Celebrating 25 Years
IDCOL
TOGETHER FOR TOMORROW

ANNUAL REPORT 2021



Promoting Innovation
Partnering Progress

IDCOL
TOGETHER FOR TOMORROW



PROMOTING INNOVATION
PARTNERING PROGRESS

Despite multiple shocks in the past two years, including the scarring effects of the pandemic, Bangladesh is on its glorious journey to emerge as a developing country and IDCOL is continuously working to support the Government by laying the foundation for green, resilient, and inclusive growth. Over the years, 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.

IDCOL's key ingredient for success is its inclusive and adaptive business model that allows projects and programs respond and adapt to changing conditions. IDCOL by partnering with the Government, international development partners, and the private sector is innovatively applying the principles, lessons learned and best practices in the arena of project financing to supplement critical role of infrastructure in achieving Sustainable Development Goals. The company has so far been a part of projects which directly focuses on mitigating the issues and strengthen the climate adaptability of Bangladesh. The overall activities of IDCOL revolve around creativity and revolutionary ideas which successfully set an example for others in the country.

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 738 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.

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LETTER OF TRANSMITTAL

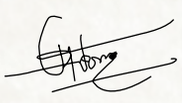
All Shareholders,

Subject: Annual Report for the year ended on December 31, 2021

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 Accounts, Statement of Changes in Equity and Statement of Cash Flows for the year ended on December 31, 2021 along with notes thereon for your reference and record.

Yours sincerely,



(M. Maftun Ahmed)
Company Secretary

No. IDCOL/AGM-25/2022

7 June 2022

NOTICE OF THE 25TH ANNUAL GENERAL MEETING

The Twenty-fifth Annual General Meeting of the Shareholders of Infrastructure Development Company Limited will be held on **Monday, 27th June 2022 at 7:15 p.m.** at the InterContinental Hotel, 1 Minto Road, Dhaka.

Agenda for the meeting are:

1. To consider and adopt Board of Director's report of the Company and the Accounts of the Company with Auditor's Report thereon for the year ended on 31 December 2021.
2. To declare dividends of the Company for the FY 2021 and increase of Company's paid up capital to BDT 788 crore.
3. To elect Director(s) in place of those retire in accordance with the regulations 79, 80 and are eligible for re-election in accordance with the regulation 81 of schedule I to the Companies Act, 1994.
4. To appoint auditor(s) and fixing up their remuneration for the FY 2022.
5. Any other business.

You are requested to kindly attend the meeting.

By order of the Board of Directors

M. Maftun Ahmed
Company Secretary

INFRASTRUCTURE DEVELOPMENT COMPANY LIMITED

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OUR INTEGRATED REPORT

Embracing Integrated Reporting

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

Our Annual Report of 2021, as an Integrated Report, takes a holistic approach to provide relevant, consistent and comparable information on the efforts made by the organization for promoting an optimistic and sustainable future as a social entity.

Scope and Reporting Boundary

Our 2021 Integrated Report covers the period from 01 January 2021 to 31 December 2021. Data presented in this report pertain to the Company and are extracted from the audited financial statements of FY 2021 along with relevant comparative information. In preparation of the report, we have committed to comply with the following:

01 **International Financial Reporting Standards (IFRS)**

02 **International Accounting Standard (IAS)**

03 **Companies Act 1994**

04 **Financial Institutions Act 1993**

05 **Securities and Exchange Rules 1987**

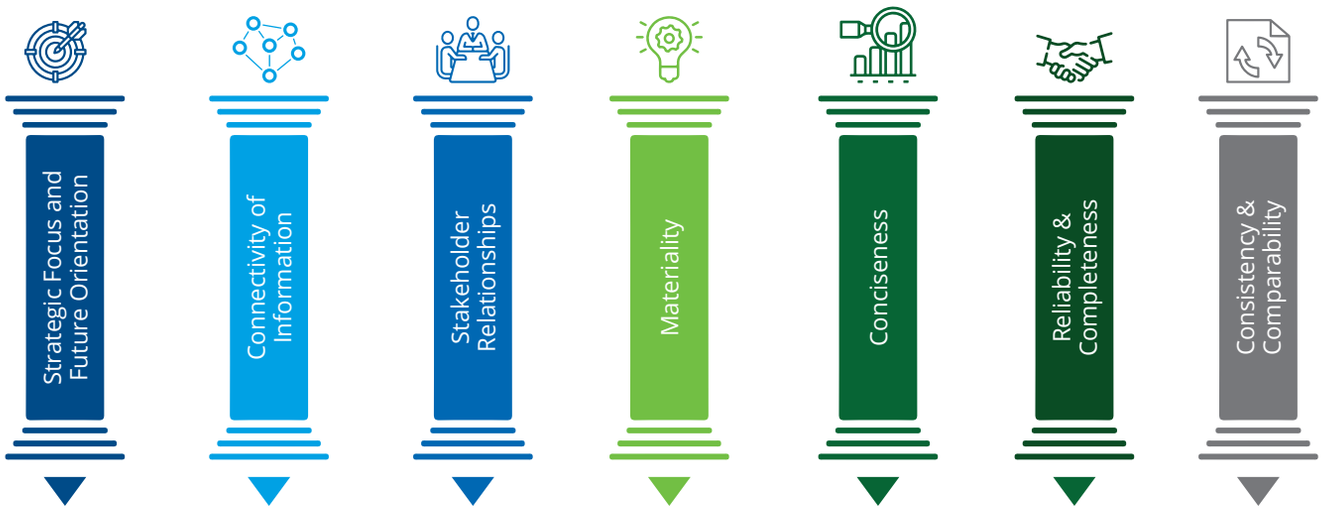
06 **Income Tax Ordinance 1984**

07 **Relevant Rules and Regulations of the Central Bank (Bangladesh Bank)**

08 **Other Applicable Laws and Regulations of the Land**

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

Pillars of our Integrated Report



Please refer to our Value Creation Structure on Page 78.

The report has been structured accordingly to cater stakeholders' needs. Please refer to the 'Table of Contents' of our report.

For more details, please refer to our Sustainability Report.

Materiality of our report depends on Communication with stakeholders, prioritization, monitoring performance and appropriate disclosure.

Information in this report has been summarized as per needs ensuring efficient and effective communication.

For more information, Please refer to our Corporate Governance section on Page 141.

Fore more information, Please refer to Notes to the Financial Statements section on Page 239.

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

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

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

Our Annual Integrated Report comprises of activities that have been carried out within the geographical boundaries of Bangladesh, as IDCOL does not have operation or any subsidiary in any other country. Furthermore, there have not been any significant changes to the scope, boundary and reporting basis since the last reporting date as of December 31, 2021.

External Assurance

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

Sl.	Description of the Report	External Assurance
1.	Financial Statements Audit	Rahman Rahman Huq, Chartered Accountants (KPMG in Bangladesh)
2.	Financial Statements Comprehensive Audit & Classification of Loans Audit	Bangladesh Bank
3.	Financial Statements of various Development Partner Funded Projects Audit	Rahman Rahman Huq, Chartered Accountants (KPMG in Bangladesh)
		Foreign Aided Project Audit Directorate (FAPAD)
		Office of the Comptroller & Auditor General (OCAG), Bangladesh

Sl.	Description of the Report	External Assurance
4.	Procurement Audit	The World Bank
		FAPAD
		Bangladesh Bank
5.	Environmental Audit	Development Partners (The World Bank, ADB, JICA, KfW, AFD, GCF etc.)
6.	Entity Credit Rating	Credit Rating Agency of Bangladesh (CRAB)
7.	Income Tax Assessment	Large Taxpayers Unit (LTU), National Board of Revenue
8.	Tax and VAT Consultancy	Mosharaf Hossain & Associates

Comparability and Materiality

Our Annual Integrated Report presents information on the same basis as 2020 Integrated Report with respect to measurement methodology and applicable time-frame. The report aims to provide all the material information on business model, strategy, performance, governance and prospects in a balanced and concise manner to cater the information needs of our stakeholders. The report has been developed with a continuous focus on improvement of communication with our stakeholders on critical aspects that are likely to influence the social, economic and geographic environments in which IDCOL operates.

Availability of the Annual Report

The hard copy of the annual report is sent to all the shareholders, prior to holding the Annual General Meeting, giving due period of notice. In addition, as an effort to improve sustainability through reduction of carbon footprint, our report has been made available on the company website http://www.idcol.org for catering the information needs of all the stakeholders.

Responsibility over the Integrity of the Integrated Report

I, on behalf of the board, acknowledge the responsibility to ensure the integrity of the disclosure made in the 2021 Integrated Report which comprise the discussion, analysis and disclosures pertaining to stewardship, to be read in conjunction with the audited financial statements. The integrated report, incorporated in this annual report has been prepared in accordance with the IIRC's international reporting framework and addresses the material issues pertaining to the long-term sustainability of the organization and presents fairly the integrated performance of IDCOL and the impacts thereof.



Alamgir Morshed
Executive Director & CEO



COMPANY OVERVIEW

COMPANY INFORMATION

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

Telephone
9102171-8,
+8809666743265
16653 (Call Center for REP)

Fax
+880-2- 9102084

E-mail
contact@idcol.org

Website
www.idcol.org

Business Hours
10 am to 6 pm
Sunday to Thursday

Auditors
Rahman Rahman Huq
(KPMG Bangladesh)

External Legal Panel

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

Bankers

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

VISION, MISSION & CORE VALUES



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

TOTAL ASSET

2021
BDT 100,129 mn

2020
BDT 98,201 mn

NET PROFIT AFTER TAX

2021
BDT 1,097 mn

2020
BDT 1,535 mn

2021
BDT 10,095 mn

2020
BDT 9,229 mn

SHAREHOLDER'S EQUITY

LOANS & ADVANCES

2021
BDT 75,142 mn

2020
BDT 79,127 mn

2021
BDT 3,977 mn

2020
BDT 3,182 mn

OPERATING PROFIT

NO. OF EMPLOYEES

2021
423

CSR EXPENDITURE

2021
BDT 4.7 mn

2021
AA1/ST-1

CREDIT RATING

2021

BDT 1,775 mn

2020

BDT 1,579 mn

CONTRIBUTION TO NATIONAL EXCHEQUER

ROA

2021

1.10%

2020

1.56%

ROE

2021

10.86%

2020

16.63%

COST TO INCOME RATIO

2021

9.15%

2020

14.12%

2021

BDT 14.86

2020

BDT 20.80

EPS

ROI

2021

1.45%

2020

1.92%

NET PROFIT MARGIN

2021

20.73%

2020

34.24%

NPL

2021

5.74%

2020

1.53%



STEWARDSHIP

REPRESENTATION IN IDCOL BOARD

IDCOL is committed to ensure that the board is comprised of members as per the criteria mandated by the government and members of the board bring diverse background, expertise and experience on the table for the betterment of the company. IDCOL is managed by a nine member independent Board of Directors comprising five senior government officials and three prominent entrepreneurs from the private sector nominated by the government and a fulltime Executive Director & Chief Executive Officer. The following table lists current directors of IDCOL Board and members who have retired from the board since FY 2020.

Director's Name	No. Of Shares	Total Face Value Of Shareholdings (In BDT)
Ms. Fatima Yasmin, Chairman	450	45,000
Mr. Abdur Rouf Talukder, Director	50	5,000
Mr. M. Tofazzel Hossain Miah, Director	50	5,000
Mr. Md. Habibur Rahman, Director	50	5,000
Mr. Abdul Baki, Director	50	5,000
Ms. Nihad Kabir, Director	50	5,000
Mr. Abdul Haque, Director	50	5,000
Mr. A. K. M. Nurul Fazal Bulbul, Director	50	5,000
Mr. Alamgir Morshed	50	5,000
Board Members who retired since last year:		
Mr. Mahmood Malik, ED and CEO	50	5,000
Dr. Md. Jafar Uddin, Director	50	5,000

Shareholding Structure of IDCOL

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

SL. No.	Name of shareholders	No. of shares	Paid-up Capital in BDT	Percentage
1	Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	73,799,000	7,379,900,000	99.9986450%
2	Ms. Fatima Yasmin, Secretary, Economic Relations Division (ERD), Ministry of Finance	450	45,000	0.0006098%
3	Dr. Ahmad Kaikaus, Principal Secretary to the HPM	50	5,000	0.0000678%
4	Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue, Ministry of Finance	50	5,000	0.0000678%
5	Mr. Abdur Rouf Talukder, Senior Secretary, Finance Division, Ministry of Finance	50	5,000	0.0000678%
6	Mr. M. Tofazzel Hossain Miah, Senior Secretary, Prime Minister's Office	50	5,000	0.0000678%
7	Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce	50	5,000	0.0000678%
8	Mr. Md. Habibur Rahman, Secretary, Power Division	50	5,000	0.0000678%
9	Mr. Abdul Baki, Additional Secretary, Economic Relations Division (ERD), Ministry of Finance	50	5,000	0.0000678%
10	Ms. Nihad Kabir, Senior Partner, Syed Ishtiaq Ahmed & Associates	50	5,000	0.0000678%
11	Mr. Abdul Haque, Managing Director, Haq's Bay Automobiles Ltd.	50	5,000	0.0000678%
12	Mr. A. K. M. Nurul Fazal Bulbul, Vice-chairman, Central Depository Bangladesh Limited (CDBL)	50	5,000	0.0000678%
13	Mr. Alamgir Morshed, Executive Director and CEO, IDCOL	50	5,000	0.0000678%
Total		**73,800,000**	**7,380,000,000**	**100.00%**

BOARD OF DIRECTORS



Standing from left:

Name	Designation
Mr. Abdul Haque	Managing Director of Haq's Bay Automobiles Limited and Director, IDCOL
Mr. A. K. M. Nurul Fazal Bulbul	Vice-chairman, Central Depository Bangladesh Limited (CDBL) and Director, IDCOL
Mr. Abdul Baki	Additional Secretary, Economic Relations Division (ERD), Ministry of Finance and Director, IDCOL
Md. Habibur Rahman	Secretary, Power Division and Director, IDCOL
Mr. Alamgir Morshed	Executive Director and CEO, IDCOL



Sitting from left:

Name	Designation
Mr. M. Tofazzel Hossain Miah	Senior Secretary, Prime Minister's Office and Director, IDCOL
Ms. Fatima Yasmin	Secretary, Economic Relations Division (ERD), Ministry of Finance, and Chairman, IDCOL
Mr. Abdur Rouf Talukder	Senior Secretary, Finance Division, Ministry of Finance and Director, IDCOL
Ms. Nihad Kabir	Senior Partner, Syed Ishtiaq Ahmed & Associates and Director, IDCOL

DIRECTORS' PROFILE



Ms. Fatima Yasmin

Secretary, Economic Relations Division (ERD), Ministry of Finance, and Chairman, IDCOL

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

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

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



Mr. Abdur Rouf Talukder

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

Mr. Abdur Rouf Talukder joined the Bangladesh Civil Service in February, 1988 (BCS 1985 batch). He worked in wide range of government positions in his long illustrious career but his specialization in public finance and economic management has brought him back to Finance Division at almost every rank of his career. He worked more than 18 years in Finance Division before elevating to the position of Finance Secretary on 17 July 2018.

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

In Finance Division, he has contributed in important areas like budget reform, macroeconomic management and introduction of IT in PFM. He was instrumental in implementing Medium Term Budget Framework (MTBF) and new Budget and Accounting Classification System (BACS). He played the key role in introduction of payroll automation for the government employees, EFT for pensioners and automation of National Saving Certificates. He is one of the key contributors in drafting the Public Money and Budget management Act, 2009 and Autonomous Bodies' Surplus Revenue Act. 2020.

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

As Finance Secretary, he is Director, Board of Directors of Bangladesh Bank (Central Bank of Bangladesh); Chairman, Bangladesh Infrastructure Finance Fund Limited (BIFFL); Chairman, National Human Resource Development Fund (NHRDF); Vice-Chairman, IDB-BISEW; Deputy Chairman, SABINCO; Director, Board of Biman Bangladesh Airlines; Director, Infrastructure Development Company Ltd. (IDCOL); Member of the Board of Governors at Bangladesh Institute of Development Studies (BIDS), Bangladesh Judicial Service Commission, BPATC, BIISS and National Defense College etc.

Mr. Talukder received the 'National Integrity Award, 2021'. He also led the Finance Division to achieve 'Public Administration Award 2021' at the National Level Technical Institution category.

Mr. Talukder holds an M.Sc. in Development Management from the University of Birmingham, UK and an MBA from Institute of Business Administration (IBA) of the University of Dhaka. In addition, he attended a number of professional training courses at Harvard Kennedy School of Government, Boston, USA; IMF Institute, Washington DC, USA; Crown Agents Training & Professional Development Center, London, UK; Institute of Public Finance (IPF), Dhaka, etc.

Mr. Talukder, born on August, 1964, is married to Mrs. Selina Rawshan, a teacher by profession and they have one daughter and one son.



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

Mr. M. Tofazzel Hossain Miah serves as the Senior Secretary at Prime Minister's Office from January 12, 2022. He had been the Secretary at Prime Minister's Office since January 9, 2020. Prior to this, he worked as Private Secretary to the Hon'ble Prime Minister of Bangladesh for couple of years.

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

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

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

Mr. Tofazzel is a prolific writer. He has been author to several books and articles on reverent life and leadership of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman and the inclusive socio-economic advancement of Bangladesh. Moreover, he edited the book titled "Sheikh Hasina: Selected Sayings" which contains significant directions and inspiring sayings by the Hon'ble Prime Minister of Bangladesh Sheikh Hasina.



Md. Habibur Rahman

Secretary, Power Division and Director, IDCOL

Md. Habibur Rahman joined the Power Division as Secretary on 12 November, 2020. Prior to this appointment he was the Additional Secretary (Budget 1) in the Finance Division, Ministry of Finance.

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, Economic Relations Division (ERD), Ministry of Finance and Director, IDCOL

Mr. Abdul Baki is the Additional Secretary and Wing Chief (World Bank Wing), Economic Relations Division, Ministry of Finance, Govt. of Bangladesh. He is a member of 11 BCS batch, joined in 1993. He did his Masters in Economics from Jahangirnagar University. He also completed Masters in Governance and Development from BRAC University.

Mr. Baki is highly motivated, analytical and result-oriented an accomplished civil servant with more than 29 years of experience driving results in complex and fast paced public sector environments. He is 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. Apart from wide range of experiences in public sector management, some of his areas of interest are; public policy analysis, development cooperation, institutional reforms, research and development. He has publications in different national and international journals on various socio economic and contemporary issues, such as - Bangladesh: Unlocking the potentials of Demographic Dividend; Poverty Reduction, Growth performance and Governance: Policy implications for Bangladesh; a study of policy makers understanding of response to climate change in Bangladesh, Micro credit programme – a comparative study between GO and NGO's operation, Bangladesh at 50.

Mr. Baki is a Director of both Infrastructure Investment Facilitation Company (IIFC) and Infrastructure Development Company Limited (IDCOL). He has also served in the capacity of Executive Director and CEO (Interim) for IDCOL from August 2021 to March 2022. 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, Jahangir Nagar University 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

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

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

Ms. Nihad is the immediate past President of Metropolitan Chamber of Commerce and Industry, Dhaka (MCCI), where she served 5 consecutive terms, and is now continuing as a member of the Board of Directors of MCCI. She is currently Chairperson of the Board of Trustees of BUILD (Business Initiative Leading Development), a public private dialogue platform which facilitates dialogue between Government and the private sector for the betterment of the economy and the business climate. MCCI, established in 1904, is the oldest chamber of commerce and industry in the country, representing large industry and trade. As President of MCCI, and as Chairperson of BUILD she has been and continues to be actively engaged in advocacy for the betterment of the economy, including policy, process and legal reform. Prior to her role as President of MCCI, she was the Vice President and a Committee Member of MCCI in the past. She is involved with entrepreneurship development in conjunction with the iDEA Fund and a2i. She participates regularly as a speaker and panelist in various forums, and has participated in various programs of BPATC, of which she is currently a member of the Board of Governors.

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

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

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



Mr. Abdul Haque

Managing Director of Haq's Bay Automobiles Limited and 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 remarkable contribution in trade and business development of the country.

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

Mr. Haque has active participation in voluntary and philanthropic activities involving being Founding Member of Independent University, Bangladesh (IUB), 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

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

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

He is also the Co-founder of (1) EXIM Bank Ltd., (2) Sunlife Insurance Co., (3) Japan-Bangladesh Medical Associates, and (4) El Noor Group etc. He is the Vice-Chairman of Central Depository Bangladesh Ltd. (CDBL) and the Director of Infrastructure Investment Facilitations Company (Govt. owned PPP Service Provider Company) since 2011. He is also serving in the capacity of Advisor for Japan-Bangladesh Hospital, Sunlife Insurance Co., AML Group etc. In the past, he served as Founder Board Audit Chairman of EXIM Bank as well as Chairman of IT and Green Banking. He was the Director of FBCCI, SAARC Chamber, OIC Business Forum, Central Zakat Board and FBCCI Foundation. During 1990s, he also served as Group Management Consultant or Advisor of Akij Group, Navana Group, Padma-Sonali Group & Swedish Motors as well. Mr. Bulbul has achieved CIP status for 4 (Four) times from 2008-2012. Mr. Bulbul is serving in the capacity of Director of IDCOL since April 2018.

As an education philanthropist, Mr. Bulbul is serving as Trustee of the two reputed University i.e. EXIM Agriculture University & BIU, Secretary of Research & Training at Bangladesh Association of Banks (An apex body of 38 private Banks of the country) and Vice Chairman of Islamic Banks Consultative Forum (IBCF -An apex body of Islamic Banking Industry of the country). He has been elected as Secretary General of Gulshan Central Mosque & Eidgah Society.

Other than corporate affairs, Mr. Bulbul has vast involvement in CSR activities and sports through EXIM bank Foundation and Bangladesh Association of Banks (BAB). He had been the moderator of many national seminars and workshops as well as had participated in many international seminars and summits. He has two popular publications and has received many prestigious awards. He is one of the Patrons of Army Golf Club and permanent member of the prestigious Dhaka Club Ltd., apart from his involvement with many national organizations such as Anjuman, 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, Vice-President of National Olympic Academy, and Vice-President of Anjuman Mufidul Islam.

His father Late M. Noor was imminent Civil Servant and mother Late Fazilatun Noor was a social worker. His wife Advocate Shaila Bulbul was ex APP of Dhaka Judge Court and Notary Public for whole Bangladesh. His only son Ahmed Nafis Arafat and two daughters Nafisa Meena and Nafisa Madina are studying under Cambridge curriculum. His sister and brothers are well established in their respective fields. Mr. Bulbul's ancestors are rooted in Bikrampur, Munshiganj and his Grandfather Late Ayet Ali Master was a popular school teacher in the then British India and a sincere organizer of British-Indian independence movement.

Mr. Bulbul was elected General Secretary of National Student League In 1984 and was elected unanimous president. He played a significant role in the democratic movement in 1990 and took the charge of the Chairman of the Central Youth League. With this continuation, he was elected as a member of the Central Secretariat in Bangladesh Awami League Central Committee for two terms from 1992 to 2002. For a long time, he served as Founder Executive Committee Member of the Father of the Nation Bangabandhu Sk. Mujib Memorial Museum at Dhanmondi. Although in new century, he has parted ways with organizational politics and got involved in corporate social life.



Mr. Alamgir Morshed
Executive Director and CEO, IDCOL

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

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

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

Mr. Morshed comes with industry leading expertise in stakeholders' relationship management, business development, financial management & credit risk management and frequently shares his seasoned banking experience in various forums as a keynote speaker. He played an active role in the Sovereign Rating Advisory for Bangladesh. He has been a key contributor to Bangladesh Foreign Exchange Dealers Association (BAFEDA) and a member of Syllabus and Exam Review Committee, Institute of Bankers, Bangladesh (IBB).

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

PROFILE OF SHAREHOLDERS
OTHER THAN DIRECTORS



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 been successful in attaining 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 stint as a part-time faculty member at Collin County Community College in Texas, USA and at American International University, Bangladesh.

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

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



Mr. Abu Hena Md. Rahmatul Muneem
Senior Secretary, Internal Resources Division (IRD) & Chairman, National Board of Revenue (NBR) Ministry of Finance

Mr. Abu Hena Md. Rahmatul Muneem joined as Senior Secretary, Internal Resources Division & Chairman, National Board of Revenue, Bangladesh on January 6, 2020. A highly accomplished and professional civil servant, Mr. Muneem has 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 January 21, 1986. Prior to assuming his current post, he served as the Senior Secretary of Energy and Mineral Resources Division, Bangladesh.

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

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



Tapan Kanti Ghosh
Senior Secretary,
Ministry of Commerce

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

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

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

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

HALL OF FAME

FORMER CHAIRPERSONS OF IDCOL BOARD OF DIRECTORS



Dr. Masihur Rahman

14 May 1997
14 January 2002



Mr. Anisul Huq Chowdhury

14 January 2002
22 July 2003



Mr. Mirza Tasadduq Hussain Beg

22 July 2003
24 February 2005



Mr. M Musharraf Hussain Bhuiyan

2 November 2008
26 October 2011



Mr. Iqbal Mahmood

26 October 2011
18 January 2013



Mr. Md. Abul Kalam Azad

18 January 2013
20 February 2014



Mr. Md. Ismail Zabihullah

24 February 2005
23 November 2006



Mr. M. Rafiqul Islam

23 November 2006
22 March 2007



Mr. Md. Aminul Islam Bhuiyan

22 March 2007
2 November 2008



Mr. Mohammed Mejbahuddin

20 February 2014
30 January 2017



Mr. Kazi Shofiqul Azam

30 January 2017
20 November 2018



Mr. Monowar Ahmed

20 November 2018
25 March 2020

CHAIRMAN'S COMMUNIQUE



Committed to Sustainable Industrialisation

The vital role of a key development finance institution like IDCOL is truly important for Bangladesh to accelerate the economic and social ground gained in the 21st century.

Dear shareholders and stakeholders of IDCOL,

On behalf of the Board of Directors, I am happy to present IDCOL's Annual Report and audited financial statements for the year ending December 31, 2021. I hope all of you are in good health and staying safe.

Though Bangladesh continued to face challenges amid the continuing impacts of the Covid-19 pandemic, the nation witnessed an economic resurgence, with GDP growth of 6.94% in FY2020-21, up from 3.45% in the previous fiscal year. This was unlike many countries that are still reeling under the impact of the pandemic, and Bangladesh credibly navigating through severe extraneous shock truly attests to the progress the country has achieved over the decades. The government under the leadership of the Honourable Prime Minister Sheikh Hasina has been lauded globally for the effective stewardship.

At IDCOL, though the year was not without its fair share of challenges, we remained resilient by our resolve to perform against the odds. This spirit spawns from our inspiring vision and purpose to contribute to the socio-economic development of Bangladesh and make a difference in the lives of its people.

The impact of our work is a major motivating factor and we are energised at what remains ahead of us, as Bangladesh makes the historic leap to the ranks of middle-income country and a developed nation by 2041. The nation is amongst the few frontier markets witnessing a major economic transition and, as a Company whose future is intrinsically linked to the destiny of Bangladesh, we remain deeply aware of the momentous opportunity at hand.

Partnering Bangladesh's Growth Journey in Core Infrastructure Development

The fourth industrial revolution or "4IR" is rapidly disrupting and transforming global socio-economic and political norms and institutions. Further, developing countries like Bangladesh are also undergoing a major demographic transformation, especially driven by the pandemic, as more and more people adopt digital technologies made more pervasive by the government's vision of a Digital Bangladesh. There is exciting promise and potential for the nation, which is at the confluence of these megatrends.

At IDCOL, as a longstanding government-owned development finance institution, we have a huge role to play in this transformation by facilitating and channelling private investment into new infrastructure projects and helping develop institutional capacity to not only enable Bangladesh to achieve its economic growth potential, but also contribute to its efforts in achieving the Sustainable Development Goals (SDGs).

Since its inception, IDCOL has been playing a key role in bridging the financing gap for developing large infrastructure, renewable energy and energy efficiency projects and assets in Bangladesh. Further, the Company also provides long term funding facility for the development and expansion of both private and public sector projects. Hence, within a few decades since its inception, IDCOL now stands as the market leader in private sector energy and infrastructure financing in Bangladesh.

Our infrastructure and public private partnership (PPP) practice, which has established itself as a specialist in financing large and medium-scale infrastructure projects, can play a huge role here. With the division's total investment portfolio surpassing USD 1 billion and its current loan portfolio of around USD 590 million, there is potential to grow even further as the government has prioritized infrastructure development to accelerate post-pandemic economic recovery. Being the pioneer in infrastructure financing, we are well-positioned to take advantage of future opportunities in segments such as telecom and ICT, power and energy, ports, economic zones, roads, social and tourism infrastructure, and so on.

IDCOL and Nation-Building

31%	22%	USD116 mn	BDT 334 cr	BDT 1,200 cr
Financed private sector power generation capacity installation	Supported export container handling capacity	Extended investment to ICT & telecom sector (US$)	Financing extended to economic zones; BDT 500 cr. financing approved	Financing extended to infrastructure backward linkage industries

From Climate Action to Action for the Climate

Bangladesh is a signatory of the Paris Agreement, which makes it contingent upon the nation to commit to changing the current course towards combating climate change and harbouring sustainable development pathways by limiting global warming within 1.5–2^{0}C above pre-industrial levels.

At IDCOL, we are committed to a scenario where economic growth and environmental sustainability go hand-in-hand. We believe that one cannot be at the cost of the other and are devoted to support the government's objective of improving energy intensity in 2030 by 20% compared to the 2013 level.

In light of this, we are associated with both concessionary and market-based financing as well as capacity building across a number of critical interventional areas, including energy-efficient equipment financing, green brick program, green building development and improved cook stove (ICS) program.

Our industrial energy efficiency portfolio currently stands at BDT 1,216 cr; out of which BDT 680 cr has been extended for financing energy efficient equipment. Considering the growing demand for moving towards an energy efficient industrial world, IDCOL's concentration in this segment is likely to increase significantly in the coming days.

Among the various technologies introduced in efficient household heating and cooking methods, stoves are the most ubiquitous in both urban and rural communities. By improving the efficiency of wood-burning stoves, the toxic smoke produced can be reduced and health risks minimised, while also ensuring contained emissions. On this front, we are proud to have distributed 2.9 mn stoves under ICS, which has had a material impact in reducing solid fuels use, indoor air pollution and GHG emission.

IDCOL's Solar Home System (SHS) and Improved Cook-stoves (ICS) programs significantly reduce emission of carbon dioxide (CO_2) in the atmosphere. Both programs are registered as Clean Development Mechanism (CDM) projects under United Nations Convention for Climate Change (UNFCCC). As per CDM mechanism, the reduction of CO_2 emission through program interventions/ technologies can be quantified. UNFCCC issues Certified Emission Reduction (CER) credits to CDM projects time to time after verification of performance and operational status of a program over a specific monitoring period. Notably, each CER is issued against reduction of 1 ton carbon dioxide emission.

UNFCCC issued 456,395 CERs under IDCOL ICS Program in April 2021 and 1,223,696 CERs under IDCOL SHS Program in November 2021. Proceeds from trading of such CERs will help IDCOL to support its different renewable energy initiatives.

We have been able to secure JPY 14.489 bn credit line for energy efficiency and conservation projects, and another EUR 100 mn for energy efficiency, renewable energy & environmental services projects, which collectively comprise a substantive boost to these segments in the future.

IDCOL and Climate Action

BDT 680 cr	BDT 224 cr	2.9 mn	260%
Financing extended to energy-efficient equipment	Financing approval for green brick program	Stoves financed under Improved Cook Stove (ICS) program	Portfolio growth over a period of only 4 years (2017-2021)

Focused On Sustainable Electrification through Renewable Energy

As a country, Bangladesh's topography makes it prone to natural calamities. Thus, the need of the hour is to protect the environment to reduce the occurrence of these disasters, and one of the major approaches comprise sustainable electrification. Further, electricity generation through renewable sources is also a prioritised agenda of the government, especially with the country being a signatory of major global climate action pacts.

At IDCOL, we are comprehensively engaged in facilitating renewable energy generation through our interventions, such as long term financing and grant support, technical assistance and quality assurance, and capacity building among stakeholders. Over the years, being committed to our key impact areas, we have achieved considerable progress. Yet we believe we have a long way to go.

In the field of renewable energy, some of our notable achievements comprise installation of 4.13 mn solar home systems (SHS) that provide clean energy solutions to 18 mn beneficiaries primarily comprising those living in remote off-grid areas. Furthermore, we have also contributed to the installation of 1,515 solar irrigation pumps with approx. 40 MWp capacity in five divisions of Bangladesh, financed the construction of 61,134 biogas plants benefitting around 275,000 rural people, and approved the financing of 27 solar mini-grid projects of which 26 have already been operationalised. Some of our other key successes comprise financing the installation of 16 rooftop solar projects of 21.20 MWp aggregate capacity and also financing 10 biogas-based power plants of capacity of 10-400 kW.

Considering the diverse and multifold opportunities in renewable energy, IDCOL has also financed its first grid-tied solar project of 8 MW capacity, financed solar-powered solutions for 138 telecom BTS sites thus ensuring uninterrupted uptime and connectivity, and financed a 70 MTPD-capacity lead acid battery recycling plant.

Going forward, we will continue to play a meaningful role in green and clean electrification via sustainable energy through thoughtful and impact-driven financial solutions.

IDCOL and Clean Energy

4.13 mn
Solar home systems installed

18 mn
Total beneficiaries of solar home systems

1,515
Solar irrigation pumps installed with ~40 MWp capacity

61,134
Biogas plants developed benefitting 2.75 lakh rural people

27
Financing approved for solar mini-grid projects; 26 already operationalised

16
Financed installation of solar rooftop projects of 21.20 MWp aggregate capacity

People as Our Key Growth Drivers

Our people are our most critical asset. They are not only the face of our organisation, they also drive our performance.

As a Company focused on our core values at work, we are committed to adopting a holistic approach to ensure the well-being of our employees, enabling them to make a shift from work-life balance to work-life integration. We have put a number of programs in place that not only promote the culture of learning, development and career progression, but also for unwinding, relaxation and leisure. Such a dual thrust ensures that we achieve our targets in a stress-free environment.

On a related note, there has been added focus on diversity, meritocracy and inclusion as we strive to put together a culturally vibrant and diverse workforce that has sound representation of different age groups, experience and, of course, gender. Already, we have done well in terms of gender equity, with about 23% of our total executive workforce being women.

Since the pandemic, there has been added focus on people safety and welfare. We have actively encouraged our employees to get vaccinated and have expedited the process. During the peak of the pandemic, we also shifted to a teleworking environment, while leveraging hybrid engagement platforms for seamless interactions and smooth work flows. During this time, we also provided sanitised transportation facilities to employees who attended office, while ensuring proper work-from-home (WFH) facilities for employees more prone to get affected by the virus, e.g. pregnant colleagues.

Our Approach to Environmental, Social and Governance (ESG) Principles

At IDCOL, we have been embracing the principles of ESG way before they became a trend. We have always believed in taking ESG considerations into account while making investment decisions. This comprises the heart of our sustainable finance practice, even as we have adopted a multilayer business model with rigorous scrutiny and surveillance, extending right from business initiation to post-disbursement monitoring.

For instance, we place emphasis on such environmental aspects as air pollution, water contamination, noise, impact on biodiversity, energy conservation, etc. Further, some of the key social dimensions we take into cognisance include disturbance to community movement, impact on indigenous communities, child labour, occupational health and safety, and resettlement, among others. In addition, we also have a separate disaster management fund under each project with full readiness to tackle any adverse outcomes.

As a key function of our Board responsibilities, we believe that good governance enables the business to operate efficiently, facilitates improved access to capital, mitigates risks, and bolsters oversight of the Management and operations.

In our belief that the success of IDCOL's strategy requires it to be aligned to good governance, the Board directs and oversees the business and affairs of the Company by periodically reviewing and approving the overall strategies and significant policies. It also establishes the organisation's core values and adopts proper standards to ensure that the business operates with integrity and complies with relevant rules and regulations. To achieve this, a robust framework of risk management and internal controls have also been put into place to ensure that the corporate risk appetite is set and risks identified, assessed and managed effectively.

Reviewing Our 2021 Financial Performance

With the Covid-19 pandemic continuing to enforce challenges, our focus was to protect our performance against the adversity and build our foundations for the future. Taking this context into view, we achieved a satisfactory performance in 2021.

In 2021, our total revenue stood at BDT 5,291 mn, as compared to BDT 4,482 mn in the previous year, while our operating income stood at BDT 4,377mn and BDT 3,705 mn, respectively, in 2021 and 2020. Notably, a tight leash on costs enabled us to control our operating expenses that declined to BDT 400 mn in 2021, vs. BDT 523 mn in 2020. However, our interest expenses increased to BDT 914 mn in 2021 against BDT 777 mn in the previous year due to withdrawal from new credit line funded by AFD, KfW and WB. The combined effect of cost control and modest revenue growth had a substantial impact on our operating profit that grew by a sizeable 24.99% to BDT 3,977 mn. However, higher provisions kept aside as a matter of abundant precaution led to a 28.54% decrease in our net profit to BDT 1,097 mn in 2021. Fulfilling our nationalistic duties through higher contributions to the government purse also impacted our net profit.

Hearteningly, during the year, our total assets surpassed the BDT 100,000 mn-mark, standing at BDT 100,129 mn, against BDT 98,201 mn in the previous year. Furthermore, though our fresh disbursement was BDT 5,852 mn in 2021, down from the previous year it was a conscious decision to guard credit quality and onboard only those projects that meet our enhanced underwriting criteria. However, we believe this is only a temporary phase and disbursements should pick up with the pandemic subdued and renewed thrust on recovery of economic momentum.

With regards to another key financial metric, cost-to-income, the Company fared well, with cost-to-income declining from 14.12% in 2020 to 9.15% in 2021. This reflects our ability to calibrate our costs and expenses in line with the current business realities.

I must also mention that despite the external turbulence, we were able to maintain our credit ratings at "AA1/ST1" by CRAB, which attests to the strong business foundations we have been able to create to withstand any shocks.

IDCOL's Financial Standing, 2021

BDT 100,129 mn	BDT 5,852 mn	18.15%	BDT 3,977 mn
Total assets	Total disbursement during the year	YoY growth in total operating income	Total operating profit; 24.99% YoY growth

Key Elements of Our Mid-term Strategy

IDCOL had engaged a consulting major to work with the Board and Management to sharpen the corporate strategy and define a mid-term plan in the context of the external environment comprising large financing and hence development gaps, Bangladesh government's priorities in LDC graduation and Vision 2041, and the ongoing pandemic-induced challenges. The broad idea was to revisit the corporate priorities and work towards enabling IDCOL to remain future-fit in a constantly changing environment.

Building upon our institutional strengths, some of the key dimensions of our medium-term strategy include our first goal, which is to ensure continued investment for achieving sustainable financial and operational performance through improving our ESG practices and aligning our work in harmony with the nation's sustainable development objectives. The second goal comprises consolidating our existing portfolio around our specialist competencies in sectors such as private conventional electricity generation, renewables, ICT and telecom, private sector land and river ports, economic zones, offshore LNG terminals, hotels & tourism and healthcare, as well as diversifying our portfolio into promising high-potential sectors to circumvent concentration risks and thus achieve managed growth with reduced vulnerabilities to program or sector-specific failures.

The third goal constitutes diversification of our funding strategy to broaden access to finance from sovereign and non-sovereign sources with a view to not only optimise our average cost of capital, but also prepare for the potential impact on our access to concessionary funds with Bangladesh's formal graduation away from LDC status in 2024. The fourth goal is represented by the objective to expand our product and services portfolio by evaluating both short- and long-term finance products, such as equity finance, working capital and bridge finance, etc., within the ambit of the regulatory framework and in consonance with meeting the market requirements.

The fifth goal is to enhance our market outreach and presence through structured business development initiatives to progressively transform into a single-stop destination for infrastructure financing and services across our chosen sectors of competence. The sixth goal is to strengthen our internal control and business processes, including risk management, IT, audit and regulatory compliance, loans management, etc., to ensure optimal governance while meeting the expectations of all stakeholders. The seventh and concluding goal is to bolster our human resource capabilities, streamline our HR processes and develop a framework encompassing technical and behavioural competencies to ensure a transformed workforce that is ready for the future.

We believe a clear direction and implementation strategy will be constructive for the Management in putting plans into action. As a Board, in addition to reviewing and monitoring, we will continue to provide strategic inputs and guidance that will ensure we remain on track to meet our medium-term targets. This will only bolster our value creation platforms.

Gratitude

In closing, I would like to place on record my deepest appreciation to the Board for the immense work they have done to direct the Company to a stable path during the most trying times of pandemic. A special word of thanks to our Director, Mr Abdul Baki, Additional Secretary, Economic Relations Division, MoF, for his substantial contribution as interim-CEO of the Company. Appreciation goes to our board members from private sector, Ms. Nihad Kabir, Director, IDCOL, Mr. Abdul Haque, Director, IDCOL, and Mr. A. K. M. Nurul Fazal Bulbul, Director, IDCOL, for contributing with their invaluable knowledge and expertise. Also expressing my sincere gratitude to our board members from public sector, Mr. Abdur Rouf Talukder, Senior Secretary, Finance Division, MoF and Director, IDCOL, Mr. Tofazzel Hossain Miah, Senior Secretary, Prime Minister's Office and Director, IDCOL, and Mr. Md. Habibur Rahman, Secretary, Power Division and Director, IDCOL, for their remarkable contribution towards achieving newer heights. Our shareholders, Dr. Ahmed Kaikaus, Principal Secretary to HPM, Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resources Division & Chairman National Board of Revenue, MoF and Mr. Tapan Kanti Ghosh, Senior Secretary, Ministry of Commerce, also deserve special thanks for their valuable time and guidance.

Ample thanks to the Government of Bangladesh for their conviction in our long-term potential and continued strong support during the year. The government bodies and regulators also must be commended for managing a challenging environment in an orderly manner and ensuring that participating companies were able to do their business.

Last but not the least, a huge thanks to all the officials and staffs of IDCOL for responding exceptionally well to the challenges. The Company's resilient performance is because of their sincere efforts, timely decisions and absolute dedication. I am proud of their professionalism, commitment and energy that has helped achieve positive outcomes, all the while managing their own, at times stressful situations at home.

On behalf of the Board, I would like to express my deepest thanks to all our stakeholders.

Sincerely,

Fatima Yasmin,
Chairman, IDCOL

CEO'S STATEMENT



Focused on Advancing Bangladesh

In 2021, we continued to remain devoted to our mandate of providing financial solutions aimed at infrastructure and renewable energy development projects for materialising the vision of a low-carbon economy, while facilitating increased private sector participation and engagement.

Dear shareholders,

Though the Covid-19 pandemic continued to enforce a global economic and humanitarian crisis in 2021, for the second straight year since its onset, it will also be remembered as a period when governments, businesses and citizens rallied together behind a common cause to save lives and protect livelihoods. The tireless efforts of our frontline workers and the sheer hard work of our scientific community leading to the discovery of effective vaccines within a remarkably short period is proof that we can achieve anything if we put our collective efforts behind goals.

At IDCOL, we are proud of how the worst of times got the best out of our people, as they demonstrated courage, bonding and fellowship, showing remarkable resilience in adversity. We have many stories of bravery, optimism and belief that truly shine a light amid the unprecedented challenges. Hence, we will always reflect on the Covid-19 period as one where we functioned from a position of strength, compassion and empathy and this is the spirit we will always carry forward in our hearts.

At the time of writing this statement, though a sense of euphoria prevails that the pandemic has possibly reached an endemic stage and the world is slowly going back to normal, it is critical that we redefine this "normal" to to build a stronger future.

In this sense, at IDCOL we believe we have a critical role to play as the economy transitions to a path that takes cognisance of environmental factors, climate action and inclusion. I am proud that our work is built on action for the climate and infrastructure-driven prosperity, as we focus on innovation to deliver on these goals. Indeed, our impact in green infrastructure through renewable energy interventions directly contribute to national priorities, including the country's 8th Five Year Plan, National Determined Contributions (NDC), Bangladesh Climate Change Strategy and Action Plan (BCCSAP), The Mujib Climate Prosperity Plan and Bangladesh's international commitments under the UNFCCC Paris Agreement and the Sustainable Development Goals (SDGs).

Role of the Financial Sector Amid the Pandemic

Bangladesh is now surpassing two years of living with the corona virus pandemic. Yet, far-sighted policies of the government through major rehabilitation packages have gone a long way in stabilising the economy and restoring economic capacity. Of course, the sheer will of the people to beat challenges, which is by now an inherent part of our social fabric, has also played a major role in the continuation of economic activity.

Today, though the fallout of the pandemic on financial markets and institutions in Bangladesh has been creditably contained, cushioned by policy and regulatory support, a return to normalcy remains hesitant. After the destructive second wave of the pandemic in the second quarter of 2021, which interrupted an economic recovery that was gaining a foothold, the economy is regaining strength and resilience. The outlook is progressively improving, though there are headwinds from global developments, such as the Russia-Ukraine war and the knock-on effects of inflation, supply shortages and disrupted logistical systems. Fears of a fresh outbreak of any mutant variants of the virus also lurks in the background.

In such a scenario, accelerated economic recovery hinges on the revival of private investment. Presently, the government contributes majority in infrastructure financing. This contribution is much higher when

compared to other countries. Thus, the pace of new infrastructure creation and expanding clean energy access will necessarily require bilateral participation between the private and public sectors. In light of this, IDCOL has a major role to play through its longstanding specialisation in facilitating private sector investment and deploying public resources to build smarter and more sustainable infrastructure in the country.

IDCOL is well-placed in this regard as, since inception, it has been playing a critical role in bridging the financing gap for developing largescale infrastructure, renewable energy and energy efficiency projects in Bangladesh. Within a relatively short time period, the Company has emerged as a market leader in private sector energy and infrastructure financing in the country. Further, with an equity contribution of BDT 35 cr from the government, the Company's paid-up capital now stands at BDT 738 cr, the balance funds being generated out of Company's retained earnings, which portrays exemplary corporate performance over the years.

It is a given that a strong and well-functioning financial sector fortifies the foundations of development. In this regard, IDCOL, as a leading government-owned NBFI, remains committed to ensuring a robust and efficient financial system that supports strong, sustainable and inclusive growth with financial stability.

Performance Scorecard 2021

In the face of the pandemic-induced impacts, IDCOL adopted a more cautious stance during the year to adapt to the prevailing conditions. Thus, though our key financial metrics were impacted, albeit by a small factor, we believe our conservative actions have enabled us to not only ensure greater operational stability, but also prepare the ground for accelerated future growth. Details of a few key financial metrics have been provided below:

Total assets stood at
BDT **100,129 mn** in 2021 vs.
BDT **98,201 mn** in 2020

Total income expanded to
BDT **5,291 mn** in 2021 vs.
BDT **4,482 mn** in 2020

Loan Disbursement of BDT **5,852 mn** in 2021;
Infrastructure & PPP BDT **4,883 mn**,
IEEF BDT **452 mn**, Renewable Energy BDT **453 mn**

Total operating income stood at
BDT **3,977 mn** in 2021 vs.
BDT **3,182 mn** in 2020

Provisions were prudently increased to BDT **1,383 mn**
Lower Cost to Income ratio of **9.15%** in 2021 vs. **14.12%** in 2020 resulting from Positive Jaws

Review of Programs and Projects

IDCOL's projects and programs are segregated into five specialized segments comprising Infrastructure and PPP, Renewable Energy, Energy Efficiency, Green Climate Fund, and Advisory Services. An analysis of each is provided below.

Infrastructure and Public Private Partnership (PPP)

- **Sectoral potential**

  The Perspective Plan 2041 of the government envisages GDP growth of 9% by 2031 and 9.9% by 2041. Bangladesh is on track to shift from the United Nations' Least Developed Countries (LDCs) index in 2026, a momentous milestone and a visible showpiece of model development. Notably, graduation out of LDC requires increase in infrastructural investment from the current 2% to at least 6% of GDP. However, the level of investment required warrants private sector participation due to insufficiency of available public resources. Further, increased private sector capital can not only enable risk diversification but also free up public resources to be used in other projects, such as social development.

- **Why IDCOL?**

  IDCOL possesses longstanding expertise in mobilizing finance from bilateral and multilateral agencies, including specialist knowhow of financial closure for large and medium-scale infrastructure projects. The Company has financed 69 projects by 2021 with a loan portfolio of over US$ 590 mn.

- **Major partner**

  The major partners are Asian Development Bank (ADB) with its ongoing US$ 526 mn credit line, and Agence Française de Développement (AFD) with a credit line amounting to € 100 mn. Moreover, there is a US$ 200 mn committment from Asian Infrastructure Investment Bank (AIIB) in the pipeline.

- **Key progress achieved**

  IDCOL by 2021 has facilitated installation of 31% of Bangladesh's total private sector electricity generation capacity through investments of US$ 622 mn. It has also approved financing of 31 private sector power and captive projects with aggregate installed capacity of 3,881 MW.

  In many notable firsts, the Company extended financing to the country's first private sector land port and river port, accounting for 22% of the total annual domestic export container capacity. The Company also financed Bangladesh's one of the two offshore LNG terminals in Cox's Bazar. It also financed the first PPP project in the healthcare sector comprising a hospital offering affordable dialysis services.

  IDCOL has also extended major finance to the ICT & telecom sector (US$ 118 mn), obtained financing approval for the development of Economic Zones (BDT 500 cr), financed/obtained financing approval for infrastructure backward linkage industries (BDT 1,200 cr) and financed a hotel and tourism sector project (US$ 20 mn and BDT 1000 mn).

- **Forward outlook**

  The focus is on portfolio diversification by adding new sectors to minimise concentration risks. Apart from power, the Company has been successful in securing non-power projects in the social infrastructure, hotel and tourism, gas & other fuel-based sectors, etc.

Renewable Energy

- **Sectoral potential**

  Bangladesh government is focused on climate action and one of the key approaches comprise enhancing the share of clean electricity from renewable energy. Considering the huge potential of solar in Bangladesh, with the country receiving strong sunshine throughout the year, investments are expected in largescale solar installations in the future. Besides solar, sound potential is also exhibited by other non-conventional energy sources, such as hydropower, wind energy, biomass-based energy, etc.

- **Why IDCOL?**

  As a Company with a focus on creating a green impact, IDCOL is devoted to facilitating the government's vision of achieving 10% electricity generation from renewable energy sources by 2030. Further, with longstanding experience, the Company has emerged as a specialist in wide-scale installation of off-grid solar home systems. Thus, thanks to a unique market presence and deep specialisation, IDCOL possesses a robust competitive edge in solar rooftop, solar irrigation, solar mini grid and grid-tied sectors.

- **Major partners**

  Our major partners are World Bank with its ongoing credit line of USD 274 mn under REREDP and USD 108 mn under SREP and KfW with its ongoing credit line of EUR 70 mn.

- **Key progress achieved**

  IDCOL has achieved strong progress over the years with a diversified impact. The Company has financed 4.13 mn solar home systems (SHS), thereby benefitting as many as 18 mn people living in off-grid regions. The impact of this program has been multifold, majorly comprising continuation of activities even after sundown. Furthermore, the program has so far saved the consumption of 3.31 mn tons of kerosene worth US$ 411 mn. Besides, the installed 4.13 mn SHS will save the consumption of another 3.6 mn tons of kerosene worth US$ 1,300 mn over the next 15 years. Therefore, total saving in

terms of reduction in kerosene use is almost 3-fold of IDCOL's total credit investment. The program also helps reduce CO_2 emissions and creates a positive effect on household health.

Women are amongst the main target beneficiaries of the SHS program, fostering mobility and improved general and economic decision-making. Furthermore, with the adoption of SHS, women are found to utilise more time for tutoring children, socialising, visiting friends and neighbours, etc. Besides, the program has also contributed to the development of local support industries, leading to the creation of 75,000+ direct and 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.

Some of the other interventions include installation of 1,515 solar irrigation pumps, 61,134 biogas plants, 26 solar mini grids, 16 rooftop solar systems, 10 biogas-based power plants, etc. interestingly, IDCOL has also adopted new renewable energy projects, including a solar grid-tied project comprising an 8 MW utility-scale project, a battery recycling plant with recycling capacity of 70 MTPD and solar-powered solutions for telecom BTS sites.

- **Forward outlook**

  IDCOL expects to augment its presence in renewable energy through its existing as well as new programs such as electric vehicles (EVs), while also ensuring rigorous site monitoring and quality control via its dedicated Monitoring Unit team.



Energy Efficiency

- **Sectoral potential**

  Energy conservation has emerged as a big focus area, being a key constituent of climate action. In Bangladesh especially, there exists huge substitution demand comprising the replacement of old and energy inefficient implements with their modern and efficient counterparts. Furthermore, due to scarcity and higher cost of conventional energy, a fundamental need exists to shift towards energy efficiency.

- **Why IDCOL?**

  Through this wing, IDCOL supports the government's aim of improving energy intensity in 2030 by 20% compared to the 2013 level. The Company has already created a strong impact in the Improved Cook Stove (ICS) program and has progressively ventured into other allied fields, including financing energy-efficient equipment, modernising brick kilns through the Green Brick Program and also contributing to the development of green buildings. IDCOL has also facilitated energy efficiency funding to sectors such as RMG, cement and VRM mills, etc.

- **Major partners**

  Japan International Cooperation Agency (JICA) that has extended a credit line of JPY 14.489 bn in 2 phases, and a EUR 100 mn credit line from Agence Française de Développement (AFD). Additionally, US$ 256 mn has been approved by the GCF Board and € 40 mn credit line from KfW is under discussion stage.

- **Key progress achieved**

  IDCOL has selected a few major sectors for energy efficiency financing, including spinning & textiles, RMG, cement, steel, food processing, etc. The Company has so far extended financing of BDT 680 cr to 9 energy-efficient equipment projects, with this book already growing to constitute 7% of the total corporate portfolio.

  The Company has extended finance to its first energy-efficient commercial building, which represents a starting point for other such projects, as green building development picks up in the country. Under Green Brick Program, the Company has approved financing of BDT 224 cr for 7 projects and has already extended financing of BDT 180 cr for other projects.

  The Improved Cook Stove (ICS) is yet another area of intervention under which IDCOL has distributed 2.9 mn modern and more energy-efficient cookstoves that have contributed to kerosene savings, while protecting public health and eliminating harmful emissions. Thus, well-demonstrated interventions in reducing carbon emissions have also led to enabling access to other funding sources, like GCF, etc.

- **Forward outlook**

  IDCOL will continue to identify sound opportunities that exhibit the potential for greening the economy, emboldened by the credit lines from our development partners.



Green Climate Fund (GCF)

GCF is a key element of the historic Paris Agreement and is the world's largest climate fund. IDCOL, as the accredited entity to GCF in Bangladesh, is mandated to mobilise concessionary climate finance for projects and programs that meet the climate change mitigation and adaptation needs of the country. Notably, IDCOL is Bangladesh's first national accredited entity of GCF.

In 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 first private sector concessional GCF credit line for Bangladesh and comprises a US$ 340.5 mn package.

Furthermore, IDCOL has also identified other public and private sector projects for potential funding by GCF. With a current pipeline of more than US$ 250 mn, IDCOL aims to mobilise GCF funding at scale to invest in the facilitation of low-emission and climate-resilient development in Bangladesh.



Advisory Services

IDCOL utilises its strong expertise in renewable energy, climate finance, project finance, financial analysis,

financial modeling and project management experience to offer strategic advisory services in Bangladesh and abroad. In Bangladesh, IDCOL works closely with government entities and regulators in an advisory capacity to formulate policy and enable the development of regulatory and institutional frameworks that support private investment and public-private partnerships in renewable energy and infrastructure development.

In 2021, the Company was awarded four advisory projects:

- An electric vehicle (EV) uptake project in Bangladesh in partnership with Ricardo-AEA Limited, UK, with technical assistance from the UK Government Department for Business, Energy and Industrial Strategy (BEIS) under its UK PACT (Partnering for Accelerated Climate Transitions) Green Recovery Challenge Fund (GRCF). Preliminary surveys have already been conducted and data assessment is in process.
- Developing a business plan for renewable energy sector skill development in Bangladesh through advising Skills for Employment Investment Program (SEIP) project under the Finance Division. The project was launched in 2014 with support from ADB. Tranche 3 of the project is underway, which focuses on identifying and developing skills required for renewable energy development.
- Establishment of a Renewable Energy Investment Facility (REIF) for enabling the scaling up of local private sector investment in Tanzania's renewable energy sector. For this, IDCOL has provided technical assistance and capacity building support to Rural to Energy Agency (REA) of Tanzania.
- Advisory support to Climate Compatible Growth (CCG) Research Program, a UK ODA-funded initiative to facilitate developing countries to take a path of low carbon development. Under this program, IDCOL's field survey has revealed that there is 65% preference for renewable energy systems in Bangladesh.

Major Awards and Accolades

Awards are external endorsements that always encourage us to do better. Similar to 2020, IDCOL won a number of awards and accolades in 2021 too.

Contributing to the development of the nation has always been a matter of pride for IDCOL. IDCOL was conferred with the Highest Income Tax Payer Award by NBR under NBFI category for AY2020-21. Being felicitated has taken our enthusiasm even higher, with us being bestowed with a certificate of appreciation by the Large Tax Unit (LTU) of the National Board of Revenue (NBR) for being amongst the highest taxpayer for AY2020-21 in the NBFI segment. This certificate of appreciation recognises the Company's highest taxpayer status, with consistent tax contributions made by the Company even amid the challenges of the pandemic.

Reporting and communication transparency, accountability and governance have always been a hallmark of IDCOL. This was ratified when the Company secured the Second Position in the 21st ICAB National Award for Best Presented Annual Reports - 2020 under the public sector category. The Company was also conferred with the 'Certificate of Merit' in the SAFA Best Presented Annual Report Awards 2020 under public sector entities category.

Readying Ourselves for the Challenges and Opportunities Ahead

Bangladesh is an economy in transition, which will generate opportunities for years to come.

The government recognises the importance of critical infrastructure and with public resources under constraint, especially because of pandemic-driven spends, the private sector will have to step forward to fund infrastructure investment. Besides, with Bangladesh being a signatory of global commitments, the nation will be duty-bound to respect the obligations.

Infrastructure financing is a long-term business and requires multistakeholder cooperation for successful project fructification. Often, finance is identified as the major hindrance for a project, but this is not true as several other facets of a project's lifecycle need to be taken into cognisance. Therefore, a harmonising framework is the need of the hour that fast-tracks a project, right from its identification to successful operationalisation. There is also scope for developing the domestic financial market to circumvent the major challenge facing the infrastructure sector of local currency loans being often more expensive and offered for a shorter tenure.

Yet, despite the challenges, Bangladesh is a land of opportunity for infrastructure development. Through the right government and regulatory framework, including tax optimisation, import duty exemption, investment repatriation, sovereign guarantee and even a dedicated local infrastructure fund can make Bangladesh a more prominent destination for future investment.

IDCOL is geared to tackle the challenges and is well-positioned to capitalise on the upcoming growth opportunities. The Company has showcased sound performance over the years, with a BDT 35 cr governmental equity contribution growing manifold, which not only attests to the Company's business model, but also its

relevance as a responsible financial intermediary with a direct and largescale developmental impact. Further, the Company's key value drivers, including specialisation in large financing in a niche developing market, access to low-cost funds and a strong and specialist team with stable leadership empowers IDCOL with a strong competitive edge to capitalise on the unfolding opportunities in the future.

Upholding our Social Responsibility

At IDCOL, our purpose is to make a difference in people's lives through our multiple social responsibility focus areas that together aim to fortify the grassroots of the society. Furthermore, amid the pandemic, the Company has also taken a step forward to provide a safety net to underserved communities and help to improve the quality of lives. Importantly, by sharing this sense of purpose with stakeholders, we motivate and connect with our employees, business partners and customers to contribute to the society in a positive and constructive manner.

Our major CSR intervention areas include education, enhancing vocational training, preventive and curative healthcare, environment preservation, livelihood enhancement and rural development, and humanitarian relief. In addition to achieving strong progress on these fronts in 2021, IDCOL also remained engaged in the Asrayan-2 project that aims to undertake the rehabilitation of 2.50 lac landless, homeless and uprooted families due to the 1997 cyclone in Cox's Bazar district. The project envisages successful rehabilitation of all the beneficiaries in the period 2010-22 via constructing barracks under project villages in 36 upazilas in 21 districts during Mujib Borsho.

Unfolding Our Blueprint

Emergence of the SDGs marked a shift in development debates. Not only do they aim to promote an integrated approach to economic, social and environmental development, they place emphasis on a development model where the private and public sectors have complementary roles to play in supporting inclusive and sustainable growth. For instance at IDCOL, we particularly impact SDG #7 (ensuring access to affordable, reliable, sustainable and modern energy for all), SDG #8 (promoting sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all), SDG #13 (taking urgent action to combat climate change and its impacts) and SDG #17 (developing strong partnerships for achieving the goals).

Going forward, some of the key components of our mid-term strategy include achieving sustainable growth through consistent investments in our business and ESG practices; diversification and expansion of our products & services portfolio and funding sources; enhancement of our market outreach initiatives; bolstering our internal controls and systems for effective risk mitigation; and workforce transformation through upskilling and capacity building.

Vote of Thanks

The impact that IDCOL has been able to create is the outcome of the efforts of many stakeholders who are an integral part of our network.

I express my gratitude to the Government of Bangladesh, especially the Economic Relations Division (ERD) and members of IDCOL Board for their sincere commitment and guidance which has enabled IDCOL to attain newer heights even amid various challenges. I am also grateful to all stakeholders of the Company including borrowers, regulatory bodies and government agencies for their untiring support and belief during the pandemic, which demonstrates the fact that IDCOL can overcome any hardship that comes its way. I am also thankful to our employees who, with their dedication, spirited efforts, commitment and desire to make a difference, have played a huge role during the year.

Our strong relationships with developmental partners and their faith and trust in us has been a huge confidence booster and inspires us to continue with our impact creation endeavours. I sincerely thank our valued partners, including the World Bank, ADB, JICA, KfW, GCF, GIZ, SNV, IsDB, USAID, UNDP, AFD and SREP.

I also extend much appreciation to our communities and society for giving us the license to operate and enable us to contribute for the betterment of our country.

In closing, I acknowledge all our stakeholders for being a part of our journey, which is really the journey of developing Bangladesh!

Warm wishes,



Alamgir Morshed

Executive Director & CEO

DIRECTORS' REPORT

Dear shareholders,

The Board of Directors of Infrastructure Development Company Limited (IDCOL) take pleasure in presenting to the shareholders the Directors' Report for the year 2021 comprising the operating context and the strategic performance review of the Company that, among other content elements, form an integral part of this Integrated Annual Report.

The year under review, 2021, was one of continued challenges triggered by the second and third waves of the Covid-19 pandemic that remained the most noticeable and pervasive characteristic of our operating environment during the year, enforcing both uncertainty and operational complexity.

Yet, IDCOL, by virtue of its longstanding execution excellence, well-studied market risks and entrepreneurial leadership, was able to report a creditable financial and operational performance for 2021. This attests to the intrinsic ability of the Company to adapt to the changing environment, galvanized by its inspiring vision of responsible nation-building. This focus was in fact intensified as the pandemic extracted a toll on the socio-economic fabric of the country and hence it became imperative to accelerate recovery, restore growth momentum and rebuild lives and livelihoods.

On its part, IDCOL, as a major government-owned infrastructure finance institution with longstanding experience, focused on channeling concessionary and market-linked finance to major projects in several core sector industries in 2021, thus enabling the development of world-class infrastructure and upholding the public duty of facilitating long-term economic growth and common prosperity for all.

Global Economy Review[1]

The year 2021 see-sawed between stability and uncertainty and hope and despair, as the recovery after the second and more brutal Delta-led second wave of the virus in April-May stalled with the emergence of Omicron as a variant of concern in late November 2021. This information caused panic to sweep across financial markets, triggering the worst 'Black Friday' plunge on record by the Dow Jones that reverberated worldwide. Bond yields and international crude prices turned volatile and the strength of the US Dollar was shaken. Further, as fear gripped the world, fresh travel restrictions as well as quarantining and social distancing protocols were imposed and countries were put on high alert to ascertain the efficacy of existing vaccines to the new mutation.

Even ahead of Omicron, global growth and trade had begun to lose pace, stalled by formidable headwinds from supply disruptions and bottlenecks, logistical dysfunctions, port congestions as well as shortage of key intermediates and labor. These forces, along with elevated commodity prices, rendered persistent inflationary pressures across geographies, posing a serious risk to global economic prospects. Crude prices soared dramatically during the year, with high pump prices impacting consumer sentiment.

As an increasing number of advanced economy (AE) central banks joined their emerging market economy (EME) counterparts in raising monetary policy rates and signaling the end of accommodative policy, global financial conditions tightened and turned volatile. Furthermore, retrenchment in capital flows across most EMEs amplified currency depreciation among these countries. Many of them had to contend with large pandemic-induced losses of gross domestic product (GDP) and jobs that will take years to reclaim.

Overall, global demand weakened, with world GDP growth estimated at 5.9% in 2021 that is projected to moderate to 4.4% in 2022, considering the various headwinds. As the near-term outlook remains clouded, global growth projections have been trimmed by multilateral agencies.

Looking ahead, an important factor that is set to reshape the macroeconomic and financial landscape is the impact of climate change and the mitigating policy commitments at the Conference of the Parties – 26th United Nations Climate Change Conference (COP-26) - towards environmental resilience. Action on these assurances is being prioritized by the recent intensification of natural calamities - floods in the United Kingdom; heatwaves and wildfires in the United States, Canada and Australia; droughts in Brazil and higher frequency of cyclones and unseasonal rains in various parts of the Indian subcontinent.

Shockingly, the World Bank estimates that more than 750 mn South Asians have been affected by one or more climate-related disasters in the last two decades, with the damage exceeding US$ 160 bn annually by 2030[2]. The

[1] *World Economic Outlook Update of the International Monetary Fund, April 2022 (https://www.imf.org/en/Publications/WEO/Issues/2022/04/19/world-economic-outlook-april-2022)*

[2] *World Bank (https://www.worldbank.org/en/programs/south-asia-regional-integration/climate-change)*

changing climate is likely to trigger even larger disasters at greater frequencies. At the same time, efforts towards shifting to greener energy and curbing carbon emissions entail transitional implications for factory output, global supply chains, inflation conditions and overall economic activity. Importantly, combating climate change may pose medium-term trade-offs, particularly for developing countries facing arduous challenges in access to affordable financing and technology. Yet, this represents a major scope of opportunity as finance for greening the economy will emerge as a major focus area.

World Economic Outlook Projections (percent change)

Region	2021 (E)	2022 (P)	2023 (P)
World Output	5.9	4.4	3.8
Advanced Economies	5.0	3.9	2.6
Emerging Market and Developing Economies	6.5	4.8	4.7
Emerging and Developing Asia	7.2	5.9	5.8

5.9%

Estimated global GDP growth, 2021

4.4%

Projected global GDP growth, 2022

Key Global Unfolding Events

- Russia invasion of Ukraine
- Global sanctions on Russia
- India-China border skirmishes
- China + 1 trade strategy
- Rising global protectionist tendencies
- Persistently high inflation
- Aggressive reversal of accommodative stance by central banks

Bangladesh Economy Review[3]

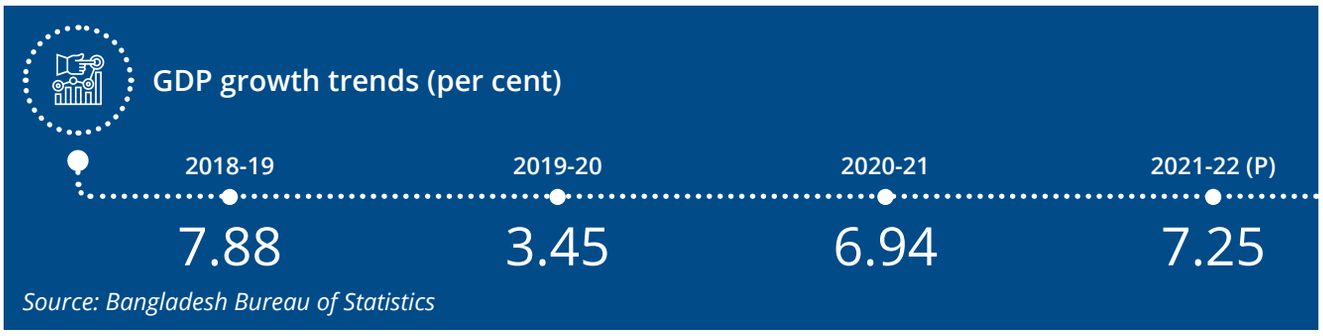
Bangladesh has come a long way from being termed a "basket case" to now being called an "Asian tiger".

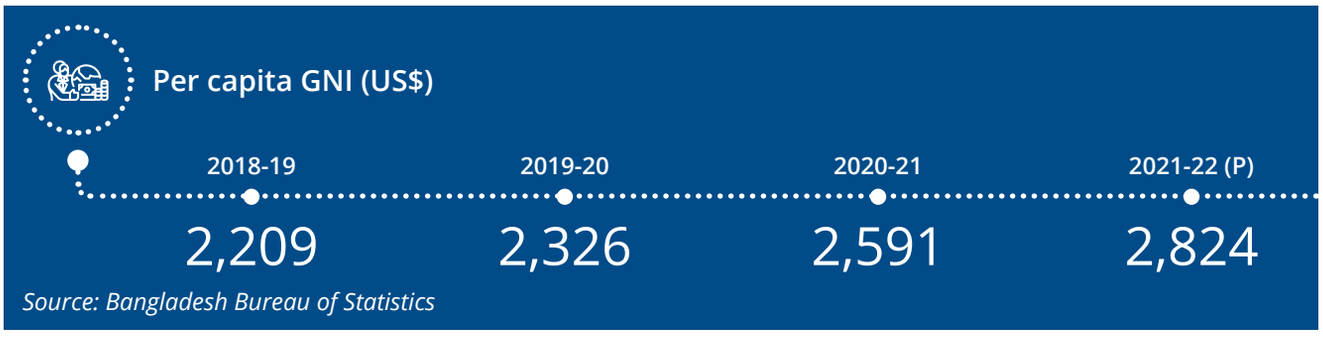
Such a dramatic reversal in fortune in the decades post the war of independence is attributed to sustained high economic growth rates and progressive advancement in key social indicators. Even amid the major shock of the coronavirus pandemic, a "black swan" event with unprecedented implications, Bangladesh's sheer economic resilience was evident in the fact that the nation was amongst the very few to have its GDP growth (at constant prices with base year of 2015-16) remain in the positive zone during the first two years of the virus – 3.45% in FY2019-20 and 6.94% in FY2020-21, as per a report by the Bangladesh Bureau of Statistics (BBS). The same report has assigned provisional GDP growth rate of 7.25% in FY2021-22.

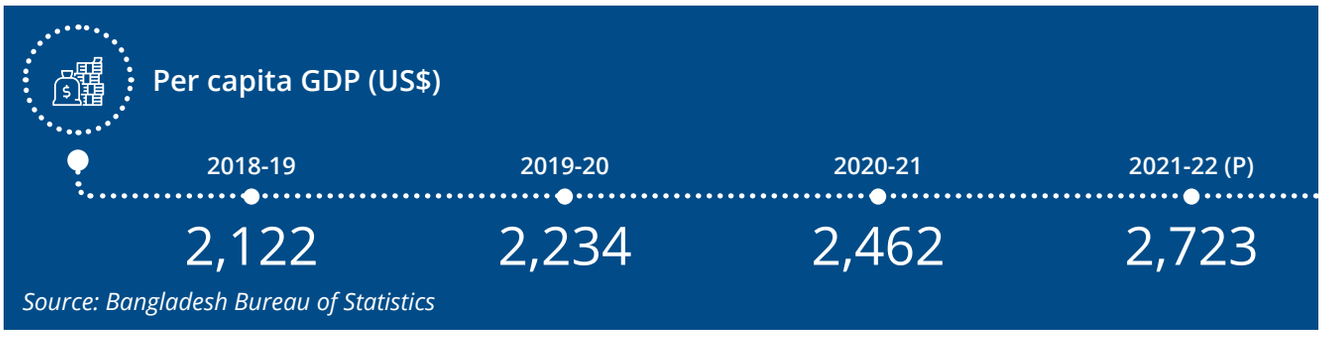
According to final estimates by the BBS, GDP at current market prices reached BDT 35,301,848 mn in FY2020-21, against BDT 31,704,694 mn in FY2019-20. In current prices terms, GDP growth stood at 11.35% in FY2020-21. Provisional estimates by BBS suggests GDP at BDT 39,764,622 mn in FY2021-22, exhibiting a growth rate (provisional) of 12.64% for the year.

[3] *Bangladesh Bureau of Statistics*

(http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/057b0f3b_a9e8_4fde_b3a6_6daec3853586/2022-05-10-08-39-8796d375a266de9952d293604426cd1c.pdf)



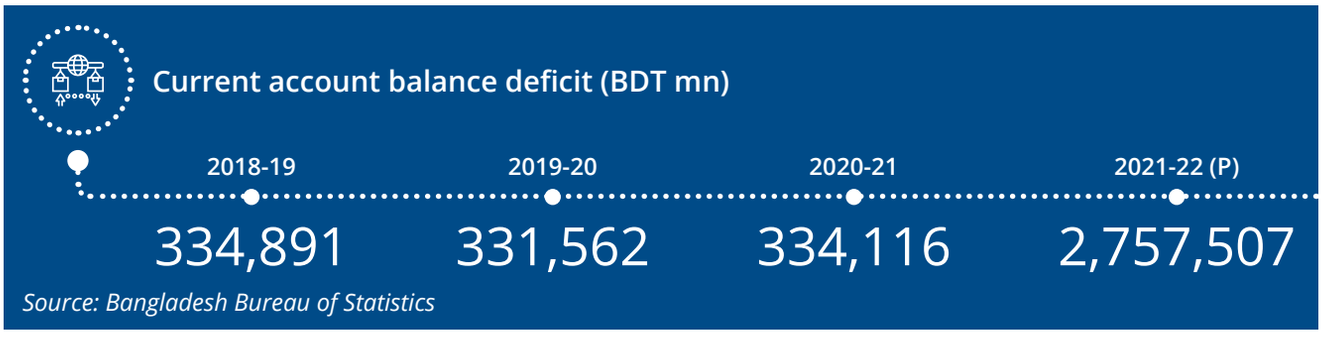




Appreciably, even within these two years, Bangladesh's economic growth rate has almost doubled, thus exhibiting signs of recovery and growth momentum picking up. Despite being a small economy with a per capita income of US$ 2,591 (2020-21) and per capita GDP of US$ 2,462 (2020-21), Bangladesh has fared way better than some of the neighboring countries that have witnessed financial deterioration during the pandemic and are even on the verge of sovereign default.

Even prior to the pandemic, Bangladesh demonstrated steady and high GDP growth, averaging 7%+ per year during FY2015-16 to FY2018-19, and reaching a record 7.88% growth in FY2018-19. Noticeably, despite the economic slowdown caused by the coronavirus, food production and supply chains remained unaffected, leading to inflation being controlled at 5.56% in FY2020-21, slightly higher than the target of 5.4%.

Furthermore, both export and import exhibited signs of recovery after a sharp decline in FY2019-20. In FY2020-21, Bangladeshi expatriates' remittance stood at US$ 24,777.72 mn, which was significantly higher at 36.10% against the previous fiscal year. In FY2020-21, current account balance deficit stood at BDT 334,116 mn on the back of robust remittance inflows, as compared to BDT 331,562 mn deficit in the previous year. Financial account and capital account showed surplus during this period as well.



On the front of rehabilitation and relief efforts, as per the directives of Hon'ble Prime Minister, Sheikh Hasina, the number of stimulus packages was further increased to 23 in FY2020-21, with the quantum of fiscal and stimulus packages till April 2021 standing at BDT 1,28,441 cr, constituting 4.2% of the GDP[4]. As a result of these judicious actions taken by the government, the economy is expected to not only tide over the negative shock of the pandemic but also regain economic growth momentum.

6.94%

Bangladesh GDP growth, FY2020-21

3.45%

Bangladesh GDP growth, FY2019-20

Key Domestic Unfolding Trends

- Strong impact of well-structured stimulus program
- Remittance and RMG sectors exhibiting signs of stabilization
- Resurgence of labor export
- High inflation potentially slowing consumer demand
- Impact of Russia-Ukraine war

Key Sectoral Performance[5]

Agriculture, industry and services represent the three major constituents of Bangladesh's GDP. Total gross value added (GVA) at constant basic prices galloped at a 7% growth rate to BDT 27,257,642 mn in FY2020-21, against a growth rate of 3.76% in the previous year, which clearly indicates recovery after the worst effects of the pandemic.

Agriculture:

Agriculture sector's growth increased by 3.17% to BDT 3,290,754 mn in FY2020-21, which is expected to rise to a provisional BDT 3,363,202 mn in FY2021-22. Contribution of the agricultural sector to GDP stood at 12.07% in FY2020-21, vs. 12.52% in the previous fiscal year.

Industry:

Industry sector's growth increased by 10.28% to BDT 9,815,808 mn in FY2020-21, which is expected to rise to a provisional BDT 10,840,637 mn in FY2021-22. Contribution of the industry sector to GDP stood at 36.01% in FY2020-21, vs. 34.94% in the previous fiscal year. All the constituents of the industry segment achieved growth, particularly manufacturing, which rose by 11.58% to BDT 6,367,645 mn in FY2020-21 and construction that increased by 8.07% to BDT 2,563,048 mn during the year.

[4] *Bangladesh Economic Review 2021*

(https://mof.portal.gov.bd/sites/default/files/files/mof.portal.gov.bd/page/f2d8fabb_29c1_423a_9d37_cdb500260002/10.%20Chapter-01%20Eng%20Eng-21.pdf)

[5] *Bangladesh Bureau of Statistics*

(http://bbs.portal.gov.bd/sites/default/files/files/bbs.portal.gov.bd/page/057b0f3b_a9e8_4fde_b3a6_6daec3853586/2022-05-10-08-39-8796d375a266de9952d293604426cd1c.pdf)

Services:

Services sector's growth increased by 5.73% to BDT 14,151,080 mn in FY2020-21, which is expected to rise to a provisional BDT 15,043,442 mn in FY2021-22. Contribution of the services sector to GDP stood at 51.92% in FY2020-21, vs. 52.54% in the previous fiscal year.



3.17%
Agri sector growth, FY2020-21

12.07%
Agri sector contribution, FY2020-21

10.28%
Industry sector growth, FY2020-21

36.01%
Industry sector contribution, FY2020-21

5.73%
Services sector growth, FY2020-21

51.92%
Services sector contribution, FY2020-21

Bangladesh Economy Outlook

Bangladesh's economy has stood on a strong footing over the last many years. For instance, GDP was only US$ 102 bn in 2009, which rose to US$ 416 bn in 2021. Similarly, the per capita income also rose from US$ 702 to US$ 2,591 over the same period, achievements that have been lauded by the global community, making Bangladesh a 'role model of development.

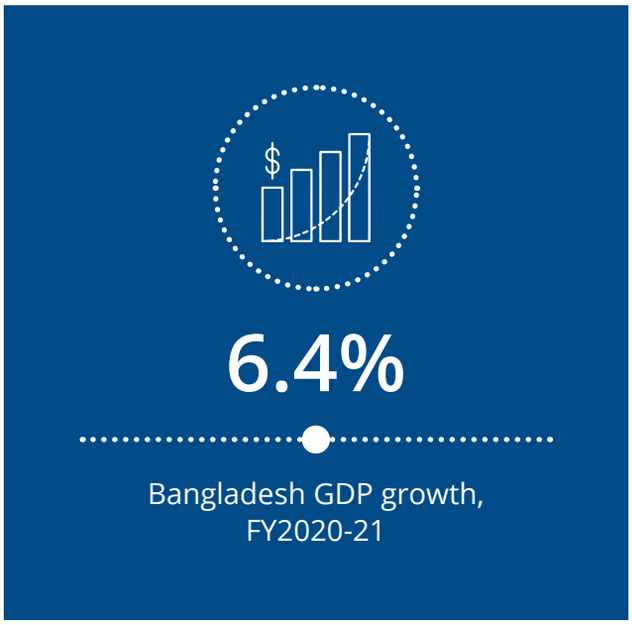
Truly, coming off the worst effects of the pandemic, the future can only be promising for Bangladesh, as a stable government, forward-looking macroeconomic policies, growing private sector participation in industry, and a deep groundswell of entrepreneurial spirit converge to enable the nation to realize its full socio-economic potential.

Furthermore, a strong investment climate being promoted by the government, paired with some major intrinsic strengths of the country, including talented manpower, low labor costs and favorable tax regime can take the nation to a prime position to attract foreign investments. Moreover, the "China + 1" strategy can also ensure that Bangladesh is integrated more deeply with global supply chains, especially in the realm of textiles and garments.

The other major positive for the nation is the imminent fructification of mega infrastructure projects, including the prestigious Padma Multipurpose Bridge which is expected to contribute to as much as 1.2% to the nation's GDP. Moreover, the government also expects to launch Metro Rail project on the 14-km Uttara-Agargaon route by end-2022, which is expected to bring a radical change in the urban transportation system in the capital. Besides, the country's first underwater tunnel, Karnaphuli River Tunnel in Chattogram, will be launched soon, in addition to the first unit of the Rooppur Nuclear Power Plant of 1,200 MW capacity, the largest development project in the country's history that is expected to be commissioned by the end of 2023.

Yet, one of the major challenges staring the country is runaway inflation, just like the rest of the world. According to Bangladesh Bureau of Statistics, CPI (consumer price index) inflation prints came at 6.22% in March 2022, which is at a 78 month high. Thus, the inflation threat portends to derail the economic recovery that has taken hold and hence timely and prudent policy calls by the central bank is the need of the hour.

Despite this, the IMF has assigned an estimated 6.4% GDP growth in FY2021-22 to Bangladesh, supported by a robust rebound in exports, continued implementation of the stimulus packages, and accommodative monetary and fiscal policies. However, the bank has cautioned that uncertainty around the outlook remains high and risks are tilted to the downside, especially considering the macroeconomic and macro-financial risks posed by the ongoing Russian invasion of Ukraine.



6.4%
Bangladesh GDP growth, FY2020-21

Financial Sector Overview[6]

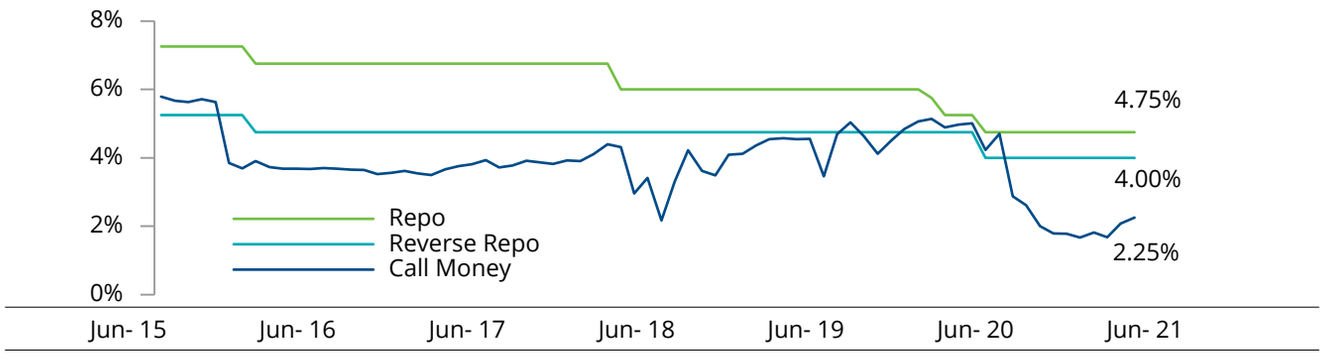
Bangladesh Bank's monetary policy shapes the financial services sector of the country, just like the rest of the world. In this context, the central bank's last monetary policy was formulated with the dual objective of containing inflation and assisting the economic recovery process from the Covid-19 pandemic-induced adversities, while also supporting the government's large stimulus package for rehabilitation of production capacity of the economy in restoring normal public livelihoods.

The monetary and credit programs of FY2020-21 were initially formulated with the assumption of 8.2% real GDP growth and 5.4% average CPI inflation, as envisaged by the government in the national fiscal budget. However, due to the prolonged Covid-19 containment measures in terms of mobility restrictions and lockdowns, revival of economic activity was less-than-expected. Concurrently, Bangladesh Bank revised its monetary and credit programs for the second half of FY2020-21, while continuing its ongoing pro-growth expansionary and accommodative monetary policy stance. However, at the time of drafting this report, high inflation levels witnessed by the economy may set the ground for the central bank to reverse its accommodative stance.

To ensure the availability of cost-effective funds for banks and rationalising the policy rates' corridor or the gap between the repo and reverse repo interest rates, the repo and reverse repo rates were slashed by 50 basis points and 75 basis points to 4.75% and 4%, respectively, with effect from 30 July 2020.

However, the 360-day repo facility with effect from 13 May 2020 was also introduced. The Bank Rate which remained unchanged for the last 17 years (since 2003) was also slashed by 100 basis points to 4% to rationalise it with the current interest rate regime. Cash reserve ratio (CRR) was also trimmed from 5.5% to 4% for domestic banking operations, from 5.5% to 2% for offshore banking operations, and from 2.5% to 1.5% for financial institutions (FIs).

Movement of Call Money and Policy Rates



Source: Bangladesh Bank

Stimulus Packages

To mitigate the crisis emanating from the Covid-19 outbreak and overcome its potential adverse effects on the economy, Hon'ble Prime Minister guided the formulation of an overall programme with effective short, medium and long-term targets. The programme has four strategic dimensions:

- Increasing government spending with prioritised focus on creating jobs and discouraging luxury spending.
- Providing low-interest credit facilities through the banking system to industries and business enterprises to revive economic activities and enhance competitiveness.
- Increasing scope of the government's social security programmes to protect the ultra-poor and the low-income groups that have suddenly become unemployed as well as the people engaged in informal sectors.
- Augmenting money supply in the market with utmost caution to control the negative fallouts on inflation.

The government has already announced fiscal and stimulus packages of BDT 1,28,441cr (up to April, 2021), which is 4.2% of the GDP to facilitate additional expenditure in key sectors that warrant attention.

[6] *Bangladesh Bank Monetary Policy Statement FY 2021-22*

(https://www.bb.org.bd/en/index.php/monetaryactivity/monetarypolicy)

BDT 1,28,441 cr

Govt. stimulus packages (up to April 2021)

4.2%

Size of stimulus as a % of GDP

Money and Credit Market

By the end of February FY2020-21, the YoY growth of reserve money, broad money (M2) and narrow money (M1) stood at 19.72%, 13.35% and 19.19%, respectively.

During the period, 30.36% growth in net foreign assets contributed to the YoY growth of M2.

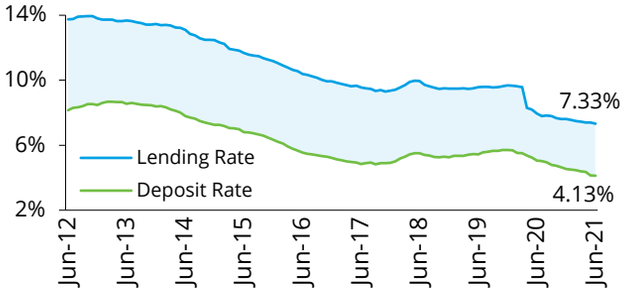
Interest Rate

The government's broad objective is to foster a low interest rate environment for cost-effective credit-driven industrialization and development.

In view of this, to rationalize interest rates, including for productive sectors, banks were advised to limit the difference between lending and deposit rates or spread within lower single digit, except high-risk consumer credit (including credit card). This cap or ceiling comprising the maximum rate of interest/profit on unclassified loans/ investment is set at single digit at 9%, except credit card.

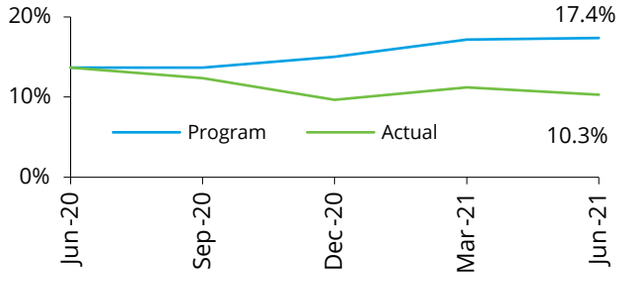
Thus, the most recent trends in weighted average lending and deposit rates have exhibited downward movement. The weighted average lending rate of commercial banks has declined continuously and stood at 7.33% at end-June 2021. Similarly, deposit rate has continuously moderated in tandem with the lending rates and stood at 4.13% in June 2021. Thus, the interest rate spread was 3.20% in June 2021.

Weighted Average Nominal Interest Rates



Source: Bangladesh Bank

Domestic Credit (DC) Growth



Source: Bangladesh Bank

Challenges and Opportunities

Despite being resource-constrained, Bangladesh has done well to withstand the worst effects of the Covid-19 shock event. The country's banking and financial system has had a huge role to play in maintaining economic stability, with the sector also being a frontrunner in channeling government stimulus to the broader economy. Thus, having successfully demonstrating its robustness amidst challenging times, the financial services sector is primed to contribute to the larger goals of financial inclusion, while also supporting the government in its ambitions of graduation to a middle income country and onward to a developed country by 2041. The sector is also key to fulfilling the government's SDG agenda by 2030. Significant mobilization of resources to end poverty in all its dimensions is a key goal as per the SDG Tracker[7] and the financial sector will have a huge role to play in this regard.

However, the opportunity also entails solving the challenge of the limited role of the financial sector in resource mobilization and allocation. Bangladesh's

[7] *SDG Tracker*

(https://sdg.gov.bd/dv)

investment as a percentage of GDP stood at 31.02% in FY2020-21, vs. 31.31% in the previous financial year, as per BBS. This has slowed down, albeit marginally, from 32.21% in FY2018-19 and this has to pick up pace.

Further, the gross domestic savings rate is low (25.34% in FY2020-21) for the purposes of stimulating economic growth, especially compared to the neighboring countries like India. The low level of saving is associated with a higher consumption pattern, a low level of financial intermediation and low disposable income. Therefore a resource gap exists in Bangladesh, although it is progressively declining. The financial services sector will have to enhance its capabilities with a view to plug this resource gap. This is especially critical in an increasing interest rate environment, with the pressing need to reduce the cost of capital.

The depth of the financial and capital markets of the country will also have to increase with a view to build capacity for own resource generation. Currently, relatively high non-performing loans (NPLs) have weakened the industry and hence clean-up of balance sheets is critical, which also requires enhanced regulatory scrutiny and surveillance. Thus, gaps in the legal and regulatory framework governing the sector will also have to be bolstered for debt recovery and enhancing enforcement.

Banking is a specialized field and requires trained manpower. Lack of adequate professionals and deficit between the skills required and skills available means higher investment in training. The challenge of attrition is also real that prohibits organizations to unlock the full value of training. In this context, fostering the right organizational culture is critical for companies to ensure that their workforce is closely aligned to the values and the broader goals of the company.

Macroeconomic Indicators[8]

Savings and investment

During FY2020-21, gross domestic savings declined to 25.34% of GDP, which was 27.08% in the previous year. Likewise, gross national savings as a percentage of GDP moderated to 30.79% in FY2020-21, from 31.42% in the previous fiscal year. This could be attributed to increased exhaustion of savings in the face of restricted incomes due to the pandemic-enforced lockdowns and mobility controls.

Investment declined a tad to 31.02% in FY2020-21, vs. 31.31% in the previous fiscal year, primarily due to the pandemic. Both public investment and private investment suffered declines. While public investment reduced to 7.32% in FY2020-21 from 7.29% in FY2019-20, private investment moderated to 23.70% in FY2020-21 from 24.02% in FY2019-20.

25.34%
Govt. stimulus packages (up to April 2021)

27.08%
Domestic savings as a % of GDP, FY2019-20

31.02%
Investment as a % of GDP, FY2020-21

31.31%
Investment as a % of GDP, FY2019-20

Inflation

In FY2019-20, inflation rate stood at 5.65%, which is slightly higher than the target of 5.50%. Food inflation increased to 5.56% and non-food inflation stood at 5.85%. Despite the stagnation in the economy due to the coronavirus, inflation in FY2020-21 was only slightly higher at 5.56% than the target of 5.40% as a result of uninterrupted food production and supply chains. Further, despite the unprecedented expansionary and accommodative monetary and fiscal policy stance along with supply chain disruptions due to the containment measures amid global price hike, Bangladesh Bank was successful in taming inflationary pressure in FY2020-21.

5.56%
Inflation, FY2020-21

5.40%
Inflation target, FY2020-21

[8] *Bangladesh Economic Review 2021*

(https://mof.portal.gov.bd/sites/default/files/files/mof.portal.gov.bd/page/f2d8fabb_29c1_423a_9d37_cdb500260002/10.%20Chapter-01%20Eng%20Eng-21.pdf)

Revenue Mobilization

Bangladesh Bank set a revised revenue mobilisation target at BDT 3,51,532 cr in FY2020-21, which comprised 11.39% of the estimated GDP. Of them:

- Revenue receipt from NBR sources was marked at BDT 3,01,000 cr (9.75% of GDP)
- Tax revenue from non-NBR sources at BDT 15,000 cr (0.49% of GDP)
- Non-tax revenue at BDT 35,532 cr (1.15% of GDP)

Revenue received during July-April of FY2020-21 was provisionally estimated at BDT 1,97,583.43 cr or 12.87% higher than the previous fiscal year, thus attaining 56.20% of the revised target.

In order to augment revenue mobilization as well as to create a conducive trade environment, along with transparency and accountability, NBR implemented a wide range of reform initiatives, including:

- Simplification of VAT Act and its rules
- Implementation of online VAT registration, online return submission and online e-payment systems
- Mandating NBR-approved software for companies with annual turnover in excess of BDT 5 cr

BDT 3,51,532 cr

Revenue mobilisation target, FY2020-21

56.20%

Target achieved in 10 months of FY2020-21

Public Expenditure and Budget Deficit

The fiscal policy of the government considered the responses and initiatives to fight the pandemic and ensure stabilization of the economy since FY 2019-20. Thus, the government identified priority areas of different sectors for allocation of resources via stimulus programs.

Today, the government's development priorities continue towards providing fiscal stimulus to overcome the losses enforced by the pandemic. In FY2019-20 revised budget, allocation was increased or additional allocation was made to frontline sectors, such as health care, agriculture, social welfare, food, disaster management, employment generation, etc. Allocation to these sectors on priority continued in FY 2020-21. As per the Bangladesh Economic review 2021 quoting the Ministry of Finance, total public expenditure rose from BDT 501,557 cr in FY2019-20 to BDT 538,983 cr in FY2020-21. As a percentage of GDP total public expenditure stood almost the same at 17.46% in FY2020-21 (17.87% in FY2019-20). Within public expenditure, development expenditure stood at BDT 207,988 cr in FY2020-21 (38.58% of the total government expenditure), vs. BDT 202,349 mn in the previous year (40.34% of the total government expenditure).

Total deficit financing of the government stood higher at BDT 69,420.02 cr during the July-February of FY2022 period, against BDT 54,074.25 cr during the July-February FY2021 period. The government's budget deficit financing strategy comprises two major sources: domestic and external sources. Domestic sources include bank and non-bank borrowings and borrowings from saving certificates. External sources include foreign loans and grants. Financing from the domestic sources stood lower at BDT 27,417.87 cr during July-February of FY2022, as compared to BDT 29,393.06 cr during July-February of FY2021. However, net foreign financing stood higher at BDT 42,002.15 cr during the period under review, vs. the same period last year.

In the FY2022 Budget, target for government's borrowings from the banking system (net) and non-banking system (net) for FY2022 has been set at BDT 76,452 cr and BDT 37,001 cr, respectively. However, total deficit financing during July-February of FY2022 stood at 1.68% of GDP, while it has been projected at 6.10% of GDP for the whole year (FY2022), according to the Budget FY2022.

However, with the pandemic now under control alongside strong economic recovery, government revenue is bound to increase, hence giving impetus to the normalization process of the budget deficit financing target, thus having a positive impact on the government's overall borrowing program.

Overseas Employment and Remittance

The global labor market was drastically disrupted by the pandemic. During the first eight months of FY2020-21, labor export stood at 1.22 lakh. However, overseas employment has stabilized since, with the reopening of

borders and special governmental thrust worldwide on large infrastructure development.

In FY2019-20, remittance inflows increased by 10.87% vs. the previous fiscal year to US$ 18,205.01 mn. In FY2020-21, Bangladeshi expatriates' remittance stood at US$ 24,777.72 mn which was significantly higher by 36.10% YoY. The major portion of remittance was received from the Middle East, including the Kingdom of Saudi Arabia, the UAE, Kuwait and Oman. USA was at the top position among Western and European countries.

Stronger inflows in the wage-earners' remittances in FY2020-21 was mainly due to governmental efforts in curbing transmission via informal channels and bringing remittances into the formal banking channels by allowing 2% incentive.

US$ 24,778 mn

Remittance, FY2020-21

36.10%

YoY growth, FY2020-21

Balance of Payment

Trade deficit widened at US$ 22,799 mn in FY2020-21, against US$ 17,858 mn in FY2019-20. Trade deficit rose by 27.67% in FY2020-21 due to higher import payment growth than export earnings.

During the period, current account balance deficit stood at US$ 3,808 mn on the back of robust remittance inflows, compared to a US$ 4,724 mn deficit in the previous year. Due to increase of foreign direct investment along with healthy inflows of medium and long-term loans and other short-term loans (except portfolio investments), financial account showed a surplus. Hence, the overall balance recorded a surplus of US$ 9,274 mn in FY2020-21, against US$ 3,169 mn surplus in the previous fiscal year.

Foreign Exchange Reserves

A surplus in the overall balance helped to maintain foreign exchange reserves, which increased to a record US$ 46.39 bn at 30 June 2021, as compared to US$ 36.04 bn on 30 June 2020.

US$ 46.39 bn

FX reserves at end-June 2021

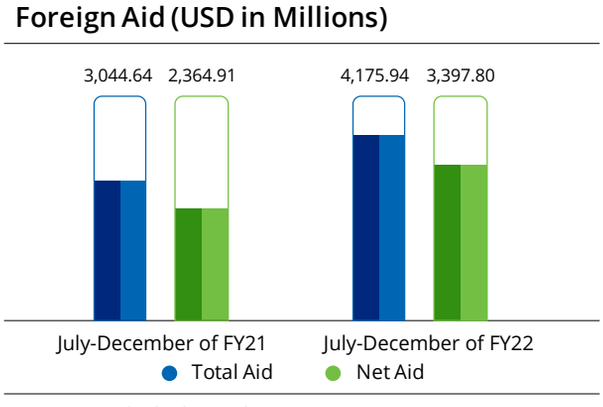
US$ 36.04 bn

FX reserves at end-June 2020

Exchange Rate

Bangladesh observed a marginal 0.05% depreciation of BDT against US Dollar in July-April FY2020-21, compared to that of FY2019-20. Weighted average inter-bank rate stood at BDT 84.81 per US$ on 30 June 2021, against BDT 84.85 per US$ on 30 June, 2020.

Foreign Aid Status



Source: Bangladesh Bank

The use of foreign assistance increased 28.42% YoY to $4.7 billion, according to data from the Economic Relations Division (ERD). Meanwhile, foreign assistance disbursement and commitment both increased in Bangladesh in the first seven months of FY2020-21, thanks to speedy release of funds as support for tackling the pandemic.

The Asian Development Bank (ADB) topped the fund disbursement list with US$ 1.7 billion. Japan was the second biggest financial support provider, with more than US$ 1 billion extended during this period. A number of mega projects are already being funded by Japan, including the Dhaka metro rail project. Furthermore,

a large quantum of funds was disbursed by the World Bank to support Bangladeshi efforts aimed at tackling the pandemic, along with regular loans. The US-based multilateral lender provided US$ 500 million for purchasing Covid-19 vaccines, etc. Bangladesh has set an ambitious target to receive US$ 12.98 billion in foreign assistance from development partners in FY2020-21.

During the past seven months, Bangladesh made debt repayments amounting to $900 million, a decrease of 26 per cent from a year ago.

Government Debt Scenario[9]

Bangladesh's external debt has been increasing over the years with concurrent increase in principal and interest repayments. In 2021, total external debt stood at US$ 78.04 billion, alluding to the country's increased reliance on foreign debt for its development activities.

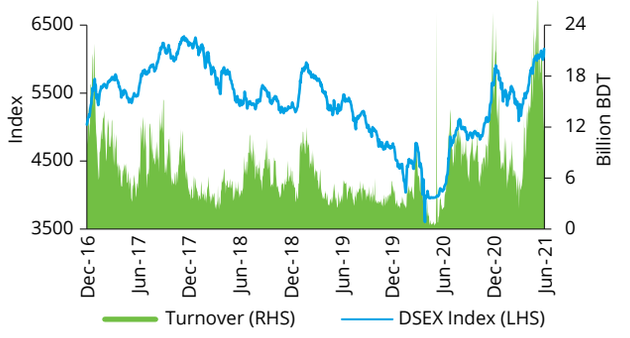
Though Bangladesh's external debt is increasing, its foreign exchange reserves are also strong. Bangladesh's foreign exchange reserve compared to external debt was 62.5%, the third highest in South Asia. The outstanding external debt to GDP in 2012 was 18%, which dramatically declined in 2020 to 13.40%, which indicates that the country's external debt is still at manageable level. At the end of FY2020-21, Bangladesh's total outstanding debt stood at US$ 131.14 billion, increasing by US$ 16.45 billion on average in the past three years. Yet, at the end of fiscal 2020-21, Bangladesh's revenue-GDP ratio stood at 9.4%, which is the lowest among South Asian nations.

Capital Market Performance

Both the bourses, the DSE (Dhaka Stock Exchange) and the CSE (Chittagong Stock Exchange), in the country's capital market, remained buoyant during FY2020-21, supported by easy monetary conditions and restoration of investors' confidence due to favourable policy support from regulatory bodies.

As per the Dhaka Stock Exchange, stock market prices, measured by the DSE broad index (DSEX), turnover, market capitalization and issued capital expanded by a large margin in FY2020-21. DSEX stood at 6150.5 by end-June 2021, registering a significant 54.2% increase from its level of end-June 2020, which was the highest level in the last three years.

DSEX Index and Turnover



Source: Dhaka Stock Exchange

Daily average turnover, an important liquidity marker, significantly grew to BDT 10.3 bn in FY2020-21, up from BDT 3.8 bn in FY2019-20, suggesting enhanced investor confidence, even amid high volatility. DSE market capitalization also rose to 16.7% of GDP at end-June 2021, up from 11.2% at end-June 2020.

Opportunity in Energy Sector in 8FYP, including Renewables[10]

Bangladesh's power sector has been playing a major role in accelerating economic growth by ensuring access to a basic input for both people and industry. The successive long-term economic policies, particularly five year plans, have been laying emphasis on the power sector with a view to ensuring access to electricity, supporting economic activities and promoting sustainable electrification.

In June 2020, Bangladesh completed the phase of implementing its Seventh Five Year Plan (7FYP) for the period FY2016–FY2020. Power generation capacity has since improved from 11,534 MW to 20,383 MW at the close of the 7FYP. Since 1 July 2020, the country has entered into the next phase of FYP, the Eighth Five Year Plan (8FYP from July 2020–June 2025).

The 8FYP focuses on power generation, with total installed generation capacity targeted at 28,000 MW by the end of the plan period. Additionally, the plan emphasizes on energy efficiency, investment in renewable energy and financial sustainability of the power and allied sectors. The 8FYP also lays stress on the timely implementation of all power and energy projects. Further, the government is also planning to move towards least-cost power

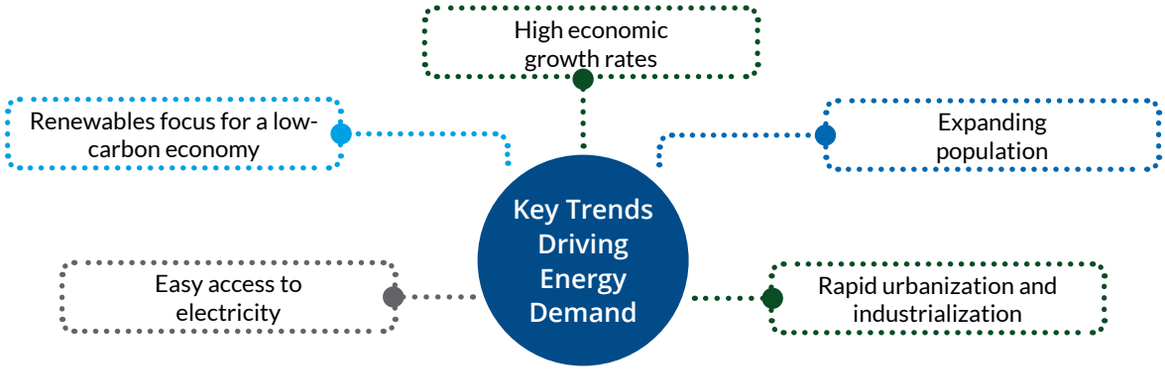
[9] *(https://thefinancialexpress.com.bd/views/external-debt-scenario-of-bangladesh-1649428165)*

[10] *(http://plancomm.gov.bd/site/files/8ec347dc-4926-4802-a839-7569897e1a7a/8th-Five-Year-Plan)*

generation options via the gradual phasing-out of high-cost petroleum-based and rental power plants through time-bound schedules. This reflects the government's shift towards an optimal fuel-mix in electricity generation and also power trade with neighboring countries.

In case of renewable energy-based power generation, 8FYP focuses mainly on hydro-power. Other important non-conventional sources include wind power, solar energy, biomass and solid waste. In case of primary energy, the 8FYP prioritizes gas allocation considering depleting domestic gas reserves, utilization of coal that is domestically available, import of LNG/gas through pipeline, energy conservation, rise in the use of improved cooking stove (ICS), etc. Other potential sources such as use of energy efficient equipment in industrial sector, solar rooftop as alternate source of generating electricity are being prioritized by the government.

The government aimed to generate 10% of the country's electricity from renewable energy by 2030. As per announcements, it is seeking to produce 500 MW electricity from various renewable energy sources, or about 10-times the country's current generation from such sources. Under the strategy established by the Power Ministry, 200 MW of renewable energy is to be generated using photovoltaics, 200 MW from wind power, 45 MW from biomass, 45 MW from biogas, and 15 MW from other sources. Private sector participation is crucial for the attainment of these goals.



Opportunity in Infrastructure Sector

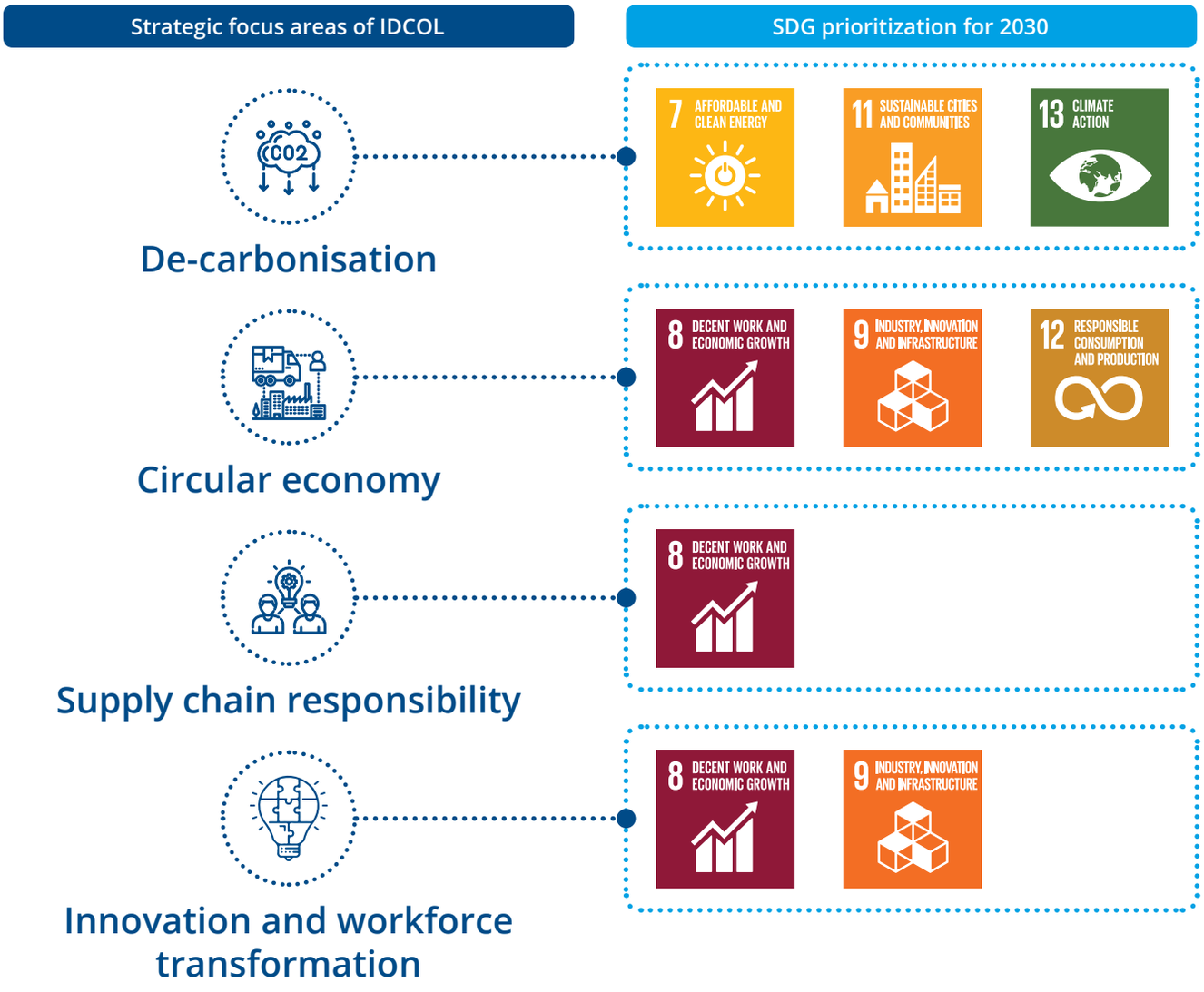
Developing and enhancing access to infrastructure and improving its quality is a key focus of the government in its vision of industrialisation. Thus, investment in infrastructure is a prioritised agenda. In this regard, the government also recognises that private sector has a substantial role to play to bridge the huge infrastructure development gap in the country. While the government is creating a facilitative framework to achieve this, it is also undertaking a large number of infrastructure projects, including the development of economic zones, roads and flyovers, urban transportation (including metro rail), etc.

Some of the other largescale infrastructure projects in the pipeline are well known, including the Dhaka Metro Rail project, the Padma Multipurpose Bridge which is the longest bridge under development in Bangladesh, the 2.4 GW Rooppur Nuclear Power Plant, etc.

Noticeably, the government's thrust on infrastructure is evident in the highest allocation being proposed for the transport and communication sectors in the Annual Development Programme (ADP) of FY2021-22, giving priority to the ongoing mega projects. Some 27.47% of the ADP allocation has been earmarked for the sector. Furthermore, the second highest allocation has been proposed for the power and energy sector, which is 20.45% of the total ADP. Together, they represent 47.92% of the total ADP allocation for FY2021-22, thus reflecting the prioritised focus of the government in accelerating infra-led growth in the post-pandemic era.



Relevance of IDCOL's Activities in Impacting the SDGs



Operating Performance of IDCOL

1 Core Revenue

- Total Revenue – **BDT 5,291 million**
- Interest on Infrastructure Loan – **BDT 4,100 million**
- Interest on RE Loan – **BDT 200 million**

2 Fees and Investment Income

- Fees Income from Projects – **BDT 142 million**
- Fees Income from Advisory Services – **BDT 10 million**
- Investment Income – **BDT 62 million**

3 Operating Expenditure

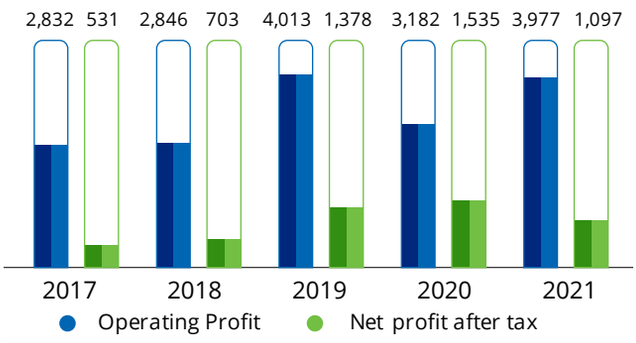
- Finance Expenses – **BDT 914 million**
- Operating Expenses – **BDT 400 million**

4 Profit

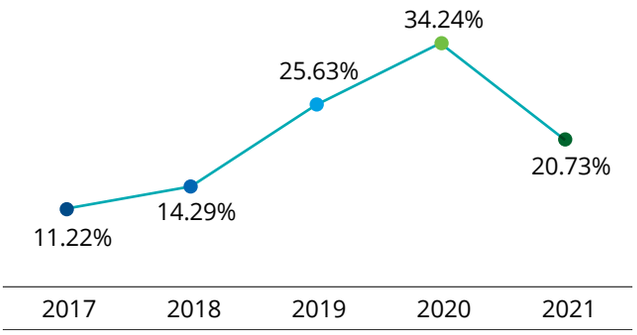
- Profit before Taxes and Provision – **BDT 3,977 million**
- Profit after Taxes and Provision – **BDT 1,097 million**

Despite the impact of various macroeconomic and company specific factors, we are elated to announce that IDCOL has managed to report a handsome profit during FY 2021 as well as sustain a strong balance sheet performance. In FY 2021, IDCOL reported BDT 3,977 million in operating profit while the net profit stood at BDT 1,097 million.

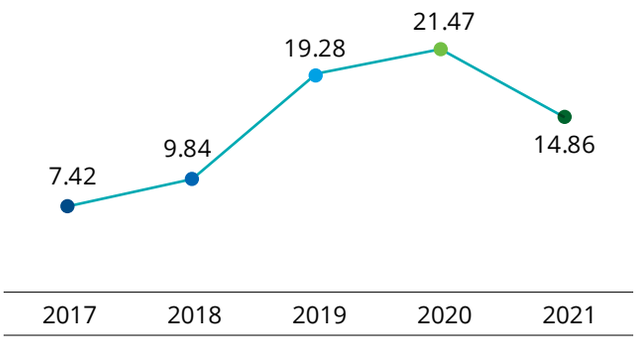
Comparison of Operating profit with Net profit after Tax from FY 2018 to FY 2021



Net Profit Margin



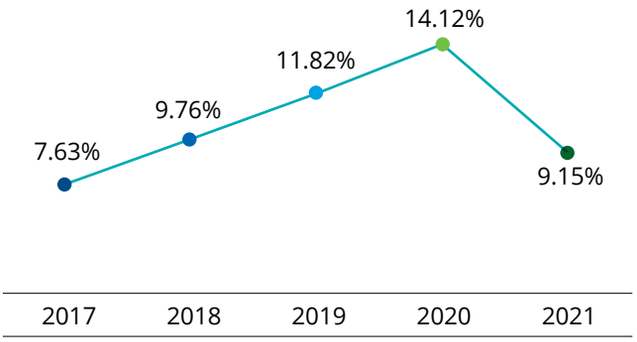
EPS



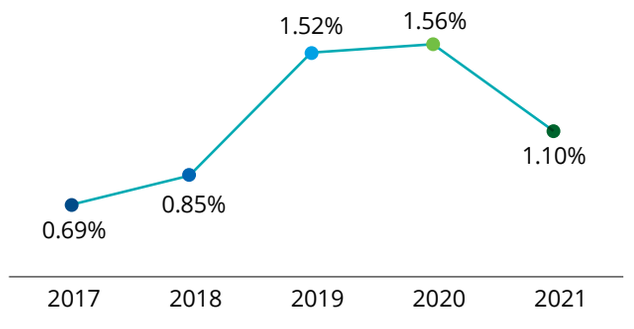
Operating profit of FY 2021 saw a 24.99% increase over FY 2020 largely due to higher income from interest on loans and advances and decrease in operating expenses. Like previous years, IDCOL successfully maintained its leading position in private sector energy and infrastructure financing while it also focused to diversify its loan portfolio by investing in telecommunication, hotel and tourism, healthcare, energy efficiency and renewable energy sectors. During FY 2021, roughly 92% of its revenue came out of income from interest on loans and advances.

The impact of COVID-19 pandemic, increased loan provisioning and tax expenses have created a downward pressure on the bottom line as IDCOL reported a net profit of BDT 1,097 million. Consequently, earnings per share (EPS) of the entity was 14.86 in FY 2021 against 21.47 of FY 2020. However, as depicted by the decrease in cost to income ratio from 14.12% to 9.15% in FY 2021, IDCOL has been successful in maintaining operational efficiency.

Cost to income ratio



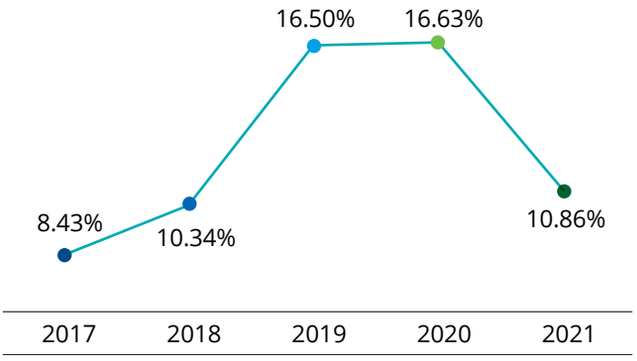
Return on Assets



In FY 2021, the paid-up capital of the company was increased to BDT 7,380 million from BDT 7,150 million with the declaration of BDT 230 million share dividend from the profit of FY 2020 (total dividend declared BDT 460 million including BDT 230 million cash dividend paid to the government). A growth in retained earnings and increase in paid-up capital has taken the shareholder's equity to BDT 10,095 million, resulting in a decent growth of 9.38% in equity. The asset base of the company also grew by 1.96% over the year with the expansion of loan portfolio. Due to the increase in shareholder's equity as well as asset base and de-growth in net profit, during FY 2021, IDCOL reported return on equity (ROE) and return on assets (ROA) of 10.86% and 1.10%, respectively.

While the indicators show a downward trend, we expect to reap the benefits of enhanced capacity in the form of greater profitability and portfolio expansion in the long-term. Keeping this in mind, IDCOL has developed a mid-term corporate strategy considering current risks and prospects as well as the future outlook in order to ensure sustainable growth. The company is working to expand its portfolio through inclusion of prospective and eligible sectors for financing through introduction of business units and development of financial products, as well as reinforcement of the governance framework of the entity. To fund portfolio expansion, IDCOL is negotiating with development partners through the Ministry of Finance (MOF) in order to secure funds, apart from its own sources and existing credit lines.

Return on shareholders' equity (%)



Comparison of Actual and Budgeted Performance of IDCOL

The actual interest and operating revenue for the FY2021 is BDT 5,291 million, which was 4.24% lower than the proposed budget for the FY2021. Similarly, the actual interest and operating expenses are 19.98% lower than the budgeted figure. The actual profit before tax and provision for the reporting period is BDT 3,977 million, which is 6.82% higher; whereas net profit after tax was 32.6% lower than the budgeted figure driven by the jump in provision for taxes by 84.59%.

Actual and Budgeted Performance of IDCOL

	FY 2021 Actual	FY 2021 Budget
	BDT (mn)	
Interest and Operating Revenue	5,291	5,525
Interest and Operating Expense	1,314	1,642
Profit before Tax and Provision	3,977	3,723
Provision For Loans & Investment	1,383	1,284
Profit after Provisions	2,594	2,439
Provision for Tax	1,497	811
Net Profit after Tax	1,097	1,628

Infrastructure & PPP Projects

To cater to the increasing demand and provide better services to customers, IDCOL's Investment Department has broadened its scope through the establishment of three units-- Infrastructure Finance (IF), Industrial and Energy Efficiency Finance (IEEF) and Public Private Partnership (PPP). To attain the Company's target, the department focused on building a strong pipeline in 2021.



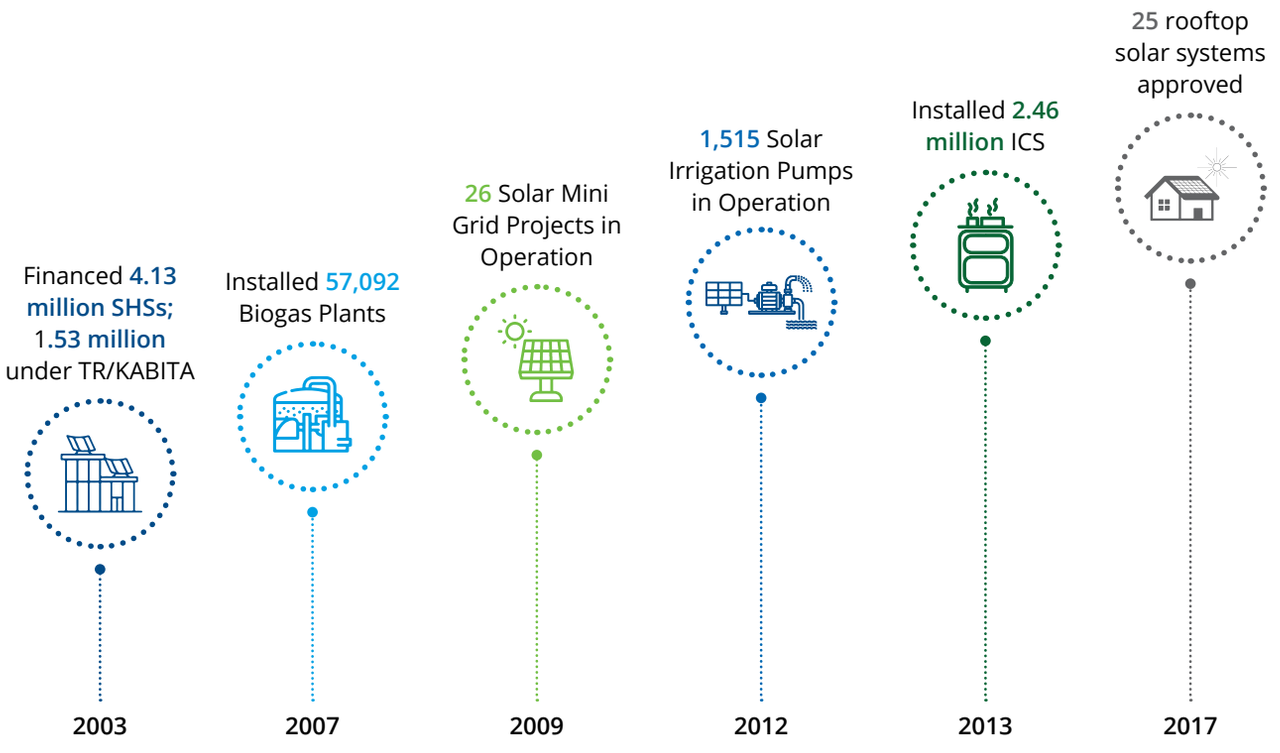
Approvals in 2021
BDT 1,272 crore

Disbursement in 2021
BDT 540 crore

Syndications in 2021
2 Deals

IDCOL's pipeline of infrastructure projects include power plants, energy-efficient equipment financing for industries, Special Economic Zones, hotels and resorts, industrial parks and industrial backward linkage projects.

Renewable Energy Initiatives



Journey of IDCOL Renewable Energy Initiatives

Solar Home System (SHS) Program

Initiated in 2003, IDCOL's SHS program has emerged as the world's largest for off-grid electrification. Harnessing a unique business model, over 4.13 million SHSs have been financed and installed in the rural off-grid areas of Bangladesh. 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 for lighting purpose. Thus, the SHS program has also played a role in the substitution of kerosene, thereby contributing to improved public health, while also enabling lower national consumption of kerosene.

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

Later, GIZ, KfW, ADB, IDB, GPOBA, JICA, USAID and DFID came forward with additional financing support for the expansion of the program.

IDCOL disbursed USD 504 million (BDT 41,727 million) as credit and channelled 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 2021, a total of 61,134 biogas plants have been constructed under the program. During the reporting period, 3,930 plants were constructed by the Participating Organizations (POs). Till December 2021, IDCOL provided refinancing facility of BDT 663 million to the POs.

Improved Cook Stove (ICS) Program

The ICS program was inaugurated by the Hon'ble Prime Minister Sheikh Hasina in May 2013, articulating a national installation target of 1 million stoves by December 2018. After successful implementation of the program's first phase, IDCOL has now started the second phase with the target of installing an additional 4 million improved cook stoves by 2023. Till December 2021, a total of 2.90 million stoves were installed and the program is on course to achieve the target within the stipulated timeframe.

Renewable Energy Projects

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

As of December 2021, 1,515 solar irrigation pumps went into commercial operation under IDCOL financing, benefitting more than 65,000 famers and smallholder collectives.

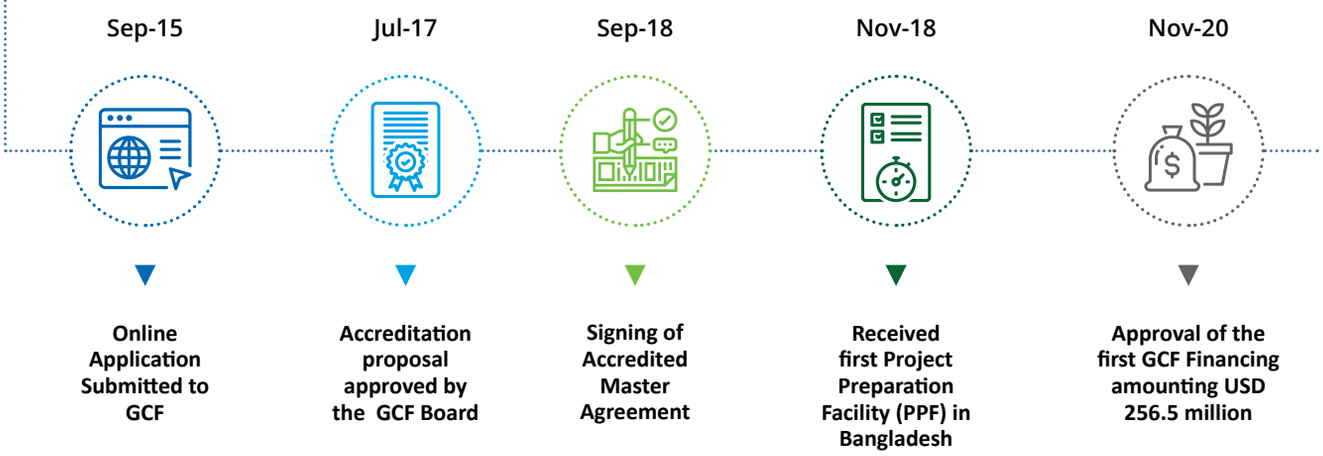
IDCOL has approved 42 rooftop solar projects, out of which 15 projects had already started commercial operations. The combined capacity of these rooftop solar systems is 19.19 MW. IDCOL has also financed an 8 MW (AC) grid-tied solar power plant at Tetulia in Panchaghar district by Sympa Solar Power Limited.

Green Climate Fund

IDCOL as the national Direct Access Entity to Green Climate Fund (GCF) in Bangladesh, 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" on November 10, 2020. This is the first concessional credit line that has been approved for Bangladesh by GCF. Also, this is the first approved programme addressing the need for the private sector development in the country. Till date it is the second largest approved funding proposal for any national Direct Access Entity (DAE) of GCF, accredited globally.

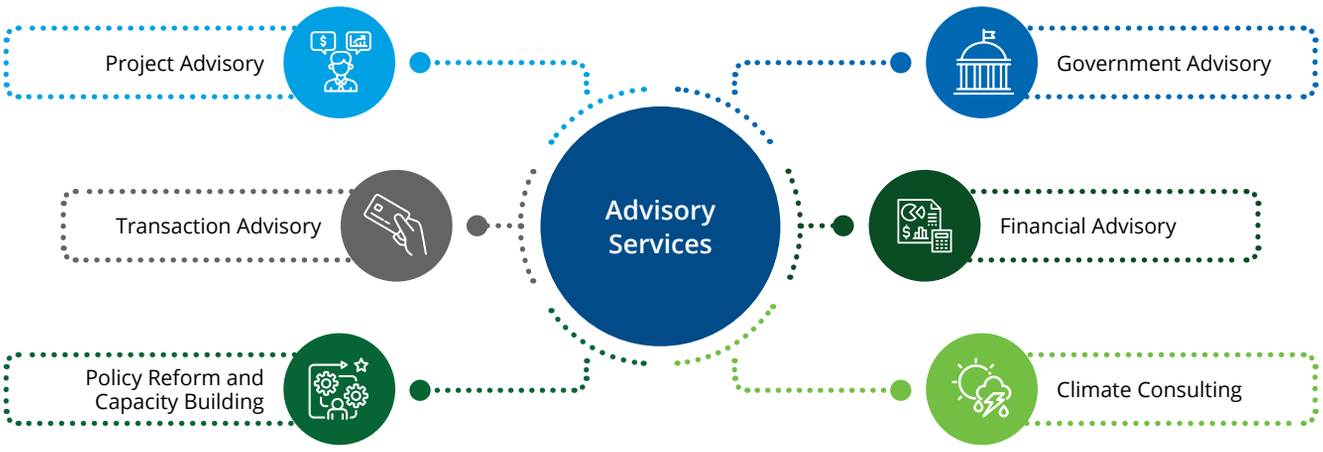
Under the program, IDCOL will receive USD 250 million concessional loan for a tenor of 20 years and USD 6.50 million as Technical Assistance (grant). Of the total, USD 100 million will be utilized to finance textile sector energy-efficiency projects, while USD 150 million will be channeled to selected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

IDCOL Timeline of GCF Financing



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 2021, IDCOL has been awarded four advisory assignments. First, in partnership with Ricardo-AEA Limited UK, IDCOL received technical assistance from the UK Government Department for Business, Energy and Industrial Strategy (BEIS) under its UK PACT Green Recovery Challenge Fund to identify scalable business models and a financing ecosystem for businesses with an aim for electric vehicle (EV) uptake in Bangladesh. Second, IDCOL was engaged by Skills for Employment Investment Program (SEIP) project under Finance Division to develop a business plan for renewable energy sector skill development in Bangladesh. Third, IDCOL provided capacity building support to 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. Finally, IDCOL provided advisory support to Climate Compatible Growth (CCG) Research Program for preparing a policy brief on topic of renewable energy integration and designing future markets for the senior level Government officials participated in the UNFCCC climate change summit (COP26) held in Glasgow in November 2021.

Internal Audit

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

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

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.

Status of IDCOL loans

As of December 2021, the overall collection rate of IDCOL loans was around 90.65 percent. The classified loan accounts were closely monitored and necessary actions had been taken against defaulters to recover the outstanding amount. Classified loans as a percentage to the total outstanding loan was 5.74 percent as on 31 Dec'21.

Short Term Investment

During the reporting period, IDCOL earned BDT 577.05 million by efficient use of its cash funds, out of which BDT 40.65 million was earned from short-term bank deposits, BDT 536.15 million from fixed deposits and BDT 0.25 million from call money operations.

IDCOL's Debt Service Performance

During the reporting period, IDCOL's debt service obligation under all the loans were current. The Company made a total debt service of BDT 4,837 million under various projects. Of the total, BDT 842 million was paid as interest and fees, while BDT 3,995 million was paid as principal repayment.

Our Regional Offices

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

Each Regional Office has 5-30 inspectors, whose job mandate is inspection and maintenance of quality. Currently, a total of 217 quality inspectors and field auditors are conducting physical inspection and monitoring operations of various IDCOL-financed renewable energy programs and projects around the country.

Credit Rating

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

Directors' Responsibilities in the Preparation of Financial Statements

The Company Law requires the Directors to prepare financial statements for each financial year that provide a true and fair view on the state of affairs and on the profit or loss of the Company at the end of each financial year. The Directors are responsible for preparing the Company's financial statements in accordance with the applicable laws and regulations. They select appropriate accounting policies, apply them consistently and 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 the requirements of regulatory authorities. At the same time, the Board provides the auditors 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.

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.

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 2021, 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 2021, and of the profit of the Company for the year, which ended on that date;

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

Integrated Reporting

The Annual Report 2021 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 relationship with its key stakeholders by providing transparency, accountability and its value delivery approach to stakeholders. It also includes all matters without material error and incorporates the efforts the Company has taken towards ensuring economic prosperity, environmental sustainability and social well-being of the country towards a brighter future for all.

Director's Meeting & Attendance

From 01 January to 31 December 2021, a total of 10 (ten) Board meetings were held. During this period, the aggregate attendance of the directors recorded was more than 90 percent. The core activities of the Board were carried out in scheduled meetings of the Board and its Committees. Those meetings were timed to link to key events in the Company's corporate calendar and regular reviews were conducted of specific business areas. Additional meetings and conference calls were arranged to consider matters which required decisions outside the scheduled meetings.

Corporate Governance

Since its inception more than 20 years ago, IDCOL has rigorously adhered to the principles of sound corporate governance. To further underscore its commitment to sound practices, 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.

Contribution to the National Exchequer and the Economy

During the year 2021, the Company contributed a total of BDT 1,497 million as corporate tax, BDT 39 million as Tax Deducted at Source (TDS) and BDT 20 million as VAT and BDT 230 million as dividend to the Government. Consequently, an amount of BDT 1,786 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.

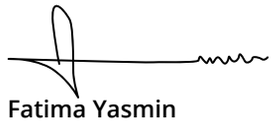
Auditors

M/S Rahman Rahman Huq, Chartered Accountants, have been appointed as auditors for the Company's accounts for the year starting from January 2021 to December 2021. 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. Hence, the Board recommended appointing Rahman Rahman Huq, Chartered Accountants, as the auditor of IDCOL.

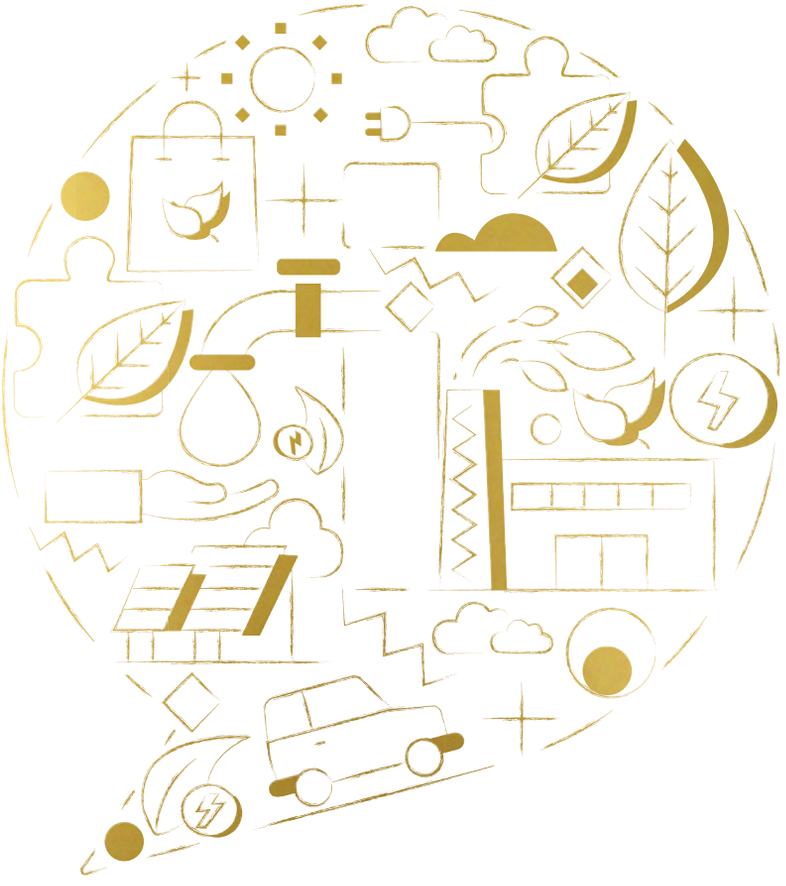
Acknowledgement

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

By order of the Board,



Fatima Yasmin
Chairman, IDCOL Board



ABOUT IDCOL

FROM STEPPING STONES

TO MILESTONES

1997

14 MAY

01 Incorporation of the Company

14 NOV

02 Signing of Project Agreement for USD 225 million with the International Development Association (IDA) under Private Sector Infrastructure Development Project (PSIDP)

1998

05 JAN

01 Licensing from Bangladesh Bank as an NBFI

2001

11 APR

01 Financing of the 1st Independent Power Plant (IPP) Project 450 MW Meghnaghat Power Ltd.

2008

02 DEC

01 Launching of Shonchalok Facility for the Information and Communication Technology (ICT) sector

2009

28 OCT

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

26 NOV

02 Signing of Financing Agreement for USD 18 million with the Islamic Development Bank under Improving Rural Households Livelihood through Solar Energy Project

20 DEC

03 Financing of the 1st Solar Based Irrigation Project

2010

01 APR

01 Opening of the 1st Regional Office under the SHS Program

12 APR

02 Financing of the 1st Solar Based Mini-Grid Project

2002

16 JUL

01 Signing of Project Agreement with the International Development Association (IDA) under Rural Electrification and Renewable Energy Development Project (REREDP)

02 Signing of Financing Agreement for USD 7 million with the Global Environmental Facility (GEF) under the REREDP

2003

01 JAN

01 Commencement of the Solar Home System (SHS) Program

2004

14 DEC

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

2005

06 SEP

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

2006

05 JAN

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

2007

30 NOV

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

26 DEC

02 Signing of Financing Agreement for EUR 25 million with KfW-German Financial Cooperation under Renewable Energy Project

2012

18 FEB

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

2013

12 MAY

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

2014

05 NOV

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

2020

15 JUN

01 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

02 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".

2020

15 NOV

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

2021

18 FEB

01 IDCOL in consortium with Ricardo-AEA Limited, UK received funding from UK Government under its UK PACT Green Recovery Challenge Fund for identifying scalable business models and a financing ecosystem for businesses with an aim for Electric Vehicle uptake in Bangladesh

25 FEB

02 IDCOL signed participation agreement with Bangladesh Bank for utilizing 'Technology Development/ Up-gradation Fund' of BDT 1,000 crore for Export Oriented Industrial sectors.

2015

02 APR

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

2016

13 JUN

01 Installation of 4 million SHS under IDCOL SHS Program

30 NOV

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

2017

06 JUL

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

2018

22 FEB

01 Financing it's 1st Solar Rooftop Project with a target of financing 300 MWp Solar Rooftop Projects by 2025

15 OCT

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

2019

30 MAR

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

MAY- JUN

02 IDCOL received approval of two Project Preparation Facility (PPF) grant supports from GCF for separateproject/program amounting to USD 701,273

07 JUL

03 IDCOL received GCF approval for up gradation 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.

2019

09 NOV

04 Inauguration of first ever gird integration of solar irrigation pump

31 DEC

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

31 DEC

06 Installation of 2 million ICS under IDCOL ICS Program

AWARDS & RECOGNITIONS



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



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



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



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



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



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



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



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



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



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



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



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



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



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



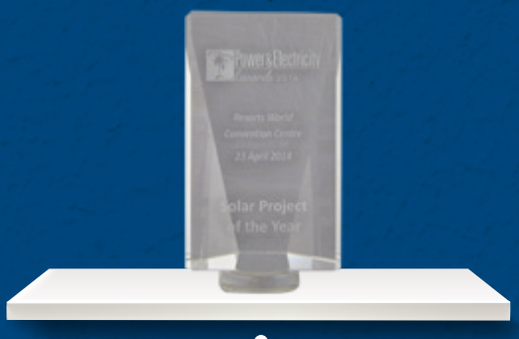
SAFA Best Presented Annual Report Award 2015 under the Public Sector Entities category



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



The Karlsruhe Sustainable Financial Award 2014 by Association of Development Financing Institutions in Asia and Pacific & ETECH Germany



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



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



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



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



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



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



3rd position in the Highest Income Tax Payer Award under the Non-Bank Financial Institution category by the National Board of Revenue (NBR) for Assessment Year 2014-2015



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



The Karlsruhe Sustainable Financial Award 2013 by Association of Development Financing Institutions in Asia and Pacific & ETECH Germany



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

EVENTS & ACHIEVEMENTS



Workshop on Installation of Industrial Rooftop Solar System: Prospects & Benefits

IDCOL organized the workshop on installation of industrial rooftop solar system at InterContinental Hotel, Dhaka on 30 November 2021. The objective of the workshop was to promote the rooftop solar technology among the suppliers of H&M.

Mr. Md. Habibur Rahman, Honorable Secretary to the Ministry of Energy Power & Mineral Resources graced the occasion as chief guest. Ms. Fatima Yasmin, Honorable Secretary of the Economic Relations Division and Chairman of IDCOL graced the occasion as Chair at the event.

Arranged Dialogue on 'Prospect of Solar-Powered Irrigation to Enhance Climate Resilience in Bangladesh' at Bangladesh pavilion on the sidelines of the Conference of Parties (COP) - 26 in Glasgow of Scotland

Infrastructure Development Company Limited (IDCOL) arranged the dialogue on 'Prospect of Solar-Powered Irrigation to Enhance Climate Resilience in Bangladesh' at Bangladesh pavilion on the sidelines of the Conference of Parties (COP) - 26 in Glasgow of Scotland on 8 November 2021. Speaking as the chief guest, Honorable Information and Broadcasting Minister Dr. Hasan Mahmud has said that Bangladesh is now a role model in reducing the risks induced by climate change. Secretary of the Ministry of Environment, Forests and Climate Change Mr. Mostafa Kamal addressed the function as the special guest where Mr. Habibur Rahman, Secretary of the Power Division & Director, IDCOL was the chair of the event. Additional Secretary of the Ministry of Agriculture Mr. Ruhul Amin Talukder, high officials of IDCOL, representatives of World Bank, JICA, ADB, USAID, UNDP, GEF and other development partners were present in the event.



Organized a Stakeholder Consultation Workshop on "Mujib Climate Prosperity Plan-Decade 2030"

IDCOL organized a stakeholder consultation workshop on the draft Power Sector Analysis for the "Mujib Climate Prosperity Plan-Decade 2030" on 29th March 2021. The workshop was held virtually with the participation of high level officials from various ministries, government agencies and international experts.

Mr. Md. Habibur Rahman, Secretary, Power Division graced the event as Chief Guest. Mr. Mohammad Alauddin, Chairman (Additional Secretary), SREDA chaired the workshop. Mr. Mahmood Malik, Executive Director and CEO of IDCOL delivered the welcome note. IDCOL team delivered the keynote presentation and proposed a holistic framework to realize low-carbon and climate resilient power sector for the future Bangladesh. Mr. Ahmed Shamim Al Razi, Additional Secretary, Ministry of Environment, Forest and Climate Change; Mr. Mohammad Hossain, Director General, Power Cell and Ms. Sara Jane Ahmed, Vulnerable 20 Group (V20) Finance Advisor participated in a panel discussion.



The twenty-fourth Annual General Meeting (AGM) of Infrastructure Development Company Limited (IDCOL) was held on 30 June 2021

The 24th Annual General Meeting (AGM) of Infrastructure Development Company Limited (IDCOL) was held on 30 June 2021 via virtual platform. Ms. Fatima Yasmin, Chairman, IDCOL and Secretary, Economic Relations Division presided over the meeting. During the FY 2020 the Company's profit before tax and provision was BDT 318.17 crore. The AGM declared the dividends for a total amount of BDT 46 crore from the profit made by the Company during FY 2020. An amount of BDT 23 crore was paid to the Government as cash dividend; and an amount of BDT 23 crore was used for increasing the Company's paid-up capital to BDT 738 crore from the existing BDT 715 crore by way of issuing bonus shares. Ms. Fatima Yasmin, Chairman, IDCOL and Secretary, Economic Relations Division, Dr. Ahmad Kaikaus, Shareholder, IDCOL and Principal Secretary to the HPM, Prime Minister's Office, Mr. Abu Hena Md. Rahmatul Muneem, Shareholder, IDCOL and Chairman, National Board of Revenue (NBR), Mr. Abdur Rouf Talukder, Director and Shareholder, IDCOL and Senior Secretary, Finance Division, Mr. M. Tofazzel Hossain Miah, Director and Shareholder, IDCOL and Secretary, Prime Minister's Office, Mr. Md. Habibur Rahman, Director and Shareholder, IDCOL and Secretary, Power Division, Mr. Tapan Kanti Ghosh, Shareholder, IDCOL and Secretary, Ministry of Commerce, Mr. Abdul Baki, Shareholder, IDCOL and Additional Secretary, Economic Relations Division, Ms. Nihad Kabir, Director and Shareholder, IDCOL, Mr. Abdul Haque, Director and Shareholder, IDCOL, Mr. A. K. M. Nurul Fazal Bulbul, Director & Shareholder, IDCOL and Mr. Mahmood Malik, Executive Director and CEO, IDCOL attended the 24th AGM of IDCOL.



Organized a webinar on "Industrial Energy Efficiency Dialogue"

IDCOL organized a webinar, "Industrial Energy Efficiency Dialogue" on 4 February, 2021 to bring energy efficiency practitioners, experts and professionals together. Dr. Tawfiq-e-Elahi Chowdhury, Bir Bikram, Advisor to the Honorable Prime Minister, Bangladesh was the Chief Guest of the event, while Mr. Md. Habibur Rahman, Secretary, Power Division, Mr. Abul Kalam Azad, Special Envoy for the United Nations Climate Vulnerable Forum Presidency, Mr. Md. Abdul Jalil, Chairman, Bangladesh Energy Regulatory Commission, were Special Guests. Mr. Mohammad Alauddin, Chairman, SREDA delivered the keynote speech. A panel discussion moderated by Md. Amzad Hossain, Editor of Energy and Power was held with Mr. M. A. Jabbar, Managing Director, DBL Group, Mr. Abdullah Al Mamun, Vice President, BTMA, Ms. Rubana Huq, President, BGMEA, Mr. Siddique Zobair, Former Member, SREDA and Mr. Mahmood Malik, ED & CEO, IDCOL. Representatives from Private Sector also shared their practical experiences on various industrial energy efficiency measures.

The recorded webinar was shared in social media platforms and a special report was published based on the discussions in Energy and Power Magazine Vol 18.



Received certificate of appreciation by LTU, NBR for being one of the highest tax payers for AY 2020-21 in NBFI category

Infrastructure Development Company Ltd. (IDCOL) has been awarded Certificate of Appreciation by Large Tax Payers Unit (LTU), Dhaka of National Board of Revenue (NBR) for being one of the Highest Taxpayers in the category of Non-Bank Financial Institution for the Assessment Year 2020-2021.

Mr. Fazle Kabir, Governor, Bangladesh Bank was the chief guest and Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resource Division & Chairman, NBR was the special guest of the award giving ceremony organized by LTU, Dhaka. Honorable chief guest handed over the award to Mr. Abdul Baki, Executive Director & CEO (In-charge), IDCOL and Additional Secretary, Economic Relations Division (ERD) and Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL.



Awarded the 1st position of the Highest Income Tax Payer Award by NBR under NBFI category

Infrastructure Development Company Ltd. (IDCOL) has been awarded the 1st position of the Highest Income Tax Payer Award by the National Board of Revenue (NBR) under Non-Bank Financial Institution category for Assessment Year 2020-2021. NBR also presented Tax Card 2021 in favor of Ms. Fatima Yasmin, Chairman, IDCOL & Mr. Abdul Baki, Director & CEO (in-charge), IDCOL.

Mr. A H M Mustafa Kamal, FCA, MP, Hon'ble Minister, Ministry of Finance, Government of the People's Republic of Bangladesh, was present as the chief guest of the award-giving ceremony organized by NBR. Mr. Abu Hena Md. Rahmatul Muneem, Senior Secretary, Internal Resource Division & Chairman, NBR, Ministry of Finance, handed over the award and the tax cards to Mr. S. M. Monirul Islam, Deputy CEO & CFO, IDCOL.



Secured the Second Position in the 21st ICAB National Award for Best Presented Annual Reports - 2020 under Public Sector category

Infrastructure Development Company Limited (IDCOL) received 21st ICAB National Award for Best Presented Annual Reports - 2020. IDCOL has been awarded the Second Position for Best Presented Annual Reports under Public Sector category. The competition was based on independent evaluation of the Review Committee for Published Accounts & Reports (RCPAR) of Council-ICAB and due recommendation of the Jury Board.

Mr. Tipu Munshi, MP, Hon'ble Minister, Ministry of Commerce, Government of the People's Republic of Bangladesh who was present as the Chief Guest of the award giving ceremony, handed over the award to Mr. Mohammed Jabed Emran, Chief Risk Officer, IDCOL.



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

Infrastructure Development Company Limited (IDCOL) has been adjudged as the recipient of 'Certificate of Merit' under Public Sector Entities category in SAFA Best Presented Annual Report Awards 2020. The Awards under different categories are conferred based on the evaluation administered by SAFA's Committee for Improvement in Transparency, Accountability & Governance of the published annual reports of entries from South Asian Countries.

The President of The Institute of Chartered Accountants of Bangladesh (ICAB) handed over the certificate to Mr. M. Maftun Ahmed, Company Secretory, IDCOL at the award giving ceremony held at the ICAB Auditorium, Dhaka on February 9, 2022.



Mandated Lead Arranger of Energon Renewables (BD) Limited

IDCOL has been appointed as the Mandated Lead Arranger (MLA) of Energon Renewables (BD) Limited, a 100 MW (AC) solar PV project located at Bagerhat, Khulna. The largest operational grid-tied solar power plant till date, Energon now stands as a landmark project in the country's renewable energy arena. IDCOL as the MLA will be raising the required long term foreign currency financing for this project and will also be participating in the capacity of a Lead Lender. On 30 December 2021, IDCOL Board provided its approval for financing up to USD 75 million to this project.



Financial Closing of Confidence Power Bogra Limited

On 14 March 2021, IDCOL as the Mandated Lead Arranger closed a syndicated long-term debt financing arrangement of USD 40 million and BDT 183 crore for the establishment of a 113 MW HFO fired power plant by Confidence Power Bogra Limited at Shajahanpur, Bogra. IDCOL as the Lead Financier, extended USD 40 million loan in this syndicated financing facility. Sonali Bank Limited, Bangladesh Development Bank Limited and United Commercial Bank Limited financed the BDT portion of the loan facility.



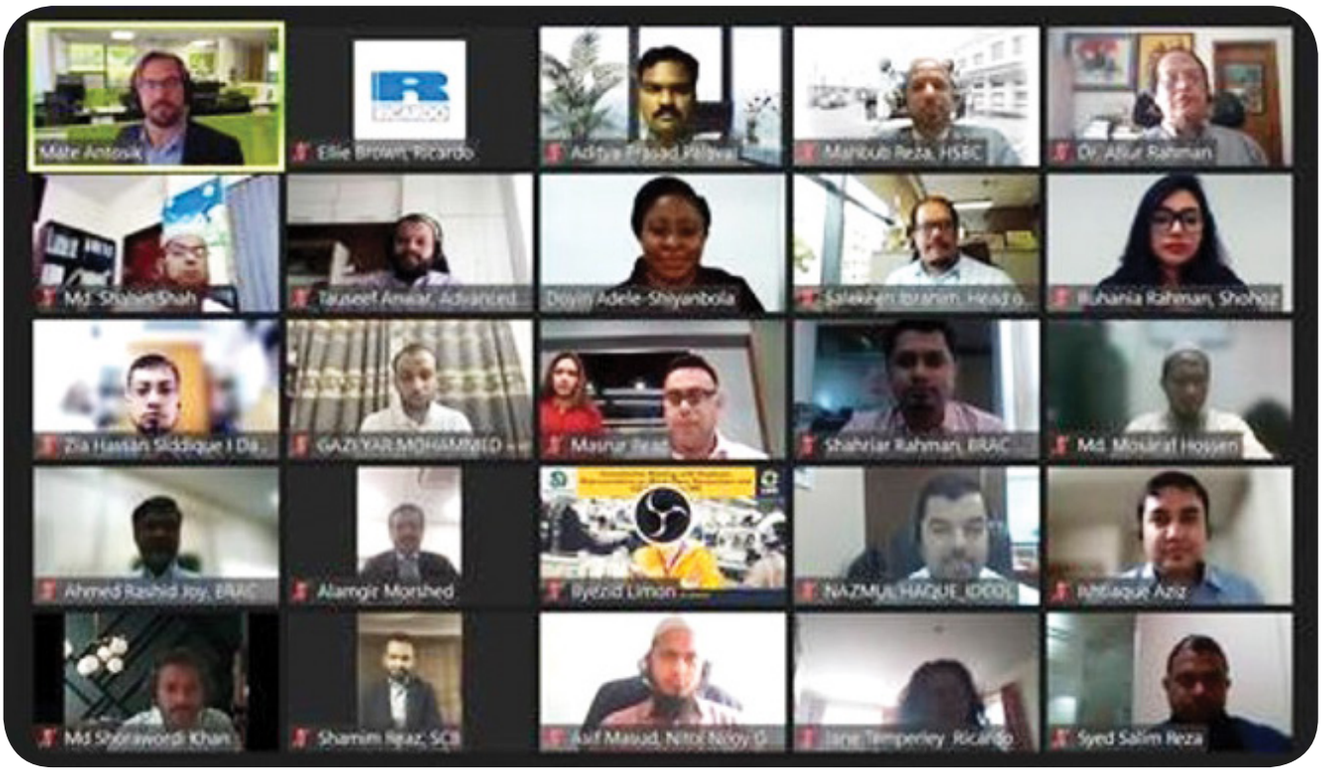
Financial Closing of Comfit Composite Knit Limited (CCKL)

IDCOL has approved a term loan facility of BDT 70 crore in favor of Comfit Composite Knit Limited (CCKL). The financing will be used for the expansion of existing capacity of Dyeing, Finishing and ETP. IDCOL will provide the facility under its environmental performance window through a credit line from French Development Agency (AFD).



Signing of Participation Agreement with Bangladesh Bank for utilizing 'Technology Development/ Up-gradation Fund' of BDT 1,000 crore for Export Oriented Industrial sectors

Executive Director & CEO of IDCOL, Mr. Mahmood Malik, participated in the signing ceremony held in Bangladesh Bank on 25 Feb 2021 for utilizing 'Technology Development/ Up-gradation Fund' of BDT 1,000 crore for Export Oriented Industrial sectors. Under this fund, refinance facility will be extended against disbursement of term loan/ investment (in BDT) favoring its client to procure machineries/technologies for the modernization and technological development/up-gradation of export oriented industrial sectors as per SFD Circular No: 02 dated January 17, 2021. Consultancy costs, repair/maintenance expenses and any expenses related to working capital shall not be included under this refinance fund.



Organized a Webinar on Electric Vehicle Financing Accessibility in Bangladesh

IDCOL organized a webinar on 16th September 2021 marking the launch of Financial Institutions Working Group (FIWG) and UK-Bangladesh Business Engagement Forum (BEF) under the UK Government funded "Road to a Green Bangladesh" project that is identifying scalable business models and a financing ecosystem for businesses with an aim for EV uptake in Bangladesh.

The webinar was chaired by Dr. Atiur Rahman, Ex-Governor of Bangladesh Bank. Mr. Khondkar Morshed Millat, General Manager, Sustainable Finance Department of Bangladesh Bank attended the event as Special Guest. Ms. Doyin Adele-Shiyanbola, Second Secretary, Political from the British High Commission in Dhaka presented the welcome address. Mr. Nazmul Haque, Chief Investment Officer of IDCOL represented IDCOL in the FIWG.



Organized a Workshop on the Electric Vehicle Ecosystem in Bangladesh

IDCOL organized a workshop on 10th November 2021 on the Electric Vehicle (EV) ecosystem in Bangladesh. The event was organized as part of the UK Government funded "Road to a Green Bangladesh" project that is identifying scalable business models and a financing ecosystem for businesses with an aim for EV uptake in Bangladesh.

The event was chaired by Mr. Nazmul Haque, Chief Investment Officer, IDCOL. The speakers at the event discussed about the barriers that vehicle and battery manufacturers are facing for making investment in the electric mobility sector, the infrastructure requirement for EV adoption and their views of increasing women participation in the sector.

Issuance of Certified Emission Reduction (CER) Credits

IDCOL's Solar Home System (SHS) and Improved Cook-stoves (ICS) programs significantly reduce emission of carbon dioxide (CO_2) in the atmosphere. Both programs are registered as Clean Development Mechanism (CDM) projects under United Nations Convention for Climate Change (UNFCCC). As per CDM mechanism, the reduction of CO_2 emission through program interventions/ technologies can be quantified. UNFCCC issues Certified Emission Reduction (CER) credits to CDM projects time to time after verification of performance and operational status of a program over a specific monitoring period. Notably, each CER is issued against reduction of 1 ton carbon dioxide emission.

UNFCCC issued 456,395 CERs under IDCOL ICS Program in April 2021 and 1,223,696 CERs under IDCOL SHS Program in November 2021.



IDCOL Annual Retreat 2021

IDCOL arranged Annual Retreat and Review Meeting 2021 for its HO officials and support staffs at Royal Tulip Sea Pearl Beach Resort, Cox's Bazar from 29th October 2021 to 31st October 2021. IDCOL invited its officials along with their family members to join the event.



Discussion Session on Account of National Mourning Day

IDCOL arranged a discussion and prayer session on 15th August 2021 to honor the National Mourning Day and 47th Martyrdom Anniversary of the Father of the Nation Bangabandhu Sheikh Mujibur Rahman.

VALUE CREATION STRUCTURE

OUR CAPITALS...

Financial Capital

Supported by:

- Strong capital and liquidity with 18% Capital Adequacy Ratio
- Relatively well-diversified funding base with Shareholders' Equity of BDT10,095 mn
- Credit rating strength of "AA1/ST-1"enabling access to broad-based sovereign/institutional credit

Intellectual Capital

Built on:

- Strong brand reputation given our rich history in financing national infrastructure development as a top development financial institution of Bangladesh
- Specialist knowhow in project identification, creation of the right financial structure and underwriting
- Strategic partnerships with govt. & autonomous partners and local and international development partners
- Integrated risk management framework with fail-safe systems and processes

Manufactured Capital

Enhancing service delivery through:

- A central head office and 17 regional offices ensuring pan-Bangladesh coverage
- Fixed assets of BDT 11.29 cr
- Harmonising operational processes for enhancing efficiency through automation and digitalisation

Human Capital

Energised by our mission and core values:

- Represented by a diversified base of 423 employees
- Emphasis on talent development and subject specialization via up-skilling and promoting a culture of constant learning
- Focus on building a pipeline of talent for efficient succession planning

Social & Relationship Capital

Committed to responsible citizenship:

- Channelled BDT 46.50 lac in CSR in FY 2021.
- Multi year partnerships with sponsors.
- Constructive relationships with govt., regulators, development partners and civil society for facilitating conducive business environment

Natural Capital

Devoted to action for the climate:

- Strong emphasis on financing for industry modernisation and efficiency enhancement
- Focus on renewable energy financing
- Journeying towards Green Building construction

AND KEY DIFFERENTIATORS...

Strategic priorities

- Restore profitability growth
- Process efficiency enhancement
- Credit recovery
- Bolster internal controls
- Occupational health and safety
- Talent development
- Sustainability
- Growth momentum sustainment
- Broad-base funding
- Product innovation
- Reinforce institutional strengths

Governance

Sound governance practices are at the core of our business.

Material matters

- Business alignment with govt. priorities
- Governance
- World-class standards and competencies
- Environmental sustainability
- Products and solutions diversification
- Domestic financial markets development
- Social and societal responsibility
- Ethics, transparency and integrity

Key risk factors

- Covid-19 pandemic
- Geopolitical developments
- National fiscal resource constraints
- Concentrated funding sources
- Project and credit risks
- Attrition

Major opportunities

- Sharp economic recovery from the pandemic lows
- Imminent graduation to middle income country status from LDC
- Large infrastructure financing gaps
- Lower competitive pressures
- Longstanding reputation as an infra financing specialist

Potential threats

- Re-emergence of Covid variants
- Rising inflationary pressures
- Adverse currency movements
- Deteriorating geopolitical scenario

THROUGH OUR BUSINESS ACTIVITIES, GENERATE OUTPUTS...

Infrastructure and project finance

Comprehensive suite of financial solutions to eligible private-sector infra projects, including long-term local and foreign currency loans, working capital loans, debt and equity mobilisation,etc.

Specialty:

Seamless transaction execution services from start to end.

Renewable energy finance

Pioneer in mass scale off-grid renewable energy distribution,with country-wide programs in solar home system, domestic biogas, solar irrigation,solar mini-grid, solar roof-top, biomass and biogas-based electricity generation plants

Specialty:

Wide range of concessionary loans.

Energy efficiency finance

Various schemes for financing energy-efficient equipment,green buildings, energy-efficient appliances, brick kilns, etc. Financial solutions also provided for environment-friendly auto brick and improved cook stove projects.

Specialty:

Long to short term concessional financing and capacity building.

Advisory services

Wide range of specialist advisory services under three major domains of training and capacity building; experience sharing, including project feasibility analysis, design and implementation,etc.; and corporate and transaction advisory.

Specialty:

Strategic complement of synergistic value-added solutions.

TO CREATE VALUE ADDED OUTCOMES FOR OUR STAKEHOLDERS...

AND A HOLISTIC IMPACT ON OUR STAKEHOLDERS AND THE UN SDGs

Financial Capital



BDT 75,142 mn
Loans and advances

- Cost to income of 9.15%
- Earnings per share (EPS) of BDT 14.86
- Return on equity (ROE) of 10.86%
- Return on assets of 1.10%
- Total assets increased by 1.96%to BDT 100,129 mn
- Return on investment of 1.45%
- Net profit margin of 20.73%
- BDT 100 cr. to be declared as dividend



BDT 100,129 mn
Total assets

Intellectual Capital

- Process improvement and modernisation through contemporary MIS
- New financing avenues
- Strategic expansion of service basket
- Resource capacity augmentation through training and development



BDT 5,838 mn
Disbursement

Manufactured Capital

- Strategic locational presence
- Strong IT backbone with automation and digitisation focus
- Strong field-level monitoring and surveillance for efficiency enhancement



BDT 3,977 mn
Operating profit

Human Capital

- Low attrition and high retention, thus ensuring preservation of people strength
- Motivated workforce aligned with vision and values
- Strong Covid-safe practices with culture of keeping everyone safe
- Industry-leading compensation
- Continued promotion of diversity, inclusion and meritocracy



BDT 1,097 mn
Net profit after tax

Social & Relationship Capital

- Positive relationships with all stakeholders
- BDT 1,775 mn contributed to state exchequer in FY 2021
- Strong CSR with focus on grassroots upliftment
- Build 25 homes for the homeless poor in FY 2021
- Ensured philanthropic contributions and donations

Natural Capital

- Commitment to financing projects that are environment-friendly and align with environmental guidelines
- Dedicated green RMG and brick kiln program
- Impact-driven Improved Cook Stove program
- Responsible use of natural resources



Shareholders

Financial Capital





Employees

Intellectual Capital





Society

Manufactured Capital





Govt./ Regulators

Human Capital





Partners

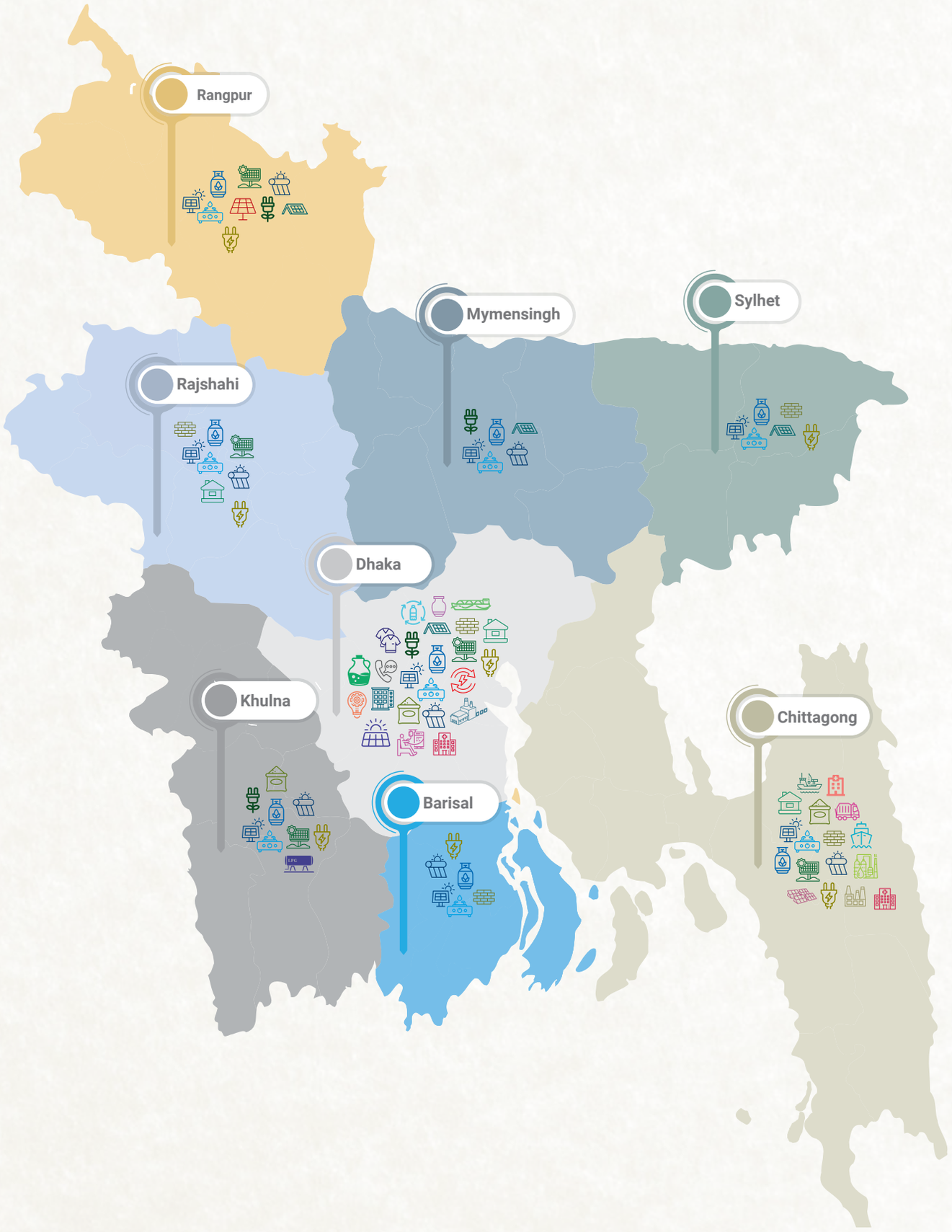
Social & Relationship Capital



Natural Capital



NATIONAL FOOTPRINT



Programs & Projects	Divisions								
	Barisal	Chattogram	Dhaka	Khulna	Mymensingh	Rajshahi	Rangpur	Sylhet	Total
Power & Energy (Capacity-MW)	365	621	1,964	315	-	124	228	265	**3,881**
Auto Brick Kiln (No. of Projects)	1	1	2	-	-	2	-	1	**7**
Economic Zone (No. of Projects)	-	-	2	-	-	-	-	-	**2**
Cement (No. of Projects)	-	1	1	1	-	-	-	-	**3**
Land Port (No. of Projects)	-	2	1	-	-	1	-	-	**4**
Garments (No. of Projects)	-	-	5	-	-	-	-	-	**5**
Hospital & Dialysis Center (No. of Projects)	-	1	1	-	-	-	-	-	**2**
Solar Home Systems (No. of Plants)	691,905	930,281	745,052	361,249	356,034	261,270	268,464	522,117	**4,136,371**
Improved Cook Stoves (No. of Plants)	108,305	112,463	136,523	771,055	53,813	958,326	694,251	69,450	**2,904,186**
Biogas (No. of Plants)	584	5,401	15,963	10,812	5,800	10,741	9,747	2,086	**61,134**
Solar Irrigation Pumps (No. of Pumps)	-	2	5	451	-	122	935	-	**1,515**
Bio-electricity (Capacity-kWp)	-	-	1,135	25	300	-	420	-	**1,880**
Solar Mini Grid (No. of Projects)	5	3	7	1	1	6	3	-	**26**
Solar Roof Top (No. of Projects)	-	-	12	-	1	-	1	1	**15**

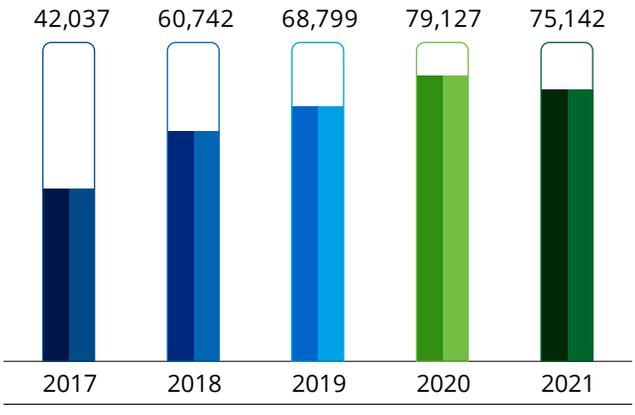
Other major footprints:

Dhaka	**Hotel & Tourism** (1 Project)	**Bottle Recycling** (1 Project)	**Ceramics** (1 Project)	**Edible Oil** (1 Project)	**Electrical & Electronics Manufacturing** (1 Project)	**LNG** (1 Project)	**Solar & Light Manufacturing** (1 Project)	**Battery Recycling** (1 Project)	**Telecom** (2 Projects)
Chattogram	**Steel & Rerolling Mills** (1 Project)	**Dredging & Heavy Engineering** (1 Project)	**Petroleum Refinery** (1 Project)	**Shipping Company** (1 Project)	**Waste Management** (1 Project)	**Solar BTS** (2 Projects)			
Khulna	**LPG** (1 Project)		Rangpur		**Solar Grid Tied** (1 Project)				

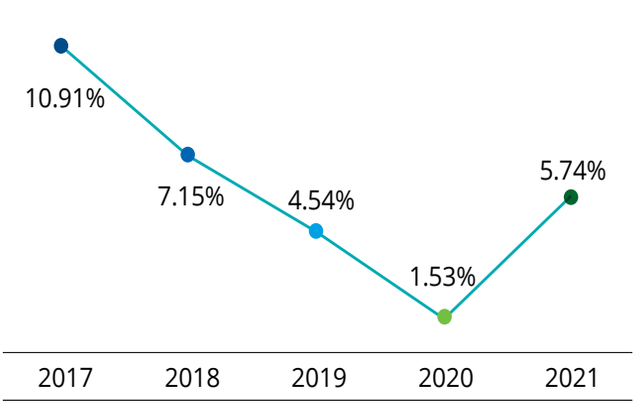
PROGRAMS & PROJECTS

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

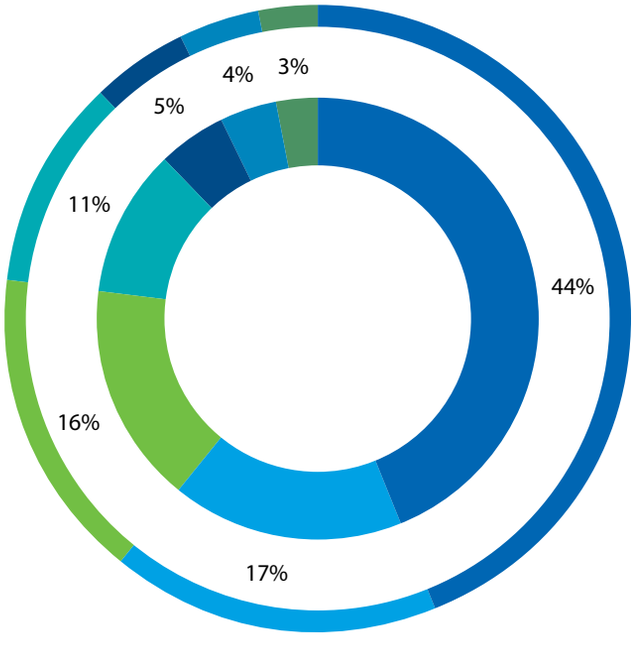
Loan Portfolio



% of Classified Loans



Sector wise Loan Portfolio



- Power & Energy
- SHS program
- Industrial Energy Efficiency
- Infrastructure Backward Linkage Industry
- Other RE
- Social/ Tourism Infrastructure
- Economic Zone

Focus Sectors

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

INFRASTRUCTURE & PUBLIC PRIVATE PARTNERSHIP (PPP)

Financing Large to Medium Scale Infrastructure Projects

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

USD 1 billion+
TOTAL INVESTMENT

BDT 66,905 million+
TOTAL ARRANGEMENT OF FUNDS

USD 767 million+
EXTERNAL INFRASTRUCTURE CREDIT LINE

BDT 47,337 million+
LOAN PORTFOLIO

Loan Portfolio (BDT million)



2017-2021
167%
PORTFOLIO GROWTH

63%
OF IDCOL'S TOTAL LOAN PORTFOLIO

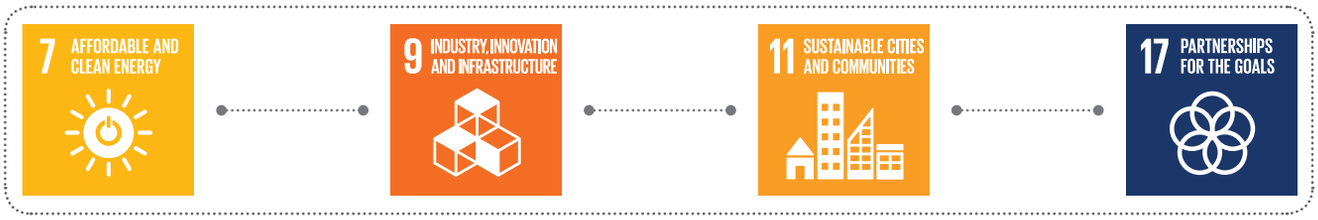
0.73%
NPL

69
NO. OF PROJECTS FINANCED by 2021

KEY FOCUS SECTORS

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

SDG Relevance to Infrastructure and PPP Program



NOTABLE ACHIEVEMENTS

Financed Installation of 31% Private Sector Electricity Generation Capacity

IDCOL has supported in achieving the GoB's vision of Electricity for All by 2021. IDCOL has till date approved financing for 31 private sector power projects and captive projects with an aggregate installed capacity of 3,881 MW.

IDCOL has facilitated the installation of 31% of the country's total private sector electricity generation capacity by investing equivalent to USD 622 million both in USD and BDT loans.





Supported Port Projects with 22% Export Container Handling Capacity

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

Extended USD 116 million Investment to ICT &Telecom Sector

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





BDT 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. IDCOL has extended a cumulative financing of BDT 334 crore to this sector till date.

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

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





Over BDT 1,200 crore to Infrastructure Backward Linkage Industries

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

Presence in the Hotel and Tourism Sector

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





Financed 1st PPP Project in Healthcare Sector

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

BUSINESS MODEL

Infrastructure and PPP projects of IDCOL are financed by the three business units of the Investment Department - Infrastructure Finance (IF), Public Private Partnership (PPP) and Industrial & Energy Efficiency Finance (IEEF). These units work independently with individual focus areas but has a unified target of facilitating financing of infrastructure & PPP projects in the country. Both external infrastructure credit lines and own funds are utilized for financing the eligible projects as per IDCOL's Lending Policy.

Business Model: Infrastructure, Industrial & Energy Efficiency & PPP

Business Initiation

- Initiation of new business proposal by IDCOL/ Client/ 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 client and co-financiers followed by Financial Closing and Disbursement

Post-disbursement Monitoring

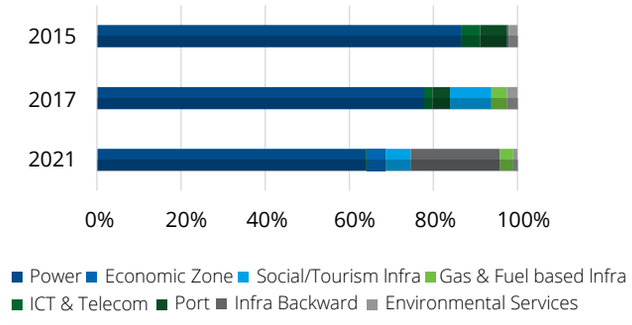
- Monitoring of loan repayment, project's operational performance and E&S compliance

A new financing proposal is initiated through the interaction between IDCOL and Client/ Arranger. IDCOL negotiates the key financing terms with the Client for eligible projects and obtains Initial Consent from its Board. All the project proposals go through stringent in-house appraisal with third-party advisors appointed as required to help assess the feasibility of a project. Once the due diligence is completed by the business unit, a project has to pass through a three-tier internal approval process. Once all approvals are obtained, the loan agreements are negotiated with client which is followed by financial closing and disbursement. For projects that are financed utilizing external credit lines, it might be required to obtain an additional approval from the credit line provider. IDCOL monitors the performance of the loans post-disbursement - especially to ensure regular loan repayment and compliance with environmental and social standards.

DIVERSIFYING THE INFRASTRUCTURE & PPP PORTFOLIO

The loan portfolio of IDCOL's infrastructure and PPP segment stood at over BDT 47 Billion as of December 2021 – contributing around 63% 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 power, IDCOL has successfully included social infrastructure, hotel and tourism, economic zone, gas & other fuel based infrastructure, and infrastructure backward linkage sectors to its portfolio mix.

Evolving Portfolio Composition



Power sector exposure reduced by **23%** over the **last 6 years** - from **87%** to **64%**

Infrastructure and PPP Portfolio Composition (as of 31 December 2021)



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 has been signed with various sponsors from different sectors in recent years.

KEEPING IN STEP WITH THE NEW NORMAL - 2021

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

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, and infrastructure backward linkages sectors. The outstanding performance of IDCOL in infrastructure & PPP segment in a year of uncertainties has been captured in the key highlights below:

2021 IN NUMBERS

Financing Approval

4 Projects

BDT Crore

1,272

Disbursement

5 Projects

BDT Crore

537

Debt and Equity Arrangement

41 Projects

BDT Crore

344

Agency Operations

2 Projects

BDT Crore

1,019

2021 IN PHOTOGRAPHS



IDCOL approved **BDT 500 crore** financing for the expansion of melting and rolling capacity **of BSRM Steels Limited** at Mirsarai, Chattogram



IDCOL approved **USD 75 million** financing for **Energon Renewables (BD) Limited**, a 100 MW (AC) solar PV project located at Bagerhat, Khulna – the country's largest operational grid-tied solar project



IDCOL financed **BDT 87.5 crore** in 2021 making a total of BDT 175 crore towards establishing DBL Industrial Park Limited –a 167.6 acres EZ in Moulvibazar, Bangladesh



IDCOL extended **USD 40 million** towards establishing a 113 MW HFO fired power project **– Confidence Power Bogra Limited** at Bogura

RISKS AND OPPORTUNITIES

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. Amidst 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 envisaged in all major sectors of infrastructure. This creates an opportunity for IDCOL as it specializes in financing private sector infrastructure projects.

Long-term Financing in Local and Foreign Currencies

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

Experienced 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 sources 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 is prioritized and detailed appraisal is undertaken by experience 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 sectors.

Retention of Key Employees

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

ENERGY EFFICIENCY

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



Long to short-term Concessional Financing



Long to short-term Market-based Financing



Capacity Building

KEY HIGHLIGHTS

BDT 1,216 crore current loan portfolio of Industrial Energy Efficiency

The three key segments of Indutrial Energy Efficiency Financing comprising of Energy Efficient Equipment, Green Brick Program and Green Building total to a loan portfolio of BDT 1,216 crore.

BDT 680 crore financing extended to Energy Efficient Equipment

A relatively new focus segment of IDCOL, energy efficient equipment financing is growing rapidly with around BDT 680 crore financing extended to different industrial sectors.

BDT 224 crore financing approval under Green Brick Program

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

2.90 million Improved Cook Stove

Under IDCOL Improved Cook Stove (ICS) Program, IDCOL has till date disseminate 2.90 million ICS date which are reducing use of solid fuels, Indoor Air Pollution and GHG Emission.

1st Green Building Project

IDCOL has obtained financing approval for its 1st Green Building project in 2020. This segment is expected to gain traction in the coming years.

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

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

EUR 100 million credit line for Energy Efficiency, Renewable Energy & Environmental Services Projects

IDCOL has signed its first credit facility with Agence Française de Développement (AFD) for EUR 100 million to finance projects in the energy efficiency, renewable energy and environment friendly segments.

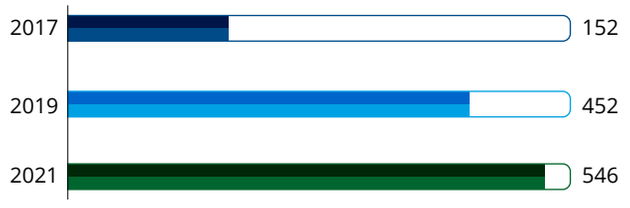
FOCUS ENERGY EFFICIENCY SEGMENTS

- Energy Efficient Equipment
- Eco-friendly Bricks
- Green Building
- Improved Cook Stove

FINANCING ENERGY EFFICIENT EQUIPMENT

IDCOL has till date extended around BDT 680 crore financing to 09 energy efficient equipment projects- including setting up of energy efficient Vertical Roller Mills (VRM) machines in the cement industry and procurement of various energy-efficient machines in the spinning & textile, RMG and oil refinery industries etc. Energy efficient equipment are financed with the external credit lines funded by JICA and AFD along with utilizing IDCOL's own funds- as required.

ENERGY EFFICIENT EQUIPMENT Portfolio Size



Portfolio Growth

260%

Over a period of only 4 years, IDCOL's portfolio in this segment has more than tripled – which reflects the growing financing demand for energy efficient equipment in the market. Currently, this segment accounts for 7% 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
- Cement
- Pharmaceuticals
- Food Processing
- RMG
- Glass
- Steel
- Chemicals

BENEFITS OF ADOPTING ENERGY EFFICIENCT EQUIPMENT

Production Floor

- Enhanced Productivity
- Superior Product Quality and Value
- Competitive Edge
- Lower Production Costs (energy, labor, raw material, etc.)
- Enhanced Asset Value
- Increased Disposable Income

Operation and Maintenance

- Extended Lifetime for Plants and Machineries
- Reduced Process/Plant Downtime
- Deferred Capital Costs towards Replacing Plant and Machinery

Working Environment

- Improved Thermal Comfort and Lighting
- Increased Worker Safety and Well-being
- Retain and Attract Skilled Staff
- Reduced Health Insurance Costs and Medical Expenses
- Improved Labor Productivity
- Reduced Noise Levels

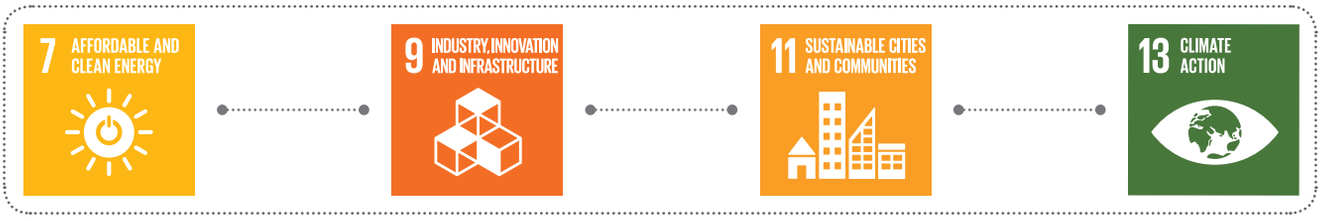
Environmental

- Reduced Compliance Costs, Fines etc.
- Reduced Hazardous Waste, Dust etc.
- Reduced CO, CO_2, NOx, SOx, emissions

Other Economic

- Decreased Liability and Risks
- Reinvestment of Savings/Disposable Income
- New Income Streams, Increased Production Capacity

SDG Relevance to Energy Efficiency Program



NOTABLE ACHIEVEMENTS



VRM Installation



Clinker Feeding System

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



Energy Efficient Spinning Line

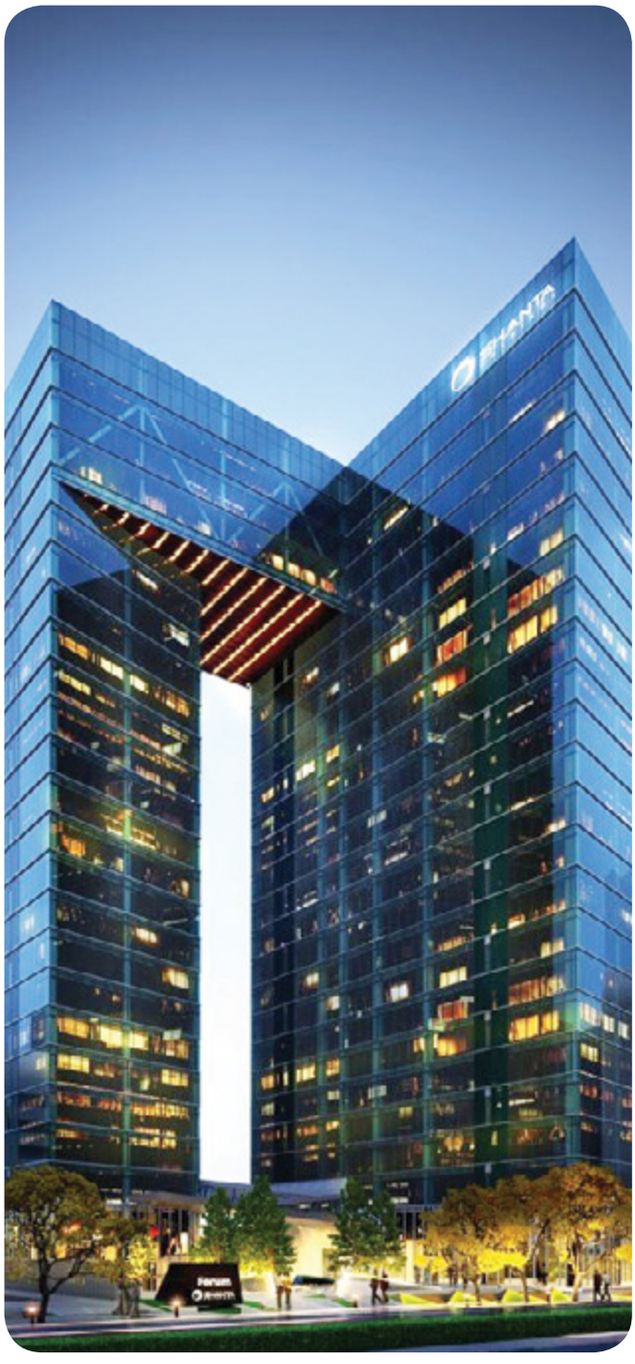


Energy Efficient Sewing Machine

Promoting Energy Efficient Equipment in Spinning, Textiles 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





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

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 6 tunnel kiln and 1 HHK brick projects, with aggregate daily production capacity of 1.14 million bricks. Till date, over BDT 180 crore financing has been extended. IDCOL has also collaborated with Frankfurt School of Finance & Management GmbH (Frankfurt School) under the project, 'Technical assistance (TA) for financing brick kiln in Bangladesh' supported by United Nations Environment Program (UNEP) through funding from the Climate and Clean Air Coalition (CCAC).

IMPROVED COOK STOVE (ICS) PROGRAM

KEY HIGHLIGHTS

Installation	Beneficiaries	Coverage	Impact	Target
2.90 million	11.94 million	61 districts	1.54 ton/ICS/year biomass savings 1.22 ton/ICS/year CO_2 emission reduction	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 2.90 million ICS have been installed till December 2021. 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, and
- To build local capacity and mass awareness for achieving 100% ICS coverage by 2030 as per Bangladesh Country Action Plan for Clean Cook Stoves

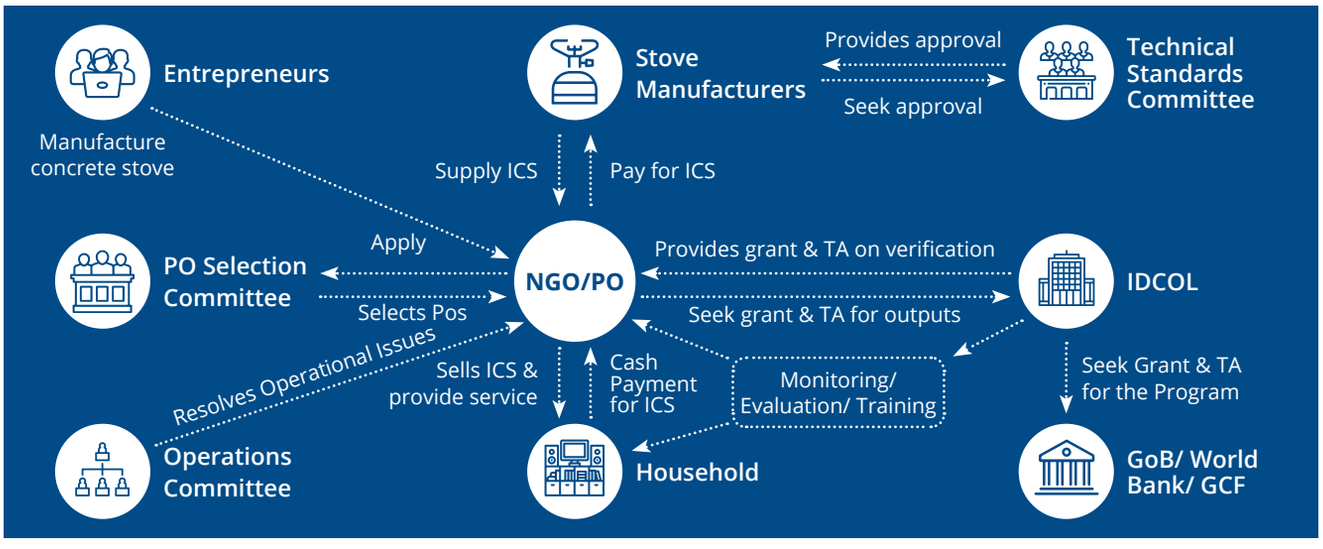
SDG Relevance to Improved Cook Stove Program



PROGRAM STRUCTURE

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

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



ICS Program Structure

RISKS AND OPPORTUNITIES

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 2.90 million ICS has already been installed.

Reducing Emission and Fuel Wood Saving

With installation of 5 million cookstoves by June 2023, IDCOL ICS Program will save 7.7 million ton fuel wood per year and reduce emissions of 6.1 million ton CO_2 per year. Notably, an ICS saves 1.54 ton fuel wood per year and decreases 1.22 ton CO_2 emission per year.

Through installation of 5 million stoves, the program will create mass awareness on ICS and local capacity which will significantly contribute towards achieving government's target of 30 million stoves. These 30 million stoves will save 46.2 million ton fuel wood and reduce emissions of 36.6 million ton CO_2 emission per year.



The ICS Program is contributing towards achieving several SDGs

Achieving Sustainable Development Goals (SDGs)

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

An Indoor Air Pollution study (IAP) conducted under the ICS program showed that the Improved Cook Stoves reduce emission of particulate matters and CO by 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 provide 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.

RENEWABLE ENERGY

IDCOL is actively facilitating the GoB's vision of achieving **10%** electricity generation from Renewable Energy sources by **2030**

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

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



61,134 Biogas Plants

IDCOL has financed construction of more than 61,134 domestic biogas plants which provide clean energy solution to around 275,000 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



15 Rooftop Solar Projects

IDCOL has till date approved financing of 35 rooftop solar projects with total capacity of 55 MWp. Of these, IDCOL has financed the installation of 15 rooftop solar projects having an aggregate capacity of 19.19 MWp



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, Panchagarh 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 has been financed by IDCOL

Solar Home System (SHS) Program

KEY HIGHLIGHTS

Initiation	Installation	Beneficiaries	Social Impact	Environmental Impact
2003	4.13 million	18 million people	• Electrification of rural off-grid areas • Socio-economic developement of rural Bangladesh	3.31 million tons kerosene savings 3.6 million tons kerosene savings in next 15 years



Solar Home System providing electricity in rural off-grid areas

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

SDG Relevance to Solar Home System Program

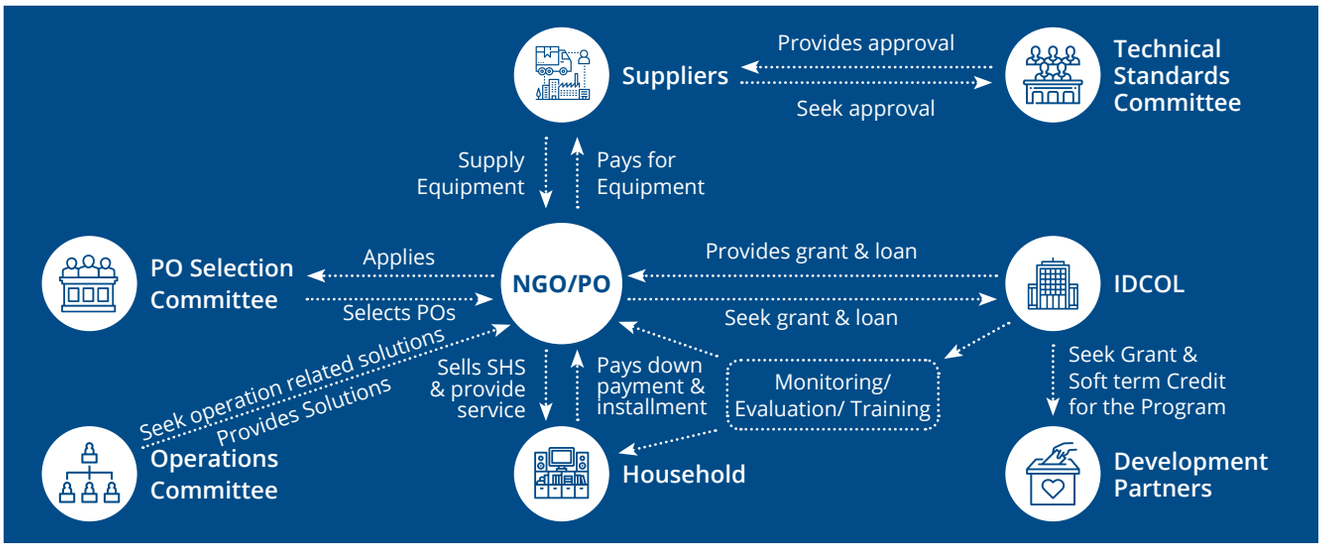


PROGRAM STRUCTURE

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:

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.



SHS Program Structure

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 the 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 member also suffer less from several types of preventable illness such as general ailment, respiratory diseases, and GI illness. Moreover, adoption of SHS was found to have an adverse effect on recent fertility which consequently has a positive effect on population control of our country.

Benefits for Women

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

Employment Generation

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



Weaving handicraft at night with the help of Solar Home System

Kerosene Saving: The program has so far saved consumption of 3.31 million tons of kerosene worth USD 411 million (considering USD 0.30 per liter). The already installed 4.13 million SHS will save consumption of another 3.6 million tons of kerosene worth USD 1,300 million in the next 15 years. Therefore, total saving in terms of reduction in kerosene use is almost 3 times of IDCOL's total credit investment. This also reduces 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.

Biogas & Bio-fertilizer Program

KEY HIGHLIGHTS

Initiation	Installation	Beneficiaries	Impact	Target
2006	61,134 plants	275,000 people	58,000 tons/year firewood saving 52,000 tons/year fertilizer saving	100,000 plants by 2029



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

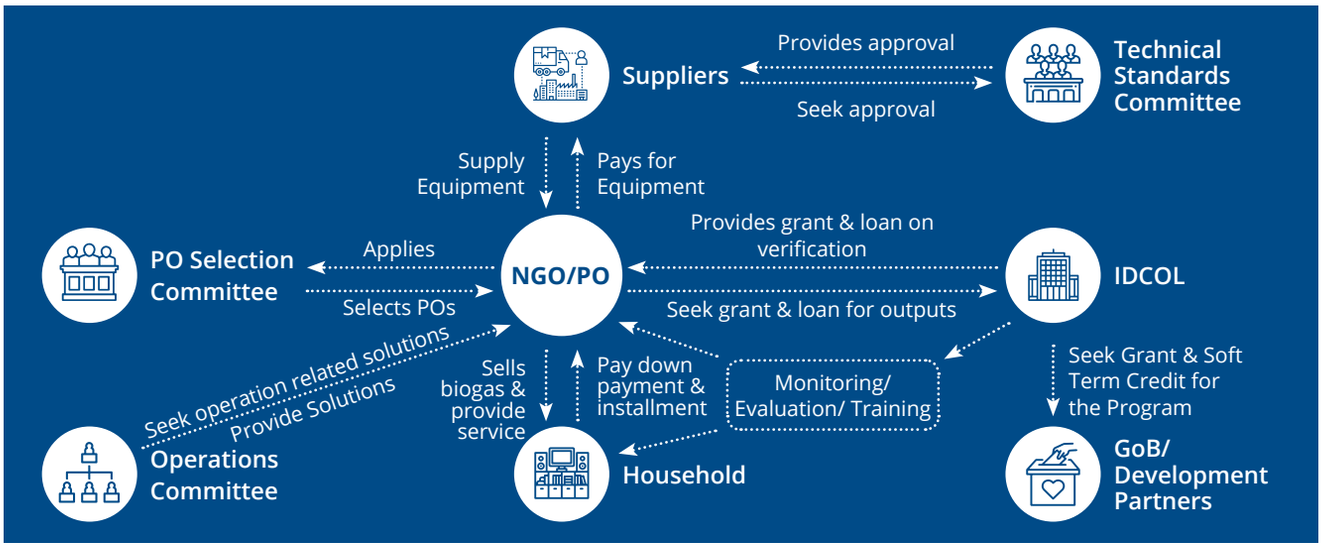
has registered the program as a CDM project under UNFCCC. The objective of the program is to develop and disseminate biogas plants with the ultimate goal of establishing a sustainable and commercial biogas sector in Bangladesh. More than 61,000 biogas plants have been constructed till December 2020 through Participating Organizations (POs). These plants provide clean energy solution to around 275,000 beneficiaries.

SDG Relevance to Biogas & Bio-fertilizer Program



PROGRAM STRUCTURE

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



Program Structure

BENEFITS OF THE PROGRAM

Cost Savings

By providing gas for cooking purpose, the program has lowered the usage of firewood by approximately 58,000 tons per year which results in an annual savings of USD 4.62 million. Decrease in the use of traditional stoves burning biomass reduce household air pollution. Biogas plants constructed under the program generate around 362,000 tons of organic fertilizer each year – "Bio-slurry" and save approximately 52,000 tons of chemical fertilizer worth USD 13.60 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. Furthermore, it has developed small-scale support industries which are directed towards manufacturing appliances and stoves for biogas users.

SOLAR IRRIGATION PROGRAM

KEY HIGHLIGHTS

Initiation	Installation	Beneficiaries	Coverage	Impact	Target
2012	1,515 solar pumps	Over 60,000 farmers	21,112 hectares of land	15,608 diesel pump replacement 40 MWp Electricity generation	10,000 Pumps by 2030

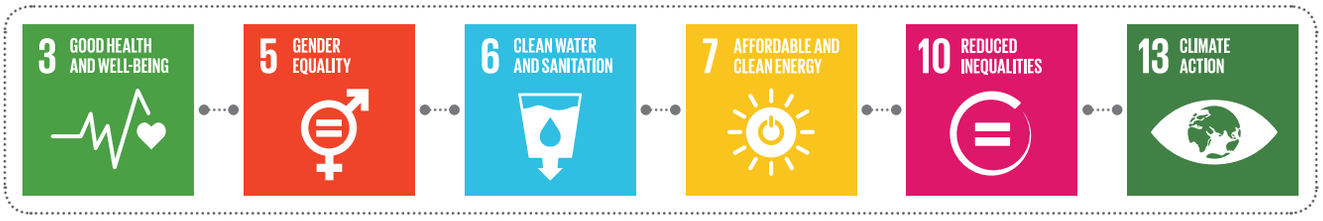


Solar Irrigation Program-an innovative, economic and environment friendly solution for the agro- based economy of Bangladesh

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

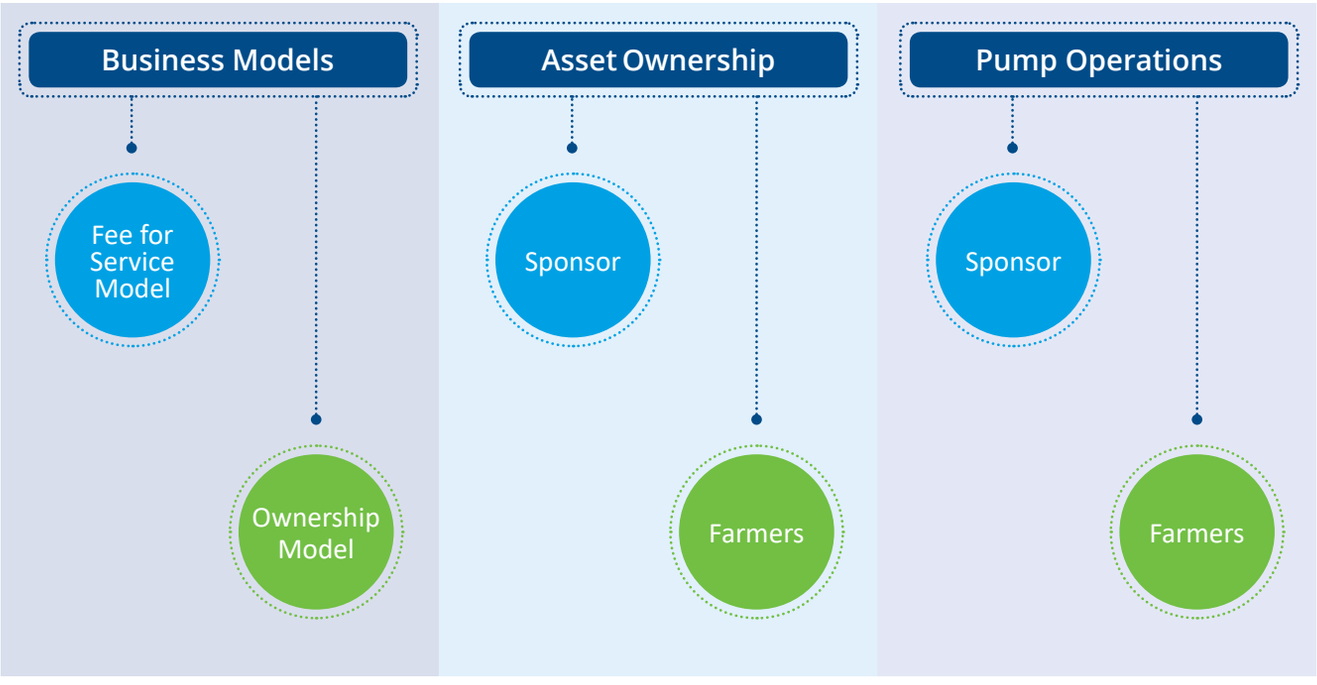
Solar based irrigation system is an innovative, economic and environment friendly solution for the agro- based economy of Bangladesh. IDCOL Solar program is intended to provide irrigation facility to off-grid areas and thereby reduce dependency on fossil fuel. Till date, IDCOL has provided financial assistance for installation of 1,515 solar irrigation pumps which are already in operation. Moreover, IDCOL has a target to finance 10,000 solar irrigation pumps by 2030. The World Bank, KfW, GPOBA, JICA, USAID, ADB and Bangladesh Climate Change Resilience Fund (BCCRF) are supporting this initiative.

SDG Relevance to Solar Irrigation Program

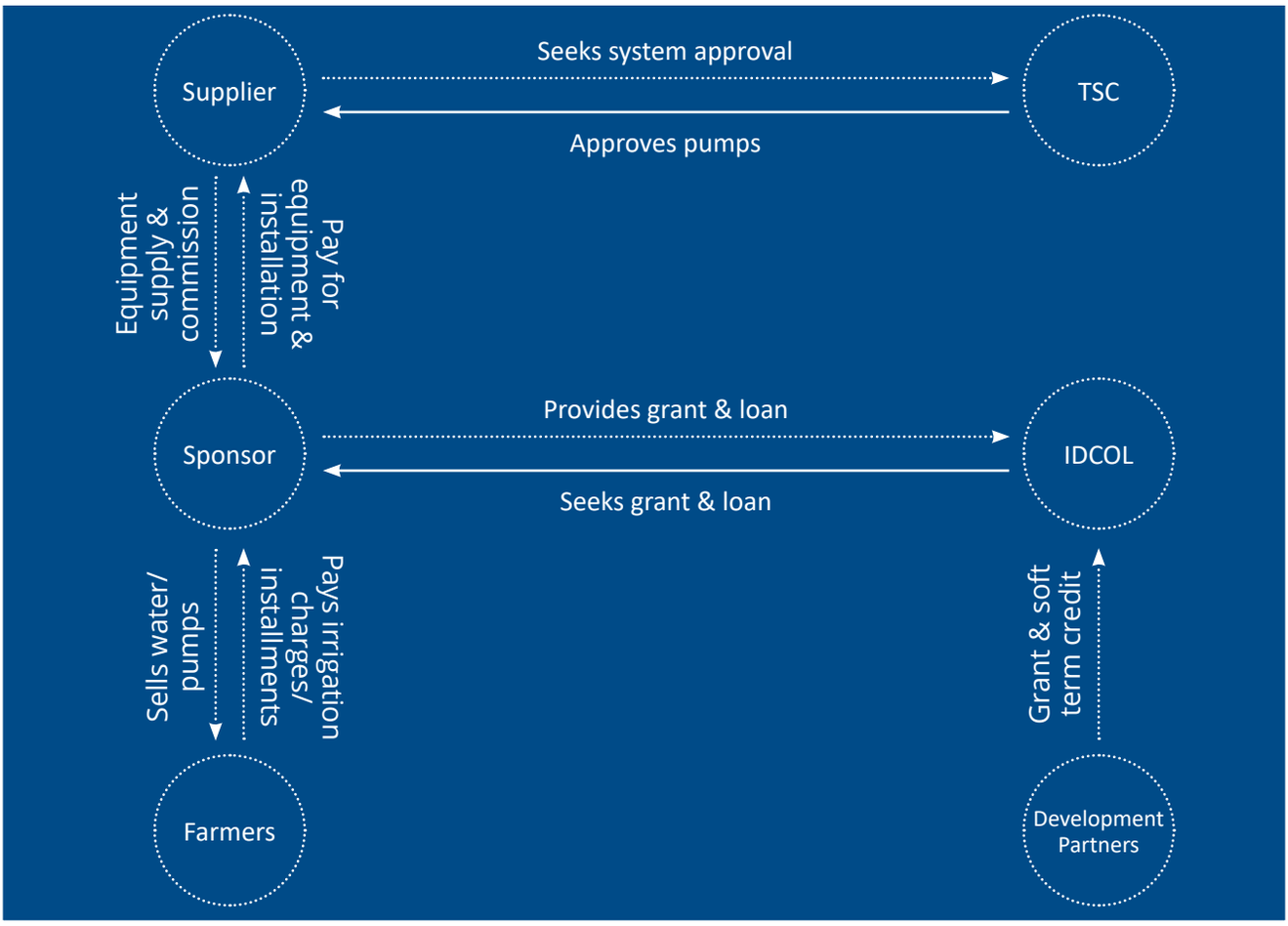


PROGRAM STRUCTURE

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



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



Solar Irrigation Program Structure

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

Product Development

In 2011, there were only 6 suppliers under the program which gradually increased to 27 in order to cater 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 68% compared to 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 0.5 million tons of CO_2 emission will be reduced per annum.

Increased Productivity and Household Income

Having the opportunity to irrigate the fields on time leads to increased productivity, reduction of cultivation cost and ultimately boost yield of the farmers. With proper irrigation system, farmers can now harvest vegetables more than twice the amount during the 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 husbands in agriculture, especially during land preparation and seed sowing, as these tasks have become less burdensome due to solar irrigation pumps. Women can now participate more actively in income-generating and social activities, which give them a sense of empowerment. IDCOL is currently working with United Nations Environment Programme (UNEP) for implementing project "The EmPower – Women for Climate Resilience" in Bangladesh. This project focuses on women's entrepreneurship development and livelihood improvements through renewable energy.

Lessen the Government's Burden of Fuel Subsidy

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

Testing and Standards

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

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



Solar mini-grids installed in remote islands of the country

A large portion of the population of Bangladesh live in remote rural areas, far away from existing grid line and sometimes are isolated from the mainland by river or sea. As such, it was challenging to reach out to those population with grid electricity. In this backdrop, solar mini-grids implemented by the private sector under IDCOL financing provided access to grid quality electricity for 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 is not possible to be served by SHS.

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

SDG Relevance to Solar Mini-Grid Program

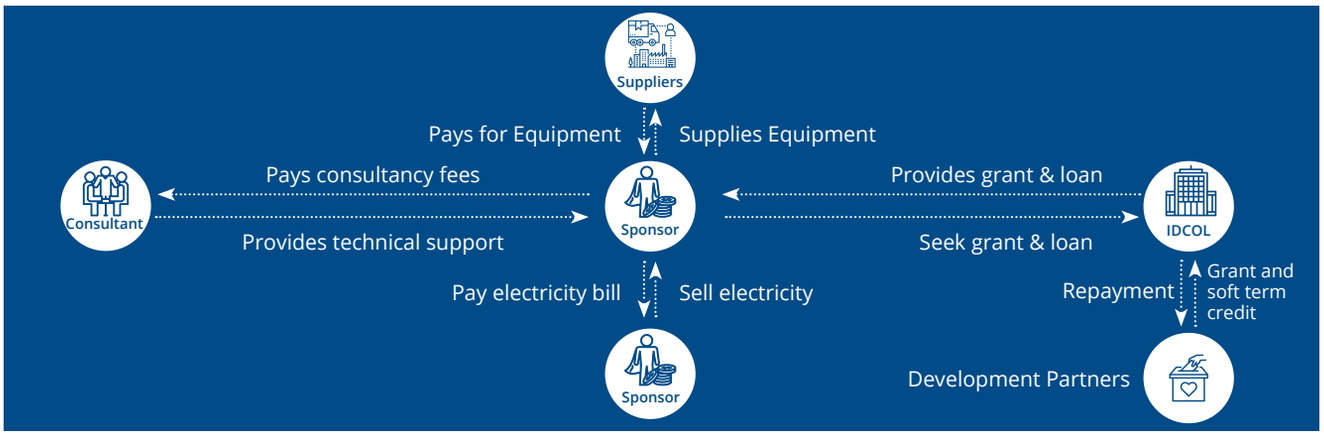


PROGRAM STRUCTURE

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

- The sponsor is responsible for identifying suitable site, to procure equipment from suppliers, to ensure installation and commission of the plant and after implementation, to sell electricity to end-customers at a specific tariff.
- The sponsor is required to retain a technical consultant for providing design, supervision and other technical supports to the sponsor. However, if a sponsor has adequate technical capacity, it may not need to engage such technical consultant.
- IDCOL provides soft loan, grant, and technical as well as project development support 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 here:



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 of providing 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 enable the customers to afford maximum electricity benefits but also allow 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. Customers 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, mosques, 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 need for diesel based power generation units. A typical solar mini-grid plant of 250 kWp capacity may cater to energy needs of about 750 customers including households, offices, shops, mosques, madrasahs 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.

SOLAR ROOFTOP PROGRAM

KEY HIGHLIGHTS

Initiation	Installation	Pipeline	Target
2017	15 Rooftop solar projects 19.19 MWp	19 Projects 55 MWp	300 MWp by 2025



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

As per the Renewable Energy Policy 2008, 10% of power generation has to be sourced from renewable energy by 2030. This means that at least 4,000 MW of electricity is expected to be sourced from Renewable Energy by 2030. The country is a good recipient of solar irradiation, which is conducive to achieving the target. Yet the challenge for implementing the target is the scarcity of usable lands for such project as Bangladesh is a densely populated country. Notably, installation of 1 (one) MWp solar power plant requires about 3~4 acres of land. Considering the scarcity of land, Rooftop Solar Projects can be an effective component towards the shift to renewable energy.

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.

IDCOL has a target to finance a total capacity of 300 MWp by 2025. Until now, financing has been approved for a total of 35 projects with cumulative capacities of 48 MWp and 15 projects with capacities of 19.19 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.

SDG Relevance to Solar Rooftop Program



PROGRAM STRUCTURE

IDCOL finances two types of business models under rooftop 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



428 KWp Rooftop Solar Project of K.A. Design Ltd.

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 self-consumption. Since 2006, IDCOL has financed installations of 10 large-scale biogas projects. The capacity of each of these biogas systems ranges from 10 to 400 kW.





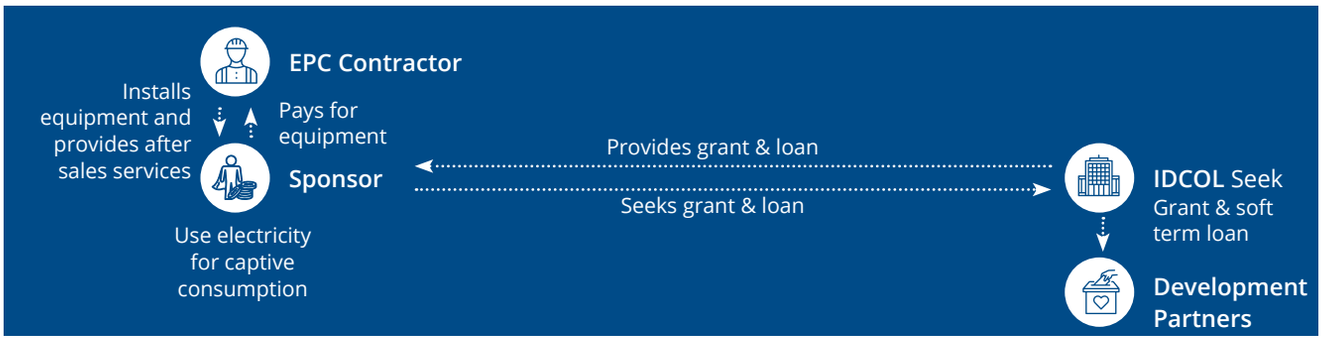


400KW Biogas based Electricity Project at Satghoria, Halodia, Louhajung, Munshiganj

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

Government Support

To make these projects more financially viable and sustainable, major equipments 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, Panchagarh. The project is currently in operation.



8 MW Utility Scale Project by Sympa Solar Power

BATTERY RECYCLING PROJECT

Recycling of batteries extract 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 reduction in the release of harmful chemicals into the air.

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



Lead acid battery recycling plant by Panna Battery Ltd.

SOLAR POWERED SOLUTION FOR TELECOM BTS

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



Solar powered BTS of Grameenphone

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

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

IDCOL is one of the 113 globally GCF-accredited entities

Eligible for managing Senior Loan and Grant up to USD 250 million per project

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

USD 256.5 Million loan & technical assistance approved and 04 more are at different stages of approval

BACKGROUND

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

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

IDCOL: BANGLADESH'S 1st ACCREDITED ENTITY OF GCF

In the 17th Board meeting of GCF held on 6th July 2017, IDCOL was approved to become the 1st Direct Access Entity (DAE) from Bangladesh. Primarily, IDCOL was accredited for the funding instrument of "Senior Loan" and is 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.

This USD 340.5 million programme provides an integrated package of concessional financing for textile and RMG manufacturers, and technical assistance to create an enabling environment and ultimately to reduce 14.5 million tonnes of carbon dioxide equivalent ($MtCO_2eq$) in emissions.

Amongst USD 340.5 million GCF's contribution will be USD 250 million in the form of concessional loan (tenor 20 years with 5 years grace period) and USD 6.50 million as Technical Assistance (Grant) for creation of enabling environment, market awareness and capacity building of the relevant stakeholders. The rest of the amount will be co-financed by IDCOL and other implementing partners.

PROJECT PREPARATION FACILITY (PPF)

IDCOL, as a DAE under the GCF, can avail grant support in the form of Project Preparation Facility (PPF) based on a high potential concept note, for developing funding proposal package. IDCOL has so far executed 03 PPFs which is first of its kind for Bangladesh. Two PPFs have been succesfully transformed into a funding proposal that received GCF Board Approval and the third has been utilised to draft a public sector funding proposal titled "Climate Resilient Sustainable Coastal Forestry in Bangladesh". If this project is approved it will significantly contribute in strenghtehing the Coastal Green Belt of Bangladesh that acts as a major carbon sequester, provide economic resource and reduces country's vulnerability of storm surges through coastal protection.

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:

1. 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).
2. 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).
3. Ensuring Clean Energy to the Industrial Sector of Bangladesh through Sustainable Rooftop Solar Programme (Expected Program size: USD 169.00 million, Executing Entity: IDCOL).
4. 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.

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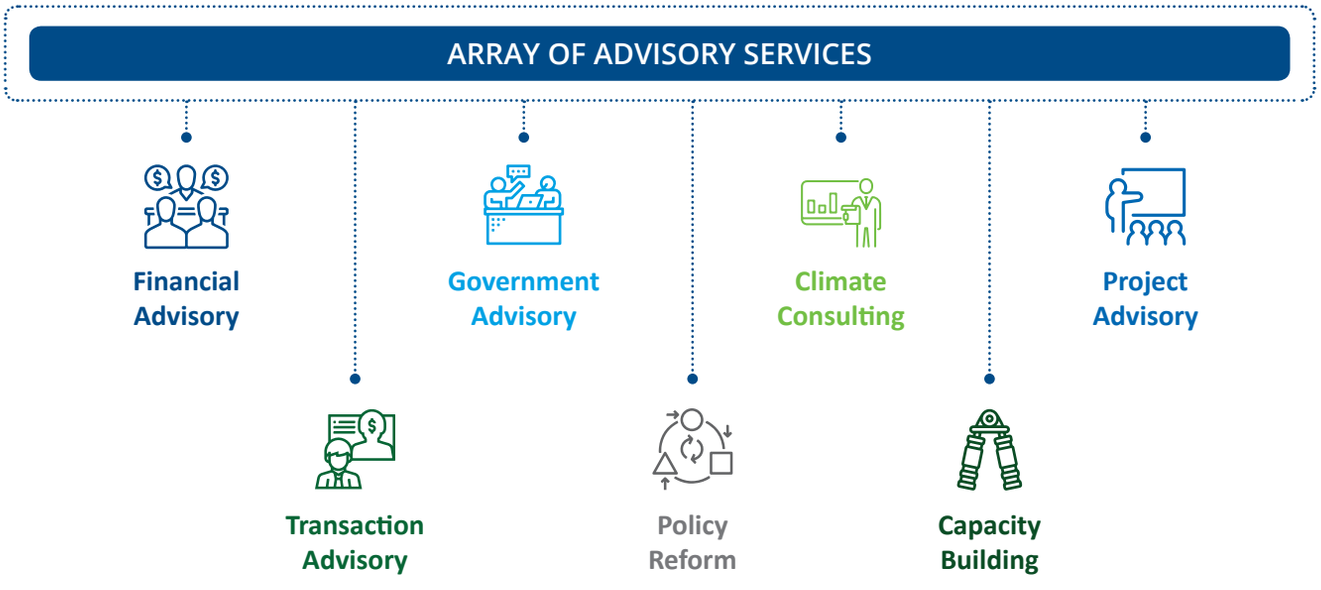
ADVISORY ASSIGNMENTS IN 2021

170
PROFESSIONALS

RECEIVED SUPPORT FROM EXPERIENCE SHARING PROGRAM

1600+
PROFESSIONALS

TRAINED UNDER IDCOL TRAINING & CAPACITY BUILDING PROGRAM



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, UK Department of Business, Energy and Industrial Strategy (BEIS), Skills for Employment Investment Program (SEIP) under Finance Division and Rural Energy Agency of Tanzania.

YEAR IN FOCUS- 2021

IDCOL has been awarded **4** advisory assignments in 2021.

1

IDCOL, in partnership with Ricardo-AEA Limited, UK received technical assistance from the UK Government Department for Business, Energy and Industrial Strategy (BEIS) under its UK PACT (Partnering for Accelerated Climate Transitions), Green Recovery Challenge Fund (GRCF) to identify scalable business models and a financing ecosystem for businesses with an aim for electric vehicle (EV) uptake in Bangladesh. UK PACT is a capacity building program under the UK's International Climate Finance portfolio. The GRCF program was set up in January 2020 under which projects in countries across Latin America, Sub-Saharan Africa, and Asia has been supported to accelerate their low-carbon transition. In this project, experts from Ricardo and IDCOL has engaged with the individual transport providers/SMEs/cooperatives with an aim for EV uptake in Bangladesh. Two market surveys, MSME Demand and Needs Assessment Survey and Financial Institutions Survey were conducted by IDCOL where daily transportation demand of the MSMEs, their intent to buy EVs and existing EV financing instruments were assessed among the other subject matters.

2

IDCOL has been advising Skills for Employment Investment Program (SEIP) project under Finance Division to develop a business plan for renewable energy sector skill development in Bangladesh. SEIP project was launched in 2014 with support from ADB to support the long term and comprehensive skills development efforts in Bangladesh. Tranche 1 and Tranche 2 addressed the skills requirements of nine industry sectors through implementation of market responsive inclusive skills training programs. Under Tranche 3 of the project, SEIP is focusing on identifying and developing skills requirement of the Renewable Energy sub-sector.

3

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. To operationalize the REIF, IDCOL provided technical assistance and capacity building support for its staff and the external stakeholders. Under this engagement, IDCOL provided support in preparing an implementation roadmap for REIF and conducted training to REA staff and project developers.

4



IDCOL has provided advisory support to Climate Compatible Growth (CCG) Research Program, a UK ODA-funded initiative that is helping developing countries to take a path of low carbon development. CCG supported the UK Government's Cabinet Office for its preparation of UNFCCC climate change summit (COP26) held in Glasgow in November 2021 by synthesizing academic evidence on five priority topics on clean energy transitions. IDCOL supported in preparing a policy brief on the first priority topic of renewable energy integration and designing future markets taking into account changes in technology and decentralization. IDCOL's field survey has revealed that there is 65% preference for renewable energy systems.

IDCOL MANAGEMENT



Standing from left:

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



Sitting from left:

Name	Designation
Mr. S. M. Monirul Islam	Deputy CEO & CFO
Mr. Alamgir Morshed	Executive Director and CEO
Mr. Nazmul Haque	Chief Investment Officer

PROFILE OF IDCOL MANAGEMENT



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

Mr. S. M. Monirul Islam has joined IDCOL in 1998 and is one of the few resource persons working to establish IDCOL as the prime private sector infrastructure financier since its inception. In addition to industry leading specialization in financial management, Mr. Islam is an expert in negotiating and arranging funds from the government and various development partners. He has been managing, apart from the company's own resources, about USD 1 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), the French Development Agency (AFD), UK Department for International Development (DFID), German Development Bank (KfW), German Development Cooperation (GIZ), Global Partnership on Output Based Aid (GPOBA), U.S. Agency for International Development (USAID), United Nations Environment Programme (UNEP), Green Climate Fund (GCF) etc.

Mr. Islam has been trained at home and abroad, on financial reporting, financial management & modeling, project management & financing, anti-money laundering and combating terrorism financing, micro-finance, procurement and ICT. Mr. Islam has led several delegations to different overseas forums, events and represented the organization as well as the country. As a keynote speaker, he addressed a number of national and international seminars and workshops. Mr. Islam is a key person in designing and implementing promotion and capacity building initiatives under the development programs of the organization.

Apart from financial management, currently, Mr. Islam heads the advisory services functions of IDCOL. Under his leadership, the advisory services unit has rebranded itself and is currently working on various local and foreign projects especially in Sub-Saharan countries like Tanzania, Malawi etc. Besides, he oversees the operational activities of the organization which include procurement, administration, human resource management, and information technology.



Mr. Nazmul Haque
Chief Investment Officer

Joined in 2003, Mr. Nazmul Haque is a 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, industrial & energy efficiency, and PPP financing activities. As of Dec 2021, he managed more than 79% of the company's loan portfolio which contributed 77% to company's total revenue in 2021.

Mr. Haque has significant expertise and experience in structuring, financing and raising fund 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 sustainable development of the country. Mr. Haque also played a major role in developing IDCOL's large renewable energy interventions.

In addition to investment management, Mr. Haque plays a key role in arranging funds for IDCOL from various bilateral and multilateral development agencies for on-lending to eligible projects. He has been a catalyst in sourcing more than USD 1.0 billion credit line from ADB, JICA and AFD till date and currently is in negotiation with multiple other DFIs.

The dedicated Advisory Unit of IDCOL was launched in 2015 under his dynamic leadership which now provides local and cross-border consulting services. As a key resource person of IDCOL, he conducted many local and international training and capacity building programs and trained more than 1500 participants on Project Finance, Financial Modeling, Renewable Energy Finance and Public Private Partnership. 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.

A summa cum laude in his class, Mr. Haque has an MBA from North South University. He also completed certification program on 'Project Finance' from IP3 Institute, USA and 'Sustainable Energy Finance' from Frankfurt School of Finance & Management.



Mr. Md. Enamul Karim Pavel
Head of Renewable Energy

Mr. Md. Enamul Karim Pavel joined IDCOL in 2004 and is a pioneer in implementation of IDCOL's renewable energy projects and programs. Under his dynamic leadership, the renewable energy team is working to develop and promote various renewable energy technologies and business models which are first of its kind in Bangladesh.

An expert in financial modeling and project financing, Mr. Pavel was a key resource person of corporate advisory trainings offered by IDCOL. He also conducted several trainings on renewable energy technologies for officials and practitioners of a number of African and Asian countries.

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



Mr. Mohammed Jabed Emran
Chief Risk Officer

Mr. Mohammed Jabed Emran joined IDCOL in 2017 as the Chief Risk Officer and played a vital role to embed the risk management culture across the organization. His leadership added new spectrum to IDCOL's risk and special asset management through the Compliance unit, Credit Risk Management unit, the Legal Affairs unit and the Special Asset Management unit.

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

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



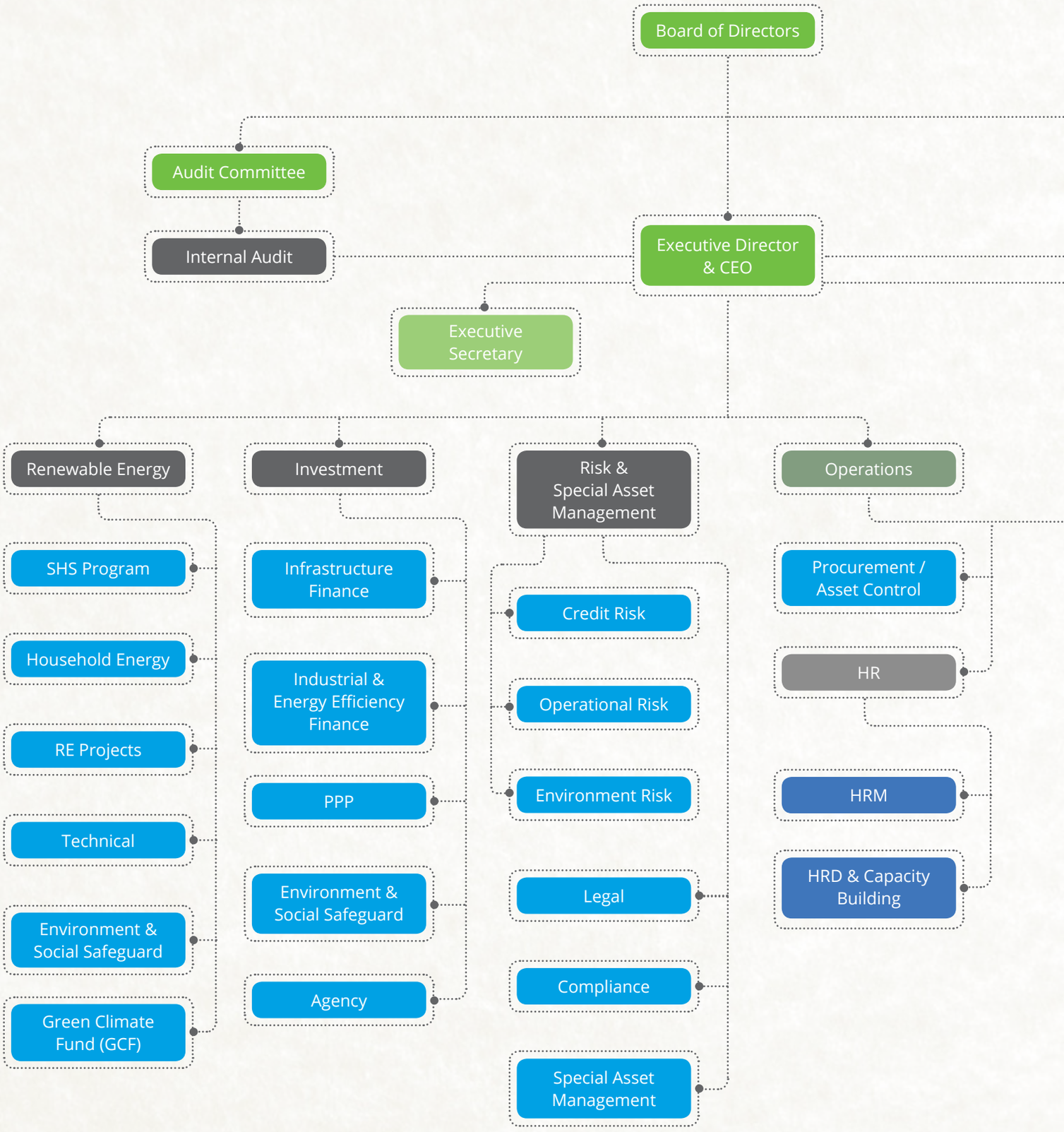
Mr. M. Maftun Ahmed
Company Secretary

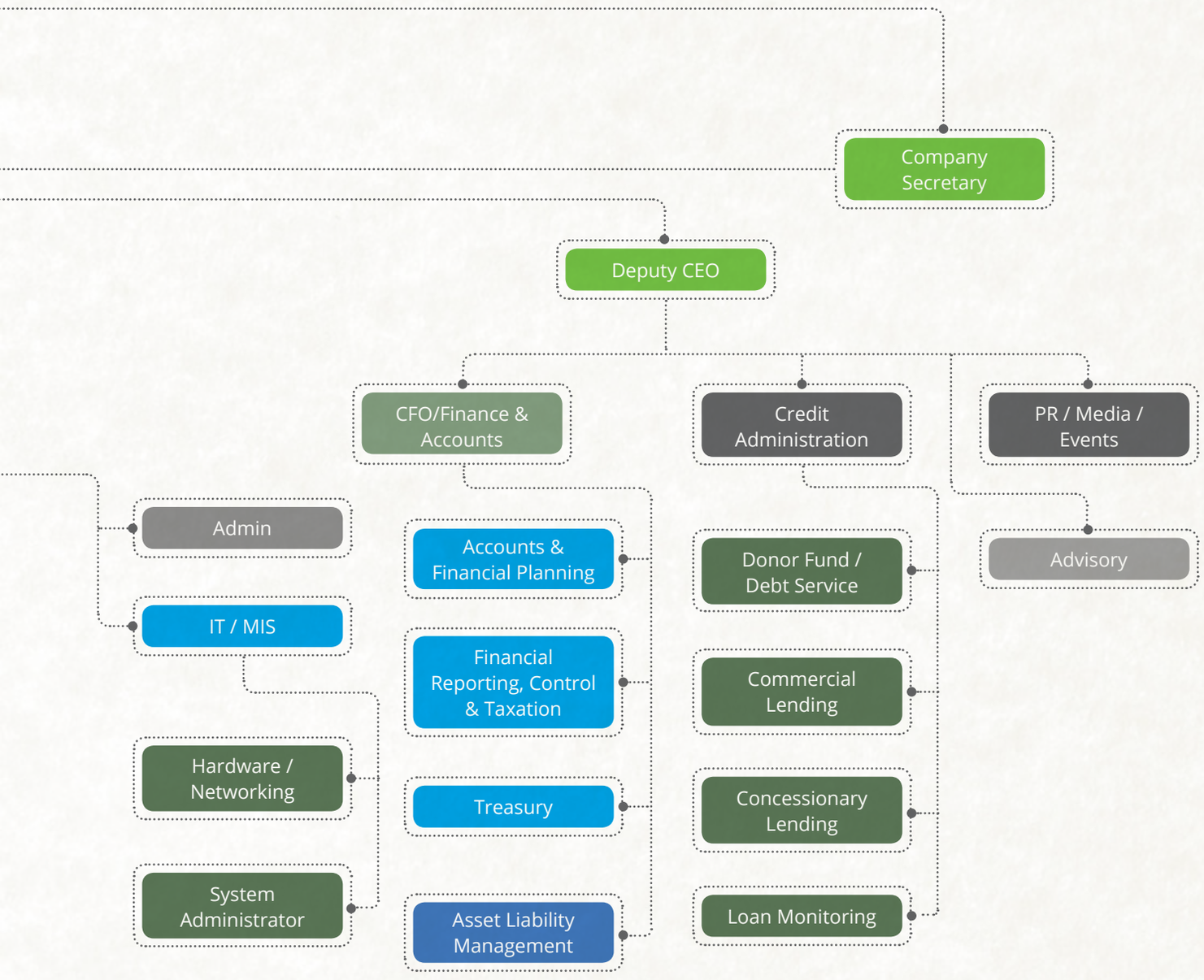
Mr. M. Maftun Ahmed, a key resource person of IDCOL, joined the company in 2011. Before joining IDCOL, Mr. Ahmed served as Company Secretary at Infrastructure Investment Facilitation Company (IIFC) from 2001 to 2011.

Mr. Ahmed comes with vast experience in corporate affairs and people management as he worked in different organizations over the years. As a spokesperson of IDCOL board, he is responsible for organizing the board and other statutory meetings of the company and performing all the company affairs under the Companies Act 1994. He is also responsible to supervise compliance of different directives and regulations required by the Board of Directors. In addition, he liaises with various regulatory bodies i.e. Bangladesh Bank, Auditors and Registrar of Joint Stock Companies, etc. on behalf of IDCOL. He also oversees and manages the overall internal and external compliance issues and human resource management functions of the company.

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

ORGANOGRAM


Board of Directors
Audit Committee
Internal Audit
Executive Director & CEO
Executive Secretary
Renewable Energy
Investment
Risk & Special Asset Management
Operations
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
Procurement / Asset Control
HR
HRM
HRD & Capacity Building


Company Secretary
Deputy CEO
CFO/Finance & Accounts
Credit Administration
PR / Media / Events
Admin
IT / MIS
Hardware / Networking
System Administrator
Accounts & Financial Planning
Financial Reporting, Control & Taxation
Treasury
Asset Liability Management
Donor Fund / Debt Service
Commercial Lending
Concessionary Lending
Loan Monitoring
Advisory

INVESTMENT DEPARTMENT



Standing from left:

Name	Designation
Saad Feroz Mehdi	Senior Officer, Infrastructure Finance
Tanvir Ebne Bashar	Manager, Industrial & Energy Efficiency Finance (IEEF)
Md. Rauful Islam Sworan	Senior Officer, Infrastructure Finance
Md. Hamid Iqbal	Manager, Infrastructure Finance
Sumaya Mahmud	Manager, Infrastructure Finance
Md. Ashraf-Ul-Islam	AVP, Industrial & Energy Efficiency Finance (IEEF)
Rawfoon Iqbal	Assistant Manager, Infrastructure Finance
Mashiath Khurshid	Management Trainee, Public Private Partnership (PPP)
Abu Shoaib Khan	Assistant Manager, Industrial & Energy Efficiency Finance (IEEF)
Syed Shams Arefeen	Management Trainee, Industrial & Energy Efficiency Finance (IEEF)
Md. Rasedul Islam Rasel	Senior Officer, Environment and Social Safeguard (Investment)



Sitting from left:

Name	Designation
Sifat Monzur	Unit Head, Infrastructure Finance
Raihan Uddin Ahmed	Unit Head, Environment and Social Safeguard (Investment)
Nazmul Haque	Chief Investment Officer
Mohammed Zahidul Haque	Unit Head, Industrial & Energy Efficiency Finance (IEEF)
Md. Mehedi Hasan, CFA, FRM	Unit Head, Public Private Partnership (PPP)

Not in the Picture:

Name	Designation
Shadman Sakib Mozumder	Senior Officer, Public Private Partnership (PPP)
Charles Amit Mohonto	Assistant Manager, Public Private Partnership (PPP)
Mithila Sanhita Majumder	Manager, Public Private Partnership (PPP)

RENEWABLE ENERGY DEPARTMENT



Standing from left:

Name	Designation
Mushfiqur Rahman	Senior Officer, RE Projects
Asif Shahriar	Manager, Solar Home Systems
Md. Raisul Islam	Assistant Manager, RE Projects
Sadia Raisa Khan	Assistant Manager, RE Projects
Rashed Rahman Khan	Assistant Vice President, Biogas & Bio-fertilizer Program
Tanushka Mumtahina Billah	Assistant Manager, Green Climate Fund
Shadman Bin Zahir	Assistant Manager, RE Projects
Md. Abdullah Al Matin	Manager, Technical
Zia Uddin Jewel	Assistant Manager, Technical
Raquib-Ul Mesbah	Assistant Manager, Technical
Sanjidaa Hoque	Manager, Improved Cook Stoves Program
Md. Jarjish Hasan	Project Engineer, IDCOL Green Building Project
Ishrar Sameen	Management Trainee, Environment and Social Safeguard (Renewable Energy)
Md. Belal Siddiqui	Manager, RE Projects
Muntasir-Al-Khaledunnabi	Junior Officer, Technical
Md. Taif Huda	Officer, RE Projects
Md. Noor Hasan	Site Engineer, IDCOL Green Building Project
Atiqul Islam	Junior Officer, Technical
Borhan Uddin	Junior Officer, Technical



Sitting from left:

Name	Designation
Molla Anisur Rahman	Assistant Vice President, Solar Home Systems
Shibli Mohammad Faiz	Unit Head, Biogas & Bio-fertilizer Program
M. Mosleh Uddin	Unit Head, Green Climate Fund
Dr. Ahmedul Hye Chowdhury	Unit Head, Environment and Social Safeguard (Renewable Energy)
Farzana Rahman	Unit Head, RE Projects
Md. Enamul Karim Pavel	Head of Renewable Energy
Md. Serajul Hossain	Unit Head, Solar Home Systems
AFM Shahed	Unit Head, Improved Cook Stoves Program
Md. Imran Hossain	Assistant Vice President, RE Projects
Md. Abdullah Hell Baki	Assistant Vice President, Improved Cook Stoves Program
Md. Ashaduzzaman	Program Manager, Solar Home Systems
Mofazzal Hossain	Assistant Vice President, RE Projects
Faisal Mahmud Khan	Assistant Manager, RE Projects

Not in the Picture:

Name	Designation
Md. Wahidur Rahman	Unit Head, Technical
Mafruda Rahman	Assistant Vice President, Green Climate Fund
Mashiur Rahman	Officer, Technical

FINANCE & ACCOUNTS DEPARTMENT



Standing from left:

Name	Designation
Mohammad Ikteder Uddin Mahir	Senior Officer, Accounts and Financial Planning
Md. Monirul Haque	Officer, Treasury
Rufaiya Zabin	Senior Officer, Accounts and Financial Planning
Nazmul Hasan	Senior Officer, Accounts and Financial Planning
Sadia Sharmin Bristy	Assistant Manager, Treasury
Becky Christopher Rozario	Senior Officer, Financial Reporting, Control and Taxation
Musarrat Jabeen	Senior Officer, Financial Reporting, Control and Taxation



Sitting from left:

Name	Designation
Shek Mijanur Rahman	Unit Head, Accounts and Financial Planning
S. M. Monirul Islam	Deputy CEO & CFO
Md. Imrul Hasan	Unit Head, Financial Reporting, Taxation and Treasury

CREDIT ADMINISTRATION DEPARTMENT



Standing from left:

Name	Designation
Mohammad Abir Chowdhury	Senior Officer, Credit Administration
Junaed Tazdik	Assistant Vice President, Credit Administration
Zabir Ibne Raquib	Assistant Vice President, Credit Administration
Mokaddim Jashim Bhuiyan	Manager, Credit Administration
Sabbir Ahmmed	Junior Officer, Credit Administration



Sitting from left:

Name	Designation
S. M. Monirul Islam	Deputy CEO & CFO
Farhan Reza	Unit Head, Credit Administration

Not in the Picture:

Name	Designation
Rezwana Ali Tanima	Assistant Manager, Credit Administration

RISK & SPECIAL ASSET MANAGEMENT DEPARTMENT



Standing from left:

Name	Designation
Md. Rifat Bin Rahman	Assistant Manager, Compliance
Khondker Ajwad Hossain	Manager, Credit Risk Management
Kazi Ibrahim Md. Adnan	Manager, Legal Affairs
Nadia Shahrin	Manager, Credit Risk Management
Tanvir Ahmed	Manager, Legal Affairs
Bibi Ayesha Begum	Senior Officer, Compliance
Md. Kadirul Islam	Officer, Special Asset Management
Abul Hasanat	Officer, Special Asset Management



Sitting from left:

Name	Designation
Kazi Ishfak Ahmad	Unit Head, Legal Affairs
Merina Kashem	Unit Head, Credit Risk Management
Mohammed Jabed Emran	Chief Risk Officer
Md. Shaikat Azad	Unit Head, Compliance
Fariha Jannat	Assistant Vice President, Credit Risk Management

Not in the Picture:

Name	Designation
F. M. Anwarul Kabir	Manager, Special Asset Management

OPERATIONS DEPARTMENT



Standing from left:

Name	Designation
Md. Abu Taleb	Officer, Procurement
Md. Kawsar Hossain Robin	Officer, IT and MIS
Arannya Monzur	Assistant Manager, IT and MIS
Raisa Rahman	Assistant Manager, HR
Sajjad Bin Siddique	Manager, Procurement
Shuvendu Sarkar	Assistant Manager, HR
Fairooz Nawar Bushra	Officer, IT and MIS
Ashadur Rahman Akand	Junior Officer, IT and MIS
Md. Rezaur Rahman	Officer, Administration



Sitting from left:

Name	Designation
Ashrafuzzaman Khan	Unit Head, Administration
M. Maftun Ahmed	Company Secretary
S. M. Monirul Islam	Deputy CEO & CFO
Mohammad Rashedul Islam	Unit Head, IT and MIS
Tahmina Shafiq	Unit Head, HR

INTERNAL AUDIT DEPARTMENT



Standing from left:

Name	Designation
Chandra Shekhor Mondal	Officer, Concurrent Audit
S. M. Nahidul Islam	Junior Officer, Concurrent Audit
Mohammad Abdul Hannan	Officer, Risk Based Audit
Salah Uddin Ahmmed	Junior Officer, Concurrent Audit
Md. Altab Hossain	Junior Officer, Risk Based Audit



Sitting from left:

Name	Designation
Md. Shahriar Rana, FCCA, CIA, CRMA	Head of Internal Audit
Rezoan Al Mahmud Suzan	Assistant Manager, Risk Based Audit Unit

PR/MEDIA/EVENTS DEPARTMENT



Standing from left:

Name	Designation
Mahabub Rabbani Aritro	Officer, PR/Media/Events
Mukaddim Sarwar	Assistant Vice President, PR/Media/Events
Hassan Muhaiminul Aziz	Assistant Vice President, PR/Media/Events
Md Shakhawat Hossain	Junior Officer, PR/Media/Events



Sitting from left:

Name	Designation
S. M. Monirul Islam	Deputy CEO & CFO
Md. Nazmul Haque	Unit Head, PR/Media/Events

Not in the Picture:

Name	Designation
Rasel Ahmad	Assistent Vice President, PR/Media/Events

ADVISORY SERVICES

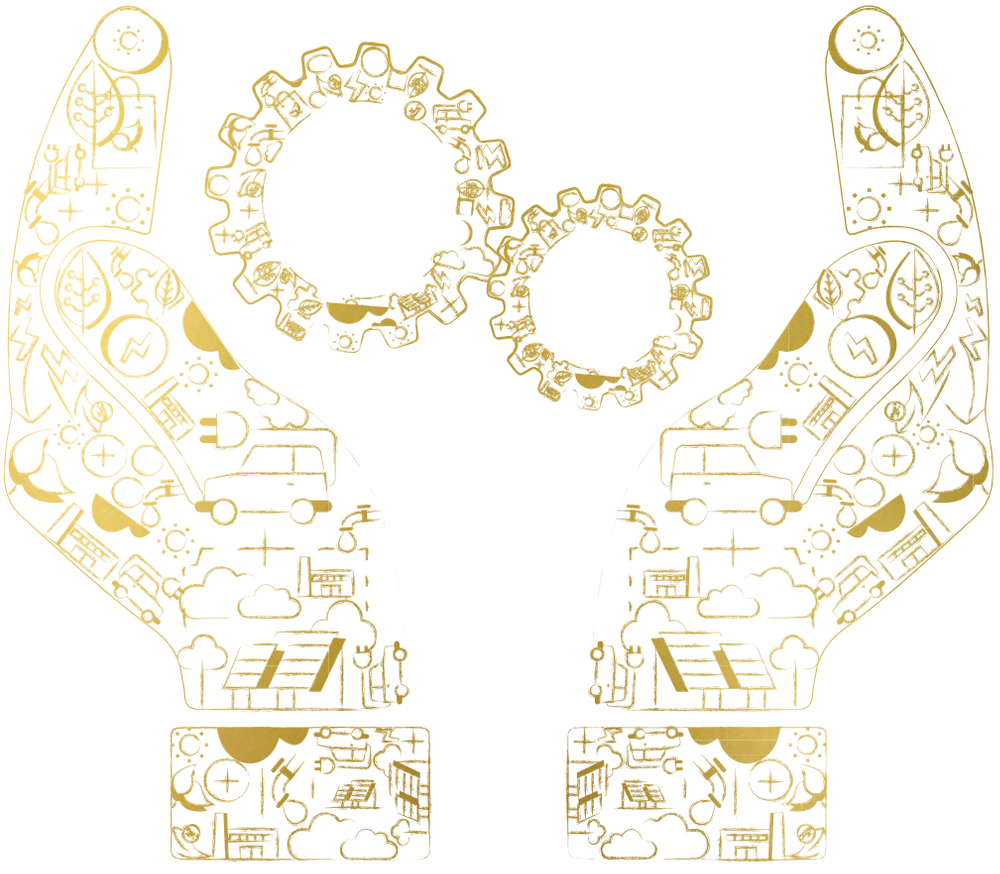


Standing from left:

Name	Designation
Ashraf Hossain Bhuiyan	Assistant Vice President, Advisory Services
Shibli Mohammad Faiz	Unit Head, Advisory Services

Sitting from left:

Name	Designation
Zeesha Samah	Senior Officer, Advisory Services
S. M. Monirul Islam	Deputy CEO & CFO



CORPORATE GOVERNANCE

DIRECTORS' RESPONSIBILITY

IDCOL's business sustainability is based on the relationships that we have built with our valuable shareholders and stakeholders throughout the years. The company is committed to ensure high standards of corporate governance and have a corporate governance framework which supports long-term performance and sustainability as well as protects and enhances stakeholders' interests of the company. The company believes that effective governance is achieved through a culture of transparency and openness across the organization.

IDCOL is led by top government officials adorning its board who are involved with high level policy making of the government. Under their visionary leadership and focus on public and private sector infrastructure development, IDCOL has been a profitable venture for over two decades. Their stewardship and foresightedness has cemented a strong foothold for IDCOL and established it as a good governance practice organization.

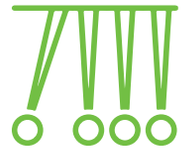
Major responsibilities of IDCOL Board of Directors (BoD) can be summarized as follows:



Responsible for long term success of the company through superior financial performance and for ensuring leadership within a framework of effective controls.



Sets the strategic directions of the organization, approves the strategy, and takes the appropriate action to ensure that the organization has adequate resources to achieve its strategic aspirations.



Considers both the impact of its decisions and responsibilities to all of the stakeholders including the employees, shareholders, clients, regulatory bodies, environment and the communities in which it operates.

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

As per the memorandum of IDCOL, roles of the chairman and CEO is separated and one person cannot play dual role. The board discharges some of its responsibilities directly and delegate certain other responsibilities to its committees to assist it in carrying out its function of ensuring independent oversight. Certain matters are reserved to the Board for approval under the Delegation of Authority Policy, including decisions relating to company strategy and major policies, equity raisings, guarantees, external debt facilities and other transactions of various types involving amounts over specified limits or with the potential to have a material impact on the company. The matters reserved 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.

Key Roles and Responsibilities of the Board

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

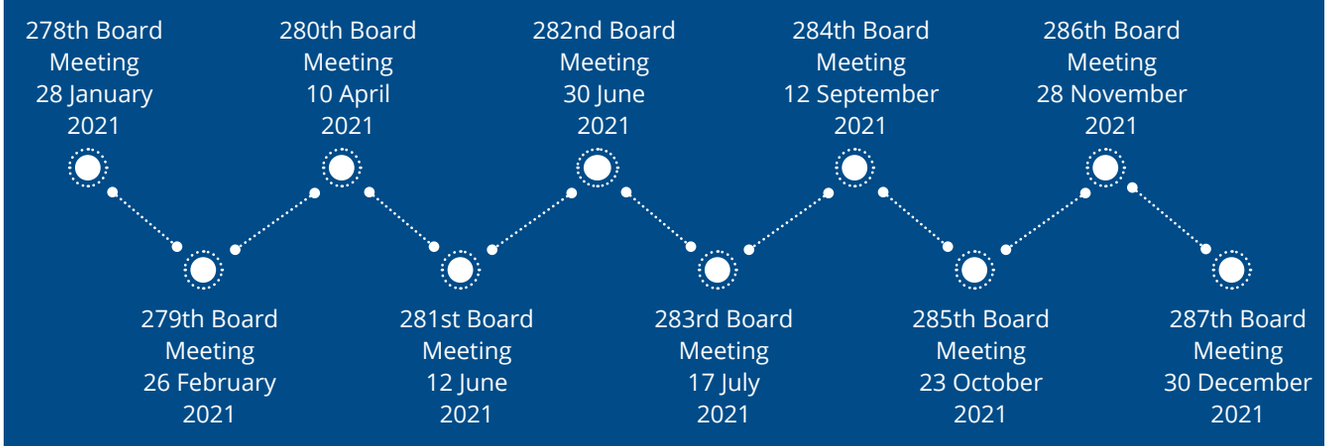
Provides guidance and support to the chairman as required and in coordination with the chairman acts as the ambassador of the board in its relationship with government, regulators and stakeholders.

Executive Director & 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 2021

In 2021, 10 board meetings were held



Board Attendance

Name of the Director's	Board Meetings									
	278th	279th	280th	281st	282nd	283rd	284th	285th	286th	287th
Ms. Fatima Yasmin, Chairman	√	√	√	√	√	√	√	√	√	√
Mr. Abdur Rouf Talukder, Director	√	√	√	√	√	√	√	√	√	√
Md. Tofazzel Hossain Miah, Director	√	√	√	√	√	√	√	√	√	√
Mr. A.K.M. Nurul Fazal Bulbul, Director	√	√	√	√	√	√	√	√	√	√
Mr. Habibur Rahman	√	√	√	√	√	√	√	√	√	√
Ms. Nihad Kabir, Director	√	√	√	√	√					
Mr. Abdul Haque, Director	√	√	√	√	√	√	√	√	√	√
Mr. Mahmood Malik, ED & CEO	√	√	√	√	√	√				
Mr. Abdul Baki	√	√	√	√	√	√	√	√	√	√

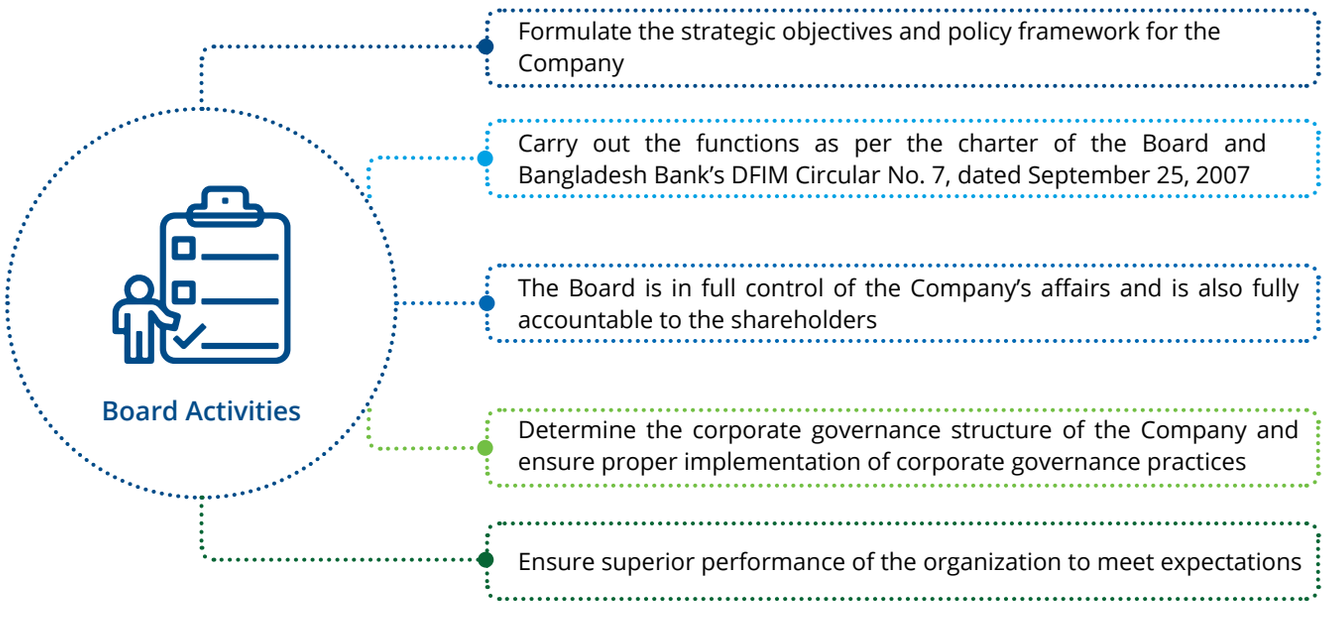
Conducting Board Meeting

Board meeting procedure of IDCOL is structured in a way that helps the members to maintain the continuation in the flow. Four members' presence is mandatory for conducting a meeting. IDCOL's board meetings follow agenda 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.

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



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 50% of the board members to resign from the post and those members may be re-elected at the vote of the members for next one year.

Director Induction

All new directors and chairman receives an extensive, formal and tailored introduction program which enable them to function effectively and grow a deep understanding about our business and market. Each induction typically consists of a board meeting with present Chairman, present directors, directors to be retired, as well as the members of the management committee. The induction program is completed within the first month of director's appointment. The total process is regularly reviewed and director's feedback is taken into account to ensure that improvement is taking place.

Ongoing Development Plan

Well informed, effective and functional board requires not only a thorough induction or information sharing for directors to quickly understand the business, but also a well-managed process of ongoing engagement and

training for further development. Since the directors of IDCOL are nominated by the government, the necessity of mandatory training to ensure each director's contribution to the board remain well informed to the government. But government always makes sure that at least one director having thorough knowledge and expertise in finance and accounting provides guidance in the matters applicable to accounting and auditing standards to ensure reliable financial reporting.

Board Effectiveness

An effective Board of Directors is the heart of the governance structure of a well-functioning and well governed company, acting as the ultimate internal monitor. Ideally, the Board guides long-term corporate strategy, puts the key agents in place to implement it, and monitors performance against the strategy set out. However, since the company's directors are directly appointed by the government. 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 is 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 Committees 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.



Members of the respective committees

Audit Committee

- 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

Credit Committee

- 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. Abdul Baki, Member

Organization Committee

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

Audit Committee

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

Monitoring the integrity of the financial statements, reviewing internal financial control, and internal audit function as well as recommending the appointment or replacement of external auditors is also part of their responsibilities.

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

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.

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

The Credit Committee also makes recommendations for pricing of all IDCOL loans. Besides, the Committee also provides guidance to the IDCOL Board 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 only gives recommendation /opinion about a proposal; however 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, 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 and is linked to Company and individual performance;
- The Committee will guide, advise, review and recommend initiatives related to corporate matters within the following areas:
  - Organization Structure (Organogram)
  - Staff Manual
  - Compensation
  - Human Resource Development
  - Performance Management
  - Succession Plan
  - Other matter(s) that may be delegated by the Board from time to time

Credit Committee Meetings 2021

In 2021, 8 Credit Committee meetings were held



Organization Committee and Audit Committee Meetings 2021

In 2021, 4 Audit Committee and 2 Organization Committee Meetings were held.



Management Committees

IDCOL has various management committees with specific expertise in respective arenas for smooth flow of organizational activities. Besides, the committees are responsible for executing various strategies approved by the board. A brief summary of the responsibilities of the committees is depicted below:

Management Committee

Responsible for ensuring that the business is operating effectively within the strategy and risk appetite agreed by the Board.

Internal Control and Compliance Unit

Responsible for establishing and maintaining adequate internal control systems to ensure compliance of the Company.

Risk Management Forum

Responsible for overall risk management of the organization.

IT & MIS Department

Streamline the management information systems with the strategic direction of the company.



Internal Audit Department

Establishes and maintains adequate internal control mechanism and ensures compliance with the policies and procedure of the Company

Credit Risk Management Committee

The functions of the CRM is related to implementation of strategies and ensuring proper compliance with that

Risk Analysis Unit

Solely responsible for identifying and analyzing all sorts of risks appropriately and timely

Asset Liability Management Committee

Responsible for overall activities of the market related to asset, liabilities and risk.

IDCOL board regularly reviews corporate governance arrangements and practices to ensure they reflect developments in regulation, market practice and stakeholder expectations. In addition to that, the board of directors, to the best of their knowledge, hereby confirms that IDCOL's financial statements for FY 2021 have been prepared in compliance with all the applicable governing acts, rules and regulations of relevant regulatory bodies.

On behalf of the board of directors,

Ms. Fatima Yasmin
Chairman, IDCOL Board

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 for IDCOL. The status report on compliance with those conditions is furnished below:

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1	**Board of Directors**			
1(1)	The number of board members shall not be less than 5 (five) and more than 20 (twenty);	✓		
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be Independent Directors (ID);			Not Applicable
1(2)(b)(i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company;			"
1(2)(b)(ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;			"
1(2)(b)(iii)	ID has not been an executive of the company in immediately preceding two financial years;			"
1(2)(b)(iv)	ID does not have any pecuniary or otherwise relationship with the company or its subsidiary/ associated companies;			"
1(2)(b)(v)	ID is not a member or TREC holder, director or officer of any stock exchange;			"
1(2)(b)(vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;			"
1(2)(b)(vii)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Auditor Internal Auditor Special Auditor 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;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(2)(e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;			"
1(3)(a)	ID shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;			"
1(3)(b)(i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association			"
1(3)(b)(ii)	ID is/was a Corporate Leader as top level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid-up capital of BDT 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 the irrespective 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;	✓		

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

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
1(5)(xxiv)(b)	Nature of expertise in specific function alare as;	✓		
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 cashflows 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 cashflows 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 there view of minutes of Subsidiary company by the holding company's Board;			"
2(e)	Review of financial statements of Subsidiary company by the Audit Committee of the holding company;			"

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

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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 processor in the financial statements;	✓		
5(6)(a)(ii)(c)	The BAC shall immediately report to the Board if any suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations;	✓		
5(6)(a)(ii)(d)	The BAC shall immediately report to the Board if any other matter which the Audit Committee deems necessary;	✓		
5(6)(b)	If any material impact on the financial condition and results of operation, unreasonably ignored by the management;	✓		
5(7)	Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5(6)(a)(ii);	✓		

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
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 conditionNo.6(5)(b);			Not Applicable
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			"
6(2)(b)	All members of the Committee shall be non-executive directors;			"
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			"
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;			"
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;			"
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s)of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			"
6(2)(g)	The company secretary shall act as the secretary of the Committee;			"
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;			"
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;			"
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;			"
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			"
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;			"
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;			"
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;			"

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No.6 (2) (h);			"
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;			"
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;			"
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			"
6(5)(b)(i)(b)	NRC shall oversee, formulate & recommend to the Board regarding the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			"
6(5)(b)(i)(c)	NRC shall oversee, formulate & recommend to the Board regarding remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;			"
6(5)(b)(ii)	NRC shall oversee & make report with recommendation to the Board regarding devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			"
6(5)(b)(iii)	NRC shall oversee & make report with recommendation to the Board regarding identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;			"
6(5)(b)(iv)	NRC shall oversee & make report with recommendation to the Board regarding formulating the criteria for evaluation of performance of independent directors and the Board;			"
6(5)(b)(v)	NRC shall oversee & make report with recommendation to the Board regarding identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			"
6(5)(b)(vi)	NRC shall oversee & make report with recommendation to the Board regarding developing, recommending and reviewing annually the company's human resources and training policies;			"
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report;			"
7	**External or Statutory Auditors**			
	The issuer Company shall not engage its external or statutory auditors-			

Condition No	Title	Status		Remarks
		Complied	Not-Complied	
7(1)(i)	- to perform the appraisal or valuation services or fairness opinions of the company.	✓		
7(1)(ii)	- to perform the financial information systems design and implementation of the company.	✓		
7(1)(iii)	- to perform book-keeping or other services related to the accounting records or financial statements of the company.	✓		
7(1)(iv)	- to perform broker-dealer services of the company.	✓		
7(1)(v)	- to perform actuarial services of the company.	✓		
7(1)(vi)	- to perform internal audit services or special audit services of the company.	✓		
7(1)(vii)	- to perform any service that the Audit Committee determines of the company.	✓		
7(1)(viii)	- to perform auditor 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 presenting 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 half yearly basis.	✓		
	B. Formation of Sub-committee			
	For making timely decision, Executive Committee and Audit Committee can be formed. No alternative director shall be included in this committee.	✓		
	C. Financial Management			
	i Annual budget acid statutory financial reports shall be authorized by the Board of Directors.	✓		
	ii. The Board shall review company's statement of income and expense, statement of loan/lease, liquidity requirement, capital adequacy of provision, action taken for legal cases and recovery of default loan.	✓		
	iii. The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board.	✓		

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)			
	Polices relating to recruitment, promotion, transfer disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman or the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the position MD, DMD and GM or equivalent.	✓		
	H. Appointment of Managing Director and Increase of Salaries & Allowances			
	Board of Director shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director.	✓		
01	**Benefit to the Chairman**			
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in ,.the business-interest of the company subject-to the approval of the Board.	✓		

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

ORGANIZATIONAL HIGHLIGHTS

Sl. No.	Particulars	Parameters	2021	2020	% Change
1	Paid-up capital	BDT million	7,380	7,150	3.22%
2	Total capital	BDT million	10,771	10,034	7.35%
3	Surplus/(shortage) capital	BDT million	4,788	3,593	33.26%
4	Total Assets	BDT million	100,129	98,201	1.96%
5	Total deposits	BDT million	N/A	N/A	-
6	Total loans & advances	BDT million	75,142	79,127	-5.04%
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	%	5.74	1.53	4.21%
10	Profit after tax and provision	BDT million	1,097	1,535	-28.54%
11	Classified loans, advances and leases during the year	BDT million	3,241	993	226.45%
12	Provisions kept against classified loans, advances and leases	BDT million	1,291	559	130.89%
13	Provision surplus/(deficit) against classified loans, advances and leases	BDT million	2,234	2,234	0.00%
14	Cost of fund	%	1.36	1.29	0.07%
15	Interest earning assets	BDT million	95,243	87,807	8.47%
16	Non-interest earning assets	BDT million	4,886	10,395	-52.99%
17	Return on investment (ROI)	%	1.45	1.92	-0.47%
18	Return on asset (ROA)	%	1.10	1.56	-0.46%
19	Income from investment	BDT million	62.00	70.35	-11.87%
20	Operating profit per share	in BDT	53.88	43.11	24.99%
21	Earnings per share	in BDT	14.86	20.80	-28.56%
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 ED & CEO and the Deputy CEO & CFO and effected by the Board of Directors, the Management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS as adopted by ICAB and other applicable rules and regulations. It includes those policies and procedures that:

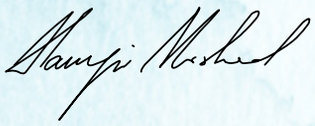
- Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions related to operations;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS as adopted by ICAB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

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

Management evaluated, under the supervision of and with the participation of the ED & CEO and Deputy CEO & CFO, the effectiveness of our internal control over financial reporting as of 31 December 2021.

Based on that evaluation, management concluded that, as of 31 December 2021, 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 2021.

Our internal control over financial reporting as of 31 December 2021 has been audited by Rahman Rahman Huq (KPMG in Bangladesh) Chartered Accountants, who also audited our Financial Statements for the year ended 31 December 2021. The Auditor also assesses the effectiveness of our internal control and determines the degree and extent of reliance on internal control system.



Alamgir Morshed
Executive Director and CEO
Dhaka, 07 June 2022



S. M. Monirul Islam
Deputy CEO and 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:

01 Ensuring the reliability and integrity of information for inclusion in company's financial statements

02 Compliance with legal and regulatory obligations, including audit, accounting, tax and financial reporting obligations

03 Establishing the integrity of company's internal control framework

04 Safeguarding the independence of the external and internal auditors

05 Confirming that the management has selected accounting policies that are in line with applicable accounting standards

06 Reviewing interim financial releases i.e., quarterly and half yearly unaudited financial statements and recommend the same to the Board of Directors for approval

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

Composition of the Board Audit Committee

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

Mr. Abdur Rouf Talukder (Senior Secretary of Finance Division, Ministry of Finance), is the Chairman of the Audit Committee, possessing of vast experience. Four other members are Mr. Md. Habibur Rahman (Secretary, Power Division), 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 18-23 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.

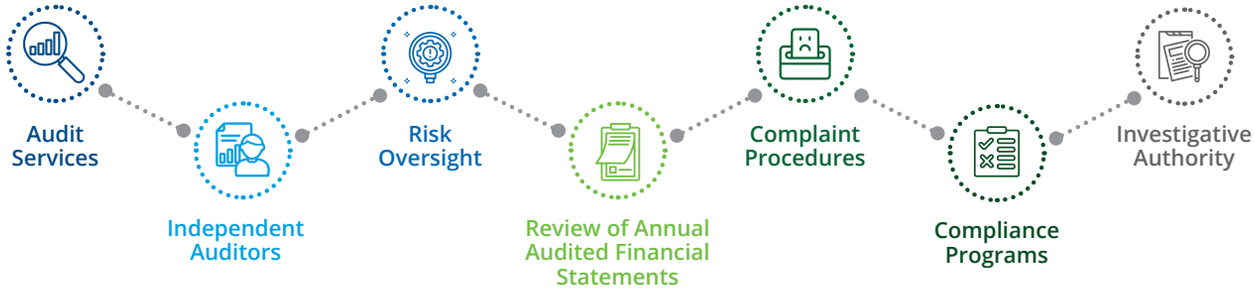
Two members of the Committee shall constitute a quorum. The Chairman of the Committee shall be responsible for finalizing the agenda, presiding over meetings and coordination of reporting to the Board. In the absence of the Chairman of the Committee, the responsibilities of the Chairman may be performed 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 government 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 people 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 circulars, 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 2021

The Audit Committee carried out, among others, the following activities in the year 2021:



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

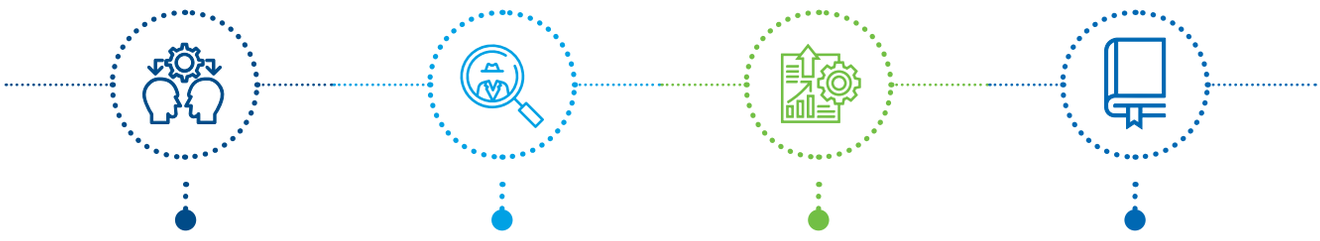
The Audit Committee and Internal Audit

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

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

Reporting of the Audit Committee

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



Relevant issues have been reported to the Board of Directors where applicable during the year ended 31 December 2021.



Abdur Rouf Talukder
Chairman, Audit Committee
07 June 2022

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

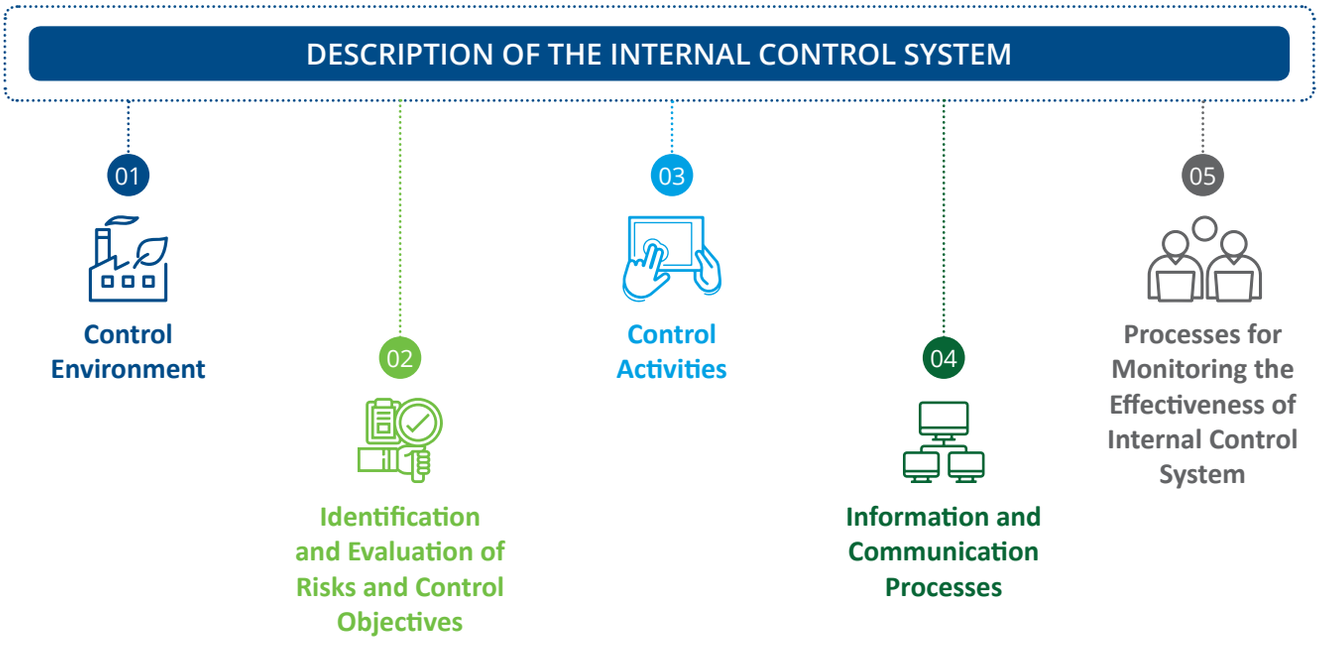
The Board of Directors recognizes the importance of a sound internal control system with a view to ensuring good corporate governance practice; and thereby safeguards the shareholders' investments and the Company's assets. The system of internal control that we have in place enables us to drive our business 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.



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

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 achieve the objectives of the entity. 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 for 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 means of communicating significant information upstream. There also needs to be effective communication with external parties, such as customers, suppliers, regulators and shareholders.

Processes for Monitoring the Effectiveness of Internal Control System

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

INTERNAL CONTROL PROCESS

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



Risk Management Framework

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

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

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

In order to define and create additional risk identification centers, the Risk and Special Asset Management (SAM) unit in IDCOL has been segregated in four units, namely Credit Risk Management (CRM) unit, Compliance unit, Special Asset Management (SAM) unit and Legal unit. Each unit has a defined and unique set of risk identification methodology.

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

Internal Audit Function

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

Regular Review of Audit Plan

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

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

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

Compliance Framework

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

To promote and manage compliance, the culture and practice of compliance with the letter and spirit of regulatory requirements; a separate compliance unit under the Head of Risk & Special Asset Management Department (Chief Risk Officer) reports to the Executive Director & CEO. 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; hence dedicated for dissemination of central bank's directives across the organization. Besides, compliance in collaboration with the business operating units 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 with the guidelines and policies set forth by the central bank from time to time. Also a dedicated desk is in charge of periodic reports submitted to the regulators and to satisfy queries raised by the regulators. In addition, a reporting process have been in place wherein incidents affecting the reputation of IDCOL is escalated to the competent authority immediate after occurrence of the same. The escalation process ensures that adequate oversight and guidance is provided by the senior management to manage the reputation of IDCOL with its regulators and significant financial loss is avoided.

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 ED & CEO, 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.

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, 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 to demonstrate highest Ethical standards within the scope of employment or when representing the company in any capacity.

STATEMENT ON FINANCIAL STATEMENTS BY CEO AND CFO

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

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

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

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

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

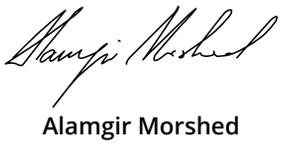
   b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

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

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

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

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



Alamgir Morshed
Executive Director and CEO



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.	142-147
1.2	Adequate representation of non-executive directors i.e. one third of the board, subject to a minimum of two	15, 18-23
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	18-23
1.5	Responsibilities of the Chairman of the Board appropriately defined and disclosed. Disclosure of independence of Non-Executive Directors	142-147
1.6	Existence of a scheme for annual appraisal of the board's performance and disclosure of the same.	142-147
1.7	Disclosure of policy on annual evaluation of the CEO by the Board.	142-147
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.	18-23
1.1	Disclosure of number of meetings of the board and participation of each director (at least 4 meetings are required to be held)	142-147
1.11	Directors issue a report on compliance with best practices on Corporate Governance that is reviewed by the external auditors	41-60
2. VISION / MISSION AND STRATEGY		
2.1	Company's vision / mission statements are approved by the board and disclosed in the annual report.	11
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	28-40, 62-69
3. AUDIT COMMITTEES		
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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	162-166
3.1.3	More than two thirds of the members are to be Non-Executive Directors	15
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.	142-147, 18-23
3.1.5	Head of internal audit to have direct access to audit committee	167-170
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	162-166
3.2.1	Statement on Audit Committee's review to ensure that internal controls are well conceived properly administered and satisfactorily monitored	162-166
3.2.2	Statement to indicate audit committees role in ensuring compliance with Laws, Regulations and timely settlements of statutory dues	162-166
3.2.3	Statement of Audit committee involvement in the review of the external audit function	162-166

Particulars		Page Number
	* Ensure effective coordination of external audit function	162-166
	* Ensure independence of external auditors	
	* To review the external auditor's findings in order to be satisfied that appropriate action is being taken	
	* Review and approve any non-audit work assigned to the external auditor and ensure that such work does not compromise the independence of the external auditors.	
	* Recommend external auditor for appointment/ reappointment	
3.2.4	Statement on Audit committee involvement in selection of appropriate accounting policies that are in line will applicable accounting standards and annual review.	162-166
3.2.5	Statement of Audit Committee involvement in the review and recommend to the board of directors, annual and interim financial releases	162-166
3.2.6	Reliability of the management information used for such computation	162-166
4. INTERNAL CONTROL & RISK MANAGEMENT		
4.1	Statement of Director's responsibility to establish appropriate system of internal control	142-147, 167-170
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	167-170
4.3	Statement that the Directors have reviewed the adequacy of the system of internal controls	167-170
4.4	Disclosure of the identification of risks the company is exposed to both internally & externally	178-185
4.5	Disclosure of the strategies adopted to manage and mitigate the risks	178-185
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.	58-60
5.2	Dissemination / communication of the statement of ethics & business practices to all directors and employees and their acknowledgment of the same	58-60, 167-170
5.3	Board's statement on its commitment to establishing high level of ethics and compliance within the organization	58-60, 167-170
5.4	Establishing effective anti-fraud programs and controls, including effective protection of whistle blowers, establishing a hot line reporting of irregularities etc.	175-187
6. REMUNERATION COMMITTEE		
6.1	Disclosure of the charter (role and responsibilities) of the committee	148-156
6.2	Disclosure of the composition of the committee (majority of the committee should be nonexecutive directors, but should also include some executive directors)	
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7. HUMAN CAPITAL		
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7.2	Organizational Chart	122-123
8. COMMUNICATION TO SHAREHOLDERS & STAKEHOLDERS		
8.1	Disclosure of the Company's policy / strategy to facilitate effective communication with shareholders and other stake holders	41-60
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.	6-8, 70-77
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	189-200
9.2	Disclosure of specific activities undertaken by the entity in pursuance of these policies and practices	



RISK MANAGEMENT

STATEMENT OF THE CHIEF RISK OFFICER

Efficient trade-offs between risk and reward are compulsory for any financial institutions to maximize risk-adjusted returns within stipulated boundaries. As a core component 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 maximized 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. IDCOL strategically considers risk as transversal, cutting across various divisions, projects and practices throughout the organization. At IDCOL, the framework is inclusive of the required governance, necessary procedures and essential tools for the assurance of robust risk monitoring and control. IDCOL's overall approach to risk management is based on:



Comprehensive Risk Management Frameworks

IDCOL rigorously follows a robust risk management framework based on the three lines of defense model. As a part of the primary defense, Business model is the first line of defense in risk management which conducts due diligence as per IDCOL's guideline and requirement. Risk Management Units are the second line of defense and independent assurance is the third line of defense. Each of these three "lines" plays a distinct role within the organization's wider risk governance framework. IDCOL's risk management framework is applied on an enterprise-wide basis and consists of three key elements- Risk governance, Risk appetite, and Risk management tools. All of these tools are vital for our risk management framework.

Effective risk management is vital for IDCOL to attain financial stability and superior performance. The adoption of a risk management framework that embeds best practices into IDCOL's risk culture is the cornerstone of the organization's financial future.



Risk Appetite

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



Risk Culture

A sound and consistent risk culture throughout the organization is one of the key elements of effective risk management. To gain competitive edge in the industry, a robust risk culture is one of the crucial elements. Building and maintaining a robust risk culture is critical to ensure the success of risk functions. Thus, IDCOL promotes a culture of accountability, integrity and high ethical standards to comply with corporate risk management issues. IDCOL also has relevant policies, guidelines and manuals for different functional areas of its business operations in line with central bank's guidelines and regulations. The embedded risk management framework along with the set out guidelines and policies provide strong risk awareness, enabling IDCOL to critically review and challenge existing practices.

Mandate

IDCOL finances projects that promote productivity, economic and environmental benefits in a sustainable manner. Each project is assessed prudently and sufficiently, and fulfilling the standards 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 protection, pollution reduction, technical progress and innovation, human capital, infrastructure improvements, and general improvements in market efficiency and the business environment are aspects that IDCOL takes into account in the evaluation process.

Risk Reporting and Monitoring

Risk reporting and monitoring is performed 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 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.

Lending

IDCOL is a specialized NBFI focusing on the lending on renewable energy, Infrastructure finance and energy efficiency projects, and is working persistently to achieve the development objective of the Government. IDCOL provides long-term financing to borrowers to support the development of their businesses. Recognizing the ever changing markets and economic conditions and acknowledging the inheritance of credit risk arising from the core activity of lending, IDCOL strives not only to maintain the high quality of the loan portfolio, but also recognizes that some of the lending involves comparatively greater risks.

Earnings

Profit is a reward for risk-taking in business, therefore, the reward for risk-taking must be higher than the actual value of the risk. IDCOL offers financing on competitive market terms and aims for a stable earning 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 core objective of safeguarding the organization's liquidity. The institution strives for operational efficiency and to use resources in ingenious and sustainable ways.

Capital

IDCOL aims 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.

Covid-19 Crisis

Unlike exclusively considering risk as a vulnerable component, the organization has also addressed risk as a scope of opportunity to learn and evolve. In the light of new risk experiences, alongside policy level changes like risk appetite, risk management framework etc., the organization has put precise attention, particularly to revisit operational procedures in view of new normal environment, creating organization wide risk awareness and most importantly to migrate from practice based operation process to uniform procedure. By reengineering processes and enabling work-from-home options via secure intranet access, IDCOL has significantly advanced the adoption of technology in 2021.

In conclusion, Risk management can improve profitability in several calculated ways. Risk management is proactively helping IDCOL to identify the possible events that could impact the business. It also increases the likelihood of successfully achieving the business objectives. Therefore, IDCOL's main goal is to achieve steady and sustainable growth while minimizing the risk.

Mohammed Jabed Emran
Chief Risk Officer

RISK MANAGEMENT REPORT

The ever changing business environment fueled by the global pandemic requires a strong risk management strategy. At IDCOL, effective risk management is crucial to support the continuous business growth. The comprehensive enterprise risk management framework at IDCOL enables the institution to increase shareholder value by developing and growing our business within our board-determined risk appetite.

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.

The embedded risk management culture at IDCOL enables the institution to adopt to any change as and when they occur. A strong risk culture supported by resilient risk governance permits IDCOL to adopt in a prudent manner to any change in market trend and approaches. Below is a list of trends impacting the business of IDCOL:

TRENDS IMPACTING OUR BUSINESS	OUR APPROACH
Impacts of COVID-19	• Build resilience by adoption of guideline and policies to protect the interest of the institution and the borrowers.
Geopolitical and Economic Development	• Consistent monitoring of external developments and updating our strategies accordingly. • Formulation of a growth strategy which recognizes that every market is different with varying dynamics.
Financial Market Trend & Fluctuations	• Assess and improve cost, credit and cash management practices in response to market fluctuations. • Consistent monitoring of financial market development to devise strategies to tap opportunities.
Shifting Policy and Regulatory Landscape	• Enhance policies, procedures and risk practices in line with regulatory standards
Proliferation of Technology	• Strengthen the resiliency of our systems • Apply comprehensive data governance, including data origination, access, use, security and privacy
Economic, Environmental, Social and Governance (EES&G) Factors	• Adopt and implement principles by building a sustainable business portfolio • Create positive impact and contribute to EES&G by means of multiple programs of IDCOL
New Competitors	• Continuous monitoring of the competitive market and updating our offerings accordingly • Building proposition for future value capture.

Cohesion between all risk & control functions (Risk, Financial Control and Compliance) is of utmost priority to support an integrated assurance process. IDCOL applies the risk management process which informs the strategic choices made by the authority. This, in turn, aligns the organization's strategic objectives with the application of the risk management process to realize the expected outcomes. To emboss the risk management culture across the organization and to develop a more resilient financial institution, an inclusive and robust Risk Management framework has been established at IDCOL. The Risk Management Framework is based on the following:

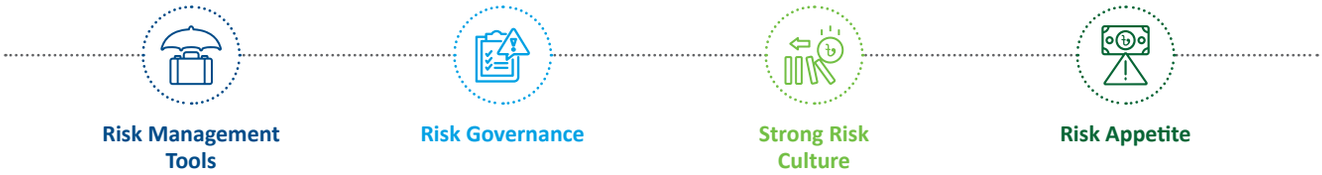


Figure: Risk Management Framework

Risk Management Tools

Risk Management is impetus for sustained growth in order to maximize returns. 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 essential risk management tools in order to manage and control risks that IDCOL encounters during its operations. Risk management processes at IDCOL have continued to prove effective throughout the year of 2021, 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 efficiently managing the risk portfolios.



GUIDELINES, STANDARDS & PROCESSES



MEASUREMENT, MONITORING & REPORTING



POLICIES AND LIMITS



STRESS TESTING

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

As part of a strong risk culture, IDCOL is persistently in process of developing and adopting new tools to better integrate the resources. The tools are reviewed regularly and updated constantly to ensure consistency with the risk appetite and ever changing markets.

At IDCOL, 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 attain ideal risk adherence.

Risks at IDCOL	Risk Management Tools
Credit Risk	• Guidelines Policies and strategies • Risk Appetite • Adequate Securities
Operational Risk	• Standard Operating Procedures • Close Monitoring • Risk Control and Self-Assessment • Comprehensive Governance Structure
Regulatory Compliance Risk	• Review of Reports • Close Monitoring • Reporting • Good Governance

At IDCOL, every process is backed by manuals designed in a manner to optimize efficiency.

The presence of multiple processes enable the institution to manage risks arising from the day to day activities. 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 siphon out redundancy. Every function of the institution is guided by guidelines, standards and processes. Additionally, to assess the cohesion of the asset portfolio and as part of the requirement from the central bank, IDCOL also undertakes stress tests to fend scenario analysis of the portfolio in adverse situation of the economy or company from the external market or natural forces.

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



Risk Governance

Risk Governance is the combination of processes established and executed by the board of directors that are reflected in the organization's structure and how it is managed and led toward achieving goals. IDCOL's approach to risk management is based on well-established governance processes that help us to achieve our strategy, serve our clients and grow our business safely. Our Risk Management Governance Process typically relies on:



Figure: Risk Management Governance Processes

We remain committed to high standards of risk governance by working alongside our regulators and recognize our contribution to build a clean, healthy and a sustainable society. All our people are responsible for the management of risk, with the ultimate accountability residing with the Board. Our Risk Management function, led by the Chief Risk Officer, oversees a comprehensive risk management framework that is applied throughout the organization. It focuses on creating an environment that encourages our people to speak up and do the

right thing. By carefully aligning our risk appetite to our strategy, we aim to deliver sustainable, long-term returns.

We are committed to work with our regulators to manage the safety of the financial system, adhering to the spirit and rules and regulations governing our industry. In our endeavour to restore trust in our industry, we aim to act with courageous integrity and learn from past events to help prevent their recurrence.

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.

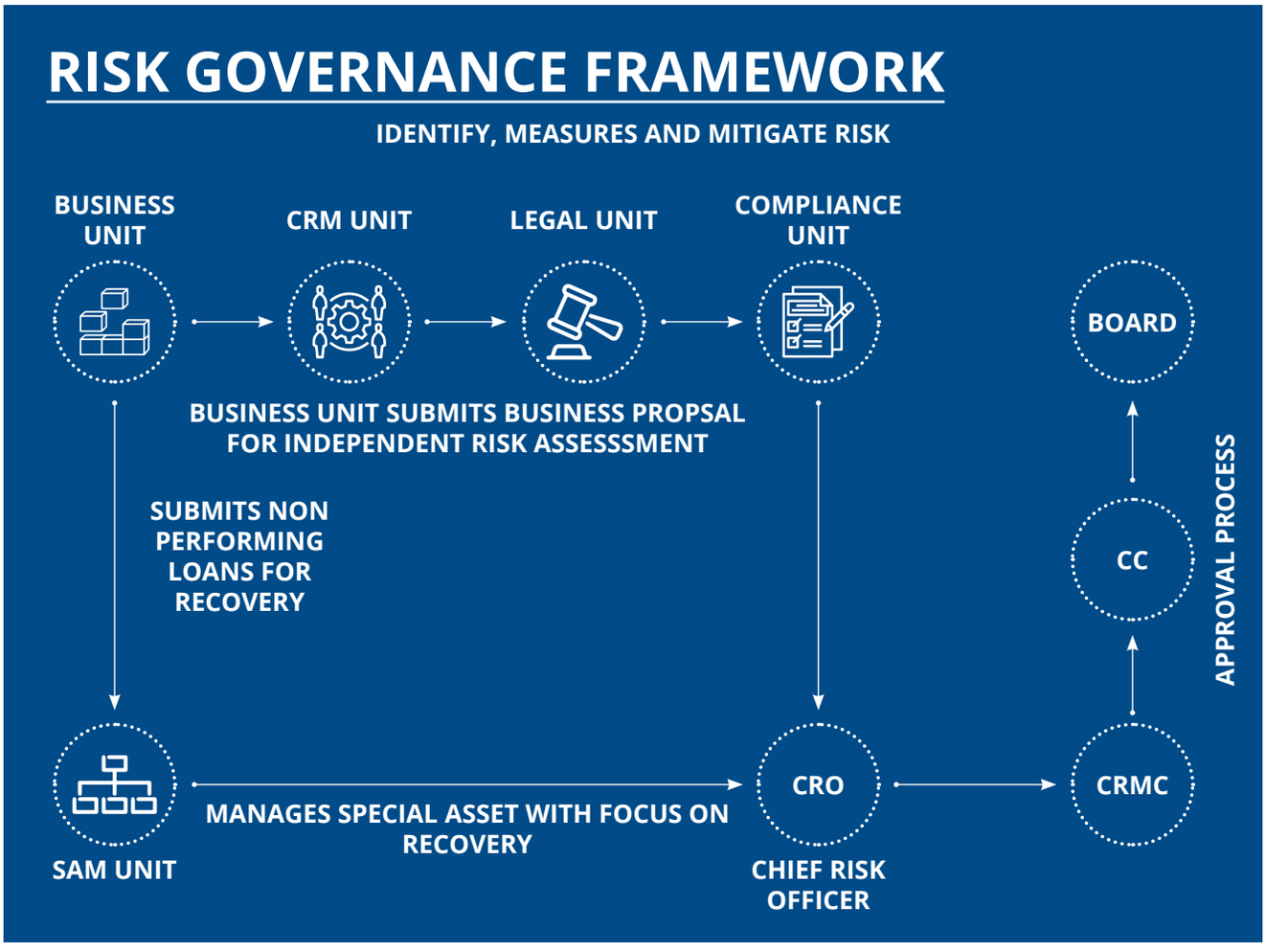


Figure: Risk Governance Framework of IDCOL

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

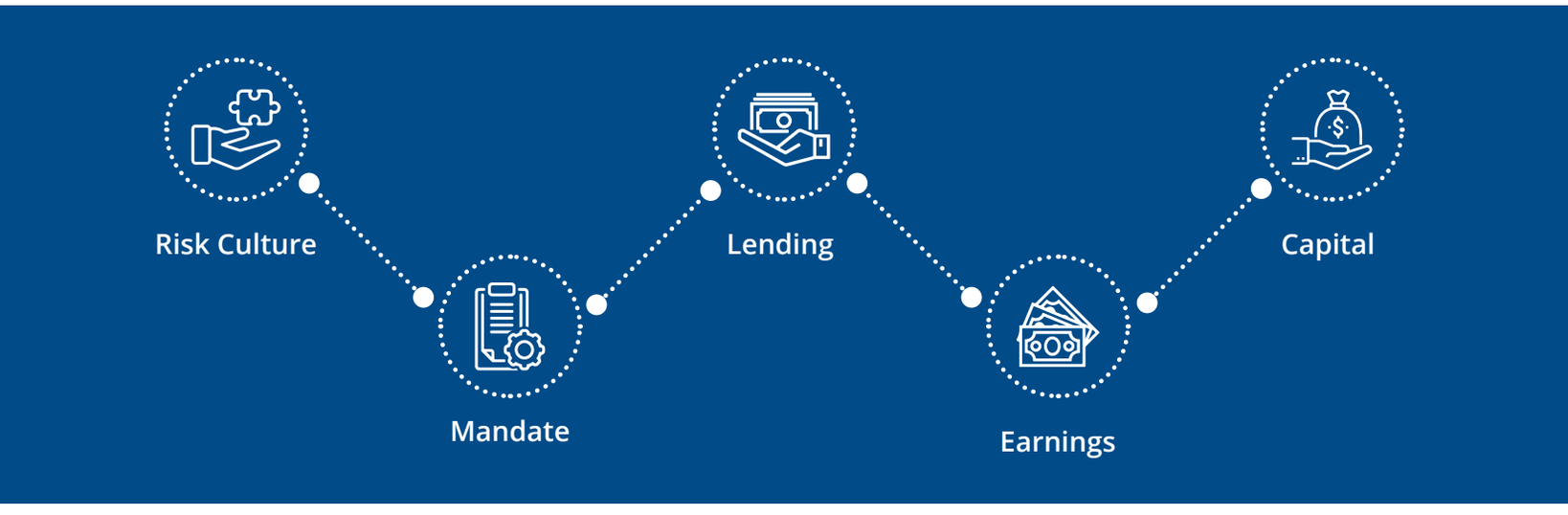
As part of a strong risk culture, a specialized Special Asset Management (SAM) unit has been devised to better address loans that have not been repaid in a defined timeline by the central bank. The core task of the Special Asset Management unit is to follow up and take necessary measures as deemed suitable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

Risk Appetite

Risk appetite defines the level of risk IDCOL is prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is key for our decision making processes, including ongoing business planning and setting of strategy, new product approvals and business change initiatives.

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

To achieve the optimum level of return and better address the inherent risk along with all business risk arising from the business activities, 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 finances 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 comparatively greater risks. Developed as per Bangladesh Bank's Guideline, the lending policy of IDCOL is revised from time to time. 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 some 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:

Infrastructure	• Long Term Foreign/ Local Currency Loan • Short Term Local Currency Loan • Debt & Equity Arrangement	Power, Telecommunication, ICT, Ports, Social Infrastructure, Gas Related Infrastructure, Water Supply & Sewage, Shipyard & Ship Building, Hotel & Tourism, etc.
Renewable Energy	• Concessionary Financing & Grant Support • Technical Assistance & quality Assurance • Capacity Development of Stakeholders • Arranger of Carbon Credits	Solar Home Systems, Bio-gas, Improved Cook Stove, Grid Tied Solar Plants, Solar Mini Grids, Solar Irrigation, Solar Rooftop, etc.
Energy Efficiency	• Concessionary / Market Based Financing • Capacity Development of Stakeholders	Brick Kiln, Energy Efficient Boiler & Industrial Machine, Green Building & Other Efficient Component.
Advisory Services	• Corporate Advisory Services • Training on Project Finance & Financial Modeling • Training & Capacity Building on Renewable Energy	Projects' due diligence, Support to Banks/FIs, Policy Formulation Support to Govt., Project Feasibility Analysis, etc.

Earnings

IDCOL 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.

Strong Risk Culture

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 teams. Hence, the Risk and Special Asset Management team has been segregated into four units, namely, Credit Risk Management unit, Legal unit, Compliance unit and Special asset Management unit. Every unit has a set of framework which guides the process of risk identification, measurement, assessment, mitigation and reporting.

The risk management culture at IDCOL enables the institution to integrate the functions of the business unit along with the internal control system of the company in a consistent process 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.

1st Line of Defense



BUSINESS UNITS

- Conduct Due Diligence as per IDCOL Guideline and requirement
- Propose business in accordance to the Risk Appetite
- Ensure that projects and sponsors meet criteria set forth by the 2nd line of defense

2nd Line of Defense



RISK MANAGEMENT UNITS

- Identify, monitor and mitigate risk issues as guided by Risk Management Guidelines and Policies to provide independent risk assessment
- Oversee and challenge first line defense mechanism and review of projects and sponsors
- Propose risk appetite at regular intervals to promote the health of IDCOL loan portfolio
- Set risk data reporting requirements and develop criterion for third party service provider
- Monitor the status of project implementation to identify any risks arising from project implementation
- Monitor the projects operation to foresee any material risk

3rd Line of Defense



INTERNAL AUDIT

- Independently assess the adequacy of the process developed by the first and second line of defense.
- Ensure that all lines of defense are following the established risk management process

To ensure a proactive risk management environment and to enable the institution to embed risk management at enterprise level, the Risk and Special Asset Management unit has been segregated into four separate units. Each unit is assigned with different segments of the framework to assure the effective and efficient identification, measurement and mitigation of risks.



Figure: Risk and Special Asset Management Unit

CREDIT RISK MANAGEMENT UNIT

The Credit Risk Management Unit is responsible for the assessment of Credit Risks along with all other risks which arise from the lending activities of IDCOL. The credit assessment in IDCOL has been designed in a manner to better identify, measure and mitigate financial and non-financial risk. With the aid of the robust framework established at IDCOL, the institution addresses numerous issues starting from credit risk to environmental risk. The responsibility is clearly segregated between origination of business, assessment, approval, documentation, disbursement and recovery to ensure better risk management, internal control, transparency and accountability. 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.

LEGAL UNIT

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

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

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 ensure that all transactions, approvals and day to day operations of IDCOL in a larger scale is in accordance to the guidelines and policies set forth by the central bank. In addition to submission of reports to the central bank monthly, quarterly and annually, compliance with Money Laundering act and Anti-Terrorism act is also a major role of the compliance unit. Moreover, compliance unit addresses and satisfies queries raised by the central bank.

SPECIAL ASSET MANAGEMENT UNIT

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

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

In a nutshell, efficient risk management has enabled IDCOL to ensure stable and sustainable growth incongruence to the goal of the institution. From pre-approval stage to the disbursement of each tranche of fund, the vital input of all units reinforce the risk management framework embedded at IDCOL.

CAPITAL ADEQUACY AND MARKET DISCIPLINE (CAMD)

1. SCOPE OF APPLICATION

Qualitative Disclosures	
a) The name of the entity to which this guidelines applies	Infrastructure Development Company Limited (IDCOL)
b) 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	738.00
Statutory Reserve	0.00
Non-repayable Share premium account	0.00
General Reserve	0.00
Retained Earnings	271.48
Minority interest in Subsidiaries	0.00
Non-cumulative irredeemable preference shares	0.00
Dividend Equalization Account	0.00
Total Eligible Tier-1 Capital	1009.48
2 .Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit + SMA+ off Balance Sheet exposure)	67.66
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	67.66
3. Other Applicable Deductions from Capital	0.00
4. Total Eligible Capital	1077.14

3. CAPITAL ADEQUACY

Qualitative Disclosures	
	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.
A summary discussion of the FI's approach to assessing the adequacy of its capital	**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 a few highlights: - Currently Bangladesh Bank prescribed Minimum Capital Adequacy Ratio (MCR) is 10%, whereas as on December, 2021 the CAR of the FI was 18.00% - During the same period Minimum Capital Requirement (MCR) of the FI was BDT 598.35 crore and eligible capital was BDT 1077.14 crore; i.e. the FI hold BDT 478.79 crore surplus capital.

Quantitative Disclosures

Amount in Crore (BDT)

Risk Category	Consolidated
Details of Risk Weighted Assets (RWA)	
Credit Risk	
On-Balance sheet	5413.05
Off-Balance sheet	0.00
Total Credit Risk	5413.05
Market Risk	0.00
Operational Risk	570.46
Total RWA	5983.51
Detail of Risk Wise Minimum Capital Requirement (MCR)	
Credit Risk	
On-Balance sheet	541.30
Off-Balance sheet	0.00
Total Credit Risk	541.30
Market Risk	0.00
Operational Risk	57.05
Total Minimum Capital Requirement	598.35
Total Maintained Capital	1077.14
Total Capital Surplus	478.79
Detail of Tier wise Capital of the FI	
Tier-1 Capital	1009.48
Tier-2 Capital	67.66
Total Capital	1077.14
CAR on Total Capital basis (%) [Total capital/RWA]	18.00%
CAR on Tier 1 Capital basis (%) [Tier 1 capital/ RWA]	16.87%



SUSTAINABILITY REPORT

IDCOL'S CONTRIBUTION
TOWARDS GREEN FINANCING

IDCOL's Green Financing efforts include commitment of financial and knowledge capital into environment-friendly projects, products, and services that encourage sustainable development of the economy. IDCOL, as a partner of the Government of Bangladesh, has contributed to achieve Sustainable Development Goals (SDGs) of the government through environment-friendly investments in various industries such as Cement, Spinning & Textiles, RMG and Oil refinery that use Energy Efficient Equipment, Green Building & Green Brick projects, Solar Home System (SHS), Solar Irrigation Pump, Solar Mini-Grid, 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 –

REDUCTION

Reducing emission of Greenhouse Gas and other environmental hazards

PROMOTION

Increasing household access to Low-carbon Energy in rural areas

GROWTH

Promoting use of Energy Efficiency Equipment and green technologies

Solar Irrigation Pumps

1,515 solar irrigation pumps benefitting more than 60,000 farmers by providing irrigation facility in off-grid areas and reducing dependency on fossil fuel.

Biogas based Power Plants

10 biogas based power plants of 10 KW to 400 KW capacity aiming to reduce environmental hazards related to improper disposal of wastes and create market for bio-waste to generate electricity

Green Building & Green Brick Program

Approval has been obtained for "FORUM" by Shanta Holdings Ltd., an energy efficient commercial building.

~BDT 224 crore financing has been approved for 6 tunnel kiln and 1 HHK brick projects under Green Brick program.

Mini-grids and Solar Rooftop Project

26 solar PV based Mini-grids and 16 Solar Rooftops are in operation generating significant amount of electricity from solar power

01 02 03 04 05 06 07 08

Household Biogas Plants

61,134 biogas plants providing clean energy solution to rural areas and reducing in-house air pollution. Also, Biogas plant is a rich source of organic fertilizer.

Improved Cooked Stoves (ICS)

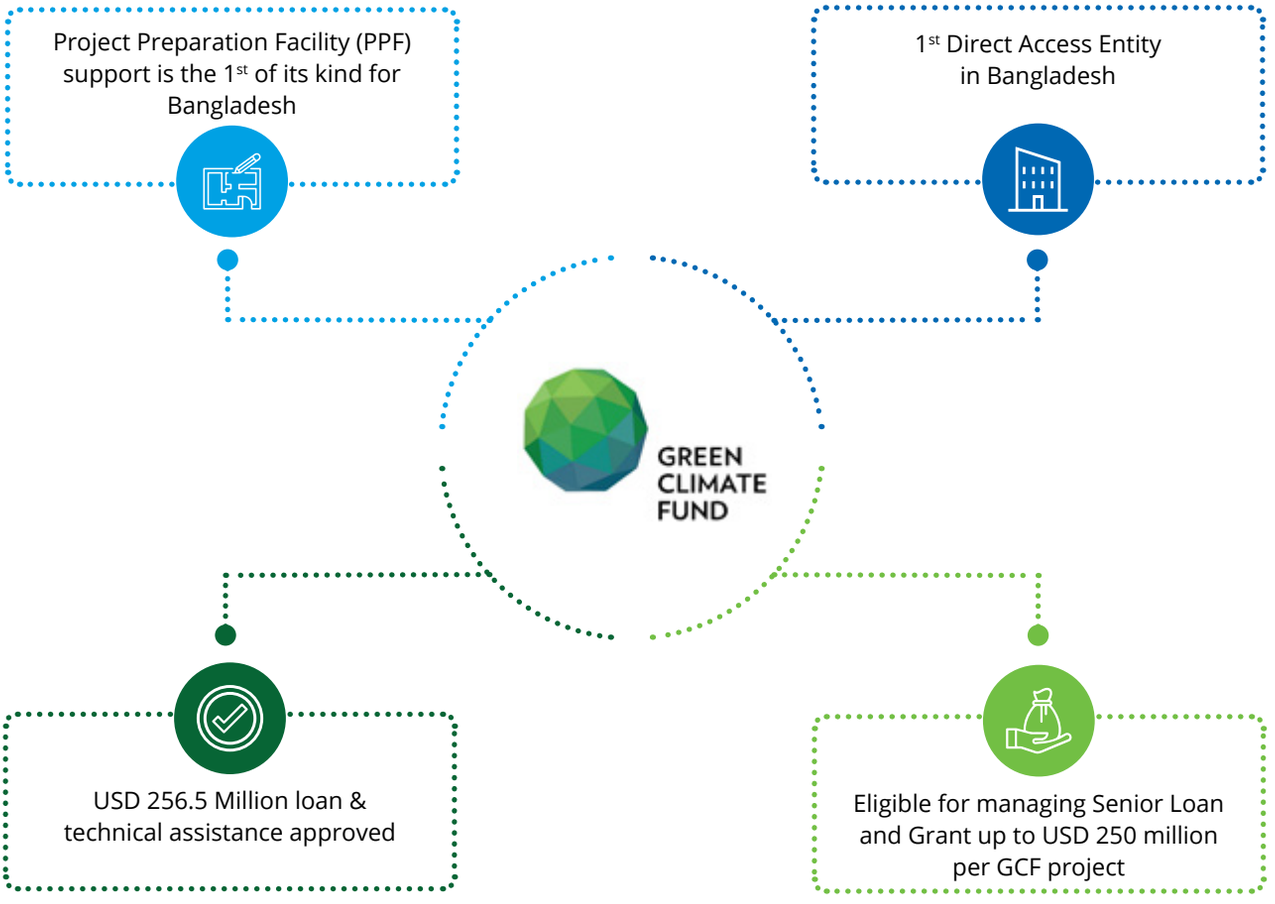
Roughly 2.90m ICS have been installed aiming to create sustainable market for high efficiency cook stoves reducing GHG emissions and indoorair pollution.

Energy Efficiency Equipment

Financed BDT 680 crore in 10 Energy Efficient Equipment projects comprising Cement, Spinning & Textile, RMG and Oil Refinery industries.

Solar Home Systems (SHS)

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



Besides, on 6 July 2017, IDCOL was accredited to receive funds up to 250 million from the Green Climate Fund (GCF) for financing climate change mitigation or adaptation project to be implemented in Bangladesh. The fund is first of its kind to enter Bangladesh through IDCOL which will be channeled directly to private/public sector entity or through private sector banks or financial institutions.

As a market leader in private sector infrastructure investment, IDCOL is looking forward to financing more and more sustainable investments and creating a market for energy efficient projects considering the increasing move towards green financing, its relevance in attaining the SDGs and positive impact on keeping the environment safe. Also, the company pledges to develop sustainable business models and governance policies to boldly maintain its market leadership in this segment.

SUSTAINABLE FINANCING IN INDUSTRIAL ENERGY EFFICIENCY SECTOR

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

Green Bricks Program

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

As per the data by World Bank, the brick sector in Bangladesh burns about 203 tons of coals and emits about 576 tons of 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., Sylhet

Energy Efficiency Equipment Financing

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

1. IDCOL finances energy efficient machineries in RMG sectors of Bangladesh. Energy efficient dyeing/ finishing, sewing machines, boilers can reduce power consumption of various margins. The energy efficient sewing machines used in Snowtex Sportswear Limited can operate with 70% less energy than conventional sewing machines whereas the boilers used in Snowtex Sportswear Limited saves 13% of existing energy consumption.



Snowtex Sportswear Ltd., Dhamrai

2. 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 Ltd.

3. IDCOL Financed 'Partex Petro Limited', an oil refinery project at Dangarchar, Karnafuly, Chittagong with a capacity of 10,000 Barrel Per Day (BPD). The finished products of the project are petrol/Motor Spirit, Octane, Jet Fuel (JP1), High Speed Diesel, and Liquefied Petroleum Gas (LPG).



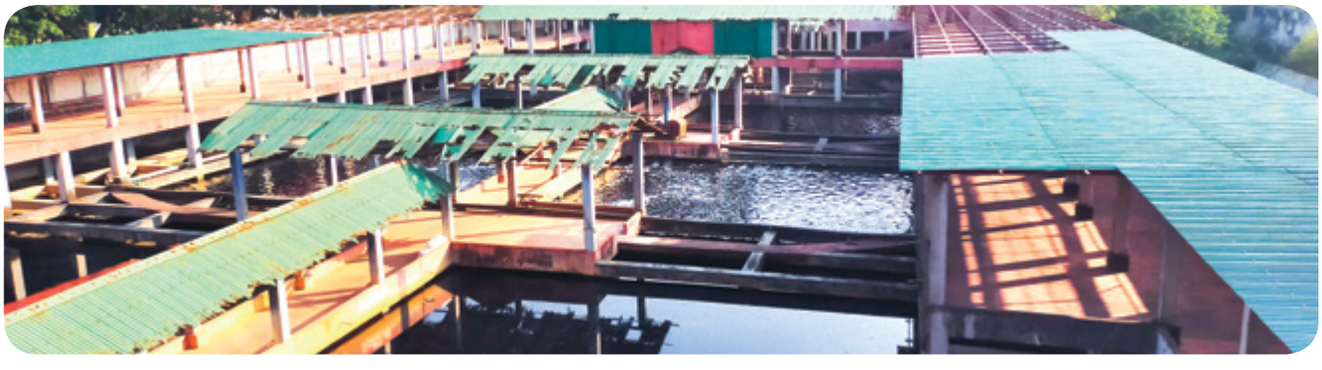
Bangladesh Petrochemical Company Ltd.

4. 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 Ltd.

5. 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 m^3 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 Ltd.

COMPLIANCE OF ENVIRONMENTAL AND SOCIAL SAFEGUARDS AT IDCOL FUNDED PROJECTS

From the beginning, IDCOL is committed to ensure sustainable infrastructure projects financing. While adopting Environmental Compliance Manual in 2000, it has appeared as a mentor to peer financial institutions in financing projects, by ensuring environmental and social compliances. IDCOL provides financing under two departments, named Renewable Energy Department and Investment Department. For Renewable Energy Department, IDCOL financed Utility Scale Solar Grid-tied projects, Solar Rooftop Projects, Biogas based Power Generation, Battery Recycling Facility Project, GCF funded Energy-Saving Projects, Improved Cook Stove (ICS), Solar Home System (SHS) projects, Solar Irrigation Projects (SIP) and Solar Mini Grid. For Investment department, IDCOL financed Private Electricity Generation projects, Port and Terminal projects, Healthcare, Infrastructure Backward Linkage as well as PPP based economic zone projects, Green Brick Kilns, Central Waste Treatment Plant and other energy efficient equipment financing projects etc.

IDCOL has developed a structured approach as detailed in the following sections.

1. Environmental and Social Safeguards Policy

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

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

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

3. Institutional Arrangement

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

4. Major Environmental & Social Focus Areas

IDCOL primarily focuses on following environmental and social aspects:

Environmental aspects

- Air pollution
- Water (surface & ground) contamination
- Noise generation
- Disturbance to biodiversity
- Disturbance to natural drainage
- Wastage of energy

Social aspects

- Disturbance to community movement
- Involuntary resettlement
- Adverse impact to indigenous community
- Gender discrimination
- Child labor exploitation
- Risk on occupational health & safety
- Risk on physical cultural resources

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

There are primarily four stages in project cycle. 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 more detail context • Prepare ToR of ESA/ESIA • Cooperate sponsor in sourcing competent E&S Specialist to prepare ESA/ESIA
Board approval and loan disbursement stage	• The ESA/ESIA is submitted to the Board
Repayment stage	• Based on the scale and intensity of E&S issues, IDCOL official monitors the project and it also requires periodic E&S monitoring report from sponsor.

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

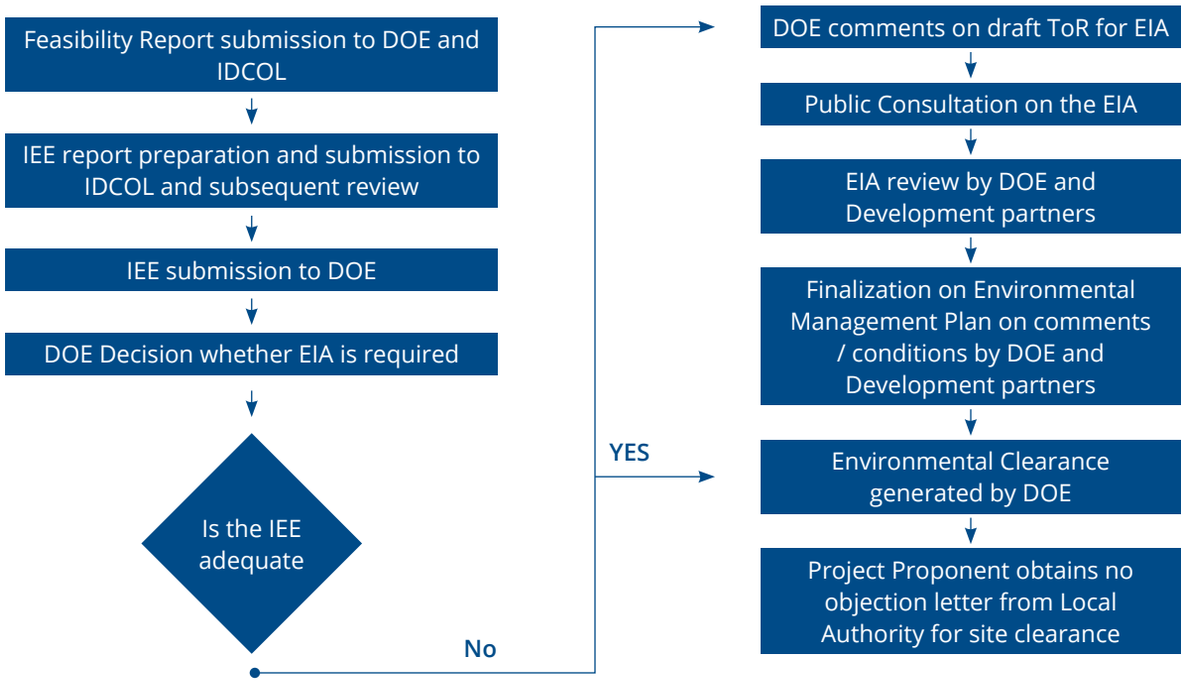


Figure: Environmental clearance approaches in IDCOL and DOE

6. 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: Power plants can cause severe hazardous impacts on soil, ambient air, water, and noise level due to gaseous emission, spillage & excessive noise generation. Excessive extraction of ground and surface water may harm the hydrology. Health and safety hazards may occur to workers and surrounding community people.	To address the possible adverse impacts, preparation of a detailed environmental and social impact assessment (ESIA) including environmental and social management plan (ESMP) with proper mitigation measures is required for every available impact. The ESMP is part of loan covenants and ensures that the project proponents must monitor and mitigate the negative impacts, as necessary.	 *Nutan Bidyut (Bangladesh) Ltd, Bhola* IDCOL has approved financing of 31 power plant projects contributing 3,881 MW electricity to national power grid to support Government of Bangladesh's ambitious vision of ensuring electricity for all citizens.
Ports and Terminals: Adverse impact on surrounding physical environment due to hazardous solid and liquid pollutants involved in port and terminal activities. Potential occupational and community hazards may occur from the project operations.	IDCOL has ensured that an environmental and occupational management plan included in loan covenants that enforces the project proponents to monitor and mitigate and where possible – eliminate any adverse negative impacts and potential hazards generated from the project.	 *Ispahani Summit Alliance Terminal Ltd, Chittagong* IDCOL financed Inland Container Depot (ICD) and Container Freight Stations (CFS) which handles 268,000 TEUs per annum.
Economic Zones: Land development causes change in land use, soil quality and affect nearby natural waterbodies. Ambient environmental degradation occurs from various types of industrial operations. Social issues including occupational health safety and community health safety components might also be affected by economic zone developments.	To address the possible adverse impact, IDCOL has made mandatory for project sponsor to prepare a detailed environmental impact assessment (ESIA) with required mitigation measures and monitoring requirements on Environmental and Social Management Plan (ESMP).	 *DBL Industrial Park Ltd, Shreehatta Economic Zone, Maulvibazar* 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 due to emission of gaseous particles, effluent emission causing water pollution, and noise pollution may occur in the project site. Project operations may cause severe occupational health safety hazards.	IDCOL has required key 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.	 *Vertical Roller Mill (VRM), Meghna Cement Mills Ltd, Mongla, Bagerhat*
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. Proper management of medical wastes is the major priority of IDCOL during financing in healthcare projects.	 *Imperial Hospital, Chittagong* IDCOL has financed various social infrastructure in health care sector such as Imperial Hospital, Chittagong, and Sandor Dialysis Services Ltd.
Hotels and Tourism: Possible environmental pollution due to generation of solid wastes and liquid discharges, gaseous pollutants emission from generators, cooling units and kitchens. Hotels management also includes risk of fire accidents, health safety hazards and increase in surrounding traffic volume.	IDCOL requires maintaining an Environmental and Social Management Plan addressing potential environmental impacts as well as social issues. The plan also addresses the occupational and community health safety measures to be implemented by the client during both construction and operation phase of the project.	 *Doreen Hotels and Resorts Ltd., Gulshan, Dhaka*

7. Environmental Measures with Focus on Renewable Energy Projects

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

Renewable Projects:

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
SHS- Construction and Operational Phase : 1. Improper management of expired batteries may lead to environmental pollution and health safety concern. 2. During manufacturing of lead-acid battery, there is significant risk of environmental and health safety hazards.	IDCOL has prepared "Policy Guidelines on Disposal of Warranty Expired Battery". The customers, POs, and manufactures should comply with this policy fully. IDCOL has introduced the tracking mechanism of proper disposal of expired battery. IDCOL has deployed 45 solar inspectors spread over 17 regional offices with coverage of the entire country to exclusively monitor the management of expired battery. There is a financial incentive for POs and recyclers for recycling the expired battery properly. IDCOL has required all battery suppliers and expired battery recyclers under SHS program to be ISO 14001:2004 and OHSAS 18001:2007 compliant in addition of the requirements of the DOE. At present, there are 17 battery suppliers and 4 expired battery recyclers, who have complied with these requirements. Installation of effluent treatment plant (ETP) and air treatment plant (ATP) have been made mandatory for enlisted battery suppliers and expired battery recyclers.	 More than 4.13 million Solar Home Systems have been installed all over Bangladesh which replaced around 11 million of kerosene lamps and therefore reduced 1.25 million tons of carbon di oxide (CO_2) per year and also improved the livelihood.
Solar Irrigation- Construction and Operational Phase: 1. Adverse Impact on ecosystem will not occur in general circumstances. However, moderate change in land use including tree clearing may be required depending on project site. 2. Excessive water use may cause impact on hydrology.	IDCOL has introduced a special environmental and social screening template, which covers most of the relevant aspects. IDCOL has emphasized the project to prepare a proper way to pump-up water and use plan reference from experience in the surrounding areas and results of hydrological surveys. IDCOL has conducted a survey by an expert about the water availability in various potential areas.	 1515 solar irrigation pumps have been installed by the end of December 2021, which replaced 18180 tons of diesel burn shallow pumps; therefore reducing 48722 tons of carbon di oxide (CO_2) each year. The SIP projects may improve the living standards for farmers and a sample survey conducted by IDCOL, which mentioned that SIP incur 20%-25% less irrigation charges than their counterparts under diesel, pumps which let them end up with higher profit from their agricultural activities, which help to generate 57% higher income for their families to improve their living expenses.

Impacts	Mitigation Measures taken by IDCOL	IDCOL Achievements
Mini Grid-Construction and Operational Phase: 1. Mini-grid requires a considerable piece of land, there is scope of disturbance to site specific ecosystem in the Project area. 2. Due to operation of diesel fueled back-up generator there could be temporal noise concern.	To address the possible adverse impacts, IDCOL has made mandatory for project sponsor to prepare a detailed environmental impact assessment (ESIA). In this regard, IDCOL has introduced a well-structured ToR for ESIA and monitoring of impact mitigation based on Environmental and Social Management Plan (ESMP). Relevant environmental, health and social compliances of at least two operational Mini-grid projects.	 26 solar mini-grids (all projects located in isolated island in Bangladesh) have been approved by IDCOL from which 5 MW of electricity will be generated. Under the projects, about 16,298 connections have been made so far, of which 73.5% are households and the remaining 26.5% are commercial entities engaged in different income generating activities and other productive uses. Customer of such categories include shops, workshops (steel, furniture, carpentry), rice mills, sawmills, irrigation pumps, ice factories, telecommunication towers, electrical vehicle charging stations, hospital/clinic, other factories (puffed rice mill, bakery, oil pressing mills), resorts/restaurants, schools, mosque, madrasahs, etc.
Improved Cook Stoves	IDCOL has required basic environmental and health compliance of manufacturing, operation and maintenance of ICS.	 IDCOL Improved Cook Stove (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 is thus directly linked with the health and well-being of women. Time and fuel savings from ICS will contribute towards the financial well-beings, improved hygiene and better living conditions. 2.9 million Improved cooking systems have been installed by the end of December 2021, which reduce 3.53 million tons of carbon di oxide (CO_2) each and save 4.47 million tons for fuel wood per year.
Biogas Power Generation-Operational Phase: Waste water will be digested in the system and the environmental load will be reduced. However, improper slurry management may cause water pollution.	IDCOL has required the project proponent to install sufficient facilities and conduct proper maintenance.	 Nine biogas-power generation projects have been approved by IDCOL which approximately produce 1342 kW of electricity. It also produces organic fertilizer as byproduct.

Utility Scale Solar Grid-tied Projects

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

IDCOL arranged financial facilities for Sympa Solar Power Ltd. for 8 MW grid-tied solar project at Majhipara, Tetulia, Panchagarh. The project went to commercial operation on July 24, 2019. IDCOL also has eight projects in pipeline with a cumulative capacity of 350 MW. Such projects, apart from enhancing generation capacity of the country, will also contribute to combating global climate change issues such as GHG emissions.



8 MW Utility Scale Project by Sympa Solar Power Ltd.

Rooftop Solar Projects

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 demonstrate environmental responsibility to stakeholders. As on December 2021, a total of 36 such projects have been approved with total capacity of 50.47 MWp and 15 projects with total capacity of 18.78 MWp are now in operation.





IDCOL financed 3.1 MWp & 1.0 MWp Rooftop Solar Project at Robintex Group and United Mymensingh Power Plant Respectively

Battery Recycling Facility

Lead acid batteries are harmful for human health and environment. This toxic substance seeps into the soil, groundwater and surface water through landfill and also releases toxins into the air. Hence, IDCOL financed an environmental friendly and fully automated lead acid battery recycling plant. The facility is financed for Panna Battery Ltd. situated at West Rasulpur, Kamrangirchar, Dhaka. The plant recycles scrap batteries and produces 15,000 MT lead per year. The plant recycles 70 tons of battery waste per day. Recycling of batteries allows extraction 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.

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. Consultation with 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.



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 all its activities. For that 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 includes 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 implementation by complying with the safeguards requirement of the Department of Environment (DOE), Bangladesh Bank and all respective development partners. IDCOL has established an independent Environment and Social Safeguards 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 building 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 types of events on a regular basis.



Stakeholder's consultation & Training program

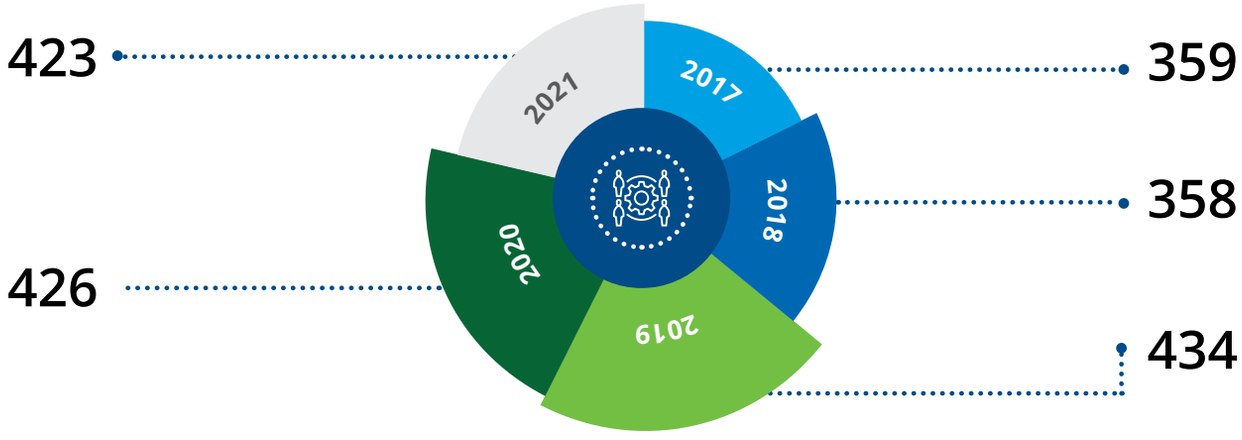
HUMAN RESOURCE MANAGEMENT

Human Capital

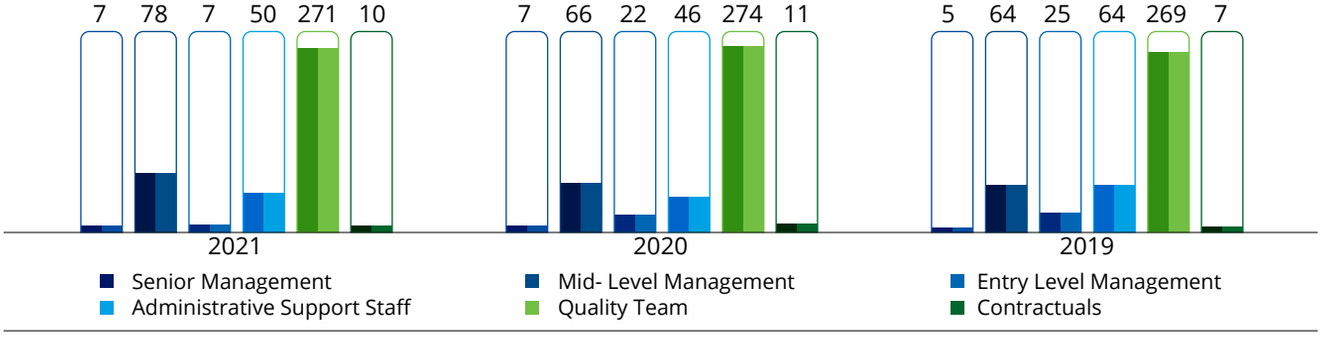
We believe our employees are the most important assets and are critical to our success. Our employees are result oriented individuals, who uphold the values of the organization by being creative, open, respectful, ethical and passionate. We have made a commitment to build the healthiest human system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

Reflection of the Past Years

Since its inception, IDCOL HR strategy is focused on getting the right internal structures and processes in place, investing in employee development and engagement and supporting business growth and development. Getting the right internal structures and processes in place, IDCOL has seen rapid and significant growth over the past five years, with employee numbers increasing from 359 to 423. This increase generated a need for ensuring that the organizational structure and processes were fit to face the challenges and opportunities of the future.

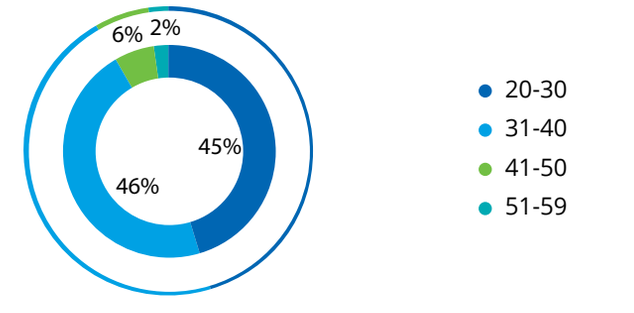


Category wise Employee Strength Growth

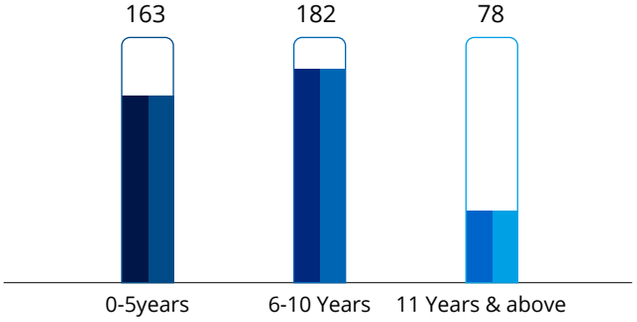


Employee Trend Analysis for 2021

Employees by Age Group

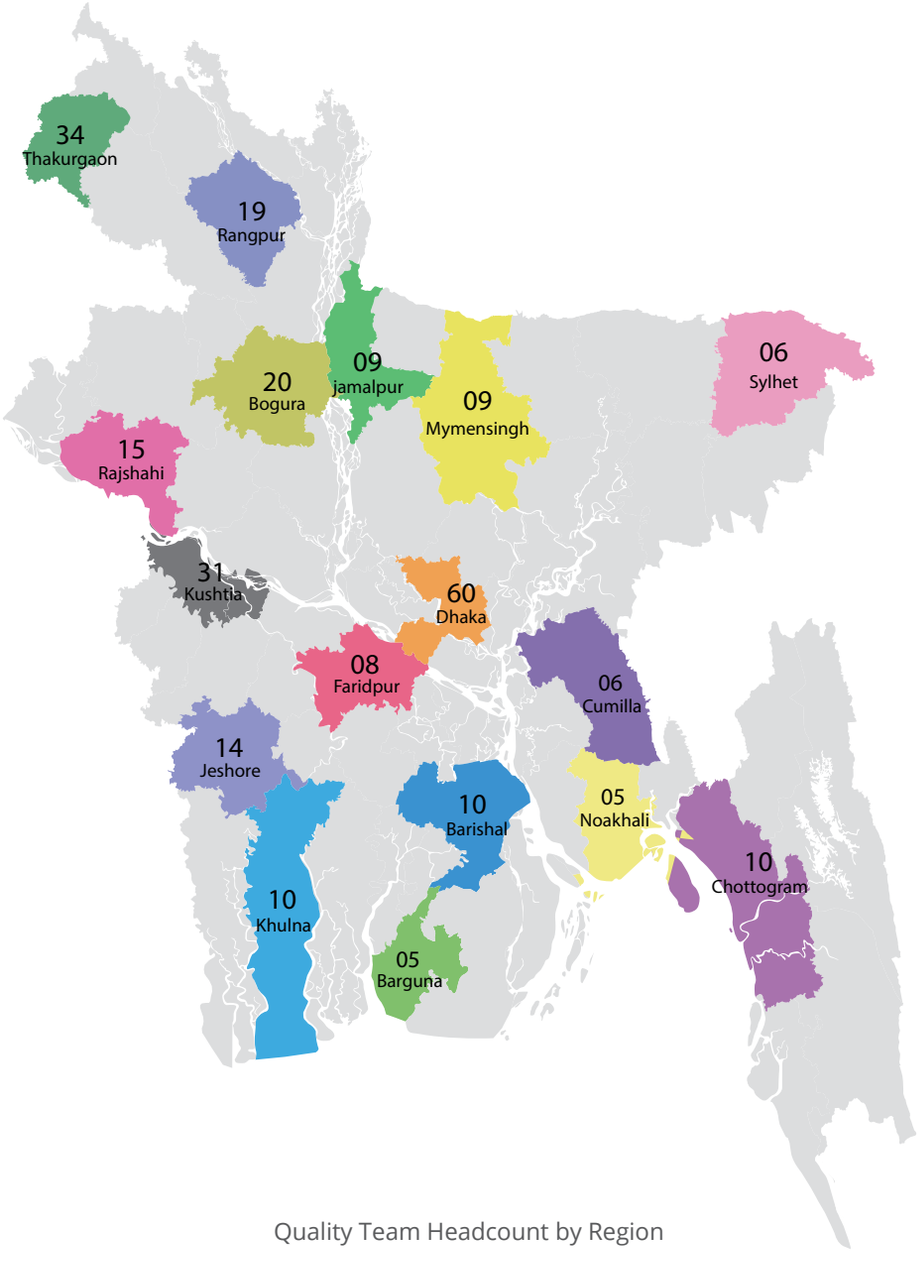


Employees' Service Length



Employees Spread

Contractual	Support Staff	Entry Level Management	Mid- Level Management	Senior Management	Quality Team
10	50	7	78	7	271



Quality Team Headcount 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 to Corruption and Sexual Harassment
We maintain zero tolerance policy of corruption and sexual harassment. We guide our employees to be transparent in performing tasks while respecting the security of confidential and personal information entrusted to the Company.

Result Oriented
We are dedicated to quality, excellence and continuous improvement in our job and we work to ensure that the Company remains competitive in the market.

Professionalism
We adhere to high professional standards of competency & conduct and we act with honesty and integrity.

Accountability
We take full responsibility 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. Accordingly, we are also consistent while developing our employees' skills and competencies. The mainstays of our HR management are talent management, performance management, rewards management, training and development, retention management and culture management. All these aspects are interlinked and thereby contribute to the overall IDCOL HR strategy.

Highlights of our People Practices Strategy

At IDCOL, we work collectively to achieve organizational excellence by collaborating standard people practices. The highlights of our people 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 workplace enhances productivity, job satisfaction, and retention by creating a work environment that helps employees balance their personal and professional lives. We make employees feel a greater sense of control and ownership over their own lives, where they tend to have better relationships with management and are able to leave work issues at work. Thereby it increases Company productivity and reduces the number of conflicts among co-workers.

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

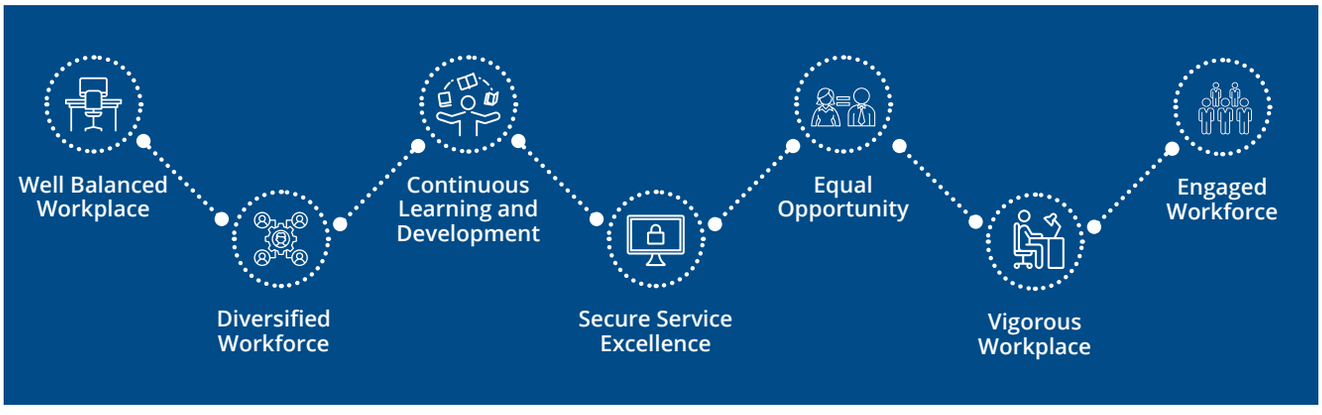
3. **A well reputed organization that ensures service excellence:** We embrace best practices and ensure service excellence by effectively managing change and objectively measuring performance for

continuous improvement. Service excellence needs to be one of the driving forces at the heart of the organization to deliver dependable and consistent value. It is our ongoing efforts to establish an internal framework of standards and processes that intend to engage and motivate employees to ensure better performance. We believe service excellence can be secured through delivering what is promised and dealing well with any problems and queries that arise.

4. **A diversified workforce:** We aim to achieve as much diversity as possible among the workforce so that homogenous groups of employees can work more productively. In order to promote such diversity, we systematically integrate all aspects of modern HR concepts. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life. IDCOL thereby creates an attractive working environment that allows a balance between professional and personal life.

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



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

We believe that the successful recruitment of potential candidates is crucial in order to maintain a vibrant and proficient workforce. 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 in disqualification of the candidature.

Training and Development

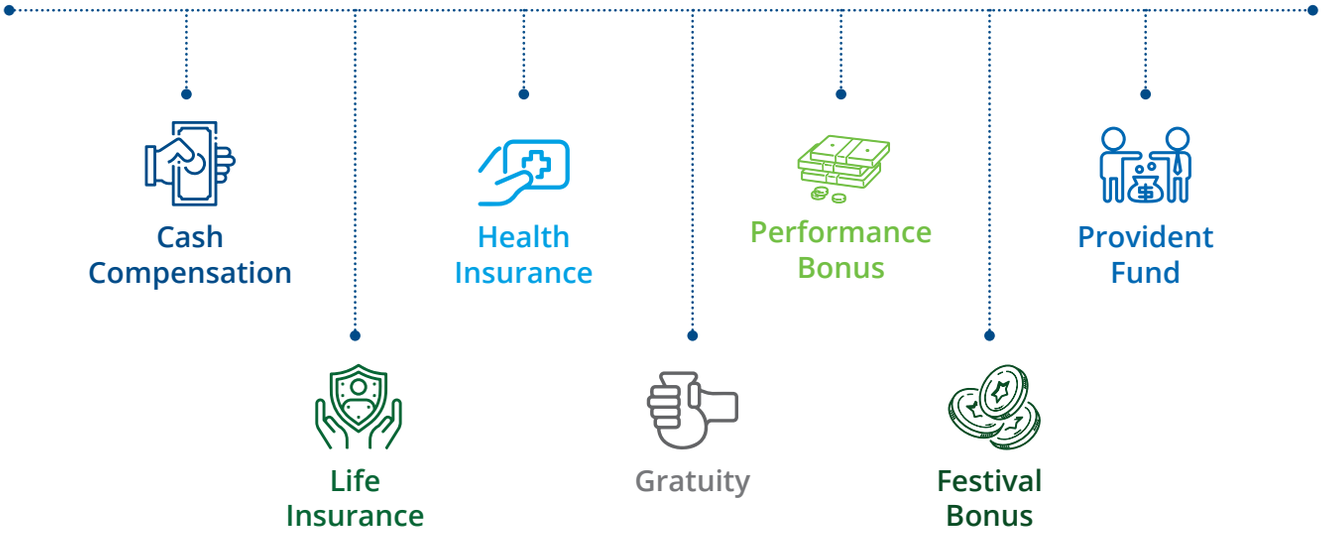
Capacity building of our employees is one of the key priorities; hence we encourage and support our employees to develop their required skills through in house training, local training, seminar and workshop. We also organize exposure visit programs for our employees at home and abroad and during exposure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

Formal induction programs are arranged for newly appointed employees. They receive an overview of the Company, comprehensive guidance and associated policies, as well as their duties. We strengthen knowledge and skill on the concepts of gender equity, inclusion, equality and mainstreaming and approaches for gender responsive planning and implementation of energy program at IDCOL. 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, Leave Fare Assistance (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 employees. The conversations provide an opportunity to discuss progress, provide feedback and recognize behaviors, identify any support that may be needed, and address any issues that could be affecting the employee's sense of well-being.



Best Employee Award

Rewards and recognition is designed to encourage employees whose performance is outstanding, 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 2020":

1. Ms. Merina Kashem, Senior Vice President & Unit Head, Credit Risk Management
2. Ms. Mafruda Rahman, Manager, Green Climate Fund
3. Mr. Ashraf Hossain Bhuiyan, Manager, Advisory Services
4. Ms. Sumaya Mahmud, Manager, Infrastructure Finance



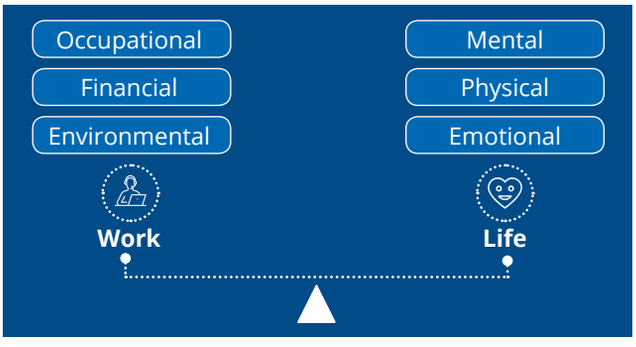
Employee Engagement Program

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.



Wellbeing and Safety

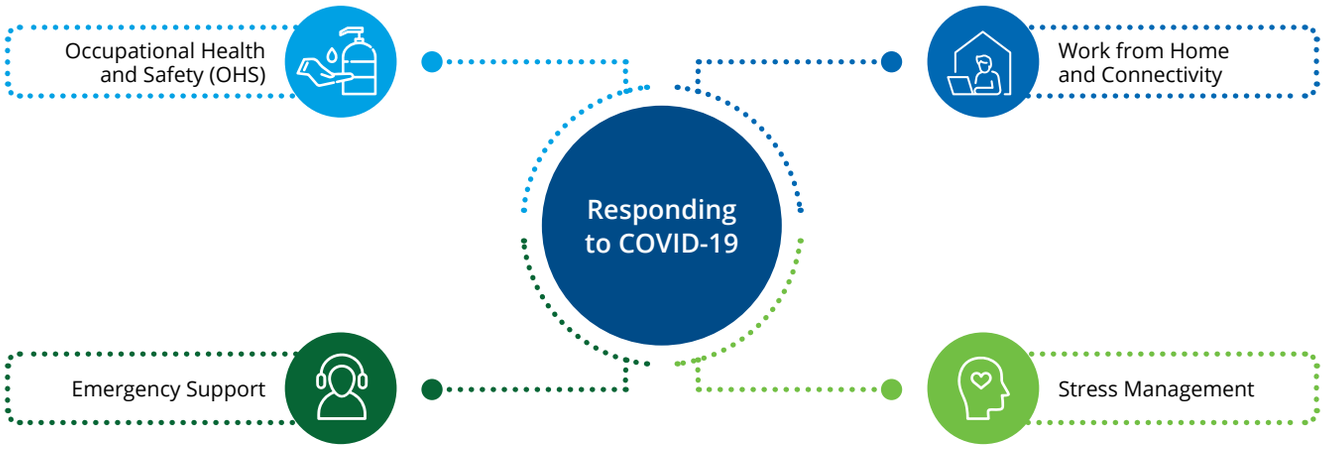
We are here to bring out the best in employees by establishing and maintaining a work environment that promotes positive wellbeing and healthy lifestyle choices. Our aim is to create a sustainable culture where employees have access to a range of wellbeing resources to help them remain happy and healthy,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



Responding to COVID-19

The dramatic spread of COVID-19 during 2020 has disrupted lives, livelihoods, communities and businesses worldwide. The year 2021 was another year of extraordinary global turbulence, with recovery from COVID-19 a mixed picture across the globe. Many of our colleagues were adversely impacted in their personal or work lives. Even now, we continue to see new COVID-19 variants emerging and we have had to adapt to a constantly changing landscape. Throughout the year, IDCOL Management and our employees have continued to focus on protecting business interest while ensuring the wellbeing of the employees.

- **Occupational Health and Safety (OHS):** We have provided each of our employees with mask and sanitizer. Using infrared digital thermometer to check body temperature at office entrance, disinfecting work stations every morning, using disposable glasses and cups, availing medical consultation through telemedicine, preparing IDCOL Safety Guidelines and monitoring office premise are the major measures we have taken from the very beginning of the pandemic and we are still continuing the practices.
- **Work from Home and Connectivity:** This pandemic has triggered an unprecedented demand for digital solutions. Instability and rapid change has become the new normal and adaption is the new skill at the core of facing the challenges of COVID-19 pandemic. Implementation of advanced digital solutions enable us to have virtual meetings, trainings and quick adoption of new normal enable us to continue communicating and working with one another and quickly shifted to work-from-home frameworks. We are doing our best to ensure safety of our employees and have been following government and WHO Coronavirus safety protocols since the outbreak of the pandemic.
- **Stress Management:** COVID-19 pandemic is not just a medical phenomenon; it affects individuals and

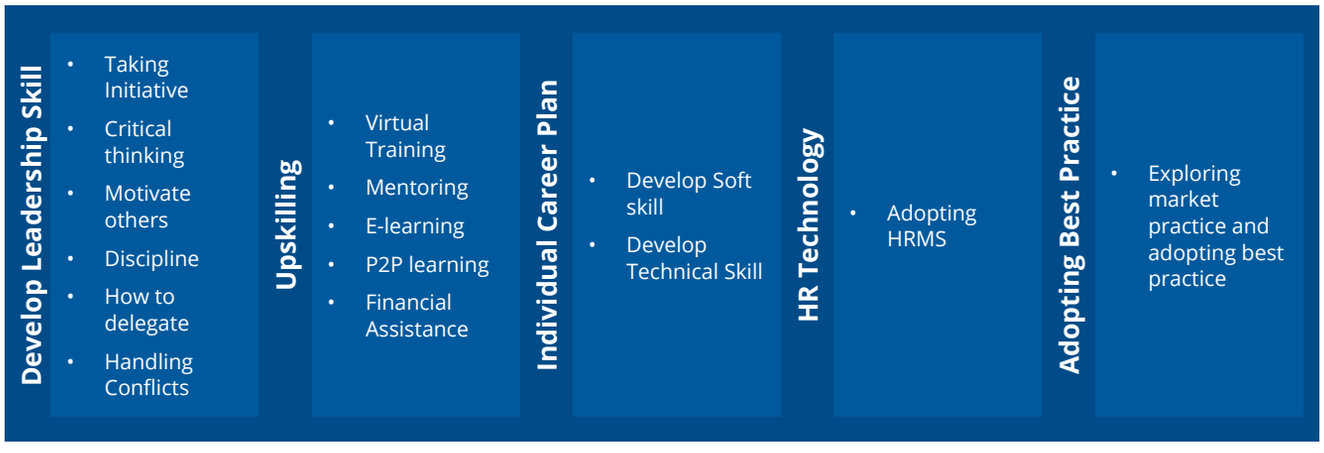


society and causes disruption, anxiety, stress, stigma. IDCOL has arranged various programs considering mental health of the employees such as "COVID-19 Outbreak" run by Institute of Epidemiology, Disease Control and Research (IEDCR), "Brain Mind Retuning Workshop" run by Quantum Foundation etc.

- **Emergency support:** We have been continuously thriving towards associating employees with 24/7 support through ensuring telemedicine consultation facility, monitoring COVID affected employees with guidance and support, ensuring easy access to insurance claim are significant.

Managing into the Future

- **Develop Leadership Skills:** There are several core leadership skills that are considered important traits that help to become more effective leader. Whether it's taking the initiative, developing critical thinking skills, or learning how to motivate and empower around, one must constantly be challenging thyself to enhance the leadership capabilities. We will focus on developing these important traits that are core leadership skills along with technical skill.
- **Upskilling:** The economy is changing fast and with the pace of technological change demands on employees continue to grow. It has become crucial to upskill the employees which is a longer term investment in augmenting the knowledge, skills, and competencies that help employees advance their careers. When employees are offered and encouraged to take advantage of upskilling opportunities for their personal or professional growth, people metrics, such as employee engagement and retention, also go up.
- **Individual Career Plan:** We will continue to empower our employees to own their career development plan. Since careers are employee owned, manager supported and company enabled, we will support collaboration between team members, team leaders and organizational leaders to collaborate to connect individual interests, operational goals, and organizational gaps in order to determine what learning and development to pursue.
- **Updating HR Technology:** We will also focus on updating our existing HR technology in order to adapt global best practices and we will also strive to address gaps that still exist in our current system and procedures.
- **Adopting Best Practices:** As we continue to move forward, we will be looking forward to exploring the market practices and adopting best practices for the Company and this process will continue with our journey.



HR Program Highlights



Annual Retreat 2021



Volleyball match among IDCOL employees



Prize giving ceremony during Annual Retreat 2021



IDCOL support staff



Mr. Abdul Baki, Executive Director & CEO's (In-charge) speech in Town hall Meeting 2021



IDCOL arranged awareness program in collaboration with IEDCR on 15 March 2020



IDCOL gave farewell to the former Executive Director & CEO, Mr. Mahmood Malik



IDCOL Discussion session on 15 August 2021





Brain Mind Retuning Workshop arranged by Quantum Foundation on 5 October 2021





Best Employee Award 2020

CONTRIBUTION TO NATIONAL ECONOMY

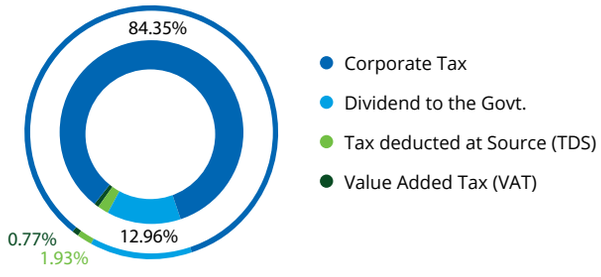
IDCOL, being a responsible stakeholder of the Government, contributes significantly in boosting national revenue collection. Over the years, IDCOL has built its reputation to be one of the highest tax paying institutions and contributed directly towards the development of the country. IDCOL contributes money to the national exchequer in the form of dividend payment to the Government, corporate tax, Value Added Tax (VAT), Tax Deducted at Source (TDS), excise duty etc.

IDCOL's contribution to the national exchequer for the last five years is as follows:

[Figures in BDT Million]

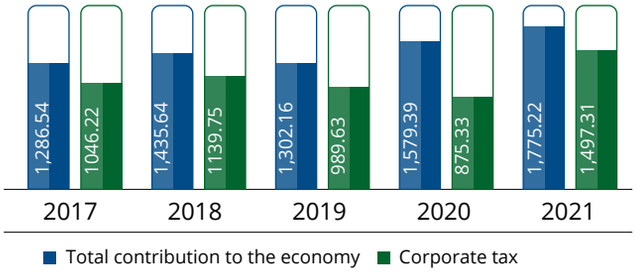
Particulars	2021	2020	2019	2018	2017
Corporate Tax	1,497.31	875.33	989.63	1139.75	1046.22
Tax Deducted at Source (TDS)	34.25	34.02	50.80	38.84	19.47
Value Added Tax (VAT)	13.66	20.04	61.73	57.05	20.85
Dividend Payment to the Government	230.00	650.00	200.00	200.00	200.00
Total Payment	**1,775.22**	**1,579.39**	**1,302.16**	**1,435.64**	**1,286.54**

Sector-wise Contribution during FY 2021



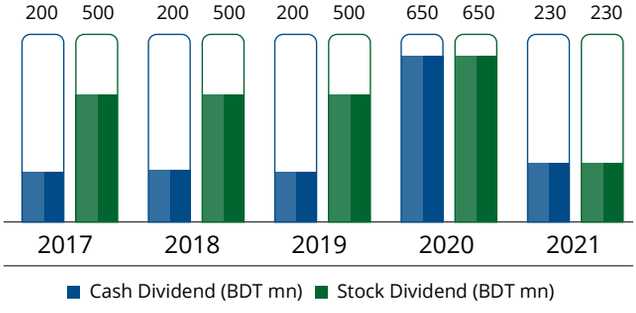
As a result of its continuous contribution to the national exchequer in the form of tax, IDCOL has been awarded the prestigious Highest Tax Payer's Award in FY 2015, FY 2016, FY 2018, FY 2020 and FY 2021 by the National Board of Revenue under Non-Bank Financial Institutions category. In addition, the company has been awarded Certificate of Appreciation by Large Tax Payers Unit (LTU), Dhaka for significantly contributing in tax collection during FY 2020-2021 amid pandemic situation caused by COVID-19 outbreak.

Corporate Tax in Comparison to Total Contribution (BDT mn)



Since its inception, IDCOL has been consistently aiding the development of emerging economy of Bangladesh by paying dividend every year. As a state owned non-bank financial institution, IDCOL pays dividend directly to its shareholder i.e. Government and up to FY 2021 IDCOL paid cumulative cash dividend of BDT 2,510 million and cumulative stock dividend of BDT 7,209.9 million from its profit.

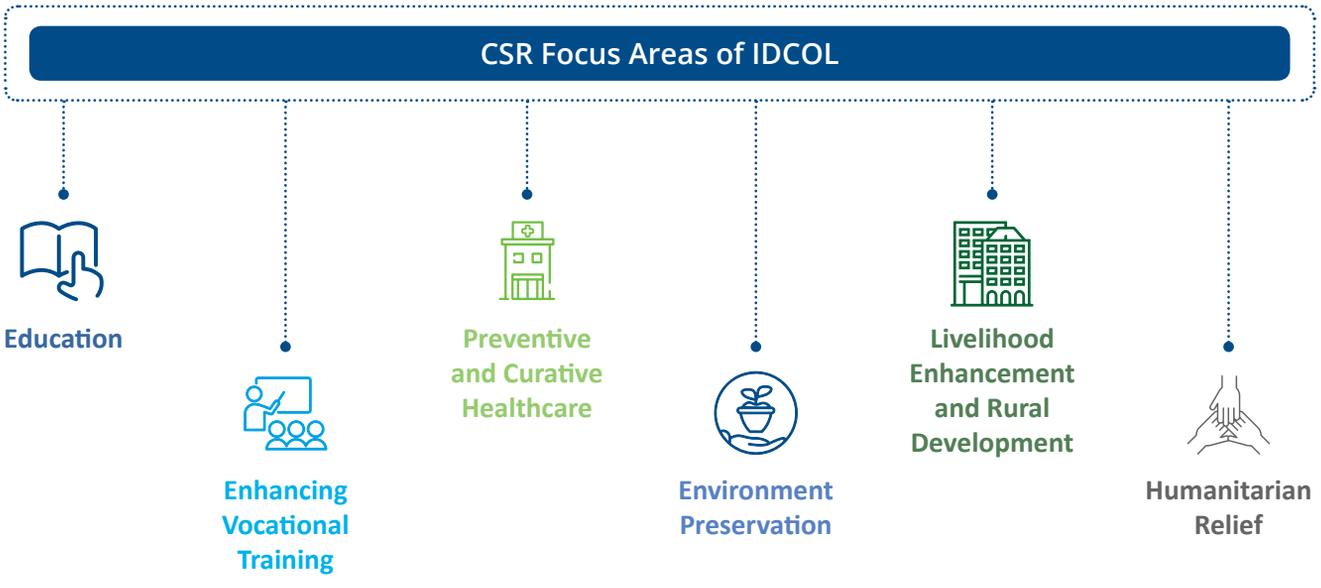
Dividend Paid to Govt. (BDT mn)



IDCOL has transformed itself into one of the strongest non-bank financial institutions of Bangladesh, leading the financial services sector with responsibility and agility. Over the years, it has ensured substantive contributions to the national economy and promises to continue such contribution in the coming years.

CORPORATE SOCIAL RESPONSIBILITY

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



Education: IDCOL wishes to contribute towards improving and facilitating the literacy levels in various sections of the society, by providing support at every stage of a child's educational cycle including but not limited to stipends for students from low income family in reputed academic and vocational training institutions, support towards upgrading of 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 is not limited to awareness program for the mass people about deforestation and its effect, teach people about importance of forestation in the environment and their role to save the forestation, funding research and innovations on environmentally friendly projects and land preservation.

Livelihood Enhancement and Rural Development: IDCOL aims to develop the livelihood of rural people through rural development. These initiatives can be facilitated through management of natural resources and creation of sustainable income sources through micro-finance and micro-enterprise development and

strength mechanisms for alternative livelihood.

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

CSR Activity during the Year:

To expand and carry out social activities in a focused way, IDCOL has taken the following CSR initiatives in 2021:

Support to build Asrayan-2 Project

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

Following the success and continuity of the Asrayan project, Asrayan-2 project has been undertaken for the rehabilitation of 2.50 lakh landless, homeless and uprooted families in the period 2010-2022. The Asrayan Project under the Prime Minister's Office (PMO) rehabilitated 3,715 families by constructing 743 barracks under 44 project villages in 36 upazilas in 21 districts during Mujib Borsho.

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



IDCOL provided financial support to Asrayan Project. The fund was utlized by local administrations to build shelters under the project in Lakshmipur, Faridpur, Bogura, Chattogram, Bhola, Sirajganj, Barishal, Cumilla districts.

DISASTER MANAGEMENT

The geographical location, land characteristics, multiplicity of rivers and the monsoon climate render Bangladesh highly vulnerable to natural disasters. Frequent occurrence of these disasters, primarily cyclones & storm surges, earthquakes, droughts, salinity intrusion and flooding is curbing the economic and infrastructural development of the country. The World Risk Report 2021 identified Bangladesh as the thirteenth most natural disaster-prone country among 181 countries in the world. Recently, besides natural disasters, Bangladesh has encountered several man-made hazards, such as fires and infrastructure collapses, urban waterlogging, hazardous material spills, air pollution and food and groundwater contamination. According to the World Bank, the country experiences a severe cyclone in each three year cycle affecting more than 70 percent of the country's population[1]. Severe flooding occurs in every 4-5 years cycle inundating approximately 25 percent of the population of the country. It is also estimated that rising sea level will inundate 17 percent of land displacing 18 million people of coastal regions of Bangladesh within 2050.

Year	Affected Population	Displaced Population	Damaged Houses	Deaths
2019	81,44,460	39,89,081	6,10,253	171
2020	75,09,289	31,92,658	15,34,246	283

Table: Yearly cumulative impact by major types of disasters[2]

Sustainability to infrastructure and economic development in Bangladesh faces significant challenges due to risks posed by changing climate and disaster and increase pressure on key resources required to sustain growth. Bangladesh has taken a holistic approach towards disaster management, where emphasis has been given to build strategic, scientific and implementation partnerships with all relevant government departments and agencies, and other key non-government players. Significant progress has been made in terms of reducing the vulnerability of disaster risk on people of Bangladesh, for example through an upgraded early warning system, efficient preparedness and community based response capacity. The government has restructured and established the Disaster Management Department under the Ministry of Disaster Management and Relief as the main organ or instrument in the field for implementing and coordinating various forms of disaster management activities. In Bangladesh, a three-step process is followed in managing disaster, which include: (i) Risk Assessment, (ii) Risk Reduction and (iii) Response.

Here, the first and 2nd steps represent Risk Reduction phase and the 3rd step belongs to Emergency Response phase as is depicted in following figure.

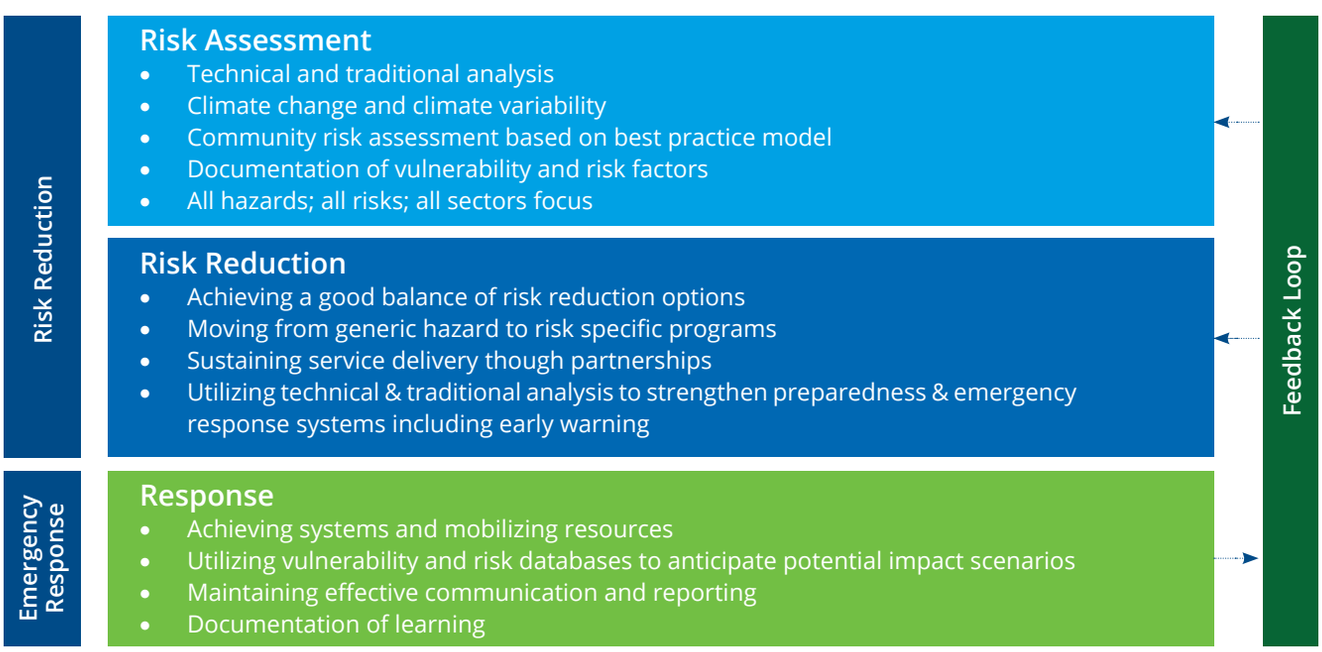


Figure: Bangladesh Disaster Management Model[3]

1 World Bank, (2018); Bangladesh Disaster Risk and Climate Resilience Program

2 UKAid, (2021); Multi-Hazard Risk Analysis of Climate-Related Disasters in Bangladesh

3 Source: Ministry of Disaster Management & Relief, Effective Strategies for Mainstreaming DRR & CCA into Sectoral Departments/ Ministries in Bangladesh

IDCOL takes necessary steps to support damages caused by natural disasters. All the projects financed by IDCOL have Environmental and Social Impact Assessment phase where natural disaster risks are assessed for each project site as well as the locality with supporting historical disaster occurrence data. IDCOL requires the project sponsors to take consideration of necessary mitigation measures and emergency response plan for potential impacts from natural disasters as well as project specific disasters. Besides, separate Disaster Management Funds are operated by IDCOL on behalf of all the stakeholders under Renewable Energy Programs so that IDCOL can support customers in case of natural disasters.

Disaster Management 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.

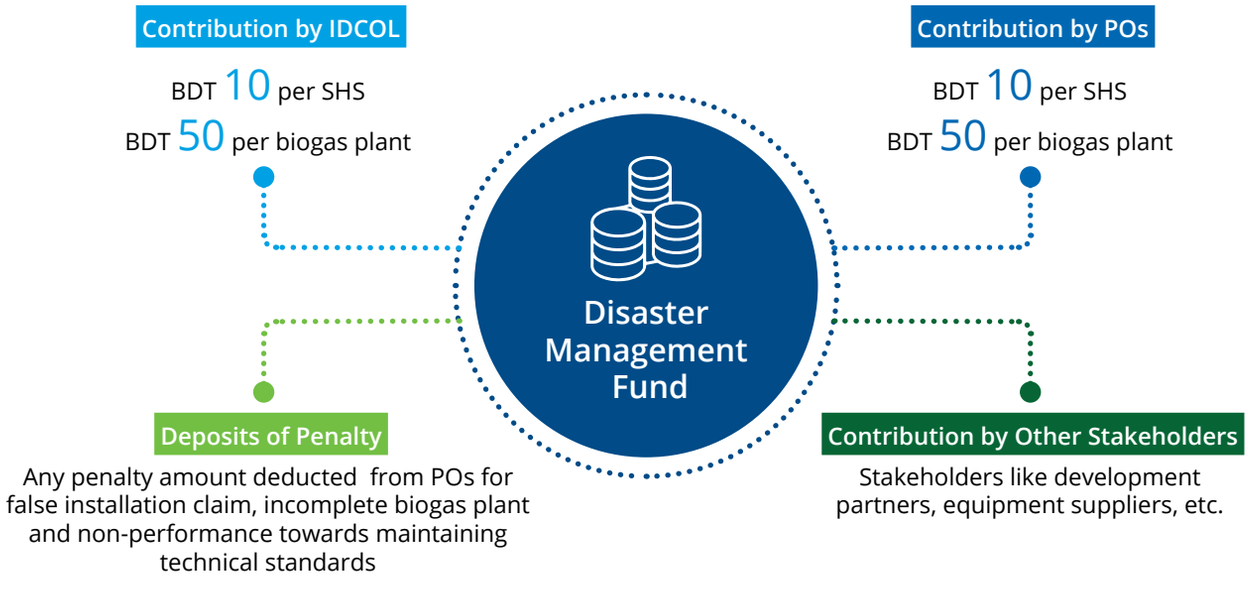
- While formalizing the technical standards of renewable energy projects the type and frequency of natural calamity is taken into consideration.
- A contingency money amounting to 2% of project cost is to be set aside at the time of approval from the project fund in order to mitigate any cost overrun 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 System Program (SHS Program) since 2002 and Biogas & Bio-fertilizer Program since 2006 through its Partner Organizations (POs). Up to December 2021, 4,136,372 SHSs and 61,134 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.

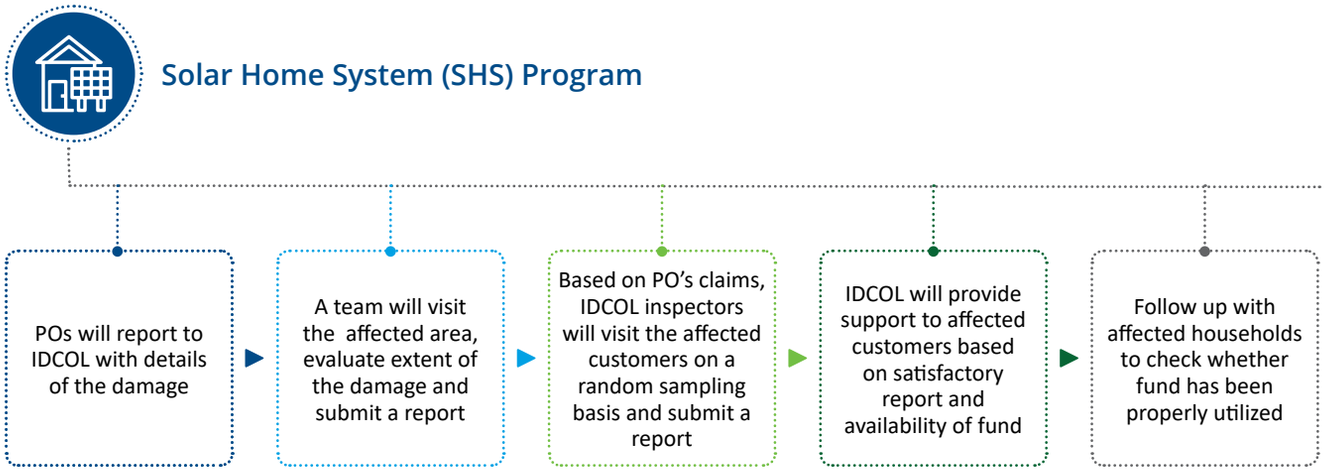
Fund is provided in case of damage caused by natural disasters. In addition to natural disaster, the Fund may be availed by the POs for SHS damaged by fire. In such cases, IDCOL will make individual assessment of damage caused by fire to the affected SHS customers. However, the Fund will not provide 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.

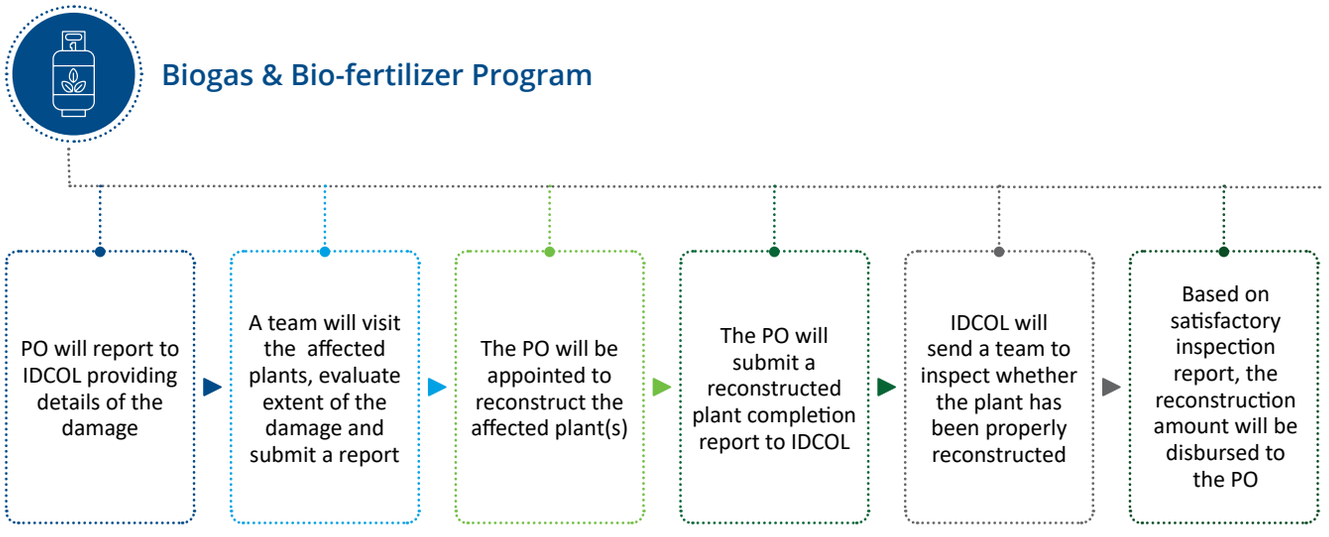
Sources of Fund



Impact Assessment

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





Disaster Management Process for Management Information System (MIS)

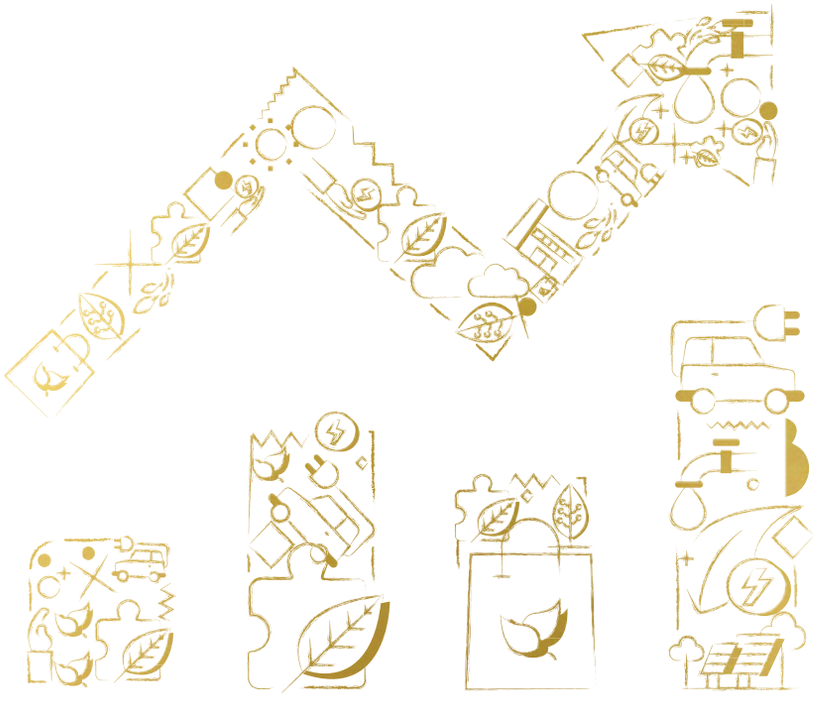
In order to avert loss of data in the file server or disruption of service in the MIS (Management Information System) during disasters, it is imperative to have a disaster management process in any company. Taking this into consideration, IDCOL has established a primary disaster recovery (DR) site located in Dhaka Regional Office that 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.

In addition to that, IDCOL has procured Tier-4 Data Center services on a cloud subscription basis from a government-owned company operating under ICT division. The Data Center is located at Kaliakair, Gazipur and operates as the secondary DR site for IDCOL.

Hence, in case of any disasters such as fire, earthquake, etc., IDCOL will retrieve all data from the backup servers located in its disaster recovery sites. It will be able to quickly access services present in head office and regional offices from one of the Disaster Recovery sites 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.



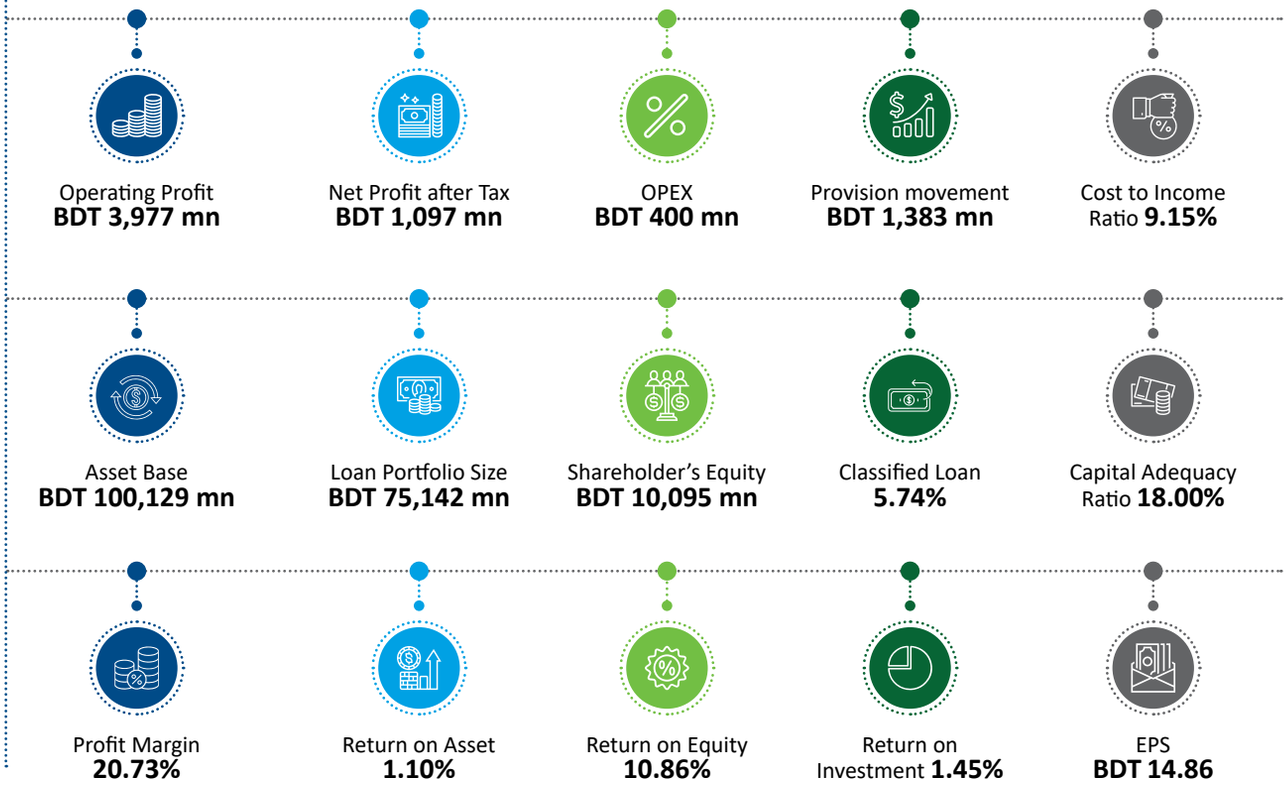
FINANCIAL PERFORMANCE ANALYSIS

KEY OPERATING AND FINANANCIAL HIGHLIGHTS

Particulars	2021	2020	2019	2018	2017	5 years CAGR %
Financial Performance (BDT million):						
Long-term Investment	417	700	500	-	-	
Short term Investment	19,684	7,979	12,713	17,166	26,886	-7.50%
Loan Portfolio	75,142	79,127	68,799	60,742	42,037	15.63%
Power	*32,774*	*31,842*	*22,759*	*18,477*	*13,767*	*24.22%*
Ports	*26*	*2,344*	*2,597*	*2,592*	*733*	*-56.80%*
Telecommunication	*101*	*953*	*3,100*	*4,102*	*96*	*1.39%*
Renewable Energy	*15,975*	*16,381*	*18,348*	*20,135*	*22,275*	*-7.97%*
Energy Efficiency	*12,162*	*13,307*	*7,886*	*3,506*	-	*51.38%*
Others	*14,104*	*14,301*	*14,109*	*11,931*	*5,166*	*28.54%*
Total assets	100,129	98,201	90,876	82,293	76,636	6.91%
Total Liabilities	90,034	88,972	82,523	75,491	70,338	6.37%
Total equity	10,095	9,229	8,353	6,802	6,298	12.52%
Net current assets	20,426	15,455	20,014	18,864	28,430	-7.93%
Operational Performance (BDT million):						
Total Revenue	5,291	4,482	5,378	4,921	4,730	2.84%
Operating income	4,377	3,705	4,551	3,154	3,066	9.31%
Operating expenses	400	523	538	308	234	14.37%
Financial expenses	914	777	827	1,767	1,665	-13.93%
Operating Profit	3,977	3,182	4,013	2,846	2,832	8.86%
Net profit after tax	1,097	1,535	1,378	703	531	19.89%
Operating profit per share	53.88	43.11	54.37	38.56	38.37	8.86%
Financial Ratios:						
Debt equity ratio (Times)	8.11	8.93	9.09	9.93	10.09	-5.31%
Debt ratio (%)	81.81%	83.88%	83.57%	82.10%	82.94%	-0.34%
Debt Service Coverage Ratio (times)	3.11	3.37	2.60	2.36	2.56	4.99%
Cost to income ratio	9.15%	14.12%	11.82%	9.76%	7.63%	4.64%
Financial expense coverage ratio (times)	5.35	5.09	5.85	2.61	2.70	18.65%
Current ratio (Times)	9.36	12.84	15.19	8.59	13.36	-8.51%
Return on assets (%)	1.10%	1.56%	1.52%	0.85%	0.69%	12.14%
Return on Investment (%)	1.45%	1.92%	1.99%	1.16%	1.26%	3.55%
Return on shareholders' equity (%)	10.86%	16.63%	16.50%	10.34%	8.43%	6.56%
Profit Margin (%)	20.73%	34.24%	25.63%	14.29%	11.22%	16.58%
Earnings per share (BDT)	14.86	20.80	18.68	9.53	7.19	19.89%
% of Classified Loans	5.74%	1.53%	4.54%	7.15%	10.91%	-14.84%
Equity Statistics:						
Number of shares (No.)	73,800,000	71,500,000	65,000,000	60,000,000	55,000,000	7.63%
Paid up Capital (BDT million)	7,380	7,150	6,500	6,000	5,500	7.63%
Shareholders' equity (BDT million)	10,095	9,229	8,353	6,802	6,298	12.52%

FINANCIAL HIGHLIGHTS AND REVIEW

Operational Performance:



Profitability Analysis

During the year 2021, the world is slowly moving towards the recovery of the economic downturn caused by COVID-19 pandemic which also includes the financial sector of Bangladesh. As a result, during FY 2021, IDCOL has been resilient and sustainable in terms of managing their operating performance and reasonable balance sheet growth in 2021.

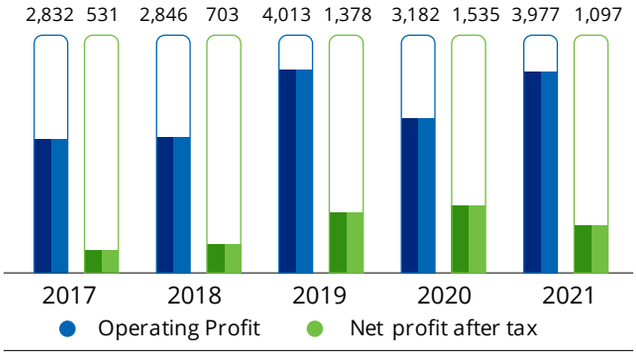
IDCOL has reported profit before provision and tax of BDT 3,976.69 million which is 24.99% higher than FY 2020. Besides, our efficient cost management and good governance has enabled us to reduce our operating expense by 23.43% at the end of FY 2021 and the amount stood at BDT 400 million which was BDT 523 million a year ago. It has been reflected in the cost to income ratio which declined by 497 bps compared to last year. Considering the overall financial environment of both the country and the world in 2021 impacted by Covid-19 and the consequent overall tension in the economy, IDCOL's financial performance remained quite favorable and the company has managed to report a net profit of BDT 1,096.73 million during the year. However, due to incremental provision requirement and tax expense, IDCOL experienced a de-growth of net profit after tax by 28.54% from last year. Provision for loans/advances and investment has increased from the last year due to relaxed classification criteria by Bangladesh Bank for FY 2020 amid the outbreak of COVID-19 pandemic. On the other hand, tax expense has increased significantly from the last year due to increased operating profit and reduced written off loan benefit during FY 2021. Overall, we have achieved a profit margin of 20.73% in 2021.

Observing the world moving slowly towards recovering from the impact of COVID-19 pandemic, we have adopted a bit cautious approach in terms of lending during FY 2021. This resulted in moderate growth in asset base and slight downtrend was reflected in the company's Return on Assets (RoA) of 1.10% and Return on Investment (RoI) 1.45% which was 1.56% and 1.92% respectively in FY 2020.

During FY 2021, IDCOL has issued bonus shares of 2.30 million from last year's profit which resulted in an increased paid-up capital of BDT 7,380 million. As a result, the Return on Equity (RoE) at the end of the year was 10.86% compared to last year's RoE of 16.63% and the adjusted EPS was BDT 14.86 compared to last year's EPS of BDT 20.80.

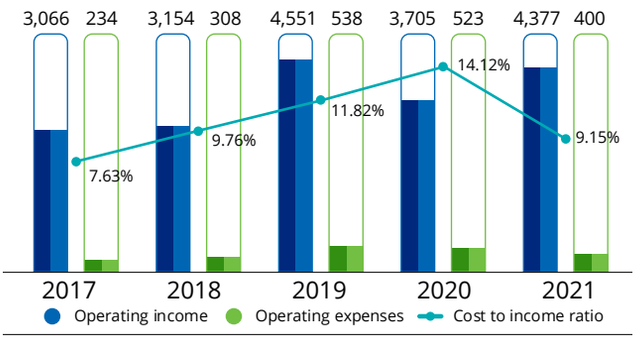
Profit

Figures in BDT Million

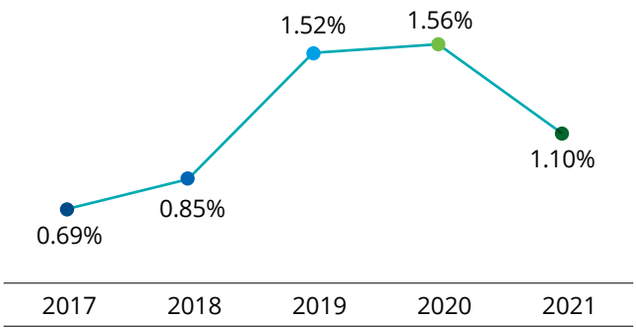


Operating Profitability Analysis

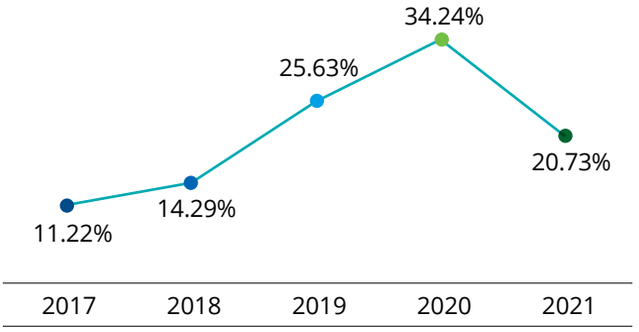
Figures in BDT Million



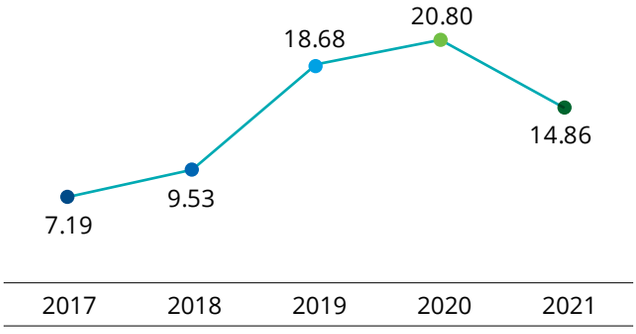
Return on Assets



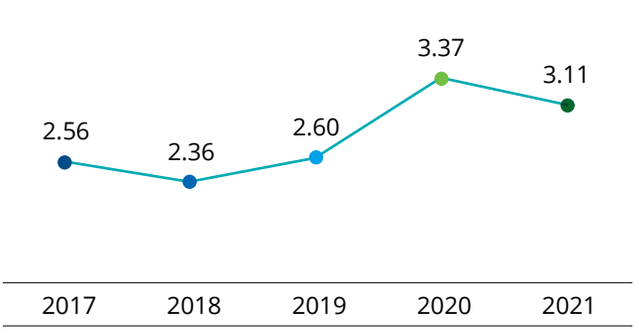
Profit Margin



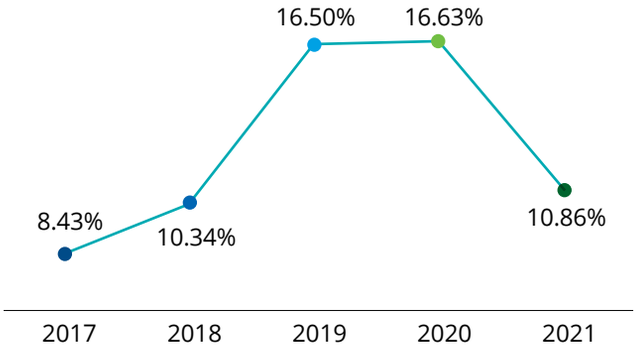
EPS (BDT)



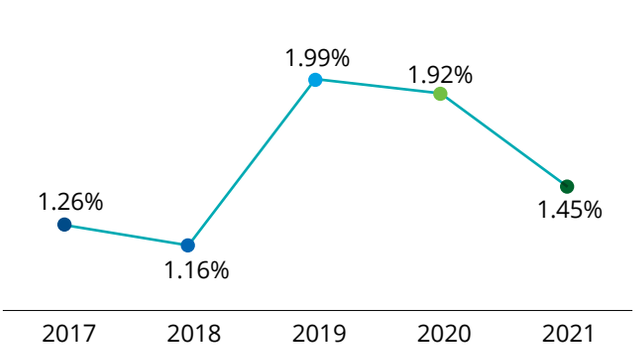
Debt Service Coverage Ratio (Times)



Return on Equity



Return on Investment



Financial Position Analysis

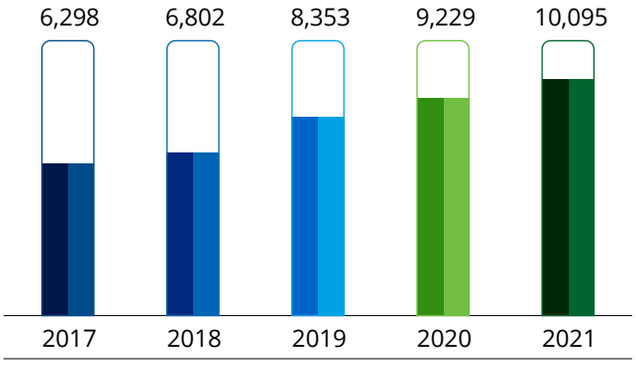
The asset size of IDCOL has reached BDT 100,129 million in 2021 which was 1.96% higher than the last year's total asset of BDT 98,201 million. The equity components of IDCOL has also reached to BDT 10,000 million mark thanks to our continuous profit generation and payment of stock dividends over the years. Overall, paid-up capital has increased by 3.22% and retained earnings has increased by 30.59% during FY 2021.

Amidst the pandemic driven economy and early settlement of a few large loans, during the year, loan portfolio was dropped to BDT 75,142 million from BDT 79,127 million in 2020 and the 5-year CAGR of our loan portfolio becomes 15.63%. However, projected disbursement complimented by our prudent expertise in the industry is expected to create surge loan portfolio in the coming days. On contrary to that, percentage of classified loans stood at 5.74% at the end of FY 2021 which was lower than the industry average considering the current economic status across the country.

Debt service coverage ratio (DSCR) stood at 3.11 times during the year which is a sign of our prudent cash management. Finally, debt to equity ratio stood at 8.11 times which was 8.93 times during FY 2020

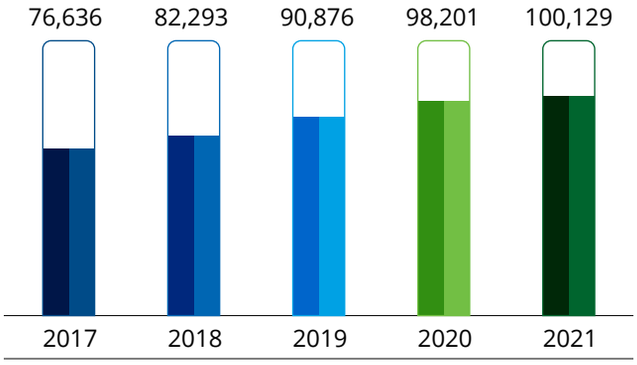
Shareholders' Equity

Figures in BDT Million



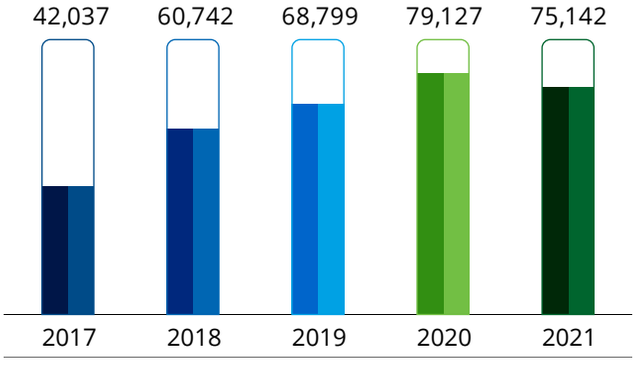
Total Assets

Figures in BDT Million

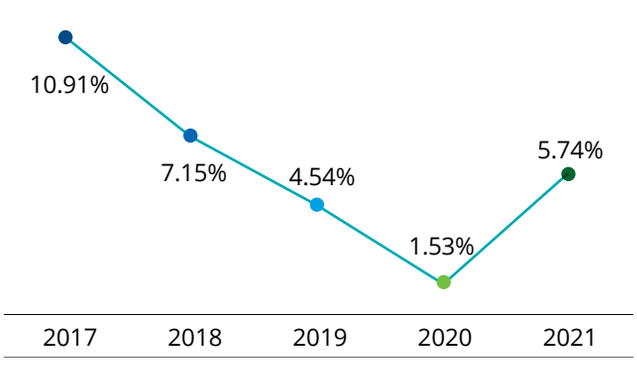


Loan Portfolio

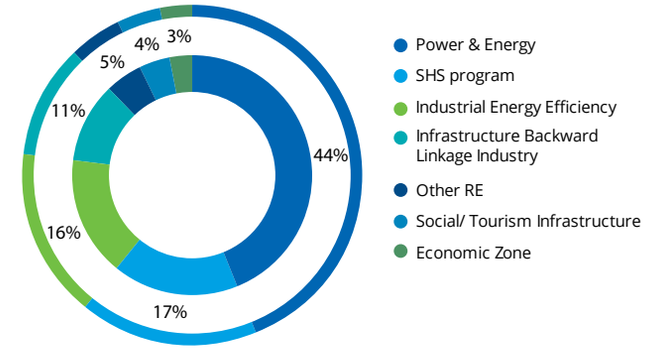
Figures in BDT Million



% of Classified Loans



Sector wise Loan Portfolio



HORIZONTAL ANALYSIS

Horizontal Analysis
Balance Sheet
For the Last 5 Years

Particulars	2021	2020	2019	2018	2017
Property and Assets					
Cash	**17%**	**295%**	**166%**	**14%**	**100%**
Cash in Hand	4617%	5230%	11461%	8705%	100%
Balance with Bangladesh Bank	17%	295%	166%	14%	100%
Balance with other banks and Financial Institutions	**74%**	**46%**	**59%**	**63%**	**100%**
Inside Bangladesh	74%	46%	59%	63%	100%
Outside Bangladesh	-	-	-	-	-
Money at call and Short Notice	-	-	-	-	-
Investment					
Government	-	-	-	-	-
Others	-	-	-	-	-
Loans and advances	**179%**	**188%**	**164%**	**144%**	**100%**
Loans, cash credit, overdraft etc.	179%	188%	164%	144%	100%
Bill purchased and discounted	-	-	-	-	-
Fixed assets including land, Building, Furniture and Fixtures	**122%**	**125%**	**146%**	**93%**	**100%**
Other assets	**46%**	**61%**	**64%**	**69%**	**100%**
Non-banking assets	-	-	-	-	-
Total Assets	**131%**	**128%**	**119%**	**107%**	**100%**
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial institutions	129%	130%	119%	106%	100%
Term deposits	-	-	-	-	-
Other liabilities	**120%**	**97%**	**97%**	**117%**	**100%**
Total Liabilities	**128%**	**126%**	**117%**	**107%**	**100%**
Shareholders' Equity					
Paid up capital	134%	130%	118%	109%	100%
Statury reserve	-	-	-	-	-
Retained earnings	340%	260%	232%	100%	100%
Total Shareholder's Equity	**160%**	**147%**	**133%**	**108%**	**100%**
Total Liabilities and Shareholder's Equity	**131%**	**128%**	**119%**	**107%**	**100%**

Horizontal Analysis

Profit and Loss Account

For the Last 5 Years

Particulars	2021	2020	2019	2018	2017
Operating income					
Interest income	113%	97%	111%	102%	100%
Less: Interest expenses on deposits & borrowings	55%	47%	50%	106%	100%
Net interest	**150%**	**129%**	**149%**	**99%**	**100%**
Income from investment	-	-	-	-	-
Fees, Commission & brokerage	144%	153%	398%	361%	100%
Other operational income	64%	16%	57%	48%	100%
Total operating income	**143%**	**121%**	**148%**	**103%**	**100%**
Operating expenses					
Salary and allowances	251%	295%	209%	134%	100%
Rent, taxes, insurance, electricity etc.	150%	120%	94%	103%	100%
Legal expenses	63%	178%	387%	242%	100%
Postage, stamp, telecommunication etc	322%	260%	99%	109%	100%
Stationary, printing, advertisement	61%	113%	71%	78%	100%
CEO's salary and fees	69%	117%	129%	95%	100%
Director's fees	265%	259%	170%	144%	100%
Audit fees	146%	146%	70%	66%	100%
Depriciation, repairs and maintenance	159%	177%	142%	93%	100%
Other expenses	140%	208%	286%	138%	100%
Charges on loan losses	-	-	-	-	-
Total operating expenses	**171%**	**224%**	**230%**	**132%**	**100%**
Profit/(Loss) before provision & Tax	**140%**	**112%**	**142%**	**100%**	**100%**
Provision for loans and advances	110%	61%	131%	80%	100%
Net profit/(loss) before Tax	**164%**	**153%**	**150%**	**117%**	**100%**
Tax expenses	143%	84%	95%	109%	100%
Net profit/(loss) after tax	**207%**	**289%**	**260%**	**133%**	**100%**
Earning per share (EPS)	**200%**	**280%**	**260%**	**133%**	**100%**

VERTICAL ANALYSIS

Vertical Analysis
Balance Sheet
For the Last 5 Years

Particulars	2021	2020	2019	2018	2017
Property and Assets					
Cash	**0.14%**	**2.51%**	**1.53%**	**0.14%**	**1.09%**
Cash in Hand	0.00%	0.00%	0.00%	0.00%	0.00%
Balance with Bangladesh Bank	0.14%	2.51%	1.53%	0.14%	1.09%
Balance with other banks and Financial Institutions	**23.11%**	**14.51%**	**20.27%**	**23.79%**	**40.61%**
Inside Bangladesh	23.11%	14.51%	20.27%	23.79%	40.61%
Outside Bangladesh	0.00%	0.00%	0.00%	0.00%	0.00%
Money at call and Short Notice	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Investment	**0.42%**	**0.71%**	**0.55%**	**0.00%**	**0.00%**
Government	0.00%	0.00%	0.00%	0.00%	0.00%
Others	0.42%	0.71%	0.55%	0.00%	0.00%
Loans and advances	**75.05%**	**80.58%**	**75.71%**	**73.81%**	**54.85%**
Loans, cash credit, overdraft etc.	75.05%	80.58%	75.71%	73.81%	54.85%
Bill purchased and discounted	0.00%	0.00%	0.00%	0.00%	0.00%
Fixed assets including land, Building, Furniture and Fixtures	**0.11%**	**0.12%**	**0.15%**	**0.11%**	**0.12%**
Other assets	**1.18%**	**1.57%**	**1.80%**	**2.14%**	**3.33%**
Non-banking assets	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**
Total Assets	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**
Liabilities and Capital					
Liabilities					
Borrowings from Bangladesh Bank ,Other Banks and Financial institutions	81.81%	83.88%	83.57%	82.10%	82.94%
Term deposits	0.00%	0.00%	0.00%	0.00%	0.00%
Other liabilities	**8.11%**	**6.72%**	**7.24%**	**9.63%**	**8.84%**
Total Liabilities	**89.92%**	**90.60%**	**90.81%**	**91.73%**	**91.78%**
Shareholders' Equity					
Paid up capital	7.37%	7.28%	7.15%	7.29%	7.18%
Statury reserve	0.00%	0.00%	0.00%	0.00%	0.00%
Retained earnings	2.71%	2.12%	2.04%	0.97%	1.04%
Total Shareholder's Equity	**10.08%**	**9.40%**	**9.19%**	**8.27%**	**8.22%**
Total Liabilities and Shareholder's Equity	**100.00%**	**100.00%**	**100.00%**	**100.00%**	**100.00%**

Vertical Analysis

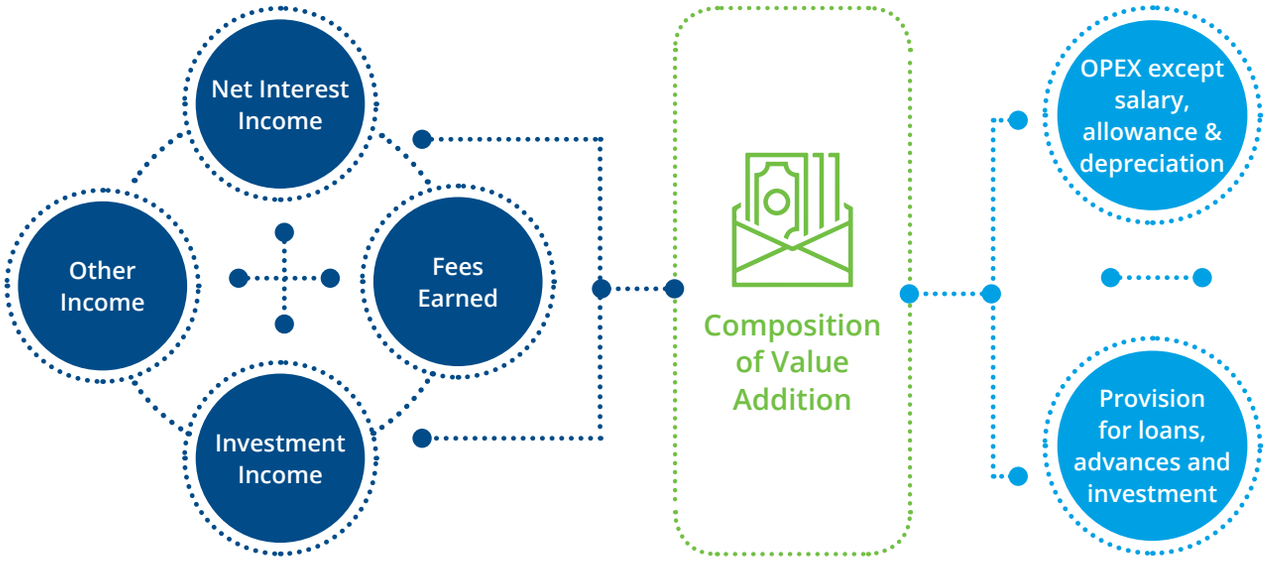
Profit and Loss Account

For the Last 5 Years

Particulars	2021	2020	2019	2018	2017
Operating income					
Interest income	92.23%	93.74%	88.82%	89.27%	91.26%
Less: Interest expenses on deposits & borrowings	17.27%	17.35%	15.38%	35.90%	35.19%
Net interest	**74.96%**	**76.39%**	**73.44%**	**53.37%**	**56.07%**
Income from investment	1.17%	1.57%	0.07%	0.00%	0.00%
Fees, Commission & brokerage	2.88%	3.62%	7.83%	7.75%	2.23%
Other operational income	3.72%	1.07%	3.28%	2.98%	6.51%
Total operating income	**82.73%**	**82.65%**	**84.62%**	**64.10%**	**64.81%**
Operating expenses					
Salary and allowances	3.77%	5.23%	3.09%	2.17%	1.68%
Rent, taxes, insurance, electricity etc.	0.18%	0.17%	0.11%	0.13%	0.14%
Legal expenses	0.11%	0.35%	0.64%	0.44%	0.19%
Postage, stamp, telecommunication etc	0.07%	0.07%	0.02%	0.03%	0.02%
Stationary, printing, advertisement	0.10%	0.23%	0.12%	0.14%	0.19%
CEO's salary and fees	0.16%	0.33%	0.30%	0.24%	0.26%
Director’s fees	0.06%	0.07%	0.04%	0.04%	0.03%
Audit fees	0.01%	0.01%	0.00%	0.00%	0.01%
Depriciation, repairs and maintenance	0.49%	0.64%	0.43%	0.30%	0.34%
Other expenses	2.61%	4.57%	5.25%	2.76%	2.09%
Charges on loan losses	0.00%	0.00%	0.00%	0.00%	0.00%
Total operating expenses	**7.57%**	**11.67%**	**10.00%**	**6.26%**	**4.94%**
Profit/(Loss) before provision & Tax	**75.16%**	**70.99%**	**74.62%**	**57.84%**	**59.87%**
Provision for loans and advances	26.13%	17.21%	30.58%	20.38%	26.53%
Net profit/(loss) before Tax	**49.03%**	**53.77%**	**44.04%**	**37.46%**	**33.34%**
Tax expenses	28.30%	19.53%	18.40%	23.16%	22.12%
Net profit/(loss) after tax	**20.73%**	**34.24%**	**25.63%**	**14.29%**	**11.22%**

VALUE ADDED STATEMENT

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



Particulars	2021		2020	
	Amount (BDT)	%	Amount (BDT)	%
Value added				
Net interest income	3,966,011,485	140.25%	3,424,103,459	127.40%
Fees earned	152,537,520	5.39%	162,126,582	6.03%
Investment income	62,001,850	2.19%	70,350,000	2.62%
Other income	196,588,337	6.95%	48,127,144	1.79%
Operating expense except salary & allowances, depreciation	(166,597,909)	-5.89%	(245,374,812)	-9.13%
Provision for loan, advances & investments	(1,382,640,981)	-48.89%	(771,560,319)	-28.71%
Total value added by the company	**2,827,900,302**	**100%**	**2,687,772,054**	**100%**
Distribution of Value added				
Employees				
As salary & allowances	208,179,292	7.36%	249,167,537	9.27%
Provider of Capital				
Dividend to ordinary shareholders	230,000,000	8.13%	650,000,000	24.18%
Dividend to preference shareholders	-	0.00%	-	0.00%
Government				
Income tax	1,497,312,214	52.95%	875,326,584	32.57%
Expansion and business growth				
Retained earnings	866,733,989	30.65%	884,807,647	32.92%
Depreciation & amortization	25,674,807	0.91%	28,470,286	1.06%
Total distribution	**2,827,900,302**	**100%**	**2,687,772,054**	**100%**

Distribution of Value Added in 2021 and 2020

EXPANSION AND BUSINESS GROWTH
2021: 31.56%
2020: 33.98%

EMPLOYEES
2021: 7.36%
2020: 9.27%

PROVIDER OF CAPITAL
2021: 8.13%
2020: 24.18%

GOVERNMENT
2021: 52.95%
2020: 32.57%

ECONOMIC VALUE ADDED (EVA) STATEMENT

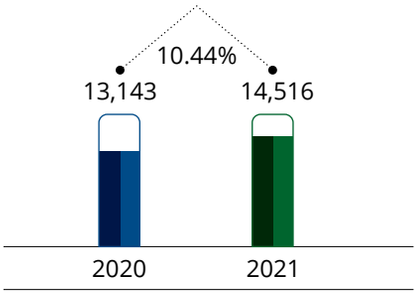
Economic Value-Added is the surplus generated by an entity after meeting an equitable charge towards providers of capital. It is the post-tax return on capital employed (adjusted for the tax shield on debt) less the cost of capital employed. Companies which earn higher returns than cost of capital create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

EVA has been calculated by the following formula:

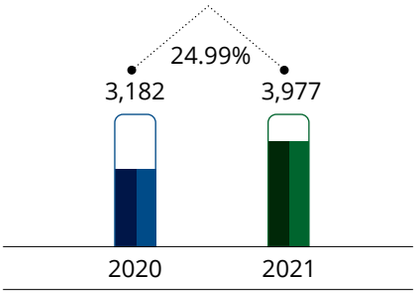
EVA = Net Operating Profit - Taxes - Cost of Capital

Particulars	Amount in BDT	
	2021	2020
Net operating profit	3,976,687,184	3,181,694,550
Tax expense	1,497,312,214	875,326,584
Net operating profit after tax (NOPAT)	2,479,374,970	2,306,367,966
Charges for capital		
Capital employed	14,515,614,803	13,143,485,117
Average cost of capital (%)	1.36%	1.29%
Capital Charge	197,412,361	169,550,958
Economic Value Added	2,281,962,609	2,136,817,008
Capital employed as on 31 December, 2021		
Shareholder's equity	10,094,759,557	9,228,874,574
Accumulated provision for doubtful accounts and future losses	5,496,040,890	4,211,554,585
Average shareholders' equity	14,515,614,803	13,143,485,117

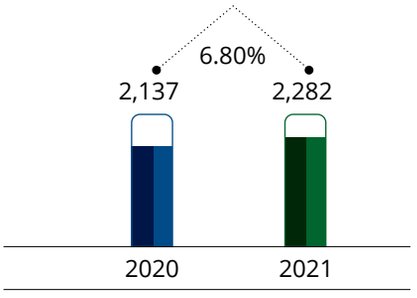
Average Shareholders' Equity



Net Operating Profit



Economic Value Added (EVA)

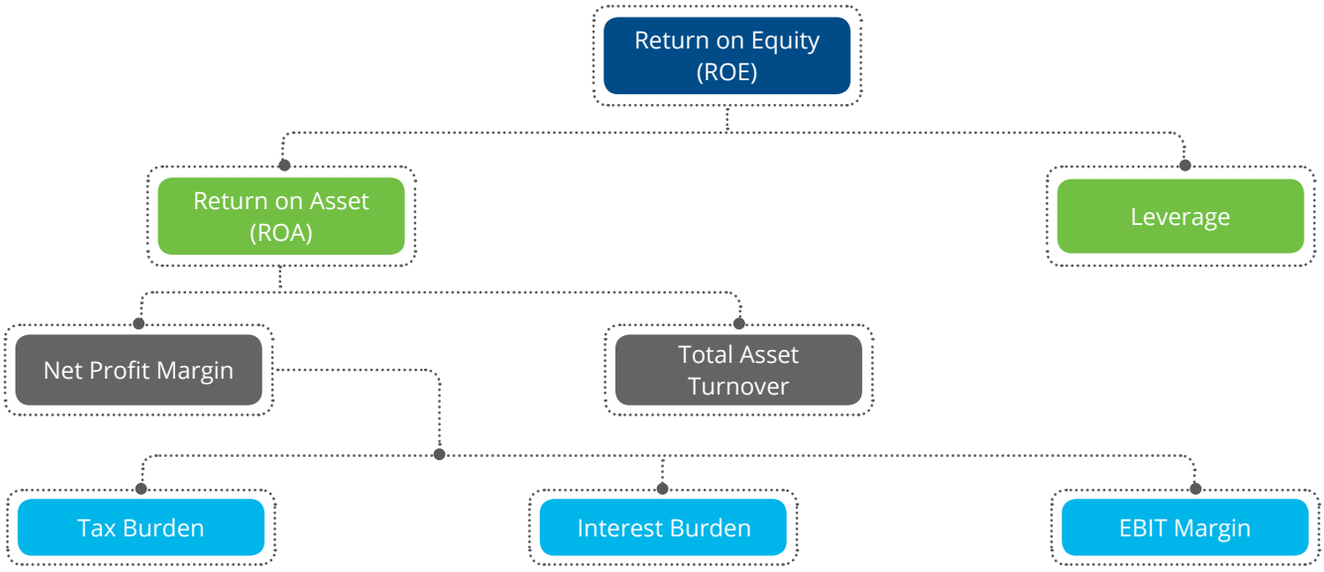


BDT in million

Key Ratios	2018	2019	2020	2021
EVA/Operating income	43.35%	62.19%	57.68%	52.13%
EVA/Avg. Shareholder's equity	13.15%	23.58%	16.26%	15.72%
Net profit after tax/operating income	22.30%	30.29%	41.43%	25.06%

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	2021	2020	2019	2018
ROE (A= B*C*D)		**10.86%**	**16.63%**	**16.50%**	**10.34%**
Financial leverage (B)	Asset/ Equity	9.92	10.64	10.88	12.10
Total Asset Turnover (C)	Revenue/ Total Asset	5.28%	4.56%	5.92%	5.98%
Net Profit Margin (D= P*Q*R)	Net income/ Revenue	20.73%	34.24%	25.63%	14.29%
Tax Burden (P)	Net income/EBT	42.28%	63.68%	58.21%	38.16%
Interest Burden (Q)	EBT/EBIT	53.05%	60.87%	48.93%	39.96%
EBIT Margin (R)	EBIT/ Revenue	92.43%	88.33%	90.00%	93.74%

Globally 2021 has been another year of hiccups driven by the second wave of the pandemic. Unstable operating environment and reduced business possibilities have interrupted IDCOL's business activities as well.

Despite the hurdles, IDCOL consistently managed a balanced capital structure with lower leverage over time, suggesting the strength of its asset size and increasing stability in equity base. Asset turnover remains almost consistent over the years with asset base growing in line with revenue of the company. Also, every year IDCOL contributes substantially in the national exchequer as a result, increased tax expense by 71% has reduced tax burden ratio during the reporting period. EBIT Margin also known as operating margin grew by 4.10% indicating efficient management of operating expenses against revenue generation. However, regardless of rising operating profit, net profit of the company declined owing to increased loan provisioning and tax obligations which resulted into reduced Net Profit Margin by 13.51%. The company reported ROE of 10.86% in 2021, down by 5.77% compared to the preceding year. In brief, in spite of better asset utilization and improved leverage condition, ROE nosedived in 2021 backed by the drop in bottom line earnings of the company.

Leading parameters of ROE in 2021



NPM

20.7%



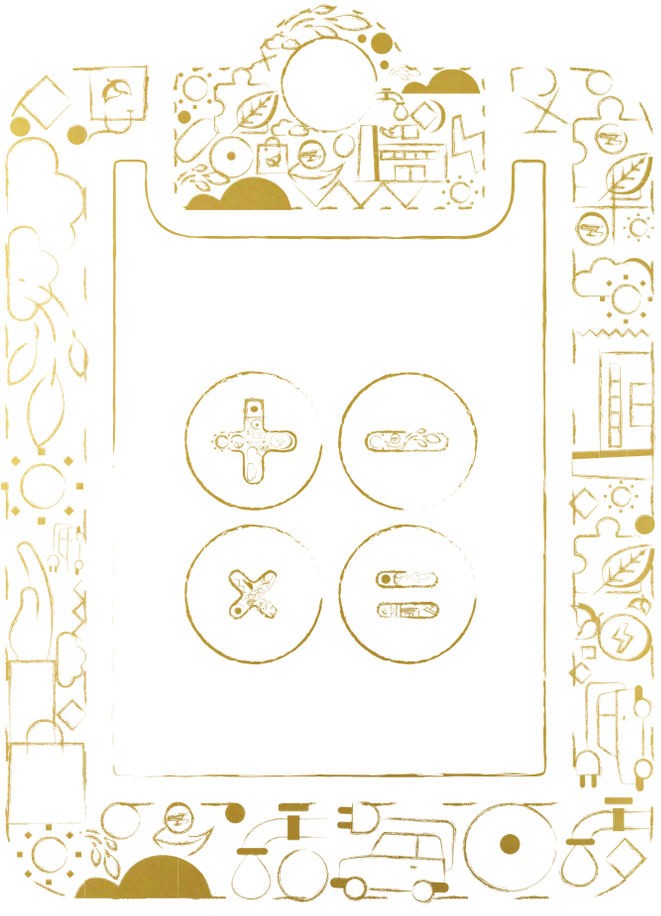
Asset Turnover

5.3%



Leverage

9.9



AUDITOR'S REPORT AND AUDITED FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Infrastructure Development Company Limited

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Infrastructure Development Company Limited (the "Company"), which comprise the balance sheet as at 31 December 2021 and the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the company give a true and fair view of the financial position of the company as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in Note 2.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the guidelines issued by Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Infrastructure Development Company Limited for the year ended 31 December 2020 were audited by another auditor who expressed an unmodified opinion on these financial statements on 12 June 2021.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the board of directors of the Company.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs as explained in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entity or business activities of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, we also report that

(i) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;

(ii) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;

(iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;

(iv) the expenditures incurred were for the purpose of the Company's business for the year;

(v) the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act,

1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;

(vi) adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

(vii) the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;

(viii) the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;

(ix) statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;

(x) taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions has been satisfactory based on test checking;

(xi) nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;

(xii) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;

(xiii) based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;

(xiv) the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases have been found satisfactory;

(xv) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 815 person hours for the audit of the books and accounts of the Company;

(xvi) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;

(xvii) the Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and

(xviii) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

The engagement partner on the audit resulting in this independent auditor's report is Mr. M Mehedi Hasan.



M Mehedi Hasan, Partner, Enrolment number 1000
Rahman Rahman Huq, Chartered Accountants
Firm Registration Number [N/A]

Dated, Dhaka
7 June 2022

DVC: 2206141000AS882245

BALANCE SHEET

as at 31 December

Particulars	Notes	2021	2020
		Taka	Taka
Property and assets			
Cash	3		
Cash in Hand		13,942	15,796
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		144,102,297	2,462,902,192
		144,116,239	**2,462,917,988**
Balance with other banks and financial institutions	4		
In Bangladesh		23,135,622,313	14,249,438,353
Outside Bangladesh		-	-
		23,135,622,313	**14,249,438,353**
Money at call and short notice	5	-	-
Investments	6		
Government		-	-
Others		416,666,667	700,000,000
		416,666,667	**700,000,000**
Loans and advances	7		
Loans, cash credit, overdraft etc.		75,141,947,836	79,127,139,056
Bill purchased and discounted		-	-
		75,141,947,836	**79,127,139,056**
Fixed assets including land, building, furniture and fixtures	8	112,896,539	115,652,613
Other assets	9	1,177,735,512	1,546,101,980
Non-banking assets		-	-
Total assets		**100,128,985,106**	**98,201,249,989**
Liabilities and capital			
Liabilities			
Borrowings from other banks, financial institutions and agents	10	81,911,871,991	82,374,212,572
Deposit and other accounts		-	-
Other liabilities	11	8,122,353,558	6,598,162,842
		90,034,225,549	**88,972,375,414**
Shareholders' equity			
Paid-up Capital	12	7,380,000,000	7,150,000,000
Statutory Reserve	12.1	-	-
Retained earnings	13	2,714,759,557	2,078,874,575
Total shareholders' equity		**10,094,759,557**	**9,228,874,575**
Total liabilities and shareholders' equity		**100,128,985,106**	**98,201,249,989**

BALANCE SHEET (CONTINUED)

as at 31 December

Particulars	Notes	2021	2020
		Taka	Taka
Off-Balance Sheet Items			
Contingent Liabilities			
Acceptances and Endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities	39	24,029,147	24,029,147
		24,029,147	**24,029,147**
Other commitments			
Documentary credit and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total Off-Balance Sheet Items		**24,029,147**	**24,029,147**
Net Asset Value (NAV) per share	34	**136.79**	**125.05**

The annexed notes 1 to 42 and annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.

Company Secretary | Executive Director & CEO | Director | Director | Chairman

As per our report of same date

Dated, Dhaka
7 June 2022

M Mehedi Hasan, Partner
Enrolment number 1000
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number [N/A]

DVC: 2206141000AS882245

PROFIT AND LOSS ACCOUNT

for the year ended 31 December

Particulars	Notes	2021	2020
		Taka	Taka
Operating income			
Interest income	15	4,879,535,336	4,201,577,931
less: Interest on deposits, borrowings etc	16	913,523,851	777,474,472
Net interest income		**3,966,011,485**	**3,424,103,459**
Investment income	17	62,001,850	70,350,000
Commission, fees, exchange and brokerage	18	152,537,520	162,126,582
Other operating income	19	196,588,337	48,127,144
Total operating income (A)		**4,377,139,192**	**3,704,707,186**
Operating expenses			
Salaries and allowances	20	199,504,209	234,475,362
Rent, taxes, insurance, electricity etc.	21	9,678,845	7,710,971
Professional & Legal expenses	22	5,651,591	15,892,031
Postage, stamp, telecommunication etc.	23	3,698,770	2,989,278
Stationery, printing, advertisement etc.	24	5,492,170	10,237,865
Chief Executive's salary and benefits	25	8,675,083	14,692,175
Directors' fees	26	3,286,704	3,215,068
Auditors' fees	27	453,663	453,663
Depreciation and repair of Company's assets	28	25,674,807	28,470,286
Other operating expenses	29	138,336,166	204,875,937
Charges on loan losses	30	-	-
Total operating expenses (B)		**400,452,008**	**523,012,635**
Profit/(Loss) before provision & Tax (C) = (A - B)		**3,976,687,184**	**3,181,694,550**
Provision for loans and advances/investment	31		
Provision for loans and advances		1,082,640,981	461,560,319
Other provision (short term investment)		300,000,000	310,000,000
Total provision (D)		**1,382,640,981**	**771,560,319**
Net profit/(loss) before Tax (E) = (C - D)		**2,594,046,203**	**2,410,134,231**
Tax expenses (F)	32	1,497,312,214	875,326,584
Net profit/(loss) after tax (G) = (E - F)		**1,096,733,989**	**1,534,807,647**
Appropriation			
Statutory reserve	12.1	-	-
General reserve		-	-
Retained surplus		**1,096,733,989**	**1,534,807,647**
Earnings Per Share (EPS)	33	**14.86**	**20.80**

The annexed notes 1 to 42 and annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.

Company Secretary | Executive Director & CEO | Director | Director | Chairman

As per our report of same date

M Mehedi Hasan, Partner
Enrolment number 1000
Rahman Rahman Huq, Chartered Accountants
KPMG in Bangladesh
Firm Registration Number [N/A]

DVC: 2206141000AS882245

Dated, Dhaka
7 June 2022

CASH FLOW STATEMENT

for the year ended 31 December

Particulars	Notes	2021	2020
		Taka	Taka
A. Cash flows from operating activities			
Interest received		4,956,675,015	4,148,430,400
Interest paid		(851,964,661)	(793,026,104)
Investment Income received		71,999,994	61,000,000
Fees and commission received		152,537,520	162,126,582
Recovery of loan previously written off		5,303,647	10,286,352
Paid to employees and directors		(300,560,058)	(383,498,707)
Paid to suppliers		(63,565,256)	(113,987,403)
Income Tax Paid		(966,309,439)	(657,423,527)
Receipts from other operating activities		132,633,988	80,058,165
Cash generated from operating activities before changes in operating assets and liabilities		**3,136,750,749**	**2,513,965,758**
(Increase)/decrease in operating assets and liabilities			
Advances, deposits and prepayments		(37,644,267)	112,153,503
Accounts receivables		497,891,003	(391,801,634)
Loans and advances		3,765,784,625	(11,310,215,263)
Interest suspense account		(120,111,733)	192,753,183
Payables and accrued expenses		(284,900,702)	239,684,511
Unearned Revenue- Monitoring Fees		1,684,807	2,171,486
Provisions other than loans		(23,986,328)	29,237,989
Lease liability		(7,181,546)	-
Employees' gratuity fund		-	-
		3,791,535,859	(11,126,016,224)
Net cash flows from operating activities		**6,928,286,608**	**(8,612,050,466)**
B. Cash flows from investing activities			
Acquisition of fixed assets (excluding development partner funded assets)		(802,230)	(4,905,323)
Investment in Preference Share		-	(200,000,000)
Acquisition of Right of Use Asset		(1,566,306)	-
Settlement of Investment		283,333,333	-
Disposal of Fixed Assets		-	-
Net cash flows from investing activities		**280,964,797**	**(204,905,323)**
C. Cash flows from financing activities			
Loan Drawdown from Government of Bangladesh		3,543,572,056	10,199,670,595
Loan Repayment to Government of Bangladesh		(4,005,912,632)	(3,772,331,690)
Dividend paid		(230,000,000)	(650,000,000)
Net cash flows from financing activities		**(692,340,576)**	**5,777,338,905**
D. Net increase in cash and cash equivalents (A+B+C)		**6,516,910,828**	**(3,039,616,884)**
E. Effects of exchange rate changes on cash and cash equivalents		**50,471,383**	**(53,621,127)**
F. Cash and cash equivalents at the beginning of the year		**16,712,356,341**	**19,805,594,353**
G. Cash and cash equivalents at the end of the year (D+E+F)		**23,279,738,552**	**16,712,356,341**
Cash and cash equivalents at end of the year			
Cash in hand (including foreign currencies)	3.1	13,942	15,796
Money at call and short notice	5	-	-
Balance with Bangladesh Bank and its agent banks	3.2	144,102,297	2,462,902,192
Balance with other banks and financial institutions	4	23,135,622,313	14,249,438,353
		23,279,738,552	**16,712,356,341**
Net operating cash flow per share	35	**93.88**	**(116.69)**

The annexed notes 1 to 42 and annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.

Company Secretary | Executive Director & CEO | Director | Director | Chairman

As per our report of same date

Dated, Dhaka
07 June 2022

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2021

Particulars	Paid up Capital Taka	Statutory Reserve Taka	Retained earnings Taka	Total shareholders equity Taka
Balance as at 01 January 2021	7,150,000,000	-	2,078,874,575	9,228,874,575
Adjustment	-	-	(849,007)	(849,007)
Balance	**7,150,000,000**	**-**	**2,078,025,568**	**9,228,025,568**
Increase/Decrease of revaluation of properties	-	-	-	-
Increase/Decrease of revaluation of investment	-	-	-	-
Currency transaction differences	-	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-
Net profit for the year	-	-	1,096,733,989	1,096,733,989
Bonus shares	230,000,000	-	(230,000,000)	-
Cash dividend	-	-	(230,000,000)	(230,000,000)
Statutory Reserve	-	-	-	-
Balance as at 31 December 2021	**7,380,000,000**	**-**	**2,714,759,557**	**10,094,759,557**
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**

The annexed notes 1 to 42 and annexure A, B, C, D, E, F, G and H form an integral part of these financial statements.

Company Secretary	Executive Director & CEO	Director	Director	Chairman

As per our report of same date

Dated, Dhaka
07 June 2022

Infrastructure Development Company Limited

LIQUIDITY STATEMENT (ASSET AND LIABILITY MATURITY ANALYSIS)

as at 31 December 2021

Particulars	Up to 01 month Taka	1 - 3 months Taka	3 - 12 months Taka	1 - 5 years Taka	More than 5 years Taka	Total Taka
Assets						
Cash in hand (including balance with Bangladesh Bank)	144,116,239	-	-	-	-	144,116,239
Balance with other banks and financial institutions	12,170,327,896	9,323,600,000	-	1,641,694,416	-	23,135,622,312
Money at call and short notice	-	-	-	-	-	-
Investments	-	-	83,333,333	333,333,333	0	416,666,667
Loans and advances	123,336,370	1,985,801,529	7,352,351,074	27,676,771,296	38,003,687,567	75,141,947,836
Fixed assets including land, building, furniture and fixture	22,553	90,618	41,228,763	31,226,402	40,328,203	112,896,539
Other assets	69,972,912	72,454,145	963,298,884	71,359,571	650,000	1,177,735,511
Non-banking assets	-	-	-	-	-	-
Total assets	**12,507,775,970**	**11,381,946,292**	**8,440,212,054**	**29,754,385,018**	**38,044,665,770**	**100,128,985,105**
Liabilities						
Borrowings from Government of Bangladesh	-	1,270,813,763	7,869,411,260	31,445,515,559	41,326,131,408	81,911,871,991
Deposits	-	-	-	-	-	-
Other Accounts	-	-	-	-	-	-
Provision and other liabilities	38,067,873	337,402,772	2,067,106,016	2,344,379,760	3,335,397,136	8,122,353,557
Total liabilities	**38,067,873**	**1,608,216,535**	**9,936,517,276**	**33,789,895,319**	**44,661,528,544**	**90,034,225,548**
Net Liquidity Gap	**12,469,708,097**	**9,773,729,757**	**(1,496,305,222)**	**(4,035,510,301)**	**(6,616,862,775)**	**10,094,759,557**

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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2021

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 financing for private sector infrastructure projects to directly support the country's growing need for infrastructural development. IDCOL works with various development partners and multilateral banks for co-financing large scale infrastructure projects. Being a government owned development financier, IDCOL facilitates financing support to the projects concerning GoB's priority sectors. Over the years, IDCOL has played an instrumental role in transforming the Infrastructure landscape in the country especially in the private sector power generation. IDCOL's infrastructure investment horizon caters to a wide range of sectors such as infrastructure backward linkage industries, economic zones, social infrastructure, hotel and tourism, ports, gas and gas related infrastructure, telecommunications, information and communication technology, water supply, toll roads and bridges, shipyards and shipbuilding, mass transportation systems, urban environmental services etc.

In line with its commitment of catalysing private sector investment in infrastructure, IDCOL's financing has mobilized significant co-financing (both equity and loan) from local and foreign sponsors, banks, Non-Banking Financial Institutions (NBFIs), Development Financial Institutions (DFIs) in infrastructure projects. Capitalizing on its exposure of working with international lenders in long term USD financing, IDCOL has successfully arranged funds for multiple local projects from the international market. At the same time, the opportunity to work with multiple foreign DFIs and commercial banks has not only enhanced IDCOL's capacity as a lender but also established IDCOL as a trusted co-financier among foreign lenders.

In addition to its core business of extending financing, IDCOL has diversified its service offerings by venturing into arrangement and advisory services. Arranging syndication loan facilities from the local and international market for financing large projects aligns with IDCOL's mission of promoting private sector infrastructure financing. The company has been providing loan arrangement services since its early years of operation and has managed to set a strong foothold as an arranger- especially in raising funds for power projects. In 2019, IDCOL has achieved the feat of being the highest fund arranger for private sector infrastructure projects in Bangladesh by arranging approx. USD 190 million long term loan from various local and international sources.

Renewable Energy Projects

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

IDCOL started its SHS Program in 2003 with an initial target to finance 50,000 SHSs with financial assistance from the World Bank and Global Environment Facility (GEF). Subsequently, a number of development partners participated in the program by providing refinancing and grant support. IDCOL provides soft loans and grants as well as necessary technical assistance under the program. IDCOL's SHS Program has been acclaimed as the largest off-grid renewable energy program in the world having installation of more than 4.13 million SHSs in the remote areas of the country. It has brought significant changes in lives in remote rural areas of Bangladesh through providing access to basic electricity.

IDCOL has been implementing Biogas Program in Bangladesh since 2006. Initially, the program started as National Domestic Biogas and Manure Programme (NDBMP) with support from SNV (Stichting Nederlandse Vrijwilligers) Netherlands Development Organization and KFW Development Bank, Germany. In 2012, the World Bank also joined to support the program under its Household Energy Initiatives. Under the program, IDCOL has a target to install 75,000 domestic size biogas plants in Bangladesh by 2024.

IDCOL launched the 'Improved Cook Stove (ICS) Program' in May 2013 and the program has a target to install 5 million ICS across the country by 2023. The objectives of the program are to create mass awareness of ICS, to reduce Indoor Air Pollution (IAP) and use of cooking fuel and to establish a strong capacity base to achieve 100% clean cooking coverage by 2030 as per Bangladesh Country Action Plan. Under the program, IDCOL provides institutional development grant and technical assistance to its partner organizations (POs). Till December 2021, a total of 2.87 million ICS have been installed under the Program.

Besides, IDCOL has been financing various renewable energy interventions including solar PV based irrigation pumps, solar PV based power projects, biomass gasification based power projects, biogas based power plants, solar powered solution for telecom BTS etc. Moreover, IDCOL is financing large scale Rooftop Solar for commercial industries and Utility Scale Grid Tied projects. IDCOL has a target to finance rooftop solar of 300MWp by 2025 and 2600 solar irrigation pumps by 2025. In addition, IDCOL is exploring opportunities of financing waste to energy and wind projects in near future.

Corporate Advisory Services

IDCOL provides a wide range of fee-based advisory services with project advisory, capacity building, financial advisory, government advisory, climate consulting and transaction advisory as its focus areas. IDCOL has been awarded four advisory assignments in 2021 by UK Department of Business, Energy and Industrial Strategy (BEIS), Skills for Employment Investment Program (SEIP) under Finance Division, Rural Energy Agency of Tanzania and Loughborough University of UK. IDCOL earlier provided advisory services to Climate Vulnerable Forum-Vulnerable 20 Group (CVF-V20), UNDP, Power Cell, Bangladesh Power Development Board, IRENA and Acron Infrastructure Services Ltd. In addition, IDCOL has provided training and capacity building services to 1,600 professionals in Bangladesh and hosted 160 international delegates as part of experience sharing program on Renewable Energy.

1.3 Resources

IDCOL has access to resources provided by the World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), German Development Bank (KFW), Department for International Development (DFID), Islamic Development Bank (IDB), German Development Cooperation (GIZ), United States Agency for International Development (USAID), SNV-Netherlands Development Organization, French Development Agency (AFD) 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 2020. In addition, some applicable policies have been disclosed during the year, which were being followed in earlier years as well.

The financial statements of the Company have been prepared under historical cost convention in accordance with generally accepted accounting principles as laid down in the International Financial Reporting Standards (IFRS) applicable to the Company. The reported financial statements, i.e. Balance Sheet, Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement were prepared by capturing the transactions of Infrastructure Development Company Limited.
The financial statements of project accounts are being maintained and prepared separately showing movement of funds, i.e. loans and grants received from various development partners, lenders, etc., realization of principal and interest from borrowers, loan and grants disbursed to borrowers, repayment of loans to development partners, lenders, etc. These project accounts are maintained separately by IDCOL and Receipts and Payments Statement of each such project is prepared separately, and audited and reported separately by an independent auditor of the Company. These amounts are not reflected in the company's financial statements, except for those disclosed in note # 40 to the Company's financial statements. The accumulated movement of funds from the inception as well as the current and the previous year's movements of fund of these projects are shown in note # 40.

2.2 Statement of compliance

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

2.3 Impact of COVID-19

The year 2021 came with newer virus variants which set countries on different paths to recovery depending on their rates of vaccination initiatives. Governments from all nations strengthened the vaccination initiatives which resulted in worldwide balance of payment (BoP) deficits to be the highest since World War II. However, after all the tragic events, as the year went on, some positive improvements i.e. improved macroeconomic growth, recovered traded goods, stabilized food commodity prices etc. had been seen.With a robust vaccination initiative taken by Government across the world, global economics are recovering, even though slower than expected, due to the outbreak of the new omicron variant.Economic recoveries are diverging across countries and sectors, reflecting variation in pandemic-induced disruptions and extent of policy support. While advanced economies are rebounding, many of world's poorest countries are being left behind

On this backdrop, the projection for global GDP growth rate, according to IMF, is 5.9% for 2021 and 4.4% for 2022 is estimated.

In the same way, World Bank also anticipates Global growth to decelerate noticeably in 2022 from 5.5% to 4.1%.

According to the provisional estimate of BBS, the GDP growth is 5.47 percent in FY 2020-21 which is the lowest since FY 2008-09 mainly because of the newer variants of COVID-19. However, It needs to be mentioned that, in order to mitigate the harsh conditions caused by the pandemic and for ensuring quicker economic recovery, the Government has so far announced 28 stimulus packages of BDT 1.35 trillion which was 4.9% of FY 2020's GDP. On the other hand, central bank also implemented several policy measures to ensure continuous banking and mobile financial services even during lockdowns in 2021. The rapid increase of mobile and digital financial services helped in the disbursement of the increased remittance inflow, on the back of Government's measures to ensure fund flow through formal channels.

Like 2020, the year 2021 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 2021.

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: Bangladesh Bank has issued templates of financial statements vide DFIM Circular # 11 dated December 23, 2009 which would strictly be followed by NBFIs. The templates of financial statements issued by Bangladesh Bank do not permit to include Statements of Other Comprehensive Income (OCI) nor the elements of Other Comprehensive Income in the statements of Comprehensive Income.

2.5 Non banking assets

IFRS: IFRSs/IASs provide no requirement to disclose non-financial institutional assets separately under non-banking assets head on the face of the balance sheet.

Bangladesh Bank: DFIM Circular-11 dated December 23, 2009 provides the requirement to disclose non-banking assets separately on the face of the balance sheet.

2.6 Current/ Non-current distinction

IFRS: As per Para 60 of IAS-1 Presentation of Financial statement, an entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.

Bangladesh Bank: Bangladesh Bank has issued templates of financial statements vide DFIM Circular # 11 dated December 23, 2009 which would be followed by NBFIs. In Bangladesh Bank provided templates, there is no current and non current segregation of assets and liabilities.

2.7 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.

2.8 Cash flow statement

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

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

2.9 Provision for loans and advances

IFRS: As per IFRS 9 "Financial Instruments", an entity shall recognise an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.
Bangladesh Bank: As per DFIM Master Circular no. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances.

Loan classification status during the year ended 31 December 2021 has been determined as per DFIM Letter: 1052/27/2022-21 dated 2 January 2022, DFIM Circular Letter No 33 dated 19 December 2021 and DFIM Master Circular no. 04 dated 26 July 2021.

Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

As per DFIM circular letter no 33 dated 19 December 2021, 2% additional provision has been reserved against accounts availing deferral facility.

2.10 Cash and cash equivalent

IFRS: Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits shall be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day to day operations.

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

2.11 Recognition of interest in suspense

IFRS: Loans and advances to customers are generally classified at amortised cost as per IFRS 9 "Financial Instruments" and interest income is recognised by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become credit-impaired, the entity shall apply the effective interest rate to the amortised cost of these loans and advances.

Bangladesh Bank: As per DFIM Master Circular no. 04 dated 26 July 2021, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments are not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.

2.12 Financial instruments: presentation and disclosure

IFRS: IFRS 7 require specific presentation and disclosure relating to all financial instruments.

Bangladesh Bank: As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.

2.13 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.

2.14 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.

2.15 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.

2.16 Valuation of Investments in quoted and unquoted shares

IFRS: As per requirements of IFRS 9 "Financial Instruments" classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the period-end is taken to profit and loss account or other comprehensive income respectively.

Bangladesh Bank: As per FID circular No. 08 dated 03 August 2002, investments in quoted shares and unquoted shares are revalued at the year or period end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost.

2.17 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.

2.18 Functional and Presentation Currency

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

2.19 Revenue Recognition

Revenue is only recognized when it meets the following five steps model framework as follows:

i) identify the contract(s) with a customers;
ii) identify the performance obligations in the contract;
iii) determine the transaction price;
iv) allocate the transaction price to the performance obligations in the contract;
v) recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized following accrual basis of accounting.

2.20 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%

2.21 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.

2.22 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.

2.23 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.

2.24 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.

2.25 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 38.

2.26 Employee benefits

Defined contribution plan(provident fund)

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

As per Financial Reporting Council notification # 179/FRC/FRN/notification/2020/2 dated 07 July 2020, an amount of BDT 104,634 was forfeited from contributory provident fund during the period 1 July 2020 to 31 December 2020 and was repatriated to IDCOL during FY 2021.

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. During FY 2021, an amount of BDT 11,558,301 was transferred to the trustee fund. Details are given in note #11.2

2.27 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 organization and IDCOL regional offices. Internal audit use standard approach to determine their respective work plan and actions.

2.28 Fraud and Forgeries

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

2.29 Disclosure on Compliance of International Financial Reporting Standard (IFRS)

Name of the standards	Ref No.	Compliance status
First-time Adoption of Bangladesh Financial Reporting Standards	IFRS-1	Not applicable
Share Based Payment	IFRS-2	Not applicable
Business Combinations	IFRS-3	Not applicable
Non-current Assets Held for Sale and Discontinued Operations	IFRS-5	Not applicable
Exploration for and Evaluation of Mineral Resources	IFRS-6	Not applicable
Name of the standards	**Ref No.**	**Compliance status**
Financial Instruments: Disclosures	IFRS-7	Applied with some departures (note 2)
Operating Segments	IFRS-8	Not applicable
Financial instruments	IFRS-9	Applied with some departures (note 2)
Consolidated Financial Statements	IFRS-10	Not applicable
Joint Arrangements	IFRS-11	Not applicable
Disclosure of Interests in Other Entities	IFRS-12	Not applicable
Fair Value Measurement	IFRS-13	Applied with some departures (note 2)
Regulatory Deferral Accounts	IFRS-14	Not applicable
Revenue form Contracts with Customers	IFRS-15	Applied
Leases	IFRS-16	Applied
Insurance Contracts	IFRS-17	Not applicable
Presentation of Financial Statements	IAS-1	Applied with some departures (note 2)
Inventories	IAS-2	Not applicable
Statement of Cash Flows	IAS-7	Applied with some departures (note 2)
Accounting Policies, Changes in Accounting Estimates and Errors	IAS-8	Applied
Events After the Reporting Period	IAS-10	Applied
Construction Contracts	IAS-11	Not applicable
Income Taxes	IAS-12	Applied
Property, Plant and Equipment	IAS-16	Applied
Employee Benefits	IAS-19	Applied
Accounting for Government Grants and Disclosure of Government Assistance	IAS-20	Applied
The Effects of Changes in Foreign Exchange Rates	IAS-21	Applied
Borrowing Cost	IAS-23	Not applied*
Related Party Disclosures	IAS-24	Applied
Accounting and Reporting by Retirement Benefit Plans	IAS-26	Not applicable
Separate Financial Statements	IAS-27	Not applicable
Investments in Associates	IAS-28	Not applicable
Financial Reporting in Hyperinflationary Economies	IAS-29	Not applicable
Financial Instruments: Presentation	IAS-32	Applied with some departures (note 2)
Earnings per Share	IAS-33	Applied
Interim Financial Reporting	IAS-34	Applied
Impairments of Assets	IAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	IAS-37	Applied
Intangible Assets	IAS-38	Applied
Financial Instruments: Recognition and Measurement	IAS-39	Applied with some departures (note 2)
Investment Property	IAS-40	Not applicable
Agriculture	IAS-41	Not applicable

*Not applied as there were no relevant transaction.

The Company has consistently applied the accounting policies as set out in Note 3 to all periods presented in these financial statements. The various amendments to standards, including any consequential amendments to other standards, with the date of initial application of 1 January 2021 have been considered. However, these amendments have no material impact on the financial statements of the Company.

2.30 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.

2.31 Events after the reporting period

Events after the reporting period: As per IAS 10 "Events after the reporting period", all material events occurring after the balance sheet date have been considered and where necessary, adjusted for or disclosed in note 37.

2.32 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.

2.33 Reporting period

These financial statements have been prepared for the period from 1 January 2021 to 31 December 2021.

2.34 Complete set of financial statements

IAS 1 "Presentation of Financial Statements"

As per IAS 1: "Presentation of Financial Statements'' complete set of financial statements are:
i) Statement of financial position,
ii) Statement of profit or loss and other comprehensive income,
iii) Statement of changes in equity,
iv) Statement of cash flows,
v) Notes, comprising significant accounting policies and other explanatory information,
vi) Comparative information in respect of the preceding period, and
vii) Statement of financial position at the beginning of preceding period for retrospective restatement

Treatment adopted as per Bangladesh Bank

As per DFIM Circular No. 11, dated 23 December 2009, complete set of financial statements are

i) Balance sheet,
ii) Profit and loss account,
iii) Cash flows statement,
iv) Statement of changes in equity,
v) Statement of liquidity, and
vi) Notes, comprising significant accounting policies and other explanatory information.

2.35 Number of employees

During the year under audit, there were 410 (2020: 406) employees employed for the full period and 13 (2020: 20) employees for less than full period at a remuneration of Taka 3,000 and above per month.

2.36 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.

2.37 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.

2.38 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.

			2021	2020
			Taka	Taka
3.0	**Cash**			
	Cash in hand	3.1	13,942	15,796
	Balance with Bangladesh Bank and its agent bank	3.2	144,102,297	2,462,902,192
			144,116,239	**2,462,917,988**
3.1	Cash in Hand			
	Local Currency		13,942	15,796
	Foreign Currencies		-	-
			13,942	15,796
3.2	Balance with Bangladesh Bank and its agent bank			
	Bangladesh Bank balance in local currency		144,102,297	1,943,629,192
	Bangladesh Bank balance in foreign currency		-	513,506,500
	Add: Forex gain/ (Loss)		-	5,766,500
			144,102,297	2,462,902,192

3.2.1 Balance with Bangladesh Bank and its agent bank

	2021	2020	2021	2020		
	Amount in EURO		Exchange Rate per EURO			
Bangladesh Bank balance in foreign currency	-	5,000,000	97.3658	103.8546	-	519,273,000
					-	519,273,000

3.3	Cash Reserve Ratio (CRR)		
	Required reserve @ 2.5% of average balance of term deposit	-	-
	Actual reserve	-	-
	Surplus	-	-
3.4	Statutory Liquidity Ratio (SLR)		
	Required reserve @ 5% of average liabilities excluding funds from banks/FIs	-	-
	Actual Reserve held	-	-
	Surplus	-	-
	Total Surplus	-	-

As per Bangladesh Bank notice FID(G) 1051/circa 2/10, dated 22 October 1997, IDCOL is exempted from complying with section 9 (Statutory Reserve) and 19 (maintaining liquid assets) of the Financial Institutions Act, 1993. As such, maintenance of a Statutory Reserve, Cash Reserve Ratio (CRR) or Statutory Liquidity Ratio (SLR) is not required for IDCOL.

3.5 Capital Adequacy Ratio (CAR)

Under the section 6 of Financial Institutions Act, 1993, Bangladesh Bank shall prescribe the minimum capital of every financial institution. And as per the Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions (DFIM Circular No. 14/2011) that has come into force from 1 January 2012; Financial Institutions are required to maintain a CAR of minimum 10%.

To be noted that IDCOL being a state-owned development financial organization has a goal to ensure economic prosperity through sustainable and environment friendly investments in the infrastructure and renewable energy sectors of Bangladesh. To achieve the development objective of the Government, IDCOL is exempted from several sections of FI Act 1993; i.e. minimum capital requirement for Financial Institutions (Section 6, as per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997). Nevertheless IDCOL currently maintains the minimum capital prescribed under section 6 sub-section (1) and DFIM Circular No. 14/2011.

		2021	2020
		Taka	Taka
	Core Capital (Tier-1)/Shareholders' Equity		
	Paid-up capital	7,380,000,000	7,150,000,000
	Share premium	-	-
	Statutory reserve	-	-
	General reserve	-	-
	Dividend equilization reserve	-	-
	Retained earnings	2,714,759,557	2,078,874,575
	Non-controlling interest	-	-
	A) Sub total	**10,094,759,557**	**9,228,874,575**
	Supplementary capital (Tier -II)		
	General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)	676,631,065	805,187,111
	Assets Revaluation Reserves up to 50%	-	-
	Revaluation Reserve for Securities up to 45%	-	-
	All others preference shares	-	-
	Others (if any other item approved by Bangladesh Bank)	-	-
	B) Sub total	**676,631,065**	**805,187,111**
	C) Total eligible capital (A+B)	**10,771,390,622**	**10,034,061,686**
	D) Total risk weighted assets	**59,835,080,088**	**64,414,968,875**
	E) Required capital based on risk weighted assets (10% of D)	**5,983,508,009**	**6,441,496,888**
	F) Surplus (C-E)	**4,787,882,613**	**3,592,564,798**
	Capital Adequacy Ratio (%) (C / D)	**18.00%**	**15.58%**
4.0	**Balance with other banks and financial institutions**		
	Inside Bangladesh		
	Local currency		
	Current and short-term deposits in local currency	4.1	1,731,294,518	3,333,914,711
	Fixed deposits in local currency	4.2	13,420,694,416	4,248,214,419
			15,151,988,933	7,582,129,130
	Foreign currency			
	Current and short-term deposits in foreign currency	4.3	1,720,233,379	2,936,109,223
	Fixed deposits in foreign currency	4.4	6,263,400,000	3,731,200,000
			7,983,633,379	6,667,309,223
	Outside Bangladesh		-	-
			23,135,622,313	**14,249,438,353**
4.1	Current and short-term deposits in local currency			
	Janata Bank Ltd.	4.1.a	1,655,013,761	3,252,423,417
	The City Bank Ltd.	4.1.b	2,674,335	5,143,989
	Prime Bank Ltd.	4.1.c	6,854,043	2,541,042
	National Credit and Commerce Bank Ltd.	4.1.d	3,171,639	3,086,511
	National Bank Ltd.	4.1.e	382,514	143,659
	Islami Bank Bd. Ltd.	4.1.f	173,854	56,553
	Agrani Bank Ltd.	4.1.g	16,870,150	46,329,752
	Eastern Bank Ltd.	4.1.h	818,756	4,229,392
	Standard Chartered Bank	4.1.i	24,999,850	19,960,396
	Dhaka Bank Ltd.	4.1.j	20,335,617	-
			1,731,294,518	3,333,914,711

		2021	2020
		Taka	Taka
4.1.a	Janata Bank Limited		
	Accounts under development partner funded projects		
	IDA -5158-BD : REREDP-II	73,706,346	184,410,781
	IDA -5514-BD : Additional Financing REREDP-II	20,617,748	180,150,761
	IDB -151-BD	7,653,207	7,666,974
	JICA BD P-90	859,507,151	1,105,777,560
	KfW-PUREP	2,065,578	279,221,443
	AFD Loan no. CBD 1026-01-W	1,327,713	-
	Company accounts		
	STD Account	690,136,018	1,495,195,898
		1,655,013,761	3,252,423,417
4.1.b	The City Bank Limited		
	Accounts under development partner funded projects		
	KfW - 2006.65.612 -NDBMP	136,313	136,369
	Company accounts		
	Imprest account	2,538,022	5,007,620
		2,674,335	5,143,989
4.1.c	Prime Bank Limited		
	Company accounts		
	Salary account	495	495
	Accounts for Regional Offices		
	Barishal	394,376	105,240
	Bogura	516,293	114,435
	Chattogram	375,264	148,642
	Dhaka	1,160,852	334,190
	Faridpur	362,651	189,274
	Rangpur	567,130	522,520
	Thakurgaon	710,591	137,265
	Rajshahi	421,220	233,947
	Kushtia	656,711	379,158
	Jashore	527,286	188,533
	Jamalpur	391,635	3,993
	Khulna	386,529	180,864
	Mymensingh	383,009	2,486
		6,854,043	2,541,042
4.1.d	National Credit and Commerce Bank Limited		
	Revolving fund account under projects		
	PPIDF: ADB 2453-BAN (SF)	2,795,229	2,798,804
	Accounts for Regional Offices		
	Brahmanbaria (Cumilla)	187,949	97,057
	Noakhali	188,461	190,650
		3,171,639	3,086,511
4.1.e	National Bank Limited		
	Accounts for Regional Office		
	Sylhet	382,514	143,659
		382,514	143,659
4.1.f	Islami Bank Bangladesh Limited		
	Accounts for Regional Office		
	Borguna	173,854	56,553
		173,854	56,553

		2021	2020
		Taka	Taka
4.1.g	Agrani Bank Limited		
	Accounts under development partner funded projects		
	P-075 : JICA	-	-
	IDA-6202	16,870,150	46,329,752
		16,870,150	46,329,752
4.1.h	Eastern Bank Limited		
	Revolving fund account under projects		
	P-075 : JICA	818,756	4,229,392
		818,756	4,229,392
4.1.i	Standard Chartered Bank		
	Company Account		
	Salary Account	24,999,850	19,960,396
		24,999,850	19,960,396
4.1.j	Dhaka Bank Limited		
	Revolving fund account under projects		
	P-090 : JICA	9,744,146	-
	Accounts under development partner funded projects		
	KfW-REP	10,591,471	-
		20,335,617	-
4.2	Fixed deposits in local currency		
	Fixed deposit receipt with:		
	Agrani Bank Ltd.	1,090,000,000	200,000,000
	Al Arafah Islami Bank Ltd.	550,000,000	-
	Bangladesh Development Bank Ltd.	605,000,000	-
	BASIC Bank	-	80,000,000
	BD Finance	214,000,000	314,506,419
	Dhaka Bank Ltd.	540,000,000	200,000,000
	EXIM Bank Ltd.	1,580,000,000	290,000,000
	FAS Finance & Investment Ltd.	290,000,000	290,000,000
	First Finance Ltd.	300,000,000	300,000,000
	GSP Finance Company (Bangladesh) Ltd.	42,986,416	50,000,000
	IFIC Bank Ltd.	1,220,000,000	400,000,000
	International Leasing and Financial Services Limited	290,000,000	290,000,000
	Janata Bank Ltd.	1,200,000,000	150,000,000
	Mercantile Bank Ltd.	500,000,000	320,000,000
	Mutual Trust Bank Ltd.	100,000,000	-
	NCC Bank Ltd.	1,580,000,000	195,000,000
	Premier Leasing & Finance Ltd.	350,000,000	350,000,000
	Prime Finance & Investment Ltd.	286,500,000	286,500,000
	Rupali Bank Ltd.	840,000,000	-
	Social Islami Bank Ltd.	650,000,000	100,000,000
	Standard Bank Ltd.	120,000,000	350,000,000
	Union Capital Ltd.	82,208,000	82,208,000
	United Commercial Bank Ltd.	990,000,000	-
		13,420,694,416	4,248,214,419
4.3	Current and short-term deposits in foreign currency		
	Janata Bank Ltd.	122,166,192	1,382,009,539
	Commercial Bank of Ceylon (PPIDF-1 revolv. USD)	1,598,067,187	1,554,099,684
		1,720,233,379	2,936,109,223

		2021	2020
		Taka	Taka

4.3.1 Current and short-term deposits in foreign currency

	2021	2020	2021	2020		
	Amount in USD		Exchange Rate per USD			
Janata Bank Ltd.	1,423,848	16,297,282	85.80	84.80	122,166,192	1,382,009,539
Commercial Bank of Ceylon (PPIDF-1 revolv. USD)	18,625,492	18,326,647	85.80	84.80	1,598,067,187	1,554,099,684
					1,720,233,379	2,936,109,223

4.4 Fixed deposits in foreign currency

Fixed deposit receipt with:		
Janata Bank Ltd.	6,263,400,000	3,731,200,000
	6,263,400,000	3,731,200,000

4.4.1 Fixed deposits in foreign currency

	2021	2020	2021	2020		
	Amount in USD		Exchange Rate per USD			
Janata Bank Ltd.	73,000,000	44,000,000	85.80	84.80	6,263,400,000	3,731,200,000
					6,263,400,000	3,731,200,000

4.5	Maturity grouping of Balance		
	On demand	3,451,527,897	6,270,023,934
	Up to one month	2,211,600,000	195,000,000
	More than one month but less than three months*	15,830,800,000	6,065,706,419
	More than three months but less than one year*	-	120,000,000
	More than one year but less than five years*	1,641,694,416	1,598,708,000
	More than five years	-	-
		23,135,622,313	14,249,438,353

** 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**		
	Investment in summit LNG Terminal Co. (Pvt.) Ltd preferred shares		
	41,666,667 outstanding shares with a face value of BDT10 per share	416,666,667	700,000,000
		416,666,667	**700,000,000**
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	83,333,333	133,333,333
	More than one year but less than five years	333,333,333	566,666,667
	More than five years	-	-
		416,666,667	700,000,000

7.0	**Loans and advances**			
	Inside Bangladesh			
	Long-term finance	7.1	74,527,402,697	78,375,181,944
	Short term financing	7.2	1,553,395	17,713,449
	Interest receivable on loans and advances	7.3	612,991,744	734,243,663
			75,141,947,836	79,127,139,056
	Outside Bangladesh		-	-
			75,141,947,836	**79,127,139,056**

			2021	2020
			Taka	Taka
7.1	Long-term finance:			
	Opening balance at January 01		78,375,181,944	68,121,946,365
	Add: Disbursement made during the year		5,800,057,342	21,944,524,646
	Add: Interest Capitalization during the year		461,869,757	679,809,695
			84,637,109,043	90,746,280,706
	Less: Realization during the year		(10,366,820,991)	(11,330,232,266)
	Less: Written-off during the year		(98,154,676)	(1,053,788,864)
	Less: Disbursement Reversal		(22,617,000)	-
	Add: Forex gain/ (Loss)		377,886,321	12,922,368
	Closing balance at December 31		74,527,402,697	78,375,181,944
7.1.1	Sector wise disclosure of long term finance			
	Infrastructure loan		58,413,720,012	61,778,438,358
	Renewable energy project	7.1.1a	16,074,231,022	16,551,486,984
	Employee car loan		6,324,718	10,390,517
	Employee home Loan		33,126,945	34,866,087
			74,527,402,697	78,375,181,946
7.1.1a	Renewable energy project			
	Solar home system		12,507,285,522	12,921,434,413
	Biogas program		82,144,344	132,405,809
	Other renewable energy project		3,484,801,156	3,497,646,762
			16,074,231,022	16,551,486,984
7.2	Short term financing			
	Opening balance at January 01		17,713,449	14,522,629
	Add: Disbursement made during the year		38,119,200	42,976,150
			55,832,649	57,498,779
	Less: Realization during the year		(54,279,254)	(39,785,330)
	Closing balance at December 31		1,553,395	17,713,449
7.2.1	Short term financing			
	Biogas Program		1,553,395	17,713,449
			1,553,395	17,713,449
7.3	Interest on loan and advance			
	Interest receivable on infrastructure loan		538,578,307	678,762,304
	Interest receivable on renewable energy loan	7.3.1	74,413,436	55,481,359
			612,991,744	734,243,663
7.3.1	Interest receivable on renewable energy loan			
	Solar Home System project		-	65
	Biogas project		761,472	1,753,406
	Biogas advance facility		33,801	223,618
	Other renewable energy project		73,618,164	53,504,270
			74,413,436	55,481,359
7.4	Large Loan Disclosure			
	Nutan Bidyut Bangladesh Limited (NBBL)		5,695,767,515	6,008,288,551
	Grameen Shakti		4,507,710,098	4,710,272,972
	Kushiara Power Company Limited		3,817,024,777	4,036,971,398
	Confidence Power Bogura Limited (CPBL)		3,112,490,859	-
	Confidence Power Rangpur Limited (CPRL)		3,060,902,647	3,399,154,404
	Sena Kalyan Sangstha (SKS)		2,938,092,787	2,967,574,594
	Doreen Hotels and Resorts Ltd.		2,839,989,880	2,681,964,890
	Meghna Cement Mills Limited		2,693,304,362	2,786,319,184

	2021	2020
	Taka	Taka
Rural Services Foundation	2,659,009,067	2,681,711,507
BSRM Steels Limited (BSRMSL)	2,626,312,501	3,001,500,000
City Navigations Limited (CNL)	2,438,636,372	3,057,729,268
Feni Lanka Power Limited (FLPL)	2,306,622,290	2,461,002,958
Regent Energy and Power Ltd.	2,262,840,781	2,663,910,097
Zodiac Power Chittagong Limited (ZPCL)	2,093,426,036	1,613,786,086
DBL Industrial Park Ltd. (DIPL)*	1,757,437,500	-
Ace Alliance Power Limited (AAPL)	1,697,575,959	1,817,188,129
Summit Barisal Power Ltd.	1,650,824,101	1,861,037,157
Seven Circle (Bangladesh) Limited	1,604,977,408	1,707,225,001
Midland East Power Limited (MEPL)	1,534,639,327	1,699,555,694
City Seed Crushing Industries Limited (CSCIL)	1,355,737,500	1,353,712,500
Meghna Industrial Economic Zone Limited (MIEZL)**	-	1,590,211,855
DBL Ceramics Limited (DCL)**	-	1,573,236,529
	52,653,321,769	53,672,352,775

**During the previous year, above-mentioned loanee did not belong to the Large Loan. However, the balance was BDT 877,187,500.*

***Some of the loan accounts that appeared on the list of top 20 large loans in the previous year were ommitted during the current year as those are no longer large loans based on the outstanding balance as at 31 December 2021. However, outstanding balances of such accounts at the end of FY 2021 are BDT 502,921,244 and BDT 1,340,164,449 in the cases of Meghna Industrial Economic Zone Limited (MIEZL), DBL Ceramics Limited (DCL) respectively.*

7.5 Particulars of Loans, Advances and leases

a) Loan considered good in respect of which the FI is fully secured	5,581,112,941	6,936,698,634
b) Loan considered good in respect of which the FI is partially secured	69,560,834,895	72,190,440,422
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.	-	-
	75,141,947,836	79,127,139,056
g) Loan due by directors or officers of the FI or any of them either separately or jointly with any other persons.	39,451,663	45,256,604
h) Loan due by companies and firms in which the directors of the FI have interest as directors, partners or managing agent or in case of private companies as members.	-	-
i) Maximum total amount of advances including temporary advances made at any time during the year to directors and managers or officers of the FI or any of them either separately or jointly with any other persons.	7,223,578	-
j) Maximum total amount of advances including temporary advances made at any time during the year to the companies or firms in which the directors of the FI have interest as directors partners or managing agents or in case of private companies as members.	-	-
k) Due from other Bank/FI companies.	-	-
l) Classified loans advances and leases.	-	-
i) Classified loans, advances and leases on which interest has not been charged	4,313,393,366	1,207,644,635

		2021	2020
		Taka	Taka
	ii) Provision kept against bad loans, advances and leases	638,698,896	449,677,845
	iii) Interest credited to Interest Suspense Account	906,286,711	508,435,871
		5,858,378,973	2,165,758,351
	m) Cumulative amount of written off loans, advances and leases		
	Opening Balance	2,631,853,836	1,588,351,324
	Amount written off during the year	98,154,676	1,053,788,864
	Amount received from written off loans and leases during the year	(5,303,647)	(10,286,352)
	Balance of written off loans, advances and leases	**2,724,704,865**	**2,631,853,836**
7.6	Maturity grouping of loans and advances		
	On demand	-	-
	Upto one month	123,336,370	412,844,204
	More than one month but less than three months*	1,985,801,529	2,754,868,299
	More than three months but less than one year*	7,352,351,074	10,176,696,651
	More than one year but less than five years*	27,676,771,296	44,487,472,945
	More than five years	38,003,687,567	21,295,256,958
		75,141,947,836	79,127,139,056
	** 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	39,451,663	45,256,604
c)	Advances to customer groups:	-	-
	Bio-electricity	340,250,169	230,304,529
	Biogas program	84,491,854	152,096,486
	Economic Zone	2,260,358,742	2,467,399,355
	Environmental Services	698,051,232	694,195,151
	Industrial Energy Efficiency	12,161,585,583	8,116,618,943
	Infrastructure Backward Linkage Industry	7,978,520,653	13,306,976,174
	IT & Telecommunication	101,406,028	952,747,038
	Port	25,534,147	2,344,308,633
	Power & Energy	32,773,700,459	31,841,919,407
	SHS program	12,507,285,924	12,921,434,980
	Social/ Tourism Infrastructure	3,082,538,967	2,920,606,073
	Solar BTS	45,393,129	56,269,870
	Solar grid-tied	597,620,415	620,241,112
	Solar Irrigation	1,658,230,817	1,601,977,218
	Solar Mini-grid	384,496,775	436,184,281
	Solar rooftop	403,031,279	418,603,199
		75,141,947,836	79,127,139,056
7.8	Geographical Location - wise Loans and Advances		
	Inside Bangladesh		
	Dhaka Region	25,947,546,277	28,173,022,174
	Chattogram Region	17,363,356,486	20,960,512,075
	Khulna Region	4,757,465,226	4,881,475,452
	Rajshahi Region	4,277,494,652	1,231,901,577
	Barisal Region	9,921,504,984	10,285,549,451
	Rangpur Region	5,699,155,326	6,135,120,667
	Sylhet Region	5,986,311,298	6,224,573,300
	Mymensingh Region	1,189,113,587	1,234,984,358
		75,141,947,836	79,127,139,056
	Outside Bangladesh	-	-
		75,141,947,836	79,127,139,056

		2021	2020
		Taka	Taka
7.9	Classification of loans and advances		
	Unclassified:		
	Standard	64,925,146,653	76,884,484,842
	Special Mention Account	5,903,407,817	1,035,009,578
		70,828,554,469	77,919,494,420
	Classified:		
	Sub-Standard	2,869,100,359	603,778,545
	Doubtful	596,797,360	3,307,882
	Bad or loss	847,495,648	600,558,208
		4,313,393,366	1,207,644,635
		75,141,947,836	79,127,139,056

7.9.1 Particulars of required provision for loans and advances

Status	Base for provision	Rate (%)		
General provision				
Standard loans/ advances	58,109,224,751	1%	581,092,248	762,642,283
Standard loans/ advances (DFIM circular no. 33 applied)	6,509,750,229	1%	65,097,502	-
Special provision (as per DFIM circular letter no. 33)*		2%	130,195,005	-
Interest receivable on standard loan	306,172,082	1%	3,061,721	6,202,578
Special mention account (SMA)	5,815,421,979	5%	290,771,099	48,960,966
	70,740,569,041		1,070,217,574	817,805,827
Specific provision				
Sub-standard	2,161,956,963	20%	432,391,393	107,989,609
Doubtful	440,556,429	50%	220,278,215	1,626,491
Bad/loss	638,698,896	100%	638,698,896	449,677,845
	3,241,212,288		1,291,368,503	559,293,945
Total provision required at 31 December 2021			2,361,586,077	1,377,099,772
Voluntary General Provision			2,234,454,813	2,234,454,813
Total provision kept		31	4,596,040,890	3,611,554,585

** As per DFIM circular letter no 33 dated 19 December 2021, 2% additional provision has been reserved against accounts availing deferral facility. Please see note 31.*

Movement of provision of loans and advances			
Opening balance at January 01		3,611,554,585	4,203,783,130
Provision made during the year:			
Regulatory requierment		1,082,640,981	(188,439,681)
Voluntary provision		-	650,000,000
		1,082,640,981	461,560,319
Adjustment during the year:			
Written-off loan		(98,154,676)	(1,053,788,864)
Closing balance at December 31		4,596,040,890	3,611,554,585
7.10 Net Loans and advances			
Closing outstanding balance		75,141,947,836	79,127,139,056
Less: Interest suspense	11.3	(356,005,143)	(476,116,876)
Provision for loans and advances	31	(4,596,040,890)	(3,611,554,585)
Net loans and advances		70,189,901,802	75,039,467,594

			2021	2020
			Taka	Taka
7.11	Disclosure of disbursement of loan from development partner funded projects during the year			
A.	REREDP-II funded by IDA (Credit # 5158)	Annex - A		
	a) Refinancing to Partner Organizations (POs)		-	-
	b) Loan to other renewable projects		178,946,696	197,843,520
	Sub Total		178,946,696	197,843,520
	REREDP-II funded by IDA (Credit # 5514)	Annex-A		
	a) Refinancing to Partner Organizations (POs)		-	-
	b) Loan to other renewable projects		99,784,363	-
	Sub Total		99,784,363	-
	REREDP-II funded by IDA (Credit # 6202)	Annex - A		
	a) Refinancing to Partner Organizations (POs)			
	b) Loan to other renewable projects		44,609,747	147,735,386
	Sub Total		44,609,747	147,735,386
B.	SREP funded by IDA (Credit # 6363)	Annex - B		
	a) Loan for Rooftop PV projects		71,292,913	-
	Sub Total		71,292,913	-
	SREP funded by IDA (Credit # TF0A7640)	Annex - B		
	a) Loan for RFFF establishment		22,513,552	-
	Sub Total		22,513,552	-
C.	PPIDF funded by ADB (Loan No. 3554-BAN)	Annex-C		
	Loan to large infrastructure projects (LIP)		1,875,000,000	8,156,762,965
	Sub Total		1,875,000,000	8,156,762,965
	PPIDF funded by ADB (Loan No. 3555-BAN)	Annex-C		
	Refinancing to POs under Renewable Energy Project (REP)		111,136,099	687,500,000
	Sub Total		111,136,099	687,500,000
D.	Energy Efficiency funded by JICA (Loan# BD-P90)	Annex-D		
	Refinancing to Participating Organizations (POs)			
	Loan to energy efficiency projects		244,158,067	696,100,000
	Sub Total		244,158,067	696,100,000
E.	REP Project funded by KfW	Annex-E		
	Loan to C&I grid-connected PV plants and off-grid RE projects		218,002,831	-
	Sub Total		218,002,831	-
F.	SUNREF Project funded by AFD	Annex-F		
	Loan for energy efficiency, renewable energy and environmental performance projects		1,179,800,000	-
	Sub Total		1,179,800,000	-
	Grand Total		4,045,244,268	9,885,941,871

7.12 As per DFIM Circular no-08 dated 17 August 2021 and FRC letter (Ref. no-178/FRC/APR/2021/28(17)) dated 21 December 2021, IDCOL is required to obtain and preserve audited financial statements for loans and advances sanctioned/renewed to public interest entity. IDCOL obtained and preserved audited financial statements in its loan files for 100% loans and advances sanctioned/renewed to public interest entity from 17 August 2021 to 31 December 2021.

8 Assets including land, building, furniture and fixtures

Fixed assets including land, building, furniture and fixtures	Annex-H	97,608,758	101,526,178
Right-Of-Use Asset	Annex-H	15,287,781	14,126,434
		112,896,539	**115,652,613**

			2021	2020
			Taka	Taka
8.1	**Fixed assets including land, building, furniture and fixtures**			
	Cost			
	Opening balance at January 01		236,108,511	227,930,950
	Add: Purchased during the year		11,937,936	8,177,561
	Less: Disposal during the year		-	-
	Closing balance at December 31		248,046,447	236,108,511
	Depreciation			
	Opening balance at January 01		134,582,333	114,406,390
	Add: Charged during the year		15,855,357	20,175,943
	Less: Adjustment during the year		-	-
	Closing balance at December 31		150,437,690	134,582,333
	Written Down Value at December 31		97,608,758	101,526,178
	Details of fixed assets are given in Annexure -H			
8.2	**Right-Of-Use Asset**			
	Recognition			
	Opening balance at January 01		28,956,361	28,956,361
	Add: Recognized during the year		10,980,797	-
	Less: Disposal during the year		-	-
	Closing balance at December 31		39,937,158	28,956,361
	Depreciation			
	Opening balance at January 01		14,829,927	6,535,584
	Add: Charged during the year		9,819,450	8,294,343
	Less: Adjustment during the year		-	-
	Closing balance at December 31		24,649,377	14,829,927
	Written Down Value at December 31		15,287,781	14,126,434
9	**Other Assets**			
	Advances, deposits and prepayments	9.1	75,594,125	37,949,858
	Advance income tax	9.2	887,132,875	822,957,642
	Advance VAT	9.3	9,120,339	9,120,339
	Accounts receivables	9.4	199,723,097	654,350,866
	Interest Receivables on Investments		3,240,745	13,238,889
	Deferred Tax Asset	9.5	2,924,330	8,484,386
			1,177,735,512	**1,546,101,980**
	All the assets recorded in "other assets" category are non income generating assets.			
9.1	Advances, deposits and prepayments			
	Advance for SHS project		2,777,740	6,510,247
	Advance NDBMP project expense		3,400,017	3,545,059
	Advance under KfW REP		38,056,728	-
	Advance for other RE projects		208,385	303,881
	Advance for training		-	2,006,549
	Advance for travelling		4,443,950	3,370,380
	Advance subsidy- NDBMP		1,843,754	1,843,753
	Advance for Building		10,852,811	10,486,146
	Advance for Land		6,419,222	-
	Book for project finance course		-	685,365
	Corporate advisory advance		1,530,000	645,800
	Directors remuneration		210,000	75,000
	Rental advance		4,785,898	6,033,198

			2021	2020
			Taka	Taka
	Salary advance		62,497	166,673
	Advance against training /travelling expenses		215,678	765,098
	Advance for ICS Program		137,446	697,710
	Others		650,000	814,999
			75,594,125	37,949,858
9.2	Advance income tax			
	Opening balance at January 01		822,957,642	1,172,890,287
	Add: Advance tax (Including TDS) paid during the year		959,155,143	631,537,258
	Less: Adjustment with Provision for Tax		(894,979,910)	(981,469,903)
	Closing balance at December 31		887,132,875	822,957,642
9.3	Balance at January 01		9,120,339	9,120,339
	Add: Advance VAT paid during the year		-	-
	Less: Adjustment with Provision for VAT		-	-
	Balance at December 31		9,120,339	9,120,339
9.4	Accounts receivables			
	Administration fees under renewable energy projects		465,545	465,545
	Fees and other receivable from infra. Project		-	7,496
	Receivables from KFW-REP -Biogas subsidy		17,695,500	10,040,000
	Fees and other receivable from advisory services		14,394	78,244
	Interest receivable on fixed deposit (FDR)		129,475,841	85,363,601
	Other receivables		12,229,366	11,308,357
	Receivable under RE projects	9.4.1	39,842,451	547,061,401
	IDCOL SPF		-	11,223
	Training fees receivable		-	15,000
			199,723,097	654,350,866
9.4.1	Receivable under RE projects			
	Receivables under IDA 5158 HE		-	3,907,129
	Receivables under KfW PUREP		-	110,901,237
	Receivables under GPOBA II Subsidy		-	2,088,137
	Receivables under IDA 5514 AF		26,558,826	13,577,946
	Receivables under USAID TF 15034		-	55,512,234
	Receivables under IDA 6202 TA for HE		7,059,368	47,040,779
	Receivables under IDA 6202 TA for AE		6,224,257	37,415,606
	Receivables under KFW REP		-	275,040,961
	Receivables under SREP		-	1,577,372
			39,842,451	547,061,401
9.5	Deferred tax	Annex-G		
	Opening balance at January 01		8,484,386	9,242,457
	Provision/(reversal) during the year		(5,560,056)	(758,071)
	Settlement during the year		-	-
	Closing balance at December 31		2,924,330	8,484,386

10 Borrowings from other banks, financial institutions and agents

Abbreviations

ADB	: Asian Development Bank
AFD	: French Development Agency
BB	: Bangladesh Bank
BKEI	: Brick Kiln Efficiency Improvement
IDA	: International Development Association (The World Bank)
IDB	: Islamic Development Bank

			2021	2020
			Taka	Taka
	IPFF II	: Investment Promotion and Financing Facility II		
	KfW	: German Development Bank		
	NDBMP	: National Domestic Biogas and Manure Programme		
	PPIDF	: Public-Private Infrastructure Development Facility		
	PSIDP	: Private Sector Infrastructure Development Project		
	REP	: Renewable Energy Program		
	REREDP	: Rural Electrification and Renewable Energy Development Project		
	SCF	: Strategic Climate Fund		
	SREP	: Scaling Up Renewable Energy Project		
	Inside Bangladesh			
	Unsecured long-term loans from the Government of Bangladesh			
	IDA financing under PSIDP- (Credit# 2995)	10.1	8,053,323,587	8,172,723,587
	IDA financing under REREDP	10.2	22,928,913,032	24,552,726,758
	ADB financing under PPIDF (Loan # 2453, 2454, 3045, 3046, 3554 & 3555)	10.3	38,039,817,986	37,118,423,646
	IDB financing under REP (Credit # 151)	10.4	631,356,324	715,368,974
	KfW financing under NDBMP (Credit # 2006.65.612)	10.5	259,879,471	259,879,471
	JICA financing	10.6	9,623,503,094	10,133,337,071
	BB Financing under BKEI project	10.7	394,263,755	422,105,272
	AFD Financing under CBD 1026-1-W	10.8	1,179,800,000	519,273,000
	BB Financing under IPFF-II Project	10.9	493,113,888	480,374,794
	WB financing under SCF		22,513,552	-
	IDA financing under SREP		71,292,913	-
	KfW financing under REP		214,094,389	-
			81,911,871,991	82,374,212,572
	Outside Bangladesh		-	-
			81,911,871,991	82,374,212,572
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		(119,400,000)	-
	Closing balance at December 31		8,053,323,587	8,172,723,587
10.2	IDA financing under REREDP			
	IDA credit # 4643	10.2a	3,066,667,397	3,449,282,701
	IDA credit # 3679	10.2b	2,641,132,700	2,641,132,700
	IDA credit # 5013	10.2c	6,180,326,293	6,798,358,921
	IDA credit # 5158	10.2d	6,765,074,048	7,200,643,764
	IDA credit # 5514	10.2e	4,083,367,461	4,315,573,286
	IDA credit # 6202	10.2f	192,345,133	147,735,386
			22,928,913,032	24,552,726,758
10.2a	IDA credit # 4643			
	Opening balance at January 01		3,449,282,701	3,831,898,005
	Add: Drawdown made during the year		-	-
			3,449,282,701	3,831,898,005
	Less: Repayment made during the year		(382,615,304)	(382,615,304)
	Closing balance at December 31		3,066,667,397	3,449,282,701

			2021	2020
			Taka	Taka
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		6,798,358,921	7,416,391,549
	Add: Drawdown made during the year		-	-
			6,798,358,921	7,416,391,549
	Less: Repayment made during the year		(618,032,628)	(618,032,628)
	Closing balance at December 31		6,180,326,293	6,798,358,921
10.2d	IDA credit # 5158			
	Opening balance at January 01		7,200,643,764	7,603,719,652
	Add: Drawdown made during the year		178,946,696	197,843,520
			7,379,590,460	7,801,563,172
	Less: Repayment made during the year		(614,516,412)	(600,919,408)
	Closing balance at December 31		6,765,074,048	7,200,643,764
10.2e	GoB Loan REREDP-II (AF) - IDA 5514			
	Opening balance at January 01		4,315,573,286	4,648,393,952
	Add: Drawdown made during the year		99,784,363	-
			4,415,357,649	4,648,393,952
	Less: Repayment made during the year (adjustment)		(331,990,188)	(332,820,666)
	Closing balance at December 31		4,083,367,461	4,315,573,286
10.2f	GoB Loan REREDP-II (AF II) - IDA 6202			
	Opening balance at January 01		147,735,386	-
	Add: Drawdown made during the year		44,609,747	147,735,386
			192,345,133	147,735,386
	Less: Repayment made during the year (adjustment)		-	-
	Closing balance at December 31		192,345,133	147,735,386
10.3	ADB financing under PPIDF			
	ADB credit # 2453 -REP	10.3a	4,112,598,292	4,503,045,725
	ADB credit # 2453 -SMIP	10.3b	247,647,227	271,158,695
	ADB credit # 2454 -LIP	10.3c	4,638,965,760	5,009,763,520
	ADB credit # 3045 -OCR	10.3d	7,202,050,000	7,625,700,000
	ADB credit # 3046 -SF	10.3e	609,420,607	645,255,705
	ADB credit # 3554 -OCR	10.3f	20,355,500,000	18,301,000,000
	ADB credit # 3555 -COL	10.3g	873,636,099	762,500,000
			38,039,817,986	37,118,423,646
10.3a	ADB credit # 2453 -REP			
	Opening balance at January 01		4,503,045,725	4,856,799,125
	Add: Drawdown made during the year		-	-
			4,503,045,725	4,856,799,125
	Less: Repayment made during the year		(390,447,433)	(353,753,400)
	Closing balance at December 31		4,112,598,292	4,503,045,725
10.3b	ADB credit # 2453 -SMIP			
	Opening balance at January 01		271,158,695	292,460,569
	Add: Drawdown made during the year		-	-
			271,158,695	292,460,569
	Less: Repayment made during the year		(23,511,468)	(21,301,874)
	Closing balance at December 31		247,647,227	271,158,695

			2021	2020
			Taka	Taka
10.3c	ADB credit # 2454 -LIP			
	Opening balance at January 01		5,009,763,520	5,401,354,980
	Add: Drawdown made during the year		-	-
			5,009,763,520	5,401,354,980
	Less: Repayment made during the year		(424,864,960)	(391,591,460)
	Add: Fair value adjustment (exchange loss)		54,067,200	
	Closing balance at December 31		4,638,965,760	5,009,763,520
10.3d	ADB credit # 3045 -OCR			
	Opening balance at January 01		7,625,700,000	8,056,000,000
	Add: Drawdown made during the year		-	-
			7,625,700,000	8,056,000,000
	Less: Repayment made during the year		(423,650,000)	(430,300,000)
	Add: Fair value adjustment		-	-
	Closing balance at December 31		7,202,050,000	7,625,700,000
10.3e	ADB credit # 3046 -SF			
	Opening balance at January 01		645,255,705	681,090,803
	Add: Drawdown made during the year		-	-
			645,255,705	681,090,803
	Less: Repayment made during the year		(35,835,098)	(35,835,098)
	Closing balance at December 31		609,420,607	645,255,705
10.3f	ADB credit # 3554 OCR			
	Opening balance at January 01		18,301,000,000	10,155,551,730
	Add: Drawdown made during the year		1,875,000,000	8,156,762,965
			20,176,000,000	18,312,314,696
	Less: Repayment made during the year		-	(11,314,696)
	Add: Fair value adjustment (exchange loss)		179,500,000	-
	Closing balance at December 31		20,355,500,000	18,301,000,000
10.3g	ADB credit # 3555 COL			
	Opening balance at January 01		762,500,000	75,000,000
	Add: Drawdown made during the year		111,136,099	687,500,000
			873,636,099	762,500,000
	Less: Repayment made during the year		-	-
	Closing balance at December 31		873,636,099	762,500,000
10.4	IDB financing under REP (Credit # 151)			
	Opening balance at January 01		715,368,974	799,381,624
	Add: Drawdown made during the year		-	-
			715,368,974	799,381,624
	Less: Repayment made during the year		(84,012,650)	(84,012,650)
	Less: Fair value adjustment		-	-
	Closing balance at December 31		631,356,324	715,368,974
10.5	KfW financing under NDBMP (Credit # 2006.65.612)			
	Opening balance at January 01		259,879,471	259,879,471
	Add: Drawdown made during the year		-	-
			259,879,471	259,879,471
	Less: Repayment made during the year		-	-
	Closing balance at December 31		259,879,471	259,879,471
10.6	JICA financing under REDP (Credit # P 75 & P 90)			
	JICA credit # P 75	10.6a	5,895,073,654	6,404,907,631
	JICA credit # P 90	10.6b	3,728,429,439	3,728,429,439
			9,623,503,094	10,133,337,071

			2021	2020
			Taka	Taka
10.6a	JICA financing under REDP (Credit # P 75)			
	Opening balance at January 01		6,404,907,631	6,914,741,609
	Add: Drawdown made during the year		-	-
			6,404,907,631	6,914,741,609
	Less: Repayment made during the year		(509,833,977)	(509,833,978)
	Add: Fair value adjustment		-	-
	Closing balance at December 31		5,895,073,654	6,404,907,631
10.6b	JICA financing under REDP (Credit # P 90)			
	Opening balance at January 01		3,728,429,439	3,718,249,038
	Add: Drawdown made during the year		-	10,180,929
			3,728,429,439	3,728,429,967
	Less: Repayment made during the year		-	(528)
	Add: Fair value adjustment		-	-
	Closing balance at December 31		3,728,429,439	3,728,429,439
10.7	BB Financing under BKEI project			
	Opening balance at January 01		422,105,272	422,105,272
	Add: Drawdown made during the year		-	-
			422,105,272	422,105,272
	Less: Repayment made during the year		(27,841,517)	-
	Less: Fair value adjustment		-	-
	Closing balance at December 31		394,263,755	422,105,272
10.8	AFD Financing under CBD 1026-1-W			
	Opening balance at January 01		519,273,000	-
	Add: Drawdown made during the year		679,819,000	519,273,000
			1,199,092,000	519,273,000
	Less: Repayment made during the year		(19,292,000)	-
	Closing balance at December 31		1,179,800,000	519,273,000
10.9	BB Financing under IPFF-II Project			
	Opening balance at January 01		480,374,794	-
	Add: Drawdown made during the year		12,808,091	480,374,794
			493,182,885	480,374,794
	Less: Repayment made during the year		(68,997)	-
	Closing balance at December 31		493,113,888	480,374,794
10.10	Maturity-wise grouping			
	On demand		-	-
	Upto one month		-	-
	More than one month but less than three months*		1,270,813,782	1,220,946,247
	More than three months but less than six months*		2,022,791,583	1,960,602,762
	More than six months but less than one year*		5,846,619,678	3,995,649,512
	More than one year but less than five years*		31,445,515,559	29,698,370,468
	More than five years but less than ten years*		30,434,029,732	33,925,985,460
	More than ten years		10,892,101,657	11,572,658,123
			81,911,871,990	82,374,212,572

** Less than three months, less than six months, less than one year, less than five years and less than ten years imply up to three months, up to six months, up to one year, up to five years and up to ten years respectively.*

11	**Other Liabilities**			
	Payable and accrued expenses	11.1	761,822,925	985,164,437
	Provision for income tax	32	1,434,584,285	844,966,332
	Employees' gratuity fund	11.2	-	-

			2021	2020
			Taka	Taka
	Interest suspense account	11.3	356,005,143	476,116,876
	Provision for loans and advances	31.2	4,596,040,890	3,611,554,585
	Provision for short term investment	31.4	900,000,000	600,000,000
	Grant fund received from development partners	11.4	39,991,285	37,034,893
	Lease Liability	11.5	12,454,630	10,221,685
	Unearned Revenue		4,865,486	3,180,679
	Provisions other than loans		16,588,915	29,923,354
			8,122,353,558	6,598,162,842
11.1	Payable and accrued expenses			
	Interest payable to GoB	11.1a	359,717,772	298,158,582
	REREDP PO's deposit (Loan # 3679)		183,488,065	181,286,240
	Initial deposit under REREDP (Loan # IDA - 5158)		73,495,400	182,133,710
	Security deposit from POs under NDBMP project		6,686,863	9,055,562
	Other payables		53,630,073	61,435,268
	SHS maintenance expenses -Disaster		560,020	560,020
	Initial deposit under REREDP (Loan # IDA 5514)		19,331,526	177,343,739
	Initial deposit under REREDP (Loan # IDA 6202)		16,503,966	45,416,913
	Penalty for ICS		2,472,000	2,472,000
	Payable under corporate advisory service		-	25,048
	Payable to IDCOL Staffs		12,795	148,207
	Accrued expenses		1,264,350	1,349,998
	Retention HE IDA 6202 ICS		42,512,050	25,532,149
	VAT and Tax Payable		72,045	-
	Retention from POs under KFW REP program		2,076,000	247,000
			761,822,925	985,164,437
11.1a	Interest payable to GoB			
	Interest payable to GoB-PPIDF (Credit # 2453 & 2454)	11.1a.1	19,689,806	23,222,289
	Interest payable to GoB - REREDP	11.1a.2	10,887,166	8,433,752
	Interest payable to GoB - IDB (Credit # 151)		11,319	12,825
	Interest payable to GoB - JICA (Credit # P 75 & P 90)		119,690,971	83,165,133
	Interest payable to GoB - OCR & SF (Credit # 3045 & 3046)		50,299,152	55,070,123
	Interest payable to GoB - OCR & SF (Credit # 3554 & 3555)		147,357,958	102,663,215
	Interest payable to GoB - BB BKEI Project		9,311,112	24,906,570
	Interest payable to GoB - AFD CBD 1026		1,671,383	684,675
	Interest payable to GoB- KfW REP		784,738	-
	Interest payable to GoB- IPFF II		14,165	-
			359,717,772	298,158,582
11.1a.1	Interest payable to GoB - PPIDF			
	Payable against Credit # 2453 -IEEF		3,714,707	4,067,381
	Payable against Credit # 2454 -LIP		15,975,100	19,154,908
			19,689,806	23,222,289
11.1a.2	Interest payable to GoB - REREDP			
	Payable against Credit # 4643		138,766	156,078
	Payable against Credit #5013		150,199	165,219
	Payable against Credit # 5158		8,537,220	6,141,374
	Payable against Credit # 5514		181,339	232,713
	Payable against Credit # 6202		1,879,641	1,738,368
			10,887,166	8,433,752

		2021	2020
		Taka	Taka
11.2	Employees' gratuity fund		
	Opening balance at January 01	-	-
	Add: Provision made during the year	11,558,301	52,160,168
		11,558,301	52,160,168
	Less:		
	Settlement made during the year	11,558,301	52,160,168
	Transfer to BoT	-	-
		11,558,301	52,160,168
	Closing balance at December 31	-	-
11.3	Interest suspense account		
	Opening balance at January 01	476,116,876	283,363,693
	Add: Amount transferred to "Interest Suspense" A/c during the year	906,286,711	508,435,871
		1,382,403,587	791,799,564
	Less: Transferred to Income during the year	(1,026,398,444)	(190,648,744)
	Amount written off during the year	-	(125,033,944)
		356,005,143	476,116,876
11.3.1	Interest suspense account		
	Interest on loans and advances	306,820,271	413,916,170
	Interest on short-term investment*	49,184,872	62,200,706
		356,005,143	476,116,876

**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 matuirty 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 NBFIs has been transferred to interest supsense account as per IAS 37.*

11.4	Grant Fund received from development partners		
	Opening balance at January 01 (Written Down Value)	37,034,893	45,166,411
	Add: Assets received during the year	11,135,706	3,272,238
		48,170,599	48,438,649
	Less: Amortization/disposal made during the year	(8,179,314)	(11,403,755)
	Closing balance at December 31 (Written Down Value)	39,991,285	37,034,893
	Development partner Wise disclosures of cumulative grant assets		
	Grant assets received from:		
	The World Bank	112,203,200	101,067,494
	SNV - Netherlands Development Organization	3,644,259	3,644,259
	KFW-NDBMP	1,043,007	1,043,007
	Total value at cost (a)	116,890,467	105,754,761
	Accumulated amortization:		
	The World Bank	72,303,983	64,168,814
	SNV - Netherlands Development Organization	3,605,359	3,585,603
	KFW-NDBMP	989,838	965,451
	Total amortization (b)	76,899,180	68,719,868
	Written down value (a - b)	39,991,287	37,034,893
11.5	Lease Liability		
	Opening Balance as at Jan 01	10,221,685	15,830,705
	Add: Addition during the year	9,414,491	-
	Less: Adjustment during the year	(7,181,546)	(5,609,020)
	Closing Balance as at Dec 31	12,454,630	10,221,685

		2021	2020
		Taka	Taka
12	**Paid-up Capital**		
	Authorized capital:		
	100,000,000 Ordinary shares @ BDT 100 each	10,000,000,000	10,000,000,000
	Issued, subscribed and paid-up capital		
	73,800,000 shares @ BDT 100 each	7,380,000,000	7,150,000,000

Detail of shareholding position of the company

Name of shareholders	No. of shares as at December 31, 2021	No. of shares as at December 31, 2020	Paid up capital as at December 31, 2021	Paid up capital as at December 31, 2020
Economic Relations Division (ERD), Ministry of Finance, Government of the People's Republic of Bangladesh	73,799,000	71,499,000	7,379,900,000	7,149,900,000
Ms. Fatima Yasmin	450	450	45,000	45,000
Dr. Ahmad Kaikaus	50	50	5,000	5,000
Mr. Abu Hena Md. Rahmatul Muneem	50	50	5,000	5,000
Mr. Abdur Rouf Talukder	50	50	5,000	5,000
Mr. M. Tofazzel Hossain Miah	50	50	5,000	5,000
Dr. Md. Jafar Uddin	-	50	-	5,000
Mr. Tapon Kanti Ghosh	50	-	5,000	-
Mr. Md. Habibur Rahman	50	50	5,000	5,000
Mr. Md. Sahabuddin Patwary	-	50	-	5,000
Mr. Abdul Baki	100	-	10,000	-
Ms. Nihad Kabir	50	50	5,000	5,000
Mr. Abdul Haque	50	50	5,000	5,000
Mr. A. K. M. Nurul Fazal Bulbul	50	50	5,000	5,000
Mr. Mahmood Malik	-	50	-	5,000
Total	**73,800,000**	**71,500,000**	**7,380,000,000**	**7,150,000,000**

12.1 Statutory Reserve

As per Bangladesh Bank notice FID(G) 1051/circular 2/10, dated 22 October 1997, IDCOL is exempted from complying with section 9 (Statutory Reserve) of the Financial Institutions Act, 1993. As such, maintenance of a Statutory Reserve is not required for IDCOL.

13	**Retained earnings**			
	Opening Balance as at Jan 01		2,078,874,575	1,852,757,946
	Add: Prior year adjustments	13.1	(849,007)	(8,691,018)
	Add: Net profit for the year		1,096,733,989	1,534,807,647
	Less: Payment of dividend			
	Bonus shares		(230,000,000)	(650,000,000)
	Cash dividend		(230,000,000)	(650,000,000)
	Less: Statutory Reserve		-	-
			2,714,759,557	**2,078,874,575**
13.1	**Prior year adjustments**			
	Interest Receivable from First Finance Ltd.	13.1.1	-	8,666,667
	Interest Receivable from Prime Finance Ltd.	13.1.1	-	249,167
	Reversal of Interest from Govt. Loan	13.1.2	-	69,100
	Recovery of interest previously recognized as interest suspense	13.1.3	-	(286,000)
	Reversal of salary & allowance	13.1.4	-	(7,916)
	Waive of LPC income from SKS LPG	13.1.5	849,007	-
			849,007	**8,691,018**

13.1.1 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.

		2021	2020
		Taka	Taka

13.1.2 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 from govt. loan amount has also been adjusted accordingly.

13.1.3 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.

13.1.4 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.

13.1.5 In 2020, an amount of BDT 849,007 was shown as LPC income received from SKS LPG. However, during FY 2021, the Board waived the LPC income resulting in adjustment of the said LPC income from retained earnings.

14 Income Statement

Income			
Interest and similar income	15	4,879,535,336	4,201,577,931
Investment income	17	62,001,850	70,350,000
Fees and commission	18	152,537,520	162,126,582
Other Operating income	19	196,588,337	48,127,144
		5,290,663,042	**4,482,181,657**
Expenses			
Interest on deposits and borrowings	16	913,523,851	777,474,472
Administrative expenses	20-27	236,441,035	289,666,412
Other Operating expenses	29	138,336,166	204,875,937
Depreciation on Assets	28	25,674,807	28,470,286
		1,313,975,859	**1,300,487,107**
		3,976,687,183	**3,181,694,550**

15 Interest Income

Interest on loans and advances	15.1	4,302,483,970	3,866,294,348
Interest on balance with other banks & financial institutes	15.2	577,051,366	335,283,583
		4,879,535,336	**4,201,577,931**

15.1 Interest Income on loans and advances

Interest on Infrastructure loan	15.1.1	4,099,564,942	3,668,402,132
Interest on Renewable Energy Project loan	15.1.2	200,449,462	195,428,327
Interest on employee car loan & home loan		2,469,566	2,463,889
		4,302,483,970	3,866,294,348

15.1.1 Interest Income on Infrastructure loan

Interest income-Infra-LIP	2,415,721,220	2,203,141,576
Interest income-Infra-SMIP (IEEF)	1,208,870,415	1,234,397,541
Interest income-Infra-PPP	474,973,307	230,863,015
	4,099,564,942	3,668,402,132

15.1.2 Interest Income on Renewable Energy Project loan

Interest on SHS project	-	7,961,210
Interest on Biogas project	5,163,833	7,427,790
Interest on Biogas advance facility	1,164,635	1,163,244
Interest on ICS project	-	22,624
Interest on Other renewable energy project	194,120,994	178,853,459
	200,449,462	195,428,327

15.2 Interest on balance with other bank & FIs

Interest on short term bank deposit		40,652,211	19,709,663
Interest on fixed deposit	15.2.1	536,150,613	302,667,239
Interest on call money lending		248,542	12,906,681
		577,051,366	335,283,583

			2021	2020
			Taka	Taka

15.2.1 Due to the downward trend of the business and liquidity crisis of some NBFIs over the years, there is significant uncertainty about the inflow of economic benefits from interest on FDR. Hence, interest income from some FDR with NBFIs were left aside in computation of interest income on fixed deposit in such cases where it is probable that such income may not flow to the company.

16 Interest on deposits, borrowings etc.

Borrowing cost under REREDP	16.1	43,574,022	40,316,940
Borrowing cost under PPIDF	16.2	739,869,310	629,367,687
Borrowing cost under JICA	16.3	70,229,321	73,022,302
Borrowing cost under IPFF II		15,345,399	12,678,793
Borrowing cost under IDB		265,641	298,810
Borrowing cost under BB		20,637,667	21,105,264
Borrowing cost under AFD		17,682,391	684,675
Borrowing cost under KfW		5,920,100	-
		913,523,851	777,474,472
16.1 Borrowing cost under REREDP			
Interest against Credit # 4643		1,161,019	1,299,339
Interest against Credit #5013		1,238,846	1,359,486
Interest against Credit # 5158		29,373,546	28,017,375
Interest against Credit # 5514		4,673,790	5,271,082
Interest against Credit # 6202		6,144,513	4,369,658
Interest against Credit # 6363		746,554	-
Interest against Credit # TF0A7640		235,754	-
		43,574,022	40,316,940
16.2 Borrowing cost under PPIDF			
Borrowing cost under PPIDF (Credit # 2453 & 2454)	16.2.1	71,357,743	116,101,994
Borrowing cost under PPIDF II (Credit # 3045 & 3046)	16.2.2	176,630,693	227,643,735
Borrowing cost under PPIDF III (Credit # 3554 & 3555)	16.2.3	491,880,874	285,621,958
		739,869,310	629,367,687
16.2.1 Borrowing cost under PPIDF (Credit # 2453 & 2454)			
Interest against Credit # 2453 -SMIP (IEEF)		13,100,640	14,281,645
Interest against Credit # 2453 -REP		-	-
Interest against Credit # 2454 -LIP		58,257,103	101,820,349
		71,357,743	116,101,994
16.2.2 Borrowing cost under PPIDF II (Credit # 3045 & 3046)			
Interest against Credit # 3045 - OCR (BDT & USD)		175,339,422	226,275,018
Interest against Credit # 3046 -SF		1,291,271	1,368,717
		176,630,693	227,643,735
16.2.3 Borrowing cost under PPIDF III (Credit # 3554 & 3555)			
Interest against Credit # 3554 - OCR		343,194,451	99,888,892
Interest against Credit # 3554 - OCR USD		123,910,025	181,438,691
Interest against Credit # 3555 - SF		24,776,398	4,294,375
		491,880,874	285,621,958
16.3 Borrowing cost under JICA (Credit # P 75 & P 90)			
Interest against Credit # P 75		32,945,021	35,738,005
Interest against Credit # P 90		37,284,300	37,284,297
		70,229,321	73,022,302

17 Investment income

Investment income-Pref. Share Inv	62,001,850	70,350,000
	62,001,850	**70,350,000**

			2021	2020
			Taka	Taka
18	**Commission, fees, exchange and brokerage**			
	Fees income from renewable energy project	18.1	1,983,460	395,011
	Fees income from infra project	18.2	140,330,731	161,571,571
	Income from advisory services		10,223,329	160,000
			152,537,520	**162,126,582**
18.1	Fees income from renewable energy project			
	Fees for GCF Project		1,863,460	-
	Enlistment of RE equipment		120,000	395,011
			1,983,460	395,011
18.2	Fees income from infra project			
	Participation & arrangement fees		20,131,085	24,590,320
	Loan application, processing & documentation fees		1,964,361	1,667,000
	Due diligence fees		2,007,250	9,708,800
	Commission income		314,518	2,136,828
	Commitment charges		2,100,242	14,538,881
	Waiver, cancellation & prepayment fees		49,564,651	13,831,305
	Upfront fees		34,000,000	71,586,118
	Agency & monitoring Fees		30,248,625	23,512,319
			140,330,731	161,571,571
19	**Other operating income**			
	Exchange gain		176,741,817	474,879
	Deferred Income (Grant Income)		8,179,319	11,403,755
	Others		11,667,201	36,248,510
			196,588,337	**48,127,144**
20	**Salary and allowances**			
	Salary and allowances		188,002,073	182,315,194
	Gratuity		11,502,136	52,160,168
			199,504,209	**234,475,362**
21	**Rent, taxes, insurance and electricity, etc.**			
	Rent		2,664,142	2,435,021
	Insurance premium		5,974,650	4,337,869
	Electricity & Utilities		801,686	699,714
	Holding & Land tax		238,367	238,367
			9,678,845	**7,710,971**
22	**Professional & Legal expenses**			
	Legal Expenses		1,634,014	558,985
	Professional fees	22.1	4,017,577	15,333,046
			5,651,591	**15,892,031**
22.1	Professional fees			
	Consultancy under JICA Projects		4,017,577	15,259,829
	Other Professional fees		-	73,217
			4,017,577	15,333,046
23	**Postage, stamp, telecommunication, etc.**			
	Postage and courier		171,037	129,788
	Telephone, Fax and E-mail		3,527,733	2,859,490
			3,698,770	**2,989,278**
24	**Stationery, printing, advertisements, etc.**			
	Printing and stationeries		2,161,539	2,871,344
	Marketing, promotion & Business dev. Exp.		1,995,719	5,323,919
	Advertisement		1,334,913	2,042,602
			5,492,170	**10,237,865**

			2021	2020
			Taka	Taka
25	**Chief Executive's salary and benefits**			
	Salary		4,565,100	6,519,000
	Allowances		3,593,123	5,461,275
	Bonus		123,600	2,060,000
	Company's contribution to provident fund		393,260	651,900
			8,675,083	**14,692,175**
26	**Directors' fees**			
	Honorarium for attending board meetings		2,983,370	2,916,711
	Incidental expenses for attending meeting		303,334	298,357
			3,286,704	**3,215,068**
27	**Auditors' fees**		453,663	453,663
			453,663	**453,663**
28	**Depreciation and repair of Company's assets**			
	Depreciation of Company's assets	28.1	15,855,357	20,175,943
	Depreciation on Right-of-use asset	28.2	9,819,450	8,294,343
			25,674,807	**28,470,286**
28.1	Depreciation of Company's assets			
	Office space		-	-
	Furniture & fixture		4,123,332	4,812,858
	Interior decoration		3,561,986	3,649,968
	Computer & computer equipment		1,816,424	4,829,240
	Other office equipment		3,996,479	2,924,951
	Software		-	525,481
	Vehicle		2,357,136	3,433,445
			15,855,357	**20,175,943**
28.2	Depreciation on Right-of-use asset			
	Rented Office Space		9,819,450	8,294,343
			9,819,450	**8,294,343**
29	Other operating expenses			
	AGM and Other Meeting expenses		1,038,268	1,090,066
	Bank and other charge		4,488,948	4,433,429
	Books and periodicals		1,087,659	156,462
	Car Maintenance -reimbursement		11,702,000	9,994,501
	Conveyance and travelling expense		1,197,163	3,725,565
	Corporate advisory service expense		113,142	-
	Credit rating expenses		268,750	268,750
	CSR activities expenses		4,650,000	3,497,157
	Entertainment		2,162,412	1,968,991
	Fees to regulatory authorities		593,343	31,579
	IT & Automation expense		409,372	606,111
	Leave Fare Assistance		9,462,061	8,479,347
	Lease Interest Expense		168,106	213,604
	Litigation Cost & Court fees		183,602	1,197,633
	Maintenance and utility of UTC building		2,109,568	2,014,852
	Monitoring Expenses		1,248,184	1,351,853
	Office supplies and maintenance		2,339,535	2,625,855
	Operations and logistics		1,527,625	1,248,840
	Operating loss on recovery of IDCOL SPF forfeiture account		-	98,921
	Other office expenses		263,088	420,588

			2021	2020
			Taka	Taka
	Pmt to Intern & Adhoc Employees		30,000	40,000
	Provision other than loans	29.1	10,651,888	5,251,661
	Recruitment cost		656,608	1,862,105
	Repair and maintenance		4,132,679	4,155,949
	Retreat and review meeting expenses		5,027,368	10,352,370
	Seminar, workshop & roadshows		557,004	-
	Stamps and duties		18,715	24,299
	SPF, Gratuity Fund and other audit fee		417,600	184,000
	Training and exposure visit		186,234	350,150
	Tuition fee reimbursement		-	34,000
	Vehicle fuel & Maintenance expense		4,003,269	3,125,249
	Expenses under TR/KABITA	29.2	67,641,976	136,072,050
			138,336,166	**204,875,937**
29.1	Provision other than loans			
	Provision for expenses		-	-
	Provision for other asset		10,411,597	5,251,661
	Provision for off balance sheet items*		240,291	-
			10,651,888	**5,251,661**

**As per Bangladesh Bank DFIM circular no-4 dated 26 July 2021, 1% on off balance sheet item has been kept as provision during FY 2021*

29.2	Operating Expenses under TR/KABITA			
	Salary & Allowances		44,872,646	86,076,517
	Physical verification expenses		19,271,121	18,992,496
	Advertisement and promotion		-	2,919,740
	Monitoring expenses		98,900	5,854,382
	Technical audit		-	3,200,000
	Meeting & Entertainment expenses		755,032	978,899
	Travelling & conveyance		213,921	7,878,340
	Operation & logistics		2,430,356	10,171,676
			67,641,976	136,072,050
30	**Charges on loan losses**		-	-
			-	-
31	**Provision for loans and advances and short term investment**			
	Provision for loans and advances	31.2	4,596,040,890	3,611,554,585
	Provision for short-term investment	31.4	900,000,000	600,000,000
			5,496,040,890	**4,211,554,585**
	Opening balance at January 01		4,211,554,585	4,493,783,130
	Provision made for the year		1,382,699,029	1,086,046,191
	Provision released during the year		(58,049)	(314,485,872)
	Provision charged during the year	31.1	1,382,640,980	771,560,319
	Less. Written off/waived		(98,154,676)	(1,053,788,864)
	Closing Balance at December 31		**5,496,040,890**	**4,211,554,585**
31.1	Break-up of provision made during the year			
	General provision		122,216,743	124,363,048
	Special provision (as per DFIM circular no.33)		130,195,005	-
	Specific provision		830,229,233	(312,802,729)
	Voluntary provision on loans and advances		-	650,000,000
	Voluntary provision on short term investment		300,000,000	310,000,000
			1,382,640,981	**771,560,319**

			2021	2020
			Taka	Taka
31.2	Provision for loans and advances			
	Opening balance at January 01		3,611,554,585	4,203,783,130
	Provision made for the year		1,082,699,029	776,046,191
	Provision released during the year		(58,049)	(314,485,872)
	Provision charged during the year		1,082,640,980	461,560,319
	Less. Written off/waived		(98,154,676)	(1,053,788,864)
	Closing Balance at December 31	31.3	**4,596,040,890**	**3,611,554,585**
31.3	Break-up of provision for loans and advances			
	General provision		940,022,570	817,805,827
	Special provision (as per DFIM circular no.33)		130,195,005	-
	Specific provision		1,291,368,503	559,293,945
	Voluntary provision*		2,234,454,813	2,234,454,813
			4,596,040,890	**3,611,554,585**

** 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 for short term investment			
	Opening balance at January 01		600,000,000	290,000,000
	Provision made for the year		300,000,000	310,000,000
	Provision released during the year		-	-
	Provision charged during the year		300,000,000	310,000,000
	Less. Written off/waived		-	-
	Closing Balance at December 31		**900,000,000**	**600,000,000**

As per the recommendation of Bangladesh Bank, since 2019, IDCOL has been maintaining provision for short-term investment kept in various financial institutions considering their liquidity crisis to mitigate default risk.

32 Provision for income tax

Opening balance at January 01		844,966,332	977,753,991
Add: Provision made during the year		1,434,584,285	844,966,332
Add: Provision made for FY 2020 (AY 2021-22)		50,013,578	-
		2,329,564,195	1,822,720,323
Less: Settlement of previous year's tax liabilities		894,979,910	977,753,991
Closing balance at December 31		1,434,584,285	844,966,332
Tax expenses			
Deferred tax (income)/ expense	9.5	5,560,056	758,071
Current tax expense		1,434,584,285	844,966,332
Prior year tax		57,167,873	29,602,181
		1,497,312,214	**875,326,584**

Reconciliation of effective tax rate	2021		2020	
	Taka	%	Taka	%
Tax on profit before taxes	1,037,618,481	40.00%	964,053,693	40.00%
Adjsutment tax effect for:				
Provision for non-deductible expenses	940,651,908	36.26%	523,033,186	21.70%
Adjustment/provision released during the year	(514,370,737)	-19.83%	(154,413,075)	-6.41%
Tax on investment income	12,400,370	0.48%	14,070,000	0.58%
Adjustment for loan write off during the year	(41,715,737)	-1.61%	(500,999,693)	-20.79%
Other adjustments (net)	-	0.00%	(777,778)	-0.03%
Effective tax rate	**1,434,584,285**	**55.30%**	**844,966,332**	**35.06%**

		2021	2020
		Taka	Taka

33 Earnings Per Share (EPS)

Profit attributable to ordinary shareholders			
Net profit for the year		1,096,733,989	1,534,807,647
Ordinary shares at January 01		55,000,000	55,000,000
Bonus shares issued during 2018		5,000,000	5,000,000
Bonus shares issued during 2019		5,000,000	5,000,000
Bonus shares issued during 2020		6,500,000	6,500,000
Bonus shares issued during 2021		2,300,000	2,300,000
Total number of shares at December 31-Restated		**73,800,000**	**73,800,000**
Weighted average number of ordinary shares		**73,800,000**	**73,800,000**
Earnings per share		**14.86**	**20.80**

Earnings Per Share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as of 31 December 2021 as per International Accounting Standard (IAS)-33. According to IAS-33, EPS for the period ended 31 December 2020 was restated for the issues of bonus shares (for 2020) in 2021.

34 Net Asset Value (NAV) Per Share

Net Asset (Total asset - Total liabilities)- (A)	10,094,759,557	9,228,874,575
Weighted average number of ordinary shares (B)	73,800,000	73,800,000
NAV per share (A/B)	**136.79**	**125.05**

Since the Company has issued 2,300,000 bonus shares of BDT 100 each during the year 2021, 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 2021 and 2020 has been based on the new number of shares of 73,800,000. Before adjusting the bonus share NAV of 2020 was BDT129.08 per share.

35 Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities (A)	6,928,286,608	(8,612,050,466)
Total number of ordinary shares outstanding (B)	73,800,000	73,800,000
Net operating cash flows per share (NOCFPS) (A/B)	**93.88**	**(116.69)**

Since the Company has issued 2,300,000 bonus shares of BDT 100 each during the year 2021, weighted average number of shares outstanding for the NOCFPS computation has been retrospectively adjusted for the effect of the bonus issue. As such the NOCFPS calculation for 2021 and 2020 has been based on the new number of shares of 73,800,000. Before adjusting the bonus share NOCFPS of 2020 was BDT -155.61 per share.

36 Debt Service Coverage Ratio (DSCR)

Profit/(Loss) before provision & Tax		3,976,687,184	3,181,694,550
Depreciation and repair of Company's assets	28	25,674,807	28,470,286
Interest on deposits, borrowings etc	16	913,523,851	777,474,472
Realization during the year	7.1	10,366,820,991	11,330,232,266
Cash Available for Debt Service (CADS) (A)		**15,282,706,833**	**15,317,871,574**
Interest Payment	16	913,523,851	777,474,472
Principal Payment (Repayment made during the year)		4,005,912,632	3,772,331,690
Debt Service (B)		**4,919,436,483**	**4,549,806,162**
Debt Service Coverage Ratio (DSCR) (A/B)		**3.11**	**3.37**

37 Events after the balance sheet date

Proposed dividend: The Board of Directors in its 292nd meeting held on 6 June 2022 has recommended cash dividend @ 6.78% i.e., BDT 6.78 per ordinary share amounting BDT 500,000,000 and stock dividend @ 6.78% i.e. 0.0678 bonus share for every ordinary shares held amounting BDT 500,000,000 for the year ended 31 December 2021 for placement before the shareholders for approval on 25th AGM of the Company.

	2021	2020
	Taka	Taka

38 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24: " Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at 31 December 2021 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 Offcials	19,181,275	-	3,121,094	16,060,181

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 2021, loans amounting to BDT 16,060,181 are outstanding with the Deputy CEO & CFO and the Head of Renewable Energy Investment.

39 Other Contingent Liability

Contingent liability has been presented in accordance with IAS-37 to reflect the probable liability that may arise due to claim of Value Added Taxes (VAT) by the National Board of Revenue (NBR). IDCOL appealed before the Appellate Tribunal of the board and the honorable tribunal has set aside and annulled all the claims demanded by the VAT authority vide order no. "নথি নং-সিইভিটি/কেইস (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.

40 Accumulated movement of funds under projects

Fund inflow

Long term loans:		
Loan from IDA under PSIDP	6,210,400,000	6,210,400,000
Loan from IDA under REREDP	3,715,076,936	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*	611,234,900	14,317,275
Grant from GIZ under solar program	1,075,300,229	1,075,300,229
Grant provided under JICA-REDP	172,980,423	172,980,423
Grant provided under JICA-EE& EC	220,065,163	197,345,726
Grant provided under ADB-PPIDF	256,712,855	256,712,855
Grant provided WB under USAID	512,818,301	512,818,301
Grant provided WB under BCCRF	787,321,789	787,321,789
Grant provided by DFID	1,893,556,814	1,893,556,814
Grant provided by SREPGen	171,120,011	136,337,055
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)	461,110,891	402,883,041
Grant received under IDA 6202 (HE)	1,311,309,198	722,181,726
Grant received from AFD	19,327,300	-
Grant received under GCF Trust Fund # 0B4774	115,000,000	-
Grant received under SREP TF0A7640	10,000,000	-
Grant from KfW under NDBMP	520,094,670	520,094,670
	14,138,853,992	12,692,751,353

		2021	2020
		Taka	Taka
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		3,612,632,050	3,610,430,224
Interest paid by the projects financed under PSIDP		6,888,299,083	6,888,299,083
Interest paid by the projects financed under REREDP		1,327,910,160	1,327,910,160
		18,523,701,401	18,521,499,575
Interest from bank accounts		64,647,480	62,464,091
Exchange gain from bank accounts		25,537,120	-
		42,943,327,200	**41,467,302,226**
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		611,234,900	14,317,275
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		220,186,335	197,466,898
USAID grants provided to POs under REREDP		425,256,649	425,256,649
USAID grants used for project under REREDP		87,561,652	87,561,652
BCCRF grants provided to sponsors under REREDP		708,195,019	708,195,019
BCCRF grants used for project under REREDP		79,126,771	79,126,771
DFID grants provided to POs under RE		1,787,626,245	1,787,626,245
DFID grants used for project under RE		109,260,118	109,260,118
Grants provided to POs under AFD		622,144,256	622,144,256
Grants provided to POs under IDA 5158 (HE)		271,318,594	271,318,594
Grants used for project under IDA 5158 (HE)		382,416,445	382,416,445
Grants used for project under IDA 5158 (AE)		366,255,360	366,255,360
Grants used for project under IDA 5514 (AF)		252,670,721	194,442,871
Grants Provided to POs under IDA 6202 (HE)		663,823,538	415,614,011
Grants used for project under IDA 6202 (HE)		392,414,211	76,434,782
Grants used for project under TF0A7640		3,380,839	-
Grant used under GCF Trust Fund # 0B4774		-	-
Grants provided to POs under SREPGen		171,120,011	108,540,278
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
		13,895,624,539	12,587,610,099
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		4,909,357,862	4,622,785,100
Refund, tax and charges		70,819,592	68,973,432
Balance at bank	40.4	2,448,551,299	2,568,959,686
		42,943,327,200	**41,467,302,225**

		2021	2020
		Taka	Taka
40.1	**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*	596,917,625	12,520,249
	Grant from GIZ under solar program	-	-
	Grant provided under JICA-REDP	-	43,650,923
	Grant provided under EE & EC	22,719,437	-
	Grant provided under ADB-PPIDF	-	-
	Grant provided WB under USAID	-	-
	Grant provided WB under BCCRF	-	-
	Grant provided by DFID	-	-
	Grant provided by SREPGen	34,782,956	28,232,648
	Grant received under IDA 5158 (HE)	-	-
	Grant received under IDA 5158 (AE)	-	-
	Grant received under IDA 5514 (AF)	58,227,850	75,987,114
	Grant received under IDA 6202	589,127,472	368,817,961
	Grant received from AFD	19,327,300	-
	Grant received under GCF Trust Fund # 0B4774	115,000,000	-
	Grant received under SREP TF0A7640	10,000,000	-
	Grant from KfW under NDBMP	-	-
		1,446,102,640	529,208,895
	Principal repayment and interest received from projects:		
	Principal repaid by the projects financed under PSIDP	-	-
	Principal repaid by the projects financed under REREDP	2,201,826	81,683,238
	Interest paid by the projects financed under PSIDP	-	-
	Interest paid by the projects financed under REREDP	-	642,802
		2,201,826	82,326,040
	Interest from bank accounts	2,183,389	7,707,637
	Exchange gain from bank accounts	25,537,120	-
		1,476,024,975	**619,242,572**
	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	596,917,625	12,520,249
	GIZ grants provided to POs under solar program	-	-

	2021	2020
	Taka	Taka
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
JICA grants used for project under EE& EC	22,719,437	-
USAID grants provided to POs under REREDP	-	-
USAID grants used for project under REREDP	-	-
BCCRF grants provided to sponsors under REREDP	-	-
BCCRF grants used for project under REREDP	-	-
DFID grants provided to POs under RE	-	-
DFID grants used for project under RE	-	
Grants provided to Pos under AFD	-	-
Grants provided to POs under IDA 5158 (HE)	-	-
Grants used for project under IDA 5158 (HE)	-	-
Grants used for project under IDA 5158 (AE)	-	-
Grants used for project under IDA 5514 (AF)	58,227,850	12,996,324
Grants Provided to POs under IDA 6202 (HE)	248,209,527	353,209,656
Grants used for project under IDA 6202 (HE)	315,979,429	-
Grants used for project under TF0A7640	3,380,839	-
Grant used under GCF Trust Fund # 0B4774	-	-
Grants provided to POs under SREPGen	62,579,733	-
KfW grants provided to POs under NDBMP	-	-
KfW grants used for project under NDBMP	-	-
KfW grants used for project under NDBMP	-	-
	1,308,014,440	422,377,153
<u>On lending by IDCOL from reflows:</u>		
Projects financed from reflows under PSIDP	-	-
Projects financed from reflows under REREDP	-	-
	-	-
Debt service of IDA loans	286,572,762	798,388,706
Refund, tax and charges	1,846,160	7,516,143
Balance at bank	(120,408,387)	(609,039,429)
	1,476,024,975	**619,242,572**

40.2 The World Bank (IDA) have provided loan under the Agency & Administration Agreement signed between the GoB and IDCOL. This loan is being used for providing loans/refinance to eligible borrowers and/or Participating Organizations (POs) under various infrastructure and renewable energy projects. The Development Credit Agreement (DCA) and the Agency and Administration Agreement (AAA) under the PSIDP provide that proceeds (interest & principal) in BDT against the loan extended are to be deposited in the Taka denominated Repayment Account and proceeds received in USD are to be deposited in the Dollar denominated Repayment Account. According to the DCA and AAA under the REREDP, proceed in BDT (97% of interest and 100% of principal) are to be deposited in the Taka denominated Repayment Account. The DCA and the AAA under these projects provide that after meeting the GoB's debt service obligations, the balance in the repayment accounts shall be used by IDCOL to meet its operating expenses and future lending operations, subject to approval of the Government. The AAA also states that funds credited to the repayment accounts shall not form part of the Government's normal budgetary resources. The Finance Division of the Ministry of Finance also issued an operational guideline in this regard.

40.3 The development partners provide two types of grants, for purchase of SHS: the buy-down grant to lower initial investment cost of SHS (Grant A), and the institutional development grant for institutional development of POs (Grant B). Both the components of grants decline as market expands and becomes commercially viable. In addition to grants for POs, development partners also provide grants for project implementation cost which includes; monitoring, supervision, marketing, physical verification of SHS, technical audit, capacity building of POs, consultants' fees, etc. As per the project agreement executed between the Development Partners and IDCOL, IDCOL is responsible to channel the sub-grants from the designated accounts maintained under each project.

		2021	2020
		Taka	Taka
40.4	Disclosure for balance at bank accounts maintained under projects (Separately accounted for each project and also audited separately by an independent auditor.Not reflected in the financial statements of the Company except for the disclosures made in this note # 40).		
	Bd. Bank Repayment account in USD under IDA Credit# 2995-BD	2,191,084,988	2,165,547,866
	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	54,613,319	338,984,255
	Commercial Bank of Ceylon account # 2809007305 under SREPGEN	861,139	28,041,977
	Janata Bank CONTASA account # 36002256 under IDA 5158 (HE)	-	-
	Agrani Bank CONTASA A/C # 0200012858680 under IDA 6202 (HE)	60,928,268	36,365,064
	Janata Bank CONTASA A/C # 0100226810247 under GCF Trust Fund #0B4774	115,007,467	-
	Janata Bank A/C #0100219078514 under AFD	19,336,964	-
	Agrani Bank CONTASA account # 373 under JICA-REDP	-	-
	Agrani Bank CONTASA Account #0200015912769 under SREP #TF0A7640	6,698,632	-
	Trust Bank SND A/C # 0030-0320000426 under PICO PV program	-	-
		2,448,551,299	**2,568,959,686**

41 Exchange Rate

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 85.80/USD and BDT 97.3658/ EURO prevailing at December 31, 2021 and 84.80/USD and BDT 103.8546/EURO prevailing at December 31, 2020.

42 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.

Company Secretary | Executive Director & CEO | Director | Director | Chairman

As per our report of same date

Dated, Dhaka
07 June 2022

Annex-A

SCHEDULE OF LOAN DISBURSEMENT FROM REREDP- II PROJECT FUNDED BY IDA (CREDIT # 5158, # 5514 AND # 6202)

For the Year Ended 31 December 2021

(A) Loan to other RE Projects (Cat-1) under IDA Credit # 5158

SL #	Name of sponsors	2021		2020	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Bengal Renewable Energy Ltd.	-	-	4	7,425,057
2	Dishari Unnoyon Sangstha	2	3,723,650	-	-
3	Dutch Dairy Ltd.	1	83,150,378	-	-
4	Gazi Renewable Energy Ltd.	138	9,985,555	5	6,312,411
5	KHM Power Ltd.	-	-	13	26,098,800
6	Impressive Greentech Ltd.	-	-	49	18,000,000
7	OASIS Service (Agro) Ltd.	-	-	1	42,337,970
8	PCL Green Energy Ltd.	-	-	4	7,207,340
9	Salek Solar Power Ltd.	72	24,261,054	16	34,450,610
10	SARPV	22	17,546,034	-	-
11	Sun Home Energy Ltd.	11	18,734,882	-	-
12	WAVE Foundation	57	21,545,143	26	56,011,332
	Sub Total (A)	**303**	**178,946,696**	**118**	**197,843,520**

(B) Loan to other RE Projects (Cat-1) under IDA Credit # 5514

SL #	Name of sponsors	2021		2020	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Bengal Renewable Energy Ltd.	31	48,307,833	-	-
2	Dutch Dairy Ltd.	-	38,391,964	-	-
3	SARPV	22	13,084,566	-	-
	Sub Total (B)	**53**	**99,784,363**	**-**	**-**

(C) Loan to other RE Projects (Cat-1) under IDA Credit # 6202

SL #	Name of sponsors	2021		2020	
		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.	21	30,947,258	11	19,621,000
4	Resource Development Foundation (RDF)	-	-	10	17,658,307
5	Salek Solar Power Ltd.	5	10,926,691	3	6,418,791
6	Solargao Ltd.	-	-	19	41,630,121
7	Sun Home Energy Ltd.	-	2,735,798	-	-
8	WAVE Foundation	-	-	3	6,397,263
9	Western Renewable Energy Ltd.	-	-	118	20,000,000
	Sub Total (C)	**26**	**44,609,747**	**230**	**147,735,386**
	Grand Total (A+B+C)	**382**	**323,340,806**	**348**	**345,578,906**

Loan to other renewable energy 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.

Annex-B

SCHEDULE OF LOAN DISBURSEMENT FROM SREP PROJECT FUNDED BY IDA (CREDIT # 6363 AND CREDIT # TF0A7640)

For the Year Ended 31 December 2021

(A) Loan to Rooftop PV projects (Cat-2) under IDA Credit # 6363

SL #	Name of sponsors	2021		2020	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Snowtex Outerwear Ltd.	-	6,689,829	-	-
2	Paragon Poultry Ltd.	-	22,783,364	-	-
3	Khantex Fashions Ltd.	-	5,411,399	-	-
4	Fakhruddin Textile Mills Ltd.	-	36,408,321	-	-
	Sub Total (A)	**-**	**71,292,913**	**-**	**-**

(B) Loan for REFF establishment (Cat-1) under Credit # TF0A7640

SL #	Name of sponsors	2021		2020	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Snowtex Outerwear Ltd.	-	2,112,578	-	-
2	Paragon Poultry Ltd.	-	7,194,747	-	-
3	Khantex Fashions Ltd.	-	1,708,863	-	-
4	Fakhruddin Textile Mills Ltd.	-	11,497,365	-	-
	Sub Total (B)	**-**	**22,513,552**	**-**	**-**
	Grand Total (A+B)	**-**	**93,806,465**	**-**	**-**

Annex-C

SCHEDULE OF LOAN DISBURSEMENT FROM PPIDF PROJECT FUNDED BY ADB (LOAN # 3554 & 3555)

For the Year Ended 31 December 2021

Refinancing to POs under Renewable Energy Project (Loan # 3555 -Special Operation)

Sl #	Name of Participating Organizations	2021		2020	
		No. of Plant	Amount (Taka)	No. of Plant	Amount (Taka)
1	Usa Agro and Auto Bricks Ltd.	-	-	-	67,500,000
2	Sympa Solar Power Ltd.	-	111,136,099	-	620,000,000
	Sub Total (a)	**-**	**111,136,099**	**-**	**687,500,000**

Loan to Large Infrastructure Projects (Loan # 3554 -Ordinary Operation)

	Name of Sponsor	Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
1	Robi Axiata Ltd.	-	-	-	4,000,000,000
2	City Seed Crushing Industry Ltd.	-	-	-	1,350,000,000
3	City Edible Oil Ltd.	-	-	-	900,000,000
4	DBL Industrial Park Ltd.	-	-	-	875,000,000
5	Nutan Bidyut (Bangladesh) Ltd.	-	-	3,538,479	300,593,791
6	Nutan Bidyut (Bangladesh) Ltd.	-	-	8,622,278	731,169,174
7	Doreen Hotels & Resorts Ltd.		1,000,000,000	-	-
8	DBL Industrial Park Ltd.	-	875,000,000	-	-
	Sub Total (b)	**-**	**1,875,000,000**	**12,160,757**	**8,156,762,965**
	Grand Total	**-**	**1,986,136,099**	**12,160,757**	**8,844,262,965**

Infrastructure Development Company Limited

Annex-D

SCHEDULE OF LOAN DISBURSEMENT FROM RED PROJECT FUNDED BY JICA (LOAN # BD P-90)

For the Year Ended 31 December 2021

Loan to Enegry Efficiency Projects (Loan # JICA BD-P-90)

(A) Disbursement detail under Infrastrucure Project

	Name of Sponsor	Amount (USD)	Amount (Taka)	Amount (USD)	Amount (Taka)
1	Meghna Cement Mills Ltd. - Vertical roller mills	-	-	-	196,100,000
2	Snowtex Sportswear Ltd.	-	244,158,067	-	500,000,000
Sub-total (D)		**-**	**244,158,067**	**-**	**696,100,000**
Grand Total (A+B+C+D)		**-**	**244,158,067**		**696,100,000**

Infrastructure Development Company Limited

Annex-E

SCHEDULE OF LOAN DISBURSEMENT FROM KFW REP PROJECT FUNDED BY KFW

For the Year Ended 31 December 2021

(A) Loan for C&I grid-connected PV plants and off-grid RE projects

Sl #	Name of sponsors	2021		2020	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Libas Textiles Ltd.	-	17,300,000	-	-
2	United Mymensingh Power Ltd.	-	40,945,296	-	-
3	Square Textiles Ltd.	-	118,465,791	-	-
4	K. A. Design Ltd.	-	19,140,101	-	-
5	Paragon Poultry Limited	-	16,870,199	-	-
6	Snowtex Outerwear Ltd.	-	5,281,444	-	-
	Sub Total (A)	**-**	**218,002,831**	**-**	**-**
	Grand Total (A)	**-**	**218,002,831**	**-**	**-**

Infrastructure Development Company Limited

Annex-F

SCHEDULE OF LOAN DISBURSEMENT FROM SUNREF PROJECT FUNDED BY AFD

For the Year Ended 31 December 2021

(A) Loan to Sponsors for financing of energy efficiency, renewable energy and environmental performance projects

Sl #	Name of sponsors	2021		2020	
		Plants (Units)	Amount (Taka)	Plants (Units)	Amount (Taka)
1	Seven Circle Bangladesh Ltd.	-	1,179,800,000	-	-
	Sub Total (A)	**-**	**1,179,800,000**	**-**	**-**
	Grand Total (A)	**-**	**1,179,800,000**	**-**	**-**

Annex-G

DEFERRED TAX ASSETS

For the Year Ended 31 December 2021

Particulars	Carrying amount on balance sheet date	Tax base	Taxable/ (deductible) temporary difference
	Taka	Taka	Taka
Year: 2021			
Fixed assets including land, building, furniture and fixtures	97,608,758	85,498,416	12,110,342
Right of use asset	15,287,781	-	(15,287,781)
Lease Liability	12,454,630	-	12,454,630
Gratuity Provision	-	-	-
General provision other than loans	16,588,915	-	(16,588,915)
Total temporary difference	141,940,084	85,498,416	(7,311,725)
Applicable tax rate			40.0%
Deferred Tax Asset (see note: 9.5) (A)			(2,924,690)
Year: 2020			
Fixed assets including land, building, furniture and fixtures	101,526,178	88,909,940	12,616,238
Right of use asset	14,126,434		(14,126,434)
Lease Liability	10,221,685		10,221,685
General provision other than loans	29,923,354	-	(29,923,354)
Total temporary difference	155,797,652	88,909,940	(21,211,865)
Applicable tax rate			40.0%
Deferred Tax Asset (see note: 9.5) (B)			**(8,484,746)**
Movement of Deferred Tax Asset (B-A)			**(5,560,056)**

Infrastructure Development Company Limited

SCHEDULE OF FIXED ASSETS

as at December 31, 2021

Annex-H

Total

Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2021
	Balance at 1 Jan 2021	Additions	Disposal/ written off	Balance as at 31 Dec 2021		Accumulated at 1 Jan 2021	Charge for the year	Adjustments	Accumulated at 31 Dec 2021		
Office space	19,412,311	-	-	19,412,311	10%	16,335,407	-	-	16,335,407	-	3,076,904
Furniture and fixture	42,206,145	335,812	-	42,541,958	10%	16,786,463	4,123,330	-	20,909,794	-	21,632,164
Interior decoration	23,977,634	-	-	23,977,634	10%	16,385,320	3,561,986	-	19,947,306	-	4,030,328
Computer & computer equipment	32,757,325	1,271,330	-	34,028,655	25%	28,861,683	1,816,419	-	30,678,102	-	3,350,553
Other office equipment	31,771,166	10,330,794	-	42,101,960	10%	12,246,642	3,996,480	-	16,243,123	-	25,858,837
Software	6,191,420	-	-	6,191,420	10%-50%	6,191,420	-	-	6,191,420	-	-
Vehicle	59,660,526	-	-	59,660,526	20%	37,775,393	2,357,141	-	40,132,534	-	19,527,992
Land	20,131,980	-	-	20,131,980	0%	-	-	-	-	-	20,131,980
Balance as on 31 Dec 2021	**236,108,507**	**11,937,936**	**-**	**248,046,443**		**134,582,329**	**15,855,357**	**-**	**150,437,685**	**-**	**97,608,758**
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**
Right-of-use assets											
Office Space (Rent)	28,956,361	10,980,797	-	39,937,158		14,829,927	9,819,450	-	24,649,377	-	15,287,781
Balance as on 31 Dec 2021	**28,956,361**	**10,980,797**	**-**	**39,937,158**		**14,829,927**	**9,819,450**	**-**	**24,649,377**	**-**	**15,287,781**
Balance as on 31 Dec 2020	**28,956,361**	**-**	**-**	**28,956,361**		**6,535,584**	**8,294,343**	**-**	**14,829,927**	**-**	**14,126,434**

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Infrastructure Development Company Limited

SCHEDULE OF FIXED ASSETS

as at December 31, 2021

Annex-H (Contd.)

Company

Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2021
	Balance at 1 Jan 2021	Additions	Disposal/ written off	Balance as at 31 Dec 2021		Accumulated at 1 Jan 2021	Charge for the year	Adjustments	Accumulated at 31 Dec 2021		
Office space	19,412,311	-	-	19,412,311	10%	16,335,407	-	-	16,335,407	-	3,076,904
Furniture and fixture	25,427,869	335,812	-	25,763,682	10%	8,551,358	2,592,899	-	11,144,257	-	14,619,425
Interior decoration	11,802,397	-	-	11,802,397	10%	8,434,855	1,904,113	-	10,338,967	-	1,463,430
Computer & computer equipment	8,026,605	329,035	-	8,355,640	25%	6,498,744	711,148	-	7,209,892	-	1,145,748
Other office equipment	9,714,145	137,383	-	9,851,528	10%	3,721,918	746,509	-	4,468,426	-	5,383,101
Software	2,117,749	-	-	2,117,749	10%-50%	2,117,749	-	-	2,117,749	-	-
Vehicle	33,720,690	-	-	33,720,690	20%	20,202,432	1,721,375	-	21,923,807	-	11,796,883
Land	20,131,980	-	-	20,131,980	0%	-	-	-	-	-	20,131,980
Balance as on 31 Dec 2021	**130,353,746**	**802,230**	**-**	**131,155,976**		**65,862,463**	**7,676,043**	**-**	**73,538,506**	**-**	**57,617,471**
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**

The World Bank

Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2021
	Balance at 1 Jan 2021	Additions	Disposal/ written off	Balance as at 31 Dec 2021		Accumulated at 1 Jan 2021	Charge for the year	Adjustments	Accumulated at 31 Dec 2021		
Office space	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	14,685,526	-	-	14,685,526	10%	6,154,330	1,525,617	-	7,679,946	-	7,005,580
Interior decoration	12,175,237	-	-	12,175,237	10%	7,950,465	1,657,873	-	9,608,338	-	2,566,899
Computer & computer equipment	23,339,203	942,295	-	24,281,498	25%	20,971,423	1,105,271	-	22,076,694	-	2,204,804
Other office equipment	21,252,799	10,193,411	-	31,446,210	10%	7,844,741	3,210,645	-	11,055,386	-	20,390,825
Software	3,674,893	-	-	3,674,893	10%-50%	3,674,893	-	-	3,674,893	-	-
Vehicle	25,939,836	-	-	25,939,836	20%	17,572,960	635,766	-	18,208,726	-	7,731,110
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2021	**101,067,494**	**11,135,706**	**-**	**112,203,200**		**64,168,811**	**8,135,172**	**-**	**72,303,983**	**-**	**39,899,217**
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**

Infrastructure Development Company Limited

SCHEDULE OF FIXED ASSETS

as at December 31, 2021

Annex-H (Contd.)

SNV-Netherlands Development Organisation

Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2021
	Balance at 1 Jan 2021	Additions	Disposal/ written off	Balance as at 31 Dec 2021		Accumulated at 1 Jan 2021	Charge for the year	Adjustments	Accumulated at 31 Dec 2021		
Office space	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	2,092,750	-	-	2,092,750	10%	2,080,775	4,815	-	2,085,591	-	7,159
Interior decoration	-	-	-	-	10%	-	-	-	-	-	-
Computer & computer equipment	537,916	-	-	537,916	25%	537,916	-	-	537,916	-	-
Other office equipment	614,815	-	-	614,815	10%	568,133	14,941	-	583,074	-	31,741
Software	398,778	-	-	398,778	10%-50%	398,778	-	-	398,778	-	-
Vehicle	-	-	-	-	20%	-	-	-	-	-	-
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2021	**3,644,259**	**-**	**-**	**3,644,259**		**3,585,603**	**19,756**	**-**	**3,605,359**	**-**	**38,901**
Balance as on 31 Dec 2020	**3,644,259**	**-**	**-**	**3,644,259**		**2,926,002**	**659,600**	**-**	**3,585,603**	**-**	**58,656**

KFW

Amount in Taka

Particulars of Assets	Cost				Rate	Depreciation				Attributable to Asset sold or written off	Written down value as at 31 Dec 2021
	Balance at 1 Jan 2021	Additions	Disposal/ written off	Balance as at 31 Dec 2021		Accumulated at 1 Jan 2021	Charge for the year	Adjustments	Accumulated at 31 Dec 2021		
Office space	-	-	-	-	10%	-	-	-	-	-	-
Furniture and fixture	-	-	-	-	10%	-	-	-	-	-	-
Interior decoration	-	-	-	-	10%	-	-	-	-	-	-
Computer & computer equipment	853,600	-	-	853,600	25%	853,600	-	-	853,600	-	-
Other office equipment	189,407	-	-	189,407	10%	111,851	24,386	-	136,237	-	53,170
Software	-	-	-	-	10%-50%	-	-	-	-	-	-
Vehicle	-	-	-	-	20%	-	-	-	-	-	-
Land	-	-	-	-	0%	-	-	-	-	-	-
Balance as on 31 Dec 2021	**1,043,007**	**-**	**-**	**1,043,007**		**965,451**	**24,386**	**-**	**989,837**	**-**	**53,170**
Balance as on 31 Dec 2020	**1,043,007**	**-**	**-**	**1,043,007**		**856,729**	**108,723**	**-**	**965,451**	**-**	**77,556**

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.	34-40 82-117 239-240	CEO's statement, 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:	61-140 41-60 167-170	About IDCOL, Director's Report, Report on Internal Control
• The organization's:		
• Culture, ethics and values	61-140 41-60 167-170	About IDCOL, Director's Report, Report on Internal Control
• Ownership and operating structure including size of the organization, location of its operations)	15 122-123 58	Representation in IDCOL Board of Directors, Organogram, Directors' Report (Internal Audit Section)
• Principal activities and markets	34-40 80-81 82-117 239-240	CEO's statement, National Footprint, 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)	82-117	Programs and Projects
• Position within the value chain	78-79	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	201-210 219-221 229-286	Human Resource Management, Financial Highlights & Review Audited Financial Statements
• Significant factors affecting the external environment and the organization's response (include aspects of the legal, commercial, social, environmental and political context that affect the organization's ability to create value in the short, medium or long term)	34-40 82-117	CEO's statement, Programs and Projects
• The legitimate needs and interests of key stakeholders	82-117	Programs and Projects
• Macro and micro economic conditions, such as economic stability, globalization, and industry trends	41-60	Director's Report
• Market forces, such as the relative strengths and weaknesses of competitors and customer demand	82-117	Programs and Projects
• The speed and effect of technological change	82-117	Programs and Projects
• Societal issues, such as population and demographic changes, human rights, health, poverty, collective values and educational systems	212-213	Corporate Social Responsibility
• Environmental challenges, such as climate change, the loss of ecosystems, and resource shortages as planetary limits are approached	189-190 191-192 193-200 214-216	IDCOL's Contribution Towards Green Financing, Sustainable Financing in Industrial Energy Efficiency Sector, Compliance of Environmental and Social Safeguards at IDCOL Funded Projects, Disaster Management

SL No.	Page Reference	Chapter/ Section Reference
• The legislative and regulatory environment in which the organization operates	167-170 41-60	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	82-117	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.	41-60	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	18-23 41-60 120-121	Director's Profile, Director's Report, Profile of the IDCOL Management
•Mandatory and voluntary code of corporate governance adopted by the Company.	60	Director's Report (Corporate Governance Section)
•Code of ethical conduct adopted by the Company in relation to ethical business.	167-170	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	178-185 167-170	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	41-60 34-40 175-177	Director's Report, CEO's statement, 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	41-60 34-40 175-177	Director's Report, CEO's statement, Statement of CRO
• Whether the organization is implementing governance practices that exceed legal requirements/ Key Policies	142-147	Director's Responsibility
• The responsibility those charged with governance take for promoting and enabling innovation	41-60 142-147	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.	201-210	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.	82-117 80-81 78-79	Programs and Projects, National Footprint, 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		

SL No.	Page Reference	Chapter/ Section Reference
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.	82-117 78-79	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.	82-117 78-79	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.	34-40 259-265	CEO's statement, Notes to the Financial Statements- 10 & 11
Manufacturing Capital -Manufactured physical objects that are available to the organization for use in the production of goods and provision of services.	201-210	Human Resource Management
Intellectual Capital -Organizational Knowledge based intangibles.		
Human Capital -People's competences, capabilities and experience, and their motivations to innovate.		
Social and Relationship Capital -The institutions and the relationships within and between communities, groups of stakeholders and other networks and the ability to share information to enhance individual and collective wellbeing.		
Natural Capital -All renewable and non-renewable environmental resources and processes that provide goods and services that support the past, current and future prosperity of the organization.	82-117	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	82-117 78-79	Programs and Projects, Value Creation Structure
An integrated report need to describe the business model, including key:		
• Inputs	82-117	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	82-117	Programs and Projects
• A simple diagram highlighting key elements, supported by a clear explanation of the relevance of those elements to the organization		
• Narrative flow that is logical given the particular circumstances of the organization		
• Identification of critical stakeholder and other (e.g., raw material) dependencies and important factors affecting the external environment		
• Connection to information covered by other Content Elements, such as strategy, risks and opportunities, and performance (including KPIs and financial considerations, like cost containment and revenues).		
Inputs		
An integrated report shows how key inputs relate to the capitals on which the organization depends, or that provide a source of differentiation for the organization, to the extent they are material to understanding the robustness and resilience of the business model.	82-117 78-79	Programs and Projects, Value Creation Structure

SL No.	Page Reference	Chapter/ Section Reference
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)	34-40 82-117	CEO's statement, Programs and Projects of IDCOL
• How the organization approaches the need to innovate	34-40	CEO's statement
• How the business model has been designed to adapt to change.	82-117 78-79 34-40	Programs and Projects of IDCOL, Value Creation Structure, CEO's statement
When material, an integrated report discusses the contribution made to the organization's long term success by initiatives such as process improvement, employee training and relationships management	34-40 201-210	CEO's statement, Human Resource Management
Outputs		
An integrated report identifies an organization's key products and services. There might be other outputs, such as byproducts and waste (including emissions), that need to be discussed within the business model disclosure depending on their materiality.	82-117 78-79	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)	82-117 78-79 211 226-227 228 229-286	Programs and Projects, Value Creation Structure, Contribution to National Economy, Value Added and EVA Statement, Five factor DuPont Analysis 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).	34-40 78-79	CEO's statement, Value Creation Structure
1.5 Performance		
An integrated report needs to explain the extent to which the organization has achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals	34-40 41-60 219-221	CEO's statement, Director's Report, Financial Highlights & Review
An integrated report should contain qualitative and quantitative information about performance that may include matters such as:		
• Quantitative indicators with respect to targets and risks and opportunities, explaining their significance, their implications, and the methods and assumptions used in compiling them	12-13 34-40 41-60 219-221 222-225	Performance at a Glance, CEO's statement, Director's Report, Financial Highlights & Review, Horizontal & Vertical Analysis,
• The organization's effects (both positive and negative) on the capitals, including material effects on capitals up and down the value chain	41-60 78-79	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	41-60 178-185	Director's Report, IDCOL Risk Management Report
• The linkages between past and current performance, and between current performance and the organization's outlook.	218 219-221 222-225 160 229-286 186-187 34-40	Key Operating and Financial Highlights, Financial Highlights & Review, Horizontal & Vertical Analysis, Organizational Highlights, Audited Financial Statements, Capital Adequacy and Market Discipline, CEO's statement

SL No.	Page Reference	Chapter/ Section Reference
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).	82-117	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.	178-185 34-40 41-60 175-177	IDCOL Risk Management Report, CEO's statement, Director's Report, Statement of the CRO
1.6 Risks, opportunities and internal controls		
An integrated report should explain what are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them? And effectiveness of the system of internal controls.	178-185 175-177 167-170	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.	178-185 175-177 167-170	IDCOL Risk Management Report, Statement of the CRO, Report on Internal Control
• The organization's assessment of the likelihood that the risk or opportunity will come to fruition and the magnitude of its effect if it does.		
• The specific steps being taken to mitigate or manage key risks (e.g: Risk Management Framework, Risk Management review process and reporting structure) or to create value from key opportunities, including the identification of the associated strategic objectives, strategies, policies, targets and KPIs.		
• Risk Management Report (Which includes details about risk, root course, potential impact, response to risk, risk rating) Statement of Risk Management		
• Response on the effectiveness of the internal controls and the board's responsibility for the disclosures on internal controls to safeguard stakeholder interest.		
1.7 Strategy and resource allocation		
An integrated report should describe its strategic direction (Where does the organization want to go and how does it intend to get there)	28-33 34-40	Chairman's communique, CEO's statement
An integrated report needs to identify:		
• The organization's short, medium and long term strategic objectives	61-140 28-33 34-40	About IDCOL, Chairman's communique, CEO's statement
• The strategies it has in place, or intends to implement, to achieve those strategic objectives	28-33 34-40	Chairman's communique, CEO's statement
• How the entity has positioned in the wider market	1 34-40 41-60	Promoting Innovation Partnering Progress, CEO's statement, Director's Report
• How the long term strategies relate to current business model.	82-117 78-79	Programs and Projects, Value Creation Structure
• The resource allocation plans it has to implement its strategy	82-117 78-79	Programs and Projects, Value Creation Structure
• How it will measure achievements and target outcomes for the short, medium and long term.	218 219-221 222-225 160 41-60	Key Operating and Financial Highlights, Financial Highlights & Review, Horizontal & Vertical Analysis, Organizational Highlights, Director's Report

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• 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	78-79 34-40	Value Creation Structure, CEO's statement
• 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	178-185 167-170	IDCOL Risk Management Report, Report on Internal Control
• What differentiates the organization to give it competitive advantage and enable it to create value, such as:		
• The role of innovation	34-40 82-117	CEO's statement, Programs and Projects
• how the organization develops and exploits intellectual capital	201-210	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	189-190 191-192 193-200	IDCOL's Contribution Towards Green Financing, Sustainable Financing in Industrial Energy Efficiency Sector, Compliance of Environmental and Social Safeguards at IDCOL Funded Projects,
• Key features and findings of stakeholder engagement that were used in formulating its strategy and resource allocation plans.	82-117	Programs and Projects
- Highlighted challenges facing our company and strategies to counter them	34-40 82-117	CEO's statement, 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	34-40 82-117 178-185	CEO's statement, 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	175-177	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.	175-177 34-40	Statement of CRO, CEO's statement
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	34-40	CEO's statement
• 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.	201-210 82-117 78-79	Human Resource Management, Programs and Projects, Value Creation Structure
An integrated report may also provide lead indicators, KPIs or objectives, relevant information from recognized external sources, and sensitivity analyzes. If forecasts or projections are included in reporting the organization's outlook, a summary of related assumptions is useful. Comparisons of actual performance to previously identified targets further enables evaluation of the current outlook.	41-60	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.	186-187 6-8 162-166	Capital Adequacy and Market Discipline, Integrated Reporting, Audit Committee Report

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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?	239-286	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	239-286	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	82-117	Programs and Projects
•Identification of the role of those charged with governance and key personnel in the identification and prioritization of material matters.	142-147	Director's Responsibility
• A description of the reporting boundary and how it has been determined	6-8	Integrated Reporting
Eg: Include process used for identifying the reporting boundary, geographic scope, the entities represented in the report and the nature of the information provided for each entity		
• A summary of the significant frameworks and methods used to quantify or evaluate material matters	6-8 41-60	Navigating Through the Report, Integrated Reporting, Director's Report
(e.g., the applicable financial reporting standards used for compiling financial information, a company-defined formula for measuring customer satisfaction, or an industry based framework for evaluating risks).		
2. Responsibility for an integrated report		
An integrated report should include a statement from those charged with governance that includes:		
• An acknowledgement of their responsibility to ensure the integrity of the integrated report	6-8 41-60	Integrated Reporting, Director's Report
• An acknowledgement that they have applied their collective mind to the preparation and presentation of the integrated report		
• Their opinion or conclusion about whether the integrated report is presented in accordance with the Framework		
3. Other Qualitative Characteristics of an Integrated Report		
3.1 Conciseness		
An integrated report should be concise.		Navigating Through the Report
An integrated report need to include sufficient context to understand the organization's strategy, governance, performance and prospects without being burdened with less relevant information		
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	6-8 41-60 142-147	Integrated Reporting, Director's Report, Director's Responsibility
The organization achieves the reliability and completeness through,		

SL No.	Page Reference	Chapter/ Section Reference
• 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.	34-40 82-117	CEO's statement, Programs and Projects
When information includes estimates, this is clearly communicated and the nature limitations of the estimation process are explained.	239-286	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	6-8 41-60	Integrated Reporting, Director,s Report
• In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time	6-8	Integrated Reporting, Navigating Through the Report
• 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)	218 219-221 160 82-117	Key Operating & Financial Highlights, Financial Highlights & Review, 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.	218 219-221 12-13 160 82-117 239-286	Key Operating & Financial Highlights, Financial Highlights & Review, Performance at a glance, Organizational Highlights, Programs and Projects, Notes to the Financial Statements
• Reporting the same KPIs if they continue to be material across reporting period.		
3.4 Connectivity of information		
An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.	78-79	Value Creation Structure
• Capitals		
• Content elements		
• Past, Present & Future	41-60 34-40 142-147	Directors Report, CEO's statement, Director's Responsibility
• Finance and other information	229-286	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	78-79 167-170 175-177	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	162-166 167-170 175-177	Audit Committee Report, Report on Internal Control, Statement on CRO
• the nature and scope of assurance provided for this particular report	230-232	Auditor's Report
• any qualifications arising from the assurance, and the nature of the relationship between the organization and the assurance providers	N/A	

NOTES

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