced tracking mechanism for proper disposal of expired battery. • Deployed inspector to monitor the management of expired battery. Financial incentive is given to POs and recyclers for recycling the expired battery properly. • IDOCL requires all battery suppliers and expired battery recyclers to be ISO 14001:2004 and OHSAS 18001:2007 compliant in addition of the requirements of the DOE. At present 17 battery suppliers and 4 expired battery recyclers, are complying with these requirements.	 More than **5.3 million** Solar Home Systems have been installed all over Bangladesh till February 2020, which replaced around **11 million** of kerosene lamps and therefore reduce **1.25 million** tons of carbon di oxide (CO_2) per year, also improve the livelihood.

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
	• Installation of effluent treatment plant (ETP) and air treatment plant (ATP) have been made mandatory for enlisted battery suppliers and expired battery recyclers	
Solar Irrigation- Construction and Operational Phase: • 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. • Excessive water use may cause impact on hydrology.	• Introduced environmental and social screening template, which covers most of the relevant aspects. • Emphasized on proper way to pump-up water and use plan reference from experience in the surrounding areas and results of hydrological surveys. • Conducts survey by an expert about water availability in various potential areas.	 1,515 solar irrigation pumps have been installed by the end of December 2020, which replaced **18,180 tons** of diesel burn shallow pumps; reducing **48,722** tons of CO_2 each year.
Mini grid- Construction and Operational Phase: • Mini-grid requires a considerable piece of land, there is scope of disturbance to site specific ecosystem in the Project area. • Due to operation of diesel fueled back-up generator there could be temporal noise concern.	• Detailed EIA is required. IDCOL has introduced a ToR for ESIA and monitoring of impact mitigation based on Environmental and Social Management Plan (ESMP).	 26 solar mini-grids (located in islands) have been financed by IDCOL generating 5 MW of electricity. Under the projects, more than 15,000 connections have been made so far of which 73.5% are households and the remaining 26.5% are commercial entities engaged in different income generating activities and other productive uses.
Improved Cook Stoves	IDCOL requires basic environmental and health compliance of manufacturing, operation and maintenance of ICS.	 IDCOL Improved Cook Stoves (ICS) Program is specifically designed for the benefit of women of Bangladesh by providing them with better cooking options. It reduces Indoor Air Pollution and thus directly linked with the health and well-being of women. Time and

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
		fuel savings from ICS will contribute towards the financial well-beings whereas improved hygiene and better living conditions. 2.46 million Improve cooking systems have been installed by the end of December 2020, which reduces 3.0 million tons of carbon di oxide (CO_2) each year and save 3.8 million tons for fuel wood per year.
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 ($CaCO_3$) and about 918 tons of silica will be produced as byproduct.
Biogas based 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 sponsors to install sufficient facilities and conduct proper maintenance.	 Eleven (11) biogas based power generation projects have been approved by IDCOL. Approximately 900 kW of electricity is being produced. Additionally organic fertilizers as byproduct are also being produced.

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, thereby increasing capacity of the national grid and ensuring demand fulfilment for the subscribers.

IDCOL financed Sympa Solar Power Ltd. for 8 MWp grid-tied solar project at Majhipara, Tetulia, Panchagarh. The project went to commercial operation on July 24, 2019. Such projects enhances generation capacity and contributes in combating global climate change issues such as GHG emissions.



8 MW Utility Scale Project by Sympa Solar Power Ltd.

Rooftop Solar Projects (RTS)

IDCOL's rooftop solar project financing scheme is designed for all industries and commercial establishments. Basic purpose of the product is to reduce the electricity and gas or diesel burn generators costs of the plant owners, reasonable payback period, and promotion of green energy to reduce the GHG emissions from environment and demonstrates environmental responsibility to stakeholders. Till date total 25 such projects have been approved with cumulative capacity of around 32.71 MWp and 10 projects with capacities of 12 MWp are now in operation.





IDCOL financed 2.664 MWp & 428 KWp Rooftop Solar Project at Square Textiles Ltd and K A Design Ltd.

Battery Recycling Facility

Lead acid batteries are harmful for human health and environment. The toxic substances seep into the soil, groundwater and surface water through landfill and also release toxins into the air. IDCOL financed an environmental friendly and fully automated lead acid battery recycling plant. The facility of Panna Battery Ltd. is situated at West Rasulpur, Kamrangirchar, Dhaka. The plant recycles scrap batteries and produces 15,000 MT lead per year. Recycling of batteries allows extracting of lead from scrap batteries repeatedly for reusing in new battery production. Thus, the recovery of lead decreases the lead dispersion in the environment and preserves the mineral reserves for the future.





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

7. Environmental Measures for Infrastructure and PPP Projects:

The following actions have been taken under the ESSF in respect of environmental and social compliances:

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
Power Plants: 1. Severe hazardous impacts (gaseous, spillage & excessive noise pollution) on noise, air, surface and ground water and soil pollution. 2. Excessive extraction of ground and surface water may harm the hydrology. 3. Health and safety hazards of workers and surrounding community.	To address the possible adverse impacts, prepare a detailed environmental and social impact assessment (ESIA) including environmental and social management plan (ESMP) with proper mitigation measures for every available impact. The ESMP is part of loan covenants and ensure to enforce the project proponents to monitor and mitigate the negative impacts if necessary.	 *114 MW, Feni Lanka Power Plant Limited (FLPL).* IDCOL has financed 15 power plant projects contributing 3,214 MW electricity to national power grid to support Government of Bangladesh's ambitious vision of ensuring electricity for all citizen by 2021.
Ports and Terminals: Adverse Impact on surrounding physical environment due to hazardous solid and liquid pollutants involved in port activities.	IDCOL has ensured that an environmental and occupational management plan included in loan covenants enforces the project proponents to monitor and mitigate and where possible – eliminate any adverse negative impacts generated from the project.	 *Summit LNG Terminal Co. (Pvt.) Ltd* IDCOL financed Inland Container Depot (ICD) and Container Freight Stations (CFS) which handles 268,000 TEUs per annum.
Economic Zones: Land filling process imposes pressure on nearby rivers and might affect natural flow as well as aquatic biodiversity.	To address the possible adverse impact, IDCOL has made mandatory for project sponsor to prepare a detailed environmental impact assessment (ESIA) with monitoring plan on Environmental and Social Management Plan (ESMP).	 *Meghna Industrial Economic Zone Limited (MIEZL)* The Government of Bangladesh has established several of Economic Zones under private ownership. IDCOL has financed 5 economic zones for the purpose of inclusive industrialization in the country.

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
Infrastructure Backward Linkage: Air pollution, Liquid & Solid waste generation may cause pollution.	IDCOL has required basic environmental and health compliance of manufacturing, operation and maintenance of equipment manufacturer. IDCOL also required proper management and control of emission of gaseous pollutants and recycling of possible solid wastes.	 *Sylvan Technologies Ltd.*
Healthcare: Possible infectious solid waste, microbiology waste, chemicals and liquid medical waste might generate severe health hazard inside the medical center as well as outside environment.	Ensured enforcement of related Health Safety Standards applicable for the healthcare facilities.	 *Sandor Dialysis Services Bangladesh Pvt. Ltd* IDCOL has financed social infrastructure in health care sector by financing Sandor Dialysis Services Ltd.

SUSTAINABLE FINANCING IN INDUSTRIAL ENERGY EFFICIENCY SECTOR

The following major projects have been financed through ensuring sustainable safeguard principles of existing ESSF:

Green Brick Program:

Brick kiln may affect physical resources through soil extraction from nearby rivers and fertile lands. Land erosion may occur along the uncovered space due to soil removal and excavation and water pollution through runoff and sedimentation. The smoke and dust from the plant may cause air pollution. The smoke and dust may include hazardous substances and cause health disturbance to the workers.

As per the data by World Bank, the brick sector in Bangladesh burns about 203 tons of coals and emits about 576 tons of CO_2 for manufacturing 1 million bricks. With about 17 billion bricks produced annually, the industry's annual CO_2 emissions is estimated to be 9.8 million tons. For the auto-brick industry, IDCOL has already financed USD 20.5 million to 8 different projects. IDCOL is closely working with various stakeholders, such as Climate & Clean Air Coalition under the United Nations Environment Program, Department of Environment, and various foreign and local kiln suppliers, to develop a sustainable and future-oriented auto-brick sector in Bangladesh.



Kushiyara Auto Bricks Ltd.

Energy Efficiency Equipment Financing:

IDCOL finances energy efficient machineries and green infrastructure projects. Some of the projects include machineries in RMG and Textile sector, effluent treatment plant infrastructure, green building etc.

1. IDCOL financed 'Bangladesh Petrochemical Company Limited (BPCL)' to set up a PET bottle recycling plant at Rupganj, Narayanganj. The Project collects discarded PET bottles from various sources and recycles the discarded PET bottles to produce food grade and fiber grade resins. Food grade PET resins can be used for producing various types of packaging materials for food products whereas fiber grade PET resins can be used in RMG sector. Estimated production capacity of the project is 12,698 MT/year (or 1,764 kg/hour).



Bangladesh Petrochemical Company Limited (BPCL)

2. IDCOL financed T.S. Dredging & Heavy Engineering Limited (TSDHEL) for 18-inch cutter suction dredger, used to maintain necessary navigation in the waterways of Bangladesh.



T.S. Dredging & Heavy Engineering Limited (TSDHEL)

3. IDCOL financed Chittagong Waste Treatment Plant Limited (CWTP), a central effluent treatment plant at Chittagong EPZ. The treatment capacity of the Project is 45,000 m3 per day. IDCOL participated in the syndicated financing for setting up the central effluent treatment plant at Chittagong EPZ under a 30-year Effluent Treatment Agreement (ETA) signed with Bangladesh Export Processing Zones Authority (BEPZA).



Chittagong Waste Treatment Plant Limited (CWTPL)

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





Photograph: Consultation with Farmers and local stakeholders for IDCOL's projects

9. Gender and Equality

Since inception, IDCOL is committed towards environmental protection, social responsibility and gender mainstreaming in its all activities. IDCOL has developed several Environmental, Social & Gender guidelines which are also compatible with government rules and regulations. All projects and programs are being screened and assessed for its environmental and social impacts following ESSF, ESMF and ESMS, as applicable. These include a robust framework for identifying and managing environmental and social risks in all programs and projects. These documents also provide necessary guidance for ensuring gender balance, equity and equality throughout the program/project life cycle.

As a result, all programs and projects of IDCOL are rigorously being managed to ensure environmental protection, social responsibility and gender mainstreaming.

10. 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.

11. 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), Gender issues. Considering the response from the stakeholders, IDCOL is considering to arrange such type of events on a regular basis.



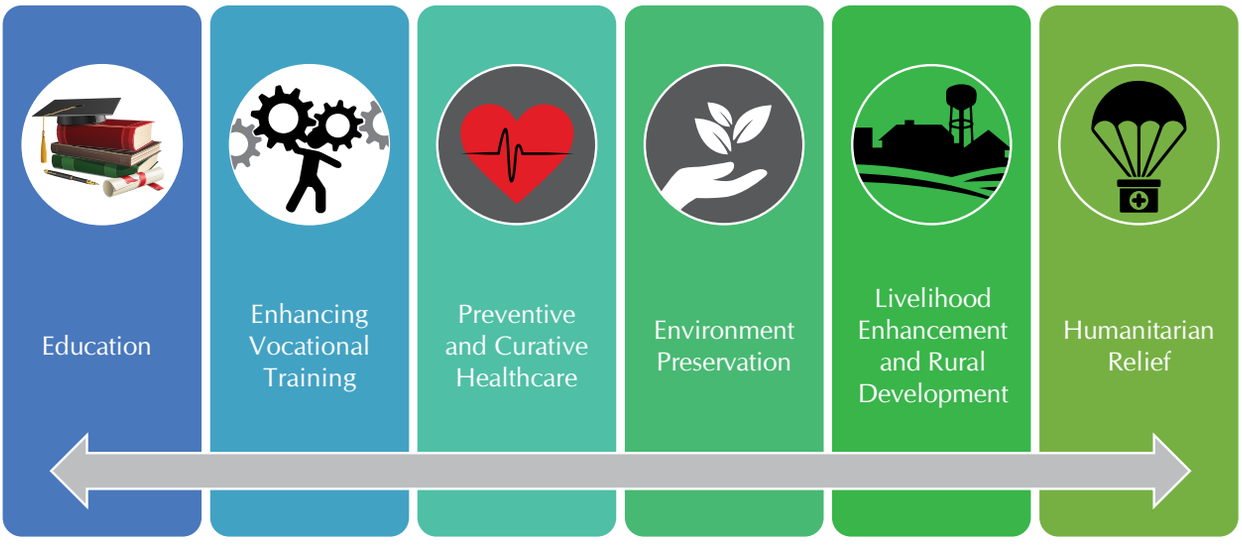
Stakeholder's consultation & Training program for EHS and Social programs

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 2020:

Support to build of Asrayan-2 Project

In 1997, many families were left homeless due to the cyclone in Cox's Bazar district and surrounding areas. The then Hon'ble Prime Minister Sheikh Hasina visited the area on 20 May. She was very sympathetic to the plight of the people and gave immediate instructions to rehabilitate all the homeless families. In view of this, a project called "Asrayan" was adopted in 1997.

Following the success and continuity of the Asrayan project, Asrayan-2 project has been undertaken for the rehabilitation of 2.50 lakh landless, homeless and uprooted families in the period 2010-2022.

As part of CSR activities IDCOL always extends its hands towards initiatives that makes valuable impacts on livelihood of the country.

IDCOL provided financial support to Asrayan-2 Project in 2020. The fund was utlized by local administrations to build shelters under the project in Lakshmipur, Faridpur, Bogura, Chattogram, Dhaka, Barisal, Cumilla districts.



Support to construction of Shailan Probeen Nibash

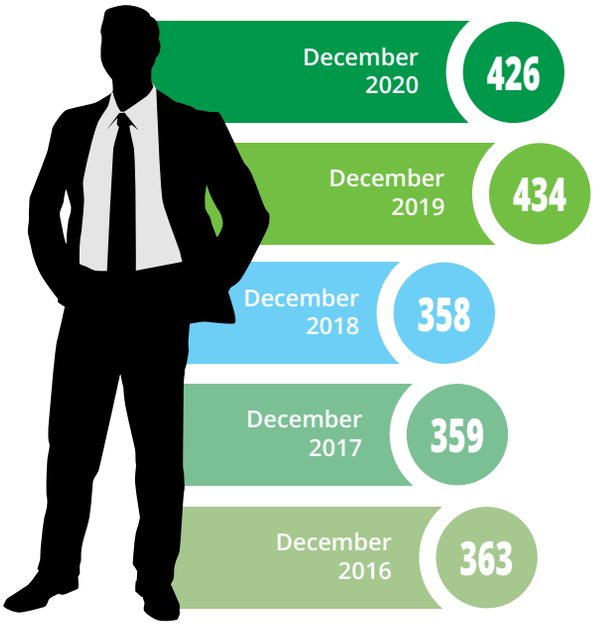
According to the Bangladesh Association for the Aged and Institute of Geriatric Medicine, 8 per cent of our present population are senior citizens. Among these citizens a reasonable numbers are in need of old home facilities in Bangladesh. The demand of good old home is also in rising for this.

IDCOL supported Monwara Islam-Taijul Islam Foundation to construct Shailan Probeen Nibash in Dhamrai, Savar, Dhaka in 2020.

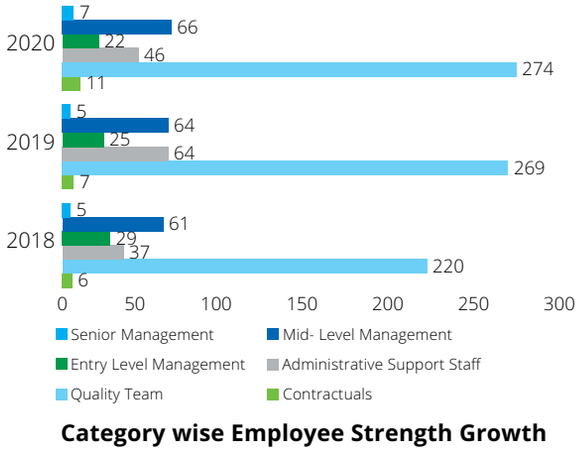
HUMAN RESOURCE **MANAGEMENT**

Human Capital

We believe our employees are the most important assets and are critical to our success. Our employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate. We have made a commitment to build the healthiest human system in our industry to enable them to thrive. As we work towards this, we are focused on fostering a culture in which our employees feel valued, empowered to share their views, and able to fulfil their potential. Here talent is rewarded, ambition is stoked and pride is earned. The way we stand up for our employees help us to stand out from the competition.



Comparative Analysis of Employee Strength

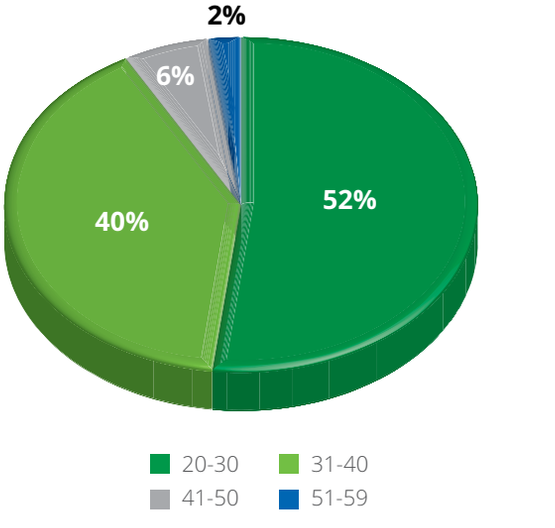


Category wise Employee Strength Growth

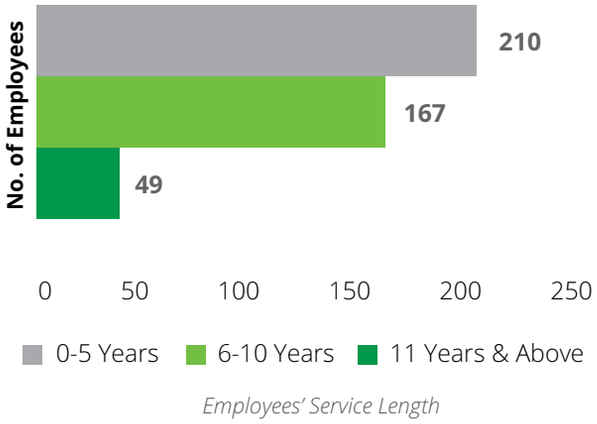
Reflection of the Past Years

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 363 to 426. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.

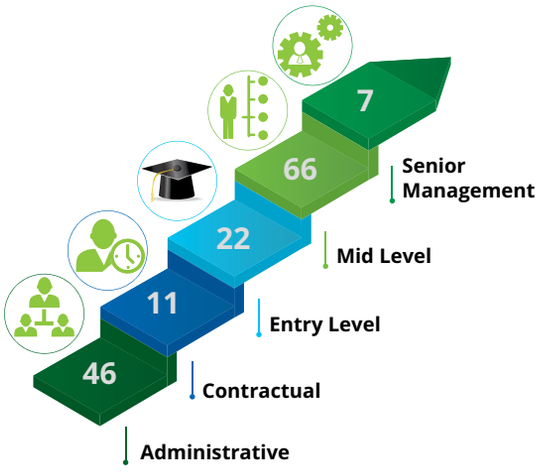
Employee Trend Analysis for 2020



Employees by Age Group



Employees' Service Length



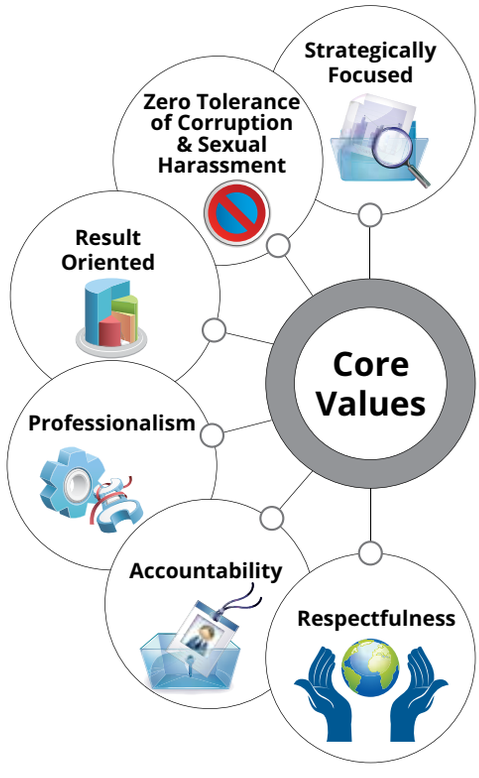
Head Office Employee Spread



Quality Control Team by Region

Core Values at Work

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



Strategic HR Management

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

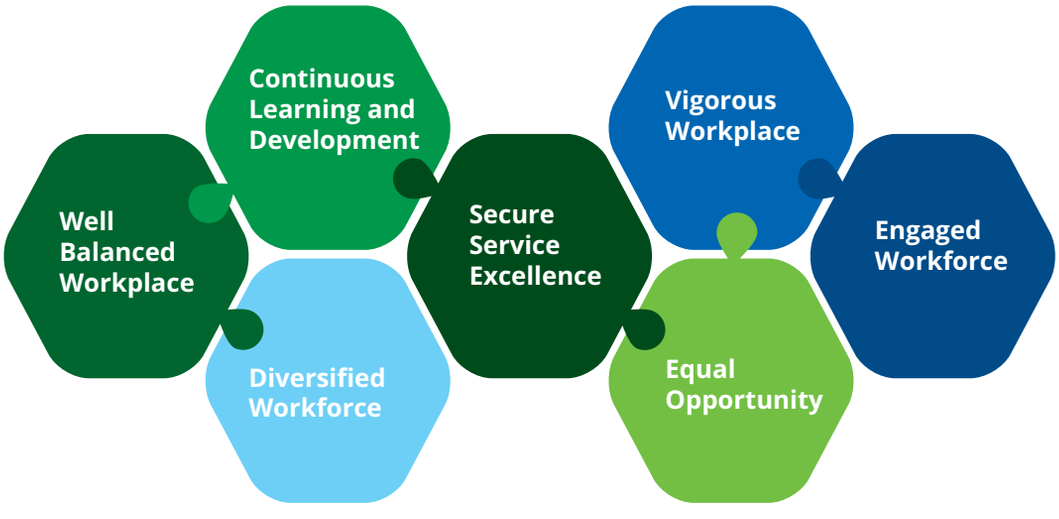
Highlights of our People Practices Strategy

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

1. **A Well Balanced Workplace**: Here employees are provided with a challenging, rewarding, enjoyable and fulfilling career; whereas employees are assisted in balancing their career, home and personal life through supportive human resource policies and management approaches. We believe a well-balanced work place enhances productivity, job satisfaction, and retention by creating a work environment that helps employees balance their personal and professional lives. We make employees feel a greater sense of control and ownership over their own lives where they tend to have better relationships with management and are able to leave work issues at work. Thereby it increases Company productivity and reduces the number of conflicts among co-workers.

2. **A place for continuous learning and development:** We foster learning as a way of life, encourage creativity and actively promote and invest in the skill and knowledge development of every employee. We are committed to ensuring that all employees have access to learning, development and training opportunities which enable them to be suitably knowledgeable and skilled to carry out their role within the Company, and to develop their talents in ways that fit with the Company's development to meet its strategic objectives. We arrange wide range of behavioral as well as technical trainings throughout the year based on the employees' requirements.

3. **A well reputed organization that ensures service excellence:** We embrace best practices and ensure service excellence by effectively managing change and objectively measuring performance for continuous improvement. Service excellence needs to be one of the driving forces at the heart of the organization to deliver dependable and consistent value. It is our ongoing effort to establish an internal framework of standards and processes that intend to engage and motivate employees to ensure better performance. We believe service excellence can be secured through delivering what is promised and dealing well with any problems and queries that arise.



4. **A diversified workforce**: We aim to achieve as much diversity as possible among the workforce so that heterogeneous 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.

5. **A vigorous workplace**: At IDCOL we respect dignity of the individual and right of employees to freedom of association. At IDCOL we leverage on the dynamics of our collective skills, knowledge and experience to achieve the best for the Company. Our employees are guided to adopt best practices, methods and approaches in everything they do, so that we can remain competitive in the market. We take all allegations of harassment seriously,

including sexual, communal etc. and prohibit all forms of discrimination. It is our belief that creating such work environment will enable us to attract, retain and fully engage diverse talents that lead to enhanced innovation and creativity in our services.

6. **A place that practices equal opportunity**: We are an equal opportunity employer and are committed to treating job applicants and employees equally irrespective of color, creed, race, nationality, ethnic origin, sex and marital status. We seek to recruit, develop and retain the most talented people from a diverse candidate pool. We do not permit any job applicant or employee to be placed at a disadvantage by requirements or conditions that have a disproportionately adverse effect on him/her and which cannot be shown to be relevant to the job requirements. Nevertheless, we ensure equal opportunities for not only in recruitment but also in career growth. Here individual performance and Company performance go hand in hand which directly impact the career growth of employees.

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:



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.

Name of Positions Advertised	Applications Received	Short Listed Candidates for Written Test	Short Listed Candidates for Interview	Selected Candidates
Management Trainee, Finance & Accounts & Credit Administration	2,546	146	19	3
Management Trainee, Enveronment & Social Safeguard	854	77	16	2
Officer, Credit Recovery	482	44	10	1
Management Trainee, Investment	1,349	55	9	1
Assistant Manager, Finance & Accounts	414	27	7	1
Senior Officer, Finance & Accounts	732	46	9	1
Assistant Manager, IT & MIS	1,392	64	9	1

Major Recruitment During 2020

Training and Development

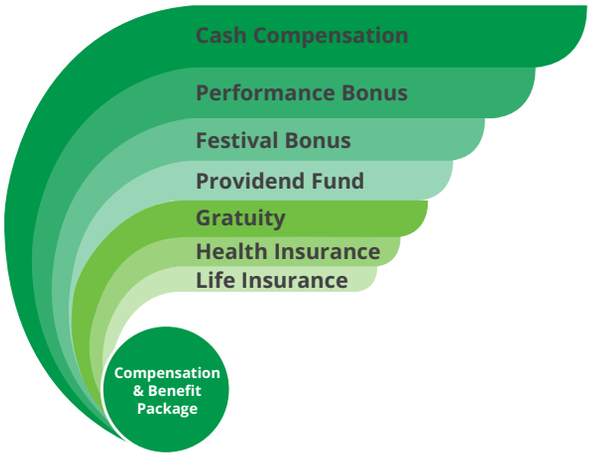
Capacity building of our employees is one of the key priorities; hence we encourage and support our employees to develop their required skills through in-house training, local training, seminar and workshop. We also organize exposure visit programs for our employees at home and abroad and during exposure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

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



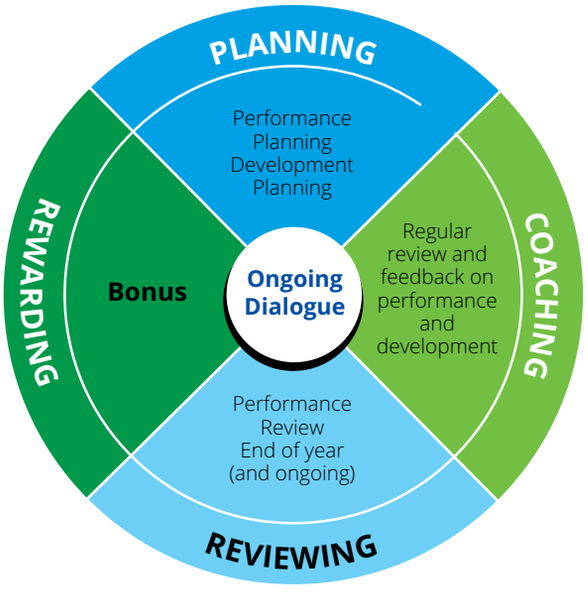
Competitive Compensation & Benefit Package

Our total compensation package is one of the key factors to the success of our recruitment and retention activities. We are committed to a compensation framework that is balanced and performance-oriented, and which aligns the interests of both the Company and employees. Our compensation framework is designed to attract, motivate and retain the qualified talent to succeed, while creating a tangible link between performance and pay. We provide a strong mix of direct compensation and benefits which include: cash compensation, performance bonus, festival bonus, provident fund, gratuity, LFA, hospitalization benefit, group life insurance benefit. The aim is to provide with compensation & benefit package that is competitive, while ensuring that employees focus on delivering outstanding results in line with our business strategy, targets, risk awareness and corporate values.



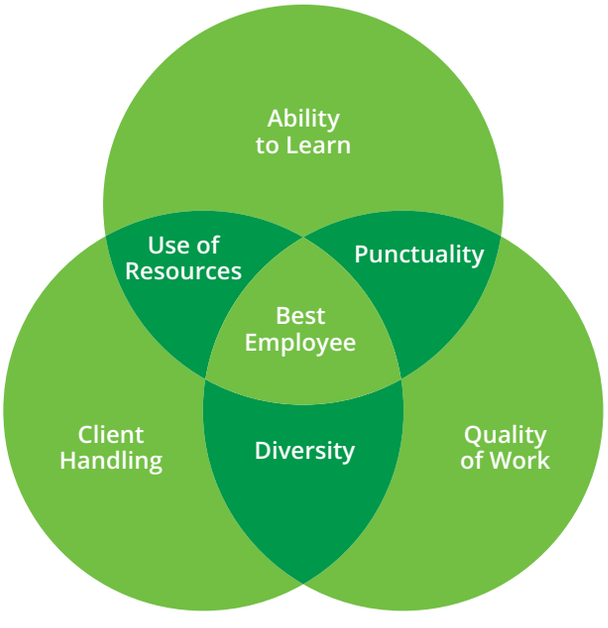
Performance Review & Reward

Our success depends upon the performance, behavior and commitment of our employees. Our performance review and reward approach is designed in a way that supports the achievement of our strategic objectives by balancing reward programs for sustainable performance. The review and reward strategy for our employees is based on a series of key principles: operate a thorough performance assessment process, focus on strong link between pay and performance and recognize and reward our employees for outstanding positive behavior.



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

Best Employee Award



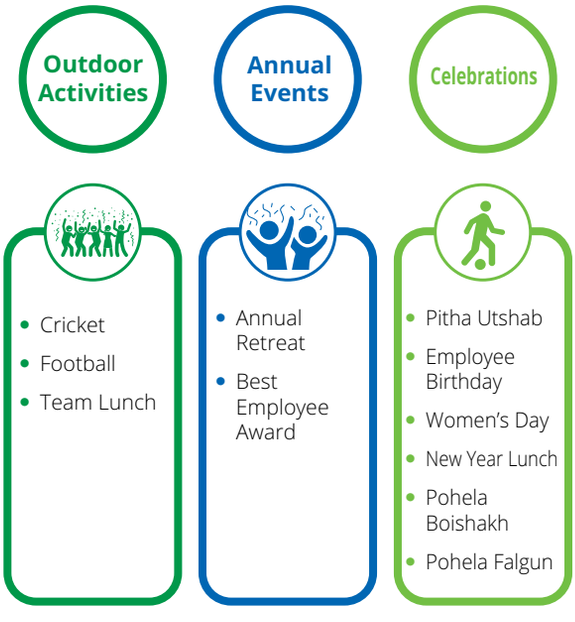
Rewards and recognition is designed to encourage employees whose performance is outstanding either individually who contributes to the overall objectives of the organization. Best Employee Award is being instituted as an initiative intended to foster high performance culture covering individuals. Some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

The following employees were selected as "Best Employees of the Year 2019":

1. Mr. Sifat Monzur, VP & Unit Head, Infrastructure Finance
2. Mr. Zabir Ibne Raquib, AVP, Credit Administration
3. Ms. Fariha Jannat, Manager, SHS Program
4. Mr. Kazi Ishfak Ahmad, Assistant Manager, Legal Affairs

Employee Engagement Program

We believe successful employee engagement has a sustained and positive impact on employee attitude and behavior, and ultimately on outcomes that affect organizational success. We have wide range of programs throughout the year and we believe employees who are engaged with their organization will feel a sense of pride and loyalty towards it. Employees will be a great Company representatives and are likely to go the extra mile when it comes to their work or taking on responsibilities outside of their job description. Ultimately these "engaged" attitudes and behaviors will positively affect outcomes such as productivity, innovation, staff turnover, conflict, sickness levels etc. A fully engaged workforce will have positive attitude, behavior and outcome triggering and reinforcing one another.



Well-being and Safety

We are here to bring out the best in employees by establishing and maintaining a work environment that promotes positive Well-being and healthy lifestyle choices. Our aim is to create a sustainable culture where employees have access to a range of Well-being resources to help them remain happy and healthy, and can seek help when they need it. We recognize that every employees has different needs; hence we provide support to employees at every stage of their lives.



The Year Ahead

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

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

HR PROGRAM HIGHLIGHTS





English Language Communication Training for support staffs and regional employees





Gender Responsiveness Training for POs under ICS Program



IDCOL family celebrated the centennial birth anniversary of the founding leader of the country, Bangabandhu Sheikh Mujibur Rahman

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, terrorism and sabotage etc.) for risk mitigation. Depending on project location and its vulnerability due to climate change, necessary civil (consideration includes but not limited to landfilling, highest flood level, embankment and preparation, earthquake zoning) and technical (consideration includes but not limited to proximity to saline water, 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

IDCOL has been implementing its Solar Home Systems Program (SHS Program) since 2002 and Biogas & Bio-fertilizer Program since 2006 through its Partner Organizations (POs). Up to December 2020, 4,136,372 SHSs and 57,092 biogas plants have been constructed under the respective programs.

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 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 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 and/or operational damage.

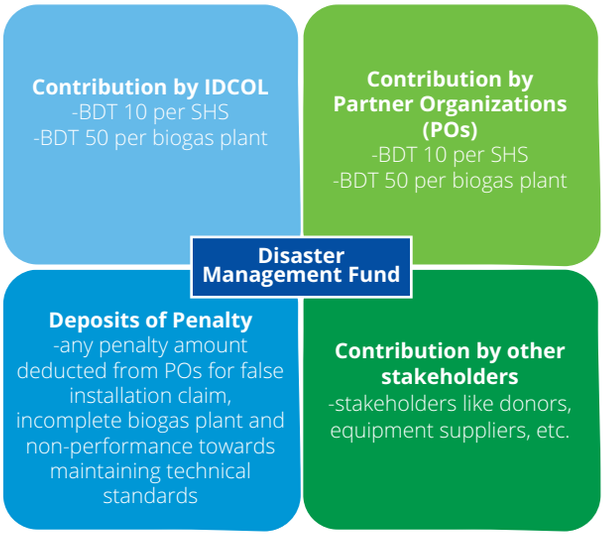
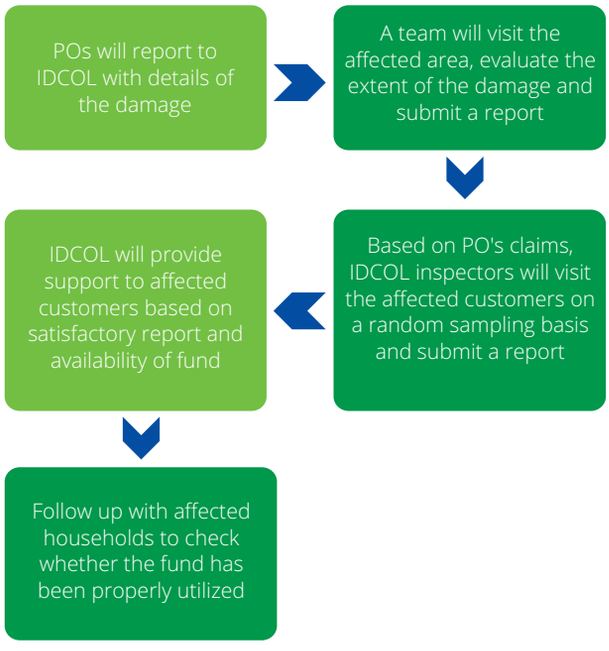


Figure: Sources of Fund

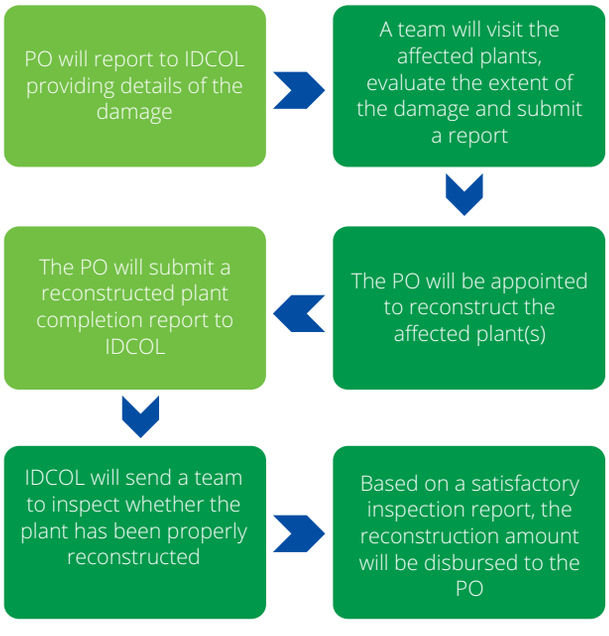
Impact Assessment

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 detection of fire and there are hinges and fire extinguishers for immediate protection. Every year fire drills and short training on first aid firefighting technique is arranged jointly by the UTC Building management authority and Bangladesh Fire Service and Civil Defense. Moreover, IDCOL assessed the structural strength of UTC building by certified professional to ensure structural safety of entire building. Besides that, all the vehicles used by IDCOL are insured.

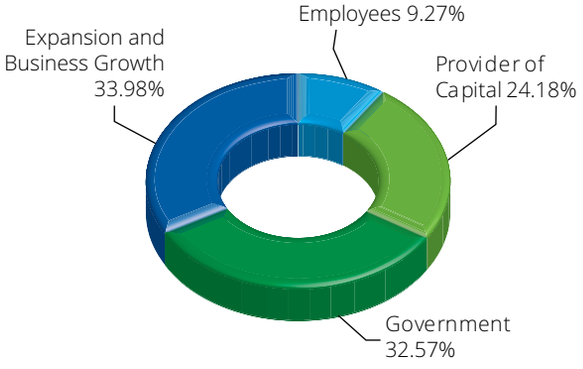
VALUE ADDED STATEMENT

For the year ended December 31, 2020

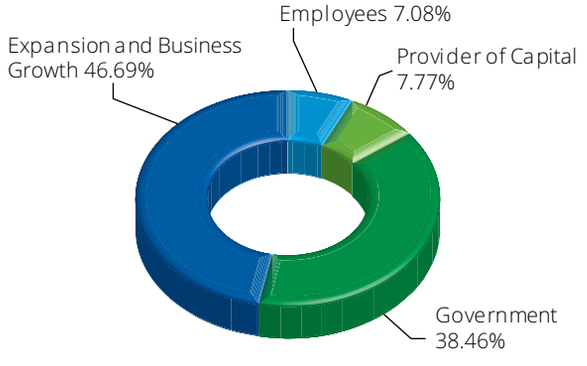
Value added is the wealth IDCOL has created through extending loans and various services. The value added statement shows the total worth created and how the same was distributed to meet various obligations and reward those responsible for its creation. A portion is also retained in the business for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

Particulars	2020		2019	
	Amount (Taka)	%	Amount (Taka)	%
Value Added				
Net interest income	3,424,103,459	127.40%	3,949,317,450	153.48%
Fees earned	162,126,582	6.03%	420,972,687	16.36%
Investment income	70,350,000	2.62%	3,888,889	0.15%
Other income	48,127,144	1.79%	176,414,217	6.86%
Operating expense except salary & allowances, depreciation	(245,374,812)	-9.13%	(332,938,770)	-12.94%
Provision for loan, advances & investments	(771,560,319)	-28.71%	(1,644,507,412)	-63.91%
Total value added by the company	**2,687,772,054**	**100%**	**2,573,147,061**	**100%**
Distribution of Value Added				
Employees				
As salary & allowances	249,167,537	9.27%	182,109,637	7.08%
Provider of Capital				
Dividend to ordinary shareholders	650,000,000	24.18%	200,000,000	7.77%
Dividend to preference shareholders	-	0.00%	-	0.00%
Government				
Income tax	875,326,584	32.57%	989,625,362	38.46%
Expansion and business growth				
Retained earnings	884,807,647	32.92%	1,178,495,020	45.80%
Depreciation & amortization	28,470,286	1.06%	22,917,042	0.89%
Total distribution	**2,687,772,054**	**100%**	**2,573,147,061**	**100%**

Distribution of Value Added (%) 2020



Distribution of Value Added (%) 2019



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.

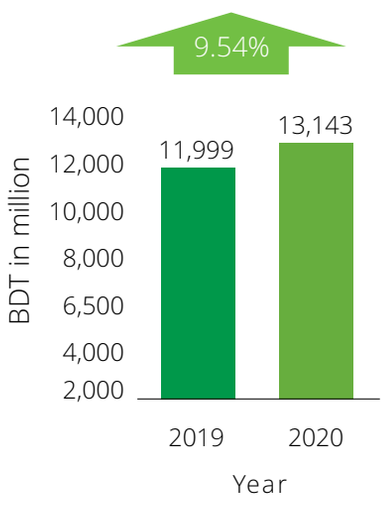
Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create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

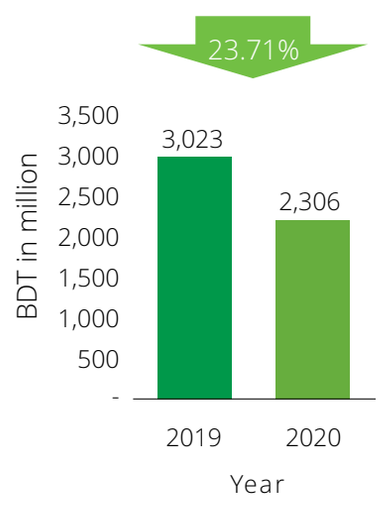
EVA = Net Operating Profit - Taxes - Cost of Capital

Particulars	Amount (Taka)	
	2020	2019
Net operating profit	3,181,694,550	4,012,627,794
Tax expense	875,326,584	989,625,362
Net operating profit after tax (NOPAT)	2,306,367,966	3,023,002,433
Charges for capital		
Capital employed	13,143,485,117	11,998,631,653
Average cost of capital (%)	1.29%	1.61%
Capital Charge	169,550,958	193,177,970
Economic Value Added	2,136,817,008	2,829,824,463
Capital employed as on 31 December, 2020		
Shareholder's equity	9,228,874,574	8,352,757,945
Accumulated provision for doubtful accounts and future losses	4,211,554,585	4,493,783,130
Average shareholders' equity	13,143,485,117	11,998,631,653

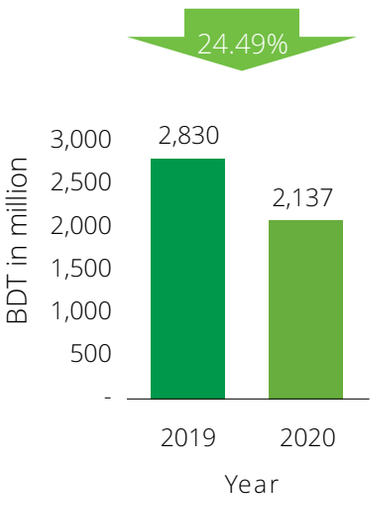
Average Shareholders' Equity



Net Operating Profit after Tax (NOPAT)



Economic Value Added (EVA)

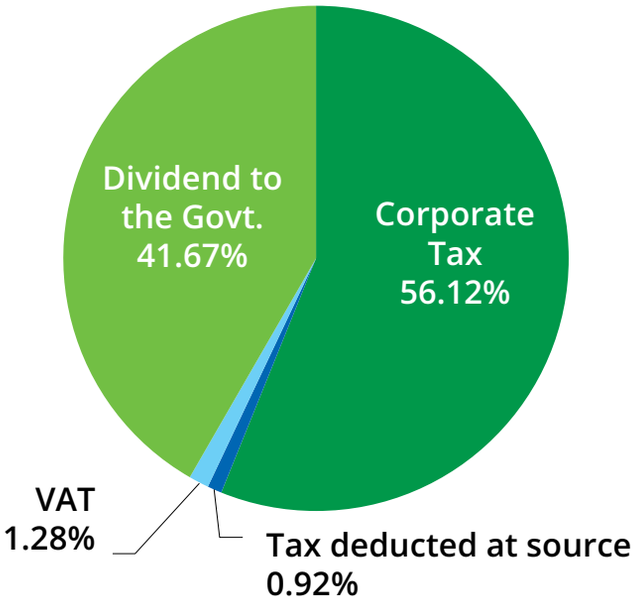


CONTRIBUTION TO **NATIONAL ECONOMY**

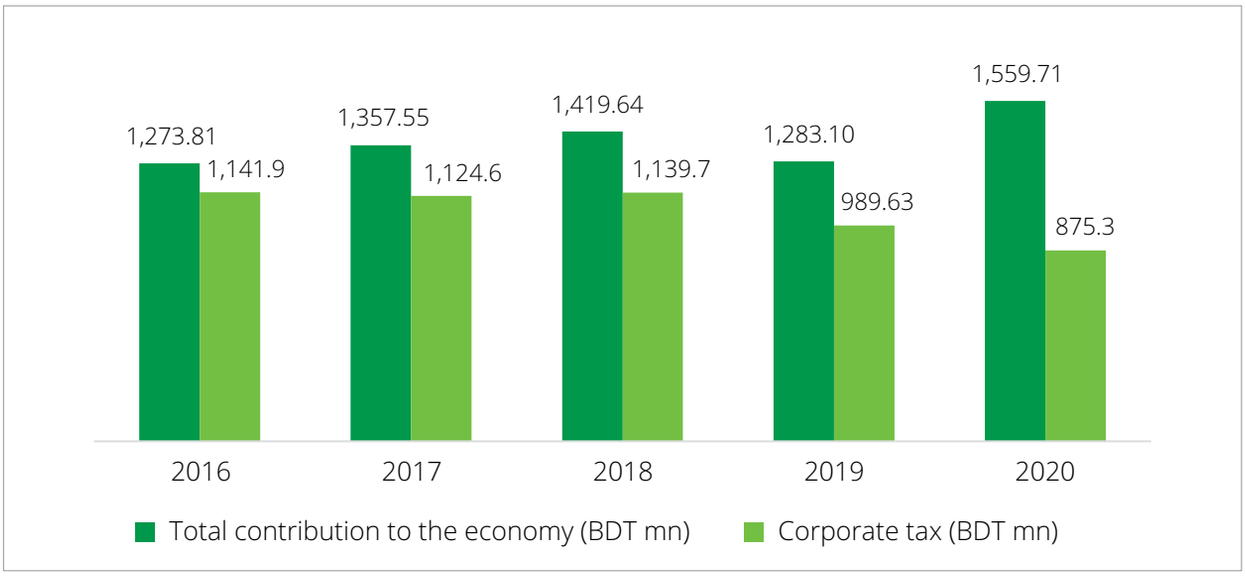
Infrastructure Development Company Limited (IDCOL) plays a vital role as a responsible development partner of the Government of Bangladesh (GoB). IDCOL pays money in the national exchequer in the form of dividend payment to the government, corporate tax, Value Added Tax (VAT), tax deducted at source, excise duty etc.

During the year January-December 2020, the company contributed a total amount of BDT 875.33 million as corporate tax, BDT 14.37 million as Tax Deducted at Source (TDS) and BDT 20.04 million as VAT and BDT 650 million as dividend (declared against the income for FY 2019) to the Government. Consequently, an amount of BDT 1559.74 million was deposited to the national exchequer.

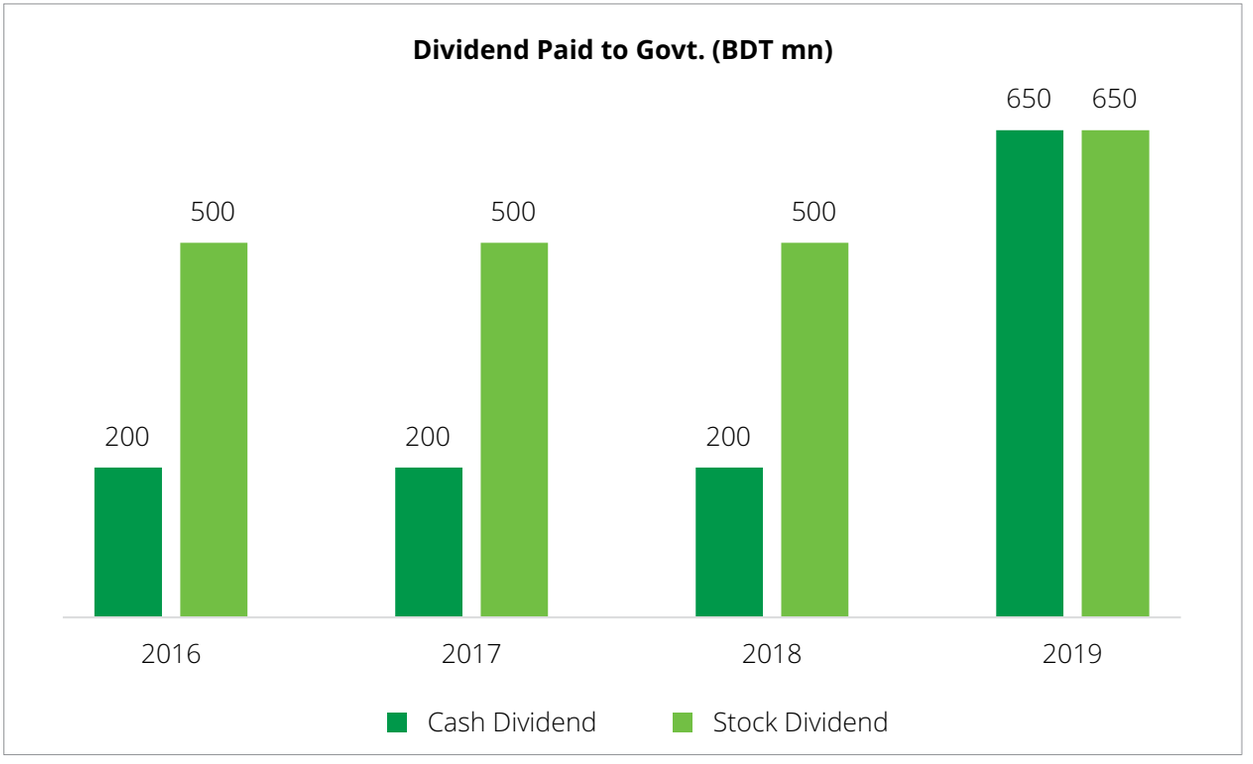
SEGMENT WISE CONTRIBUTION 2020



Over the years, IDCOL has built its reputation to be one of the highest tax paying institutions and contributing directly towards the development of the country. IDCOL has been awarded the prestigious Highest Tax Payer's Award in FY 2015, FY 2016, FY 2018 and FY 2020 by the National Board of Revenue under Non-Bank Financial Institutions category.



Since its inception, IDCOL has been paying dividend as a result of the profitability that is being generated. IDCOL pays dividend in the form of cash and stock to the Government due to its state-owned ownership structure. Contribution to the national exchequer through dividend payment is a rare scenario in the country which is currently being presented by IDCOL. As of 31 December 2020 IDCOL paid cumulative cash dividend of Tk. 2,280 million and stock dividend of Tk. 6,979.9 million to the Government from its overall profitability.



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

06

FINANCIAL
HIGHLIGHTS & REVIEW













KEY OPERATING AND FINANCIAL HIGHLIGHTS

Particulars	2020	2019	2018	2017	2016	5 years CAGR %
Financial Performance (BDT million):						
Long-term Investment	700	500	-	-	-	-
Short term Investment	7,979	12,713	17,166	26,886	27,069	-26.32%
Loan Portfolio	79,127	68,799	60,742	42,037	41,017	17.85%
Power	31,842	22,759	18,477	13,767	12,320	26.79%
Ports	2,344	2,597	2,592	733	844	29.08%
Telecommunication	953	3,100	4,102	96	92	79.50%
Renewable Energy	16,381	18,348	20,135	22,275	24,490	-9.57%
Energy Efficiency	12,122	7,886	3,506	-	-	0.00%
Others	15,486	14,109	11,931	5,166	3,270	47.51%
Total assets	98,201	90,876	82,293	76,636	73,025	7.69%
Total Liabilities	88,972	82,523	75,491	70,338	67,057	7.33%
Total equity	9,229	8,353	6,802	6,298	5,968	11.52%
Net current assets	15,455	20,014	18,864	28,430	27,160	-13.15%
Operational Performance (BDT million):						
Total Revenue	4,482	5,378	4,921	4,730	4,509	-0.15%
Operating income	3,705	4,551	3,154	3,066	2,970	5.68%
Operating expenses	523	538	308	234	209	25.78%
Financial expenses	777	827	1,767	1,665	1,539	-15.69%
Operating Profit	3,182	4,013	2,846	2,832	2,761	3.61%
Net profit after tax	1,535	1,378	703	531	398	40.15%
Operating profit per share	44.50	56.12	39.81	39.61	38.62	3.61%
Financial Ratios:						
Debt equity ratio (Times)	8.93	9.09	9.93	10.09	10.35	-3.64%
Debt ratio (%)	83.88%	83.57%	82.10%	82.94%	84.62%	-0.22%
Cost to income ratio	14.12%	11.82%	9.76%	7.63%	7.04%	19.02%
Financial expense coverage ratio (times)	5.09	5.85	2.61	2.70	2.79	16.19%
Current ratio (Times)	12.84	15.19	8.59	13.36	13.97	-2.08%
Return on assets (%)	1.56%	1.52%	0.85%	0.69%	0.54%	30.14%
Return on Investment (%)	1.92%	1.99%	1.16%	1.26%	0.97%	18.65%
Return on shareholders' equity (%)	16.63%	16.50%	10.34%	8.43%	6.67%	25.67%
Profit Margin (%)	34.24%	25.63%	14.29%	11.22%	8.82%	40.35%
Earnings per share (BDT)	21.47	19.28	9.84	7.42	5.56	40.15%
% of Classified Loans	1.53%	4.54%	7.15%	10.91%	8.70%	-35.25%
Equity Statistics:						
Number of shares (No.)	71,500,000	65,000,000	60,000,000	55,000,000	50,000,000	9.35%
Paid up Capital (BDT million)	7,150	6,500	6,000	5,500	5,000	9.35%
Shareholders' equity (BDT million)	9,229	8,353	6,802	6,298	5,968	11.52%

HORIZONTAL ANALYSIS OF IDCOL

Horizontal Analysis for the Last 5 Years
Balance Sheet

Particulars	2020	2019	2018	2017	2016
Property and Assets					
Cash	**1318%**	**742%**	**64%**	**447%**	**100%**
Cash in Hand	281%	616%	468%	5%	100%
Balance with Bangladesh Bank	1318%	742%	64%	447%	100%
Balance with other banks and Financial Institutions	**49%**	**63%**	**67%**	**107%**	**100%**
Inside Bangladesh	49%	63%	67%	107%	100%
Outside Bangladesh	-	-	-	-	-
Money at call and Short Notice					
Investment					
Government	-	-	-	-	-
Others	-	-	-	-	-
Loans and advances	**193%**	**168%**	**148%**	**102%**	**100%**
Loans, cash credit, overdraft etc.	193%	168%	148%	102%	100%
Bill purchased and discounted	-	-	-	-	-
Fixed assets including land, Building, Furniture and Fixtures	**164%**	**193%**	**123%**	**132%**	**100%**
Other assets	**60%**	**64%**	**69%**	**99%**	**100%**
Non-banking assets	-	-	-	-	-
Total Assets	**134%**	**124%**	**113%**	**105%**	**100%**
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank, Other Banks and Financial institutions	133%	123%	109%	103%	100%
Term deposits	-	-	-	-	-
Other liabilities	**125%**	**125%**	**150%**	**129%**	**100%**
Total Liabilities	**133%**	**123%**	**113%**	**105%**	**100%**
Shareholders' Equity					
Paid up capital	143%	130%	120%	110%	100%
Statury reserve	-	-	-	-	-
Retained earnings	215%	191%	83%	83%	100%
Total Shareholder's Equity	**155%**	**140%**	**114%**	**106%**	**100%**
Total Liabilities and Shareholder's Equity	**134%**	**124%**	**113%**	**105%**	**100%**

Horizontal Analysis for the Last 5 Years
Profit and Loss Account

Particulars	2020	2019	2018	2017	2016
Operating income					
Interest income	102%	116%	106%	105%	100%
Less: Interest expenses on deposits & borrowings	51%	54%	115%	108%	100%
Net interest	**132%**	**153%**	**101%**	**102%**	**100%**
Income from investment	-	-	-	-	-
Fees, Commission & brokerage	80%	206%	187%	52%	100%
Other operational income	27%	99%	82%	173%	100%
Total operating income	**125%**	**153%**	**106%**	**103%**	**100%**
Operating expenses					
Salary and allowances	317%	225%	144%	108%	100%
Rent, taxes, insurance, electricity etc.	139%	108%	119%	116%	100%
Legal expenses	453%	985%	615%	254%	100%
Postage, stamp, telecommunication etc.	323%	123%	136%	124%	100%
Stationary, printing, advertisement	76%	48%	53%	67%	100%
CEO's salary and fees	133%	146%	108%	113%	100%
Director's fees	279%	183%	155%	107%	100%
Audit fees	149%	71%	67%	102%	100%
Depriciation, repairs and maintenance	206%	166%	108%	117%	100%
Other expenses	240%	331%	160%	116%	100%
Charges on loan losses	-	-	-	-	-
Total operating expenses	**250%**	**257%**	**147%**	**112%**	**100%**
Profit/(Loss) before provision & Tax	**115%**	**145%**	**103%**	**103%**	**100%**
Provision for loans and advances	63%	135%	82%	103%	100%
Net profit/(loss) before Tax	**157%**	**154%**	**120%**	**102%**	**100%**
Tax expenses	77%	87%	100%	92%	100%
Net profit/(loss) after tax	**386%**	**346%**	**177%**	**133%**	**100%**
Earning per share (EPS)	**386%**	**346%**	**177%**	**133%**	**100%**

VERTICAL ANALYSIS OF IDCOL

Vertical Analysis for the Last 5 Years

Balance Sheet

Particulars	2020	2019	2018	2017	2016
Property and Assets					
Cash	**2.51%**	**1.53%**	**0.14%**	**1.09%**	**0.26%**
Cash in Hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	2.51%	1.53%	0.14%	1.09%	0.26%
Balance with other banks and Financial Institutions	**14.51%**	**20.27%**	**23.79%**	**40.61%**	**39.96%**
Inside Bangladesh	14.51%	20.27%	23.79%	40.61%	39.96%
Outside Bangladesh	-	-	-	-	-
Money at call and Short Notice	-	-	-	-	-
Investment	**0.71%**	**0.55%**	**0.00%**	**0.00%**	**0.00%**
Government	-	-	-	-	-
Others	0.71%	0.55%	0.00%	0.00%	0.00%
Loans and advances	**80.58%**	**75.71%**	**73.81%**	**54.85%**	**56.17%**
Loans, cash credit, overdraft etc.	80.58%	75.71%	73.81%	54.85%	56.17%
Bill purchased and discounted	-	-	-	-	-
Fixed assets including land, Building, Furniture and Fixtures	**0.12%**	**0.15%**	**0.11%**	**0.12%**	**0.10%**
Other assets	**1.57%**	**1.80%**	**2.14%**	**3.33%**	**3.52%**
Non-banking assets	-	-	-	-	-
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank, Other Banks and Financial institutions	83.88%	83.57%	82.10%	82.94%	84.62%
Term deposits	-	-	-	-	-
Other liabilities	**6.72%**	**7.24%**	**9.63%**	**8.84%**	**7.21%**
Total Liabilities	**90.60%**	**90.81%**	**91.73%**	**91.78%**	**91.83%**
Shareholders' Equity					
Paid up capital	7.28%	7.15%	7.29%	7.18%	6.85%
Statuary reserve	-	-	-	-	-
Retained earnings	2.12%	2.04%	0.97%	1.04%	1.32%
Total Shareholder's Equity	**9.40%**	**9.19%**	**8.27%**	**8.22%**	**8.17%**
Total Liabilities and Shareholder's Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Vertical Analysis for the Last 5 Years
Profit and Loss Account

Particulars	2020	2019	2018	2017	2016
Operating income					
Interest income	93.74%	88.82%	89.27%	91.26%	91.52%
Less: Interest expenses on deposits & borrowings	17.35%	15.38%	35.90%	35.19%	34.13%
Net interest	**76.39%**	**73.44%**	**53.37%**	**56.07%**	**57.40%**
Income from investment	1.57%	0.07%	0.00%	0.00%	0.00%
Fees, Commission & brokerage	3.62%	7.83%	7.75%	2.23%	4.52%
Other operational income	1.07%	3.28%	2.98%	6.51%	3.96%
Total operating income	**82.65%**	**84.62%**	**64.10%**	**64.81%**	**65.87%**
Operating expenses					
Salary and allowances	5.23%	3.09%	2.17%	1.68%	1.64%
Rent, taxes, insurance, electricity etc.	0.17%	0.11%	0.13%	0.14%	0.12%
Legal expenses	0.35%	0.64%	0.44%	0.19%	0.08%
Postage, stamp, telecommunication etc.	0.07%	0.02%	0.03%	0.02%	0.02%
Stationary, printing, advertisement	0.23%	0.12%	0.14%	0.19%	0.30%
CEO's salary and fees	0.33%	0.30%	0.24%	0.26%	0.24%
Director's fees	0.07%	0.04%	0.04%	0.03%	0.03%
Audit fees	0.01%	0.00%	0.00%	0.01%	0.01%
Depreciation, repairs and maintenance	0.64%	0.43%	0.30%	0.34%	0.31%
Other expenses	4.57%	5.25%	2.76%	2.09%	1.89%
Charges on loan losses	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating expenses	**11.67%**	**10.00%**	**6.26%**	**4.94%**	**4.63%**
Profit/(Loss) before provision & Tax	**70.99%**	**74.62%**	**57.84%**	**59.87%**	**61.24%**
Provision for loans and advances	17.21%	30.58%	20.38%	26.53%	27.09%
Net profit/(loss) before Tax	**53.77%**	**44.04%**	**37.46%**	**33.34%**	**34.15%**
Tax expenses	19.53%	18.40%	23.16%	22.12%	25.33%
Net profit/(loss) after tax	**34.24%**	**25.63%**	**14.29%**	**11.22%**	**8.82%**

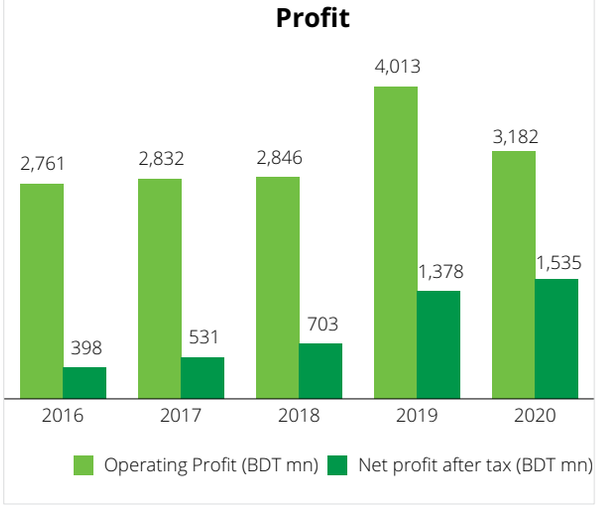
KEY FINANCIAL AND OPERATING HIGHLIGHTS OF IDCOL

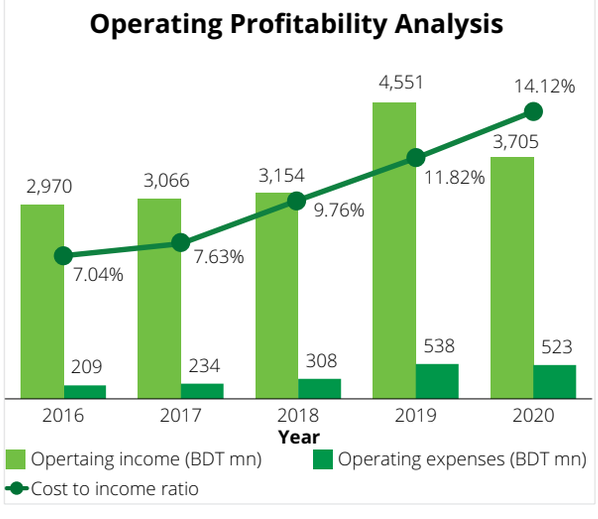
Profitability Analysis

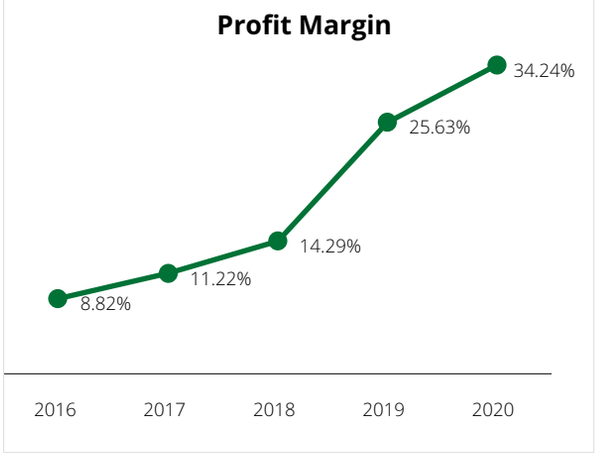
In terms of net profit, we have been able to achieve an 11.34% growth from last year even though the year has been full of uncertainty due to the global pandemic. Although the operating profit is 20.71% lower than previous year, it has been possible to ensure a growth in net profit due to lesser requirement for provision of loans and taxes. There has been a moderate fall in operating income of the company due to decrease in fees income, but it has been able to tackle the Operating Expenses to some extent. Thus, instead of an 18.59% fall in operating income, cost to income ratio has risen from 11.82% to 14.12% only.

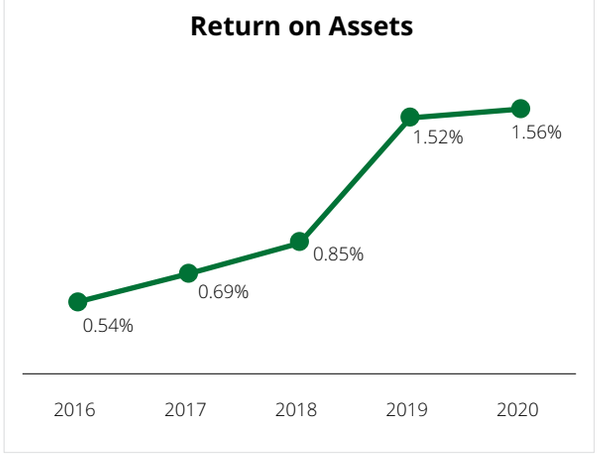
We have achieved a profit margin of 34.24% in 2020 which is 8.61% higher than the profit margin of 2019 i.e. 25.63%. This affirms the firm's higher efficiency level in cost management because the growth in profit margin in mainly a result of lower operating expenses of the firm. For instance, operating expenses became 2.76% lower in 2020 and the amount stood at BDT 523 million which was BDT 538 million a year ago.

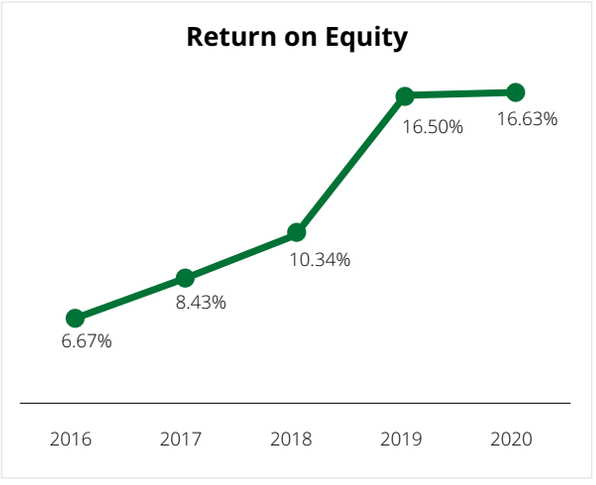
Considering the overall financial environment of both the country and the world in 2020 impacted by Covid-19 and the consequent overall tension in the economy, IDCOL's financial performance has been consistent enough. We have experience consistent return on assets in 2020 such as 1.56% which was 0.05% higher in the last year mainly as a result of our efficient cost management, superior asset quality and good governance. Although the impact on return on investment cannot be ignored due to a slight fall from 1.99% in 2019 to 1.92% in 2020. Return on equity (ROE) has been quite consistent, it has come to 16.63% in 2020 from 16.50% in 2019. Adjusted EPS has increased from BDT 19.28 in 2019 to BDT 21.47 in 2020.

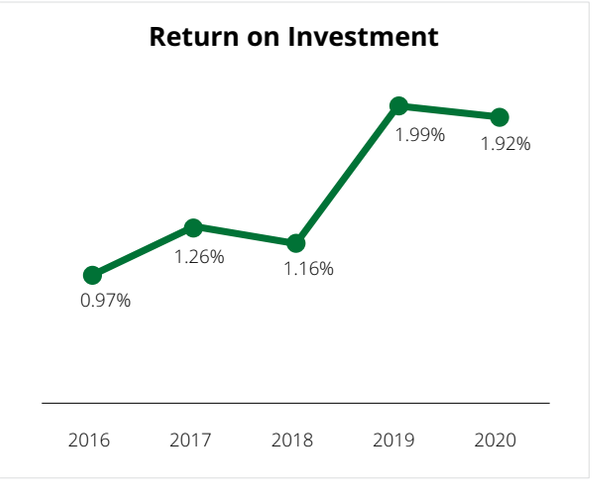


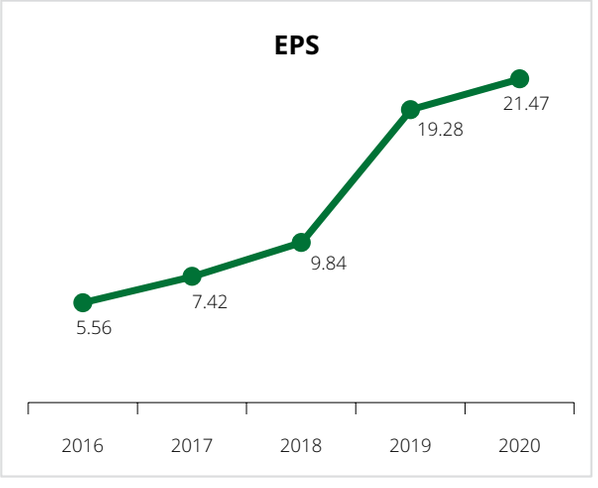








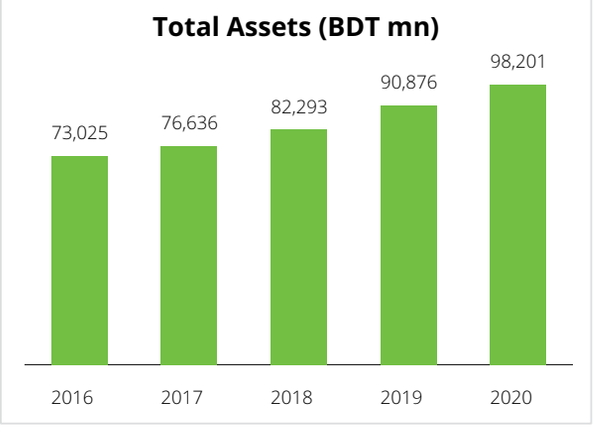


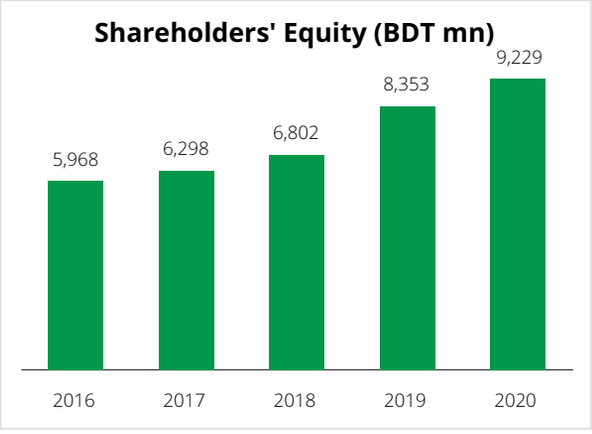


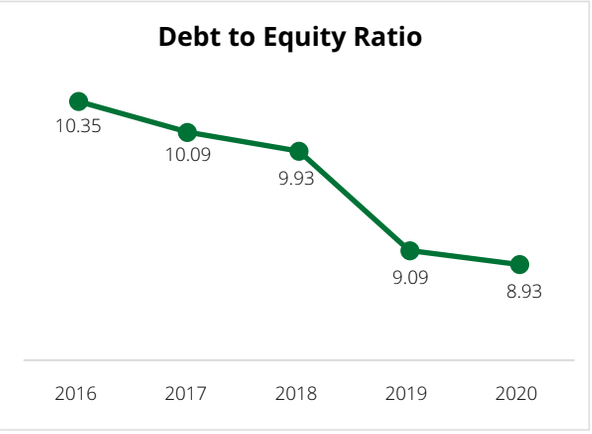
Financial Position Analysis

Our asset size has shown a significant growth rate of 8.06% reaching BDT 98,201 million in 2020 from BDT 90,876 million in 2019 and the main contributing factor here is the tremendous growth of our loan portfolio. Growth of loan portfolio is measured as 15.01% as result of the rise to BDT 79,127 million in 2020 from BDT 68,799 million in 2020. Amid the year of pandemic, such a growing loan portfolio is an achievement of prudent and expert resources of the organization. Our ongoing projects and disbursements from fund has also been a positive factor to fund the increasing demand of loans and advances of eligible projects.

In line with the asset size of the firm, equity share of the shareholders has also risen significantly from BDT 8,353 million in 2019 to BDT 9,229 million in 2020. Whereas the shareholder's equity has risen by 10.49%, debt to equity ratio has fallen by 0.17 times. Issuance of new shares by 6.50 million is the foremost reason behind this.

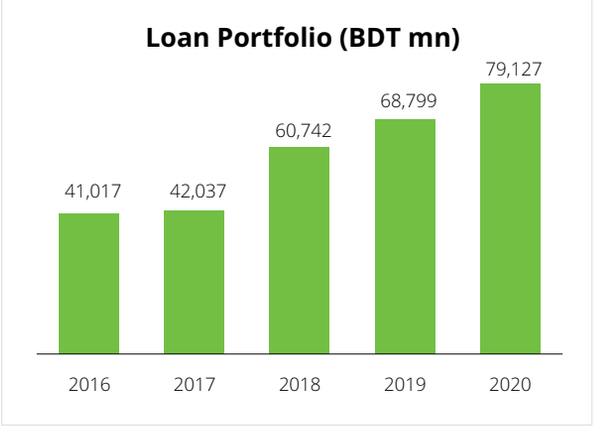


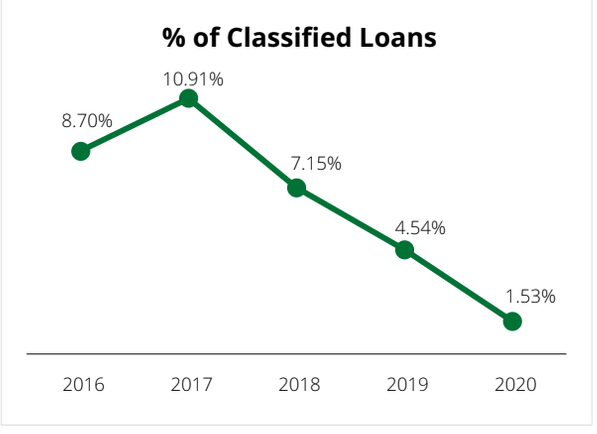


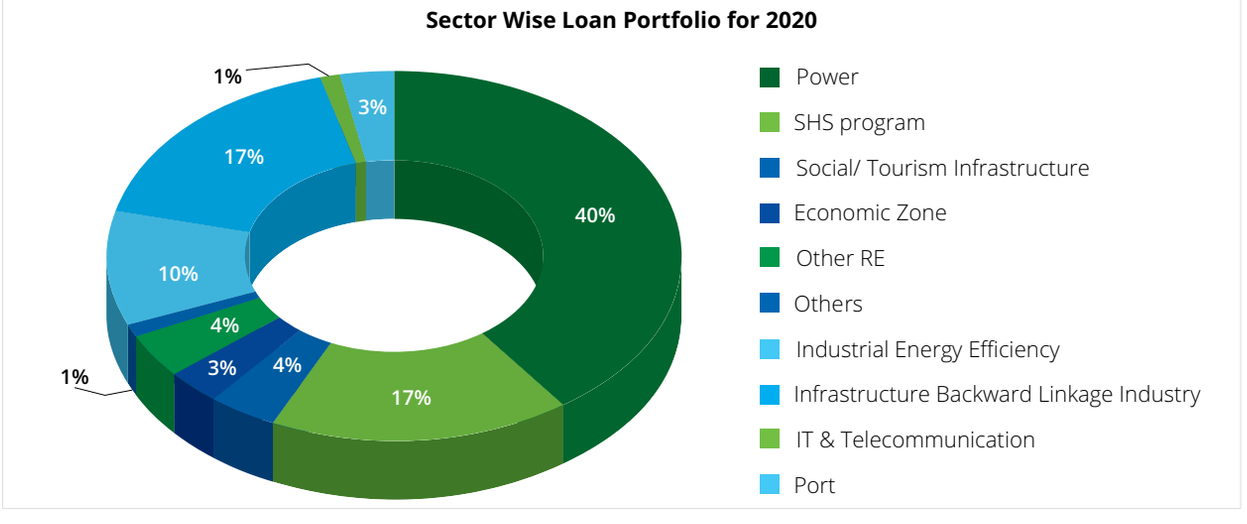


Asset Concentration & Quality Analysis

Loan portfolio of IDCOL has been very consistent in demonstrating impressive growth over the years. This year the loan portfolio stood at BDT 79,127 million indicating a 15.01% growth from last year and consequently the 5-year CAGR of our loan portfolio becomes 17.85%. Additionally, the quality of the loan portfolio has also upgraded expressively from last year as indicated by the fall in % of classified loans by 3.01% i.e. 1.53% in 2020 from 4.54% in 2019. Such a major reduction in classified loan can be attributed to the write off HFSKS loan.

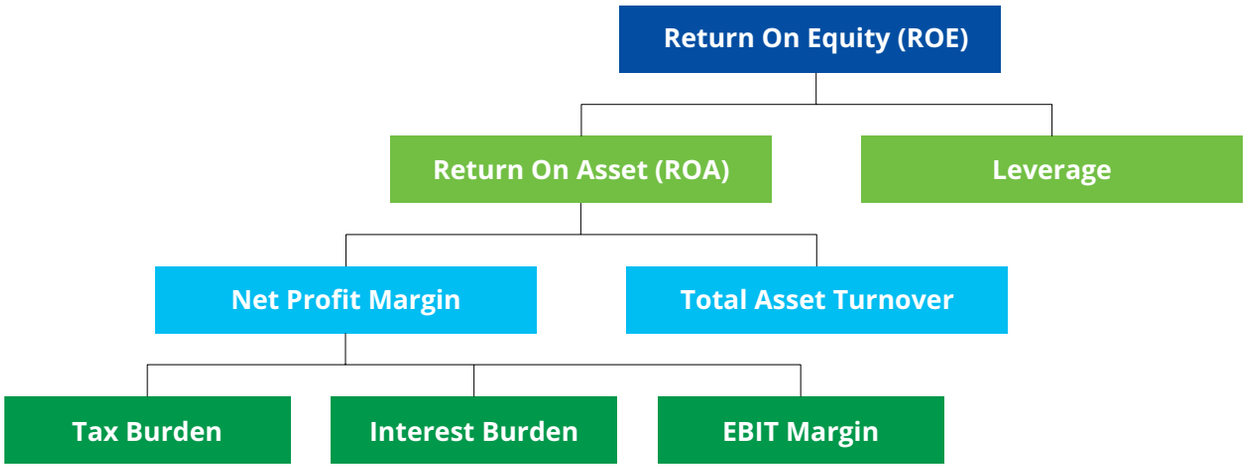






FIVE FACTOR DUPONT ANALYSIS

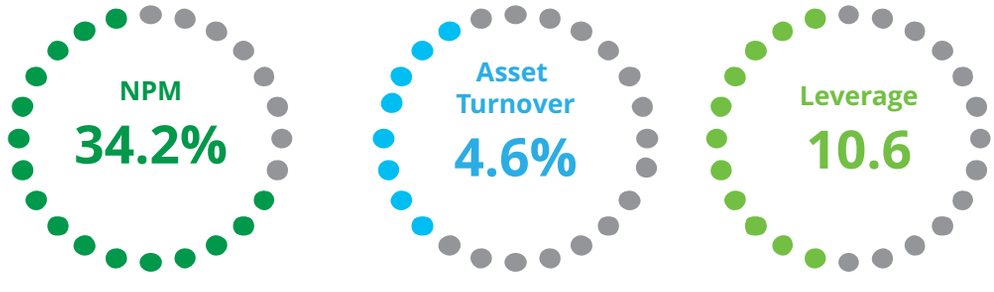
5 step DuPont analysis is an extended decomposition of Return on Equity (ROE) to better understand the operational performance and know which factors affect the ROE of the company. Generally ROE can be broken down into Net Profit Margin (NPM), Asset Turnover and Financial Leverage. EBIT margin, tax effect and interest burden together constitutes NPM.



DuPont Breakdown	Formulas	2020	2019	2018	2017
ROE (A= B*C*D)		***16.63%***	***16.50%***	***10.34%***	***8.43%***
Financial leverage (B)	Asset/ Equity	10.64	10.88	12.10	12.17
Total Asset Turnover (C)	Revenue/ Total Asset	4.56%	5.92%	5.98%	6.17%
Net Profit Margin (D= P*Q*R)	Net income/ Revenue	34.24%	25.63%	14.29%	11.22%
Tax Burden (P)	Net income/EBT	63.68%	58.21%	38.16%	33.66%
Interest Burden (Q)	EBT/EBIT	60.87%	48.93%	39.96%	35.07%
EBIT Margin (R)	EBIT/ Revenue	88.33%	90.00%	93.74%	95.06%

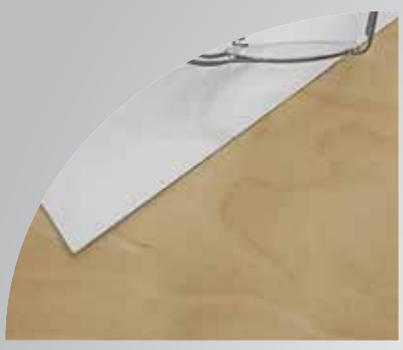
Higher value of the DuPont parameters lead to high ROE and vice versa. In 2020, IDCOL reported ROE of 16.63%, up by ~13 bps even amidst the virus gripped challenging year. The company is showing consistency in managing a balanced capital structure with reduced leverage throughout the years indicating the strength of the asset base and growing stability of its equity. Whereas, net profit margin improved by ~861 bps with 11%+ growth in bottom line earnings. Asset turnover is on a declining spree driven by the expansion in asset base of the company. However, tax effect improved significantly in the last two years as every year IDCOL contributes substantially in the national exchequer. Additionally, imposition of single digit interest rate has reduced the company's interest expense and managed to grow its interest burden ratio by ~12%. This is a reflection that greater percentage of EBIT was left over after paying the interest expense and yet another contributor of high ROE. In short, despite reduced asset utilization efficiency almost all other indicators performed seemingly well to generate a modest return for the equity holders of the company.

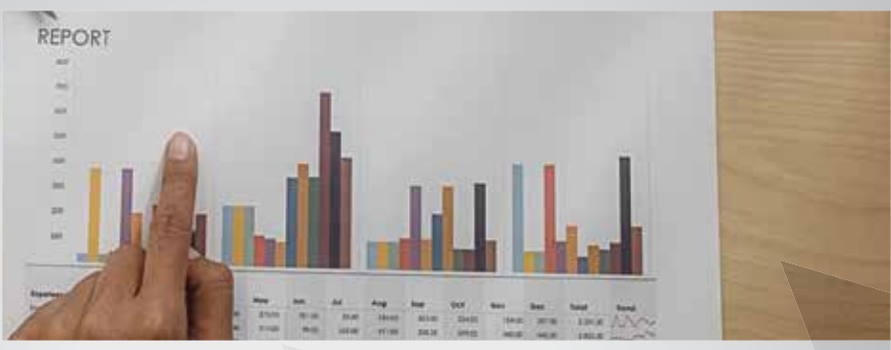
Leading parameters of ROE in 2020



07

AUDITOR'S REPORT
AND AUDITED
FINANCIAL STATEMENTS













INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infrastructure Development Company Limited

Opinion

We have audited the financial statements of Infrastructure Development Company Limited (the Company), which comprise the statement of financial position as at December 31, 2020, and statements of profit or loss and statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note # 2 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

Without qualifying our opinion, we are drawing attention to the following matters:

1. In note # 2.5 to the financial statements where the Company disclosed the status of compliance with DFIM circular no. 1, dated April 03 2018 of Bangladesh Bank regarding Fees, Commission and Brokerage income of the Company.
2. In note # 2.23 to the financial statements where the Company disclosed about gratuity scheme. As per IAS-19 gratuity scheme is a 'Defined benefit plan'. The actuarial valuation is required while recognizing the cost of a 'Defined benefit plan'. However, the Company did no actuarial valuation though required under IAS-19.
3. In note # 11.3.1 to the financial statements the Company disclosed the reasons for transferring 'Interest on loans and advances and 'Interest on short-term investment' to 'Interest suspense account.'
4. In note # 37 to the financial statements where management explains the circumstances of VAT claim from the National Board of Revenue (NBR) and it's current position.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of 2020. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk
1. Measurement of provision for loans and advances	
The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex. For the individual (party-wise) analysis, these provisions consider the estimates of future business performance and the market value of the collateral provided for credit transactions. At year end the Company reported total loans and advances of BDT 79,127,139,056 (2019: BDT 68,798,752,166) and provision for loans and advances of BDT 4,561,554,606 (2019: BDT 4,493,783,130).	We tested the design and operating effectiveness of key controls focusing on the following: • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process • Reviewed the process of Identification of loss events, including early warning and default warning indicators; • Reviewed quarterly Classification of Loans (CL);

Risk	Our response to the risk
We need to focus on the following significant judgments and estimates which could give rise to a material misstatement or management bias: • Completeness and timing of recognition of loss events in accordance with criteria set out in FID circular no 08, dated August 03 2002, FID circular no. 03, dated May 03 2006 and FID circular no.03 dated April 29 2013; • For assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows; • Provision measurement is primarily dependent upon key assumptions relating to the probability of default, the ability to repossess collateral, and recovery rates.	Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following: • Reviewed the adequacy of the companies general and specific provisions; • Assessed the methodologies on which the provision amounts were based, recalculated the provisions and tested the completeness and accuracy of the underlying information; • Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note # 7 and 31 to the financial statements.	
2. Borrowing from other banks, other financial institutions and agents	
We considered this area as key audit matter because the Company receives loans from different donor agencies through GoB to implement infrastructure development projects in Bangladesh. Such an arrangement should be guided by strict internal control. Any Non-compliance of the financing agreements with the donor agencies may create major credit risk for the Company.	In responding to the identified key audit matter, we have performed the following procedures: • Checked the drawdowns of borrowings from donor agency's server on a sample basis; • Reviewed the repayments made to the agencies as required on a sample basis; • Recalculated repayment schedule of the loans from donor agencies on a sample basis; and • Reviewed the agreements with the donor agencies and checked whether the Company has complied with the requirements of the agreements on a sample basis.
See note # 10 to the financial statements.	
3. Measurement of deferred tax assets	
The Company reports net deferred tax assets to totaling BDT 28,523,643 (2019: 9,242,457). Significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over a number of years.	We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of Deferred Tax Assets and the assumptions used in estimating the Company's future taxable income. We also assessed the completeness and accuracy of the data used for the estimations of future taxable income. Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.
See note # 9.5 to the financial statements	
4. Legal and regulatory matters	
We focused on this area because the Company operates in a legal and regulatory environment that is exposed to significant litigation and similar risks arising from disputes and regulatory proceedings. Such matters are subject to many uncertainties and the outcome may be difficult to predict.	We obtained an understanding, evaluated the design, and tested the operational effectiveness of the key controls over the legal provision and contingencies process.

Risk	Our response to the risk
These uncertainties inherently affect the amount and timing of potential outflows with respect to the provisions which have been established and other contingent liabilities. Overall, the legal provision represents the Company's best estimate for existing legal matters that have a probable and estimable impact on the financial position.	We enquired to those charged with governance to obtain their view on the status of all significant litigations and regulatory matters. We also assessed the Company's contingent liabilities disclosure.
5. IT systems and controls	
The Company's key financial accounting and reporting processes are significantly dependent on the automated controls over the Company's information systems. As such that there exist risks that gaps in the IT control environment, including automated accounting procedures, IT dependent manual controls and controls preventing unauthorized access to systems and data could result in the financial accounting and reporting records being materially misstated.	We performed audit procedures to assess IT systems and controls over financial reporting, which included the followings: • Testing the sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations. • Assessing the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems and tested resolution of a sample of exceptions. • Assessing the operating effectiveness of controls over granting, removal and appropriateness of access rights. • Testing of specific application controls for key financial reporting controls.
6. COVID-19	
The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections across the world and affecting economic activities enormously. As a result, going concern risk might arise and the assets of the Company might be impaired.	We assessed the going concern assumption taken by the Company and tested the recoverable value against the assets and cash generating units, on sample basis, to see whether there is material impact on impairment. In addition: • We checked Company's preparation to combat COVID-19 situation; • We checked the compliances by the Company with the COVID-19 related circulars given by Bangladesh Company; and • We have also checked the Company's ability and plan for being going concern.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained on note # 2 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Template of Modified Auditor's Report for Company in Bangladesh
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Company' financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter

should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report the following:

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of these books;

c) the statements of financial position and statements of profit or loss account together with the annexed notes dealt with by the report are in agreement with the books of accounts and returns; and

d) the expenditure incurred was for the purposes of the Company's business for the year;

e) The financial statements of the Company have been drawn up in conformity with Financial Institutions Act, 1993 and in accordance with International Financial Reporting Standards as explained in notes as well as with related guidance, circulars issued by Bangladesh Bank;

f) adequate provisions have been made for loans, leases, advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

g) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

h) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

i) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;

j) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;

k) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

l) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

m) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;

n) We have reviewed over 80% of the risk weighted assets of the Company, and we have spent around 3,900 person hours for the audit of the books and accounts of the Company;

o) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

p) the Company has complied with the "First Schedule" of the Financial Institutions Act,1993 in preparing these financial statements; and

q) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

ACNABIN, Chartered Accountants

Dated, Dhaka
12 June 2021

Sd/-
Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment # 1129

Infrastructure Development Company Limited

Balance Sheet

as at December 31, 2020

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
PROPERTY AND ASSETS			
Cash	3	**2,462,917,988**	**1,387,111,697**
Cash in Hand		15,796	34,611
Balance with Bangladesh Bank and its agent bank		2,462,902,192	1,387,077,086
Balance with other banks and financial institutions	4	**14,249,438,353**	**18,418,482,656**
In Bangladesh		14,249,438,353	18,418,482,656
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6	**700,000,000**	**500,000,000**
Government		-	-
Others		700,000,000	500,000,000
Loans and advances		**79,127,139,056**	**68,798,752,166**
Loans, cash credit, overdraft etc.	7	79,127,139,056	68,798,752,166
Bill purchased and discounted		-	-
Fixed assets including land, building, furniture and fixtures	8	**115,652,613**	**135,945,338**
Other assets	9	**1,546,101,980**	**1,635,298,544**
Non-banking assets			**-**
Total assets		**98,201,249,989**	**90,875,590,401**
LIABILITIES AND CAPITAL			
Liabilities:			
Borrowings from other banks, financial institutions and agents	10	82,374,212,572	75,946,873,667
Deposit and other accounts		-	-
Other liabilities	11	6,598,162,842	6,575,958,787
Total liabilities		**88,972,375,414**	**82,522,832,455**
Capital/Shareholders' equity:			
Paid-up Capital	12	7,150,000,000	6,500,000,000
Statutory Reserve		-	-
Retained earnings	13	2,078,874,575	1,852,757,946
Total shareholders' equity		**9,228,874,575**	**8,352,757,946**
Total liabilities and shareholders' equity		**98,201,249,989**	**90,875,590,401**

Infrastructure Development Company Limited

Off Balance Sheet Items

as at December 31, 2020

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
Contingent Liabilities:		**24,029,147**	**24,029,147**
Acceptances and Endorsements			
Letters of Guarantee			
Irrevocable Letters of Credit			
Bills for Collection			
Other Contingent Liabilities	37	24,029,147	24,029,147
Other commitments:			
Documentary credit and short term trade-related transactions			
Forward assets purchased and forward deposits placed			
Undrawn note issuance and revolving underwriting facilities			
Undrawn formal standby facilities, credit lines and other commitments			
Total Off-Balance Sheet Items		**24,029,147**	**24,029,147**
Net Asset Value (NAV) per share	**34**	**129.08**	**116.82**

The annexed notes 1-40 form an intregal part of these statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mr. M. Maftun Ahmed	**Mr. Mahmood Malik**	**Mr. Abdul Haque**	**Mr. Md. Habibur Rahman**	**Ms. Fatima Yasmin**
Company Secretary	Executive Director & CEO	Director	Director	Chairman

As per our report of even date.

ACNABIN, Chartered Accountants

Dated, Dhaka
12 June 2021

Sd/-
Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment # 1129

Infrastructure Development Company Limited

Profit and Loss Account

for the year ended December 31, 2020

	Notes	Amount in Taka Jan-Dec 2020	Amount in Taka Jan-Dec 2019
Operating income			
Interest income	15	4,201,577,931	4,776,333,932
less: Interest on deposits, borrowings etc	16	777,474,472	827,016,483
Net interest income		**3,424,103,459**	**3,949,317,450**
Investment income	17	70,350,000	3,888,889
Fees, Commission & brokerage	18	162,126,582	420,972,687
Other operating income	19	48,127,144	176,414,217
Total operating income (A)		**3,704,707,186**	**4,550,593,243**
Operating expenses			
Salaries and allowances	20	234,475,362	166,023,237
Rent, taxes, insurance, electricity etc.	21	7,710,971	7,558,198
Professional & Legal expenses	22	15,892,031	40,714,654
Postage, stamp, telecommunication etc.	23	2,989,278	2,620,709
Stationery, printing, advertisement etc.	24	10,237,865	9,232,539
Chief Executive's salary and fees	25	14,692,175	16,086,400
Directors' fees	26	3,215,068	2,108,306
Auditors' fees	27	453,663	432,060
Depreciation and repair of Company's assets	28	28,470,286	22,917,042
Other operating expenses	29	204,875,937	270,272,304
Charges on loan losses	30	-	-
Total operating expenses (B)		**523,012,635**	**537,965,449**
Profit/(Loss) before provision & Tax (C) = (A - B)		**3,181,694,550**	**4,012,627,794**
Provision for loans and advances/investment	31	771,560,319	1,644,507,412
Total provision (D)		**771,560,319**	**1,644,507,412**
Net profit/(loss) before Tax (E)=(C -D)		**2,410,134,231**	**2,368,120,382**
Tax expenses	32	875,326,584	989,625,361
Net profit/(loss) after tax		**1,534,807,647**	**1,378,495,020**
Earnings Per Share (EPS)	33	**21.47**	**19.28**

The annexed notes 1-40 form an integral part of these financial statements.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mr. M. Maftun Ahmed	**Mr. Mahmood Malik**	**Mr. Abdul Haque**	**Mr. Md. Habibur Rahman**	**Ms. Fatima Yasmin**
Company Secretary	Executive Director & CEO	Director	Director	Chairman

As per our report of even date.

ACNABIN, Chartered Accountants

Dated, Dhaka
12 June 2021

Sd/-
Muhammad Aminul Hoque, FCA
Partner
ICAB Enrolment # 1129

Infrastructure Development Company Limited

Cash Flow Statement

for the year ended December 31, 2020

		Note	Amount in Taka Jan-Dec 2020	Amount in Taka Jan-Dec 2019
A.	**Cash flows from operating activities**			
	Interest received		4,148,430,400	5,087,039,913
	Interest paid		(793,026,104)	(1,361,385,070)
	Investment Income received		61,000,000	-
	Fees and commission received		162,126,582	420,972,687
	Paid to employees and Directors		(383,498,707)	(342,430,690)
	Paid to Suppliers		(113,987,403)	(156,366,628)
	Income Tax Paid		(657,423,527)	(1,189,261,866)
	Receipts from other operating activities		90,344,517	18,543,024
	Cash generated from operating activities before changes in operating assets and liabilities		**2,513,965,758**	**2,477,111,370**
	(Increase)/decrease in operating assets and liabilities			
	Advances, deposits and prepayments		112,153,503	(18,839,743)
	Accounts receivables		(391,801,634)	448,461,725
	Loans and advances		(11,310,215,263)	(9,727,880,604)
	Interest suspense account		192,753,183	(315,400,761)
	Payables and accrued expenses		239,684,511	(95,041,749)
	Unearned Revenue- Monitoring Fees		2,171,486	749,011
	Provisions other than loans		29,237,989	-
	Employees' gratuity fund		-	(52,099,203)
			(11,126,016,224)	**(9,760,051,323)**
	Net cash flows from operating activities		**(8,612,050,466)**	**(7,282,939,953)**
B.	**Cash flows from investing activities**			
	Acquisition of fixed assets (excluding donor funded assets)		(4,905,323)	(40,784,126)
	Investment in Preferrence Share		(200,000,000)	(500,000,000)
	Disposal of Fixed Assets		-	272,000
	Net cash flows from investing activities		**(204,905,323)**	**(540,512,126)**
C.	**Cash flows from financing activities**			
	Loan Drawdown from Government of Bangladesh		10,199,670,595	12,267,955,703
	Loan Repayment to Government of Bangladesh		(3,772,331,690)	(3,887,039,021)
	Dividend paid		(650,000,000)	(600,000,000)
	Net cash flows from financing activities		**5,777,338,905**	**7,780,916,682**
D.	**Net increase in cash and cash equivalents (A+B+C)**		**(3,039,616,885)**	**(42,535,397)**
E.	**Effects of exchange rate changes on cash and cash equivalents**		**(53,621,127)**	**149,136,363**
F.	**Cash and cash equivalents at the beginning of the year**		**19,805,594,353**	**19,698,993,387**
G.	**Cash and cash equivalents at the end of the year (D+E+F)**		**16,712,356,341**	**19,805,594,353**
	Cash and cash equivalents at end of the year			
	Cash in hand (including foreign currencies)	3.1	15,796	34,611
	Money at call and short notice	5	-	-
	Balance with Bangladesh Bank and its agent banks	3.2	2,462,902,192	1,387,077,086
	Balance with other banks and financial institutions	4	14,249,438,353	18,418,482,656
			16,712,356,341	**19,805,594,353**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mr. M. Maftun Ahmed	**Mr. Mahmood Malik**	**Mr. Abdul Haque**	**Mr. Md. Habibur Rahman**	**Ms. Fatima Yasmin**
Company Secretary	Executive Director & CEO	Director	Director	Chairman

As per our report of even date.

Dated, Dhaka
12 June 2021

Infrastructure Development Company Limited

Statement of Changes in Equity

for the year ended December 31, 2020

Amount in Taka

Particulars	Paid up Capital	Statutory Reserve	Retained Earnings	Total Shareholders' Equity
Balance as at 01 January 2020	6,500,000,000	-	1,852,757,946	8,352,757,946
Adjustment	-	-	(8,691,018)	(8,691,018)
Balance	**6,500,000,000**	**-**	**1,844,066,928**	**8,344,066,928**
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,534,807,647	1,534,807,647
Bonus shares	650,000,000	-	(650,000,000)	-
Cash dividend	-	-	(650,000,000)	(650,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2020	**7,150,000,000**	**-**	**2,078,874,575**	**9,228,874,575**
Balance as at 01 January 2019	6,000,000,000	-	801,777,654	6,801,777,654
Adjustment	-	-	372,485,271	372,485,271
Balance	**6,000,000,000**	**-**	**1,174,262,925**	**7,174,262,925**
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,378,495,020	1,378,495,020
Bonus shares	500,000,000	-	(500,000,000)	-
Cash dividend	-	-	(200,000,000)	(200,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2019	**6,500,000,000**	**-**	**1,852,757,946**	**8,352,757,946**

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mr. M. Maftun Ahmed	**Mr. Mahmood Malik**	**Mr. Abdul Haque**	**Mr. Md. Habibur Rahman**	**Ms. Fatima Yasmin**
Company Secretary	Executive Director & CEO	Director	Director	Chairman

As per our report of even date.

Dated, Dhaka
12 June 2021

Infrastructure Development Company Limited

Liquidity Statement

(Asset and Liability Maturity Analysis)

as at December 31, 2020

	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)	2,462,917,988	-	-	-	-	2,462,917,988
Balance with other banks and financial institutions	6,465,023,934	6,065,706,419	120,000,000	1,598,708,000	-	14,249,438,353
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	133,333,333	566,666,667	-	700,000,000
Loans and advances	412,844,204	2,754,868,299	10,176,696,651	44,487,472,945	21,295,256,958	79,127,139,056
Fixed assets	-	-	-	-	115,652,613	115,652,613
Other assets	72,983,128	20,034,170	1,420,086,818	24,513,478	8,484,386	1,546,101,979
Non-banking assets	-	-	-	-	-	-
Total assets	**9,413,769,253**	**8,840,608,887**	**11,850,116,803**	**46,677,361,089**	**21,419,393,957**	**98,201,249,989**
Liabilities:						
Borrowings from Government of Bangladesh	-	1,220,946,247	5,956,252,273	29,698,370,468	45,498,643,583	82,374,212,572
Deposits	-	-	-	-	-	-
Other Accounts	-	-	-	-	-	-
Provision and other liabilities	22,985,212	379,972,977	902,422,810	568,075,487	4,724,706,354	6,598,162,841
Total liabilities	**22,985,212**	**1,600,919,224**	**6,858,675,084**	**30,266,445,955**	**50,223,349,937**	**88,972,375,413**
Net Liquidity Gap	**9,390,784,041**	**7,239,689,664**	**4,991,441,719**	**16,410,915,133**	**(28,803,955,981)**	**9,228,874,577**

Infrastructure Development Company Limited

Notes to the financial statements

For the year ended December 31, 2020

1. Background

1.1 Legal Status and nature of the company

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

1.2 Principal activities

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

Infrastructure Projects

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

Renewable Energy Projects

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

IDCOL started its SHS Program in 2003 with an initial target to finance 50,000 SHSs with financial assistance from the World Bank and GEF. Subsequently, a number of development partners participated in the program by providing refinancing and grant support. IDCOL provides soft loans and grants as well as necessary technical assistance under the program. IDCOL's SHS Program has been acclaimed as the largest off-grid renewable energy program in the world having installation of more than 4.13 million SHSs in the remote areas of the country. It has brought significant changes in lives in remote rural areas of Bangladesh through providing access to basic electricity.

IDCOL has been implementing Biogas Program in Bangladesh since 2006. Initially, the program started as National Domestic Biogas and Manure Programme (NDBMP) with support from SNV, Netherlands Development Organization and KFW Development Bank, Germany. In 2012, the World Bank also joined to support the program under its Household Energy Initiatives. Under the program, IDCOL has a target to install 60,000 domestic size biogas plants in Bangladesh by 2021.

IDCOL launched the 'Improved Cook Stoves (ICS) Program' in May 2013 with the initial target to install 1 million ICS 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. The initial target of 1 million ICS was achieved in January, 2017 and a total of 2.4 million ICS have been installed till December 2020. Now, IDCOL aims to finance 5 million ICS by 2023.

Besides, IDCOL has been financing various renewable energy interventions 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. Moreover, IDCOL has recently initiated financing of large scale Rooftop Solar for industries and Utility Scale Grid Tied projects. IDCOL has a target to finance rooftop solar of 300MWp by 2023 and 10,000 solar irrigation pumps by 2027. In addition, IDCOL is exploring the opportunity of financing solar based cold storage and solar charging stations in near future.

Corporate Advisory Services

IDCOL provides a wide range of fee-based advisory services with project advisory, capacity building, financial advisory, government advisory, climate consulting and transaction advisory as its focus areas. IDCOL has been awarded five advisory assignments in 2020 respectively for Climate Vulnerable Forum (CVF), Rural Energy Agency of Tanzania, United Nations Development Programme (UNDP) and GIZ. IDCOL earlier provided advisory services to Power Cell, Bangladesh Power Development Board, IRENA and Acron Infrastructure Services Ltd. In addition, IDCOL has provided training and capacity building services to 1,600 professionals in Bangladesh and hosted 160 international delegates as part of experience sharing program on Renewable Energy.

1.3 Resources

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

2. Significant Accounting Policies and Basis of Preparation

2.1 Basis of accounting

Same disclosed accounting policies and methods of computation have been followed in preparation of the Financial Statements as were applied in the preparation of the financial statements of IDCOL as at and for the year ended 31 December 2019. In addition, some applicable policies have been disclosed during the year, which were being followed in earlier years as well.

The financial statements of the Company have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Financial Reporting Standards (IFRS) applicable to the Company. The reported financial statements, i.e. Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement were prepared by capturing the transactions of Infrastructure Development Company Limited.

The financial statements of project accounts are being maintained and prepared separately showing movement of funds, i.e. loans and grants received from various donors, lenders, etc., realization of principal and interest from borrowers, loan and grants disbursed to borrowers, repayment of loans to donors, lenders, etc. These project accounts are maintained separately by IDCOL and Receipts and Payments Statement of each such project is prepared separately, and audited and reported separately by the statutory auditor of the Company. These amounts are not reflected in the company's financial statements, except for those disclosed in note # 38 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 # 38.

2.2 Statement of compliance

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

2.3 Impact of COVID-19

For the most part of 2020, the world had experienced a terrifying scenario in which countries—developed and developing alike—seemed powerless in the face of an insidious, invisible creature wreaking havoc all across, devastating lives and livelihoods. Since its first outbreak in the Chinese city of Wuhan in December 2019, the coronavirus spread with such stunning speed and ferocity that it caught even the most medically advanced and technologically superior nations totally off guard, entailing horrific consequences. So far, more than 3 million people have died and millions more have been sickened, throwing as many others out of jobs and businesses. Unable to tame the virus, Governments around the world were forced to take extreme measures, imposing complete lockdowns, shutting down businesses and severely restricting movements. Bangladesh also could not escape the virus's wrath and had to take similar measures as infections and fatalities rose exponentially. As of now, the country crossed a grim milestone, losing over 10,000 lives. Consequently, the economy and businesses suffered terribly throughout 2020, with mounting job losses, declining economic output and deepening poverty. But as the year was drawing to a close, the lethality of the virus seemed to weaken significantly — raising hopes that the worst was perhaps over and that resumption of normal lives was imminent. The arrival of the much-anticipated vaccines at the end of the year further strengthened that hope. Meantime, a deadlier second wave, now sweeping many countries including Bangladesh, has somewhat dampened that hope, casting a long shadow over any immediate relief. Amid the depressing reality, Governments had taken steps to gradually reopen the economy with utmost caution, adhering to health guidelines aimed at restoring a semblance of normalcy. To that end, economies around the world—large and small—adopted several policy measures in the form of incentives, cash handouts and massive stimulus. The combined efforts, coupled with the vaccine rollout, resulted in reviving the global growth, albeit modest.

Pandemic-induced economic downturn across the globe has also affected the financial sector of Bangladesh. For instance, private sector credit slipped to single digit and public sector credit declined due to weak internal demand, reduced economic activities and cautious lending by the banks and financial institutions. As a consequence, money market experienced mounting liquidity condition in the just concluded financial year. As on December 31, 2020, total amount of liquid assets in the banking system stood at BDT 4,143.57 billion compared to BDT 3,109.63 billion in 2019. This excess liquidity and poor internal credit demand have brought the call money rate to 2.12 percent at the end of December 2020

The year 2020 has been particularly challenging for all of us. Still, amid the raging coronavirus pandemic which upended lives across the world, we somehow managed to conduct our business to the best of our ability. IDCOL has been proved remarkably resilient and sustainable in terms of managing its earnings performance, achieving a comfortable balance sheet in 2020.

2.4 Other comprehensive income

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

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

2.5 Fees, Commission and Brokerage

IDCOL is a specialized NBFI focusing on renewable energy, infrastructure finance and energy efficiency projects and working persistently to achieve the development objective of the Government. Unlike other conventional banks and FIs, IDCOL's investment strategy is focused on operating in niche market. IDCOL provides loans both in local currency (BDT) and US dollar. IDCOL's pricing for Loans

is different for different types of products, which are not always in congruence with the market rate. For some products, IDCOL's interest rate is lower than market interest rate. Very often these lendings are sourced from several multilateral and bi-lateral organizations under which IDCOL has to pay commitment fees as per the agreement. Considering the special nature of fund sources that require commitment charges on the borrowed fund, as well as its special and concessionary lending operations, IDCOL is collecting fees from some loans which are not permissible under DFIM circular no. 1, dated 03 April 2018.s. However, Upon submission of explanation, Bangladesh Bank granted exemption from said circular vide letter number DFIM(P) 1052/27/2020-1683, dated: 23 September 2020 with effect from 2021.

2.6 Cash flow statement

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

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

2.7 Provision for loans and advances

IFRS: As per IFRS 9 An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortized cost is impaired.

Bangladesh Bank: As per Bangladesh Bank circular (FID Circular no. 08 dated 03 August 2002 and FID Circular no. 03 dated 03 March 2006), a general provision at 1% for standard loan and 5% for SMA loans, should be maintained regardless of objective evidence of impairment. And, specific provision for sub-standard loan, doubtful loans and bad/losses should be provided at 20%, 50% and 100% respectively for loans and advances depending on the duration of overdue. Also a general provision at 1% should be provided for all off balance sheet exposures. Such provision policies are not specifically in line with those prescribed by IFRS 9.

During the Financial Year 2020 under the COVID-19 pandamic situation, Bangladesh Bank instructed all NBFIs not to downgrade outstanding loan vide circular number DFIM-01, dated 24 March 2020; DFIM-05, dated 26 August 2020 and DFIM-06 dated 01 November 2020.

2.8 Cash and cash equivalent

IFRS: Cash and cash equivalent items should be reported as cash item as per IAS 7.

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

2.9 Recognition of interest in suspense

IFRS: As per IFRS 9 Income from financial assets measured at amortized cost is recognized through effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognized in profit and loss account on the same basis based on revised carrying amount

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

2.10 Financial instruments: presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IFRS 9. As such full disclosure and presentation requirements of IFRS 7 and IAS 32 cannot be made in the financial statements.

2.11 Presentation of intangible asset

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

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

2.12 Income Tax

Current tax: Provision for income tax has been made at best estimate keeping in view the provisions of Income Tax Ordinance 1984 and amendments made thereto from time to time. Current tax liability of the company is computed applying the following tax rates:

- Regular business tax rate: 40%
- Dividend income: 20%

Deferred tax: A deferred tax asset has been recognized in accordance with IFRS for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is measured at the tax rates that are expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the date of reporting of the financial statements. However, no deferred tax asset has been recognized for any deductible temporary difference against lease, loans and advances as per DFIM circular No. 7, dated 31 July 2011 of Bangladesh Bank.

2.13 Off-balance sheet items

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

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

2.14 Use of estimate and judgments

The preparation of these financial statements in conformity with International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and Bangladesh Bank guidelines requires management to make judgment, estimates and assumptions that affect the application of accounting policies such as provision for loans and advances. Estimates and underlying assumptions are reviewed on an ongoing basis.

2.15 Functional and Presentation Currency

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

2.16 Revenue Recognition

Revenue is only recognized when it meets the following five steps model framework as follows:

a) identify the contract(s) with a customers;
b) identify the performance obligations in the contract;
c) determine the transaction price;
d) allocate the transaction price to the performance obligations in the contract;
e) recognize revenue when (or as) the entity satisfies a performance obligation. Interest income from loans and other sources is recognized following accrual basis of accounting.

2.17 Property, plant and equipment

Property, plant and equipment are stated at cost less depreciation. Depreciation is charged on monthly straight line method. Depreciation on additions to fixed assets is charged in full for the month and no depreciation is charged for the month in which an asset is disposed. Depreciation rates should be aligned with Laws of Land along with IAS/IFRS. The following rates of depreciation will be applied:

Category of assets	Rate of depreciation
Office space	10%
Furniture, fixture and decoration	10%
Computer and computer equipment	25%
Office equipment	10%
Vehicle	20%
Software Bangladeshi made software	50%
Software Imported	10%

Changes in accounting estimates: Until 31 December 2019, a full year depreciation was being charged on fixed assets using the reducing balance method. From 01 January 2020 onwards, depreciation is charged on monthly straight line method.

2.18 Accounting for grant

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

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

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

2.20 Write-off

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

2.21 Earnings per Share (EPS)

As per IAS - 33, the Company presents its basic earnings per share (EPS) for its ordinary shares. EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. The calculation has been provided in Note 33.

2.22 Related party disclosure

As per International Accounting Standards (IAS 24) , parties to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. All transactions were carried out in the ordinary course of business on an arm's length basis. Related party transactions have been provided in Note 36.

2.23 Employee benefits

Defined contribution plan (provident fund)

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

Financial Reporting Council vide its notification # 179/FRC/FRN/notification/2020/2 dated 07 July 2020 instructed trustees of all contributory provident funds to return the forfeited funds to the employer within 120 days of year closing and try to collect the forfeited funds from all employees receiving any share during distribution of the forfeited fund among existing members by 31 December 2020. IDCOL has complied with the aforesaid notification during FY 2020.

Defined benefit plan (gratuity)

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

2.24 Internal Audit

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

2.25 Fraud and Forgeries

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

Name of the IAS	IAS #	Compliance status
Presentation of Financial Statements	1	Applied
Inventories	2	N/A
Statements of Cash Flow	7	Applied*
Accounting Policies, Changes in Accounting Estimates and Errors	8	Applied
Events after the Balance Sheet Period	10	Applied
Income Taxes	12	Applied*
Property, Plant and Equipment	16	Applied
Employee Benefits	19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	20	Applied
The Effects of Changes in Foreign Exchange Rates	21	Applied
Borrowing Costs	23	Not Applied**
Related Party Disclosures	24	Applied
Accounting and Reporting by Retirement Benefit Plans	26	N/A
Separate Financial Statements	27	Applied
Investment in Associates and Joint Ventures	28	N/A
Financial Reporting in Hyperinflationary Economies	29	N/A
Financial Instruments: Presentation	32	Applied *
Earnings per share	33	Applied

Name of the IAS	IAS #	Compliance status
Interim Financial Reporting	34	Applied
Impairment of Assets	36	Applied
Provisions, Contingent Liabilities and Contingent Assets	37	Applied
Intangible Assets	38	Applied
Financial Instruments: Recognition and Measurement	39	N/A
Investment Property	40	N/A
Agriculture	41	N/A

Name of the IFRS	IFRS #	Compliance status
First-time Adoption of IFRS	1	N/A
Share Base payment	2	N/A
Business combination	3	N/A
Insurance Contracts	4	N/A
Non-current assets held for sale and discontinued operation	5	N/A
Exploration for and Evaluation of Mineral Resources	6	N/A
Financial Instruments: Disclosures	7	Applied *
Operating Segments	8	Applied
Financial Instruments	9	Applied *
Consolidated Financial Statements	10	Applied
Joint Arrangement	11	N/A
Disclosure of Interest in Other Entities	12	N/A
Fair Value Measurement	13	Applied
Regulatory Deferral Accounts	14	N/A
Revenue from Contract with Customers	15	Applied
Leases	16	Applied
Insurance Contracts	17	N/A

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

** Not applied as there were to relevant transaction.

IDCOL has followed the principles of IAS & IFRS consistently in the preparation of the financial statements to that extent as applicable to the financial institution. Some of the standards have not been complied with, about which Bangladesh Bank has special guideline.

2.27 Basis of Measurement

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

2.28 Liquidity Statement

"The liquidity statement of assets and liabilities as on the reporting date has been prepared on residual maturity term as per the following bases:-

a) Balance with other banks and financial institutions, money at call on short notice , etc. are on the basis of their maturity term and past historical trend.

b) Investments are on the basis of their respective maturity.

c) Loans and advances are on the basis of their repayment schedule and past trend of early settlement.

d) Fixed assets are on the basis of their useful lives.

e) Other assets are on the basis of their realization / amortization.

f) Borrowings from other banks, financial institutions and agents are as per their maturity/ repayment term.

g) Deposits and other accounts are on the basis of their maturity term and past trend of withdrawal by the depositors.

h) Other liabilities are on the basis of their payment/ adjustment schedule. When assets and liabilities are not recovered and settled as per the maturity terms, the liquidity statement is being prepared on a judgment basis."

2.29 Events after the balance sheet date

Events after the balance sheet date: As per IAS 10 "Events after the balance sheet date", all material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note 35.

2.30 Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business.

2.31 Reporting period:

These financial statements have been prepared for the period from 1 January 2020 to 31 December 2020.

2.32 Complete set of financial statements:

IAS 1 "Presentation of Financial Statements"

As per IAS 1: "Presentation of Financial Statements" complete set of financial statements are:

i) statement of financial position,

ii) statement of profit or loss and other comprehensive income,

iii) statement of changes in equity,

iv) statement of cash flows,

v) notes, comprising significant accounting policies and other explanatory information and

vi) comparative information in respect of the preceding period

vii) statement of financial position at the beginning of preceding period for retrospective restatement

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are

i) balance sheet,

ii) profit and loss account,

iii) cash flows statement,

iv) statement of changes in equity,

v) statement of liquidity,

vi) notes, comprising significant accounting policies and other explanatory information.

2.33 Number of employees:

During the year under audit, there were 406 (2019: 330) employees employed for the full period and 20 (2019: 104) employees for less than full period at a remuneration of Taka 3,000 and above per month.

2.34 Workers' Profit Participation and Welfare Fund (WPPF)

Establishment of Workers' Profit Participation and Welfare Fund (WPPF) is a matter of Banking and Financial Institutions Sector as a whole. Ministry of Finance through its letters no. 53.00.0000.311.22.002.17-130 dated February 14, 2017 and no. 53.00.0000.311.22.002.17-140 dated February 25, 2018 expressed its opinion that Chapter 15 on "Participation in Company Profits by Workers" in the Bangladesh Labor Act 2006 and amendments made therein on July 22, 2013 should not be applicable for Banks and Financial Institutions and requested to the Ministry of Labor and Employment to take necessary steps in this regard as well as not to apply the said chapter of Labor Act 2006 for Banks and Financial Institutions. Therefore, like other Banks and Financial Institutions, IDCOL did not recognize the WPPF.

2.35 Exemptions and waivers

Financial Institutions Division (currently known as Department of Financial Institutions and Market) of Bangladesh Bank vide its letter no FID(L)1053/69/4 dated 05 January 1998 had granted IDCOL exemption from several sections of the Financial Institutions Act-1993 considering its special operational nature as a specialized financial institution. However, IDCOL complies with circulars and directives issued by Bangladesh Bank from time to time in order to ensure uniformity of supervision and governance in the financial services industry.

2.36 Risk Management

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

Credit Risk

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

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

Market Risk

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

Liquidity Risk

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

Operational Risk

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

Money Laundering Risk

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

Information Technology and Communication Risk

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

Infrastructure Development Company Limited

Notes to the financial statements

as at and for the year ended December 31, 2020

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
3.0	**CASH**			
	Cash in hand	3.1	15,796	34,611
	Balance with Bangladesh Bank and its agent bank	3.2	2,462,902,192	1,387,077,086
			2,462,917,988	**1,387,111,697**
3.1	**Cash in Hand**			
	Local Currency		15,796	34,611
	Foreign Currencies		-	-
			15,796	34,611
3.2	**Balance with Bangladesh Bank and its agent bank**			
	Bangladesh Bank balance in local currency		1,943,629,192	1,399,037
	Bangladesh Bank balance in foreign currency		513,506,500	1,413,541,644
	Add: Forex gain/ (Loss)		5,766,500	(27,863,596)
			2,462,902,192	1,387,077,086
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		14,249,438,353	18,418,482,656
Local currency			
Current and short-term deposits in local currency	4.1	3,333,914,711	925,026,533
Fixed deposits in local currency	4.2	4,248,214,419	7,941,416,446

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
	Foreign currency			
	Current and short-term deposits in foreign currency	4.3	2,936,109,223	4,780,285,272
	Fixed deposits in foreign currency	4.4	3,731,200,000	4,771,754,405
	Outside Bangladesh		-	-
			14,249,438,353	**18,418,482,656**
4.1	**Current and short-term deposits in local currency**			
	Janata Bank Ltd.	4.1.a	3,252,423,417	807,278,272
	The City Bank Ltd.	4.1.b	5,143,989	1,865,859
	Prime Bank Ltd.	4.1.c	2,541,042	2,754,791
	National Credit and Commerce Bank Ltd.	4.1.d	3,086,511	3,057,694
	National Bank Ltd.	4.1.e	143,659	52,563
	Islami Bank Bd. Ltd.	4.1.f	56,553	30,375
	Agrani Bank Ltd.	4.1.g	46,329,752	101,585,115
	Eastern Bank Ltd.	4.1.h	4,229,392	4,132,075
	Standard Chartered Bank	4.1.i	19,960,396	4,269,788
			3,333,914,711	925,026,533
4.1.a	**Janata Bank Limited**			
	Accounts under donor funded projects			
	IDA -5158-BD : REREDP-II		184,410,781	7,388,009
	IDA -5514-BD : Additional Financing REREDP-II		180,150,761	108,405,794
	IDB -151-BD :		7,666,974	7,667,474
	JICA BD P-90		1,105,777,560	397,146,964
	KFW-purep		279,221,443	121,561,260
	Company accounts			
	SND Account		1,495,195,898	165,108,771
			3,252,423,417	807,278,272
4.1.b	**The City Bank Limited**			
	Accounts under donor funded projects			
	KfW - 2006.65.612 -NDBMP		136,369	135,735
	Company accounts			
	Imprest account		5,007,620	1,730,124
			5,143,989	1,865,859
4.1.c	**Prime Bank Limited**			
	Company accounts			
	Salary account		495	495
	Accounts for Regional Offices			
	Barisal		105,240	160,217
	Bogra		114,435	345,750
	Chittagong		148,642	120,823
	Dhaka		334,190	626,275

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
	Faridpur		189,274	55,568
	Rangpur		522,520	424,437
	Thakurgaon		137,265	48,766
	Rajshahi		233,947	105,002
	Kushtia		379,158	152,752
	Jashore		188,533	304,067
	Jamalpur		3,993	78,888
	Khulna		180,864	257,277
	Mymensingh		2,486	74,473
			2,541,042	2,754,791
4.1.d	**National Credit and Commerce Bank Limited**			
	Revolving fund account under projects			
	PPIDF: ADB 2453-BAN (SF)		2,798,804	2,802,724
	Accounts for Regional Offices			
	Brahmanbaria (Comilla)		97,057	67,247
	Noakhali		190,650	187,723
	Laxmipur		-	
			3,086,511	3,057,694
4.1.e	**National Bank Limited**			
	Accounts for Regional Office			
	Sylhet		143,659	52,563
			143,659	52,563
4.1.f	**Islami Bank Bangladesh Limited**			
	Accounts for Regional Office			
	Borguna		56,553	30,375
			56,553	30,375
4.1.g	**Agrani Bank Limited**			
	Accounts under donor funded projects			
	P-075 : JICA		-	624
	IDA-6202		46,329,752	101,584,491
			46,329,752	101,585,115
4.1.h	**Eastern Bank Limited**			
	Revolving fund account under projects			
	P-075 : JICA		4,229,392	4,132,075
			4,229,392	4,132,075
4.1.i	**Standard Chartered Bank**			
	Company Account			
	Salary Account		19,960,396	4,269,788
			19,960,396	4,269,788

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
4.2	**Fixed deposits in local currency**			
	Fixed deposit receipt (up to three months' term) with:			
	AB Bank Ltd.		-	60,000,000
	Agrani Bank Ltd.		200,000,000	-
	BASIC Bank		80,000,000	-
	BD Finance		314,506,419	380,000,000
	Dhaka Bank Ltd.		200,000,000	685,000,000
	EXIM Bank Ltd.		290,000,000	760,000,000
	FAS Finance & Investment Ltd.		290,000,000	318,208,446
	First Finance Ltd.		300,000,000	-
	First Security Islamic Bank Ltd.		-	115,000,000
	GSP Finance Company (Bangladesh) Ltd.		50,000,000	50,000,000
	IFIC Bank Ltd.		400,000,000	772,000,000
	International Leasing And Financial Services Limited		290,000,000	290,000,000
	Jamuna Bank Ltd.		-	620,000,000
	Janata Bank Ltd.		150,000,000	-
	Mercantile Bank Ltd.		320,000,000	-
	Mutual Trust Bank Ltd.		-	174,000,000
	National Bank Ltd.		-	300,000,000
	NCC Bank Ltd.		195,000,000	780,000,000
	Premier Bank Ltd.		-	50,000,000
	Premier Leasing & Finance Ltd.		350,000,000	350,000,000
	Prime Finance & Investment Ltd.		286,500,000	287,500,000
	Social Islami Bank Ltd.		100,000,000	-
	Southeast Bank Ltd.		-	340,000,000
	Standard Bank Ltd.		350,000,000	449,500,000
	Union Bank Ltd.		-	130,000,000
	Union Capital Ltd.		82,208,000	82,208,000
	Fixed deposit receipt (six months' term) with:			
	First Finance Ltd.		-	300,000,000
	Mercantile Bank Ltd.		-	548,000,000
	Modhumoti Bank Ltd		-	100,000,000
			4,248,214,419	7,941,416,446
4.3	**Current and short-term deposits in foreign currency**			
	Janata Bank Ltd.		1,382,009,539	4,779,645,511
	Commercial Bank of Ceylon (PPIDF-1 revolv. USD)		1,554,099,684	639,761
			2,936,109,223	4,780,285,272
4.4	**Fixed deposits in foreign currency**			
	Fixed deposit receipt (One/six months' term) with:			
	Janata Bank Ltd.		3,731,200,000	-
	Commercial Bank of Ceylon		-	2,381,100,071
	Jamuna Bank Ltd.		-	1,202,054,334
	NCC Bank Ltd.		-	254,700,000

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
	One Bank Ltd.		-	509,400,000
	Agrani Bank Ltd.		-	424,500,000
			3,731,200,000	4,771,754,405
4.5	**Maturity grouping of Balance**			
	On demand		6,270,023,934	5,705,311,805
	Up to one month		195,000,000	3,070,000,000
	More than one month but less than three months*		6,065,706,419	8,695,170,851
	More than three months but less than one year*		120,000,000	948,000,000
	More than one year but less than five years*		1,598,708,000	-
	More than five years		-	-
			14,249,438,353	18,418,482,656

* Less than three months, less than one year and less than five years imply up to three months, up to one year and up to five years respectively.

5.0	**Money at call and short notice**		-	-
			-	-
6.0	**Investments**			
	Investments		700,000,000	500,000,000
			700,000,000	**500,000,000**
6.1	**Maturity grouping of Investments**			
	On demand		-	-
	Upto one month		-	-
	More than one month but less than three months		-	-
	More than three months but less than one year		133,333,333	-
	More than one year but less than five years		566,666,667	416,666,667
	More than five years		-	83,333,333
			700,000,000	**500,000,000**
7.0	**Loans and advances**			
	Inside Bangladesh			
	Long-term finance	7.1	78,375,181,944	68,121,946,365
	Short term financing	7.2	17,713,449	14,522,629
	Interest receivable on loans and advances	7.3	734,243,663	662,283,172
			79,127,139,056	68,798,752,166
	Outside Bangladesh		-	-
			79,127,139,056	**68,798,752,166**
7.1	**Long-term finance:**			
	Opening balance at January 01		68,121,946,365	59,902,853,800
	Add: Disbursement made during the year		21,944,524,646	16,321,020,310
	Add: Interest Capitalization during the year		679,809,695	517,821,448
			90,746,280,706	76,741,695,558

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
	Less: Realization during the year		(11,330,232,266)	(7,328,129,683)
	Less: Written-off during the year		(1,053,788,864)	(1,499,668,859)
	Add: Forex gain/ (Loss)		12,922,368	208,049,349
	Closing balance at December 31		78,375,181,944	68,121,946,365
7.1.1	**Sector wise disclosure of long term finance**			
	Infrastructure loan		61,778,438,358	50,121,176,543
	Renewable energy project	7.1.1a	16,551,486,984	17,949,963,173
	Employee car loan		10,390,517	14,519,422
	Employee home Loan		34,866,087	36,287,227
			78,375,181,946	68,121,946,365
7.1.1a	**Renewable energy project**			
	Solar home system		12,921,434,413	14,786,258,407
	Biogas program		132,405,809	166,785,993
	Other renewable energy project		3,497,646,762	2,996,918,773
			16,551,486,984	17,949,963,173
7.2	**Short term financing**			
	Opening balance at January 01		14,522,629	5,403,449
	Add: Disbursement made during the year		42,976,150	42,190,530
			57,498,779	47,593,979
	Less: Realization during the year		(39,785,330)	(33,071,350)
	Closing balance at December 31		17,713,449	14,522,629
7.2.1	**Short term financing**			
	Biogas Program		17,713,449	14,407,399
	ICS Program		-	115,230
			17,713,449	14,522,629
7.3	**Interest on loan and advance**			
	Interest receivable on infrastructure loan		678,762,304	498,276,383
	Interest receivable on renewable energy loan	7.3.1	55,481,359	164,006,788
			734,243,663	662,283,172
7.3.1	**Interest receivable on renewable energy loan**			
	Solar Home System project		65	132,995,218
	Biogas project		1,753,406	1,328,631
	Biogas advance facility		223,618	-
	Other renewable energy project		53,504,270	29,682,939
			55,481,359	164,006,788
7.4	**Large Loan Disclosure**			
	Nutan Bidyut Bangladesh Limited (NBBL)		6,008,288,551	4,987,763,587
	Grameen Shakti		4,710,272,972	4,900,375,979

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
Kushiara Power Company Limited		4,036,971,398	4,215,238,391
Confidence Power Rangpur Limited (CPRL)		3,399,154,404	-
City Navigations Limited (CNL)		3,057,729,268	3,624,102,285
BSRM Steels Limited (BSRMSL)		3,001,500,000	2,876,472,026
Sena Kalyan Sangstha (SKS)		2,967,574,594	2,813,795,238
Meghna Cement Mills Limited		2,786,319,184	2,487,265,983
Doreen Hotels and Resorts Ltd.		2,681,964,890	1,616,441,769
Rural Services Foundation		2,681,711,507	2,724,845,579
Regent Energy and Power Ltd.		2,663,910,097	2,925,588,390
Feni Lanka Power Limited (FLPL)		2,461,002,958	-
Summit Barisal Power Ltd.		1,861,037,157	2,094,599,368
Ace Alliance Power Limited (AAPL)		1,817,188,129	1,970,775,314
Seven Circle (Bangladesh) Limited		1,707,225,001	1,707,626,389
Midland East Power Limited (MEPL)		1,699,555,694	1,875,273,603
Zodiac Power Chittagong Limited (ZPCL)		1,613,786,086	-
Meghna Industrial Economic Zone Limited (MIEZL)		1,590,211,855	-
DBL Ceramics Limited (DCL)*		1,573,236,529	-
City Seed Crushind Industries Limited (CSCIL)		1,353,712,500	-
Robi Axiata Limited (ROBI)**		-	3,001,416,668
Summit Alliance Port Limited**		-	1,298,745,001
EPV Chittagong Ltd.**		-	1,273,499,491
Ispahani Summit Alliance Terminals Limited**		-	1,259,831,624
Summit Meghnaghat Power Company Ltd.**		-	1,561,347,832
		53,672,352,775	49,215,004,519

* During the previous year, above-mentioned loanee did not belong to the Large Loan. However, the balance was BDT 803,588,889.

** Some of the loan accounts that appeared on the list of top 20 large loans in the previous year were omitted during the current year as those are no longer large loans based on the outstanding balance as at 31 December 2020. However, outstanding balances of such accounts at the end of FY 2020 are BDT 0, BDT 1,180,039,427, BDT 1,054,789,210, BDT 1,133,848,461 and BDT 1,348,022,337 in the cases of Robi Axiata Limited (ROBI), Summit Alliance Port Limited, EPV Chittagong Ltd., Ispahani Summit Alliance Terminals Limited and Summit Meghnaghat Power Company Limited, respectively.

7.5 Particulars of Loans, Advances and leases

a) Loan considered good in respect of which the FI is fully secured	6,936,698,634	9,486,772,638
b) Loan considered good in respect of which the FI is partially secured	72,190,440,422	59,311,979,528
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.	-	-
	79,127,139,056	68,798,752,166

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
g) Loan due by directors or officers of the FI or any of them either separately of jointly with any other persons.		45,256,604	50,806,649
h) Loan due by companies and firms in which the directors of the FI have interest as directors, partners or managing agent or in case of private companies as members.		-	-
i) Maximum total amount of advances including temporary advances made at any time during the year to directors and managers or officers of the FI or any of them either severally or jointly with any other persons.		-	-
j) Maximum total amount of advances including temporary advances made at any time during the year to the companies or firms in which the directors of the FI have interest as directors partners r managing agents or in case of private companies as members.		-	-
k) Due from other Bank/FI companies.		-	-
l) Classified loans advances and leases.		-	-
i) Classified loans, advances and leases on which interest has not been charged		1,207,644,635	3,126,716,789
ii) Provision kept against bad loans, advances and leases		449,677,867	1,774,200,827
iii) Interest credited to Interest Suspense Account		508,435,871	454,534,736
m) Cumulative amount of written off loans, advances and leases			
Opening Balance		1,588,351,324	95,197,043
Amount written off during the year		1,053,788,864	1,499,668,859
Amount received from written off loans and leases during the year		(10,286,352)	(6,514,578)
Balance of written off loans, advances and leases		**2,631,853,836**	**1,588,351,324**
7.6 Maturity grouping of loans and advances			
On demand		-	-
Upto one month		412,844,204	187,981,352
More than one month but less than three months*		2,754,868,299	2,574,728,157
More than three months but less than one year*		10,176,696,651	9,913,729,695
More than one year but less than five years*		44,487,472,945	39,009,501,392
More than five years		21,295,256,958	17,112,811,570
		79,127,139,056	68,798,752,166

* Less than three months, less than one year and less than five years imply up to three months, up to one year and up to five years respectively.

7.7 Disclosure for significant concentration			
a) Advances to allied concerns of Directors		-	-
b) Advances to Chief Executive and other executives		45,256,604	50,806,649
c) Advances to customer groups:			-
Bio-electricity		230,304,529	191,761,239

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
	Biogas program		152,096,486	182,521,574
	Economic Zone		2,467,399,355	-
	Environmental Services		694,195,151	695,630,165
	Industrial Energy Efficiency		8,116,618,943	6,570,360,988
	Infrastructure Backward Linkage Industry		13,306,976,174	12,240,034,664
	IT & Telecommunication		952,747,038	4,097,944,571
	Port		2,344,308,633	2,597,205,957
	Power & Energy		31,841,919,407	22,759,162,975
	SHS program		12,921,434,980	14,919,254,138
	Social/ Tourism Infrastructure		2,920,606,073	1,852,002,342
	Solar BTS		56,269,870	66,527,559
	Solar grid-tied		620,241,112	550,213,891
	Solar Irrigation		1,601,977,218	1,437,434,672
	Solar Mini-grid		436,184,281	405,571,874
	Solar rooftop		418,603,199	182,318,908
			79,127,139,056	68,798,752,166
7.8	**Geographical Location - wise Loans and Advances**			
	Inside Bangladesh		79,127,139,056	68,798,752,166
	Dhaka Region		28,173,022,174	23,798,966,468
	Chittagong Region		20,960,512,075	18,439,805,039
	Khulna Region		4,881,475,452	4,739,444,927
	Rajshahi Region		1,231,901,577	1,375,200,557
	Barisal Region		10,285,549,451	9,801,766,577
	Rangpur Region		6,135,120,667	2,699,489,408
	Sylhet Region		6,224,573,300	6,614,419,640
	Mymensingh Region		1,234,984,358	1,329,659,549
	Outside Bangladesh		-	-
			79,127,139,056	68,798,752,166
7.9	**Classification of loans and advances**			
	Unclassified:			
	Standard		76,884,484,842	64,725,083,970
	Special Mention Account		1,035,009,578	946,951,407
			77,919,494,420	65,672,035,377
	Classified:			
	Sub-Standard		603,778,545	823,610,983
	Doubtful		3,307,882	-
	Bad or loss		600,558,208	2,303,105,806
			1,207,644,635	3,126,716,789
			79,127,139,056	68,798,752,166

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
7.9.1	**Particulars of required provision for loans and advances**			
	Status / **Base for provision** / **Rate (%)**			
	General provision	77,863,705,384		
	Standard loans/ advances	76,264,228,279	1%	762,642,283	642,901,987
	Interest receivable on standard loan	620,257,787	1%	6,202,578	4,348,858
	Special mention account(SMA)	979,219,318	5%	48,960,966	46,191,934
				817,805,827	693,442,779
	Specific provision	992,878,874			
	Sub-standard	539,948,047	20%	107,989,609	151,684,711
	Doubtful	3,252,982	50%	1,626,491	-
	Bad/loss	449,677,845	100%	449,677,845	1,774,200,827
				559,293,945	1,925,885,538
	Total provision required at December 31, 2020			1,377,099,772	2,619,328,317
	Voluntary General Provision			2,234,454,813	1,584,454,813
	Total provision kept		31	3,611,554,585	4,203,783,130
	Movement of provision of loans and advances				
	Opening balance at January 01			6,907,318,445	4,348,944,576
	Provision made during the year:			461,560,319	4,058,042,707
	Regulatory requirement			*(188,439,681)*	*2,807,767,998*
	Voluntary provision			*650,000,000*	*1,250,274,730*
	Adjustment during the year			(1,053,788,864)	(1,499,668,859)
	Closing balance at December 31			6,315,089,900	6,907,318,445
7.10	**Net Loans and advances**				
	Closing outstanding balance			64,311,605,343	68,798,752,166
	Less: Interest suspense		11.3	(476,116,876)	(283,363,693)
	Provision for loans and advances		31	(3,611,554,585)	(4,203,783,130)
	Net loans and advances			60,223,933,883	64,311,605,343
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)			-	-
	Loan extended from reflows under REREDP (Credit No. 3679-BD)			-	-
	Sub Total			-	-

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
B. REREDP-II funded by IDA (Credit # 5158)	Annex -B		
a) Refinancing to Partner Organizations (POs)		-	-
b) Loan to other renewable projects		197,843,520	210,800,962
Sub Total		197,843,520	210,800,962
REREDP-II funded by IDA (Credit # 6202)	Annex -B		
a) Refinancing to Partner Organizations (POs)			
b) Loan to other renewable projects		147,735,386	-
Sub Total		147,735,386	-
C. PPIDF funded by ADB (Loan No. 3554-BAN)	Annex-C		
Loan to large infrastructure projects (LIP)		8,156,762,965	8,243,313,629
Sub Total		8,156,762,965	8,243,313,629
PPIDF funded by ADB (Loan No. 3555-BAN)	Annex-C		
Refinancing to POs under Renewable Energy Project (REP)		687,500,000	75,000,000
Sub Total		687,500,000	75,000,000
D. PPIDF funded by ADB (Loan No. 3045-BAN)	Annex-D		
Loan to large infrastructure projects (LIP)		-	48,393,956
Sub Total		-	48,393,956
E. REDP funded by JICA (Loan# BD-P75)	Annex-E		
Refinancing to Participating Organizations (POs)		-	-
Loan to other renewable energy projects		-	478,309,940
Sub Total		-	478,309,940
Energy Efficiency funded by JICA (Loan# BD-P90)	Annex-E		
Refinancing to Participating Organizations (POs)			
Loan to other renewable energy projects		-	811,226,644
Sub Total		-	811,226,644
Grand Total		9,042,106,485	9,867,045,131

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
8	**Assets including land, building, furniture and fixtures**			
	Fixed assets including land, building, furniture and fixtures	Annex-H	101,526,178	113,524,561
	Right-Of-Use Asset	Annex-H	14,126,434	22,420,777
			115,652,613	**135,945,338**
8.1	**Fixed assets including land, building, furniture and fixtures**			
	Cost			
	Opening balance at January 01		227,930,950	192,140,276
	Add: Purchased during the year		8,177,561	45,048,975
	Less: Disposal during the year		-	(9,258,301)
	Closing balance at December 31		236,108,511	227,930,950
	Depreciation			
	Opening balance at January 01		114,406,390	105,409,061
	Add: Charged during the year		20,175,943	16,381,458
	Less: Adjustment during the year		-	(7,384,129)
	Closing balance at December 31		134,582,333	114,406,390
	Written Down Value at December 31		**101,526,178**	**113,524,561**
	Details of fixed assets are given in Annexure-H			
8.2	**Right-Of-Use Asset**			
	Recognition			
	Opening balance at January 01		28,956,361	-
	Add: Recognized during the year		-	28,956,361
	Less: Disposal during the year		-	-
	Closing balance at December 31		28,956,361	28,956,361
	Depreciation			
	Opening balance at January 01		6,535,584	-
	Add: Charged during the year		8,294,343	6,535,584
	Less: Adjustment during the year		-	-
	Closing balance at December 31		14,829,927	6,535,584
	Written Down Value at December 31		**14,126,434**	**22,420,777**
9	**OTHER ASSETS**			
	Advances, deposits and prepayments	9.1	37,949,858	150,103,361
	Advance income tax	9.2	822,957,642	1,172,890,287
	Advance VAT	9.3	9,120,339	9,120,339
	Accounts receivables	9.4	654,350,866	290,053,210
	Int. Receivables on Inv.		13,238,889	3,888,889
	Deferred Tax Asset	9.5	8,484,386	9,242,457
			1,546,101,980	**1,635,298,544**

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
9.1	**Advances, deposits and prepayments**			
	Advance:			
	Advance for SHS project		6,510,247	13,089,896
	Advance Interest Payment		-	38,029,890
	Advance NDBMP project expense		3,545,059	4,052,650
	Advance under PUREP		-	52,874,059
	Advance for other RE projects		303,881	470,400
	Advance for training		2,006,549	2,501,574
	Advance for travelling		3,370,380	15,432,828
	Advance subsidy- NDBMP		1,843,753	1,843,754
	Advance for Building		10,486,146	6,664,685
	Book for project finance course		685,365	685,365
	Corporate advisory advance		645,800	135,800
	Directors remuneration		75,000	-
	Rental advance		6,033,198	4,341,918
	Salary advance		166,673	566,669
	Advance against training /travelling expenses		765,098	857,376
	Advance for ICS Program		697,710	1,040,687
	Others		814,999	7,515,810
			37,949,858	150,103,361
9.2	**Advance income tax**			
	Opening balance at January 01		1,172,890,287	1,091,168,037
	Add: Advance tax (Including TDS) paid during the year		631,537,258	1,189,261,865
	Less: Adjustment with Provision for Tax (FY 2016 & 2017)		(981,469,903)	(1,107,539,615)
	Closing balance at December 31		822,957,642	1,172,890,287
9.3	**Advance VAT**			
	Balance at January 01		9,120,339	
	Add: Advance VAT paid during the year		-	9,120,339
	Less: Adjustment with Provision for VAT		-	-
	Balance at December 31		9,120,339	9,120,339
9.4	**Accounts receivables**			
	Administration fees under renewable energy projects		465,545	465,545
	Receivables from GCF		-	3,176,516
	Fees and other receivable from infra. Project		7,496	7,496
	Recivables from KFW-REP -Biogas subsidy		10,040,000	-
	Fees and other receivable from advisory services		78,244	54,244
	Interest receivable on fixed deposit (FDR)		85,363,601	104,176,561
	Other receivables		11,308,357	8,997,324
	Receivable under RE projects		547,061,401	173,149,301
	IDCOL SPF		11,223	11,223
	Training fees receivable		15,000	15,000
			654,350,866	290,053,210

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
9.5	**Deferred tax**			
	Opening balance at January 01		9,242,457	21,113,827
	Provision/(reversal) during the year		(758,071)	(11,871,370)
	Settlement during the year		-	-
	Closing balance at December 31		8,484,386	9,242,457

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	8,172,723,587
IDA financing under REREDP	10.2	24,552,726,758	26,141,535,858
ADB financing under PPIDF (Loan # 2453, 2454, 3045 & 3046)	10.3	37,118,423,646	29,518,257,208
IDB financing under REP (Credit # 151)	10.4	715,368,974	799,381,624
KfW financing under NDBMP (Credit # 2006.65.612)	10.5	259,879,471	259,879,471
JICA financing	10.6	10,133,337,071	10,632,990,647
BB Financing under BKEI project	10.7	422,105,272	422,105,272
AFD Financing under CBD 1026-1-W		519,273,000	-
BB Financing under IPFF-II Project		480,374,794	-
		82,374,212,572	**75,946,873,667**
Outside Bangladesh		-	-
		82,374,212,572	**75,946,873,667**

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

AFD : French Development Agency

PPIDF : Public-Private Infrastructure Development Facility

IDB : Islamic Development Bank

KfW : German Development Bank

NDBMP : National Domestic Biogas and Manure Programme

BB : Bangladesh Bank

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
10.1	**IDA financing under PSIDP (Credit # 2995)**			
	Opening balance at January 01		8,172,723,587	8,172,723,587
	Add: Drawdown made during the year		-	-
			8,172,723,587	8,172,723,587
	Less: Repayment made during the year		-	-
	Closing balance at December 31		8,172,723,587	8,172,723,587
10.2	**IDA financing under REREDP**			
	IDA credit # 4643	10.2a	3,449,282,701	3,831,898,005
	IDA credit # 3679	10.2b	2,641,132,700	2,641,132,700
	IDA credit # 5013	10.2c	6,798,358,921	7,416,391,549
	IDA credit # 5158	10.2d	7,200,643,764	7,603,719,652
	IDA credit # 5514	10.2e	4,315,573,286	4,648,393,952
	IDA credit # 6202	10.2f	147,735,386	-
			24,552,726,758	26,141,535,858
10.2a	**IDA credit # 4643**			
	Opening balance at January 01		3,831,898,005	4,214,513,309
	Add: Drawdown made during the year		-	
			3,831,898,005	4,214,513,309
	Less: Repayment made during the year		(382,615,304)	(382,615,304)
	Closing balance at December 31		3,449,282,701	3,831,898,005
10.2b	**IDA credit # 3679**			
	Opening balance at January 01		2,641,132,700	2,641,132,700
	Add: Drawdown made during the year		-	-
			2,641,132,700	2,641,132,700
	Less: Repayment made during the year			
	Closing balance at December 31		2,641,132,700	2,641,132,700
10.2c	**IDA credit # 5013**			
	Opening balance at January 01		7,416,391,549	8,034,424,177
	Add: Drawdown made during the year		-	-
			7,416,391,549	8,034,424,177
	Less: Repayment made during the year		(618,032,628)	(618,032,628)
	Closing balance at December 31		6,798,358,921	7,416,391,549
10.2d	**IDA credit # 5158**			
	Opening balance at January 01		7,603,719,652	7,964,107,254
	Add: Drawdown made during the year		197,843,520	210,800,962
			7,801,563,172	8,174,908,216
	Less: Repayment made during the year		(600,919,408)	(571,188,564)
	Clsoing balance at December 31		7,200,643,764	7,603,719,652

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
10.2e	**GoB Loan REREDP-II (AF) - IDA 5514**			
	Opening balance at January 01		4,648,393,952	4,814,804,285
	Add: Drawdown made during the year		-	-
			4,648,393,952	4,814,804,285
	Less: Repayment made during the year (adjustment)		(332,820,666)	(166,410,332)
	Closing balance at December 31		4,315,573,286	4,648,393,952
10.2f	**GoB Loan REREDP-II (AF II) - IDA 6202**			
	Opening balance at January 01		-	-
	Add: Drawdown made during the year		147,735,386	-
			147,735,386	-
	Less: Repayment made during the year (adjustment)		-	-
	Closing balance at December 31		147,735,386	-
10.3	**ADB financing under PPIDF (Loan # 2453 & 2454)**			
	ADB credit # 2453 -REP	10.3a	4,503,045,725	4,856,799,125
	ADB credit # 2453 -SMIP	10.3b	271,158,695	292,460,569
	ADB credit # 2454 -LIP	10.3c	5,009,763,520	5,401,354,980
	ADB credit # 3045 -OCR	10.3d	7,625,700,000	8,056,000,000
	ADB credit # 3046 -SF	10.3e	645,255,705	681,090,803
	ADB credit # 3554 -OCR	10.3f	18,301,000,000	10,155,551,730
	ADB credit # 3555 -COL	10.3g	762,500,000	75,000,000
			37,118,423,646	29,518,257,208
10.3a	**ADB credit # 2453 -REP**			
	Opening balance at January 01		4,856,799,125	5,177,871,905
	Add: Drawdown made during the year		-	-
			4,856,799,125	5,177,871,905
	Less: Repayment made during the year		(353,753,400)	(321,072,780)
	Closing balance at December 31		4,503,045,725	4,856,799,125
10.3b	**ADB credit # 2453 -SMIP**			
	Opening balance at January 01		292,460,569	311,794,522
	Add: Drawdown made during the year		-	-
			292,460,569	311,794,522
	Less: Repayment made during the year		(21,301,874)	(19,333,953)
	Closing balance at December 31		271,158,695	292,460,569
10.3c	**ADB credit # 2454 -LIP**			
	Opening balance at January 01		5,401,354,980	5,683,100,740
	Add: Drawdown made during the year		-	65,615,613
			5,401,354,980	5,748,716,353
	Less: Repayment made during the year		(391,591,460)	(347,361,373)
	Add: Fair value adjustment (exchange loss)		-	-
	Closing balance at December 31		5,009,763,520	5,401,354,980

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
10.3d	**ADB credit # 3045 -OCR**			
	Opening balance at January 01		8,056,000,000	8,410,000,000
	Add: Drawdown made during the year		-	68,337,500
			8,056,000,000	8,478,337,500
	Less: Repayment made during the year		(430,300,000)	(422,337,500)
	Add: Fair value adjustment (exchange loss)		-	-
	Closing balance at December 31		7,625,700,000	8,056,000,000
10.3e	**ADB credit # 3046 -SF**			
	Opening balance at January 01		681,090,803	707,743,568
	Add: Drawdown made during the year		-	8,958,374
			681,090,803	716,701,942
	Less: Repayment made during the year		(35,835,098)	(35,611,139)
	Closing balance at December 31		645,255,705	681,090,803
10.3f	**ADB credit # 3554 OCR**			
	Opening balance at January 01		10,155,551,730	1,869,941,050
	Add: Drawdown made during the year		8,156,762,965	8,285,610,680
			18,312,314,696	10,155,551,730
	Less: Repayment made during the year		(11,314,696)	
	Closing balance at December 31		18,301,000,000	10,155,551,730
10.3g	**ADB credit # 3555 COL**			
	Opening balance at January 01		75,000,000	-
	Add: Drawdown made during the year		687,500,000	75,000,000
			762,500,000	75,000,000
	Less: Repayment made during the year		-	-
	Closing balance at December 31		762,500,000	75,000,000
10.4	**IDB financing under REP (Credit # 151)**			
	Opening balance at January 01		799,381,624	883,394,274
	Add: Drawdown made during the year		-	-
			799,381,624	883,394,274
	Less: Repayment made during the year		(84,012,650)	(84,012,650)
	Less: Fair value adjustment		-	-
	Closing balance at December 31		715,368,974	799,381,624
10.5	**KfW financing under NDBMP (Credit # 2006.65.612)**			
	Opening balance at January 01		259,879,471	259,879,471
	Add: Drawdown made during the year		-	-
			259,879,471	259,879,471
	Less: Repayment made during the year		-	-
	Closing balance at December 31		259,879,471	259,879,471

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
10.6	**JICA financing under REDP & EE & CPFP (Credit # P 75 & P 90)**			
	JICA credit # P 75	10.6a	6,404,907,631	6,914,741,609
	JICA credit # P 90	10.6b	3,728,429,439	3,718,249,038
			10,133,337,071	10,632,990,647
10.6a	**JICA financing under REDP (Credit # P 75)**			
	Opening balance at January 01		6,914,741,609	6,938,329,506
	Add: Drawdown made during the year		-	477,830,069
			6,914,741,609	7,416,159,575
	Less: Repayment made during the year		(509,833,978)	(501,417,966)
	Add: Fair value adjustment		-	-
	Closing balance at December 31		6,404,907,631	6,914,741,609
10.6b	**JICA financing under EE & CPFP (Credit # P 90)**			
	Opening balance at January 01		3,718,249,038	1,482,196,634
	Add: Drawdown made during the year		10,180,929	2,236,052,404
			3,728,429,967	3,718,249,038
	Less: Repayment made during the year		(528)	-
	Add: Fair value adjustment		-	-
	Closing balance at December 31		3,728,429,439	3,718,249,038
10.7	**BB Financing under BKEI project**			
	Opening balance at January 01		422,105,272	-
	Add: Drawdown made during the year		-	811,886,509
			422,105,272	811,886,509
	Less: Repayment made during the year		-	(389,781,237)
	Less: Fair value adjustment		-	-
	Closing balance at December 31		422,105,272	422,105,272
10.8	**Maturity-wise grouping**			
	On demand		-	-
	Upto one month		-	-
	More than one month but less than three months*		1,220,946,247	1,156,231,460
	More than three months but less than six months*		1,960,602,762	1,883,836,641
	More than six months but less than one year*		3,995,649,512	3,877,543,649
	More than one year but less than five years*		29,698,370,468	24,865,617,786
	More than five years but less than ten years*		33,925,985,460	31,981,196,475
	More than ten years		11,572,658,123	12,182,447,655
			82,374,212,572	75,946,873,667

* 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.

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
11	**OTHER LIABILITIES**			
	Payable and accrued expenses	11.1	985,164,437	758,366,299
	Provision for income tax	32	844,966,332	977,753,991
	Employees' gratuity fund	11.2	-	-
	Interest suspense account	11.3	476,116,876	283,363,693
	Provision for loans and advances	31	4,211,554,585	4,493,783,130
	Grant fund received from donors	11.4	37,034,893	45,166,411
	Lease Liability	11.5	10,221,685	15,830,705
	Unearned Revenue		3,180,679	1,009,193
	Provisions other than loans		29,923,354	685,365
			6,598,162,842	**6,575,958,787**
11.1	Payable and accrued expenses			
	Interest payable to GoB	11.1a	298,158,582	313,710,214
	REREDP PO's deposit (Loan # 3679)		181,286,240	166,861,074
	Initial deposit under REREDP (Loan # IDA - 5158)		182,133,710	6,012,233
	Security deposit from POs under NDBMP project		9,055,562	7,775,862
	Other payables		61,435,268	34,416,853
	SHS maintenance expenses -Disaster		560,020	560,020
	Initial deposit under REREDP (Loan # IDA 5514)		177,343,739	114,352,949
	Initial deposit under REREDP (Loan # IDA 6202)		45,416,913	100,000,000
	Penalty for ICS		2,472,000	2,472,000
	Payable under corporate advisory service		25,048	25,048
	Payable to IDCOL Staffs		148,207	940,047
	Accrued expenses		1,349,998	-
	Retention HE IDA 6202 ICS		25,532,149	11,239,998
	Retention from POs under KFW REP program		247,000	-
			985,164,437	758,366,299
11.1a	Interest payable to GoB			
	Interest payable to GoB-PPIDF (Credit # 2453 & 2454)	11.1a.1	23,222,289	59,651,895
	Interest payable to GoB - REREDP	11.1a.2	8,433,752	8,040,824
	Interest payable to GoB - IDB (Credit # 151)		12,825	14,330
	Interest payable to GoB - JICA (Credit # P 75 & P 90)		83,165,133	46,435,584
	Interest payable to GoB - OCR & SF (Credit # 3045 & 3046)		55,070,123	94,384,529
	Interest payable to GoB - OCR & SF (Credit # 3554 & 3555)		102,663,215	91,853,384
	Interest payable to GoB - BB BKEI Project		24,906,570	3,817,745
	Interest payable to GoB - AFD CBD 1026		684,675	-
	Commitment Charge payable and others			9,511,922
			298,158,582	313,710,214
11.1a.1	**Interest payable to GoB - PPIDF (Credit # 2453 & 2454)**			
	Payable against Credit # 2453 -IEEF		4,067,381	4,386,908
	Payable against Credit # 2454 -LIP		19,154,908	55,264,987
			23,222,289	59,651,895

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
11.1a.2	**Interest payable to GoB - REREDP**			
	Payable against Credit # 4643		156,078	166,012
	Payable against Credit #5013		165,219	172,571
	Payable against Credit # 5158		6,141,374	6,552,285
	Payable against Credit # 5514		232,713	249,958
	Payable against Credit # 6202		1,738,368	899,998
			8,433,752	8,040,824
11.2	**Employees' gratuity fund**			
	Opening balance at January 01		-	52,099,203
	Add: Provision made during the year		52,160,168	-
			52,160,168	52,099,203
	Less:			
	Settlement made during the year		52,160,168	-
	Transfer to BoT		-	52,099,203
			52,160,168	52,099,203
	Closing balance at December 31		-	-
11.3	**Interest suspense account**			
	Opening balance at January 01		283,363,693	598,764,454
	Add: Amount transferred to "Interest Suspense" A/c during the year		508,435,871	454,534,736
			791,799,564	1,053,299,190
	Less: Transferred to Income during the year		(190,648,744)	(445,486,737)
	Amount written off during the year		(125,033,944)	(324,448,760)
	Closing balance at December 31		476,116,876	283,363,693
11.3.1	**Interest suspense account**			
	Interest on loans and Advances		413,916,170	227,493,288
	Interest on short-term investment*		62,200,706	55,870,405
			476,116,876	283,363,693

* A number of loan accounts under IDCOL investment portfolio were allowed for deferred payment of installments following directives of Bangladesh Bank amid COVID-19 pandemic. An amount of Tk. 620,257,786 of the accrued interest on loans and advances with Standard classification status remained receivable till 31 December 2020. Out of which, an amount of Tk. 320,328,004 had been subsequently received till April 2021, leaving a receivable of Tk. 299,929,782. Considering the potential adverse impact of COVID-19 pandemic, the uncollected interest receivable of Tk. 299,929,782 has been voluntarily left aside from the interest income for the FY 2020 and kept under interest suspense account. This amount will be eventually recognized as interest income depending on the loan performances in the subsequent accounting year(s).

Besides, IDCOL made short term investment to different banks and non bank financial institutions (NBFIs) based on satisfactory credit ratings as per the short term investment policy. However, some of the NBFIs are struggling to pay back at maturity dates due to their ongoing liquidity crisis. Therefore, considering the ongoing liquidity crisis and adverse impact of COVID-19 on financial market, interest accrued on FDRs maintained with some of the FIs has been transferred to interest suspense account as per IAS 37.

11.4	**Grant Fund received from donors**			
	Opening balance at January 01 (Written Down Value)		45,166,411	49,636,392
	Add: Assets received during the year		3,272,238	4,264,849
			48,438,648	53,901,241
	Less: Amortization/disposal made during the year		(11,403,755)	(8,734,830)
	Closing balance at December 31 (Written Down Value)		37,034,893	45,166,411

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
	Donor Wise disclosures of cumulative grant assets			
	Grant assets received from:			
	The World Bank		101,067,494	97,795,258
	SNV - Netherlands Development Organization		3,644,259	3,644,259
	KFW-NDBMP		1,043,007	1,043,007
	Total value at cost (a)		105,754,761	102,482,524
	Accumulated amortization:			
	The World Bank		64,168,814	53,533,380
	SNV - Netherlands Development Organization		3,585,603	2,926,003
	KFW-NDBMP		965,451	856,729
	Total amortization (b)		68,719,868	57,316,112
	Written down value (a - b)		37,034,893	45,166,412
11.5	**Lease Liability**			
	Opening Balance as at Jan 01		15,830,705	-
	Add: Addition during the year		-	19,941,331
	Less: Adjustment during the year		(5,609,020)	(4,110,626)
	Closing Balance as at Dec 31		10,221,685	15,830,705
12	**Paid-up Capital**			
	Authorized capital:			
	100,000,000 Ordinary shares @ Tk. 100 each		10,000,000,000	10,000,000,000
	Issued, subscribed and paid-up capital			
	71,500,000 shares @ Taka 100 each		7,150,000,000	6,500,000,000

Detail of shareholding position of the company

Name of shareholders	No. of shares as at December 31, 2020	No. of shares as at December 31, 2019	Paid up capital as at December 31, 2020	Paid up capital as at December 31, 2019
Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	71,499,000	64,999,000	7,149,900,000	6,499,900,000
Ms. Fatima Yasmin	450	-	45,000	-
Mr. Monowar Ahmed	-	500	-	50,000
Dr. Ahmad Kaikaus	50	50	5,000	5,000
Mr. Abu Hena Md. Rahmatul Muneem	50	-	5,000	-
Mr. Abdur Rouf Talukder	50	50	5,000	5,000
Mr. Md Nojibur Rahman	-	50	-	5,000
Mr. Md. Shah kamal	-	50	-	5,000
Mr. M. Tofazzel Hossain Miah	50	-	5,000	-
Mr. Dr. Md. Jafar Uddin	50	-	5,000	-
Mr. Md. Habibur Rahman	50	-	5,000	-
Mr. Md. Sahabuddin Patwary	50	-	5,000	-
Mr. Md. Mozammel Haque Khan	-	50	-	5,000
Mr. Sajjadul Hassan	-	50	-	5,000
Mr. Shubhashsih Bose	-	50	-	5,000

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19

Name of shareholders	No. of shares as at December 31, 2020	No. of shares as at December 31, 2019	Paid up capital as at December 31, 2020	Paid up capital as at December 31, 2019
Ms. Nihad Kabir	50	50	5,000	5,000
Mr. Abdul Haque	50	50	5,000	5,000
Mr. A. K. M. Nurul Fazal Bulbul	50	10	5,000	1,000
Mr. Mahmood Malik	50	40	5,000	4,000
	71,500,000	**65,000,000**	**7,150,000,000**	**6,500,000,000**

13 Retained earnings

Opening Balance as at Jan 01		1,852,757,946	801,777,654
Add: Prioir year adjustments	13.1	(8,691,018)	372,485,271
Add: Net profit for the year		1,534,807,647	1,378,495,020
Less: Payment of dividend			
- Bonus shares		(650,000,000)	(500,000,000)
- Cash dividend		(650,000,000)	(200,000,000)
Less: Statutory Reserve		-	-
		2,078,874,575	**1,852,757,946**

13.1 Prior year adjustment

Adjustment for net interest expense under SHS Program	13.1.1	-	372,485,271
Interest Receivable from First Finance Ltd.	13.1.2	8,666,667	-
Interest Receivable from Prime Finance Ltd.	13.1.2	249,167	-
Reversal of Interest from Govt. Loan	13.1.3	69,100	-
Recovery of interest previously recognized as interest suspense	13.1.4	(286,000)	-
Reversal of salary & allowance	13.1.5	(7,916)	-
		8,691,018	**372,485,271**

13.1.1 Adjustment for Interest Expense under SHS Program

The Economic Relations Division (ERD) of the Ministry of Finance (MoF) vide its letter (Letter no. 09.00.0000.057.24.011.17-11) dated 11 June 2019 waived interest on the principal outstanding of the loans received from the Government of Bangladesh (GoB) under the Solar Home System (SHS) program of IDCOL with effect from 01 Jul'18. Subsequently, IDCOL waived interest on the loans extended to the Partner Organizations (POs) under the SHS program with effect from 01 Jul'18. Due to retrospective effect of the waiver of interest, the following adjustments have been made in the financial statements of FY 2019:

1. Excess interest expense booked for the FY 2018 amounting BDT 631,472,670 against the loans received from the GoB under the SHS program has been adjusted.
2. Excess interest income booked for the FY 2018 amounting BDT 258,988,399 against the loans extended to the POs under the SHS program has been adjusted.

13.1.2 Being the recoverability was in question, as per the decision of the BoD, the Company was supposed to derecognize the interest income amounting to BDT 8,666,667 & BDT 249,167 in the case of First Finance Ltd. & Prime Finance Ltd., respectively. The Company corrected during the year as the amount is not material. The interest receivable amount has also been adjusted accordingly.

13.1.3 Previously the company undercharged interest from govt. loan amounting to BDT 69,100 (after netting off with overcharge). The Company made the correction during the year as the amount is not material. Interest on Govt. loan amount has also been adjusted accordingly.

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19

13.1.4 Previously the company recognized interest suspense by reducing interest income amounting to BDT 286,000 in the case of FAS Finance Limited and subsequently in 2019 the company collected the same amount from FAS Finance Limited. The company made the correction during the year as the amount is not material. Interest suspense amount has also been adjusted accordingly.

13.1.5 In 2019 the company issued a cheque for salary & allowance which was subsequently cancelled amounting to BDT 7,916. The Company made the correction during the year as the amount is not material. Salary & Allowance amount has also been adjusted accordingly.

14 Income Statement

Income			
Interest and similar income	15	4,201,577,931	4,776,333,932
Investment income	17	70,350,000	3,888,889
Fees and commission	18	162,126,582	420,972,687
Other Operating income	19	48,127,144	176,414,217
		4,482,181,657	**5,377,609,726**
Expenses			
Interest on deposits and borrowings	16	777,474,472	827,016,483
Administrative expenses	20-27	289,666,412	244,776,103
Other Operating expenses	29	204,875,937	270,272,304
Depreciation on Assets	28	28,470,286	22,917,042
		1,300,487,107	**1,364,981,932**
		3,181,694,550	**4,012,627,794**

15 Interest Income

Interest on loans and advances	15.1	3,866,294,348	3,611,747,625
Interest on balance with other banks & financial institutes	15.2	335,283,583	1,164,586,307
		4,201,577,931	**4,776,333,932**

15.1 Interest Income on loans and advances

Interest on Infrastructure loan	15.1.1	3,668,402,132	3,441,086,723
Interest on Renewable Energy Project loan	15.1.2	195,428,327	168,158,665
Interest on employee car loan & home loan		2,463,889	2,502,237
		3,866,294,348	3,611,747,625

15.1.1 Interest Income on Infrastructure loan

Interest income-Infra-LIP	2,203,141,576	1,981,184,321
Interest income-Infra-SMIP (IEEF)	1,234,397,541	1,347,949,571
Interest income-Infra-PPP	230,863,015	111,952,831
	3,668,402,132	3,441,086,723

15.1.2 Interest Income on Renewable Energy Project loan

Interest on SHS project	7,961,210	8,005
Interest on Biogas project	8,427,963	12,253,813
Interest on Biogas advance facility	7,427,790	-
Interest on ICS project	1,163,244	-
Interest on Other renewable energy project	178,853,459	155,896,847
	195,428,327	168,158,665

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
15.2	**Interest on balance with other bank & FIs**			
	Interest on short term bank deposit		19,709,663	31,918,691
	Interest on fixed deposit		302,667,239	1,129,697,422
	Interest on call money lending		12,906,681	2,970,194
			335,283,583	1,164,586,307

15.2.1 Due to the downward trend of the business and liquidity crisis of some NBFIs over the years, there is significant uncertainty about the inflow of economic benefits from interest on FDR. Hence, interest income from some FDR with NBFI were left aside in computation of interest income on fixed deposit in such cases where it is probable that such income may not flow to the company.

16 Interest on deposits, borrowings etc.

Borrowing cost under REREDP	16.1	40,316,940	33,269,629
Borrowing cost under PPIDF	16.2	629,367,687	727,563,452
Borrowing cost under IPFF II		12,678,793	-
Borrowing cost under IDB (Credit # 151)		298,810	330,294
Borrowing cost under BB		21,105,264	3,817,745
Borrowing cost under AFD		684,675	-
Borrowing cost under JICA	16.3	73,022,302	62,035,363
		777,474,472	**827,016,483**

16.1 Borrowing cost under REREDP

Interest against Credit # 4643	1,299,339	1,430,096
Interest against Credit #5013	1,359,486	1,472,299
Interest against Credit # 5158	28,017,375	22,558,048
Interest against Credit # 5514	5,271,082	5,542,521
Interest against Credit # 6202	4,369,658	2,266,665
	40,316,940	33,269,629

16.2 Borrowing cost under PPIDF

Borrowing cost under PPIDF (Credit # 2453 & 2454)	16.2.1	116,101,994	220,155,125
Borrowing cost under PPIDF II (Credit # 3045 & 3046)	16.2.2	227,643,735	339,349,352
Borrowing cost under PPIDF II (Credit # 3554 & 3555)	16.2.3	285,621,958	168,058,975
		629,367,687	727,563,452

16.2.1 Borrowing cost under PPIDF (Credit # 2453 & 2454)

Interest against Credit # 2453 -SMIP (IEEF)	14,281,645	15,279,299
Interest against Credit # 2453 -REP	-	-
Interest against Credit # 2454 -LIP	101,820,349	204,875,826
	116,101,994	220,155,125

16.2.2 Borrowing cost under PPIDF II (Credit # 3045 & 3046)

Interest against Credit # 3045 - OCR & 3554 OCR USD	226,275,018	338,054,589
Interest against Credit # 3046 -SF	1,368,717	1,294,763
Commitment charge against Credit # 3045 - OCR	-	-
	227,643,735	339,349,352

16.2.3 Borrowing cost under PPIDF III (Credit # 3554 & 3555)

Interest against Credit # 3554 - OCR USD	181,438,691	141,670,084
Interest against Credit # 3555 -SF	4,294,375	-
Commitment charge against Credit # 3554 - OCR	99,888,892	26,388,891
	285,621,958	168,058,975

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
16.3	Borrowing cost under JICA (Credit # P 75 & P 90)			
	Interest against Credit # P 75		35,738,005	36,326,947
	Interest against Credit # P 90		37,284,297	25,708,416
			73,022,302	62,035,363
17	**Investment income**			
	Investment income-Pref. Share Inv		70,350,000	3,888,889
			70,350,000	**3,888,889**
18	**Fees, Commission & Brokerage**			
	Fees income from renewable energy project	18.1	395,011	160,072,918
	Fees income from infra project	18.2	161,571,571	247,959,790
	Income from advisory services		160,000	12,939,979
			162,126,582	**420,972,687**
18.1	**Fees income from renewable energy project**			
	Fees for administering SHS program - TR/KABITA		-	155,339,348
	Fees for GCF Project		-	3,649,512
	Fees for administering SHS program - DFID		-	9,058
	Enlistment of RE equipment		395,011	1,075,000
			395,011	160,072,918
18.2	**Fees income from infra project**			
	Participation & arrangement fees		24,590,320	80,238,463
	Loan application, processing & documentation fees		1,667,000	1,182,193
	Due diligence fees		9,708,800	17,030,500
	Commission income		2,136,828	4,405,185
	Commitment charges		14,538,881	41,498,393
	Waiver, cancellation & prepayment fees		13,831,305	15,572,164
	Upfront fees		71,586,118	55,413,788
	Agency & monitoring Fees		23,512,319	32,619,104
			161,571,571	247,959,790
19	**Other operating income**			
	Exchange gain		474,879	136,800,432
	Deferred Income (Grant Income)		11,403,755	8,734,830
	Gain on disposal of Assets		-	-
	Others		36,248,510	30,878,955
			48,127,144	**176,414,217**
20	**Salary and allowances**			
	Salary and allowances		182,315,194	140,354,921
	Gratuity		52,160,168	25,668,316
			234,475,362	**166,023,237**

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
21	**Rent, taxes, insurance and electricity**			
	Rent		2,435,021	2,421,948
	Insurance premium		4,337,869	4,116,010
	Electricity & Utilities		699,714	770,853
	Holding & Land tax		238,367	249,387
			7,710,971	**7,558,198**
22	**Professional & Legal expenses**			
	Legal Expenses		558,985	1,816,373
	Information systems audit fee			615,250
	Professional fees	22.1	15,333,046	38,283,031
			15,892,031	**40,714,654**
22.1	**Professional fees**			
	Consultancy under JICA Projects		15,259,829	37,480,994
	Other Professional fees		73,217	802,037
			15,333,046	**38,283,031**
23	**Postage, stamp, telecommunication, etc.**			
	Postage and courier		129,788	233,032
	Telephone, Fax and E-mail		2,859,490	2,387,677
			2,989,278	**2,620,709**
24	**Stationery, printing, advertisements, etc.**			
	Printing and stationeries		2,871,344	3,832,324
	Marketing, promotion & Business dev. Exp.		5,323,919	2,352,348
	Advertisement		2,042,602	3,047,867
			10,237,865	**9,232,539**
25	**Chief Executive's salary and benefits**			
	Salary		6,519,000	6,150,000
	Allowances		5,461,275	6,221,400
	Bonus		2,060,000	3,100,000
	Company's contribution to provident fund		651,900	615,000
			14,692,175	**16,086,400**
26	**Directors' fees**			
	Honorarium for attending board meetings		2,916,711	1,877,759
	Incidental expenses for attending meeting		298,357	230,547
			3,215,068	**2,108,306**
27	**Auditors' fees**		453,663	432,060
			453,663	**432,060**

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
28	**Depreciation and repair of Company's assets**			
	Depreciation of Company's assets	28.1	20,175,943	16,381,458
	Depreciation on Right-of-use asset	28.2	8,294,343	6,535,584
			28,470,286	**22,917,042**
28.1	**Depreciation of Company's assets**			
	Office space		-	341,878
	Furniture & fixture		4,812,858	3,177,707
	Interior decoration		3,649,968	1,249,142
	Computer & computer equipment		4,829,240	3,133,644
	Other office equipment		2,924,951	1,924,237
	Software		525,481	225,206
	Vehicle		3,433,445	6,329,644
			20,175,943	**16,381,458**
28.2	**Depreciation on Right-of-use asset**			
	Rented Office Space		8,294,343	6,535,584
			8,294,343	**6,535,584**
29	**Other operating expenses**			
	AGM and Other Meeting expenses		1,090,066	1,232,364
	Bank and other charge		4,433,429	5,158,151
	Books and periodicals		156,462	53,317
	Car Maintenance -reimbursement		9,994,501	7,620,166
	Conveyance and travelling expense		3,725,565	7,507,229
	Credit rating expenses		268,750	287,500
	CSR activities expenses		3,497,157	1,783,959
	Entertainment		1,968,991	2,664,736
	Ex Loss		-	-
	Fees to regulatory authorities		31,579	202,049
	IT & Automation expense		606,111	24,150
	Leave Fare Assistance		8,479,347	8,049,461
	Lease Interest Expense		213,604	224,679
	Loss on disposal of fixed assets		-	1,602,172
	Litigation Cost & Court fees		1,197,633	10,632,525
	Maintenance and utility of UTC building		2,014,852	1,585,327
	Monitoring Exp		1,351,853	-
	Office supplies and maintenance		2,625,855	1,570,141
	Operations and logistics		1,248,840	1,385,927
	Operating loss on recovery of IDCOL SPF forfeiture account		98,921	-
	Other office expenses		420,588	18,889,699
	Pmt to Intern & Adhoc Employees		40,000	127,000
	Provision other than loans		5,251,661	530,099
	Receivables & Principle of loan written off		-	9,749,841

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
Recruitment cost		1,862,105	743,095
Repair and maintenance		4,155,949	3,028,042
Retreat and review meeting exp		10,352,370	6,784,441
Seminar, workshop & roadshows		-	131,219
Stamps and duties		24,299	13,210
SPF & Gratuity Fund audit fee		184,000	-
Training and exposure visit		350,150	1,076,156
Tuition fee reimbursement		34,000	365,696
Vehicle fuel & Maintenance expense		3,125,249	3,717,769
Expenses under TR/KABITA	29.1	136,072,050	173,532,184
		204,875,937	**270,272,304**

29.1 Operating Expenses under TR/KABITA

Salary & Allowances	86,076,517	88,199,033
Physical verification expenses	18,992,496	28,200,038
Advertisement and promotion	2,919,740	1,443,000
Monitoring expenses	5,854,382	4,240,365
Technical audit	3,200,000	28,800,000
Meeting & Entertainment expenses	978,899	2,596,304
Travelling & conveyance	7,878,340	1,401,354
Operation & logistics	10,171,676	18,652,090
	136,072,050	173,532,184

Previously these expenses were reported as 'Expenditure under renewable energy program'. 'Expenditure under renewable energy program' includes some other expenses in addition to 'Operating Expenses under TR/KABITA'. From this year, the management has decided to disclose all expenses other than 'Expenses under TR/ Kabita' in the company's other operating expenses. The prior year's balance has also been rearranged accordingly. Details are given in annexure-G.

30 Charges on loan losses

	-	-
	-	-

31 Provision for loans and advances/investment

Opening balance at January 01	4,493,783,130	4,348,944,577
Recoveries of amount previously written off	-	-
Provision made for the year	1,086,046,191	2,342,615,749
Provision released during the year	(314,485,872)	(698,108,337)
Provision charged during the year	771,560,319	1,644,507,412
Less. Written off/waived	1,053,788,864	1,499,668,859
Closing Balance at December 31	**4,211,554,585**	**4,493,783,130**

31.1 Provision for loans and advances

Opening balance at January 01		4,203,783,130	4,348,944,577
Recoveries of amount previously written off		-	-
Provision made for the year		776,046,191	2,052,615,749
Provision released during the year		(314,485,872)	(698,108,337)
Provision charged during the year		461,560,319	1,354,507,412
Less. Written off/waived		1,053,788,864	1,499,668,859
Closing Balance at December 31	31.3	**3,611,554,585**	**4,203,783,130**

		Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
31.2	**Provision for short term investment**			
	Opening balance at January 01		290,000,000	-
	Recoveries of amount previously written off		-	-
	Provision made for the year		310,000,000	290,000,000
	Provision released during the year		-	-
	Provision charged during the year		310,000,000	290,000,000
	Less. Written off/waived		-	-
	Closing Balance at December 31		**600,000,000**	**290,000,000**
31.3	**Provision for loans and advances**			
	General provision		3,052,260,640	2,277,897,592
	Statutory requirement		817,805,827	693,442,779
	Voluntary provision*		2,234,454,813	1,584,454,813
	Specific provision		559,293,945	1,925,885,538
	Statutory requirement		559,293,945	1,925,885,538
	Voluntary provision*		-	-
			3,611,554,585	**4,203,783,130**

* Voluntary provision, in addition to statutory requirement, has been maintained to build a reserve for absorbing future shocks due to adverse classification of loans and advances.

31.4	**Provision charged during the year**			
	General provision		121,594,016	208,129,744
	Specific provision		(310,033,697)	(103,897,062)
	Voluntary provision on loans and advances		650,000,000	1,250,274,730
	Provision on short term investment		310,000,000	290,000,000
			771,560,319	1,644,507,412
32	**Provision for income tax**			
	Opening balance at January 01		977,753,991	1,107,539,616
	Add: Provision made during the year		844,966,332	977,753,991
			1,822,720,323	2,085,293,607
	Less: Settlement of previous year's tax liabilities		977,753,991	1,107,539,616
	Closing balance at December 31		844,966,332	977,753,991
	Deferred tax (income)/ expense		758,071	11,871,370
	Current tax expense		844,966,332	977,753,991
	Prior year tax		29,602,181	-
	Tax expenses		**875,326,584**	**989,625,361**

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19

Reconciliation of effective tax rate	2020		2019	
	Taka	%	Taka	%
Tax on profit before taxes	964,053,692	40.00%	947,248,153	40.00%
Adjustment of tax effect for :				
Provision for non-deductible expenses	523,033,186	21.70%	995,417,272	42.03%
Adjustment/provision released during the year	(154,413,075)	-6.41%	(199,034,376)	-8.40%
Tax on investment income	14,070,000	0.58%	-	0.00%
Adjustment for loan write off during the year	(500,999,693)	-20.79%	(765,877,058)	-32.34%
Other adjustments (net)	(777,778)	-0.032%	-	0.00%
Effective tax rate	**844,966,332**	**35.06%**	**977,753,991**	**41.29%**

33 Earnings Per Share (EPS)

Profit attributable to ordinary shareholders		
Net profit for the year	1,534,807,647	1,378,495,020
Ordinary shares at January 01	55,000,000	55,000,000
Bonus shares issued during 2018	5,000,000	5,000,000
Bonus shares issued during 2019	5,000,000	5,000,000
Bonus shares issued during 2020	6,500,000	6,500,000
Total number of shares at December 31-Restated	**71,500,000**	**71,500,000**
Weighted average number of ordinary shares	**71,500,000**	**71,500,000**
Earnings per share	**21.47**	**19.28**

Earnings Per Share (EPS) has been computed by dividing the IASic earnings by the number of ordinary shares outstanding as of 31 December 2020 as per International Accounting Standard (IAS)-33. According to IAS-33, EPS for the period ended 31 December 2019 was restated for the issues of bonus shares (for 2019) in 2020.

34 Net Asset Value (NAV) Per Share

Net Asset (Total asset - Total liabilities)- (A)	9,228,874,575	8,352,757,946
Weighted average number of ordinary shares (B)	71,500,000	71,500,000
NAV per share (A/B)	**129.08**	**116.82**

Since the Company has issued 6,500,000 bonus shares of Tk. 100 each during the year 2020, 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 2020 and 2019 has been based on the new number of shares of 71,500,000. Before adjusting the bonus share NAV of 2019 was Tk.128.50 per share.

35 Events after the balance sheet date

Proposed dividend: The Board of Directors in its 281st meeting held on 12 June 2021 has recommended cash dividend @ 15% i.e. Taka 3.22 per ordinary share and stock dividend @ 15% (i.e. 0.03 bonus shares for every ordinary shares held) for the year ended 31 December 2020 for placement before the shareholders for approval at 24th AGM of the Company.

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19

36 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24: " Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 31 December 2020 were as follows:

Name of the related party	Nature of transaction	Relationship	Balance at Jan 01	Addition during the year	Adjustment during this year	Balance at Dec 31
Senior Management Officials	Loan	Top Officials	22,709,582	-	3,528,307	19,181,275

Loans to Senior Management includes car loan and home loan extended under IDCOL Employee Car Loan Facility and IDCOL Home Loan Facility, respectively. As at 31 December 2020, loans amounting to Tk. 19,181,279 are outstanding with the Deputy CEO & CFO and the Head of Renewable Energy Investment.

37 Other Contingent Liability

Contingent liability has been presented in accordance with IAS-37 to reflect the probable liability that may arise due to claim of Value Added Taxes (VAT) by the National Board of Revenue (NBR). IDCOL appealed before the Appellate Tribunal of the board and the honorable tribunal has set aside and annulled all the claims demanded by the VAT authority vide order no. নথি নং-সিইভিটি/কেইস (ভ্যাট)-১৯৯/১৮ তারিখঃ ০২/০৭/২০২০. In this order the honorable tribunal has also instructed the commissioner, customs, excise & VAT Commissionerate, Dhaka (South) to reassess the VAT by giving opportunities to all the relevant parties. Accordingly a committee has been formed by the commissioner, customs, excise & VAT Commissionerate, Dhaka (South) office vide letter no. নথি নং-৪/মূসক/৮ (২৮) করফাঁকি/বিচার/১৮/৯৩৪ (০৭), তারিখ ৭/১২/২০২০ including various relevant officers in order to reassess the VAT claim and settle the issue.

38 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	3,866,931,321
Grant from KfW under solar program	1,178,943,726	1,178,943,726
Grant from KfW under RE program*	14,317,275	1,797,026

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
Grant from GIZ under solar program		1,075,300,229	1,075,300,229
Grant provided under JICA-REDP		172,980,423	172,980,423
Grant provided under JICA-EE& EC		197,345,726	153,694,802
Grant provided under ADB-PPIDF		256,712,856	256,712,856
Grant provided WB under USAID		512,818,301	512,818,301
Grant provided WB under BCCRF		787,321,789	787,321,789
Grant provided by DFID		1,893,556,814	1,893,556,814
Grant provided by SREPGen		136,337,055	108,104,407
Grant received under IDA 5158 (HE)		572,609,957	572,609,957
Grant received under IDA 5158 (AE)		382,416,445	382,416,445
Grant received under IDA 5514 (AF)		402,883,041	326,895,927
Grant received under IDA 6202		722,181,726	353,363,764
Grant from KfW under NDBMP		520,094,670	520,094,670
		12,692,751,352	12,163,542,457
Principal repayment and interest received from projects:			
Principal repaid by the projects financed under PSIDP		6,694,860,108	6,694,860,108
Principal repaid by the projects financed under REREDP		3,610,430,224	3,528,746,986
Interest paid by the projects financed under PSIDP		6,888,299,083	6,888,299,083
Interest paid by the projects financed under REREDP		1,327,910,160	1,327,267,359
		18,521,499,575	18,439,173,535
Interest from bank accounts		62,464,091	54,756,454
		41,467,302,225	**40,848,059,653**
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	2,855,959,380
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP		739,098,620	739,098,620
KfW grants provided to POs under solar program		954,587,290	954,587,290
KfW grants used for project under solar program		210,758,222	210,758,222
KfW grants used for project under REP*		14,317,275	1,797,026
GIZ grants provided to POs under solar program		902,664,924	902,664,924
GIZ grants used for project under solar program		147,676,979	147,676,979
ADB grants provided to POs under PPIDF		201,917,025	201,917,025
ADB grants used for project under PPIDF		54,845,950	54,845,950
JICA grants used for project under REDP		171,083,341	171,083,341
JICA grants used for project under EE& EC		197,466,898	153,815,975

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
USAID grants provided to POs under REREDP		425,256,649	425,256,649
USAID grants used for project under REREDP		87,561,652	87,561,652
BCCRF grants provided to sponsors under REREDP		708,195,019	708,195,019
BCCRF grants used for project under REREDP		79,126,771	79,126,771
DFID grants provided to POs under RE		1,787,626,245	1,787,626,245
DFID grants used for project under RE		109,260,118	109,260,118
Grants provided to POs under IDA 5158 (HE)		622,144,256	622,144,256
Grants used for project under IDA 5158 (HE)		271,318,594	271,318,594
Grants used for project under IDA 5158 (AE)		382,416,445	382,416,445
Grants used for project under IDA 5514 (AF)		366,255,360	353,259,036
Grants used for project under IDA 6202 (AE)		194,442,871	67,802,851
Grants Provided to POs under IDA 6202 (HE)		415,614,011	189,044,375
Grants used for project under IDA 6202 (HE)		76,434,782	76,434,782
Grants provided to POs under SREPGen		108,540,278	108,540,279
KfW grants provided to POs under NDBMP		356,556,300	356,556,300
KfW grants used for project under NDBMP		146,484,845	146,484,845
		12,587,610,099	12,165,232,948
On lending by IDCOL from reflows:			
Projects financed from reflows under PSIDP		8,819,566,118	8,819,566,118
Projects financed from reflows under REREDP		2,641,132,700	2,641,132,700
		11,460,698,818	11,460,698,818
Debt service of IDA loans		4,622,785,100	3,824,396,393
Refund, tax and charges		68,973,432	61,457,288
Balance at bank	38.4	2,568,959,686	3,177,999,114
		41,467,302,225	**40,848,059,653**

38.1 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		-	-
Grant from KfW under solar program		-	-
Grant from KfW under RE program*		12,520,249	1,797,026
Grant from GIZ under solar program		-	-
Grant provided under JICA-REDP		43,650,923	108,440,273
Grant provided under ADB-PPIDF		-	-
Grant provided WB under USAID		-	161,230,538
Grant provided WB under BCCRF		-	-
Grant provided by DFID		-	-

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
Grant provided by SREPGen		28,232,648	-
Grant received under IDA 5158 (HE)		-	-
Grant received under IDA 5158 (AE)		-	-
Grant received under IDA 5514 (AF)		75,987,114	-
Grant received under IDA 6202		368,817,961	353,363,764
Grant from KfW under NDBMP		-	-
		529,208,896	624,831,601
Principal repayment and interest received from projects:			
Principal repaid by the projects financed under PSIDP		-	-
Principal repaid by the projects financed under REREDP		81,683,238	-
Interest paid by the projects financed under PSIDP		-	-
Interest paid by the projects financed under REREDP		642,802	1,046
		82,326,040	1,046
Interest from bank accounts		7,707,637	2,545,444
		619,242,572	**627,378,091**
Fund outflow			
Loans and advances:			
Projects financed under PSIDP		-	-
Loan to POs under REREDP		-	-
Loan to POs under KfW funded solar program		-	-
Loan to POs under KfW funded NDBMP		-	-
		-	-
Grants utilized for project implementation:			
World Bank (GEF, GPOBA & IDA) grants provided to POs under REREDP		-	-
World Bank (GEF, GPOBA & IDA) grants used for project under REREDP		-	-
KfW grants provided to POs under solar program		-	-
KfW grants used for project under solar program		-	-
KfW grants used for project under REP*		12,520,249	1,797,026
GIZ grants provided to POs under solar program		-	101,700
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		43,650,923	108,552,899
USAID grants provided to POs under REREDP		-	117,249,294
USAID grants used for project under REREDP		-	68,944,932
BCCRF grants provided to sponsors under REREDP		-	-
BCCRF grants used for project under REREDP		-	-
DFID grants provided to POs under RE		-	-
DFID grants used for project under RE		-	-
Grants provided to POs under IDA 5158 (HE)		-	-

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
Grants used for project under IDA 5158 (HE)		-	44,274,947
Grants used for project under IDA 5158 (AE)		-	-
Grants used for project under IDA 5514 (AF)		12,996,324	26,363,109
Grants used for project under IDA 6202 (AF)		353,209,656	333,282,008
Grants provided to POs under SREPGen		1	55,548,160
KfW grants provided to POs under NDBMP		-	-
KfW grants used for project under NDBMP		-	-
		422,377,151	756,114,075
On lending by IDCOL from reflows:			
Projects financed from reflows under PSIDP		-	-
Projects financed from reflows under REREDP		-	-
		-	-
Debt service of IDA loans		798,388,706	419,591,599
Refund, tax and charges		7,516,143	2,507,357
Balance at bank		(609,039,429)	(550,834,941)
		619,242,572	**627,378,090**

38.2 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.

38.3 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.

38.4 Disclosure for balance at bank accounts maintained under projects (Separately accounted for each project and also audited separately by the statutory auditor of the Company. Not reflected in the financial statements of the Company except for the disclosures made in this note # 37).

Bd. Bank Repayment account in USD under IDA Credit# 2995-BD	2,165,547,866	2,168,101,578
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	338,984,255	958,644,612

	Notes	Amount in Taka 31-Dec-20	Amount in Taka 31-Dec-19
City Bank BDT account # 31001038 under GIZ fund for solar program SREPGEN		28,041,977	619,219
Janata Bank CONTASA account # 36002256 under IDA 5158 (HE)			291,254
Agrani Bank CONTASA A/C # 0200012858680 under IDA 6202 (HE)		36,365,064	20,924,094
Agrani Bank CONTASA account # 373 under JICA-REDP			624
Trust Bank SND A/C # 0030-0320000426 under PICO PV program			29,397,211
		2,568,959,686	**3,177,999,114**

39 In consolidated movement of funds, amounts are cumulative and foreign currencies (USD and EURO) are converted into equivalent Bangladesh Taka applying exchange rates of BDT 84.80/USD and BDT 103.8546/EURO prevailing at December 31, 2020 and BDT 84.90/USD and BDT 94.90/EURO prevailing at December 31, 2019.

40 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.

Sd/-	Sd/-	Sd/-	Sd/-	Sd/-
Mr. M. Maftun Ahmed	**Mr. Mahmood Malik**	**Mr. Abdul Haque**	**Mr. Md. Habibur Rahman**	**Ms. Fatima Yasmin**
Company Secretary	Executive Director & CEO	Director	Director	Chairman

As per our report of even date.

Dated, Dhaka
12 June 2021

Annexure-A

Infrastructure Development Company Limited

Schedule of Loan disbursement from reflows under PSIDP and REREDP project

Funded by IDA (Credit # 2995)

for the year ended December 31, 2020

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

Name of Sponsor/POs	Project	Amount in Taka	
		2020	2019
Sub Total (a)			-

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

Name of Sponsor/POs	Project	Amount in Taka	
		2020	2019
Sub Total (b)			-
Grand Total (a +b)			-

Annexure-B

Infrastructure Development Company Limited

Schedule of Loan disbursement from REREDP- II project

Funded by IDA (Credit # 5158 and Credit # 6202)

(A) Loan to other RE Projects (Cat-1) under IDA Credit # 5158

SL #	Name of sponsors	2020		2019	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	ATES Bangladesh Ltd.	-	-	5	10,260,523
2	Bengal Renewable Energy Ltd.	4	7,425,057	7	13,545,327
3	Gazi Renewable Energy Ltd.	5	6,312,411	-	12,617,549
4	KHM Power Ltd.	13	26,098,800	-	54,205,200
5	Impressive Greentech Ltd.	49	18,000,000	-	-
6	OASIS Service (Agro) Ltd.	1	42,337,970	-	-
7	PCL Green Energy Ltd.	4	7,207,340	-	-
8	Salek Solar Power Ltd.	16	34,450,610	39	81,618,771
9	Solargao Ltd.	-	-	17	30,495,262
10	Solar Electro Bangladesh Ltd. (SEBL)	-	-	-	6,674,047
11	Uddipan	-	-	1	1,384,283
12	WAVE Foundation	26	56,011,332	-	-
Sub Total (B)		**118**	**197,843,520**	**69**	**210,800,962**

(B) Loan to other RE Projects (Cat-1) under IDA Credit # 6202

SL #	Name of sponsors	2020		2019	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Blue Marine Energy Ltd.	55	14,701,351	-	-
2	Gazi Renewable Energy Ltd. (GREL)	11	21,308,553	-	-
3	Npolymer Construction Ltd.	11	19,621,000	-	-
4	Resource Development Foundation (RDF)	10	17,658,307	-	-
5	Salek Solar Power Ltd.	3	6,418,791	-	-
6	Solargao Ltd.	19	41,630,121	-	-
7	WAVE Foundation	3	6,397,263	-	-
8	Western Renewable Energy Ltd.	118	20,000,000	-	-
Sub Total (B)		**230**	**147,735,386**	**-**	-

Grand Total (A+B)	**348**	**345,578,906**	**69**	**210,800,962**

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 PPIDF project

Funded by ADB (Loan # 3554 & 3555)

Refinancing to PO under Renewable Energy Project and Environment Friendly Brick Kiln Project (Loan # 3555 -Special Operation)					
Sl #	Name of Participating Organizations	2020		2019	
		No. of Plant	Amount (Taka)	No. of Plant	Amount (Taka)
1	Usa Agro and Auto Bricks Ltd.	-	67,500,000	-	75,000,000
2	Sympa Solar Power Ltd.	-	620,000,000	-	-
Sub Total (a)		**-**	**687,500,000**	**-**	**75,000,000**

Loan to Large Infrastructure Projects (Loan # 3554 -Ordinary Operation)					
	Name of Sponsor	Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
1	Summit Communications Ltd.	-	-	-	1,000,000,000
2	Robi Axiata Ltd.	-	4,000,000,000	-	-
3	City Seed Crushing Industry Ltd.	-	1,350,000,000	-	-
4	City Edible Oil Ltd.	-	900,000,000	-	-
5	DBL Industrial Park Ltd.	-	875,000,000	-	-
6	Nutan Bidyut (Bangladesh) Ltd.	1,2160,757	1,031,762,965	35,551,507	3,008,313,630
7	Kushiara Power Company Ltd.	-	-	50,000,000	4,235,000,000
Sub Total (b)		**12,160,757**	**8,156,762,965**	**85,551,507**	**8,243,313,629**

Grand Total	**12,160,757**	**8,844,262,965**	**85,551,507**	**8,318,313,629**

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, 2020

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

Sl #	Name of Participating Organizations	2020		2019	
		SHS (Units)	Amount (Taka)	SHS (Units)	Amount (Taka)
		-	-		
Sub Total (a)		-	-	-	-

Loan to Large Infrastructure Projects (Loan # 3045 -Ordinary Operation)

	Name of Sponsor		Amount (Taka)		Amount (Taka)
1	Far East Spinning Industries Limited	-	-		48,393,956
Sub Total (b)		**-**	**-**	**-**	**48,393,956**

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, 2020

Refinancing to Participating Organizations (POs) (Loan # JICA BD-P-75)

Sl #	Name of Participating Organizations	2020		2019	
		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	2020		2019	
		Pumps (Units)	Amount (Taka)	Pumps (Units)	Amount (Taka)
1	ATES Bangladesh	-	-	-	4,508,535
2	BREL	-	-	11	19,404,916
3	GREL	-	-	183	202,035,256
4	KHM Power Ltd.	-	-	-	-
5	RDF-5	-	-	-	-
6	Npolymer Construction Ltd.	-	-	-	6,796,270
7	RREL	-	-	29	22,617,000
8	Salek Solar Power Ltd.	-	-	-	-
9	SARPV	-	-	6	11,789,610
10	SDRS	-	-	-	-
11	Solargao Limited-4	-	-	-	120,935,548
12	WAVE Foundation Ltd.	-	-	30	70,467,347
Sub-total (B)		**-**	**-**	**259**	**458,554,482**

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.

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, 2020

(C) Disbursement detail under Solar Minigrid program

Sl #	Name of PO	2020		2019	
		Pumps (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Brit Bangla Trade Initiatives Ltd.	-	-	-	-
2	Connectia Ltd.	-	-	-	-
3	Eastec Ltd.	-	-	-	-
4	Envis Energy Limited	-	-	-	-
5	Solargao Limited	-	-	-	-
6	Super Star Renewable Energy Limited	-	-	-	-
7	UDDIPAN	-	-	-	-
8	Vincen Gtech Ltd.	-	-	-	5,286,302
9	Western Renewable Energy (Pvt.) Ltd.	-	-	-	14,469,156
Sub-total (C)		**-**	**-**	**-**	**19,755,458**
Total under Other Renewable Energy program (B+C)					**478,309,940**

Loan to Enegry Efficiency Projects (Loan # JICA BD-P-90)

(A) Disbursement detail under Infrastrucure Project

Sl #	Name of PO	2020		2019	
		Pumps (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Meghna Cement Mills Ltd.				
2	Shun Shing Cement Industries Ltd.	-	-		733,989,731
3	Etafil Accessories Limited.	-	-		77,236,913
4	Tosrifa Industries Ltd.	-	-		
Sub-total (D)		**-**	**-**	**-**	**811,226,644**
Grand Total (A+B+C+D)		**-**	**-**		**1,289,536,584**

Annexure-F

Infrastructure Development Company Limited

Deferred Tax assets

for the year ended December 31, 2020

Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2020			
Fixed assets including land, building, furniture and fixtures	101,526,178	88,909,040	12,617,138
Right of use asset	14,126,434	-	(14,126,434)
Lease Liability	10,221,685	-	10,221,685
Gratuity provision	-	-	-
General provision other than loans	29,923,354	-	(29,923,354)
Total temporary difference	155,797,652	88,909,040	(21,210,966)
Applicable tax rate			40.0%
Deferred Tax Asset (see note: 9.5)			**(8,484,386)**

Year: 2019			
Fixed assets including land, building, furniture and fixtures	113,524,561	113,524,561	-
Right of use asset	22,420,777	-	(22,420,777)
Gratuity provision	-	-	-
General provision other than loans	685,365	-	(685,365)
Total temporary difference	136,630,703	113,524,561	(23,106,143)
Applicable tax rate			40.0%
Deferred Tax Asset (see note: 9.5)			**(9,242,457)**

Expenditure under IDCOL renewable energy program

SL.	Particulars	Amount	Previously recorded under		Currently recorded under	
			Head of Expenses	Note #	Head of Expenses	Note #
1	Meeting expenses	253,284	Expenditure under IDCOL renewable energy program (currently, this expenses head does not exist)	29	AGM and Other Meeting expenses	29
2	Books ,periodicals & newspapers-REP	15,149		29	Books and periodicals	29
3	Travelling & Conveyance	2,088,101		29	Conveyance and travelling expense	29
4	Entertainment	880,875		29	Entertainment	29
5	Leave Fare Assistance-REP	1,571,215		29	Leave Fare Assistance	29
6	Operations and logistics	110,500		29	Operations and logistics	29
7	Expense for Special events under REP	638,888		29	Other office expenses	29
	Employee welfare exp	900,000		29		
	Research & Development-REP	51,132		29		
	Physical Verification (Technical)-REP	16,953,402		29		
8	Payment to Intern & Adhoc Employees	37,000		29	Pmt to Intern & Adhoc Employees	29
9	Recruitment cost-REP	92,097		29	Recruitment cost	29
10	Repair and maintenance	179,325		29	Repair and maintenance	29
11	Training , Workshop and exposure visit	269,630		29	Training and exposure visit	29
12	Auditor fee	216,030		29	Auditors' fees	27
13	Professional fees under JICA	4,667,970		29	Consultancy under JICA Projects	22.1
14	Professional & Legal expenses	1,500,968		29	Legal Expenses	22
15	Insurance	1,541,775		29	Insurance premium	21
16	Printing	199,892		29	Printing and stationeries	24
	Stationeries and Supplies	13,300,359		29		
17	Advertisement & promotion	1,272,032		29	Advertisement	24
18	Postage and courier	228,882		29	Postage and courier	23
19	Telephone, Fax and Internet	1,252,810		29	Telephone, Fax and E-mail	23

Annexure-H

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2020

Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2020
	Balance at 1 Jan 2020	Additions	Disposal/ written off	Balance as at 31 Dec 2020		Accumulated at 1 Jan 2020	Charge for the year	Adjustments	Accumulated at 31 Dec 2020		
Office space	19,412,311	-	-	19,412,311	10%	16,335,407	-	-	16,335,407	-	3,076,904
Furniture and fixture	40,572,972	1,633,174	-	42,206,145	10%	11,973,606	4,812,858	-	16,786,463	-	25,419,682
Interior decoration	23,977,634	-	-	23,977,634	10%	12,735,352	3,649,968	-	16,385,320	-	7,592,314
Computer & computer equipment	31,344,280	1,413,045	-	32,757,325	25%	24,032,443	4,829,240	-	28,861,683	-	3,895,642
Other office equipment	26,639,824	5,131,342	-	31,771,166	10%	9,321,691	2,924,951	-	12,246,642	-	19,524,524
Software	6,191,420	-	-	6,191,420	10%-50%	5,665,939	525,481	-	6,191,420	-	-
Vehicle	59,660,526	-	-	59,660,526	20%	34,341,948	3,433,445	-	37,775,393	-	21,885,133
Land	20,131,980	-	-	20,131,980	0%	-	-	-	-	-	20,131,980
Balance as on 31 Dec 2020	**227,930,946**	**8,177,561**	**-**	**236,108,507**		**114,406,386**	**20,175,943**	**-**	**134,582,329**	**-**	**101,526,178**
Balance as on 31 Dec 2019	**192,140,274**	**45,048,975**	**9,258,301**	**227,930,948**		**105,409,060**	**16,381,458**	**7,384,129**	**114,406,389**	**1,874,172**	**113,524,559**
Right-of-use assets											
Office Space (Rent)	28,956,361	-	-	28,956,361		6,535,584	8,294,343	-	14,829,927	-	14,126,434
Balance as on 31 Dec 2020	**28,956,361**	**-**	**-**	**28,956,361**		**6,535,584**	**8,294,343**	**-**	**14,829,927**	**-**	**14,126,434**
Balance as on 31 Dec 2019	**-**	**28,956,361**	**-**	**28,956,361**		**-**	**6,535,584**	**-**	**6,535,584**	**-**	**22,420,777**

Company

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2020
	Balance at 1 Jan 2020	Additions	Disposal/ written off	Balance as at 31 Dec 2020		Accumulated at 1 Jan 2020	Charge for the year	Adjustments	Accumulated at 31 Dec 2020		
Office space	19,412,311	-	-	19,412,311	10%	16,335,407	-	-	16,335,407	-	3,076,904
Furniture and fixture	23,794,696	1,633,174	-	25,427,869	10%	5,879,518	2,671,840	-	8,551,358	-	16,876,511
Interior decoration	11,802,397	-	-	11,802,397	10%	6,442,760	1,992,095	-	8,434,855	-	3,367,542
Computer & computer equipment	7,258,860	767,745	-	8,026,605	25%	5,087,301	1,411,443	-	6,498,744	-	1,527,861
Other office equipment	7,209,740	2,504,405	-	9,714,145	10%	3,157,170	564,748	-	3,721,918	-	5,992,227
Software	2,117,749	-	-	2,117,749	10%-50%	2,045,109	72,640	-	2,117,749	-	-
Vehicle	33,720,690	-	-	33,720,690	20%	18,143,010	2,059,422	-	20,202,432	-	13,518,258
Land	20,131,980	-	-	20,131,980	0%	-	-	-	-	-	20,131,980
Balance as on 31 Dec 2020	**125,448,423**	**4,905,323**	**-**	**130,353,746**		**57,090,275**	**8,772,188**	**-**	**65,862,463**	**-**	**64,491,283**
Balance as on 31 Dec 2019	**91,311,580**	**40,784,126**	**6,647,282**	**125,448,424**		**54,216,759**	**8,234,474**	**5,360,956**	**57,090,277**	**1,286,326**	**68,358,147**

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2020

Amount in Taka

The World Bank

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2020
	Balance at 1 Jan 2020	Additions	Disposal/ written off	Balance as at 31 Dec 2020		Accumulated at 1 Jan 2020	Charge for the year	Adjustments	Accumulated at 31 Dec 2020		
Office space	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	14,685,526	-	-	14,685,526	10%	4,620,007	1,534,323	-	6,154,330	-	8,531,196
Interior decoration	12,175,237	-	-	12,175,237	10%	6,292,592	1,657,873	-	7,950,465	-	4,224,772
Computer & computer equipment	22,693,903	645,300	-	23,339,203	25%	17,655,657	3,315,766	-	20,971,423	-	2,367,780
Other office equipment	18,625,862	2,626,938	-	21,252,799	10%	5,530,455	2,314,286	-	7,844,741	-	13,408,059
Software	3,674,893	-	-	3,674,893	10%-50%	3,235,732	439,161	-	3,674,893	-	-
Vehicle	25,939,836	-	-	25,939,836	20%	16,198,937	1,374,023	-	17,572,960	-	8,366,876
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2020	**97,795,257**	**3,272,238**	**-**	**101,067,494**		**53,533,379**	**10,635,432**	**-**	**64,168,811**	**-**	**36,898,683**
Balance as on 31 Dec 2019	**95,800,952**	**4,264,849**	**2,270,543**	**97,795,258**		**47,264,337**	**8,009,747**	**1,740,704**	**53,533,380**	**529,839**	**44,261,878**

SNV-Netherlands Development Organisation

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2020
	Balance at 1 Jan 2020	Additions	Disposal/ written off	Balance as at 31 Dec 2020		Accumulated at 1 Jan 2020	Charge for the year	Adjustments	Accumulated at 31 Dec 2020		
Office space	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	2,092,750	-	-	2,092,750	10%	1,474,081	606,695	-	2,080,775	-	11,975
Interior decoration	-	-	-	-	10%	-	-	-	-	-	-
Computer & computer equipment	537,916	-	-	537,916	25%	520,222	17,694	-	537,916	-	-
Other office equipment	614,815	-	-	614,815	10%	546,601	21,532	-	568,133	-	46,682
Software	398,778	-	-	398,778	10%-50%	385,099	13,679	-	398,778	-	-
Vehicle	-	-	-	-	20%	-	-	-	-	-	-
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2020	**3,644,259**	**-**	**-**	**3,644,259**		**2,926,002**	**659,600**	**-**	**3,585,603**	**-**	**58,656**
Balance as on 31 Dec 2019	**3,864,919**	**-**	**220,660**	**3,644,259**		**3,021,407**	**89,766**	**185,170**	**2,926,003**	**35,490**	**718,256**

Infrastructure Development Company Limited

Schedule of Fixed Assets

as at December 31, 2020

Amount in Taka

KFW

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2020
	Balance at 1 Jan 2020	Additions	Disposal/ written off	Balance as at 31 Dec 2020		Accumulated at 1 Jan 2020	Charge for the year	Adjustments	Accumulated at 31 Dec 2020		
Office space	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	-	-	-	-	10%	-	-	-	-	-	-
Interior decoration	-	-	-	-	10%	-	-	-	-	-	-
Computer & computer equipment	853,600	-	-	853,600	25%	769,264	84,337	-	853,600	-	-
Other office equipment	189,407	-	-	189,407	10%	87,465	24,386	-	111,851	-	77,556
Software	-	-	-	-	10%-50%	-	-	-	-	-	-
Vehicle	-	-	-	-	20%	-	-	-	-	-	-
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2020	**1,043,007**	**-**	**-**	**1,043,007**		**856,729**	**108,723**	**-**	**965,451**	**-**	**77,556**
Balance as on 31 Dec 2019	**1,162,823**	**-**	**119,816**	**1,043,007**		**906,556**	**47,471**	**97,299**	**856,728**	**22,517**	**186,279**

INTEGRATED REPORT DISCLOSURE CHECKLIST

SL No.	Page Reference	Chapter/ Section Reference
1 Elements of an Integrated Report		
1.1 Organizational overview and external environment		
An integrated report should disclose the main activities of the organization and the environment of which it operates.	12-17 32-67 224	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:	19 106-121 149-152	About IDCOL, Director's Report, Report on Internal Control
• **The organization's:**		
• Culture, ethics and values	19 106-121 149-152	About IDCOL, Director's Report, Report on Internal Control
• Ownership and operating structure including size of the organization, location of its operations)	75 88-89 119	Shareholding Structure, Organogram, Directors' Report (no-21)
• Principal activities and markets	12-17 32-67 224	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)	32-67	Programs and Projects
• Position within the value chain	31	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	188-195 203-211 212-281	Human Resource Management, Financial Highlights, 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)	12-17 32-67	From the CEO's Desk, Programs and Projects
• The legitimate needs and interests of key stakeholders	32-67	Programs and Projects
• Macro and micro economic conditions, such as economic stability, globalization, and industry trends	106-121	Director's Report

SL No.	Page Reference	Chapter/ Section Reference
• Market forces, such as the relative strengths and weaknesses of competitors and customer demand	32-67	Programs and Projects
• The speed and effect of technological change	32-67	Programs and Projects
• Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	186-187	Corporate Social Responsibility
• Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	175-185 196-197	Environmental and Social Compliance, Disaster Management
• The legislative and regulatory environment in which the organization operates	149-152 106-121	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	32-67	Programs and Projects
1.2 Governance		
An integrated report should show how the organization's governance structure supports its ability to create value in the short, medium and long term.	106-121	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	78-83 106-121 92-93	Profile of the Directors, Director's Report, Profile of the Management
• Mandatory and voluntary code of corporate governance adopted by the Company.	121	Director's Report (no-29)
• Code of ethical conduct adopted by the Company in relation to ethical business.	121 149-152	Director's Report (no-31), 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	161-167 149-152	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	106-121 12-17 157-160	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	106-121 12-17 157-160	Director's Report, From the CEO's Desk, Statement of CRO

SL No.	Page Reference	Chapter/ Section Reference
• Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	122-129	Director's Responsibility
• The responsibility those charged with governance take for promoting and enabling innovation	106-121 122-129	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.	188-195	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.	32-67 31	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.	32-67 31	Programs and Projects, Value Creation Structure
An integrated report need to identify the various forms of capitals which are essential for the success of its business operations.	32-67 31	Programs and Projects, Value Creation Structure
Financial Capital -The pool of funds that is available to the organization for use in the production of goods or provision of services.	12-17 248-255	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.	188-195	Human Resource Management

SL No.	Page Reference	Chapter/ Section Reference
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.	32-67	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	32-67 31	Programs and Projects, Value Creation Structure
An integrated report need to describe the business model, including key:		
• Inputs	32-67	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	32-67	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).		

SL No.	Page Reference	Chapter/ Section Reference
Inputs		
An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.	32-67 31	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)	12-17 32-67	From the CEO's Desk, Programs and Projects
• How the organization approaches the need to innovate	12-17	From the CEO's Desk
• How the business model has been designed to adapt to change.	32-67 31 12-17	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	12-17 188-195	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.	32-67 31	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)	32-67 31 198-199 212-281	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).	12-17 31	From the CEO's Desk, Value Creation Structure
1.5 Performance		
An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals	12-17 98-121 203-211	From the CEO's Desk, Director's Report, Financial Highlights
An integrated report should contain qualitative and quantitative information about performance that may include matters such as:		

SL No.	Page Reference	Chapter/ Section Reference
• Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them	20-21 12-17 106-121 203-211	Performance at a Glance, From the CEO's Desk, Director's Report, Financial Highlights
• The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain	106-121 37	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	106-121 161-167	Director's Report, IDCOL Risk Management Report
• The linkages between past and current performance, and between current performance and the organization's outlook.	203-211 142 212-281 168-171 12-17	Financial Highlights, 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).	32-67	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.	161-167 12-17 106-121 157-160	IDCOL Risk Management Report, From the CEO's Desk, Director's Report, Statement of the CRO
1.6 Risks, opportunities and internal controls		
An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them? And effectiveness of the system of internal controls.	161-167 157-160 149-152	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.	161-167	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.	157-160 149-152	

SL No.	Page Reference	Chapter/ Section Reference
• 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)	10-11 12-17	Chairman's Statement, From the CEO's Desk
An integrated report needs to identify:		
• The organization's short, medium and long term strategic objectives	8-73 10-11 12-17	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	10-11 12-17	Chairman's Statement, From the CEO's Desk
• How the entity has positioned in the wider market	1 12-17 106-121	A Year of Resilience Redesigning Tomorrow, From the CEO's Desk, Director's Report
• How the long term strategies relate to current business model.	32-67 31	Programs and Projects, Value Creation Structure
• The resource allocation plans it has to implement its strategy	32-67 31	Programs and Projects, Value Creation Structure
• How it will measure achievements and target outcomes for the short, medium and long term.	203-211 142 106-121	Financial Highlights, 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	31 12-17	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	161-167 149-152	IDCOL Risk Management Report, Report on Internal Control

SL No.	Page Reference	Chapter/ Section Reference
• What differentiates the organization to give it competitive advantage and enable it to create value, such as:		
• The role of innovation	12-17 32-67	From the CEO's Desk, Programs and Projects
• how the organization develops and exploits intellectual capital	188-195	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	175-185	Environmental and Social Compliance
• Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.	32-67	Programs and Projects
- Highlighted challenges facing our company and strategies to counter them	12-17 32-67	From the CEO's Desk, Programs and Projects
1.8 Outlook		
An integrated report should explain what challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance	12-17 32-67 161-167	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	157-160	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.	157-160 12-17	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	12-17	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.	188-195 32-67 31	Human Resource Management, Programs and Projects, Value Creation Structure

SL No.	Page Reference	Chapter/ Section Reference
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.	106-121	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.	168-171 6-7 144-148	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?	224-281	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	224-281	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	32-67	Programs and Projects
• Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.	122-129	Director's Responsibility
• A description of the reporting boundary and how it has been determined 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	6-7	Integrated Reporting
• A summary of the significant frameworks and methods used to quantify or evaluate material matters (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).	6-7 106-121	Navigating Through the Report, Integrated Reporting, Director's Report
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	6-7 106-121	Integrated Reporting, Director's Report

SL No.	Page Reference	Chapter/ Section Reference
• 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		
Eg:		
Follows logical structure and includes internal cross-reference as appropriate to limit repetition.		
Express concepts clearly and in as few words.		
Favors plain language over the use of jargon or highly technical terminology.		
Avoids highly generic disclosures.		
3.2 Reliability and completeness		
An integrated report should include all material matters, both positive and negative, in a balanced way and without material error	6-7 106-121 122-129	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.	12-17 32-67	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.	212-281	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	6-7 106-121	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)	203-211 20-21 142 32-67	Financial Highlights, 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.	203-211 20-21 142 32-67 226-281	Financial Highlights, 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.	31	Value Creation Structure
• Capitals		
• Content elements		
• Past, Present & Future	106-121 12-17 122-131	Director's Report, From the CEO's Desk, Director's Responsibility
• Finance and other information	212-281	Audited Financial Statements, Notes to the Financial Statements
3.5 Materiality		
An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term	31 149-152 157-160	Value Creation Structure, Report on Internal Control, Statement of CRO
3.6 Assurance on the Report		
• The policy and practice relating to seeking assurance on the report	144-148 149-152 157-160	Audit Committee Report, Report on Internal Control, Statement on CRO
• the nature and scope of assurance provided for this particular report	213-217	Auditor's Report
• any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	N/A	

SAFA BEST PRESENTED ACCOUNTS CHECKLIST

ITEMS	Page Ref.	Comments
Governance Body's Statement/Objectives		
Vision and Mission	19	
Overall objectives	1	
Core Values and Code of Conduct/Ethical principles	19	
Profile of the Organization	8-9	
Directors' profile and their representation on Board of other companies and Organization chart	78-83	
Content and comprehensiveness of coverage of matters	2-3	
Management Discussion and Analysis		
A general review of the performance of the organization	142	
Description of the performance of the various activities during the period under review. (Weightage to be given for pictorial/ graphical/tabular presentations used for this purpose.	203-211	
Description of external oversight of various functions like systems audit, internal audit by an external specialist and other measures taken to enhance credibility of internal controls and systems.	203	
A general review of the future prospects/outlook	106-121	
Information on how the company contributed to its responsibilities towards the staff(including health and safety)	19-67, 175-185, 198-199	
Information on company's contribution to the national exchequer & to the economy	106-121	
Sustainability Reporting		
Social Responsibility Initiatives (CSR)	175-195	
Environment related initiatives		
Human Resource Management		
Disaster Management		
Green Financing	32-67	
Value Added and Economic Value Added Statement	198-199	
Appropriateness of Disclosure of Accounting Policies and General Disclosure		
Disclosure of adequate and properly worded accounting policies relevant to assets, liabilities, income and expenditure in line with best reporting standards	223-281	
Compliance with requirements of concerned regulators in respective SAFA countries	130-138, 224-234	
Any specific accounting principles	130-138, 223-234	

ITEMS	Page Ref.	Comments
Clarity of disclosure as to basis of accounting followed- cash or accrual	130-138, 224-234	
Changes in accounting policies/Changes in accounting estimates		
Disclosure of comparison of actuals with budgeted figures and clarity of explanations as to variances from budgeted figures	106-121	
Consolidated statements of any other special purpose vehicle floated by the organization to meet its objectives	N/A	No parent subsidiary relationship of IDCOL
Financial Statements (including formats)		
Disclosure of all contingencies and commitments	218-281	
Comprehensive related party disclosures		
Disclosures of remuneration & facilities provided to directors & CEO		
Statement of financial position/ Balance sheet and relevant schedules		
Income statement/ Profit and loss account and relevant schedules		
Statement of cash flow		
Consolidated Financial Statement	N/A	No parent subsidiary relationship of IDCOL
Extent of compliance with the international or equivalent national standards	218-281	
Disclosures/ Contents of notes to accounts		
Information about Corporate Governance		
Board of Directors, Chairman and CEO	10-11, 12-17, 78-83	
Distribution of Shareholding	75	
Audit Committee	144-148	
Internal Control and Risk Management	143, 149-152, 161-167	
Clarity of description of role and responsibilities of various governance committees of the organization	122-129	
Presentation of any other information relevant and useful from stakeholders' perspective in the specific context of the activities of the organization	32-67	
Comprehensiveness and clarity of information about structure and functioning of the organization	88-89	
Information as to non-compliances of mandatory requirements of the concerned statute and regulator and explanation for such non compliance	168-171, 224	
Ethics and compliance	106-121	

ITEMS	Page Ref.	Comments
Adequacy of the governance measures and policies adopted by the organization in the context of the size and level of the organization	122-129	
Adequacy of diversity in terms of gender and qualifications in terms of the members of the governing body - executive and non-executive	122-129	
Risk Management and Control Environment		
Description of the Risk Management Framework	157-171	
Risk Mitigation Methodology		
Disclosure of Risk Report		
Capital Adequacy and Market Discipline		
Graphical/Table/Pictorial Data		
Performance at a Glance	20-21	
Organizational Highlights	142	
Financial Highlights	203-211	
Financial Ratios		
Return on Asset	203-211	
Return on Investment		
Return on Equity		
Earnings per Share		
OPEX as % of operating income		
Classified Loans		
Statement of Value Added and its Distribution		
Government as Taxes	198-199	
Shareholders as Dividend		
Employees as Bonus/Remuneration		
Retained by the Entity		
Economic Value Added		
Business Ratios/Information		
Statutory Liquidity Reserve (Exempted)	235, 20-21	
Cost/Income Ratio		
Net Asset Value per Share		
Capital Adequacy Ratio	168-172	
Cash Reserve Ratio (Exempted)	235	
Dividend	20-21	
Operating Profit per Share	142	
Cost of Fund		

Note

www.idcol.org

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