Annual Report
2016



ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড
Islamic Finance and Investment Limited

(Based on Islamic Shariah, the first of its kind in Bangladesh)

It is always challenging to go through changes. Though its positive consequence is astounding. Things move forward and develop because of change. At IFIL we have gone through the process of change in some crucial areas of the business. Behavioral change in Human Resources with governance and training and changes in quality in Human Resources was one of the major cause that works in the growth of the organization. Significant change in the approach of Risk Management was one of the key factors of our development. There is a momentous change in the mindset for business growth with an introduction of Risk Management Procedure. It's crucial to maintain sustainable growth with a higher profit rate. There's a transformation in the overall development procedure with a collaborative approach. Our Customer Service Team is the face of our company and our customers' experiences is defined by the skill and quality of the support they receive. Improved customer service is the most illustrative change that one can get from our people. We need to do things differently to make that happen. Without change, there'd be no Development. Changes trigger progress. Keeping this note in mind -

We are working hard for change
we are working hard for development



আরবি উচ্চারণ: লা-তাক্বনাতু মির্ রাহ্মাতিল্লাহ্
বাংলা অনুবাদ: তোমরা আল্লাহর রহমত হতে নিরাশ হয়ো না
সুরা: যুমার, আয়াত: ৫৩

Our Philosophy

The philosophy of IFIL is to develop the company into an ideal and unique financial institution. From the inception of the company IFIL is quite different from other privately managed financial institution in Bangladesh. IFIL is the First Financial Institution of the country based on Islamic Shariah. The philosophy of IFIL is to grow as a leader in the industry. The leadership will be in the area of service quality, asset quality, product diversification, regulatory and shariah compliance and finally the overall market share in the industry. IFIL believes that to contribute in the socio-economic condition of the country, a financial institution must do business in line with the National Policies and must maintain a sustainable business development with it.

AMAR STOCK

Contents

Section 1 General Information

Our Vision	04
Our Mission	04
Our Goal	05
Core Values	06
Strategic Objectives	08
Guiding Principles	09
Milestone of the Company	12
Notice of the 16th Annual General Meeting	13
Performance at a Glance	14
Sectorwise Investment	15
Products & Services	16
Board of Directors	18
Sponsors & other than Directors	20
The Executive Committee	22
The Audit Committee	23
The Shariah Supervisory Committee	24
Other Committees	25

Section 2 Business Review and Outlook

From the desk of Chairman	27
From the desk of Managing Director & CEO	30

Section 3 Sustainability Report

Green Banking	34
Statements on Corporate Social Responsibility (CSR)	36
Value added statement	37
Market value added statement	37

Section 4 Human Resources

Report on Human Capital	38
Report on HR Accounting	40
Meet our people	41

Section 3 Governance Issues

Corporate Governance	46
Certificate of Compliance	49
Status of compliance with the conditions imposed by BSEC's Notification on Corporate Governance (Report under Condition No. 7.00)	50
Report of the Audit Committee	58
Shareholding Position of Directors & Others	61
Report on Shariah Supervisory Committee	62
Risk Management	65

Section 6 Directors Report & Financial Statements

Report of the Directors to the Shareholders 2016	70
Attendance in the Meetings	89
Auditors' Report to the Shareholders	92
Balance Sheet	94
Profit and Loss Account	96
Cash Flow Statement	98
Statement of Changes in Equity	100
Liquidity Statement	101
Notes to the Financial Statements	102

Section 7 Additional Information for Shareholders

Pictorial of Some Projects	137
Pictorial of 15th Annual General Meeting	143
Award & Recognition	147
Proxy Form	148

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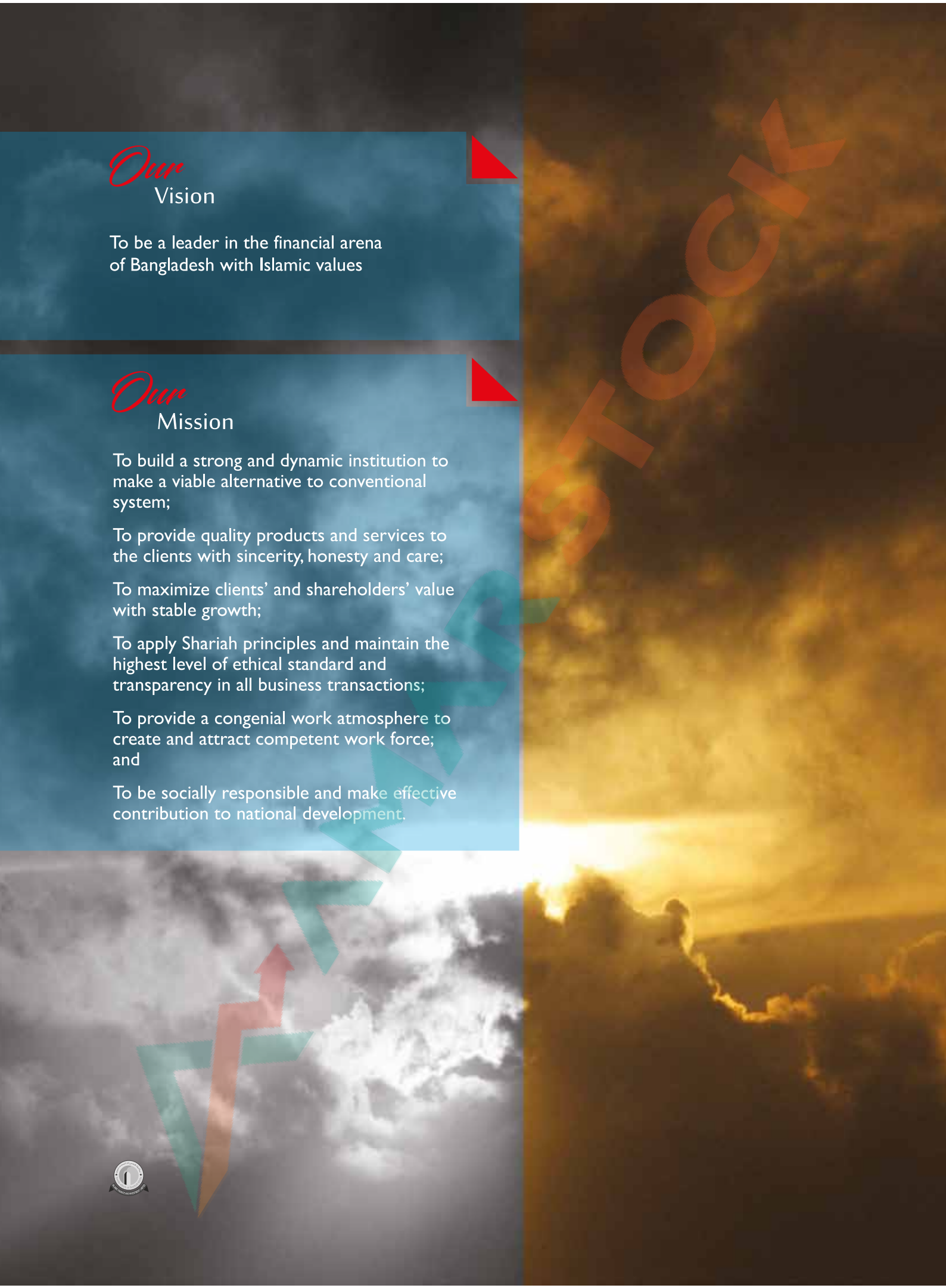

Our Vision

To be a leader in the financial arena of Bangladesh with Islamic values

Our Mission

To build a strong and dynamic institution to make a viable alternative to conventional system;

To provide quality products and services to the clients with sincerity, honesty and care;

To maximize clients' and shareholders' value with stable growth;

To apply Shariah principles and maintain the highest level of ethical standard and transparency in all business transactions;

To provide a congenial work atmosphere to create and attract competent work force; and

To be socially responsible and make effective contribution to national development.

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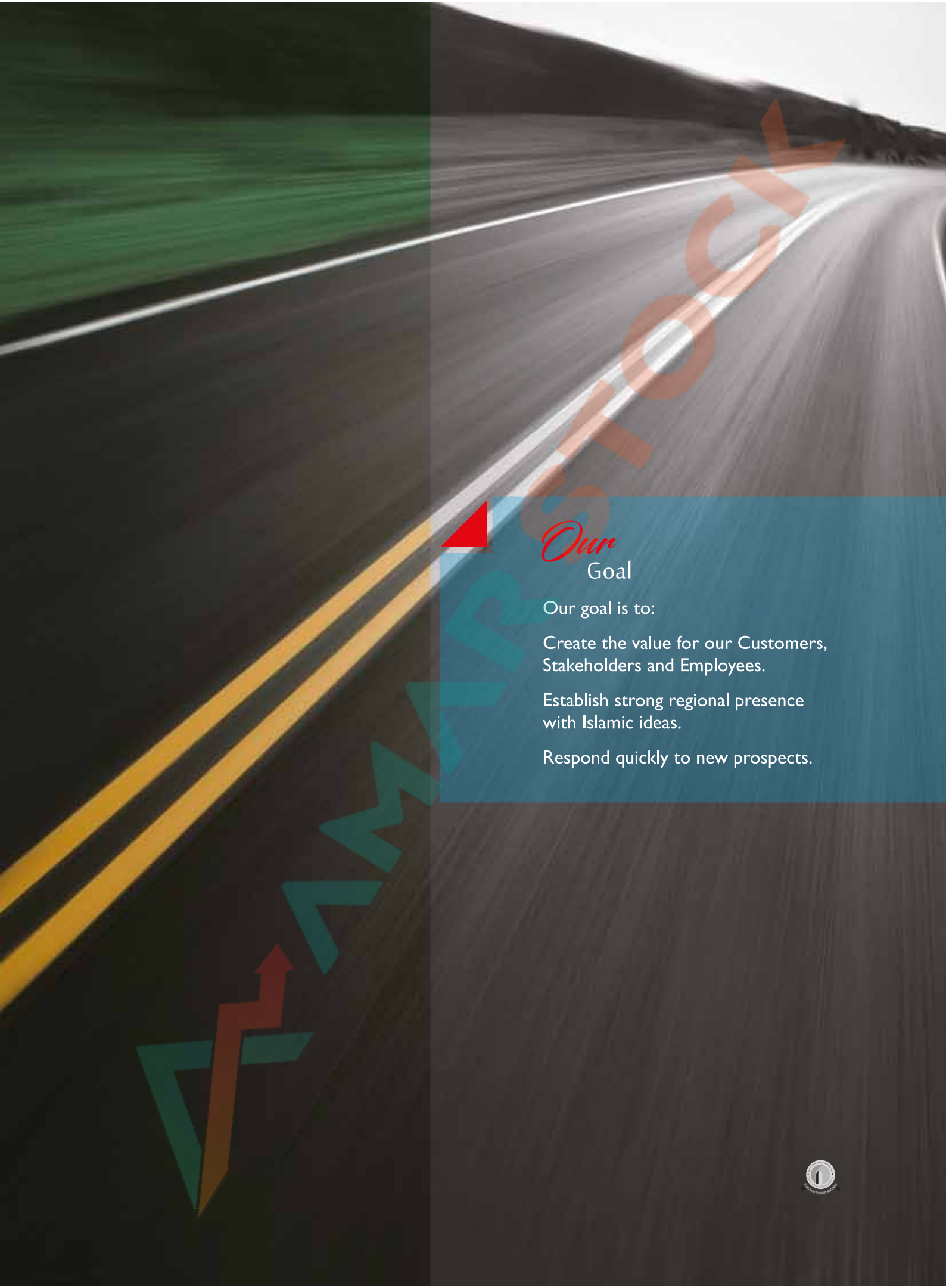

Our Goal

Our goal is to:

Create the value for our Customers, Stakeholders and Employees.

Establish strong regional presence with Islamic ideas.

Respond quickly to new prospects.



Core Values

We understand that Corporate Responsibility is crucial to our commitment to delivering better outcomes for our customers, people, partners, community and the nation.

Islamic Finance and Investment Limited meets the challenges of financial year 2016 with strategies and actions that reflects its values. The following Eight key values drive Islamic Finance management and employees in delivering such excellent result to the stakeholders.

Quality Service

Our commitment to service excellence is reflected in the pledge we make to our clients and each other to provide and inspire high professional quality services and to assure that we deliver outstanding value to our clients. We pledge to actively listen and learn about our clients' businesses and industries and identify client needs, concerns, and opportunities. By understanding and anticipating the changing needs of our clients, we can develop creative strategies to adapt our services with those needs.

Efficiency at work

Efficiency is the backbone of every company. In today's business economy, efficiency is more important than ever. It relies on time management, costs and the production of quality services to clients. At IFIL, our dedicated efficient professionals work diligently with our clients to achieve optimal satisfaction. We continuously evaluate all aspects of efficiency within our organization in order to stay competitive and keep up with the demands of consumers.

Excellent Teamwork

Our goal is to create 'One Team' – everyone focused on the fulfillment of the Company's purpose. Without a team our time and efforts are limited. But our team does more than set us free, our team makes possible excellent service. As a Client First company, we measure everything we do by the three keys of Honesty, Competence, and Care. By applying the three keys we know that each client is best served. They can trust what our team says, they can rely on our work and they know we care about them.

Ownership of Responsibility

At IFIL, we understand that Corporate Responsibility is crucial to our commitment to delivering better outcomes for our customers, people, partners, community and the nation. Its our commitment to undertaking responsible product and service development and marketing, meeting our customer service commitments and empowering our customers to handle their finances with confidence. We understand the links between the strength of our organisation and the communities and environment on which we depend. We make decisions aimed at achieving good social and environmental outcomes, for our benefit and for the benefit of our stakeholders.

Honesty and Integrity

We believe that ethical conduct results from a culture of integrity. The values that build the foundation for our ethical culture underpin our management processes.

Ensuring ethical and lawful outcomes starts with clearly defining and articulating our expectations towards the ethical behavior of our associates, embodied in our Code of Conduct.

Glory of Belongingness

We have a strong sense of belongingness within the organization that leads with an inspirational mission and purpose that aligns and creates an emotional connection with all employees. We directly and decisively deal with behavior that is not in line with our values, especially if it occurs with someone in a leadership position.

Harmony in Relationships

Our people know and respect all employees as complete individuals with their own personal relationships, interests and challenges and communicate openly and inclusively. We have the privilege to encourage positive social connection and enjoyment in the workplace which in turn reflects positively on the organization's performance.

Transparency at Job

Transparency needs to be core to company values. IFIL established standards for creating transparency at work place. We ensure that high-level priorities are communicated to all team members so everyone understands what they're working toward. We exercise a simple list of responsibilities instead of a complicated organization chart so that each employee can take ownership of a specific set of tasks. As a result, everyone else on the team is aware of what everyone else is working on and who they need to ask for guidance, deliverables, and sign-off. We recognize where to draw the line. Transparency isn't about knowing everyone's business, it's about making sure everyone has the information they need to do their jobs effectively.



Strategic Objectives

- To introduce new products and services with Islamic values through diversification and customization of existing products and services to ensure maximum market coverage.
- To provide employees with high motivation, extensive opportunities for learning and career development, competitive pay and benefits and congenial environment where diversity is valued.
- To create sustainable economic value for stakeholders.
- To conduct business in a socially responsible manner under Islamic principle.
- To elevate ethical and business standard with high corporate governance

Guiding Principles

Guiding Principles for our business are:

- Islamic Approach
- Compliance and due-diligence
- Client's need and satisfaction
- Corporate Environment
- Risk Management
- Accountability and Transparency
- Honesty and Intergrity

Our Commitments

- Clients
- Partners
- Society
- Shareholders
- Employees
- Corporate Social Responsibility

Nature of the Business

The main objective of Islamic Finance and Investments Limited is to allocate scarce financial resources to capital investment through funding in capital machinery/ equipment of the existing industrial enterprises to stimulate the industrial development of the country and also to provide financial assistance through leasing to all level of entrepreneurs. The Company has also diversified its prodtrcts and services to such other areas as housing and real estate, SME finance, bridge financing, short term, midterm and long term loan t0 cater to divergent needs of the economy.

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Overview of the Company

Name of the Company	:	ISLAMIC FINANCE AND INVESTMENT LIMITED
Legal Form	:	Islamic Finance and Investment Limited is a financial institution incorporated in Bangladesh on February 27, 2001 as a Public Limited Company under the Companies Act, 1994. The Company obtained its license from Bangladesh Bank on April 12, 2001 as required under Section 4(1) of the Financial Institutions Act, 1993. The company went for public issue in 2005 and its share are listed with both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.
Commencement of Business	:	February 27, 2001
Head Office	:	Bhuiya Center, 68/A, Dilkusha C/A , Dhaka-1000.
Registered Office	:	Bhuiya Center, 68/A, Dilkusha C/A , Dhaka-1000.
Chairman	:	Afzalur Rahman
Managing Director	:	A K M Shahidul Haque
Auditor	:	M/s. Ahmed Zaker & Co. Chartered Accountants.
Bankers	:	Islami Bank Bangladesh Limited Social Islami Bank Limited Exim Bank Limited Al-Arafah Islami Bank Limited Shahjalal Islami Bank Limited. South East Bank Limited (Islami Banking Branch) AB Bank Limited (Islami Banking Branch) Bank Al-Falah Limited Pubali Bank Limited Bank Asia Limited (Islami Banking Branch) Union Bank Limited.
Tax Advisor	:	Akther Abbas Khan & Co. Chartered Accountants.
No. of Branch	:	06
No. of Employees	:	93
Telephone No. (Head Office)	:	+880 47118483-4, 47118492
Fax No. (Head Office)	:	+880 2 9563566
Website	:	www.ifilbd.com
Central Email	:	info@ifilbd.com

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Stock Summery		
Authorized Capital	:	Tk.250 crore
Paidup Capital	:	Tk.120.98 crore
Face Value of Share	:	Tk.10/-
Head Office & Registered Office	:	Bhuiya Center, 68/A, Dilkusha C/A, Dhaka-1000 Phone: 88 02 47118483-4 (Hunting), Fax: 88-02-9563566 E-mail: info@ifilbd.com, Website : www.ifilbd.com
Principal Branch	:	Chand Mansion (Ground Floor), 66, Dilkusha C/A, Dhaka-1000 Phone: 88 02 9565604 (Hunting), Fax: 88-02-9565454 Mob: 01713-012682(Manager), E-mail: ifilpb@ifilbd.com
Chittagong Branch		Sultan Bhaban (1st Floor), 163, S.K, Mujib Road, Chittagong. Phone: 031 2523683, Fax: 031 714932, Mob: 01711-725967(Manager) E-mail: ifilctg@ifilbd.com
Bogra Branch	:	Abdul Hannan Center (1st Floor), Holdings No-20 (11) Shahid Tareque Sarak, Katnerpara,Bogra Phone: 051 69574, Fax: 051 69634, Mob: 01714-081092(Manager) E-mail: ifilbogra@ifilbd.com
Narayanganj Branch	:	Tokyo Plaza-1, (2nd Floor), 69/6, Banga Bhandhu Road, Narayanganj. Phone: 88 02 7642832, Fax: 88 02 7634206. Mob: 01713-118741(Manager) E-mail: n.gonj@ifilbd.com
Uttara Branch	:	Garib-e-Newaz Avenue, House # 09 (1st Floor), Sector # 11, Uttara, Dhaka-1230 Phone: 88 02 7911226, Fax: 88 02 8962734- Ext-108. Mob: 01766-665860 (Manager) E-mail: ifiluttara@ifilbd.com
Nayabazar Branch	:	Chand Miah Paper Complex (2nd Floor) 40/41, Zindabahar 1st Lane, Nayabazar, Dhaka-1100. Phone: 88 02 7394615, Fax: 88 02 7394785. Mob: 01766-665846(Manager) E-mail: :nayabazar@ifilbd.com

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Milestone of the Company

Letter of Intent Issued by Bangladesh Bank	04-09-2000
Date of Incorporation	27-02-2001
Bangladesh Bank's Permission	12-04-2001
Permission of Principal Branch	19-04-2001
Start of Business Operation	19-04-2001
Permission of new Registered Office	20-08-2001
New Registered Office opened	08-09-2001
Inauguration by Honorable President of Bangladesh	03-03-2002
Permission of Chittagong Branch	24-09-2002
Chittagong Branch Operation Started	19-12-2002
Permission of Bogra Branch	25-11-2004
Operation of Bogra Branch started	10-03-2005
IPO Issue	25-09-2005
Listing in Chittagong Stock Exchange	28-11-2005
Listing in Dhaka Stock Exchange	07-12-2005
Share Trading Started in Stock Exchanges	11-12-2005
Permission of Narayanganj Branch	06-09-2006
Operation of Narayanganj Branch started	29-01-2007
Permission of Uttara Branch	05-08-2007
Operation of Uttara Branch started	04-02-2008
Permission of Nayabazar Branch	29-07-2008
Operation of Nayabazar Branch Started	18-12-2008
1R:2 Rights Issue	15-11-2010
Trade Opening of Mutual Fund Sponsored by IFIL	22-11-2010
Shifting of Head Office	14-07-2011
Enhancement of Authorized Capital	23-11-2011
1R:3 Rights Issue	22-11-2012
Shifting of Uttara Branch to own premise	02-06-2013
Shifting of Bogra Branch to own premise	30-04-2014
Signing of Sale Agreement for purchasing premises for Corporate Office	13-04-2015

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড
اسلامیک فینانس اند انویستمینٹ لیمیٹڈ
Islamic Finance and Investment Limited
(Based on Islamic Shariah, the first of its kind in Bangladesh)
Head Office: Bhuiya Center, 68/A, Dilkusha C/A, Dhaka-1000

NOTICE OF THE 16TH ANNUAL GENERAL MEETING

NOTICE is here by given that the 16th Annual General Meeting of Islamic Finance and Investment Limited will be held on Wednesday, 24 May, 2017 at 10.30 AM at the Institution of Diploma Engineers' Bangladesh (IDEB), 160/A, Kakrail VIP Road, Dhaka-1000 to transact the following business:

AGENDA

01. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31st December, 2016 together with reports of the Directors and Auditors.
02. To declare the Dividend for the year ended 31st December, 2016.
03. To elect /re-elect Directors.
04. To appoint Auditors and fix their remuneration for the year 2017.
05. To transact any other business with the permission of the Chair.

By order of the Board of Directors

Dated: Dhaka
4 May, 2017

S.Q. Bazlur Rashid
Company Secretary

NOTES:

- The "Record Date" was on Thursday, April 27, 2017.
- The Shareholders whose name were appeared in the register of members of the Company or in the Depository (CDBL) on the Record Date i.e. Thursday, April 27, 2017 will be eligible to attend the meeting and entitled to dividend.
- Any member of the Company as on racord date is eligible to attend and vote at the Annual General Meeting may appoint a Proxy to attend and vote on his / her behalf. The Proxy Form, duly filled in and signed by the Member and stamped (BDT 20.00) must be submitted at the Share Department of IFIL at 66, Dilkusha C/A, Chand Mansion, Dhaka-1000 at least 48 hours before the meeting.
- Annual Report, Attendance Slip and Proxy Form along with the Notice are being sent to all the Members by Post/ Courier Service. The Members may also collect the Proxy Form from Share Department of IFIL at 66, Dilkusha C/A, Chand Mansion, Dhaka-1000 on or before 21.05.2017 or from our web site www.ifilbd.com.
- The Registration Counter shall be opened at 8.30 am and remain open up to 10.30am.
- Honorable Members are requested to update their respective BO Accounts with Taxpayer's Identification Number (e-TIN) through Depository Participant (DP) latest by 11 May, 2017, failing which Income Tax at Source will be deducted from payable Dividend @ 15% (Fifteen Percent) instead of @ 10% (Ten Percent) as per amended IT Ordiance-1984 under Section 54.
- Honorable Members are also requested to update their Bank Account(s) Number, Address, Cell number and E-mail Address through Depository Participant (DP) latest by 11 May, 2017.
- **No Gift / Gift Coupon/ Food Box etc. to be distributed at the 16th AGM, in Compliance with the Bangladesh Securities and Exchange Commission's (BSEC) Circular No. SEC/CMRRCD/2009-193/154 dated 24 October 2013 and Regulation 24(2) of the Listing Regulations, 2015 of both the Stock Exchanges (DSE & CSE).**

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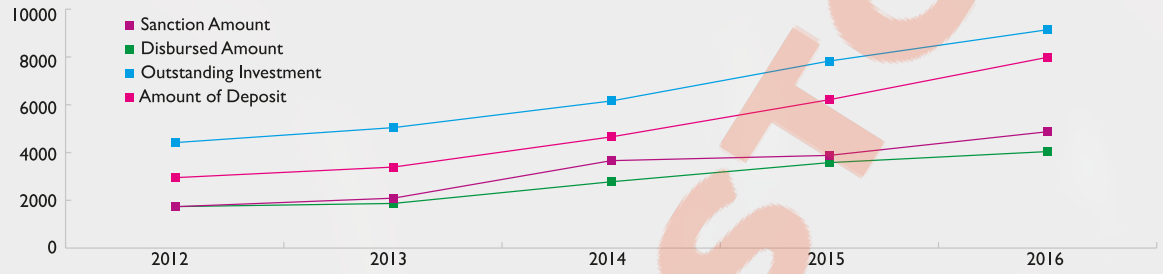
Performance at a Glance

Business Performance

Tk. in Million

	2012	2013	2014	2015	2016
Sanction Amount	1629	1987	3566	3787	4781
Disbursed Amount	1632	1765	2677	3483	3947
Outstanding Investment	4327	4956	6077	7757	9073
Amount of Deposit	2851	3296	4566	6130	7911



Financial Ratio

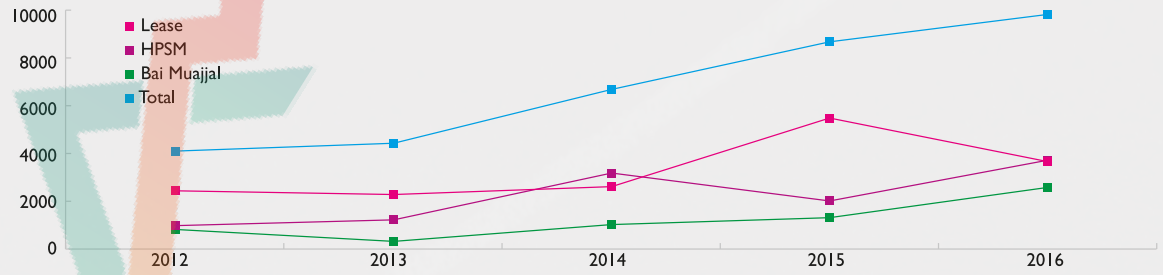
Tk. in Million

	2012	2013	2014	2015	2016
Debt Equity Ratio	1.83:1	2.26:1	2.60:1	2.98:1	2.62:1
Return on Average Assets (%)	1.62%	1.43%	2.81%	2.35%	2.60%
Return on Average Equity (%)	7.62%	6.41%	13.35%	12.71%	16.72%
Profit Margin on Operating Income (%)	31.02%	27.21%	56.61%	46.14%	49.31%
Capital Adequacy (%)	18.30%	17.80%	16.78%	14.62%	13.87%
Current Ratio	1.15:1	1.18:1	1.17:1	1.18:1	1.20:1
Net Worth to Total Assets (%)	22.71%	21.94%	20.29%	17.13%	14.33%
Earning Per Share (After Tax) Taka : restated	0.71	0.71	1.60	1.64	2.30
Price Earning Ratio (P/E)	31.76	26.30	11.46	9.44	8.40
Dividend Pay out-DP : restated	14.06	14.06	6.26	6.09	4.35
Dividend	10%S	6% C & 4%S	8% C & 4%S	13% C	11% S & 3% C (proposed)
Right Issue	1:3				

Facility wise Disbursement

Tk. in Million

	2012	2013	2014	2015	2016
Lease	959	896	1030	2192	1454
HPSM	369	467	1260	787	1477
Bai Muajjal	304	402	387	504	1016
Total	1632	1765	2677	3483	3947



Sectorwise Investment

Trade & Commerce		486.20 million 5.36%
Textile		633.08 million 6.98%
Food Production & Processing		915.34 million 10.09%
Iron, Steel & Engineering		875.99 million 9.66%
Cement & Allied		207.46 million 2.29%
Paper, Printing & Packaging		425.07 million 4.69%
Electronics & electrical products		442.58 million 4.88%
Transport & Aviation		239.44 million 2.64 %
Housing		2,437.18 million 26.86%

Garments & Knitwear		261.67 million 2.88%
Jute & Jute Products		148.72 million 1.64%
Plastic Industry		157.39 million 1.73%
Pharmaceuticals & Chemical		741.41 million 8.17%
Telecommunication & IT		0.41 million 0.00%
Ship Manufacturing		366.49 mm 4.04%
Power, Gas, Water & Sanitary Service		94.90 million 1.05%
Agriculture		283.34 million 3.12%
Others	Including supermarket, engineering workshop, entrepreneurship, hotel, furniture etc.	355.99 million 3.92%

Products & Services

Opening a new horizon in islamic finance



Deposit Products

- Mudaraba Term Deposit (MTD)
- Mudaraba Term Deposit (Monthly Profit Paying)
- Mudaraba Double/Triple Benefit Scheme
- Mudaraba Pension Deposit Scheme (DPS)
- Mudaraba House Owning Deposit Scheme
- Mudaraba Hajj Deposit Scheme
- Mudaraba Lakhopoti/Kotipoti Deposit Scheme
- Mudaraba Marriage Saving Scheme
- Mudaraba Mohor Deposit Scheme
- Mudaraba Education Saving Scheme
- Mudaraba Cash Waqf Deposit Scheme

Investment Products

- Lease Finance
- Hire Purchase Shirkatul Melk- Real Estate Financing
- Hire Purchase Shirkatul Melk-General
- Bai-Muajjal Financing (BAIM)
- SME Finance
- Project Finance

IFIL Investment Products

Considering Shariah products and market demand, IFIL's principal investment products remain focused on the followings:

Lease Finance

Leasing is the core business of IFIL. IFIL is carrying on business of lease financing transactions of capital goods, plants and equipment, etc. for Large, Medium and Small industries both corporate and retail in nature. Some of the preferred terms and conditions are mentioned below :

- Running projects having business prospect and profitability for at least last 2 consecutive years.
- Investment amount - as per business requirement and credit worthiness of customers.
- Tenure - maximum 72 months.
- Profit rate - as per schedule of charges.

Real Estate Financing (Hire Purchase Shirkatul Melk-HPSM)

HPSM is another core product of IFIL. IFIL provides real estate financing under HPSM to its customers which includes house building construction, finishing and renovation, thereof, flat purchase, factory construction, commercial space and shops purchase.Some of the preferred terms and conditions are as follows:-

- Projects at development stage; for flats and shops, IFIL prefers ready flat/shop financing.
- Investment amount : as per business requirement and credit worthiness of customers.
- Tenure - 60 months to 120 month.
- Profit rate - as per schedule of charges.

Bai-Muajjal Financing (BAIM)

IFIL provides Bai Muajjal Financing (Trade Finance) by way of purchasing products for its clients for ultimate sale by clients to their customers. In nature it is trade finance for buying finished products,raw materials, Some of preferred terms and conditions are as follows:-

- Business having good prospects and cash flow as well as profitability.
- Investment amount : as per business requirements and credit worthiness of customers.
- Tenure - maximum 36 months.
- Profit rate - as per schedule of charges.

SME Finance

IFIL extends Small and Medium Enterprise (SME) Financing to cater their business needs. SME is an investment scheme for the purpose of machinery raw materials/ goods /commodities and/or fixed asset purchase to the small and medium sized trading, manufacturing, service, agriculture, non-farm activities, agro based industries etc. Some of the preferred terms and conditions are as follows:-

- Business having good prospects and cash flow as well as profitability.
- Investment amount - as per business requirement and credit worthiness of the customer.
- Tenure - maximum 60 months.
- Profit rate - as per schedule of charges.

N.B: Profit Rate 10% for Women Entrepreneur.

Project Finance

IFIL provides financing for specific projects of any size. It assists its clients also in the planning and implementation of such projects.

IFIL Deposits Products

IFIL is authorized to take deposits from General Public, Corporate Bodies, Governments and Semi-Governments Institutions.

IFIL maintains Cash Requirement Reserve (CRR) with Bangladesh Bank and Statutory Liquidity Reserve (SLR) with other Banks in the form of fixed deposits as a part of regulatory requirement. As required by Bangladesh Bank regulation IFIL maintains CRR and SLR @ 5% on its total deposits other than deposits taken from Banks and Financial Institutions.

Profit rate is determined on actual profit and distributed on weightage basis after every year end calculation. At the beginning of the year provisional profit rate is declared and subsequently adjusted on actual profit.

Board of Directors



Afzalur Rahman	Chairman
Rezakul Haider	Vice-Chairman
Kazi Mahbuba Akhter	Vice-Chairman
Mostanser Billa	Director
K.B.M. Moin Uddin Chisty	Director
Anwar Hossain Chowdhury	Director
Abul Quasem Haider	Director
Feroz Alam	Director
Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director
Prof. Dr. Md. Jahangir Alam	Independent Director
A K M Shahidul Haque	Managing Director & CEO
Rezauddin Ahmed	Company Secretary (Deceased)

Board of Directors



Afzalur Rahman
Chairman



Rezakul Haider
Vice-Chairman



Kazi Mahbuba Akhter
Vice-Chairman



Mostanser Billa
Director



K.B.M. Moin Uddin Chisty
Director



Anwar Hossain Chowdhury
Director



Abul Quasem Haider
Director



Feroz Alam
Director



Prof. Dr. Gazi Md. Ahsanul Kabir
Independent Director



Prof. Dr. Md. Jahangir Alam
Independent Director



A K M Shahidul Haque
Managing Director & CEO



Rezauddin Ahmed
Company Secretary (Deceased)

Sponsors & other than Directors

S. M. Bakhtiar Alam	Sponsor
Anis Salahuddin Ahmad	Sponsor
Shibbir Mahmud	Sponsor
Hossain Mahmud	Sponsor
A.K.M Sakhawat	Sponsor
Mazibur Rahman Khan	Sponsor
Liaquat Hossain Moghul	Sponsor
Md. Fazlul Hoque	Sponsor
Iqbalur Rahman	Sponsor
Md. Shafiqul Islam	Sponsor
Bakthiar Uddin	Sponsor
M. Mehdi Hasan	Sponsor
Sayed Tawfiq Hossain Ali	Sponsor

Note: Mohammed Zainul Abedin & M/S Cherry (Pvt.) Ltd. have transferred their entire shares.

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Sponsors & other than Directors



S. M. Bakhtiar Alam
Sponsor



Anis Salahuddin Ahmad
Sponsor



Shibbir Mahmud
Sponsor



Hossain Mahmud
Sponsor



A.K.M Sakhawat
Sponsor



Mazibur Rahman Khan
Sponsor



Liaquat Hossain Moghul
Sponsor



Md. Fazlul Hoque
Sponsor



Iqbalur Rahman
Sponsor



Md. Shafiqul Islam
Sponsor



Bakthiar Uddin
Sponsor



M. Mehdi Hasan
Sponsor



Sayed Tawfiq Hossain Ali
Sponsor

The Executive Committee



Name	Position in the Board	Position in the Committee
K.B.M. Moin Uddin Chisty	Director	Chairman
Mostanser Billa	Director	Member
Anwar Hossain Chowdhury	Director	Member
Abul Quasem Haider	Director	Member
Professor Dr. Gazi Md. Ahsanul Kabir	Director	Member

The Audit Committee



Name	Position in the Board	Position in the Committee
Professor Dr. Gazi Md. Ahsanul Kabir	Director	Chairman
Mostanser Billa	Director	Member
K.B.M. Moin Uddin Chisty	Director	Member
Anwar Hossain Chowdhury	Director	Member
Abul Quasem Haider	Director	Member

The Shariah Supervisory Committee



Name	Position in the Committee
M. Azizul Huq	Chairman
Prof. Muhammad Mansurur Rahman	Vice-Chairman
Ruhul Amin Khan	Member
Prof. Dr. Muhammad Azhar-ud-din	Member
Mohammad Nazrul Islam	Member
Dr. Mohd. Haroon Rashid	Member
A K M Shahidul Haque (Managing Director & CEO)	Member

Other Committees



Management Committee (MANCOM)



Asset Liability Management Committee



Risk Management Forum (RMF)



Investment Committee



Integrity Committee



From the desk of Chairman

IFIL has succeeded because we've stayed true to our core values, putting people first, pursuing excellence, embracing change, acting with integrity and serving our clients. For us, 2016 was a year of embracing change.

Assalamu Alaikum Wa-Rahmatullah Wa Barakatuhu.

Distinguished Stakeholders,

On behalf of the Board of Directors of Islamic Finance & Investment Limited (IFIL), I am pleased to present the Annual Report and audited Financial Statements for the year ended 31st December 2016.

2016 which was one of the most challenging years that impacted the global markets, began with the USA Federal Reserve's decision to raise interest rates for the first time in almost ten years, followed by United Kingdom referendum mid of the year to leave the European Union and ended with the United States presidential election. Bangladesh economy witnessed good advances in various socio-economic indices. A remarkable growth in GDP making it among the top-performing countries of Asia and the world which is also endorsed by the World Bank. Continuous growth in our textiles and RMG sectors and a continued remittance inflows played important role in the growth of the economy. Economic growth is projected to be above 7.00% as against the target of 7.20% in the fiscal year 2017. The current account balance witnessed a deficit of USD 0.7 billion during the July-November period due to strong import growth along with a moderate growth in export and decelerate in remittance inflows through banking channel. However a significant growth in FDI and portfolio investment led to overall surplus of USD 1.9 billion during first five months of the current FY. Government borrowing from banking sector experienced negative growth of 1.30% in Nov 2016, sufficient provision has been kept to accommodate 16.10% growth by Jun 2017. A downward trend in inflation rate was very significant. The industry showed noteworthy declining trend in interest rate.

Since inception, IFIL has succeeded because we've stayed true to our core values, putting people first, pursuing excellence, embracing change, acting with integrity and serving our clients. For us, 2016 was a year of embracing change. I've always believed that change is good; it keeps you relevant and encourages growth and progress. Innovations are also fueling our growth and help us not only to appeal to the next generation of customer, but also satisfy our already loyal customers with the quality products and services they expect from us.

Effective and efficient management of the Company by the Board of Directors and the Management collaboratively results an ultimate positive growth in the profitability. Throughout the year the Directors were tremendously active. Under their guidance IFIL has undergone through some positive changes that include key personnel recruitments in the Management, introduction of effective and efficient Investment Committee (IC) and Credit Risk Management (CRM) process, establishment of Recovery and Legal Department, proper Asset Liability Management through GAP analysis, etc. The Directors are highly competent and qualified to accomplish the job they have been entrusted upon. They have enormous versatility and in-depth knowledge in the respective area. They are professionally learned, qualified and successful people in the relevant fields.

On the other hand, the Management of the Company consists of a band of highly professional executives. They have high level of knowledge, skills and positive attitude towards the business growth. The Management of the company believes in sustainable business growth with a high level of due diligence and compliance. Accountability, transparency and sustainability are the key focuses of the Management along with achieving the profit in the business.

Active participation of the Board of Directors, the Executive Committee, the Audit Committee and the Management Committee of the Company has contributed to achieve a significant amount of profit in the year 2016.

I am pleased to announce that during the year 2016, IFIL earned operating income an amount of Tk. 563.93 million whereas it was Tk. 430.34 million for the year 2015 which increased by Tk. 133.59 million over that of last year. A summary of operating result of IFIL as on December 2016 vis-a-vis the position of December, 2015 is shown below:-

Tk. in Million

Particulars	2015	2016
Profit on Investment	994.80	1174.14
Add: Other Income	121.29	106.06
Total Income	1116.09	1280.20
Less: Total Expenditure	851.14	891.94
Net Profit before Provision & Taxation	264.95	388.26
Less: Provision for Investment, Shares	(34.09)	(17.50)
Net profit before Taxation	299.04	405.76
Less: Provision for Taxation	100.48	127.70
Net Profit	198.56	278.06

EPS stands at Tk. 2.30 as in 31st December 2016 reflecting an increase of nearly 40% over 2015. We have our constant endeavor to maximize our shareholders' value, the Board of Directors' is proposing a 11% stock dividend and 3% cash dividend distribution to the shareholders, an increase of 1% over 2015 dividend payout. Please allow me to convey my deepest appreciation to our shareholders for their continued confidence with us. I am also grateful to the Board of Directors for their invaluable inputs and pivotal role they have played in steering the Company towards continued growth in a challenging year. I would also like to thank the Management and the staff of IFIL for their contribution, dedication and commitment towards the company.

May peace, mercy and blessing of Almighty Allah be upon You.

With best regards,

Ma-assalam



Afzalur Rahman
Chairman

AMAR STOCK



From the desk of
Managing Director & CEO

The period commencing from March 2016 to December 2016, the Company underwent a massive restructuring. New divisions, departments have been created and properly manned with experienced professionals. We have already introduced a latest Software, implementation of which is at the finishing stage. We want to be in the list of top three among NBFI's in Bangladesh.

Assalamu Alaikum Wa-Rahmatullah.

Dear Shareholders,

I welcome you all to our Company's 16th Annual General Meeting On behalf of the Chairman, Board of Directors, myself and other staff members, I have great pleasure to place before our shareholders, the 16th Annual Report of Islamic Finance and Investment Limited for the year 2016.

The Annual Report containing the Directors' report and audited financial statements for the year ended 31st December, 2016 has been provided to all the shareholders of the Company. With your kind permission, I consider it as read. On this occasion, I would like to cast a light on the Global and Bangladesh economic scenario and analyze the performance of your Company.

World Economic Scenario

Today, the financial world is fraught with tension arising out of issues like exit of Britain from European Union, which has shaken the confidence of investors across the world. Further, slowdown in investment and trade, decline in capital flows to emerging markets and developing economies, accumulated with host of non-economic factors, including geopolitical tensions and political discord are generating substantial uncertainty. On the whole, these events are persistent with a subdued outlook for the world economy, but risks of much weaker global growth have also risen. According to IMF, the world economy grew at 3.1 percent last year which is lower than long term average rate and is projected to remain modest in 2016, at 3.2 percent, before picking up to 3.4 percent in 2017.

Bangladesh Economic Scenario

The market-based economy of Bangladesh is the 44th largest in the world in nominal terms, and 32nd largest by purchasing power parity; it is classified among the Next Eleven emerging market economies and a Frontier market. According to the IMF, Bangladesh's economy is the second fastest growing major economy of 2016, with a rate of 7.1%. Dhaka and Chittagong are the principal financial centers of the country, being home of the Dhaka Stock Exchange and the Chittagong Stock Exchange. The financial sector of Bangladesh is the second largest in the subcontinent.

In the decade since 2004, Bangladesh averaged a GDP growth of 6.5%, that has been largely driven by its exports of readymade garments, remittances and the domestic agricultural sector. The country has pursued export-oriented industrialization; with its key export sectors include textiles, shipbuilding, fish and seafood, jute and leather goods. It has also developed self-sufficient industries in pharmaceuticals, steel and food processing. Bangladesh's telecommunication industry has witnessed rapid growth over the years, receiving high investment from foreign companies. Bangladesh also has substantial reserves of natural gas and is Asia's seventh largest gas producer. Offshore exploration activities are increasing in its maritime territory in the Bay of Bengal. It also has large deposits of limestone. The government promotes the Digital Bangladesh scheme as part of its efforts to develop the country's growing information technology sector.

Bangladesh is strategically important for the economies of Northeast India, Nepal and Bhutan, as Bangladeshi seaports provide maritime access for these landlocked regions and countries. China also views Bangladesh as a potential gateway for its landlocked southwest, including Tibet, Sichuan and Yunnan.

In 2016, per-capita income was estimated as per IMF data at US$3,840 (PPP) and US$1466 (Nominal). Bangladesh is a member of the Commonwealth of Nations, D-8 Organization for Economic Cooperation, the South Asian Association for Regional Cooperation, the International Monetary Fund, the World Bank, the World Trade Organization and the Asian Infrastructure Investment Bank. The economy faces challenges of infrastructure bottlenecks, insufficient power and gas supplies, bureaucratic corruption, political instability, natural calamities and a lack of skilled workers.

Banking sector

Banking sector passed a steady year in 2016 as there was no report of any big corruption though the political stability in 2016 has helped the banking sector to pass a steady year. "With all the major indicators, including deposit, advance, foreign exchange reserve, exchange rate, export, import, inflation and private sector credit growth are in good position.

According to the central bank, from November 2015 to November 2016, the deposit and loan amount both witnessed a sharp rise of 13 percent and 14 percent. During the period, deposit was Taka 8.86 lakh crore and loan Taka 6.56 lakh crore. But in September 2016 classified loan was 10.34 percent which was 8.79 percent in December, 2015.

The forex reserve hit a record of $32 billion in 2016, which was enough for meeting the country's eight months import costs. But the inflow of remittance witnessed a downward trend in the last couple of months. Inflow of remittance in the last couple of months was slow as the non-residence Bangladeshis (NRBs) are facing problems to send their overtime money through proper channel. Besides, different countries have taken strict measures to check money laundering and terrorist financing. Falling currency rate against dollar and low oil prices have hit the incomes of the Middle Eastern countries where most of Bangladesh's migrants work. Some NRBs are also using informal channel for sending their money home. The money flow to all sectors including Small and Medium Enterprise (SME), industries and agriculture and non-farm rural sector increased significantly. In 2016, banks distributed Taka 1.01 lakh crore SME loan, which helped farmers grow more crops and create more jobs in the agriculture sector.

Performance of Islamic Finance and Investment Limited

Deposit in 2016 has registered a growth of 29.04 percent while Investment has shown a growth 16.95 percent in the same year. Our Profit has a growth of 40.04 percent compared to last year's 2.80 percent. Earning Per Share (EPS) stands at 2.30 percent against 1.64 percent in 2015 with an increase of 40.24. On the other hand, Net Asset Value (NAV) stood to 1,711 million in 2016 against 1,615 million in the previous year with an increase of 5.94 percent. Classified Investment has reduced to 4.85% in 2016 which was 8.49% in 2015.

Dividend recommended

We declare 14% dividend (3% Cash & 11% Stock) for the year 2016 which was 13% in 2015.

IFIL's VISION 2020

We want to be in the list of top three among NBFI's in Bangladesh. Besides, we have a plan to arrange Credit lines from international financial agencies to extend investment facilities to the customers at a lower rate of profit. We want to transform human resources as real human capital. Efforts will be made to maximize the profit and create more wealth for the stakeholders.

Technology Initiatives

Technology is our number one priority. We have already introduced a latest Software in IFIL, implementation of which is almost at the finishing stage. The Software is being tailored to ensure maximum satisfaction to the customers.

The period commencing from March 2016 to December 2016, the Company underwent a massive restructuring. New divisions, departments have been created and properly manned with experienced professionals. New committees as per requirement of Bangladesh Bank have formed to combat with the risk emanating from the operational activities and for sustainable growth of the company.

Human Resources

The financial sector has seen a paradigm shift in the concept of finance and banking due to liberalization and also new innovations in Information and Communication Technology. Yet, the survival and prosperity of finance industry depends largely on the quality of its human resource as it is service oriented. IFIL has taken effective steps to impart appropriate training to the staff to improve their skills for ensuring efficient service to customers. During the year Company has trained 44 employees in 15 various training institutes of the country. This is a continuous process for development of HR.

Corporate Social Responsibility Activities (CSR)

Our Company maintains good public relations and believes that the development of society is integral part in developing a healthy ecosystem. During the year Company has taken up various projects of social relevance like Education/Livelihood Enhancement, Environmental Sustainability/ Green Initiatives, HealthCare, Empowering Women, Socially and Economically Disadvantaged people, Rural Development and promotion of sports.

Compliance

We give priority to the compliance issues of the regulatory authorities. We have been continuously working to build up a compliance culture within the organization. We do also remain compliant to Shariah which is our guiding force, Alhamdulillah.

Corporate Goal for 2017

IFIL has envisaged a goal of achieving 1,469 million business turnover for the year 2017, comprising of Deposit of 10,110 million and investment of 15,020 million.

Acknowledgements

Before concluding, on behalf of the Company and on my personal behalf I would like to place on record our gratitude to our valued shareholders and customers for their unstinted support and patronage which has immensely contributed towards the growth of the Company. The Board of Directors has always been supportive and I thank the Chairman for his leadership and members of the Board for their encouraging guidance. The contribution made by Auditors, Legal Advisers, Consultants and other banks partners is thankfully acknowledged. I also gratefully acknowledge the continuous guidance and support of Bangladesh Bank, SEC, BLFCA, Stock Exchanges, and other Regulatory/Statutory bodies for their guidance and support. I especially like to thank Bangladesh Bank for their continued support and guidance.

Conclusion

I am confident that o Company which is performing consistently over the years will continue to make rapid strides on the profitable growth path and scale of new heights in future with the continued support and patronage of all the stakeholders. Thank you one and all.

May Almighty Allah grant us wisdom and strength in day to come.

Ma-assalam,

Yours faithfully,



A K M Shahidul Haque
Managing Director & CEO

GO GREEN SAVE PLANET

Green Banking

IFIL Green Financing practices are connected with both internal operation and product ecology. Green Financing engaged in creating socially responsible investment funds and sustainable project finance activities.

Environmental and Social Obligations

Islamic Finance and Investment Ltd. (IFIL) undertakes its responsibility to be recognized as an organization that is aware of both its social and environmental obligation. IFIL has engaged itself to influence its customers to operate responsibly and minimize impacts on climate change issues, hazardous waste disposal, and depletion of non-renewable natural resources. The key areas that the FI focuses upon are to provide a safe and healthy workplace, protect the environment and conserve energy through use of appropriate technology and management practices.

IFIL believes in nurturing the talent of the individuals of the communities in which it operates. By initiating numerous projects and services that facilitate in a socially responsible way, IFIL ensures sustainability of the greater environment and social well-being.

Environmental and Social Initiatives

IFIL strives to meet and exceed the social and environmental expectations beyond the minimum regulatory requirements. Integration of ethical, social and environmental criteria in business decision making process was our core initiatives in 2016. Some notable initiatives are given below:

- Educating the employees in 'Green Financing' and encouraging them to ingrain the practices in their daily activities. With the initiatives for creation of a paperless office, all the officials of the FI are given computer with e-mail facilities to reduce dependencies on paper and table stationeries.
- Employees are encouraged to minimize the environmental impact of business operations, by working to reduce the wastage of all resources.
- IFIL is especially concerned about the impact of FI's financed projects on environment. An environmental policy has been formulated in accordance with guideline issued by the government. As per policy, environmental impacts are duly considered during new project investment appraisal and also during the continuation of the projects.
- To ensure green industrialization, clearance is taken from the department of environment of the government before giving sanction to any new project. All possible cares are taken to protect environmental pollution by FI's sanctioned projects. In this regard, clients are encouraged to establish E.T.P to the projects like dyeing, printing etc.
- IFIL extended investments to different industrial customers for establishing effluent treatment plant (ETP). Due to quick urbanization in the country, forest and agricultural land is becoming squeezed which hampers ecological balance severely. In view to improve ecological harmony, the FI takes a campaign program of "one man one plant" among the employees and the customers.
- Respect for people by honoring the culture, customs, history and laws of Bangladesh. Constantly search for safer, cleaner and superior practices that satisfy the evolving needs of the society.
- Promote and engage in social welfare activities that help strengthen communities and contribute to the enrichment of society.

Ecology and Green Financing

Green FI is simply with social awareness. IFIL insists on going green to help the environment that promote its online Financing, Mobile Financing or the idea of socially responsible investment funds for sustainable project finance activities. An important and easy aspect of green Financing is online and investment in eco-friendly business projects. A truly green FI will reduce its carbon footprint by building more efficient premises, branches, implementing more efficient operational procedures promoting sustainable Financing and increasing their investments in environment-sensitive industries.

IFIL Green Financing practices are connected with both internal operation and product ecology. Product ecology is concerned with the impacts of the FI's on the environment used by the clients. Green Financing engaged in creating socially responsible investment funds and sustainable project finance activities.

IFIL is concerned with the well-being of its employees and customers satisfaction, benefits, wages and the FIs environmental standing. The FI is putting a combined effort on switching to more environment – friendly practices i.e. online Financing, reducing wastage of paper and electricity, using energy saving light bulbs, saving day light during office hours and being more conscious about employee travel policies. Benefits of online Financing include less paperwork, less mail etc., which all have a positive impact on the environment. The environment and the Financing industry both are benefited when FI customers start using the online Financing, SMS Financing and mobile Financing services.

IFIL aims at introducing changes in operational areas in future to adopt more environment–friendly procedures. The progression of our current Financing system towards a fully electronic and online Financing will further reduce cost and will be beneficial for our customers.



Statements on
Corporate Social Responsibility (CSR)

Islamic Finance and Investment Limited was established in February, 2001. The company is committed to participate in CSR activities from the establishment. Previously, Islamic Finance and Investment Limited distributed sewing machine among the poor women, provided scholarship to the poor students, donated to Asia Foundation, Liberation War Museum and also distributed blankets among the cold stricken peoples as a part of CSR. This company also established a foundation to carry out its CSR activities named 'Islamic Finance and Investment Limited Foundation' shortly 'IFIL Foundation'. The IFIL foundation was established in January, 2003. The main objective of the foundation is to run and execute welfare programs for uplifting of humanity.

In past few year, Islamic Finance and Investment Limited was involved in scholarship program, distribution of blankets among the cold stricken people, sewing machine distribution among the poor women, donation to the Construction of Liberation War Museum, help the Saver Tragedy Victims of Rana Plaza and sponsorship of the convocation of different universities.

We provided scholarship of Tk. 2000/- (two thousand) to each student. Total 24 students were awarded scholarship from various polytechnic and nursing institutions. We have given scholarship of Tk. 4,86,000 (four lac eighty six thousand only) in total in the year 2013.

We have given Tk. 3,00,000/- (three lac) to Liberation War Museum for development as a part of CSR activities.

We can remember the Rana Plaza Tragedy at Savar. Shortly after the tragedy, IFIL provided Tk. 5,00,000/- (five lac) to the Prime Minister Relief Fund for rehabilitations of the victims. We also provided dry foods among the victims of Rana Plaza.

In every year, IFIL provides blankets to the cold stricken people in the northern part of the country. As continuation of CSR activities IFIL distributed blankets of Tk. 2,70,000/- in the 2014, Tk. 3,00,000/- in the year 2015 and Tk. 3,00,000/- in 2016.

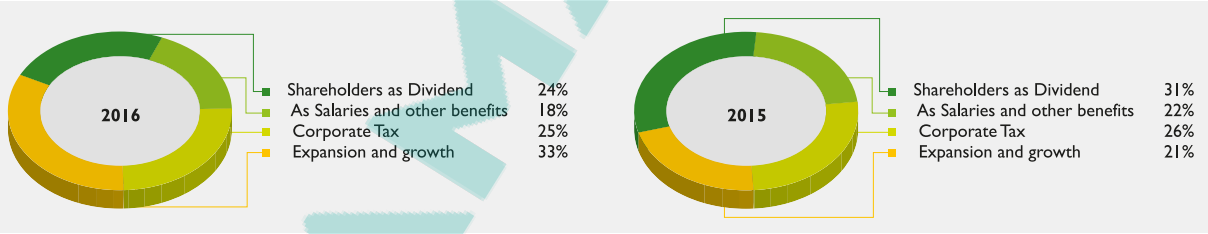
IFIL has an enthusiastic endeavors to run its CSR activities. It believe that such activities will be expanded further.

Value added statement
for the year ended 31 December, 2016

Value added is a measure of wealth created by the FI through various business activities. The statement of value added shows the total wealth created and how it was distributed among stakeholders, including the Government, employees and shareholders.

(Figures in Taka)

	2016		2015	
Value added	**Amount**	**Percentage**	**Amount**	**Percentage**
Operational income	1,280,199,550		1,116,098,554	
Less: Cost of service rendered	789,216,078		758,483,079	
Total Operating Expenses	175,667,426		165,399,146	
Profit paid on deposits, Borrowing etc. Note -19	716,265,683		685,752,698	
Less: Salaries & Expenses	87,594,129		80,403,037	
Managing Director Salary & allowances	5,493,548		5,333,306	
Depreciation on Fixed Assets- only Dep. Note - 27.1	9,629,354		6,932,422	
Value added by operating activities	**490,983,472**	**97**	**357,615,475**	**91**
Less: Provission for doubtful accounts & future losses	(17,497,728)	(3)	(34,091,936)	(9)
Total Value Added	**508,481,200**	**100**	**391,707,411**	**100**
VALUE DISTRIBUTED TO:				
Provider to Capital:				
Shareholders as Dividend	120,976,484	24	120,976,484	31
Employees:				
As Salaries and other benefits	93,087,677	18	85,736,343	22
Government:				
Corporate Tax	127,703,213	25	100,474,458	26
To Expansion and growth:				
Expansion and growth	166,713,826	33	84,520,126	21
Total Distribution	**508,481,200**		**391,707,411**	**100**



Market value added statement
for the year ended 31 December, 2016

Market Value Added Statement reflects the company's performance evaluated by the market through the share price. This amount is derived from the difference between market capitalization and book value of the shares outstanding. It signifies the enhancement of financial solvency as perceived by the market.

(Figures in Taka)

	2016	2015
Face value per share	**10.00**	**10.00**
Market Value per Share	**19.30**	**15.50**
Number of Shares outstanding	120,976,484	120,976,484
Total market capitalization	2,334,846,141	1,875,135,502
Book value of paid up capital	1,209,764,840	1,209,764,840
Market Value Addition	**1,125,081,301**	**665,370,662**



Report on
Human Resorces

IFIL has always been very passionate about human capital management and takes responsibility for developing employee potentials and leveraging employee skills in the organization. IFIL believes that trained, skillful and experienced employees are the most important strategic resource to survive in a competitive business environment.

AMAR STOCK

Manufacturing company needs capital machineries to produce their products. Likewise, service sector especially Financial Industry needs human resources to work for the organization as assets of the business. In this context, employees are sometimes referred to as human capital. The goal for dynamic Human Resources Management is to make effective use of employees, reducing risk and maximizing return on investment. IFIL emphasizes on cultivation of skills and competencies of the employees at various levels to meet current needs and expectations of the organization. IFIL is relentlessly patronizing on leadership, culture and capability that helps to build a better workplace. Our people are the most valuable asset to maximize wealth of the company. IFIL's Human Capital initiatives continues to focus on building capacity and confidence to keep up the momentum and employees' resilience in pursuit to a sustainable growth of the company. Finding the right employees, developing them, rewarding them properly and retaining them successfully are some of our highest priorities.

Our employees are the most important asset and key driver of our performance. We are committed to promote diversity, inclusion, flexibility, health and well-being in our human resources. IFIL believes that only the investment made in human resources can disguise the company from the peer group. This is very important to promote employee engagement, unlocking creativity and innovation to boost up image of the company. IFIL is in a continuation to implement the best HR policies and practices that are aimed to growing and developing organization. Our human resources are competent and confident enough to handle the challenges of modern financial business. IFIL has already formulated an efficient recruitment policy to recruit new employees, both fresh and experienced to meet the organization's increasing demand and to support the business expansions of the company.

Human Resource Strategy

IFIL has taken the following strategies to promote and patronize Human Resources:

1. Attract and recruit qualified personnel
2. Retain competent and efficient employees
3. Provide existing and new employees with appropriate training
4. Encourage employees to maintain professional skills
5. Give opportunities to the employees to grow and develop
6. Encourage the employees to get familiar with the spirit of ambition, efficient decision making, flexibility and quick positive responses to changes
7. Create a strong management team with qualified, skilled and knowledgeable executives
8. Ensure equal opportunities regarding employment, facilities and salaries
9. Integrate employees as partners in the business growth process and create belongingness to the company
10. Align the interests of employees with the interests of the organization
11. Maintain and uphold a "No Gender Discrimination" environment

Employees' Benefits

IFIL always recognizes the importance of attracting and retaining the best talent. IFIL offers adequate financial and nonfinancial benefits for the employees to ensure a better life style, such as-

- Attractive compensation package
- Festival and incentive bonus
- Fair promotion
- Annual increment
- Career growth opportunities
- Training and workshop (home and abroad)
- Favorable work environment
- Health care facilities
- Maternity leave to the female employees
- Leave encashment facility
- Employee investment facilities at a privileged rate
- Retirement benefits, e.g., provident fund, gratuity fund, etc.

To boost motivation, we recognize and reward top performers, long service employees, best managers, executives and officers.

Recruitment policy

For a sustainable business success, IFIL recognizes the importance of attracting and retaining the best talents in the market. IFIL has a plan to recruit fresh graduates from different academic backgrounds from renowned universities. IFIL also recruits experienced personnel from the financial industry having sound knowledge and expertise. IFIL only recruits those who demonstrate an alignment with our company values and philosophy, because recruiting decision has a major impact on our business.

Ethics and Code of Conduct

IFIL is a Shariah based Financial Institution and it must observe the highest level of Shariah Code of Conduct in the operations and behavioral aspect. We educate our employees with Shariah Principles in a regular basis. We have a service policy to guide all the employees in discharging their duties and in dealing with customers, colleagues and authorities. It also sets out the standards of good business practice that all employees must observe. As per the 'Service Policy' all the employees have to maintain the code of conduct and demonstrate highest ethical standards. Codes of Conduct, Compliance Standards, and Policies are introduced to guide IFIL's day-to-day decisions, actions and behaviors. Any illegal/unacceptable/undesirable conduct is viewed with zero tolerance in IFIL.

Training and Development

IFIL believes in creating future leaders with an effective blend of knowledge, skills and attitude towards building a great organization. Knowledge and skill development is a continuous process; the company continues to organize training and workshop for the officers and executives in an effort to improve their professional efficiency. IFIL has always been very passionate about human capital management and takes responsibility for developing employee potentials and leveraging employee skills in the organization. IFIL believes that trained, skillful and experienced employees are the most important strategic resource to survive in a competitive business environment.

HR Accounting

As on: 31.12.2016

SL	Designation	Total
1	Managing Director	01
2	Deputy Managing Director	01
3	Senior Executive Vice President	-
4	Executive Vice President	01
5	Senior Vice President	01
6	Vice President	01
7	First Vice President	03
8	Assistant Vice President	04
9	First Assistant Vice President	01
10	Senior Principal Officer	10
11	Principal officer	19
12	Senior Officer	22
13	Officer	12
14	Junior Officer	06
15	Messenger	11
16	Driver	-
	Total	**93**

Meet our people

Our people are our greatest asset. It is only with the determination and dedication of our people that we can serve our clients, generate long-term value for our shareholders and contribute to the development of the nation.

We nurture a work environment that enhances employees' skills and dedication to the Company. We always try to make every effort possible to support their career development, from creating small teams that offer more responsibility and a direct vision of their impact on the business to ensuring continuous HR follow-up.

Leaders



A K M Shahidul Haque
Managing Director & CEO

Leaders



Mohammad Ruknuzzaman
Deputy Managing Director



Maruf Mansur
Executive Vice President &
Manager, Principal Branch



S.Q. Bazlur Rashid
Executive Vice President
& Company Secretary



Mohammad Showket Akber, FCA, ACS
Senior Vice President
& Chief Financial Officer

Financial Administration Division



Md. Shafiqul Islam
First Vice President &
Head of FAD



Md. Shakhawat Hossain
Senior Principal Officer



Nusrat Islam
Senior Principal Officer



Shahnaz Haque
Senior Principal Officer



Tania Karim
Senior Officer



Md. Arifuzzaman Rasel
Senior Officer

Recovery



Md. Taufikul Hakim
First Vice President &
Head of Recovery

Credit Risk Management



Mohammad Salah Uddin
First Vice President &
Head of CRM



Md. Morshed Dinury
Senior Principal Officer



Rakibul Islam
Senior Officer



Engr. Md. Amirul Islam
Senior Officer

Meet our people - continued

SME Finance



Mohammad Sarwar Jahan Tarafder ACS
First Vice President &
Head of SME



Quazi Ekramul Rashid
Senior Officer

Internal Control and Compliance Department



Mohammad Shamsud Doha
First Vice President &
Head of ICCD



Omar Faruk
Principal officer



Md. Abdul Hannan Mollah
Principal Officer

Human Resorce Division



Syed Badrul Hasan
First Assistant Vice President



Shabana Begum
Junior Officer

Logistic & Common Services



Syed Shafayet Hossain, ACS
Principal Officer



Afsana Akter
Junior Officer

Shariah Dept.



Mujahid Hossain Yasin
Principal Officer

Public Relations Department



Hanif Md. Faisal
Senior Officer

IT & Credit Information Bureau



Mohammad Ataul Karim
Senior Principal Officer



Md. Toffazzel Hossain
Principal Officer



Md. Aurangzeb
Principal Officer



Farzana Akhter
Senior Officer

Share Department



Shahidulla Kawsar
Senior Principal Officer



Esmat Jarin
Senior Officer



Mohammad Shafi Iqbal
Senior Officer



Jubayer Mahmud
Senior Officer



Md. Rakibul Bashar
Officer

Principal Branch



Maruf Mansur
Executive Vice President
& Branch Manager



Md. Kamrozzaman
First Assistant Vice President



Mohammad Ziaul Haque
First Assistant Vice President



Md. Sharif Uddin
Senior Principal Officer



Md. Faridul Mowla
Senior Principal Officer



Manzurul Islam
Senior Principal Officer



Md. Zahiduzzaman
Senior Principal Officer



Md. Ekramul Islam
Principal Officer



Nigar Sultana
Principal Officer



Rina Bilkis
Principal Officer



Sharmin Akhter
Senior Officer



Md. Saiful Alam
Senior Officer



Shaiful Alam Shaown
Senior Officer



Md. Akram Hossain
Officer



Mahmuda Sultana
Junior Officer



Hafsa Begum Chowdhury
Junior Officer

Chittagong Branch



Shamrat Kabir
First Vice President &
Branch Manager



Md. Jahirul Islam
First Assistant Vice President



Mohammad Asad Iqbal
Senior Principal Officer



A. H. M. Rofi Uddin
Senior Principal Officer



Mohammed Alamgir
Principal Officer



Md. Farhad Chowdhury
Senior Officer



Mohammad Sahed Hossain
Senior Officer



A. B. M. Kamruzzaman
Officer



Md. Abu Noman
Officer

Bogra Branch



Md. Shahadat Hossain
First Vice President & Branch Manager



ABM Qamrul Hasan
Principal Officer



Md. Kamruzzaman
Principal Officer



Md. Alaul Islam
Principal Officer



Md. Mizanur Rahman
Principal Officer



Khurshida Banu
Senior Officer



Md. Mijanur Rahman
Officer



Md. Shamsul Islam
Officer

Narayangonj Branch



Md. Abu Bakar Bhuiyan
First Assistant Vice President & Branch Manager



Md. Mamunur Rahman (ACC)
Principal Officer



Md. Humyun
Senior Officer



Md. Sanwar Rahman Khan
Senior Officer



Md. Sahabuddin
Junior Officer



Nazmun Nahar
Junior Officer

Uttara Branch



Md. Zakaria Faruq
Senior Vice President & Branch Manager



Wahed Khan Noor
Senior Principal Officer



Mohammad Shahidul Kadir
Principal Officer



Nasiruddin Ahmed
Principal Officer



Md. Yeahia
Senior Officer



Md. Abdul Alim
Senior Officer



Mohammad Nadim Mia
Senior Officer



Mohammad Masud Imran
Officer



Md. Mainul Hoque
Officer

Nayabazar Branch



Md. Iqbal Hossain Akand
First Vice President
& Branch Manager



Mohammad Rashedul Islam (ACC)
Senior Principal Officer



Muhammad Jasim Uddin
Principal Officer



Muhammad Nur-E-Alam
Principal Officer



Syed Nasirudin
Senior Officer



Md. Tamjedul Islam
Senior Officer



Shoeb Mahmud
Senior Officer



A,N.M.Ferdous Alam
Junior Officer



Head Office



Corporate Governance

As part of good corporate governance, Islamic Finance and Investment Limited follows a set of policies and practices for ensuring accountability and transparency in its operations and reporting systems through a set of the relationships amongst the Board, management and shareholders to protect the interests of all stakeholders.

Corporate governance is a term that generally refers broadly to the rules, processes or laws by which businesses are operated, regulated and controlled. The term can refer to internal factors defined by the officers, stockholders or constitution of the company, as well as to external forces such as customer groups, and regulators. Being compliant to all rules and regulations (internal and external), we want to ensure good governance within the company. Islamic Finance and Investment Limited is committed to excellence in corporate governance. This is essential for the long term performance and sustainability of our company and to protect and enhance the interests of our shareholders and other stakeholders.

As part of good corporate governance, Islamic Finance and Investment Limited follows a set of policies and practices for ensuring accountability and transparency in its operations and reporting systems through a set of the relationships amongst the Board, management and shareholders to protect the interests of all stakeholders. These policies and practices have been developed in line with the best governance practices complying requirements in relevant notifications of The Bangladesh Securities & Exchange Commission (BSEC) and Bangladesh Bank Guidelines in this respect. Corporate governance provides the structure through which the objectives of the company are set, the means of attaining those objectives and monitoring the performances which is a continuing process.

IFIL operates within the legal framework of the Companies Act-1994 and as a non banking financial institution, complies with the provisions of the Non Banking Financial Institution Act-1993. It also complies with the directives and guidelines issued from time to time by Bangladesh Bank and Bangladesh Securities and Exchange Commission. We responsibly managed and supervised in fulfillment of the objectives of adding value to the shareholder wealth and contributing to the national economy. Our Corporate Governance principles serve the goal of strengthening and consolidating company position with sustained growth objectives in materializing the trust placed in the company by the shareholders, clients, employees and the general public. Fair practice, accountability, transparency, compliance, value creation and corporate social responsibility are the pillars of our corporate governance. Our corporate governance structure comprises the Shareholders, the Board, Company Management, Regulatory Authorities, Independent External Auditors and Employees. Our Stakeholders are individuals or groups that have an interest, claim or stake in the Company, in what we do and in how well we perform.

The Board's main roles are to determine Company's objectives and strategies, provide entrepreneurial leadership to create values for shareholders and ensure availability of necessary financial and other resources to achieve these objectives. The specific responsibilities of the Board include approval of all information supplied to shareholders in the annual and interim accounts, setting of Company strategies, approved budgets, review of operational and financial performances, approval of capital expenditures, set the borrowing limits, treasury policy, review of financial control and risk management system, ensure appropriate management development and succession plans, ensure satisfactory dialogue with shareholders over the Company's results and their aspirations for the future. The Board duly complies with the guidelines issued by Bangladesh Bank with regard to their responsibility and accountability for good governance.

In discharging the above responsibilities the Board fulfils and carries out certain functions including:

- Determines, monitors, reviews, evaluates and guides corporate strategies, policies, major plans of actions, annual budget and business plans.
- Sets management performance criteria and ensures regulatory compliance.
- Monitors significant business risks and provide possible solutions.
- Critically evaluates proposals placed for Board's approval and regularly reviews financial performances.
- Ensure transparent accounting and financial reporting, disclosure of all material information concerning the company and makes these available to the shareholders.
- Monitors adequacy, appropriateness and operation of internal controls.
- Evaluates the performance of Managing Director, Deputy Managing Director. Puts high importance to ensure that the senior management team has the necessary skills and experiences to take the company forward.
- The Board approved a well defined code of conduct which guides all the functions of the company underlining ethical practices. The code of conduct also provides a congenial work atmosphere and guides all the employees

to be imbued with the principles of fairness, integrity, trust, confidence, self- development and creating values for the shareholders.

The Managing Director is the Chief Executive who is assisted by different committees who perform within their delegated authorities and scope of work. The committees are:

- Management Committee (MANCOM)
- Investment Committee
- Risk Management Committee(RMC)
- Asset Liability Management Committee(ALMCO)
- Central Compliance Unit (CCU) for Anti Money Laundering
- Integrity Committee
- Central Customer Services and Complain Management Cell
- Sustainable Finance Committee

Islamic Finance and Investment Limited strongly believes that all stakeholders should have access to complete information on the activities, performance and product initiatives. The Company reports to its shareholders, four times a year through quarterly, half yearly and annual financial reports. Its website displays, the annual report, half yearly and quarterly reports, offerings, recent announcements which are also published in the newspapers as per regulatory requirements. The shareholders are always encouraged to attend the AGM or, if unable to attend personally, may appoint proxies. All disclosures required by BSEC, Stock Exchanges and Bangladesh Bank are made adequately and promptly. In addition to ensuring timely compliance, this also enables transparency and dissemination of information to all stakeholders and the public. Islamic Finance and Investment Limited always follow the Corporate Governess Guideline which the Company and its employees apply and comply in the course of day to day business operation.

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ARTISAN
Chartered Accountants

Certificate of Compliance to the Shareholders of Islamic Finance and Investment Limited on the Conditions of Corporate Governance Guidelines

We have reviewed the statement of compliance of Conditions of Corporate Governance guidelines prepared by the Board of Directors of Islamic Finance and Investment Ltd. to comply with the Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August 2012 of Bangladesh Securities and Exchange Commission (BSEC), where the company is listed.

The responsibility for compliance with the Conditions of Corporate Governance Guideline is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement of compliance reflects the status of the Company's compliance with the provisions of the conditions of Corporate Governance guidelines and report if it does not.

Based on our review, we certify that nothing has come to our notice except as stated in status of Compliance statement which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Conditions of Corporate governance as applicable to the Company for the year ended December 31, 2016.

Dhaka, 27 April, 2016

Md. Selim Reza FCA FCS
Partner
ARTISAN
Chartered Accountants

Shah Ali Tower (6th & 7th Floor) 33, Kawran Bazar, Dhaka-1215, Bangladesh
Phone: 8189883-7,8180183-6, Fax: 8180187, E-mail: info@artisan-ca.com, afmalamgir2S@gmail.com, Web : www.artisan-ca.com

Status of compliance with the conditions imposed by BSEC's Notification on Corporate Governance (Report under Condition No. 7.00)

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.0	**Board of Directors**			
1.1	The number of the Board members of the company shall not be less than 5(five) and more than 20(twenty).	√		The board of Islamic Finance and Investment limited is comprised of 10 (Ten) members including two (2) Independent Directors.
1.2	**Independent Directors**			
1.2 (i)	Independent Directors: At least one fifth (1/5) of the total number of Directors in the company's Board shall be Independent Directors.	√		There are two Independent Directors in IFIL Board, namely: Prof. Dr. Gazi Md Ahsanul Kabir and Prof. Dr. Md. Jahangir Alam.
1.2 (ii)	For the purpose of this clause "independent director" means a director.	√		The Independent Directors have declared their compliances.
1.2 (ii) a)	Independent Director does not hold any share or holds less than 1% shares of the total paid-up capital.	√		Do
1.2 (ii) b)	Independent Director or his family members are not connected with the company's any sponsor or Director or Shareholder who holds 1% or more shares.	√		Do
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		Do
1.2 (ii) d)	Independent Director is not a member, Director or officer of any Stock Exchange.	√		Do
1.2 (ii) e)	Independent Director is not a shareholder, Director or officer of any member of Stock Exchange or an intermediary of the capital market.	√		Do
1.2 (ii) f)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3(three) years of any statutory audit firm.	√		Do
1.2 (ii) g)	Independent Director shall not be an Independent Director in more than 3(three) listed companies.	√		Do
1.2 (ii) h)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI).	√		Do
1.2 (ii) i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.2 (iii)	Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the AGM.	√		Two Independent Directors have been appointed in 148th Board meeting held on 17-04-2013 and approved in the 12th AGM.
1.2 (iv)	The Post of Independent Director(s) cannot remain vacant for more than 90(ninety) days.			There has been no vacancy in the position of Independent Directors.
1.2 (v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	√		The Company's Board has approved a Code of Conduct for the members of the Board.
1.2 (vi)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1(one) term only.	√		The tenure of office of Independent Director has been extended for a further period of 3 (three) years in the 15th AGM held on 5th June, 2016.
1.3	**Qualification of Independent Director(ID)**			
1.3 (i)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies.	√		
1.3 (ii)	Independent Director should be a Business Leader/Corporate Leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost and Management Accountants, Chartered Secretaries. The Independent Director must have at least 12(twelve) years of corporate management/professional experiences.	√		There are two independent Directors in the Company. They were University Teacher and have adequate experience on corporate management.
1.3 (iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission.			Not Applicable
1.4	**Chairman of the Board and Chief Executive Officer**			
1.4	Chairman and CEO shall be filled by different individuals. Chairman shall be elected from among the Directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO.	√		
1.5	The Directors' Report to Shareholders	√		Do
1.5 (i)	Industry outlook and possible future developments in the industry.	√		Do
1.5 (ii)	Segment-wise or product-wise performance.	√		Do
1.5 (iii)	Risks and concerns.	√		Do
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.			No Extra-Ordinary gain or loss experienced during the period under audit.
1.5 (vi)	Basis for related party transactions-a statement of all related party transactions should be disclosed in the annual report.	√		Discussed at Notes to the Financial Statements No # 38.04.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others 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 Offer, Direct Listing, etc.			Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	√		No significant variance occurs between Quarterly and Annual Financial results of the Company.
1.5 (x)	Remuneration to Directors including Independent Directors.	√		
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5 (xii)	Proper books of account of the issuer company have been maintained.	√		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable prudent judgments	√		
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (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)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	√		
1.5(xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	√		There were no Significant deviations from the last year's operating results of the issuer company.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	√		
1.5 (xix)	Reason for non Declaration of Dividend	√		Dividend has been declared. The Director's Report complies with the guideline.
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		Attached in the Annexure along with Statement.
1.5 (xxi)	The pattern of shareholdings shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:			
1.5(xxi) a)	Parent/Subsidiary/Associated companies and other related parties (name wise details);	√		Attached in the Annexure along with Statement.
1.5(xxi) b)	Directors, Chief Executive Officer, Company Secretary, and Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details).	√		Do
1.5(xxi) c)	Executives	√		Do
1.5(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	None		Do
1.5(xxii)	In case of the appointment/re-appointment of a Director the company shall disclose the following information to the shareholders:- a) a brief resume of the Director; b) nature of his/her expertise in specific functional areas; c) Names of the companies in which the person also holds the Directorship and the membership of committees of the Board.	√		Do
2	**Chief Financial Officer, Head of Internal Audit and Company Secretary**			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of CFO, The Head of Internal Audit and the CS.	√		
2.2	Attendance of CFO and the Company Secretary in the Board meeting.	√		
3	**Audit Committee**			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	√		
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	√		
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	√		

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Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.1	**Constitution of the Audit Committee**			
3.1 (i)	The Audit Committee shall be composed of at least 3(three) members.	√		The Audit Committee is composed with five members including one Independent Director.
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be Directors of the company and shall include at least 1 (one) Independent Director.	√		
3.1 (iii)	All members of the Audit Committee should be "Financially Literate" and at least 1(one) member shall have accounting or related financial management experience: the term financially literate means the ability to read and understand the financial statement i.e. Balance Sheet, Income Statement and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if (s) he possesses professional qualification or Accounting/Finance Graduate with at least 12 (twelve) years of corporate management/professional experiences.	√		
3.1 (iv)	Casual vacancy in Audit Committee shall be filled by the Board.	√		
3.1 (v)	The Company Secretary shall act as the Secretary of the committee.	√		
3.1 (vi)	The quorum of the Audit Committee (AC) meeting shall not constitute without at least 1 (one) Independent Director.	√		
3.2	**Chairman of the Audit Committee**			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairmen of the Audit Committee, who shall be an Independent Director.	√		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM).	√		
3.3	**Role of the Audit Committee**			
3.3 (i)	The role of Audit Committee: Oversee the financial reporting process.	√		
3.3 (ii)	Monitor choice of accounting policies and principles	√		
3.3 (iii)	Monitor Internal Control Risk Management process	√		
3.3 (iv)	Oversee hiring and performance of external Auditors.	√		
3.3 (v)	Review along with the management, the annual financial statements before submission the Board for approval.	√		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	√		
3.3 (vii)	Review the adequacy of Internal Audit functions.	√		
3.3 (viii)	Review statement of significant related party transaction submitted by the management.	√		
3.3 (ix)	Review Management letters/Letter of Internal Control weakness issued by statutory auditor.	√		
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee above the uses / applications of funds by major category (Capital Expenditure , Sales and marketing Expenses, Working Capital etc.), on a quarterly basis, as a part of there quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other that those stated in the offer documents/ prospectus.			There was no IPO/RPO/Rights Issue during the period.
3.4	**Reporting of the Audit Committee**			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	√		
3.4.1 (ii) a)	Report on conflicts of interest to the Board of Directors.	√		There was no reportable case of conflict of interest in 2016
3.4.1 (ii) b)	Will report any suspected or presumed fraud or irregularities or material defect in the internal control system to the Board.	√		There was no such case in the year.
3.4.1 (ii) c)	Will report any suspected infringement of laws, including securities related laws, rules and regulations to the Board.	√		Do
3.4.1 (ii) d)	Will report any other matters which shall be disclosed to the Board of Directors immediately.	√		Do
3.4.2	Reporting to the Authorities: If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such findings to the commission, upon reporting of such matters to the Board of Directors for 3 (three) times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.	√		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3.5	Reporting to the Shareholders and General Investors: report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.	√		Do
4	**External/Statutory Auditors**			
4 (i)	Non-engagement of external/statutory auditors in appraisal or valuation services or fairness opinions.	√		
4 (ii)	Non-engagement of external/ statutory auditors in Financial Information Systems Design and implementation.	√		
4 (iii)	Non-engagement of external/statutory auditors in Book-keeping or other services related to the accounting records or financial statements.	√		
4 (iv)	Non-engagement of external/statutory auditors in Broker-dealer services.	√		
4 (v)	Non-engagement of external/statutory auditors in Actuarial Services.	√		
4 (vi)	Non-engagement of external/statutory auditors in Internal Audit services.	√		
4 (vii)	Non-engagement of external/statutory auditors in any other service that the Audit Committee determines.	√		
4 (viii)	No partner or employees of the external audit firm's shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	√		The Audit Firm has declared that none of them holds any shares in the company.
4 (ix)	Audit/certification services on compliance of corporate governance as required under clause (i) of condition No. 7.	√		
5	**Subsidiary Company**			
5 (i)	Provisions relating to the composition to the Board of Directors of the holding company shall be maid applicable to the composition of the Board of Directors of the subsidiary company.	None		IFIL does not have any subsidiary company.
5 (ii)	At least 1(one) Independent Directors on the Board of Directors of the holding company shall be a Director on the Board of Directors of the subsidiary company.	None		Do
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	None		Do
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	None		Do
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	None		Do

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6	**Duties of Chief Executive Officer(CEO) and Chief Financial Officer(CEO)**			
6 (i) a)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
6 (i) b)	The CEO and CFO will certify to the Board that they have reviewed the financial statements and believe that 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.	√		
6 (ii)	There are, to the best knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	√		
7	**Reporting and Compliance of Corporate Governance**			
7 (i)	The company shall obtain a certificate from a professional Chartered Secretary/ Accountant (Chartered Accountant/ Cost and Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall sent the same to the Shareholders along with the Annual Report on an yearly basis.	√		Required certification has been obtained from ARTISAN Chartered Accountants for the year 2016.
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the Directors' report whether the company has complied with these conditions.	√		

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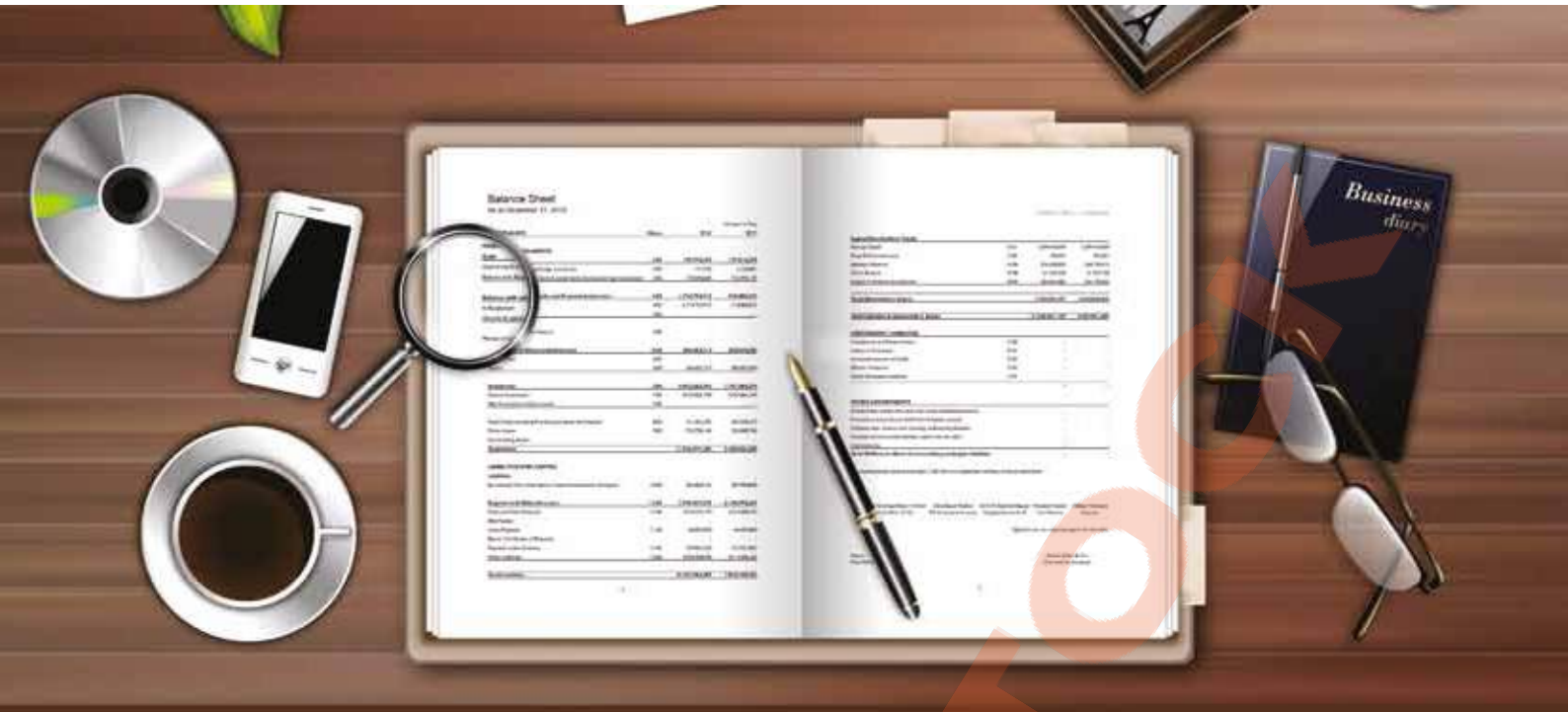


Report of the
Audit Committee

The prime duties of the Audit Committee are embarked in the Internal Control and Compliance (ICC) framework guidelines of Bangladesh Bank. The responsibilities with the Audit Committee lies with the fair financial statement to comply risk and regulatory requirements, oversee performance of external auditor as well as internal Control function.

Muhtaram,

Assalamu-alaikum Wa-rahmatullah.

The Audit Committee of Islamic Finance & Investment Limited (IFIL) has been formed on behalf of the Board of Directors to ensure the high standard of corporate reporting, control and compliance achieved through its strong observation and monitoring. The prime duties of the Audit Committee are embarked in the Internal Control and Compliance (ICC) framework guidelines of Bangladesh Bank. The responsibilities with the Audit Committee lies with the fair financial statement to comply risk and regulatory requirements, oversee performance of external auditor as well as internal Control function.

The Composition of the Committee

As per Corporate Governance guideline of Bangladesh Security and Exchange Commission (BSEC), the Board of Directors of IFIL has constituted the Audit Committee consisting of the following 5 (five) members where an Independent Director chair the Committee:

Sl	Name	Status in the BOD	Status in the Committee
1.	Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	Chairman
2.	Mostanser Billa	Director	Member
3.	K.B.M. Moin Uddin Chisty	Director	Member
4.	Anwar Hossain Chowdhury	Director	Member
5.	Abul Quasem Haider	Director	Member

Meeting of the Committee

The Audit Committee met on 04 occasions in 2016 on need basis. Members attendance at the meetings held during the year has been depicted in Attendance Statement (Appendix "E"). Proceeding of the Audit Committee meeting were submitted timely and regularly to the Board of Directors as well as Bangladesh Bank. The Managing Director & CEO, the Deputy Managing Director, Chief Financial Officer and Head of ICCD attended the meetings on invitation. The Managers of the reporting branches/concern Departmental Head attended the meetings for necessary clarifications of the findings and observations of Internal Control and Compliance Department (ICCD), the External Auditors and Bangladesh Bank Inspection Team. During the period, the committee performed, amongst others, the following key functions:

- Discussed & reviewed the Internal and External Auditor reports and advised the Management to rectify all lapses revealed in the reports.
- Discussed Bangladesh Bank inspection reports on the Branches and Head Office and advised the management to rectify all lapses and to comply with Bangladesh Bank's instructions and circulars strictly.
- Advised the Management to meticulously comply with all regulatory requirements set-forth by Bangladesh Bank and other regulatory bodies.
- Advised the concerned Head of departments/Branch Managers and officials of the institute who attended the meeting of the audit committee on invitation in order to augment the process of regularization of lapses and irregularities.
- Advised the Management to complete all the documentation formalities carefully and preserve each and every document properly.
- Review the financial statements to ensure that these Financial Statements are in full compliance with Acts, Rules and the Accounting Standards (BAS/BFRS).
- Review the reports on overdue, classified, rescheduled, written-off investment and other non- performing assets and directed to exert all-out efforts to reduce non-performing assets.
- Suggested to take up the matters with concerned lawyers for early disposal of the suits for recovery of the outstanding dues.

Review of Financial Statements

The Audit Committee reviewed the Financial Statements for the year 2016 prepared by the management and audited by External Auditor M/s. Ahmed Zakir & Co. Chartered Accountants to confirm whether all the required disclosures and information have been incorporated in the Financial Statements and whether the Financial Statements are in full

compliance with Acts, Rules & Guidelines of regulatory bodies and the Accounting Standards (BAS/BFRS). During the reporting period, the Committee:

- Reviewed and discussed the audited annual financial statements included in this integrated report with the external auditors, the Managing Director & CEO and the Chief Financial Officer (CFO);
- Reviewed the external auditors' report and management's response;
- Reviewed any significant adjustments resulting from external audit queries and accepted unadjusted audit differences;

Finally, the committee recommended and forwarded the Financial Statements for the year 2016 to the Board for consideration.

Acknowledgement

The Audit Committee expressed its profound thanks and gratitude to the Members of the Board, Management, Auditors and the Regulatory Authorities, in particular, Bangladesh Bank and the Bangladesh Security and Exchange Commission for their excellent support while performing their coveted duties & responsibilities and all Employees of IFIL for their commitment & effort during the year 2016.

Ma-assalam,

On behalf of the Committee



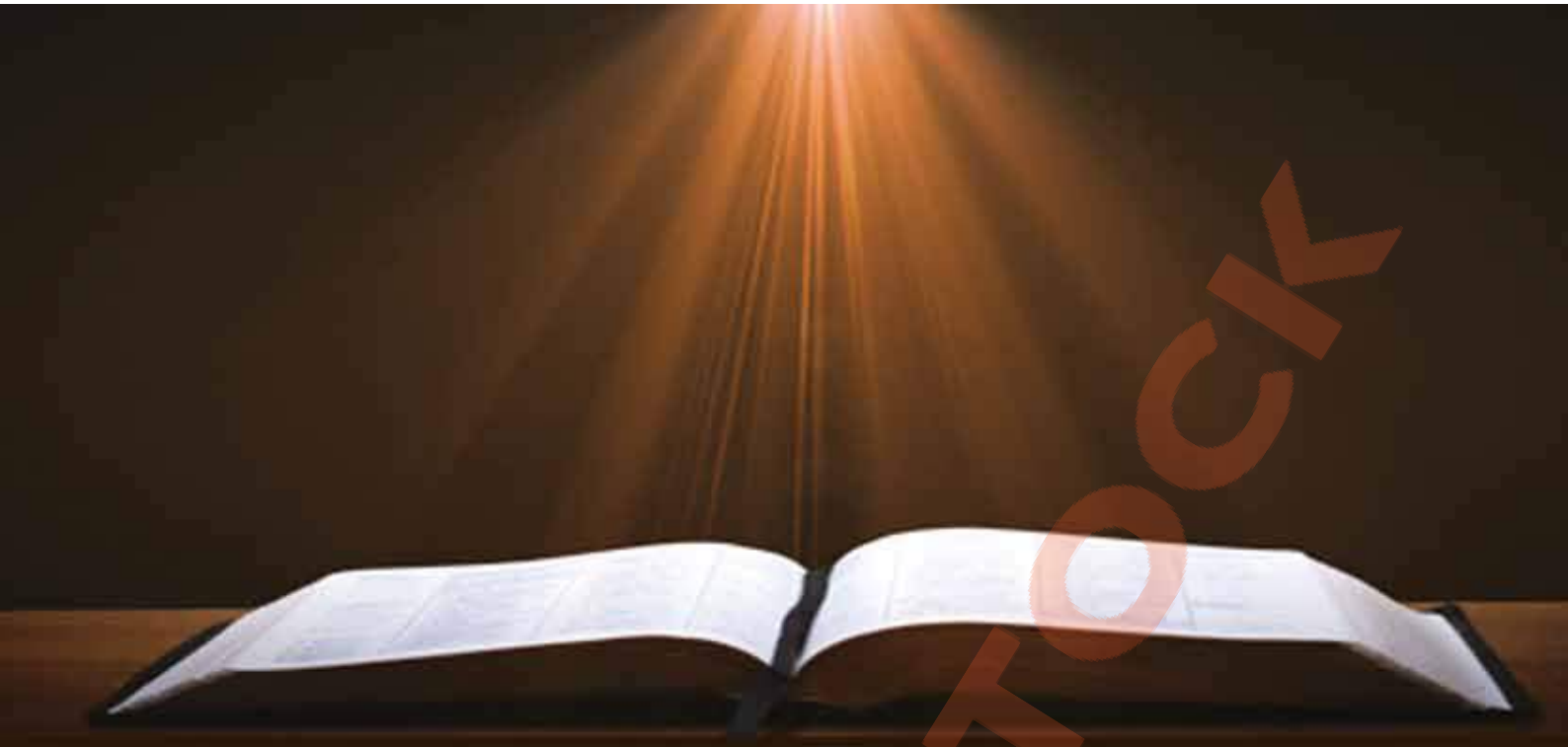
(Professor Dr. Gazi Md. Ahsanul Kabir)
Chairman, Audit Committee

AMAR STOCK

Shareholding
Position of Directors & Others
as on December 31, 2016

Name of Directors	Number of Shares	% of Total Shares	Name of the Spouse or minor children	Nos. of Shares held	Relationship with the Directors	Remarks
Afzalur Rahman	2891815	2.39%	Not Applicable			
Rezakul Haider	2445223	2.02%	Not Applicable			
Kazi Mahbuba Akhter	2515966	2.08%	Anwar Hossain Chowdhury	2426734	Husband	
Mostanser Billa	2454845	2.03%	Not Applicable			
K.B.M. Moin Uddin Chisty	2558873	2.12%	Not Applicable			
Anwar Hossain Chowdhury	2426734	2.00%	Kazi Mahbuba Akhter	2515966	Wife	
Abul Quasem Haider	2753300	2.28%	Not Applicable			
Feroz Alam	2430281	2.01%	Not Applicable			
Prof. Dr. Gazi Md.Ahsanul Kabir	-	-	Not Applicable			
Prof. Dr. Md. Jahangir Alam	-	-	Not Applicable			
Others:						
Managing Directors/ Chief Executive Officer (CEO)	-	-	Not Applicable			
Company Secretary (CS)	-	-	Not Applicable			
Chief Financial Officer (CFO)	-	-	Not Applicable			
Head of Internal Control & Compliance Dept. (HICCD)	-	-	Not Applicable			

AMAR STOCK



শরীয়াহ্ সুপারভাইজরী কমিটির প্রতিবেদন

(৩১ শে ডিসেম্বর, ২০১৬ তারিখে সমাপ্ত বছরের জন্য)

বিগত অর্থবছরে আইএফআইএল-এর সব ক'টি শাখায় শরীয়াহ্ নিরীক্ষা পরিচালনাপূর্বক নিরীক্ষা প্রতিবেদন কমিটির সভায় পেশ করা হয়। প্রতিবেদনগুলোর ওপর বিস্তারিত আলোচনা করে কমিটি শাখাসমূহকে শরীয়াহ্ পরিপালনে পরিলক্ষিত ত্রুটি বিচ্যুতি সংশোধনের জন্য দিক নির্দেশনা প্রদান করে।

শরীয়াহ্ সুপারভাইজরী কমিটির প্রতিবেদন

আস্সালামু 'আলাইকুম ওয়া রাহ্মাতুল্লাহ্

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেডের সম্মানিত শেয়ারহোল্ডারবৃন্দ

শরীয়াহ্ সুপারভাইজরী কমিটি ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেডের সূচনালগ্ন থেকেই এর কার্যক্রম, পরিচালনা নীতি ও প্রায়োগিক পদ্ধতিগুলো ইসলামী শরীয়াহর দৃষ্টিকোন থেকে পর্যালোচনা করে আসছে।

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেডের (আইএফআইএল) ২০১৬ সনের সার্বিক কার্যক্রম পরিচালনায় শরীয়াহ্ নির্দেশনাসমূহ কতটুকু পরিপালিত হয়েছে শরীয়াহ্ সুপারভাইজরী কমিটি তা পর্যালোচনা করে একটি স্বাধীন মতামত প্রস্তুত করে আপনাদের সদয় অবগতির জন্য উপস্থাপন করছে।

আইএফআইএল তার বিনিয়োগসমূহ ইসলামী শরীয়াহ্-নির্দেশিত নীতিমালা অনুযায়ী পরিচালনা করেছে- এ বিষয়টি নিশ্চিত করার দায়িত্ব প্রতিষ্ঠানের ব্যবস্থাপনা কর্তৃপক্ষের। আর আমাদের দায়িত্ব হলো এর সার্বিক কার্যাবলী শরীয়াহর আলোকে যাচাই বাছাই করে একটি স্বাধীন মতামত প্রস্তুত করে আপনাদের কাছে পেশ করা।

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেডের যাবতীয় কার্যক্রম পরিচালনার ব্যাপারে শরীয়াহ্- নীতিমালা, বিধি-বিধান পরিপালন ও প্রয়োগের ক্ষেত্রে কোন ধরনের সংশয় বা সমস্যার উদ্ভব ঘটলে সে ব্যাপারে মতামত গ্রহণের জন্য ব্যবস্থাপনা কর্তৃপক্ষ শরীয়াহ্ সুপারভাইজরী কমিটির শরণাপন্ন হয়ে থাকেন।

বিগত অর্থবছরে আইএফআইএল-এর সব ক'টি শাখায় শরীয়াহ্ নিরীক্ষা পরিচালনাপূর্বক নিরীক্ষা প্রতিবেদন কমিটির সভায় পেশ করা হয়। প্রতিবেদনগুলোর ওপর বিস্তারিত আলোচনা করে কমিটি শাখাসমূহকে শরীয়াহ্ পরিপালনে পরিলক্ষিত ত্রুটি বিচ্যুতি সংশোধনের জন্য দিক নির্দেশনা প্রদান করে।

শরীয়াহ্ সুপারভাইজরী কমিটি ও শরীয়াহ্ সচিবালয় কর্তৃক আইএফআইএল- এর প্রধান কার্যালয় ও শাখাসমূহে অনুসৃত কর্মপন্থা পর্যবেক্ষণ, সংশ্লিষ্ট নথিপত্র এবং লেনদেনের নমুনাসমূহ যাচাই বাছাইপূর্বক বার্ষিক আর্থিক বিবরণী নিরীক্ষা করে নিম্নরূপ অভিমত প্রকাশ করছে :

ক. বিগত অর্থবছরে আইএফআইএল কর্তৃক পরিচালিত কার্যক্রম, লেনদেন, চুক্তিসমূহ আমরা পর্যালোচনা করে দেখেছি যে, তা ইসলামী শরীয়াহ্র নীতিমালা ও বিধি-বিধান অনুযায়ী সম্পন্ন করা হয়েছে;

খ. শরীয়াহ্- নীতিমালা ও বিধি-বিধান পরিপালন শতভাগ নিশ্চিতকরণ ও শরীয়াহ্ বিষয়ে দক্ষতা অর্জনের জন্য প্রধান কার্যালয় ও শাখাসমূহের জনশক্তিকে যথানিয়মে প্রশিক্ষণ দেয়ার ব্যবস্থা গ্রহণ করা হয়েছে;

গ. বিগত বছরে আইএফআইএল-এর বিনিয়োগ কার্যক্রমে শরীয়াহ্ পরিপালন নিশ্চিতকরণ ও এ বিষয়ে দক্ষতা অর্জনের জন্য প্রতিটি শাখায় শরীয়াহ্ প্রশিক্ষণ কর্মসূচী পরিচালনা করা হয়েছে।

শরীয়াহ্ সুপারভাইজরী কমিটি আইএফআইএল-এর সার্বিক কার্যক্রমকে অধিকতর শরীয়াহ্সম্মত ও জনশক্তিকে আরও শরীয়াহ্-জ্ঞানে সমৃদ্ধ করার জন্য ব্যবস্থাপনা কর্তৃপক্ষকে নিম্নোক্ত পরামর্শ প্রদান করছে :

১. আইএফআইএল-এর সর্বস্তরের জনশক্তিকে ইসলামী অর্থব্যবস্থা তথা শরীয়াহর সামগ্রিক বিষয়ে বিশেষভাবে দক্ষ ও একনিষ্ঠ করে গড়ে তোলার লক্ষ্যে অধিকতর শরীয়াহ্ প্রশিক্ষণ কার্যক্রম গ্রহণ করা;

২. ইসলামী অর্থব্যবস্থা জনসমাজে প্রসার ও অনুশীলনের লক্ষ্যে শাখা পর্যায়ে গ্রাহক ও সুধীজনদের অংশগ্রহণে সেমিনার ও মতবিনিময় সভার ব্যবস্থা করা;

৩. শরীয়াহ্ বিষয়ে অধিকতর অভিজ্ঞতা অর্জনের জন্য বহির্বিশ্বের শরীয়াহ্ভিত্তিক ব্যাংক ও আর্থিক প্রতিষ্ঠান সমূহের উদ্যোগে আয়োজিত প্রশিক্ষণ কর্মসূচী ও মতবিনিময় সভায় আইএফআইএল-এর কর্মকর্তাগণের অংশগ্রহণ নিশ্চিত করা এবং সে অভিজ্ঞতা কাজে লাগিয়ে আইএফআইএল-এর ব্যবসায়িক কার্যক্রমকে আরও উন্নততর করা।

৪. আইএফআইএল-এর সকল প্রকার মুদারাবা ডিপোজিটরদের মাঝে শরীয়াহ্ সম্মতভাবে মুনাফা বণ্টন নিশিচত করা;

৫. ব্যবসা সম্প্রসারণের পাশাপাশি দেশের অপেক্ষাকৃত দরিদ্রদের আর্থ-সামাজিক উন্নয়নে চালুকৃত ক্ষুদ্র বিনিয়োগ প্রকল্প আরও জোরদার করা এবং উন্নয়নমূলক বিভিন্ন প্রকল্প চালুর ব্যবস্থা করা;

৬. শরীয়াহ্ভিত্তিক সঞ্চয় ও বিনিয়োগ কার্যক্রম সর্বস্তরের মানুষের মধ্যে প্রসার লাভে কার্যকর পদক্ষেপ গ্রহণ করা এবং

৭. দুস্থ ও অভাবী মানুষের উন্নয়নের জন্য গঠিত আইএফআইএল ফাউন্ডেশন-এর গৃহীত কার্যক্রম গতিশীল করে দেশের দরিদ্র জনগোষ্ঠীকে আর্থিক সহায়তার ক্ষেত্রে উল্লেখযোগ্য ভূমিকা রাখা।

মহান রাব্বুল আলামীন আমাদের কল্যাণমুখী সকল প্রচেষ্টা কবুল করুন; সাফল্য ও বরকতময়তার ধারাবাহিকতা অক্ষুন্ন রাখুন। আমীন।

(এম. আযিযুল হক)
সভাপতি



Report on Shariah Supervisory Committee

Assalamu Alaikum wa rahmatullah,

Dear Shareholders,

From the inception Shariah Supervisory Committee has been observing the functions, operational policies and implementation procedures of Islamic Finance and Investment Limited (IFIL) from the view point of Islamic Shariah principles.

The Shariah Supervisory Committee is presenting an independent report after proper scrutiny regarding the overall operations of IFIL inconsistent with the Shariah Directives in the year 2016.

The Management of IFIL is solely responsible to ensure that Shariah principles have been complied in the investment procedures. Our responsibility is to submit an independent report to you after proper scrutiny regarding its overall operation in light of Shariah principles.

If the Management of IFIL face any doubt or problems in the operation relating to the Shariah principles, rules-regulations and implementation they seek suggestions from the Shariah Supervisory Committee.

In the last financial year Shariah Audit Report has been submitted to the Shariah Supervisory Committee after organizing Shariah Audit in all the Branches of IFIL. The Committee has given directives to the branches to comply all the non-compliances after detail discussion on the matter.

After a detail scrutiny and observation of the Operational procedure, related documents and sample transactions of IFIL Head Office and the Branches and after inspecting the Annual Financial Report Shariah Supervisory Committee and Shariah Secretariat has opined as follows:

1. In the last financial year we have found all the operations, transactions, contracts, etc. have been made by IFIL are in consistent with the Shariah principles and rules-regulations.
2. Sufficient training has been organized to comply hundred percent Shariah principles and rules-regulations for the employee of IFIL Head Office and branches.
3. Last year sufficient Shariah workshop and training have been arranged to ensure compliance and to develop skill in the investment sector at each and every branches of IFIL.

To make the overall operation more Shariah based and to enrich the Human Resources with proper Shariah knowledge Shariah Supervisory Committee has suggested the Management of IFIL as follows:

1. To arrange more Shariah training and development sessions that would make the Human Resources more skilled and enriched with overall Shariah matters.
2. To arrange seminar and discussion forum for the public and prominent citizens to enhance and exercise Islamic Financial System at the Branches of IFIL.
3. To ensure participation of the Executives of IFIL in trainings and discussion forums arranged by different global Shariah banks and financial institutions relating to Shariah practices and to implement those in the business procedures of IFIL for development purpose.
4. To ensure Shariah based Mudaraba profit distribution to the Depositors of IFIL.
5. To start strengthening the small investment projects for the relatively poor cluster along with the business expansion and to start different development projects.
6. To take necessary steps for the promotion of Shariah based deposit and investment procedures among different clusters of people.
7. To have significant footsteps to facilitate the poor people of the country through patronizing flawless functions of IFIL Foundation established for the development of the poor and needy.

May the Almighty grant our heartfelt endeavor for charity and award us with constant success and blessed growth.

M. Azizul Huq
Chairman



Risk Management

As a prudent and responsible financial institution, IFIL attaches top priority to ensuring safety and security of the finances that are being extended. By formulating policy regarding profit rate, market, liquidity, currency, operational as well as investment risk, IFIL manages its business risks and aims to mitigate them.

Risk evolves and grows due to the complex activity of financial institutions. Large global banks as well as small institutions need to understand how risks are interrelated and how a failure in one part of the Financial Institution can impact the whole enterprise. It is the role of the Chief Risk Officer (CRO) to oversee a risk organization that takes an integrated approach and an enterprise-wide perspective. Institutions require this approach because it drives shareholders value.

In building an enterprise risk management framework, the CRO, along with the board and senior management, must develop a risk culture that is communicated and understood throughout the organization. The CRO leads the effort to develop a risk appetite for the organization (how much risk are we willing to take?) and make sure that the organization stays within the bounds of the risk appetite, in good times and bad.

In relevance with the international best practice, IFIL is introducing a Risk Management team including Credit Risk Management (CRM) Division and Chief Risk Officer and a Compliance Team including Internal Control and Compliance Department (ICCD) and Corporate Affairs Department, each with sufficient authority, stature, independence, resources and access to the management with views that:

- Risks should be identified, assessed and monitored on an ongoing firm-wide and individual entity basis;
- An internal controls system which is effective in design and operation should be in place;
- The sophistication of a organization's risk management, compliance and internal control infrastructures should keep pace with any changes to its risk profile (including its growth) and to the external risk landscape; and
- Effective risk management requires frank and timely internal communication within the organization about risk, both across the organization and through reporting to the board and senior management.

Risk is an integral part of financing business and thus every financial institution is exposed to risk of different types and magnitudes. So, the prime responsibility of every financial institution is to manage its risk so that its return from business can be maximized. As a prudent and responsible financial institution, IFIL attaches top priority to ensuring safety and security of the finances that are being extended. Risk Management for IFIL is performed at various levels of business. By formulating policy regarding profit rate, market, liquidity, currency, operational as well as investment risk, IFIL manages its business risks and aims to mitigate them.

Financial Institution covers a wide spectrum of risk issues with-in the following risk areas:

1. Credit/ Investment Risk
2. Asset Liability Management Risk
3. Operational Risk
4. Internal Control & Compliance (ICC) Risk
5. Money Laundering and Terrorist Financing Risk
6. Market Risk
7. Reputation Risk



To ensure sustainable and consistent growth IFIL has developed sound risk management policies and framework as per Bangladesh Bank guidelines. The Board of Directors of IFIL reviewed all the risk management policies and frameworks during the year 2016. The Board has been made responsible for Identifying the risks and formulation of appropriate strategies to control inherent risks. To streamline the risk management system of IFIL a separate division called "Credit Risk Management (CRM) Division" has been formed. Credit Risk Management (CRM) Division consists of five departments i.e. Corporate Department, Credit Risk Management (CRM) Department, Credit Administration, Monitoring, Law and Recovery Department, Small and Medium Entrepreneur (SME) Department and Credit Information Bureau (CIB) Department. The Division is staffed with some brilliant and young professionals for consolidated risk management. IFIL is much concerned about the Credit/ Investment risk and its proper management so that the risk and return could be optimized. IFIL's policy envisages that the management would pay special attention to reduce the risk to an acceptable level apart from prudent controls over the company's assets.

Credit/ Investment Risk

Definition and Risk appetite

Investment risk is any loss arising from the failure of a client, its counter-party or related parties to meet their contractual obligations such as repayment against loans or investments. Investment risk is also those risks for which loss or damage incurs to the parties in general or other stakeholders resulting from the failure in measuring the risk in the assessment and approval procedure of an investment. Following risks are inherent with the Investment risk:

1. Default risk
2. Credit concentration risk
3. Recovery risk
4. Counter-party risk
5. Related-party risk
6. Environmental risk

With a vision of developing an investment portfolio in line with the National Economic and Industrial Policy IFIL had to ensure quality of assets while confirming the scope of sustainable growth to the businesses. A strategy for sustainable growth has been taken during this time and we have increased our exposure in the market with a specific strategy and detailed guideline. IFIL has also tried to minimize aforementioned investment risks through putting up caps for various sectors, diversifying the investment portfolio, identifying the thrust sectors, defining our appetite, improving collateral coverage and encompassing a meaningful risk assessment. To minimize the impact of unknown and unpredictable factors of risk, strategies have been taken as mitigation is not possible. We have updated our policy and operational procedures in line with the following:

1. Introduction of an appropriate investment risk environment.
2. Set up of a sound investment approval process.
3. Maintenance and supervision with credit administration and monitoring process.
4. Ensuring proper Documentation for the Investments.
5. Ensuring adequate control over investment risk.
6. Introduction of calculated risk practices.
7. Enlarge clientele base of small and medium segments through investment marketing and focus on their genuine investment needs.
8. Ensuring due diligence and full compliance of all regulatory requirements, such as capital adequacy, exposure norms, asset-liability management guidelines etc.
9. Strengthening of the investment delivery system with proper control over funds and tenure of utilization of the fund

Investment approval process

IFIL has introduced an effective approval process in line with the regulations and prudential guidelines provided by the central bank and other regulatory authorities. This approval process emphasizes on good governance, industry best practices and highest compliance aspects.

The approval process is as under:

Stage-1: Investment Proposals are scrutinized primarily in the branch or Relationship Manager (RM) level

Stage-2: The Credit Risk Management Division (CRMD) assesses and scrutinizes the proposals with risk management point of view and submits the same to the Investment Committee

Stage-3: The Investment Committee decides about the credit-worthiness and fund requirements of the client

Stage-4: The Proposals are presented to the Board of Directors/ Executive Committee for final approval

Investment assessment

While considering an investment proposal process of assessment in IFIL includes the following pre-requisites

1. Capacity of the client
2. Character of the client
3. Capital or equity participation of the client
4. Collateral offered against the investment
5. Condition of the client regarding industry, market and political aspects
6. Credit behavior of the client
7. CIB Status and past repayment behavior of the client

Investment analysis

While considering an investment proposal process of analysis in IFIL includes the following pre-requisites

1. Financial analysis – data, ratios, bank statements, repayment behavior, CIB, etc.
2. Non-financial analysis - market, industry, SWOT, regulatory issues, etc.
3. Risk grading - qualitative and quantitative judgments

Investment administration

IFIL has introduced a proper monitoring and documentation process in line with the regulatory requirements. As such vigorous compliance is a must for any disbursement. Investment quality is ensured through proper documentation and proper fund utilization is also confirmed.

Legal and Recovery

With the fact of current market scenario a hardcore recovery system was required for IFIL. Recently IFIL has introduced Legal and Recovery Department and implementing a specific recovery policy for the organization. IFIL is complied with the following Laws, Rules and Regulations:

1. Company Law and Securities Laws
2. Bank and NBFI Laws enacted and circulated by the Government and Bangladesh Bank
3. Bangladesh Bank Rules, Regulations and prudential Guidelines
4. National Credit/ Investment Policy
5. Circulars and Directives of the Regulators
6. Shariah and Islamic Laws on Banking and Finance Business
7. Internal Credit/ Investment Policy and Circulars
8. N.I. Act, 1881
9. The Artha Rin Adalat Ain, 2003

Due diligence application

Presently IFIL offers highest due diligence in the investment procedure. It considers the following fraud management process in line with other compliance issues.

1. Identity fraud
2. Financials fraud
3. Documents fraud
4. Property and mortgage fraud

Investment risk minimization and mitigation

Currently IFIL is using securitization of assets with widely accepted investment risk minimization and mitigation tools to ensure best possible outcome and highest quality investment portfolio.

IFIL is using the following securitization tools:

1. Risk based pricing
2. Risk based provisioning
3. Hypothecation of Investment Assets
4. Lien and Pledge of the Financial Instruments
5. Registration of vehicles for which investment is made
6. Mortgage of Land and Building Properties
7. Charge Creation on RJSC
8. Proper Insurance coverage of the Investment Assets

Asset Liability/ Liquidity Management Risk

Asset Liability Management Risk is the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, thus sale of illiquid assets will yield less than their fair value. This also arises when the cushion provided by the liquid assets are not sufficient enough to meet maturing obligations. Liquidity risk is often triggered by the consequences of other financial risks such as credit risk, profit rate risk, foreign exchange risk, etc. For instance, a large loan default or changes in profit rate can adversely impact a FI's liquidity position. IFIL's Asset Liability Committee (ALCO) is entrusted with the responsibility of managing short-term and long-term liquidity and ensuring adequate liquidity at optimal funding cost. ALCO also reviews liquidity requirement of the FI, the maturity of assets and liabilities, deposit and lending pricing strategy and the liquidity contingency plan.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. This operational risk also includes legal risks but not strategic and reputational risks. This can also arise from unexpected losses due to physical catastrophe, technical failure and human error in the operation of a Financial Institutions including fraud, failure of management, internal process errors and unforeseeable external events. Internal Control and Compliances (ICC) department of IFIL is responsible for assessing operational risks (i.e. proper documentation and compliance of external auditor's requirements) and also ensures an appropriate framework to identify asses and manage operational risks in the business.

Internal Control and Compliance Risk



Report of the Directors to the Shareholders 2016

Islamic Finance and Investment Limited strongly believes that all stakeholders should have access to complete information on the activities, performance and product initiatives. The Company reports to its shareholders, four times a year, through quarterly, half yearly and annual financial reports.

Dear Shareholders,

Assalamu Alaikum wa rahmatullah.

On behalf of the Board of Directors and Management of Islamic Finance and Investment Ltd. (IFIL), it is indeed a great privilege to welcome you to the 16th Annual General Meeting of the Company. We are pleased to place the "Annual Report 2016" for the year ended December 31, 2016; "Audited Financial Statements" alongwith "Auditors' Report to Shareholders" for your valued evaluation and approval.

While preparing the Annual Report, Section 184 of the Companies Act 1994, BSEC's Notification of 2002, the Listing Regulations of Dhaka and Chittagong Stock Exchanges, guidelines of Bangladesh Bank and other applicable rules and regulations are strictly followed and complied with.

Global Economic Outlook

The forecast of modest economic growth in advanced economies reflects the gradual acceleration of economic activity in the US as well as the euro area supported by lower fuel prices, higher employment, monetary easing, higher investment, etc. The growth in emerging market and developing economies in 2016 was expected to decline as a result of lower commodity prices, slower capital inflows, embargoes and conflicts in a number of countries and the gradual fall in growth in China.

The balance of trade in advanced economies was expected to deteriorate in 2015 and 2016, since export growth was projected to be weaker than import growth. The growth rate of imports for advanced economies was expected to increase from 3.4 percent in 2014 to 4.0 percent in 2015 and further to 4.2 percent in 2016. However, the balance of trade in emerging markets and developing economies was expected to improve in 2015 and 2016, since export growth was projected to be stronger than import growth. In emerging markets and developing economies, growth rate of imports was projected to decline from 3.6 percent in 2014 to 1.3 percent in 2015, and then rise to 4.4 percent in 2016. Exports of advanced economies were expected to grow by 3.1 percent and 3.4 percent in 2015 and 2016 respectively.

Some of the emerging market economies relied on rapid credit creation to side step the worst impacts of the global crisis. As a result, banks in emerging market economies have thinner capital cushions, while nonperforming loans are set to rise as corporate earnings and asset quality deteriorated. These developments in emerging market banking systems stand in contrast to those in advanced economies, where banks have spent the past few years deleveraging and repairing balance sheets, raising capital, and strengthening funding arrangements.

Vulnerabilities and financial stability risks in emerging market economies have likely increased amid lower growth, recent commodity price declines, and increased leverage after years of rapid credit growth. Increased financial market volatility can pose financial stability challenges in advanced economies, with substantial spillovers onto emerging markets, through tighter financial conditions and a reversal of capital flows.

Developments in the Bangladesh Economy

Despite political doldrums, structural constraints and global volatility, the Bangladesh economy maintained its macroeconomic stability and high growth trajectory. The recurrence of political problems in January 2015 took toll on economic activity, particularly in services sector, agriculture, exports, and non-formal sector businesses. Domestic supply chain was disrupted due to disruptions of inter-district transportation. Yet, Bangladesh economy remained resilient and recorded over 6.2 percent growth of GDP in FY16. Higher growth of industry sector along with satisfactory growth of service sector helped to achieve this satisfactory growth of the overall economy. The foreign exchange reserves reached a satisfactory level at the end of FY16. Bangladesh Bank continued its interventions in the domestic foreign exchange market by purchasing foreign currencies as and when deemed appropriate.

On the other hand, real GDP growth rate was considerably higher that the forecast stated by Asian Development Bank's Outlook, mainly due to resilience especially in industry and service sector.Bangladesh economy achieved reasonably satisfactory growth during the FY16 in spite of the prolonged political problems at home and slower growth in both developed and emerging markets abroad.

Industry and Non-Banking Financial Institutions (NBFI)

Non Bank Financial Institutions (NBFIs) are playing a significant role by providing essential and urgent financial services. The NBFIs, with more multifaceted products and services have taken their place in the competitive financial market to satisfy

the changing demands of customers. NBFIs also play an important role in the capital market as well as in real estate sector of Bangladesh. Like the banks, most of the NBFIs have separate subsidiaries to operate merchant banking activities. Bangladesh Bank is the authority of these NBFIs.

NBFIs have been given license and regulated under the Financial Institution Act, 1993. At present, the minimum paid up capital for NBFIs is Taka 1.0 billion as per the Financial Institution Regulation, 1994. NBFIs' business line is narrow in comparison with banks in Bangladesh. Presently, out of 34 NBFIs, 3 are Government-owned, 10 are joint venture and the rest 20 are locally private-owned.

The asset of NBFIs increased substantially by 20.6 percent to Taka 635.5 billion in 2015 from Taka 529.6 billion in 2014. At the end of December 2016, assets of NBFIs increased to Taka 620.2 billion.

Sector wise composition of NBFIs' investment at the end of June 2016 are: industry 59.3 percent, real estate 22.6 percent, margin loan 5.9 percent, trade and commerce 25.8 percent, merchant banking 4.0 percent, agriculture 2.2 percent and rest in others.

The performance of NBFIs is evaluated through CAMELS rating which involves analysis and evaluation of the six crucial dimensions. The six indicators used in the rating system are capital adequacy, asset quality, management efficiency, earnings, liquidity and sensitivity to market risk.

At the end of December 2016, the NPL for NBFIs was 8.9 percent. In the total asset composition of all NBFIs, the concentration of loans, lease and advances was 72.6 percent. Sound management is the most important prerequisite for the growth of any NBFI. The total expenditure to total income, operating expenses to total expenses, earnings and operating expenses per employee and profit rate spread are generally used to gauge management efficiency.

Vulnerability of the NBFI in a stressed situation from either profit rate or equity price shock (or both) should be taken under consideration to evaluate sensitivity. For many NBFIs, the primary source of market risk arises from non-trading positions and their sensitivity to changes in profit rates. NBFIs are allowed to mobilize term deposit only. At present, term liabilities are subject to a statutory liquidity requirement (SLR) of 5.0 percent inclusive of average 2.5 percent (at least 2.0 percent in each day) cash reserve ratio (CRR) on bi-weekly basis. The SLR for the NBFIs operating without taking term deposit is 2.5 percent.

Directors

Presently Board of Directors of Islamic Finance and Investment Limited are constituted with 10(ten) members including 2(two) Independent Directors. Board of Directors formulates various policies in different occasions on different aspects. Management of IFIL implements these policies in operational level. Apart from that BOD also gives various directives to the management so that the organization can achieve its goal and target. To get the decision on various business issues quickly, the Executive Committee also sits as and when required which is constituted from the member of Board of Directors. The Audit Committee of BOD also helps BOD through their meetings. Audit Committee always gives directions to the management regarding Internal Control and Compliance issues. Proper guidance from the BOD of IFIL helps the organization to achieve a better height in the industry and to create a compliance culture within the company.

Board Committee and Shariah Board Meeting

Seventeen meetings of Board of Directors, Eleven meetings of the Executive committee, Four meetings of Audit Committee and Three meeting of Shariah Committee were held in 2016. No director was absent for 3 consecutive meeting. As per directives of Bangladesh Bank, our Executive Committee and Audit Committee are constituted with 5 members. The reports of the Shariah Committee and Audit Committee have been incorporated in this Annual Report for your perusal in Appendix – C and Appendix – D. Personal attendance in different meeting are shown in Appendix – E.

Director's Remunerations

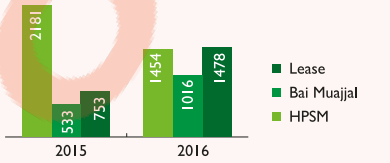
Each Director is entitled to receive Tk. 8,000/= as remuneration for attending a single meeting. Directors can receive such remuneration maximum twice in a month for attending Board meetings. Bangladesh Bank has also allowed remuneration for attending meeting of Executive Committee and Audit Committee. The Directors are also entitled to receive remuneration for attending maximum 2(two) meeting in case of Executive Committee and 1(one) in case of Audit Committee in a month.

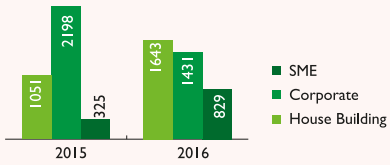
Performance of IFIL at a Glance

INVESTMENT

Tk. in Million

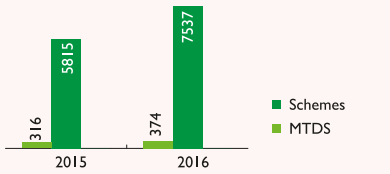
	2015	2016	% of Change
Lease	2,181.20	1,453.96	66.66
Bai Muajjal	533.00	1,015.76	190.57
HPSM	752.92	1,477.52	196.24
Total	**3,467.12**	**3,947.24**	**113.85**
SME	1,051.00	1,643.20	156.35
Corporate	2,198.20	1,430.75	65.09
House Building	324.70	828.88	255.28
Total	**3,573.90**	**3,902.83**	**109.20**





DEPOSIT:

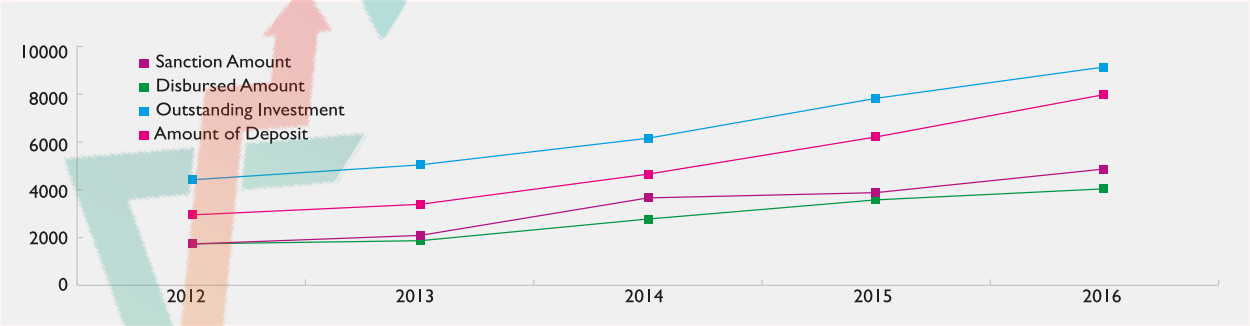
Schemes	315.76	374.05	118.46
MTDS	5,814.59	7,536.77	129.62



CORE BUSINESS REVIEW

Tk. in Million

	2012	2013	2014	2015	2016
Sanction Amount	1629	1987	3566	3787	4781
Disbursed Amount	1632	1765	2677	3483	3947
Outstanding Investment	4327	4956	6077	7757	9073
Amount of Deposit	2851	3296	4566	6130	7911



AMARSTOCK

SECTORWISE INVESTMENT

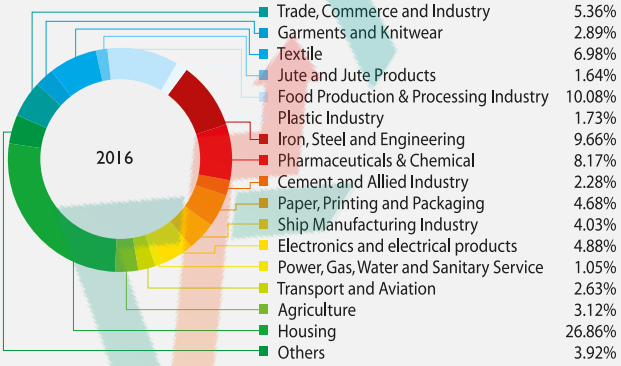
Tk. in Million

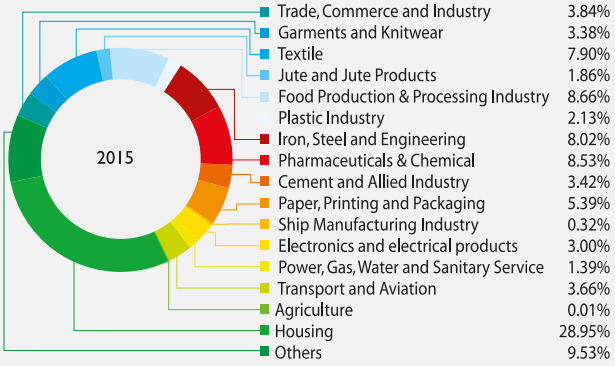
	2015	2016
Trade and Commerce Industry	298	486
Garments and Knitwear	262	262
Textile	613	633
Jute and Jute Products	144	149
Food Production and Processing Industry	672	915
Plastic Industry	165	157
Leather and leather goods	-	-
Iron, Steel and Engineering	622	876
Pharmaceuticals & Chemical	662	741
Cement and Allied Industry	265	207
Telecommunication and IT	-	-
Paper, Printing and Packaging	418	425
Glass, Glassware and Ceramic Industry	-	-
Ship Manufacturing Industry	25	366
Electronics and electrical products	233	443
Power, Gas, Water and Sanitary Service	108	95
Transport and Aviation	284	239
Agriculture	1	283
Housing	2246	2437
Others	740	356
TOTAL	**7757**	**9073**

Note:

1) 'Others' includes supermarket, engineering workshop, entrepreneurship, hotel business, furniture business, etc.

Sector wise investment





AMAR STOCK

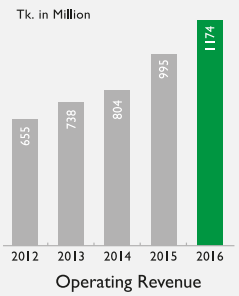
FINANCIAL PERFORMANCE

Tk. in Million

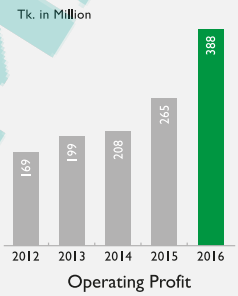
	2012	2013	2014	2015	2016
Operating Revenue	655	738	804	995	1174
Operating Profit	169	199	208	265	388
Profit Before Tax	153	160	262	299	406
Profit After Tax	86	86	193	199	278
Total assets	5718	6312	7440	9429	11937
Share Holders' Equity	1299	1385	1509	1615	1711
Paid up Capital	1017	1118	1163	1210	1210

FINANCIAL RATIOS

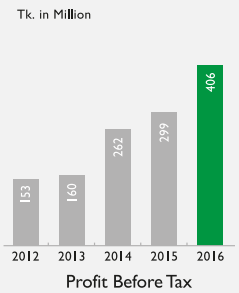
Debt Equity Ratio	1.83:1	2.26:1	2.60:1	2.98:1	2.62:1
Return on Average Assets (%)	1.62	1.43	2.81	2.35	2.60
Return on Average Equity (%)	7.62	6.41	13.35	12.71	16.72
Profit Margin on Operating Income (%)	31.02	27.21	56.61	46.14	49.31
Capital Adequacy (%)	18.30	17.80	16.78	14.62	13.87
Current Ratio	1.15:1	1.18:1	1.17:1	1.18:1	1.20:1
Net Worth to Total Assets (%)	22.71	21.94	20.29	17.13	14.33
Earnings Per Share (After Tax) Taka :	0.71	0.71	1.60	1.64	2.30
Price Earnings Ratio (P/E)	31.76	26.30	11.46	9.44	8.40
Dividend Payout-DP	14.06	14.06	6.26	6.09	4.3



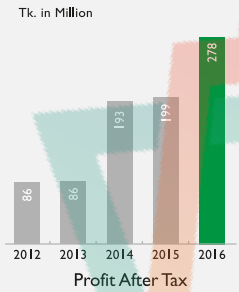
Operating Revenue



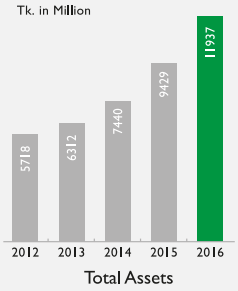
Operating Profit



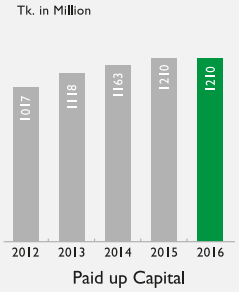
Profit Before Tax



Profit After Tax



Total Assets



Paid up Capital

Operating Result

Income

Investment Income

Total Investment Income of IFIL stood at Tk. 1174.14 million as on 31st December 2016 as against Tk. 994.80 million compared to that of the previous year. The amount of Investment Income incresed 18.03% of the total income for the year 2016.

Non-Investment Income

Total Non-Investment Income of IFIL as at 31st December 2016 stood at Tk. 106.06 million as against Tk. 121.29 million of the preceding year, which was 9.02% and 12.20% of the total income of the respective years.

Expenditure

Profit Paid on Deposits

IFIL distributed profit of Tk. 681.45 million among the Mudaraba Depositors in the year 2016 against Tk. 629.58 million in the year 2015.

Operating Expenses

Total operating expenses for the year 2016 was Tk. 175.67 million whereas it was Tk. 165.40 million for the year 2015. In the year 2016 operating expenses stood 19.69% of the total expenses.

Operating Profit

During the year 2016, IFIL earned operating income an amount of Tk. 563.93 million whereas it was Tk. 430.34 million for the year 2015 which increased by Tk. 133.59 million over that of last year.

A summary of operating result of IFIL as on December 2016 vis-a-vis the position of December, 2015 is shown below:-

Tk. in Million

Particulars	2015	2016
Profit on Investment	994.80	1174.14
Add: Other Income	121.29	106.06
Total Income	1116.09	1280.20
Less: Total Expenditure	851.14	891.94
Net Profit before Provision & Taxation	264.95	388.26
Less: Provision for Investment, Shares	(34.09)	(17.50)
Net profit before Taxation	299.04	405.76
Less: Provision for Taxation	100.48	127.70
Net Profit	198.56	278.06

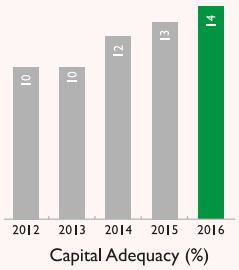
Contribution to National Exchequer

IFIL has made provision of Tk. 127.70 million for corporate tax in 2016 against 100.48 million in 2015. IFIL has also contributed to the economy by generating employment of 93 full time officials. In the year 2016, IFIL has paid Tk. 160.46 million to Government exchequer as at source tax, salary tax, VAT, excise duty and other tax & VAT realized against various services.

Dividend

The Board of Directors of the FI has recommended 3% cash & 11% Stock dividend for the year 2016. Over the last years, Board of Directors declared dividends out of profit to shareholders at good rates. The rates of dividend declared by IFIL since 2012 are shown below:

Year	Dividend (%)
2016	3% Cash & 11% Stock
2015	13% Cash
2014	8% Cash & 4% Stock
2013	6 % Cash and 4% Stock
2012	10 % Stock



Capital Adequacy (%)

Significant change in quarterly report

In September 2016 (3rd quarter) Earning Per Share (EPS) was Tk. 0.94. In December 2016 it stood Tk. 2.30 with an increase of 144.69%. It was achieve due to increase investment income and also reduced classified investment.

Basis for preparation of Financial Statements

The financial statements are prepared by the Management and presented it fairly with statement of affairs, results of operations, cash flow and changes in equity on the historical cost basis and therefore, did not take into consideration the effect of inflation. The financial statements have been prepared and the disclosures of information have been made in accordance with the DFIM circular no. 11 dated 23 December 2009 and requirement of the Financial Institutions Act, 1993, the Companies Act, 1994, the Securities and Exchange Rules, 1987, the Listing Rules of Dhaka Stock Exchange and Chittagong Stock Exchange, Guidelines from Bangladesh Bank, Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS) and other applicable laws and regulations. In the year 2009, Bangladesh Bank promulgated DFIM circular no. 11 dated 23 December 2009 suggesting uniform presentation and disclosure requirement within the

industry. As a result, we compromised with the usual presentation of the financial statements. There are some areas where application of BAS and BFRS differs from the application suggested by the Bangladesh Bank through DFIM circulars. As Bangladesh Bank is our primary regulator; we are required to follow the guidelines of Bangladesh Bank. At the same time we are also required to follow the guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC). For mitigating presentation and disclosure conflict, we prepared the financial statements following DFIM circulars and present separate disclosure where deviations exist. The Financial Statements of 2016 has been received by the Audit Committee of the Board of Directors of IFIL and then returned to Board of Directors for consideration. The External Auditor M/S. Ahmed Zaker & Co. Chartered Accountants appointed by the shareholders has certified the fairness of the Financial Statements for the year ended 31 December, 2016.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the prevailing circumstances. Actual result could differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provisions for loans/leases. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amounts of assets and liabilities in the next year.

Maintaining Proper Books of Account

Islamic Finance and Investment Limited has maintained proper books of account for its financial transactions occurred during 2016. The books of account have also been reviewed by the external auditor, M/s. Ahmed Zaker & Co., Chartered Accountants with an opinion that proper books of accounts as required by the law have been properly maintained.

Corporate and Financial Reporting Framework

The Directors of IFIL, in conformity with the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 7, 2012; confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of IFIL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Proper books and accounts of the Company have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed and effectively implemented and monitored.
- No significant doubt exists upon the Company's ability to continue as a going concern.

Going Concern

After reviewing the company's present and potential business growth, annual budget, performance, liquidity position, plans and financing arrangement, the Directors are satisfied that the company has adequate resources to continue to operate in the foreseeable future and confirm that there is no material issue threatening to the going concern of the company. For this reason Directors continue to adopt the going concern basis in preparing these financial statements. There are no significant doubts upon the company's ability to continue as a going concern.

Corporate Governance

Islamic Finance and Investment Limited is committed to excellence in corporate governance. This is essential for the long term performance and sustainability of our company and to protect and enhance the interests of our shareholders and other stakeholders.

IFIL operates within the legal framework of the Companies Act-1994 and as a non banking financial institution, complies with the provisions of the Non Banking Financial Institution

Act-1993. It also complies with the directives and guidelines issued from time to time by Bangladesh Bank and Bangladesh Securities and Exchange Commission. We responsibly managed and supervised in fulfillment of the objectives of adding value to the shareholder wealth and contributing to the national economy. Our Corporate Governance principles serve the goal of strengthening and consolidating company position with sustained growth objectives in materializing the trust placed in the company by the shareholders, clients, employees and the general public. Fair practice, accountability, transparency, compliance, value creation and corporate social responsibility are the pillars of our corporate governance. Our corporate governance structure comprises the Shareholders, the Board, Company Management, Regulatory Authorities, Independent External Auditors and Employees. Our Stakeholders are individuals or groups that have an interest, claim or stake in the Company, in what we do and in how well we perform. All our Stakeholders are in an exchange relationship with us. Each of them supplies us with important resources and in exchange each expects that its interest is satisfied.

The Board's main roles are to determine Company's objectives and strategies, provide entrepreneurial leadership to create values for shareholders and ensure availability of necessary financial and other resources to achieve these objectives. The specific responsibilities of the Board include approval of all information supplied to shareholders in the annual and interim accounts, setting of Company strategies, approved budgets, review of operational and financial performances, approval of capital expenditures, set the borrowing limits, treasury policy, review of financial control and risk management system, ensure appropriate management development and succession plans, ensure satisfactory dialogue with shareholders over the Company's results and their aspirations for the future. The Board duly complies with the guidelines issued by Bangladesh Bank with regard to their responsibility and accountability for good governance.

Islamic Finance and Investment Limited strongly believes that all stakeholders should have access to complete information on the activities, performance and product initiatives. The Company reports to its shareholders, four times a year, through quarterly, half yearly and annual financial reports. Its website displays, the annual report, half yearly and quarterly reports, offerings, recent announcements which are also published in the newspapers as per regulatory requirements. The shareholders are always encouraged to attend the AGM or, if unable to attend personally, may appoint proxies. All disclosures required by BSEC, Stock Exchanges and Bangladesh Bank are made adequately and promptly. In addition to ensuring timely compliance, this also enables transparency and dissemination of information to all stakeholders and the public. Islamic Finance and Investment Limited always follow the Corporate Governess Guideline which the Company and its employees apply and comply in the course of day to day business operation.

Human Resources

Core objective of IFIL HR Management is:

- To create a team with a positive mind set to achieve vision of the company
- To develop second line of skilled employee
- To ensure and maintain transparency and fair dealing in the business
- To ensure equal opportunity
- To extend training and development program to all the employees as required
- To maintain a harmonious working environment

IFIL considers human asset as the most valuable asset of the company. The company has strategic plan for recruitment, posting, develop the human resources and reward/ recognition as and when needed. People in IFIL are committed to deliver the result oriented output and making IFIL a successful organization to achieve its goal. IFIL is heading towards the recruitment process of the right resources in right place to drive the company move forward. IFIL is currently emphasizing on the employees who are confident, self motivated, adequately knowledgeable and able to meet the expectation. Training and Development is being encouraged throughout the year for the sake of sustainable development in the service area of the company. Maximum emphasis has been given to change the attitude, enhance skill and enrich knowledge of executives/officers. Training is a continuous process to bring qualitative change in human resources. Recently IFIL hired a Professional Human Resources Consultant named "Business Professional Consultants" to get thorough evaluation of the Human Resources and they have made certain recommendations, accordingly necessary actions have been taken and some steps are in process. IFIL also maintains highest ethical standard, build to drive confidence, social benefit which in turn leads to success of IFIL's activities. IFIL encourages a good interpersonal relationship among its employees. IFIL believes in participatory management. MANCOM is a forum where the Management discusses the day to day operational activities. Decisions taken in meeting are being followed up regularly. IFIL also invites suggestions/ recommendations from the individual members of the MANCOM. Through constructive feedback from them IFIL continuously trys to minimize risk and take steps for improvement/correction.

Risk Management

Islamic Finance and Investment Limited (IFIL) believes that proper risk management is an essential for sustainable growth. There are inherent risks involved in the financial business. IFIL strongly believes that every risk is embedded with return if it is successfully managed. Pure risks and speculative risks in the business are identified, assessed, measured and evaluated in the risk management process. IFIL has recently introduced a better risk management process through establishment of Investment Committee formed with the top level management, Credit Risk Management (CRM) Department and Legal, Recovery and Monitoring Department for effective and efficient risk minimization and mitigation in all levels of the business. IFIL emphasizes on the risk management process through professional suggestions and recommendations from the management committees (i.e. MANCOM, ALCO, AMLCO, Risk Management Forum, Risk Management Unit, Integrity Committee, etc.). With that view, assets and liabilities has been managed effectively during the period with proper guidelines and regulatory compliance. Money Laundering and Terrorist Financing have been burning issues during the year and IFIL is highly successful in the field of combating the same. Internal Control and Compliances (ICC) department of IFIL is responsible for assessing operational risks (i.e. proper documentation and compliance of external auditor's requirements) and also ensures an appropriate framework to identify asses and manage operational risks in the business. ICC Department is also responsible for pre-audit and inspection of the investment documentation which is an exhaustive way to reduce operational risks. Financial Administration Department is effectively managing the Capital Adequacy and Market Discipline (CAMD) instructions of the Bangladesh Bank and Risk-based Capital Adequacy in line with the Basel Committee. IFIL is currently heading towards a high end risk management process called Risk Management Information System (RMIS) with the collaboration of the CRM Department and the Information Technology Department to ensure historical data analysis for investment approval process. Through a systematic approach for risk management and high level professionals IFIL is expecting a better future with a sustainable growth.

Internal Control

The internal control system is designed to manage rather than eliminate the risk of failure achieving business objectives. The board of Directors of IFIL has approved a standard Guidelines/Manual for Internal controls and compliance aims at providing reasonable and not absolute assurance against material misstatements or loss. The internal audit division of the company as well as the board reviews the internal control system and its effectiveness. There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are updated from time to time in term with changes to the business environment or regulatory guidelines.

Corporate Social Responsibility

IFIL based on Islamic Shariah, the first of its kind in Bangladesh, has been practicing responsible corporate behavior since its inception. Our financing experience has given depth knowledge in the corporate social responsibility. IFIL redesigns its corporate social responsibility policy and came up with a new policy that supports sustenance of the projects by creating shared value. CSR philosophy has been integrated with IFIL's corporate strategy. IFIL identifies certain responsibilities to its clients, shareholders, employees and to the community. IFIL desires to achieve highly professional standards and integrity in all situations: managing its' financial performances for the benefit of all the stakeholders, making a contribution to the community and avoiding practices that directly or otherwise have an adverse impact on others or the environment.

Acknowledgements

The Board of Directors places on record its gratitude to the Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Central Depository System of Bangladesh Limited including other government and regulatory authorities, financial institutions for their strong support and guidance. The Board acknowledges the support of the Shareholders and also places on record its sincere thanks to its valued clients and customers for their continued patronage. The Board also expresses its deep sense of appreciation to all the employees of the Company for their strong work ethic, excellent performance, professionalism, teamwork, commitment and initiative, which has led to the Company making commendable progress in today's challenging environment.

May Allah bless us all. Thanks and Salam.
For and on behalf of the Board of Directors.



Afzalur Rahman
Chairman



পরিচালনা পর্ষদের প্রতিবেদন

সম্মানিত শেয়ার হোল্ডারবৃন্দ,

আস্‌সালামু আলাইকুম ওয়ারাহ্‌মাতুল্লাহ ।

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড (আইএফআইএল)-এর ১৬ তম বার্ষিক সাধারণ সভায় আপনাদেরকে আমন্ত্রণ জানানোর সুযোগ পেয়ে আমি আনন্দিত। ২০১৬ সালের বার্ষিক প্রতিবেদন, নিরীক্ষিত আর্থিক প্রতিবেদন ও বহিঃনিরীক্ষক কর্তৃক প্রস্তুতকৃত শেয়ারহোল্ডারবৃন্দের প্রতিবেদন আপনাদের মূল্যায়ন ও অনুমোদনের জন্য উপস্থাপন করতে পেরে আমি আনন্দিত। প্রতিবেদনটি প্রস্তুত করার সময় কোম্পানি আইন ১৯৯৪-এর সেকসন ১৮৪, বাংলাদেশ সিকিউরিটিজ এ্যান্ড কমিশন নোটিফিকেশন২০০২, ঢাকা স্টক এক্সচেঞ্জ লিমিটেড-এর লিস্টিং রেগুলেশন, চট্রগ্রাম স্টক এক্সচেঞ্জ লিমিটেড-এর গাইডলাইন, বাংলাদেশ ব্যাংক-এর বিভিন্ন নির্দেশনা ও দেশের বিভিন্ন সংস্থার আইন ও নিয়মাবলী অতি সতর্কতার সঙ্গে অনুসরণ করা হয়েছে।

বিশ্ব অর্থনীতি

বিশ্ববাজারে জ্বালানী তেলের দাম হ্রাস, অধিক কর্মসংস্থানের অভাব, বিনিয়োগ বৃদ্ধি এবং শিথিল মুদ্রানীতির ফলে মার্কিন যুক্তরাষ্ট্র ও উন্নত বিশ্ব বিশেষ করে ইউরো জোনভুক্ত দেশসমূহের প্রবৃদ্ধি কিছুটা আশাপ্রদ বলে প্রতীয়মান হচ্ছে। পণ্য বা দ্রব্যমূল্য হ্রাস, মূলধন প্রবাহ কমে যাওয়া, বিভিন্ন দেশের মধ্যে বিরোধ-অবরোধ এবং চীনের অর্থনৈতিক প্রবৃদ্ধি হ্রাস পাওয়ায় ২০১৬ সালে উন্নয়নশীল দেশসমূহে প্রবৃদ্ধি কম হবে বলে অনুমিত হচ্ছিল। ইমার্জিং অর্থনীতির দেশগুলোতে দ্রুত ঋণ প্রবাহ বৃদ্ধি করার ফলে সামগ্রিক বিশ্ব অর্থনীতিতে নেতিবাচক প্রভাব পড়ে। ফলে এই ধরনের অর্থনীতিতে মূলধনের স্বল্পতা দেখা দেয়। অন্যদিকে কুঋণের পরিমাণ বৃদ্ধি পেতে থাকে। উন্নত অর্থনীতির দেশগুলোর আমদানী প্রবৃদ্ধি ২০১৪ সালে ৩.৪ শতাংশ, ২০১৫ সালে ৪ শতাংশ এবং ২০১৬ সালে ৪.২ শতাংশ অনুমেয় ছিল। যেহেতু আমদানী প্রবৃদ্ধির তুলনায় রপ্তানী প্রবৃদ্ধি বেশী ছিল, সেহেতু ব্যালেন্স অব ট্রেড ২০১৫ ও ২০১৬ সালে বৃদ্ধি পাবে বলে আশা করা হয়েছিল। এছাড়া ব্যাংকিং খাতে মুনাফার পরিমাণও কমতে থাকে বিশেষ করে ইমার্জিং অর্থনীতিতে। উন্নত বিশ্বের অর্থনীতির তুলনায় ইমার্জিং অর্থনীতির দেশগুলোর ব্যাংকিং ব্যবস্থা তুলনামূলকভাবে পেছনে আছে।

বাংলাদেশের অর্থনীতি

বিশ্ব অর্থনীতিতে মন্দা ও রাজনৈতিক অস্থিরতা সত্বেও বিগত বছরে বাংলাদেশ তার সমষ্টিক অর্থনীতিতে ভারসাম্য ও প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে। দেশীয় রাজনীতিতে কিছুটা রাজনৈতিক অস্থিরতা থাকলেও ২০১৬ সালে বাংলাদেশ ৬.২% হারে জিডিপি প্রবৃদ্ধি অর্জন করেছে। মূলত শিল্প খাত ও সেবা খাত বাংলাদেশের সামগ্রিক অর্থনীতিকে এগিয়ে নিতে সাহায্য করেছে। ২০১৬ সালে বৈদেশিক মুদ্রার রিজার্ভ একটি সন্তোষজনক পর্যায়ে পৌঁছেছে। এ ছাড়াও যথা সময়ে স্থানীয় বাজার থেকে বাংলাদেশ ব্যাংক কর্তৃক বৈদেশিক মুদ্রা ক্রয় ছিল বিশেষভাবে উল্লেখযোগ্য দিক।

অন্যদিকে শিল্পখাত ও সেবাখাতের অগ্রগতি দেশের উন্নয়নকে বেগবান করতে সাহায্য করেছে, যা এশীয় উন্নয়ন ব্যাংক-এর পূর্বাভাসকেও অতিক্রম করতে সমর্থ হয়েছে। এ ক্ষেত্রে বলা যায়, বিভিন্ন সীমাবদ্ধতা সত্বেও অন্যান্য উন্নত ও উন্নয়নশীল দেশের ধীরগতির প্রবৃদ্ধির তুলনায় বাংলাদেশের অর্থনীতির চাকা ২০১৬ সালে ছিল অনেকটা সন্তোষজনক গতিতে সচল ছিল।

অ-ব্যাংক আর্থিক প্রতিষ্ঠান শিল্পখাত

অ-ব্যাংক আর্থিক প্রতিষ্ঠানসমূহ প্রয়োজনীয় আর্থিক সেবা প্রদানের ক্ষেত্রে দেশীয় অর্থনীতিতে গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে। অ-ব্যাংক আর্থিক প্রতিষ্ঠান গ্রাহকের চাহিদা অনুযায়ী প্রতিযোগিতামূলকভাবে বিভিন্ন আর্থিক পণ্য ও সেবা বাজারে নিয়ে আসছে। বিশেষ করে পুঁজিবাজার ও আবাসন খাতে উল্লেখযোগ্য ভূমিকা রাখছে। ব্যাংক-এর মত অধিকাংশ অ-ব্যাংক আর্থিক প্রতিষ্ঠানের নিজস্ব অঙ্গ প্রতিষ্ঠান রয়েছে যারা মার্চেন্ট ব্যাংকিং কার্যক্রম পরিচালনা করে থাকে।

বাংলাদেশের কেন্দ্রীয় ব্যাংক বাংলাদেশ ব্যাংক কর্তৃক লাইসেন্স প্রাপ্ত অ-ব্যাংক আর্থিক প্রতিষ্ঠান 'ফাইন্যান্সিয়াল ইনস্টিটিউশন এ্যাক্ট১৯৯৩' অনুযায়ী পরিচালিত হয়ে থাকে। 'ফাইন্যান্সিয়াল ইনস্টিটিউশন এ্যাক্ট ১৯৯০ অনুযায়ী অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের নূন্যতম পরিশোধিত মূলধন হতে হবে ১০০ কোটি টাকা। অ-ব্যাংক আর্থিক প্রতিষ্ঠানের ব্যবসায়িক কার্যক্রম ব্যাংক-এর কার্যক্রমের তুলনায় সীমিত। বর্তমানে বাংলাদেশে ৩৪ টি অ-ব্যাংক আর্থিক প্রতিষ্ঠান রয়েছে। এর মধ্যে ৩টি সরকারী,

১০টি বিদেশের সাথে যৌথ মালিকানাধীন এবং বাকী ২১টি স্থানীয়ভাবে বেসরকারী মালিকানাধীন। অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের সম্পদ ২০১৬ ডিসেম্বর পর্যন্ত ৬২.২০ বিলিয়ন টাকায় উন্নীত হয়।

২০১৬ সালের জুন মাসের শেষ দিকে অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের খাতওয়ারি বিনিয়োগ ছিল শিল্পখাতে ৫৯.৩ শতাংশ, আবাসন খাতে ২২.৬ শতাংশ, মার্জিন লোন ৫.৯ শতাংশ, ব্যাবসা বাণিজ্য ২৫.৮ শতাংশ, মার্চেন্ট ব্যাংকিং-এ ৪ শতাংশ, কৃষিতে ২.২ শতাংশ এবং অবশিষ্ট পরিমাণ অন্যান্য খাতে।

অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের পারফরমেন্স বা সাফল্যের মানদন্ড মূলত মূল্যায়িত হয় ক্যামেলস রেটিং-এর মাধ্যমে। যা ছয়টি গুরুত্বপূর্ণ বিষয় দ্বারা নির্ধারিত হয়। সেগুলো হল, ক্যাপিটাল এডিকুয়েসি, এ্যাসেট কোয়ালিটি, ম্যানেজমেন্ট এফিসিয়েন্সি আর্নিংস, লিকিউডিটি ও সেনসেটিভ টু মার্কেট রিস্ক।

২০১৬-এর ডিসেম্বর শেষে অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের কু-ঋণ-এর পরিমাণ ছিল মোট ঋণ/বিনিয়োগের ৮.৯ শতাংশ। স্বচ্ছ, শক্তিশালী ও দক্ষ ব্যবস্থাপনা একটি অ-ব্যাংক আর্থিক প্রতিষ্ঠানের প্রবৃদ্ধির ক্ষেত্রে বিশেষ ভূমিকা পালন করে থাকে। মোট আয়ের সাথে মোট ব্যয়, মোট ব্যয়ের সাথে পরিচালন ব্যয়, জনবল প্রতি আয়, পরিচালন ব্যয়, মুনাফার স্প্রেড ইত্যাদি ব্যবস্থাপনার দক্ষতার নির্দেশক হিসেবে পরিগণিত হয়। অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের ক্ষেত্রে প্রফিট রেট অথবা ইকুইটি প্রাইস (অথবা উভয়) মার্কেট সেনসিটিভিটির জন্য বিশেষ ভূমিকা পালন করে থাকে। অনেক অ-ব্যাংক আর্থিক প্রতিষ্ঠানের বাজার ঝুঁকি মূলত শুরু হয় নন ট্রেডিং অবস্থান থেকে মুনাফার হারের উঠানামার সেনসিটিভিটি পর্যন্ত। অ-ব্যাংক আর্থিক প্রতিষ্ঠান শুধু মাত্র মেয়াদী আমানত গ্রহণ করতে পারে। বর্তমানে দ্বি সাপ্তাহিক ভিত্তিতে ২.৫ শতাংশ- (কমপক্ষে প্রতিদিন ২ শতাংশ) নগদ রিজার্ভ রেশিও (সি আর আর) সহ ৫.০০ শতাংশ হারে স্ট্যাচুটরী লিকিউডিটি রেশিও রিজার্ভ রাখতে হয়। অ-ব্যাংক আর্থিক প্রতিষ্ঠানের এস এল আর মেয়াদী আমানত ব্যতীত ২.৫ শতাংশ।

পরিচালনা পর্ষদ

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড-এর পরিচালনা পর্ষদ বর্তমানে ২ জন স্বতন্ত্র পরিচালকসহ মোট ১০ জন পরিচালকের সমন্বয়ে গঠিত। পরিচালনা পর্ষদ মূলত নীতি নির্ধারণী বিষয়াদির অনুমোদন দিয়ে থাকে যা ব্যবস্থাপনা পর্যায়ে বাস্তবায়িত হয়। এছাড়া পর্ষদ ব্যবস্থাপনা কর্তৃপক্ষকে বিভিন্ন বিষয়ে দিক নির্দেশনা দেয়। পরিচালনাগত দিকসহ বিভিন্ন বিষয়ে দ্রুত সিদ্ধান্ত দেয়ার জন্য পরিচালনা পর্ষদ কর্তৃক পর্ষদেরই ৫ সদস্যের সমন্বয়ে নির্বাহী কমিটি গঠন করা হয়েছে। নির্বাহী কমিটি যেকোন সময় সভা ডেকে বিভিন্ন বিষয় নিস্পত্তি করতে পারে। পর্ষদের সদস্যগণের মধ্য থেকে ৫ জনের সমন্বয়ে অডিট কমিটি কাজ করে যাচ্ছে। অডিট কমিটি মূলত প্রতিষ্ঠানের অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালনের উপর জোর দিয়ে থাকে। পরিচালনা পর্ষদের দিক নির্দেশনা প্রতিষ্ঠানকে তার লক্ষে পৌঁছতে এবং আরও উচ্চতর অবস্থানে যেতে বিশেষভাবে সহায়তা করে।

পরিচালনা পর্ষদ, কমিটি ও শরীয়াহ্ সুপারভাইজরি কমিটির সভা

২০১৬ সালে পরিচালনা পর্ষদের সভা ১৭টি, নির্বাহী কমিটির ১১টি, অডিট কমিটির ৪টি ও শরীয়াহ্ সুপারভাইজরি কমিটির ৩ টি সভা অনুষ্ঠিত হয়েছে। কোন পরিচালক পরপর ৩টি সভায় অনুপস্থিত ছিলেন না। বাংলাদেশ ব্যাংক-এর নির্দেশনা অনুযায়ী নির্বাহী কমিটি ও অডিট কমিটির প্রতিটি ৫ সদস্যের সমন্বয়ে গঠিত। শরীয়াহ্ সুপারভাইজরি কমিটি ও অডিট কমিটির প্রতিবেদন এই বার্ষিক প্রতিবেদনের এপেনডিক্স সি ও এপেনডিক্স ডি তে সংযোজন করা হয়েছে। পরিচালনা পর্ষদসহ কমিটি সমূহের সভায় পরিচালকদের যোগদান সম্পর্কিত তথ্য এপেনডিক্স-ই তে সন্নিবেশিত করা হয়েছে।

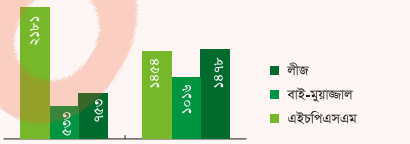
পরিচালকগণের সম্মানী

প্রত্যেক পরিচালক প্রতিটি সভায় যোগদানের জন্য জন্য ৮০০০.০০ টাকা করে সম্মানী পেয়ে থাকেন। এ ধরনের সম্মানী পরিচালনা পর্ষদের ক্ষেত্রে প্রতি মাসে সর্বোচ্চ ২টি সভার জন্য প্রযোজ্য। বাংলাদেশ ব্যাংক-এর নির্দেশনা অনুযায়ী নির্বাহী কমিটির ক্ষেত্রেও মাসে ২টি ও অডিট কমিটির ক্ষেত্রে মাসে ১টি সভায় যোগদানের জন্য এই সম্মানী প্রযোজ্য।

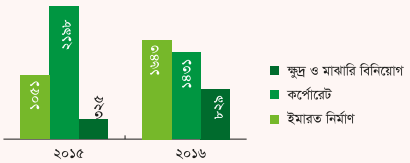
বিনিয়োগের ক্ষেত্রে আইএফআইএল-এর অর্জন

টাকা-মিলিয়ন হিসেবে

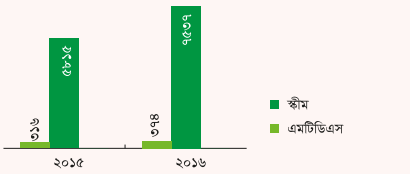
	২০১৫	২০১৬	% পরিবর্তন
লীজ	২,১৮১.২০	১,৪৫৩.৯৬	৬৬.৬৬
বাই-মুয়াজ্জাল	৫৩৩.০০	১,০১৫.৭৬	১৯০.৫৭
এইচপিএসএম	৭৫২.৯২	১,৪৭৭.৫২	১৯৬.২৪
মোট	৩,৪৬৭.১২	৩,৯৪৭.২৪	১১৩.৮৫



ক্ষুদ্র ও মাঝারি বিনিয়োগ	১,০৫১.০০	১,৬৪৩.২০	১৫৬.৩৫
কর্পোরেট	২,১৯৮.২০	১,৪৩০.৭৫	৬৫.০৯
ইমারত নির্মাণ	৩২৪.৭০	৮২৮.৮৮	২৫৫.২৮
মোট	৩,৫৭৩.৯০	৩,৯০২.৮৩	১০৯.২০



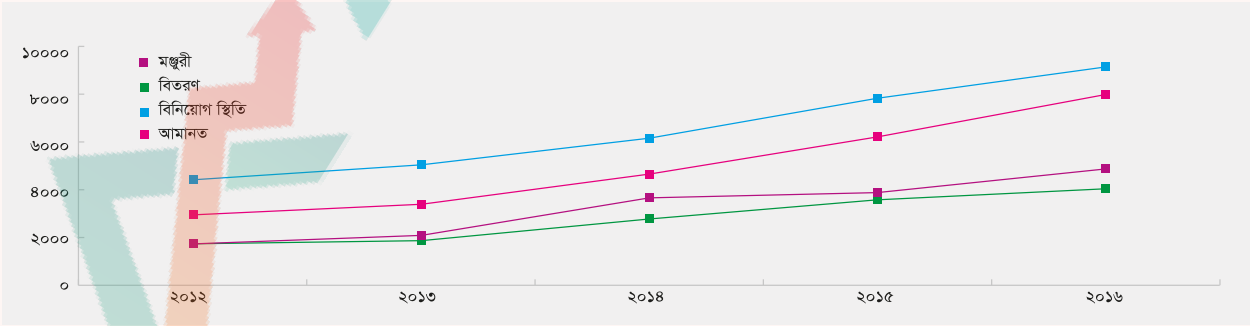
আমানত:			
স্কীম	৩১৫.৭৬	৩৭৪.০৫	১১৮.৪৬
এমটিডিএস	৫,৮১৪.৫৯	৭,৫৩৬.৭৭	১২৯.৬২



মূল ব্যবসায়িক কার্যক্রম

টাকা-মিলিয়ন হিসেবে

	২০১২	২০১৩	২০১৪	২০১৫	২০১৬
মঞ্জুরী	১৬২৯	১৯৮৭	৩৫৬৬	৩৭৮৭	৪৭৮১
বিতরণ	১৬৩২	১৭৬৫	২৬৭৭	৩৪৮৩	৩৯৪৭
বিনিয়োগ স্থিতি	৪৩২৭	৪৯৫৬	৬০৭৭	৭৭৫৭	৯০৭৩
আমানত	২৮৫১	৩২৯৬	৪৫৬৬	৬১৩০	৭৯১১



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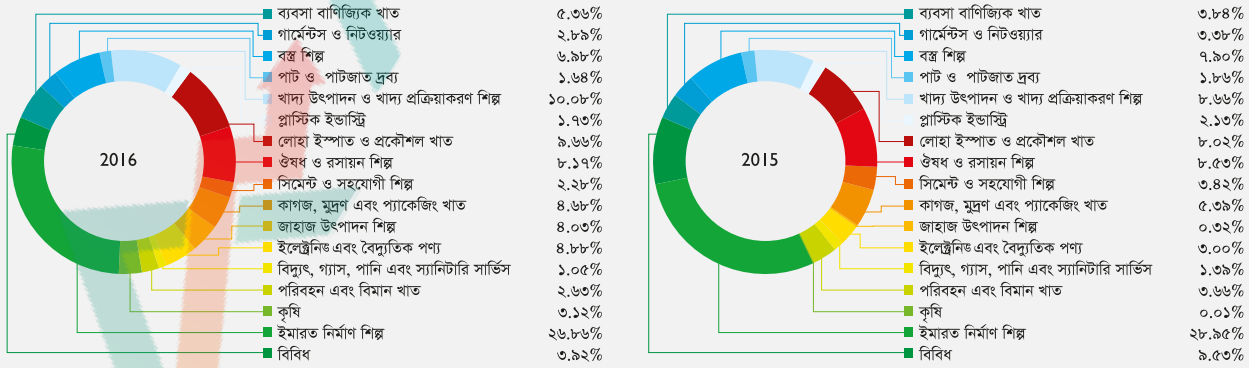
খাতওয়ারি বিনিয়োগ

টাকা-মিলিয়ন হিসেবে

	২০১৫	২০১৬
ব্যবসা বাণিজ্যিক খাত	২৯৮	৪৮৬
গার্মেন্টস ও নিটওয়্যার	২৬২	২৬২
বস্ত্র শিল্প	৬১৩	৬৩৩
পাট ও পাটজাত দ্রব্য	১৪৪	১৪৯
খাদ্য উৎপাদন ও খাদ্য প্রক্রিয়াকরণ শিল্প	৬৭২	৯১৫
প্লাস্টিক ইন্ডাস্ট্রি	১৬৫	১৫৭
চামড়া শিল্প	-	-
লোহা ইস্পাত ও প্রকৌশল খাত	৬২২	৮৭৬
ঔষধ ও রসায়ন শিল্প	৬৬২	৭৪১
সিমেন্ট ও সহযোগী শিল্প	২৬৫	২০৭
টেলিকমিউনিকেশন এবং তথ্য প্রযুক্তি শিল্প	-	-
কাগজ, মুদ্রণ এবং প্যাকেজিং খাত	৪১৮	৪২৫
গ্লাস ও সিরামিক শিল্প	-	-
জাহাজ উৎপাদন শিল্প	২৫	৩৬৬
ইলেক্ট্রনিক্স এবং বৈদ্যুতিক পণ্য	২৩৩	৪৪৩
বিদ্যুৎ, গ্যাস, পানি এবং স্যানিটারি সার্ভিস	১০৮	৯৫
পরিবহন এবং বিমান খাত	২৮৪	২৩৯
কৃষি	১	২৮৩
ইমারত নির্মাণ শিল্প	২২৪৬	২৪৩৭
বিবিধ	৭৪০	৩৫৬
মোট	**৭৭৫৭**	**৯০৭৩**

বিঃদ্রঃ ১)'বিবিধ'-এর মধ্যে সুপারমার্কেট, প্রকৌশল কর্মশালা, উদ্যোক্তা, হোটেল ব্যবসা, আসবাবপত্র ব্যবসা ইত্যাদি অন্তর্ভূক্ত।

খাতওয়ারি বিনিয়োগ



AMAR STOCK

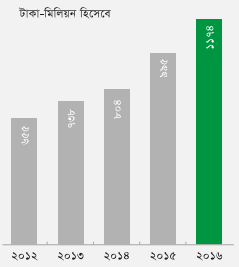
অর্থনৈতিক সাফল্য

টাকা-মিলিয়ন হিসেবে

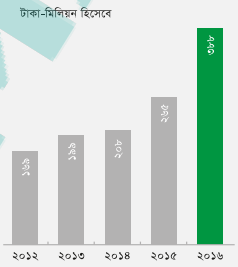
	২০১২	২০১৩	২০১৪	২০১৫	২০১৬
পরিচালন আয়	৬৫৫	৭৩৮	৮০৪	৯৯৫	১১৭৪
পরিচালন মুনাফা	১৬৯	১৯৯	২০৮	২৬৫	৩৮৮
কর পূর্ব মুনাফা	১৫৩	১৬০	২৬২	২৯৯	৪০৫
কর পরবর্তী মুনাফা	৮৬	৮৬	১৯৩	১৯৯	২৭৮
মোট সম্পদ	৫৭১৮	৬৩১২	৭৪৪০	৯৪২৯	১১৯৩৬
শেয়ারহোল্ডারগণের ইক্যুইটি	১২৯৯	১৩৮৫	১৫০৯	১৬১৫	১৭১১
পরিশোধিত মূলধন	১০১৭	১১১৮	১১৬৩	১২১০	১২১০

অর্থনৈতিক অনুপাত

বিনিয়োগ ইক্যুইটি	১.৮৩:১	২.২৬:১	২.৬০:১	২.৯৮:১	২.৬২:১
গড় সম্পদ ফেরত (%)	১.৬২%	১.৪৩%	২.৮১%	২.৩৫%	২.৬০%
গড় ইক্যুইটি ফেরত (%)	৭.৬২%	৬.৪১%	১৩.৩৫%	১২.৭১%	১৬.৭২%
পরিচালনাগত আয়ের উপর মুনাফার গড় (%)	৩১.০২%	২৭.২১%	৫৬.৬১%	৪৬.১৪%	৪৯.৩১%
মূলধন পর্যাপ্ততা (%)	১৮.৫৫%	১৭.৬০%	৩০.৮৬%	২৬.০০%	১৩.৮৭%
বর্তমান অনুপাত	১.১৫:১	১.১৮:১	১.১৭:১	১.১৮:১	১.২০:১
মোট সম্পদের ন্যাস্ত মূল্য (%)	২২.৭১%	২১.৯৪%	২০.২৯%	১৭.১৩%	১৪.৩৩%
আয় প্রতি শেয়ার (কর পরবর্তী) টাকা:	০.৭১	০.৭১	১.৬০	১.৬৪	২.৩০
মূল্য উপার্জন অনুপাত (পি/ই) :	৩১.৭৬	২৬.৩০	১১.৪৬	৯.৪৪	৮.৪০
ডিভিডেন্ড পেআউট- (ডিপি)অনুপাত:	১৪.০৬	১৪.০৬	৬.২৬	৬.০৯	৪.৩৫



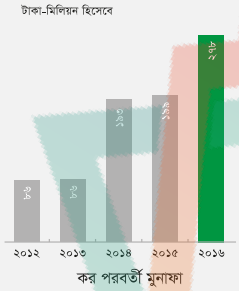
পরিচালন আয়



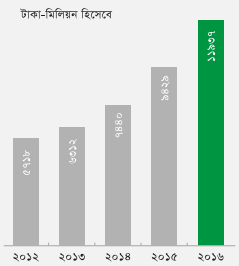
পরিচালন মুনাফা



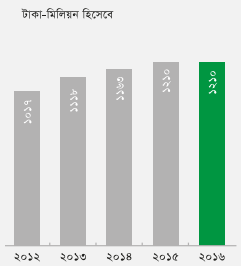
কর পূর্ব মুনাফা



কর পরবর্তী মুনাফা



মোট সম্পদ



পরিশোধিত মূলধন

পরিচালন ফলাফল

১. আয়

বিনিয়োগ থেকে ২০১৬ সালে আয় হয়েছে ১১৭৪.১৪ মিলিয়ন টাকা, যা ২০১৫ সালে ছিল ৯৯৪.৮০ মিলিয়ন টাকা।

অবিনিয়োগ আয়

অবিনিয়োগ আয় খাত থেকে ২০১৬ সালে আয় হয়েছে ১০৬.০১ মিলিয়ন টাকা, শতকরা হিসেবে যা ৯.০২ শতাংশ ।

২. ব্যয়

মুদারাবা ডিপোজিটরদের মধ্যে মুনাফা বন্টন

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিঃ ২০১৫ সালে মুদারাবা ডিপোজিটরদের মধ্যে মুনাফা স্বরূপ বন্টন করেছে ৬২৯.৫৮ মিলিয়ন টাকা, ২০১৬ সালে যার পরিমাণ ছিল ৬৮১.৮৫ মিলিয়ন টাকা।

পরিচালন ব্যয়

২০১৬ সালে পরিচালন ব্যয় হয়েছে ১৭৫.৬৭ মিলিয়ন টাকা যা ২০১৫ সালে ছিল ১৬৫.৪০ মিলিয়ন টাকা। শতকরা হারে যা ১৯.৬৯ বৃদ্ধি পেয়েছে।

পরিচালন ফলাফল

আইএফআইএল-এর ২০১৫ সালে পরিচালনগত মুনাফা ছিল ৪৩০.৩৪ মিলিয়ন টাকা। যা ২০১৬ সালে ছিল ১৩৩.৫৯ মিলিয়ন টাকা বৃদ্ধি পেয়ে ৫৬৩.৯৩ মিলিয়ন টাকায় উন্নীত হয়।

বিবরণ	২০১৫	২০১৬
মোট আয়	৯৯৪.৮০	১১৭৪.১৪
বাদ: মোট ব্যয়	৭২৯.৮৫	৭৮৫.৮৮
কর পূর্ববর্তী সঞ্চিতি ও নিট মুনাফা	২৬৪.৯৫	৩৮৮.২৬
বাদ: শেয়ার ও বিনিয়োগ সঞ্চিতি	(৩৪.০৯)	(১৭.৫০)
কর পূর্ববতী নিট মুনাফা	২৯৯.০৪	৪০৫.৭৬
বাদ: আয়কর সঞ্চিতি	১০০.৪৮	১২৭.৭০
নিট মুনাফা	১৯৮.৫৬	২৭৮.০৬

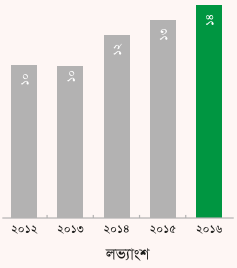
সরকারী কোষাগারে অবদান

আইএফআইএল ২০১৬ সালে কর্পোরেট ট্যাক্স আকারে কোষাগারে ১২৭.৭০ মিলিয়ন টাকা জমা দিয়েছে। যা ২০১৫ সালে ছিল ১০০.৪৮ মিলিয়ন টাকা। এ ছাড়া ২০১৬ সালে ট্যাক্স এ্যাট সোর্স, বৈতনিক কর, ভ্যাট, এক্সাইজ ডিউটি ও অন্যান্য কর খাতে ১১৫ মিলিয়ন টাকা জমা দিয়েছে।

ডিভিডেন্ড

২০১৬ সালের জন্য পরিচালনা পর্ষদ ৩% নগদ ও ১১% শতাংশ স্টক লভ্যাংশ দেয়ার জন্য সুপারিশ করেছে। অতীতের লভ্যাংশের চিত্রটি নিম্নে দেয়া হলঃ

বছর	লভ্যাংশ (%)
২০১৬	৩% নগদ ১১% স্টক
২০১৫	১৩% নগদ
২০১৪	৮% নগদ্ ৪% স্টক
২০১৩	৬% নগদ ৪% স্টক
২০১২	১০ % স্টক



ত্রৈমাসিক রিপোর্টে উল্লেখযোগ্য পরিবর্তন

২০১৬ সালের ত্রৈমাসিক ইপিএস ছিল ০.৯৪, যা ২০১৬-এর ডিসেম্বরে বৃদ্ধি পেয়ে দাঁড়িয়েছে ২.৩০ টাকা।

আর্থিক প্রতিবেদন তৈরির ভিত্তি

ব্যবস্থাপনা কর্তৃপক্ষ আর্থিক প্রতিবেদন তৈরি ও উপস্থাপনার ক্ষেত্রে স্টেটমেন্ট অব এ্যাফেয়ারস, অপারেশনস্ এর ফলাফল, ক্যাশ ফ্লো ও চেঞ্জ ইন ইকুইটি এর হিস্টোরিক্যাল মূল্য ধরা হয়েছে। আর্থিক প্রতিবেদনটি ডিএফআইএম সার্কুলার নং ১১ তারিখ ২৩.১২.২০০৯ ফাইন্যানিন্সয়াল ইনস্টিটিউশন এ্যাক্ট ১৯৯৩, কোম্পানি আইন ১৯৯৪, দি সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ রুল্স ১৯৮৭, বাংলাদেশ ব্যাংক-এর গাইডলাইন, বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড, বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড এবং অন্যান্য প্রযোজ্য আইন ও রেগুলেশন অনুসরণ করা হয়েছে। বাংলাদেশ ব্যাংক কর্তৃক জারীকৃত ২০০৯ সালের

২৩ শে ডিসেম্বর তারিখের সার্কুলারের মাধ্যমে আর্থিক প্রতিবেদন সমূহে অভিন্ন ধারাতে তথ্য সন্নিবেশ করার জন্য নির্দেশনা দেয়া হয়েছে। এই নির্দেশনা মোতাবেক আমরা প্রতিবেদন তৈরিতে সচেষ্ট হয়েছি। কোন কোন ক্ষেত্রে বাংলাদেশ ব্যাংক-এর ডিএফআইএম

সার্কুলারের নির্দেশনার সাথে বাংলাদেশ একাউন্টিং স্ট্যান্ডার্ড ও বাংলাদেশ ফাইন্যান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ড-এর মধ্যে পার্থক্য রয়েছে। তবে বাংলাদেশ ব্যাংক যেহেতু আমাদের প্রাথমিক নিয়ন্ত্রণকারী প্রতিষ্ঠান, তাই এ ক্ষেত্রে বাংলাদেশ ব্যাংক-এর নির্দেশানাকেই প্রাধান্য দেয়া হয়েছে। পাশাপাশি বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশনের নির্দেশনাসমূহও প্রতিবেদন তৈরীতে সহায়তা করেছে। প্রতিবেদনটি আইএফআইএল-এর অডিট কমিটিতে এবং পরবর্তীতে পর্ষদ সভাতেও উপস্থাপিত হয়। বহি: নিরীক্ষক আহমেদ জাকের এ্যান্ড কোং চার্টার্ড এ্যাকাউন্টেন্ট উক্ত নিয়ম নীতি অনুরণ করে প্রতিবেদনটি তৈরী করা হয়েছে মর্মে অবহিত করেছেন।

হিসাবরক্ষণের গুরুত্বপূর্ন বিচার বিশ্লেষন ও অনুমান

আর্থিক প্রতিবেদন প্রস্তুতকালে ব্যবস্থাপনা কর্তৃপক্ষের বিচার, বিশ্লেষণ ও অনুমানের প্রয়োজন হয় যা মুলত সম্পদ-দায়, আয়-ব্যয় ইত্যাদিকে প্রভাবিত করে। বিশ্লেষন ও অনুমান গুলো পূর্ব অভিজ্ঞতা ও অন্যান্য বিভিন্ন বিষয়ের উপর নির্ভর করে সাধিত হয় যা সমসাময়িক কারণ দ্বারা যুক্তিযুক্ত। ফলাফল সবসময় এসব বিশ্লষণ দ্বারা পরিবর্তনশীল। এসব বিশ্লেষণ ও অনুমান পদ্ধতি সময়ে সময়ে কর্তৃপক্ষ দ্বারা পর্যালোচিত । হিসাবরক্ষন পদ্ধতি ও এই পর্যালোচনার সাথে সামঞ্জস্যপূর্ন। ব্যবস্থাপনা কর্তৃপক্ষ দ্বারা বিশ্লেষিত বিনিয়োগ ও লীজের প্রভিশনের বিধানটি সবচাইতে গুরুত্বপূর্ণ। যদিও এই বিশ্লেষণ পরবর্তী বছরের হিসাবে তেমন কোন পরিবর্তন আনয়ন করে না।

বুকস অব এ্যাকাউন্স এর যথাযথ সংরক্ষণ ও ব্যবহার

আইএফআইএল ২০১৬ সালে আর্থিক লেনদেনের জন্য প্রয়োজনীয় বুকস অব একাউন্টস যথাযথভাবে সংরক্ষণ করেছে যা বহি:নিরীক্ষণ ফার্ম আহমেদ জাকের এ্যান্ড কোং চার্টার্ড একাউন্টেন্ট তাদের পরিদর্শনে মতামত প্রকাশ করেছে।

কর্পোরেট ও ফাইন্যান্সিয়াল রিপোর্টিং ফ্রেমওয়ার্ক

আইএফআইএল-এর পরিচালনা পর্ষদ বাংলাদেশ সিকিউরিটিজ কমিশন আগষ্ট ৭, ২০১২ তারিখে জারিকৃত এসএসি/সিএম আরআর পিডি/২০০৬-১৫৮/১৩৪/এডমিন/৪৪ নং নোটিফিকেশ পরিপালনের জন্য নিম্মোক্ত বিষয়সমূহে কাজ করে থাকে:

*আইএফআইএল-এর ব্যবস্থাপনা কর্তৃপক্ষ কর্তৃক প্রস্তুতকৃত প্রতিবেদনের মাধ্যমে সঠিক তথ্য উপাত্ত উপস্থাপন করা, অপারেশনের বিষয়ের বিস্তারিত ফলাফল, ক্যাশফ্লোর তথ্য ও ইক্যুটি কাঠামোর পরিবর্তন।

*ইন্টারন্যাশনাল এ্যাকাউন্টিং স্ট্যান্ডার্ড, বাংলাদেশ এ্যাকাউন্টিং স্ট্যান্ডার্ড/ ইন্টারন্যাশনাল ফিনান্সিয়াল রিপোর্টিং স্ট্যান্ডার্ডসহ সঠিক এ্যাকাউন্টিং পলিসি ও অন্যান্য আইন পরিপালন করার মাধ্যমে পর্যাপ্ত তথ্য উপাত্তের সমন্বয়ে আর্থিক প্রতিবেদন তৈরী করা।

* অভ্যন্তরীন নিয়ন্ত্রণ ও পরিপালন যথাযথভাবে প্রণয়ন ও কার্যকরভাবে বাস্তবায়ন ও মনিটরিং করা।
* প্রতিষ্ঠানটি নিজস্ব গতিতে সঠিক পন্থায় অগ্রসর হওয়ার ক্ষেত্রে কোন ধরনের সংশয়ের উর্ধ্বে থাকা।

চলমান অবস্থা

সার্বিক বিশ্লেষণের মাধ্যমে দেখা যায় যে, আইএফআইএল ব্যবসায়িক প্রবৃদ্ধি, বার্ষিক বাজেট, সামগ্রিক কার্যক্রম, তারল্যের অবস্থা, পরিকল্পনা ও আর্থিক ব্যবস্থাপনার ক্ষেত্রে বর্তমানে বেশ ভাল অবস্থানে রয়েছে। ভবিষ্যতে আরও কার্যকরভাবে এ ধারা অব্যাহত রাখার জন্য যথেষ্ঠ শক্তিশালী অবস্থান তৈরী করতে আইএফআইএল সক্ষম।

কর্পোরেট গভর্নেন্স/সুশাসন

আইএফআইএল সুশাসনের ব্যাপারে বিশেষভাবে যত্নবান। এই সুশাসন প্রতিষ্ঠানটির দীর্ঘ মেয়াদী কার্যক্রম সুষ্ঠুভাবে সম্পন্ন করতে এবং বিনিয়োগকারী ও শেয়ারহোল্ডারদের স্বার্থ রক্ষার্থে সাহায্য করে।

আইএফআইএল কোম্পানী আইন ১৯৯৪, অ-ব্যাংক আর্থিক প্রতিষ্ঠান এ্যাক্ট ১৯৯৩ অনুসরণ করে পরিচালিত হয়। এ ছাড়াও

বাংলাদেশ ব্যাংক ও সিকিউরিটিজ এক্সচেঞ্জ কমিশন কর্তৃক বিভিন্ন সময়ে জারীকৃত নির্দেশনা পরিপালন করে থাকে। আমরা শেয়ার হোল্ডারবৃন্দের সম্পদ বৃদ্ধির জন্য সব সময় সচেষ্ট থাকি। আমাদের সুশাসন নীতি শেয়ারহোল্ডার বৃদ্ধি, গ্রাহক ও সাধারণ মানুষের অংশগ্রহণ সুসংহত করার জন্য পরিচালিত হয়ে থাকে। স্বচ্ছতা, জবাবদিহিতা, মূল্য সংযোজন ও সামাজিক দায়বদ্ধতার লক্ষ্যে এই সুশাসন পরিচালিত হয়। এর কাঠামো মূলত পরিচালনা পর্ষদ, শেয়ারহোল্ডারবৃন্দ, ব্যবস্থাপনা, নিয়ন্ত্রণকারী সংস্থা, বহি:নিরীক্ষক ও কর্মীবাহিনীর সমন্বয়ে গঠিত হয়ে থাকে। এতে তথ্য আদান প্রদান ও কর্ম পরিবেশে আরও স্বচ্ছতা তৈরী হয়। পরিচালনা পর্ষদ তাদের নীতি নির্ধারনীর মাধ্যমে প্রতিষ্ঠানের ব্যবসায়িক ও আর্থিক সম্পদ অর্জনকে সহজলভ্য করে তোলে। পর্ষদ শেয়ারহোল্ডারদের নিকট প্রয়োজনীয় তথ্য সরবরাহ, আর্থিক প্রতিবেদন পেশ, বাজেট প্রণয়ন, সার্বিক ব্যয় ব্যবস্থাপনা, ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া, ব্যবস্থাপনা উন্নয়ন, ট্রেজারি নীতি ও আনুষঙ্গিক বিষয় তুলে ধরে।

আইএফআইএল মনে করে শেয়ারহোল্ডারদের কাছে যথাযথ প্রক্রিয়ায় ও দ্রুততার সঙ্গে প্রতিবেদন পাঠানো ও তাঁদের মতামতকে গুরুত্ব দেয়া অনেক বড় দায়িত্ব ও কর্তব্য। বাংলাদেশ সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ কমিশন ও ও স্টক এক্সচেঞ্জ-এর নির্দেশনা অনুযায়ী এতদসংক্রান্ত যেকোন তথ্য দ্রুততার সঙ্গে সরবরাহ করে থাকে। সর্বোপরি আইএফআইএল তার সুশাসন নীতিমালা পরিপালনে সর্বদা সচেষ্ট।

মানব সম্পদ

আইএফআইএল-এর মানব সম্পদ এর ব্যবস্থাপনার মূল লক্ষ্য হল:

* প্রতিষ্ঠানের লক্ষ্য অর্জনের জন্য ইতিবাচক মানসিকতা সম্পন্ন একটি টিম গঠন করা।
* দক্ষ কর্মীদের বিকল্প তৈরী করা।
* ব্যবসায়িক লেনদেন ও কর্মক্ষেত্রে সততা ও স্বচ্ছতা বজায় রাখা।
* সকলের জন্য সমতার সুযোগ সৃষ্টি করা।
* সকল কর্মীর জন্য প্রয়োজনীয় প্রশিক্ষণ ও উন্নয়ন কর্মসূচী গ্রহণ করা।
* সকলে এক সঙ্গে মিলে মিশে কাজ করার জন্য কর্ম পরিবেশ তৈরী করা।

আইএফআইএল মানব সম্পদকে অত্যন্ত গুরুত্ব দিয়ে থাকে। প্রতিষ্ঠানটির নিয়োগ, পদায়ন, মানব সম্পদ উন্নয়ন, পুরস্কারের বিষয়ে নিজস্ব পরিকল্পনা অনুযায়ী কাজ করে যাচ্ছে। প্রতিষ্ঠানটি কর্মীবাহিনী এর লক্ষ্য অর্জনের জন্য ফলভিত্তিক কর্ম সম্পাদন করার ব্যাপারে অঙ্গীকারবদ্ধ। আমরা সঠিক ব্যক্তিকে সঠিক কর্মস্থলে কাজ করার পরিবেশ নিশ্চিত করে থাকি। বর্তমানে কর্মীদের আত্মবিশ্বাস, সেলফ্ মোটিভেশন (স্ব-প্রণোদনা) ও পর্যাপ্ত জ্ঞান অর্জনের ওপর কাজ করা হচ্ছে যাতে প্রতিষ্ঠানটি আশানুরূপ ফলাফল অর্জন করতে পারে। বছর জুড়ে প্রশিক্ষণ ও উন্নয়নের ব্যবস্থা করা হচ্ছে। প্রশিক্ষণ একটি চলমান প্রক্রিয়া যার মাধ্যমে কর্মীদের গুণগত পরিবর্তন আনা সম্ভব। এ ছাড়া গুরুত্ব আরোপ করা হচ্ছে কর্মকর্তা ও নির্বাহীদের আচরণ, দক্ষতা ও অভিজ্ঞতার উপর।

আইএফআইএল সম্প্রতি 'বিজনেস প্রফেশনাল কনসালট্যান্ট' নামক একটি পেশাদার মানব সম্পদ পরামর্শক সংস্থাকে নিয়োগ দিয়েছে। যাদের মাধ্যমে বেশ কিছু মূল্যবান পরামর্শ পাওয়া গেছে। পরামর্শসমূহ বাস্তবায়নের লক্ষ্যে ব্যবস্থাপনা কর্তৃপক্ষ ইতোমধ্যে বেশ কিছু পদক্ষেপ নিয়েছে। এর কিছু বাস্তবায়িত হয়েছে, কিছু প্রক্রিয়াধীন রয়েছে। আইএফআইএল কর্মীদের মধ্যে আন্ত ব্যাক্তিক সম্পর্ক উন্নয়নের জন্য কাজ করে যাচ্ছে। 'ম্যানকম' বা ব্যবস্থাপনা কমিটির মাধ্যমে কর্মক্ষেত্রের বিভিন্ন সমস্যা ও বিষয় সমূহ নিয়ে নিয়মিত বৈঠক হয়। যাতে সদস্যবৃন্দ নিজস্ব মতামত ব্যক্ত করতে পারেন, যেটা প্রতিষ্ঠানের অগ্রসরতার জন্য সহায়ক হয়।

ঝুঁকি ব্যবস্থাপনা

আইএফআইএল স্থায়ী প্রবৃদ্ধির লক্ষ্যে ঝুঁকি ব্যবস্থাপনার উপর বিশেষ গুরুত্ব দিয়ে থাকে। আর্থিক ব্যবস্থায় ঝুঁকি একটি গুরুত্বপূর্ণ বিষয়। আইএফআইএল বিশ্বাস করে যে, প্রতিটি ঝুঁকি সফলভাবে নিয়ন্ত্রণ ও কমানো সম্ভব। ঝুঁকি ব্যবস্থাপনা প্রক্রিয়ার মধ্যে মূল ঝুঁকি ও অনুমিত ঝুঁকি নির্ণয় বা পরিমাপ করা সম্ভব। সম্প্রতি আইএফআইএল ভালভাবে ঝুঁকি প্রক্রিয়া নির্ণয়, পরিমাপ ও তা কমানোর লক্ষ্যে সর্বোচ্চ ব্যবস্থাপনার সমন্বয়ে বিনিয়োগ কমিটি ও বিনিয়োগ ঝুঁকি ব্যবস্থাপনা বিভাগ এবং আদায় ও মনিটরিং বিভাগ চালু করেছে।

আইএফআইএল ঝুঁকি ব্যবস্থাপনা প্রক্রিয়ার জন্য বিভিন্ন কমিটির (ম্যানকম, এ্যালকো, এএমএলকো, ঝুঁকি ব্যবস্থাপনা ফোরাম,

ঝুঁকি ব্যবস্থাপনা ইউনিট, ইনটিগ্রিটি কমিটি) প্রতি বিশেষভাবে গুরুত্ব দিয়ে থাকে। এই লক্ষ্যে সম্পদ ও দায় ব্যবস্থাপনার জন্য নিয়ন্ত্রণকারী সংস্থাসমূহের নির্দেশনা যথাযথ পরিপালন করা হয়। মানি লন্ডারিং ও টেরোরিস্ট ফাইন্যান্সিং-এর উপর আইএফআইএল যথাযথ গুরুত্ব আরোপ ও সর্বদা সতর্কতা অবলম্বন করে থাকে। আইএফআইএল-এর অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালন বিভাগ অপারেশনাল রিস্ক (ডকুমেন্টশন ও বহি:নিরীক্ষক কর্তৃক পরিপালন) পরিমাপ করার ক্ষেত্রে নিরীক্ষাসহ যথাযথ ভূমিকা পালন করে এবং বিনিয়োগ ঝুঁকি নিয়ন্ত্রণের লক্ষ্যে পদক্ষেপ গ্রহণ কওে থাকে। ফাইন্যান্সিয়াল এ্যাডমিনিস্ট্রেশন ডিভিশন মূলধন পর্যাপ্ততা ও বাজার শৃংখলার বিষয়ে বাংলাদেশ ব্যাংকের নির্দেশনা পরিপালনসহ ব্যসেল কমিটির গাইডলাইনের আলোকে ঝুঁকিভিত্তিক মূলধন পরিমাপ করে থাকে। আইএফআইএল বর্তমানে রিস্ক ম্যানেজমেন্ট ইনফরমেশন সিস্টেমস নামে একটি উচ্চ পরিমাপ ঝুঁকি ব্যবস্থাপনা প্রক্রিয়া চালু করতে যাচ্ছে যার মাধ্যমে বিনিয়োগ অনুমোদন প্রক্রিয়ার জন্য তথ্য উপাত্ত পাওয়া সম্ভব হবে।

অভ্যন্তরীন নিয়ন্ত্রণ

অভ্যন্তরীন নিয়ন্ত্রণ ব্যবস্থা মূল ব্যবসায়িক উদ্দেশ্য সফল করার লক্ষ্যে ঝুঁকি নিবারণ করার চেয়ে সুষ্ঠু ব্যবস্থাপনার উপর জোর দিয়ে থাকে। আইএফআইএল-এর পরিচালনা পর্ষদ অভ্যন্তরীণ নিয়ন্ত্রণ ও পরিপালনের মাধ্যমে বাস্তবভিত্তিক ও বস্তুগত ভুল তথ্য নিবারণের লক্ষ্যে একটি সুন্দর গাইডলাইন/ ম্যানুয়াল অনুমোদন করেছে। পরিচালনা পর্ষদ ও অভ্যন্তরীণ নিয়ন্ত্রণ বিভাগ বিভিন্ন সময়ে অভ্যন্তরীন নিয়ন্ত্রণ প্রক্রিয়া ও এর কার্যকারিতা নিয়ে পর্যালোচনা করে থাকে।

কর্পোরেট সোস্যাল রেসপন্সিবিলিটি/ প্রতিষ্ঠানিক সামাজিক দায়বদ্ধতা

বাংলাদেশের অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের মধ্যে আইএফআইএল প্রথম শরীয়াহ্ ভিত্তিক আর্থিক প্রতিষ্ঠান। অর্থায়ন বা বিনিয়োগের ক্ষেত্রে আমরা শরীয়াহ্ পরিপালনের পাশাপাশি প্রতিষ্ঠানিক সামাজিক দায়বদ্ধতার বিষয়টিও বিবেচনায় রাখি। সামাজিক দায়বদ্ধতার সব ধরনের নীতিমালা এ ক্ষেত্রে আমরা অনুসরণ করে থাকি। আইএফআইএল গ্রাহক, শেয়ারহোল্ডার ও সাধারণ জন মানুষের প্রতি তার সামাজিক দায়বদ্ধতা আছে বলে মনে করে এবং সে লক্ষ্যে কাজ করে থাকে।

কৃতজ্ঞতা স্বীকার ঃ

আমি পরিচালনা পর্ষদের পক্ষ থেকে বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ, চট্রগ্রাম স্টক এক্সচেঞ্জ, সিডিবিএল কর্তৃপক্ষকে তাঁদের অব্যাহত সহযোগিতা এবং মূল্যবান পরামর্শ ও নির্দেশনার জন্য আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি। শেয়ারহোল্ডারবৃন্দকে তাঁদের সক্রিয় সমর্থন ও সহযোগিতার জন্য আবারো আন্তরিক ধন্যবাদ জানাই।

পরিচালনা পর্ষদের সম্মানিত সদস্যবৃন্দকে বোর্ড মিটিং-এ তাঁদের সার্বক্ষণিক সহযোগিতা ও কোম্পানীর নীতি নির্ধারণে নিরন্তর ভূমিকা রাখার জন্য বিশেষভাবে ধন্যবাদ জানাচ্ছি। নির্বাহী কমিটি, নিরীক্ষা কমিটি ও শরীয়াহ্ সুপারভাইজরী কমিটির সম্মানিত সদস্যবৃন্দকে তাঁদের মূল্যবান পরামর্শ ও দিক নির্দেশনার জন্য বিশেষভাবে কৃতজ্ঞতা জ্ঞাপন করছি। আইএফআইএল এর সকল স্তরের কর্মকর্তা-কর্মচারীবৃন্দকে প্রতিষ্ঠানের ক্রমোন্নতিতে নিরলস অবদান রাখার জন্য আন্তরিক ধন্যবাদ জানাচ্ছি।

পরম করুনাময় আল্লাহ্ রাব্বুল 'আলামীনের মহান দরবারে আমি আপনাদের সবার সুস্বাস্থ্য, শান্তি ও উন্নতির জন্য প্রার্থনা জানাই।

মহান আল্লাহ্ আমাদের সবার সহায় হোন।

মা-আস্সালাম

পরিচালনা পর্ষদের পক্ষে

(আফজালুর রহমান)

চেয়ারম্যান

Attendance in the Meetings

Attendance Board Meetings in 2016

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	Afzalur Rahman	Chairman	10	09	Elected in AGM held on June 12, 2016
2.	Rezakul Haider	Vice-Chairman	17	14	Continue
3.	Kazi Mahbuba Akhter	Vice-Chairman	17	14	Appointed 01.01.2016 further elected in AGM
4.	Mostanser Billa	Chairman	17	14	Continue
5.	K.B.M. Moin Uddin Chisty	Director	17	16	Continue
6.	Anwar Hossain Chowdhury	Director	17	17	Continue
7.	Abul Quasem Haider	Director	17	15	Appointed 01.01.2016 further elected in AGM
8.	Feroz Alam	Director	10	09	Elected in AGM held on June 12, 2016
9.	Prof. Dr. Md. Jahangir Alam	Independent Director	17	15	Continue
10.	Pfor. Dr. Gazi Md. Ahsanul Kabir	Independent Director	17	14	Continue

Attendance of EC Meetings in 2016

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	K.B.M. Moin Uddin Chisty	Chairman	11	11	
2.	Mostanser Billa	Member	06	04	Appointed 26.06.2016
3.	Anwar Hossain Chowdhury	Chairman	11	11	
4.	Abul Quasem Haider	Member	11	10	Appointed 01.01.2016 further elected in AGM
5.	Dr. Gazi Md. Ahsanul Kabir	Member	11	09	

AMARSTOCK

Attendance of Audit Committee Meetings in 2016

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	Dr. Gazi Md. Ahsanul Kabir	Chairman	04	04	
2.	Mostanser Billa	Member	02	01	
3.	K.B.M. Moin Uddin Chisty	Member	04	04	
4.	Anwar Hossain Chowdhury	Member	04	04	
5.	Abul Quasem Haider	Member	04	04	

Meeting of Shariah Supervisory Committee-2016

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	M. Azizul Huq	Chairman	03	03	
2.	Prof. Muhammad Mansurur Rahman	Vice Chairman (Faqeeh) Member	03	03	
3.	Prof. Dr. Muhammad Azhar-ud-Din	Member	03	02	
4.	Ruhul Amin Khan	(Faqeeh) Member	03	02	
5.	Mohammad Nazrul Islam	Member	03	03	
6.	Dr. Mohd. Haroon Rashid	(Faqeeh) Member	03	03	

AMAR STOCK

Auditors' Report



Auditors' Report to the Shareholders

We have audited the accompanying financial statements of Islamic Finance and Investment Limited ("the Company") which comprise the Balance Sheet as at December 31, 2016 and the Profit and Loss Account, Statement of Changes in Equity and Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial state dance with Bangladesh Financial Reporting Standards (BFRSs), Financial Institutions Act 1993, Bangladesh Securities and Exchange Commission Rules 1987, the Companies Act 1994 along with the rules & regulations Issued by the Bangladesh Bank and other applicable rules & regulations and for such internal control as management determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements of the company based on our audit. The assets and liabilities as at December 31, 2016 and revenue and expenses for the year ended December 31, 2016 of the company. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements of the company are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements of the company. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements of the company, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements of the company in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements of the company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs) give a true and fair view of the balance sheet of the company as at December 31, 2016 and of the results of its profit and loss account and its cash flows for the year then ended and comply with the Financial Institutions Act 1993, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Bangladesh Securities and Exchange Rules 1987 and other applicable laws and regulations.

We also report that

a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;

b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;

c) the company's balance sheet and profit and loss account together with annexed notes 1 to 38 dealt with by the report are in agreement with the books of accounts;

d) the financial statements have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the accounting rules and regulations issued by the Bangladesh Bank to the extent applicable to the company;

e) the balance sheet of the company as at December 31, 2016 and the profit and loss statement for the year then ended have been properly reflected in the financial statements of the company;

f) the expenditure incurred and payments were made for the purpose of the company's business;

g) the information and explanations required by us have been received and found satisfactory;

h) adequate provisions have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;

i) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instruction issued by Bangladesh Bank have been found complied;

j) it appeared from our test checks that the internal control system was adequate and satisfactory;

k) adequate capital of the company, as required by law has been maintained during the year;

l) it appears from our test checks that the internal control system is satisfactory and adequate to prevent probable fraud and forgeries;

m) proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instruction issued by the Bangladesh Bank & other regulatory authorities have been found complied;

n) we have reviewed over 80 percent of the risk-weighted assets of the company and we have spent over 1776 person hours for the audit of books of accounts of the company;

o) all other matters which are important for the stakeholders of the company have been adequately disclosed in the audit report.

Dated: April 9, 2017
Place: Dhaka

Ahmed Zaker & Co.
Chartered Accountants

AMAR STOCK

Islamic Finance and Investment Limited
Balance Sheet
As at December 31, 2016

Amount in Taka

PARTICULARS	Notes	2016	2015
PROPERTY AND ASSETS			
Cash	**3.00**	**179,770,635**	**177,016,237**
Cash in hand (including foreign currencies)	3.01	171,955	1,106,061
Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)	3.02	179,598,680	175,910,176
Balance with other Banks and Financial Institutions	**4.00**	**1,714,754,915**	**518,886,021**
In Bangladesh	4.01	1,714,754,915	518,886,021
Outside Bangladesh	4.02	-	-
Money at Call on Short Notice	5.00	-	-
Investments in Shares and Securities	**6.00**	**264,602,314**	**284,075,684**
Government	6.01	-	-
Others	6.02	264,602,314	284,075,684
Investment	**7.00**	**9,072,662,793**	**7,757,464,370**
General Investment	7.01	9,072,662,793	7,757,464,370
Bills Purchased and Discounted	7.02	-	-
Fixed Assets including Premises, Furniture and Fixtures	8.00	171,352,287	167,018,217
Other Assets	9.00	533,728,165	524,580,760
Non banking Assets		-	-
Total Assets		**11,936,871,109**	**9,429,041,289**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other Banks, Financial Institutions and Agents	10.00	256,858,767	507,950,838
Deposits and Other Accounts	**11.00**	**7,976,827,539**	**6,194,795,663**
Mudaraba Term Deposits	11.01	7,536,772,279	5,814,588,759
Bills Payable		-	-
Lease Deposits	11.02	66,003,035	64,445,843
Bearer Certificates of Deposits		-	-
Deposits under Schemes	11.05	374,052,225	315,761,061
Other Liabilities	12.00	1,992,208,096	1,111,446,352
Total Liabilities		**10,225,894,402**	**7,814,192,853**

Amount in Taka

PARTICULARS	Notes	2016	2015
Capital/Shareholders' Equity			
Paid-up Capital	13.01	1,209,764,838	1,209,764,838
Share Premium Account	13.06	730,852	730,852
Statutory Reserve	14.00	276,356,803	220,744,612
Other Reserve	15.00	21,501,528	21,501,528
Surplus in Profit & Loss Account	16.00	202,622,686	162,106,606
Total Shareholders' Equity		**1,710,976,707**	**1,614,848,436**
Total Liabilities & Shareholders' Equity		**11,936,871,109**	**9,429,041,289**

Off-Balance Sheet Items
As at December 31 2016

CONTINGENT LIABILITIES			
Acceptances and Endorsements	17.00	-	-
Letters of Guarantee	17.01	-	-
Irrevocable Letters of Credit	17.02	-	-
Bills for Collection	17.03	-	-
Other Contingent Liabilities	17.04	-	-
		-	-
OTHER COMMITMENTS			
Documentary credits 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 including contingent liabilities		-	-

The accompanying notes and policies (1-38) form an integral part of these Financial Statements.

(Mohammad Showket Akber, FCA, ACS)	(S.Q. Bazlur Rashid)	(A K M Shahidul Haque)	(Rezakul Haider)	(Afzalur Rahman)
Chief Financial Officer (CFO)	Company Secretary	Managing Director & CEO	Vice Chairman	Chairman

Signed as per our separate report of same date.

Ahmed Zaker & Co.
Chartered Accountants

Dated: April 9, 2017
Place: Dhaka

Islamic Finance and Investment Limited
Profit and Loss Account
For the Year ended December 31, 2016

Amount in Taka

PARTICULARS	Notes	2016	2015
Profit on Investment	18.01	1,174,136,328	994,802,694
Less: Profit Paid on Deposits, Borrowings etc.	19.00	716,265,683	685,752,698
Net Investment Income		**457,870,645**	**309,049,996**
Income from Investment in Securities	18.02	29,519,256	58,899,103
Commission, Exchange and Brokerage	20.00	18,137,810	25,114,216
Other Operating Income	21.00	58,406,156	37,282,541
		106,063,222	**121,295,860**
Total Operating Income		**563,933,867**	**430,345,856**
Salaries and allowances	22.00	87,594,129	80,403,037
Rent, Taxes, Insurances, Electricity etc.	23.00	10,089,428	8,691,225
Legal & Professional Expenses	24.00	1,649,713	4,483,431
Postage, Stamps, Telecommunication etc.		1,730,370	1,535,491
Stationery, Printings, Advertisements etc.	25.00	2,519,071	4,449,706
Managing Director's Salary and Allowances	22.01	5,493,548	5,333,306
Directors' Fees	26.00	1,680,000	885,000
Auditors' Fees		120,000	120,000
Depreciation and Repair of Fixed Assets	27.00	11,515,394	9,321,116
Other Expenses	28.00	53,275,773	50,176,834
Total Operating Expenses		**175,667,426**	**165,399,146**
Profit before Provision		**388,266,441**	**264,946,710**
Provision for Loans & Advances	29.00	5,983,464	7,349,714
Provision for diminution in value of investments		(11,740,734)	(45,148,650)
Other Provision		(11,740,458)	3,707,000
Total Provision		**(17,497,728)**	**(34,091,936)**
Total Profit before Taxes		**405,764,169**	**299,038,646**
Provision for Taxation	**12.02**	**127,703,213**	**100,474,458**
Current Tax		127,430,956	96,875,250
Deferred Tax		272,257	3,599,208
Net Profit after Taxation		**278,060,956**	**198,564,188**
Retained Surplus brought forward from previous year	16.00	(19,826,079)	3,255,256
		258,234,877	**201,819,444**

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Amount in Taka

PARTICULARS	Notes	2016	2015
Appropriations			
Statutory Reserve		55,612,191	39,712,838
Dividend Equalization Fund		-	-
Special Reserve Fund		-	-
Retained Surplus		202,622,686	162,106,606
		258,234,877	**201,819,444**
Earning Per Share (EPS)	**30.00**	**2.30**	**1.64**

The accompanying notes and policies (1-38) form an integral part of these Financial Statements.

(Mohammad Showket Akber, FCA, ACS)	(S.Q. Bazlur Rashid)	(A K M Shahidul Haque)	(Rezakul Haider)	(Afzalur Rahman)
Chief Financial Officer (CFO)	Company Secretary	Managing Director & CEO	Vice Chairman	Chairman

Signed as per our separate report of same date.

Ahmed Zaker & Co.
Chartered Accountants

Dated: April 9, 2017
Place: Dhaka

Islamic Finance and Investment Limited
Cash Flow Statement
For the Year ended December 31, 2016

Amount in Taka

PARTICULARS	2016	2015
A. Cash Flow from Operating Activities		
Investment Profit receipts	1,288,821,764	975,979,284
Profit Paid on Deposits	(661,102,365)	(612,673,654)
Dividend receipts	13,689,439	12,136,342
Fees & Commission receipt	18,137,810	25,114,216
Recoveries on Investments previously written off	50,400	95,559
Cash Payments to Employees	(93,087,677)	(85,736,343)
Cash Payments to Suppliers	(2,519,071)	(4,449,706)
Income Tax Paid	(94,559,859)	(77,539,175)
Receipts from other Operating activities	17,810,680	12,144,880
Payments for other Operating activities	(70,431,324)	(67,781,174)
Operating Profit before changes in Operating Assets & Liabilities		
	416,809,797	**177,290,229**
Increase/Decrease in Operating Assets and Liabilities		
Investment (Loans and Advances) to Customers	(1,315,198,423)	(1,680,346,612)
Other Assets	13,024,923	53,906,834
Deposits from other Banks	586,426,100	423,600,000
Deposits received from Customers	1,195,605,776	1,143,579,523
Other Liabilities	708,018,391	20,335,128
	1,187,876,767	**(38,925,127)**
Net cash provided from Operating Activities :	**1,604,686,564**	**138,365,102**
B. Cash flows from Investing Activities		
Proceeds from sale of securities	-	(240,853,802)
Payment for purchases of securities	19,473,370	264,316,855
Receipts from Investment in securities	29,519,256	58,899,103
Proceeds from Sale of fixed assets	2,838,655	30,000
Receipts from Bank Deposit	31,186,655	23,399,663
Payment for Advance for Impetus	(72,000,000)	(78,000,000)
Purchases of Property, Plant & Equipments	(12,282,101)	(15,599,185)
Net cash used in Investing Activities :	**(1,264,165)**	**12,192,634**

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Amount in Taka

PARTICULARS	2016	2015
C. Cash flows from Financing Activities		
Receipts from loan/(borrowing) & debts securities	(251,092,071)	156,193,514
Share Capital	-	-
Dividend Paid	(153,707,036)	(93,058,833)
Share premium account less share issue expense	-	-
Net cash used in Financing Activities :	**(404,799,107)**	**63,134,681**
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	**1,198,623,292**	**213,692,417**
E. Cash and cash equivalents at the beginning of the year	695,902,258	482,209,841
F. Cash and cash equivalents at the end of the year (D+E)	**1,894,525,550**	**695,902,258**

The accompanying notes and policies (1-38) form an integral part of these Financial Statements.

(Mohammad Showket Akber, FCA, ACS)	(S.Q. Bazlur Rashid)	(A K M Shahidul Haque)	(Rezakul Haider)	(Afzalur Rahman)
Chief Financial Officer (CFO)	Company Secretary	Managing Director & CEO	Vice Chairman	Chairman

Signed as per our separate report of same date.

Ahmed Zaker & Co.
Chartered Accountants

Dated: April 9, 2017
Place: Dhaka

Islamic Finance and Investment Limited

Statement of Changes in Equity

For the Year ended December 31, 2016

Amount in Taka

Particulars	Paid-up Capital	Share Premium	Statutory Reserve	Dividend Equalization Reserve (A)	Surplus Reserve Fund (B)	Other Reserve Total Other Reserve	Surplus Profit/(loss)	Total
Balance as at January 01, 2016	**1,209,764,838**	**730,852**	**220,744,612**	**12,301,528**	**9,200,000**	**21,501,528**	**162,106,606**	**1,614,848,436**
Cash Dividend	-	-	-	-	-	-	(157,269,427)	(157,269,427)
Effects of Charges of Tax Provision	-	-	-	-	-	-	(24,663,258)	(24,663,258)
Restated Balance	**1,209,764,838**	**730,852**	**220,744,612**	**12,301,528**	**9,200,000**	**21,501,528**	**(19,826,079)**	**1,432,915,751**
Net profit for the year after taxation	-	-	55,612,191	-	-	-	222,448,765	278,060,956
Issuance of Right Share	-	-	-	-	-	-	-	-
Right Share Premium	-	-	-	-	-	-	-	-
Share Issue Expenses	-	-	-	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-	-	-	-
Balance as at December 31, 2016	**1,209,764,838**	**730,852**	**276,356,803**	**12,301,528**	**9,200,000**	**21,501,528**	**202,622,686**	**1,710,976,707**
Balance as at December 31, 2015	**1,209,764,838**	**730,852**	**220,744,612**	**12,301,528**	**9,200,000**	**21,501,528**	**162,106,606**	**1,614,848,436**

The accompanying notes and policies (1-38) form an integral part of these Financial Statements.

(Mohammad Showket Akber, FCA, ACS)
Chief Financial Officer (CFO)

(S.Q. Bazlur Rashid)
EVP & Company Secretary

(A K M Shahidul Haque)
Managing Director & CEO

(Rezakul Haider)
Vice Chairman

(Afzalur Rahman)
Chairman

Signed as per our separate report of same date.

Ahmed Zaker & Co.
Chartered Accountants

Dated: April 9, 2017
Place: Dhaka

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Islamic Finance and Investment Limited
Liquidity Statement
Assets and Liability Maturity Analysis

As At December 31, 2016

Amount in Taka

Particulars	Up to 1 month	1-3 months	3-12 months	1-5 Years	More than 5 years	Total
Assets						
Cash in hand	179,770,635	-	-	-	-	179,770,635
Balance with other Banks and Financial Institutions	20,986,986	458,850,000	1,234,917,929	-	-	1,714,754,915
Money at Call and Short Notice	-	-	-	-	-	-
Investments	4,651,305	20,745,100	10,532,000	228,673,909	-	264,602,314
Loans and Advances	899,809,480	1,700,241,756	2,539,514,509	1,777,918,270	2,155,178,778	9,072,662,793
Fixed Assets including premises, furniture and fixtures	-				171,352,287	171,352,287
Other Assets	-	-	-	-	533,728,165	533,728,165
Non-banking Assets	-	-	-	-	-	-
Total Assets	**1,105,218,406**	**2,179,836,856**	**3,784,964,438**	**2,006,592,179**	**2,860,259,230**	**11,936,871,109**
Liabilities						
Borrowing from Bangladesh Bank, other Banks, Financial Institutions and Agents	74,438,044	65,316,453	65,490,000	44,308,500	7,305,770	256,858,767
Deposits Other Accounts	814,330,133	1,789,091,948	3,058,848,546	1,087,164,425	1,227,392,487	7,976,827,539
Provision and other liabilities	93,371,063	80,058,286	273,283,510	628,039,275	917,455,962	1,992,208,096
Total Liabilities	**982,139,240**	**1,934,466,687**	**3,397,622,056**	**1,759,512,200**	**2,152,154,219**	**10,225,894,402**
Net Liquidity Gap	**123,079,166**	**245,370,169**	**387,342,382**	**247,079,979**	**708,105,011**	**1,710,976,707**

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Notes to the Financial Statements

For the year ended December 31, 2016

1.00 Background and Objectives of the Company:

1.1 Legal Status

Islamic Finance and Investment Limited is a non-banking financial institution incorporated in Bangladesh on February 27, 2001 as a Public Limited Company under the Companies Act-1994 together with certificates of commencement of business on even date. The Company obtained its license from Bangladesh Bank on April 12, 2001 as required under Section 4(1) of the Financial Institutions Act-1993. The Company went for public issue in 2005 and its shares are listed in both Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited. The registered office of the Company is located at 68, Dilkusha C/A, Dhaka-1000. The operation of the company is being carried out through its six branches.

1.2 Company's Activities

The Company extends all types of finance, like Lease, Hire Purchase Sherkatul Melk (HPSM), BaiMuazzal, Household Durable Scheme etc. and different types of deposits scheme like Mudaraba Term Deposits Scheme (Monthly/Quarterly Profit Paying), Mudaraba Term Deposits Scheme (Double/Triple Money (likely) Mudaraba Term Deposits Scheme (Cumulative), Home Owing Scheme, Mudaraba Marriage Saving Scheme, Mudaraba Education Saving Scheme, Hajj Deposit Scheme, Pension Deposit Scheme, Mudaraba Mohor Deposit Scheme, MudarabaLakhopoti/Millionaire/Kotipoti Deposit Scheme, Cash Wakf Scheme etc. based on Islamic Shariah.

2.00 Basis of Preparation

The financial statements are prepared on the historical cost basis and therefore, did not take into consideration the effect of inflation. The financial statements have been prepared and the disclosures of information have been made in accordance with the DFIM circular no-11, dated: December 23, 2009 and requirement of the Financial Institutions Act-1993, the Companies Act-1994, the Securities and Exchange Rules-1987, the Listing Rules of Dhaka Stock Exchange and Chittagong Stock Exchange, Guidelines from Bangladesh Bank, Bangladesh Accounting Standards (BASs), Bangladesh Financial Reporting Standards (BFRSs) and other applicable laws and regulations. In the year 2009, Bangladesh Bank promulgated DFIM circular no-11, dated: December 23, 2009 suggesting uniform presentation and disclosure requirement within the industry. As a result, we compromised with the usual presentation of the financial statements. There are some areas where application of BAS and BFRS differs from the application suggested by the Bangladesh Bank through DFIM circulars. As Bangladesh Bank is our primary regulator; we are required to follow the guidelines of Bangladesh Bank. At the same time we are also required to follow the guidelines issued by the Bangladesh Securities & Exchange Commission (BSEC). For mitigating presentation and disclosure conflict, we prepared the financial statements following DFIM circulars and present separate disclosure where deviations exist.

2.1 Responsibility for financial statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statement of the Company as per the provision of the Companies Act-1994. The Financial Statements includes the following components:

a) Balance Sheet providing the information on the financial position of the Company as at the year end;

b) Profit and Loss Account providing the information on the financial performance of the Company for the year under review;

c) Cash flow Statement providing the information to the users on the ability of the Company to generate cash & cash equivalents and the utilization of those cash flows;

d) Statement of Changes in Equity depicting all changes in shareholders' equity during the year under review;

e) Notes to the Financial Statements comprising accounting policies used for preparation of these financial statements and other notes.

2.2 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities, income and expenses. The estimates and underlying assumptions are based on historical experience and various other factors that are believed to be reasonable under the prevailing circumstances. Actual result could differ from estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions of the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the use of management estimates in these financial statements relate to the useful life of depreciable assets and provisions for loans/leases. However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected the result in material adjustment to the carrying amounts of assets and liabilities in the next year.

2.3 Risk and uncertainty for use of estimates

The preparation of financial statements in conformity with Bangladesh Accounting Standards (BASs) requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by Bangladesh Accounting Standard 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

a) When the Company has an obligation as a result of past events;

b) When it is probable that an outflow of resources embodying economic benefits willbe required to settle the obligation; and

c) Reliable estimate can be made of the amount of the obligation.

2.4 Materiality and Aggregation

` Each material class of similar items is presented separately in the financial statements. Items of dissimilar nature or function are presented separately unless they are immaterial as permitted by Bangladesh Accounting Standards 1: Presentation of Financial statements.

2.5 Offsetting

Assets and Liabilities and income and expenses are not set-off unless permitted by the Bangladesh Accounting Standards (BASs).

2.6 Statement of Compliance

The financial statements of Islamic Finance and Investment Limited include the Balance Sheet, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Equity, Liquidity Statement and Notes to the financial statements. These financial statements are required to be prepared and presented within a framework of rules and guidelines. Some mandatory and some recommendatory:

a) Auditors' report

b) Balance sheet and

c) Profit and loss account

In addition to the above, the Securities and Exchange Rules-1987 (as amended in 1997) requires the production of a Cash Flow Statement and Statement of Changes in Shareholders' Equity as a part of the financial statements. The Companies Act-1994 provides basic requirements for accounting and reporting applicable to all companies incorporated in Bangladesh. The Bangladesh Securities & Exchange Commission (BSEC) regulates financial reporting practices of listed companies. Listed companies are required to comply with BSEC's accounting and disclosure requirements. The Rules 1987 as amended in 1997, requires listed companies to follow Bangladesh Accounting Standards (BASs)/ Bangladesh Financial Reporting Standards (BFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). These financial statements have been prepared and presented in accordance with the approved accounting and reporting standards as applicable in Bangladesh. Approved accounting standards comprise of International Accounting standards (IASs) and International Financial Reporting Standards (IFRSs) as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB). As of December 31, 2013 status and applicability of Bangladesh Accounting Standards (BASs) and Bangladesh Financial Reporting Standards (BFRSs) in the case of Islamic Finance and Investment Limited are as under:

2.7 BAS Title of the BAS Applicability Remarks

Compliance of Bangladesh Accounting Standard (BAS)

Name of the standards	Ref.	Status
Presentation of Financial Statements	BAS-1	Applied
Inventories	BAS-2	Not Applicable
Statements of cash flows	BAS-7	Applied
Accounting Policies, Changes in Accounting Estimates and Errors	BAS-8	Applied
Events after the reporting period	BAS-10	Applied
Construction Contracts	BAS-11	Not Applicable

Income Taxes	BAS-12	Applied
Property, Plant and Equipment	BAS-16	Applied
Leases	BAS-17	Applied
Revenue	BAS-18	Applied
Accounting for Government Grants and Disclosure of Government Assistance	BAS-20	Not Applicable
The Effects of Changes in Foreign Exchange Rates	BAS-21	Applied
Borrowing Costs	BAS-23	Applied
Related Party Disclosures	BAS-24	Applied
Accounting and reporting by retirement benefit plans	BAS-26	Applied
Consolidated and Separate Financial Statements	BAS-27	Not Applicable
Investments in Associates	BAS-28	Not Applicable
Interests in Joint Ventures	BAS-31	Not Applicable
Financial Instruments: Presentation	BAS-32	Applied
Earnings Per Share	BAS-33	Applied
Interim Financial Reporting	BAS-34	Applied
Impairments of Assets	BAS-36	Applied
Provisions, Contingent Liabilities and Contingent Assets	BAS-37	Applied
Intangible Assets	BAS-38	Applied
Financial Instruments: Recognition and Measurement	BAS-39	Applied
Investment property	BAS-40	Applied
Agriculture	BAS-41	Not Applicable

Bangladesh Financial Reporting Standard (BFRS)

First-time adoption of Bangladesh Financial Reporting Standards	BFRS-1	Not Applicable
Share based Payment	BFRS-2	Not Applicable
Business Combination	BFRS-3	Not Applicable
Insurance Contracts	BFRS-4	Not Applicable
Non-current Assets Held for Sale and Discontinued Operations	BFRS-5	Not Applicable
Exploration for and Evaluation of Mineral Resources	BFRS-6	Not Applicable
Financial Instruments: Disclosures	BFRS-7	Applied
Operating Segments	BFRS-8	Not Applicable
Consolidated Financial Statements	BFRS-10	Not Applicable
Joint Arrangements	BFRS-11	Not Applicable
Disclosure of Interest in other Entities	BFRS-12	Not Applicable
Fair Value Measurement	BFRS-13	Applied
Regulatory Deferral Accounts	BFRS-14	Not Applicable

*As the regulatory requirements differ with standards, relevant disclosures have been made in accordance with Bangladesh Bank Standards (see note: 2.23 & 2.24)

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2.8 Fixed Assets:

2.8.1 Freehold Assets

The cost of an item of property, plant and equipment is recognized as an asset if, and only if, it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Property, plant and equipments are stated at cost less accumulated depreciation in compliance with the Bangladesh Accounting Standards (BAS) 16: Property, Plant and Equipment. The cost of acquisition of an asset comprises its purchase price and any directly attributable cost of bringing the assets to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes, if any.

2.8.2 Subsequent costs

Subsequent costs are capitalized only when it is probable that the future economic benefits associated with the costs will flow to the entity. Ongoing repairs and maintenance is expensed as incurred.

2.8.3 Disposal of fixed assets including land, building, furniture and fixtures

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the profit and loss account, which is determined with reference to the net book value of the assets' and net sales proceeds.

2.8.4 Depreciation

Depreciation is provided using reducing balancing method to amortize the cost of the assets after commissioning, over the period of their expected useful lives, in accordance with the provision of BAS 16: Property, Plant and Equipment. Depreciation has been charged from the date when the related assets are put into use and depreciation is charged up to the date of disposal. Depreciation is calculated on the cost of assets without having consideration to its residual value. Depreciation and amortization are provided at the following rates:

Interior Decoration	10%
Mechanical Appliance	20%
Computer & Accessories	25%
Motor Vehicle	20%
Furniture & Fixtures	10%
Building	2.5%
Software	50%

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

2.9 Borrowing Costs:

All borrowing costs are recognized as expense in the profit or loss account in the period in which they incurred in accordance with BAS-23 "Borrowing Costs".

2.10 Revenue

As per BAS-18, revenue is recognized when it was probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue and the related cost in respect of the transaction can be measured reliably. Any income which is restricted as per Shariah has not been recognized as revenue, rather transferred to IFIL Foundation. This foundation money is spent for charitable purposes as per Foundation Board decision.

2.11 Investment Income

2.11.1 Accounting for Lease

The company has been following the finance lease method, as per BAS 17 "Leases" for accounting of lease. The aggregate lease receivables including un-guaranteed residual value are recorded as gross lease receivables while the excess of gross lease receivables over the total acquisition cost and profit during the acquisition period of lease assets, constitutes the unearned lease income. Initial direct cost (if any) in respect of lease are charged in the year in which such cost are incurred.

2.11.2 Provision for Leases Investment

Provision for classified and unclassified leases, loans and advances have been made as per guidelines of Bangladesh Bank through FID Circular no-08 of 2002, FID Circular no-11 of 2005, FID Circular no-03 of 2006.

2.11.3 Accounting for BAIM and HPSM

Income from general investments is accounted for on accrual basis IFIL does not charge any rent during the gestation/interim period of investment against Hire Purchase under Shirkatul Melk (HPSM) mode of investment but it fixes the sale price of the assets at a higher level in such a way to cover its expected rate of return. Such income is recognized on realization basis. Profit/Rent/Compensation accrued on Special Mention Account and Classified Investments are suspended and accounted for as per circulars issued by the Bangladesh Bank in this regard from time to time. Profit on deposits with other banks & Financial Institutions is accounted for on accrual basis.

2.11.4 Sharing of Investment Income

In case of investment, Mudaraba fund gets preference over cost free fund. The investment income earned through deployment of Mudaraba Fund is shared by the Islamic

Finance and Investment Limited and the Mudaraba depositors at the pre-agreed ratio.

2.12 Fees and Commission

Fees and Commission on services provided by the Islamic Finance and Investment Limited are recognized as and when the related services are performed.

2.13 Dividend Income

Dividend income from investments is accounted for when the right to receive income is established.

2.14 Investments in Securities

Revenue from investments in securities are recognized as and when realized from the sale of securities.

2.15 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

2.15.1 Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the balance sheet date.

2.15.2 Deferred Tax

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited to profit and loss account. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and Islamic Finance and Investment Limited intends to settle its current tax assets and liabilities on a net basis.

2.16 Litigation

The company is not a party to any lawsuits except those arising in the normal course of business, which were filed against the default clients for non-performance in investment/installment repayment. The Company however, provides adequate provisions against the doubtful payments.

2.17 Earning Per Share (EPS)

The company calculates Earnings per Share (EPS) in accordance with BAS-33 "Earnings Per Share" which has been shown on the face of Profit & Loss Account and, the computation of EPS is stated in Note- 30.00.

2.17.1 Basic Earnings per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

2.17.2 Diluted Earnings per Share

No diluted earnings per share are required to be calculated for the year, as there was no scope for dilution during the year under review.

2.18 Employees Benefit Plans

Islamic Finance and Investment Limited offers a number of benefit plans which includes contributory provident fund and gratuity fund. The accounting and disclosure for employee benefits are made in accordance with Bangladesh Accounting Standard 19: "Employee Benefits".

2.18.1 Contributory Provident Fund

The Company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustees and is funded by equal contribution from the Company and the employees. This fund is invested separately from the Company's assets.

2.18.2 Gratuity Scheme

Islamic Finance and Investment Limited has a funded gratuity for all eligible employees who have completed minimum 5 (five) years of continuous service with the Company. This scheme was approved by the National Board of Revenue (NBR) and is administered by an independent Board of Trustee. This fund is invested separately from the Company's assets. Required amount of gratuity is calculated on the basis of last basic depending onthe length of service for every completed year as well as proportionate to the fraction period of service as of the end of the respective financial year.

Furthermore, employees who completed 05 years, 08 years, 10 years and above of services are entitled @ 01 month, 1.5 months and 02 months of last basic pay for each completed year respectively.

2.18.3 Employee Home Loan

He/she has at least 2(two) years' service ahead of his/her retirement otherwise his/her application shall be considered up to the limit of the cash security provided and end service benefits accrued in his/her favor.

For fresh entrants, the employee has rendered at-least 5(five) years confirmed service in IFIL.

2.18.4 Employee Household Durable Scheme

Any permanent employee with at least 3 years' service can avail the HDS facility. Period of the facility would be maximum 48 months. The amount shall be adjusted from his/her salary in equal monthly installments.

2.18.5 Incentive Bonus

The Company maintains an incentive bonus scheme for its employees. The bonus is equivalent to 5% of total profit before tax of the company which is distributed on the performance of individual employee.

2.19 Corporate Governance

The company recognizes the importance of high standards of corporate governance and corporate social responsibility. Through regular Board Meeting and documented procedures of independence, the company endeavors to meet the standards expected. The company has taken note of the prescribed measures by the Securities and Exchange Commission in this regard and introduced the concept of Independent Director. An Audit Committee is already in place. The Audit Committee keeps under review the independence and objectivity of the external auditors. The Board is also committed to effective communication between the company and its subsidiaries, investors, regulators and third party interest.

2.20 Disclosure of deviations from few requirements of BAS/BFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank is the prime regulatory body for all Non-banking Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank contradict with those of BAS/BFRS. As such the Company has departed from those contradictory requirements of BAS/BFRS in order to comply with the rules and regulations of Bangladesh Bank.which are disclosed in note no 2.23 and 2.24 of these financial statements.

2.21 Risk Management

As per Bangladesh Bank definition "The Risk Management" of the financial institute includes five core risk areas i.e. Credit Risk Management, Foreign Exchange Risk Management, Asset Liability Management, Prevention of Money Laundering and Establishment of Internal Control and Compliance. The Prime objective of the risk management is that the financial institute takes better calculative business risks at the same time keeping safe the institute's capital, its financial resources and profitability from various risks. A well-structured and proactive risk management system is in place in the company to address risk relating to credit, market, liquidity and operations.

2.21.1 Credit Risk Management

Risk is inherent in all commercial operation. Credit risk is an obvious factor that needs to be managed. Credit risk is the possibility that a borrower or counter party may fail to meet its obligation pursuance to agreed terms. Credit risk, therefore, arises from the institutes' dealings with or lending to corporate, individuals and other institutes or financial institutions. Credit risk management enables Institutes to proactively manage investment portfolios in order to minimize losses and earn an acceptable rate of return for stakeholders.

As a Financial Institute IFIL's prime objective is to maximize stakeholders' value. Thus the Institute endeavors to maintain a manageable investment portfolio, which is rewarding by taking calculated risk and ensuring quality of investments.

2.21.2 Prevention of Money Laundering

For prevention of Money Laundering, Money Laundering Act-2002 (Act no-7 of 2002) has been enacted in Bangladesh. The act gives Bangladesh Bank broad responsibilities for prevention of money laundering and wide-ranging powers to take adequate measures to prevent money laundering, facilitate its detection, monitor its incidence, enforce rules and to act as the prosecuting agency for the breaches of the Act.

Pursuance to Bangladesh Bank instructions/guidelines, the Company instituted an effective Committee and has issued circulars/circular instructions to all the branches of the Company for their guidance and awareness of prevention of Money Laundering, which remain binding upon meticulous compliance.

2.21.3 Internal Control and Compliance

A financial institute is engaged in diversified and complex financial activities. Since financing involves high risk, the presence of effective internal control system, corporate governance, transparency and accountability is vital to ensure smooth operation of the Institute. The primary objective of internal control system is to help the Institute perform through use of its resources. Through internal

control system, the Institute identifies its weakness and takes appropriate and timely measures to overcome the same. A policy guideline in this regard has been formulated for the Institute with the approval of the Board. Board has constituted the Audit Committee as per internal control and compliance guidelines. The Internal Control and Compliance Department of IFIL is properly staffed with a Senior Vice President at present and support staffs.

2.22 Events after the Balance Sheet Date

All materials events occurring after the balance sheet date are considered and where necessary, adjusted for, or disclosed accordingly.

2.23 Departure from Bangladesh Accounting Standard (BAS) 1

According to DFIM Circular no. 11 dated 23 December 2009 there is no scope to use the name or include Statement of Financial Position and Other Comprehensive Income. As such the Company does not use the caption and also not prepare the same.

2.24 Departure from BAS 39

The requirement of DFIM circular no-11, dated: 23 December 2009 contradict with the requirement of BAS-39. As per BAS-39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year end is to be taken to profit and loss account or revaluation reserve respectively. Islamic Finance and Investment Limited followed the guidelines of Bangladesh Bank's circular under which investment in both quoted and unquoted shares were recognized at cost and required provision has been made for the losses arising from diminution in value of investment.

2.25 Date of Authorization for Issue

These financial statements have been authorized for issue by the Board of Directors (BOD) in the 216th meeting dated April 5, 2017.

2.26 Dividend Equalization Reserve

The company maintains Dividend Equalization Reserve by appropriating a portion of Retained Earning.

2.27 Special Reserve Fund

The company has set up Special Reserve Fund by appropriating a portion of Retained Earning from 2009.

2.28 Proposed Dividend

Subsequent to the balance sheet date, the Board of Directors in its 216Meeting held on 05 April 2017 has recommended 14% dividend (3% Cash & 11% Stock) which will be recognized in the accounts as and when approved by the shareholders in the Annual General Meeting.

2.29 Reporting Currency and Level of Precision

The financial statements are expressed in Bangladeshi Taka Currency and rounded off to the nearest integer.

3.00 Cash

	Amount in Taka	
	2016	2015
3.01 Cash in hand	171,955	1,106,061
In local currency	171,955	1,106,061
In foreign currency	-	-

3.02 Balance with Bangladesh Bank and Sonali Bank Ltd. (Including foreign currencies)

Bangladesh Bank	**179,598,680**	**175,910,176**
In local currency	179,598,680	175,910,176
In foreign currencies	-	-
Sonali Bank Ltd.	-	-
Sonali Bank Ltd. (As an agent of Bangladesh Bank)-Local Currency	-	-
Total Cash & Cash Equivalents	**179,770,635**	**177,016,237**

3.02.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Requirement (SLR)

Balance with Bangladesh Bank

Deposits with Bangladesh Bank is non-profit bearing and maintained to meet the Cash Reserve Requirement (CRR). As required by Bangladesh Bank, CRR @ 2.5% is required to maintain with Bangladesh Bank in current account on all deposits taken from depositors other than Banks and Financial Institutions.

Balance with other commercial banks and FI's:

Fixed deposits are maintained with other commercial banks and financial institutions for maintaining Statutory Liquidity Requirement (SLR) as required by Bangladesh bank guidelines. Bangladesh Bank regulations require to maintain SLR @ 5% including the CRR of 2.5% on average demand and time liabilities, excluding Bangladesh Bank deposit. Islamic Finance and Investment Limited maintains this reserve mostly in the form of fixed deposits. These fixed deposits are not an investment in nature. As a regulatory requirement to maintain SLR, Islamic Finance and Investment Limited maintains Fixed Deposits and have shown as cash and cash equivalents.

3.02.2 Cash Reserve Requirement (CRR): 2.5% of	2016	Amount in Taka 2015
Average Demand and Time Liabilities		
Required Reserve	171,933,231	132,735,119
Actual Reserve held with Bangladesh Bank	198,791,889	183,835,272
Surplus/(Deficit)	**26,858,658**	**51,100,153**

3.02.3 Statutory Liquidity Requirement (SLR): 5% of		
Average Demand and Time Liabilities:		
Required Reserve	399,371,175	316,805,863
Actual Reserve held	1,840,532,728	551,221,936
Surplus/(Deficit)	**1,441,161,553**	**234,416,074**

4.00 Balance with Other Banks and Financial Institutions		
Inside Bangladesh (Note - 4.01)	1,714,754,915	518,886,021
Outside Bangladesh (Note- 4.02)	-	-
	1,714,754,915	**518,886,021**

4.01 Inside Bangladesh		
Current Account	**8,436,986**	**12,771,272**
Pubali Bank Limited	416,031	556,654
Brac Bank Limited	-	-
Islami Bank Bangladesh Limited	8,020,955	12,214,618
Mudaraba Short Notice Deposits/STD	**96,287,751**	**251,644,030**
Exim Bank Limited		
- Mudaraba Short Notice Deposit	11,856,843	64,716,469
Al-Arafa Islami Bank Limited		
- Mudaraba Short Notice Deposit	12,453,051	120,261,552
- Mudaraba Savings Deposit	17,732,731	4,994,005
- Mudaraba Savings Deposit	1,966,398	-
Bank Al Falah Limited		
- Mudaraba Savings Deposit	4,700,475	4,604,705
Social Islami Bank Limited		
- Mudaraba Savings Deposit	10,478,012	20,306,685
- Mudaraba Short Notice Deposit	1,697,537	5,117,724
Shahjalal Islami Bank Limited		
- Mudaraba Short Notice Deposit	16,889,530	1,023,645
- Mudaraba Short Notice Deposit	-	-
- Mudaraba Short Notice Deposit	67,591	7,613,220
- Mudaraba Short Notice Deposit	4,067,927	11,304,647
South East Bank Limited		
- Mudaraba Short term Deposit (Note: 4.01.1)	200,374	202,245
- Mudaraba Short term Deposit	1,837,800	121,121
- Mudaraba Short term Deposit	858,644	858,644
- Mudaraba Short term Deposit	2,482,846	2,482,846
Bank Asia Limited		
- Mudaraba Special Notice Deposit	8,278,502	5,534,048

		Amount in Taka
	2016	2015
Arab Bangladesh Bank Limited - Mudaraba Short Notice Deposit	-	358,657
Union Bank - Mudaraba Short Notice Deposit	719,490	2,143,817
Mudaraba Term Deposits	**1,610,030,178**	**254,470,719**
Social Islami Bank Limited	103,262,500	-
Al-arafah Islami Bank Limited	687,550,735	42,526,498
Exim Bank Limited	706,545,262	211,944,221
Union Bank Limited	82,671,681	-
Bank Al Falah Limited	30,000,000	-
	1,714,754,915	**518,886,021**

4.01.1 South East Bank Limited

- Foreign Currency Account (US$ 2173.03@78.50)	171,626	170,583
- Foreign Currency Account (EUR€ 204.53@85.25)	16,863	17,436
- Foreign Currency Account (GBP£ 122.88@115.77)	11,885	14,226
	200,374	**202,245**
4.02 Outside Bangladesh (Nostro Accounts)	**-**	**-**
4.03 Maturity-wise Groupings (Inside and Outside Bangladesh)		
Payable on Demand -	-	
Up to 1(one) Month	20,986,986	104,396,753
Over 1(one) Month but not more than 3 (three) Months	458,850,000	203,763,000
Over 3 (three) Months but not more than 1 (one) Year	1,234,917,929	210,726,268
Over 1 (one) Year but not more than 5 (five) Years	-	-
Over 5 (five) Years	-	-
	1,714,754,915	**518,886,021**

5.00 Money at call on Short Notice

Financial Institutions	-	-
Banks	-	-

6.00 Investments in Shares and Government Securities

Government Security (Note-6.01)	**-**	**-**
Treasury Bills	-	-
3 Years T & T Bond	-	-
5 Years Treasury Bond	-	-
10 Years Treasury Bond	-	-
15 Years Treasury Bond	-	-
20 Years Treasury Bond	-	-
Prize Bonds	-	-
Other Investments (Note- 6.02)	264,602,314	284,075,684
Total Investment in Shares & Govt. Securities	**264,602,314**	**284,075,684**

		Amount in Taka	
		2016	2015
Maturity Grouping of Investments			
Payable on Demand		-	-
Up to 1(one) Month		4,651,305	14,500,000
Over 1(one) Month but not more than 3 (three) Months		20,745,100	35,000,000
Over 3 (three) Months but not more than 1 (one) Year		10,532,000	68,654,780
Over 1 (one) Year but not more than 5 (five) Years		228,673,909	165,920,904
Over 5 (five) Years		-	-
		264,602,314	**284,075,684**
6.01 Types of Government Securities			
Held to Maturity (HTM) Securities		-	-
Held for Trading (HFM) Securities		-	-
Encumbered Treasury Bond (Lien with Bangladesh Bank)		-	-
		-	-
6.01.1 Investment - Government Securities			
Treasury Bill		-	-
2 years Treasury Bills			-
5 years Treasury Bills		-	-
Treasury Bond		-	-
5 years Treasury Bond		-	-
10 years Treasury Bond		-	-
15 years Treasury Bond		-	-
20 years Treasury Bond		-	-
3 Years T & T Bond		-	-
Prize Bond		-	-
		-	-
6.02 Other Investments			
6.02.1 Treasury Line		-	-
6.02.2 Shares	**Quantity**	**2016**	**2015**
Central Depository Bangladesh Ltd.	**571181**	**1,569,450**	**1,569,450**
2011: 400,000 including 300,000 Bonus Shares (2010: 2,00,000 including 1,00,000 bonus shares)		1,000,000	1,000,000
2011- 56,945 newly alloted shares		569,450	569,450
		1,569,450	**1,569,450**
Shares held for trading		-	-
Un Quoted Share		-	-

	Quantity	Amount in Taka 2016	2015
Quoted Share (Annexure-B)			
Shahjalal Islami Bank Limited	1,034,532	23,507,080	23,507,080
Exim Bank Limited	146,520	1,747,357	1,747,357
Al-Arafah Islami Bank Limited	977,235	21,669,542	21,669,542
Shahjibazar Power Co. Ltd.	309,000	12,482,663	14,442,858
Summit Alliance Port Limited	273,000	18,046,391	17,416,391
Khulna Power Company Limited	80,000	6,746,284	6,746,283
Beximco Limited	745,228	51,545,289	51,545,289
Aftab Automobiles Limited	22,400	2,215,828	2,215,828
Musharaka- Mudaraba Investment : 6.02.2.1		-	3,955,000
IFIL Islamic Mutual Fund-1	7,000,000	70,000,000	70,000,000
Active Fine Chemicals		-	7,397,520
Barka Power		-	4,012,746
Grameen Phone Limited	9,000	2,578,588	10,310,609
Islami Bank Limited		-	846,611
Matin Spinning Mills Ltd.		-	1,369,685
Square Pharmaceuticals Ltd.	36,800	9,005,441	6,679,924
Titas Gas		-	3,669,321
Bata Shoe		-	7,611,642
Glaxo Smith		-	5,558
Linde Bangladesh Ltd.	1,000	1,303,240	1,156,283
Beximco Pharmaceuticals Ltd.	6,535	555,948	5,218,966
Heidlberg Cement Bangla	2,000	1,092,966	2,201,240
Marico Bangladesh Limited		-	2,861,628
Olympic Industries Ltd.	79,000	24,267,685	7,759,861
BSRM Steel		-	1,612,020
Dhaka Electric Supply Company Ltd.		-	1,982,038
Envoy Textiles Limited		-	2,466,743
Argon Denims Ltd.		-	153,502
Tosrifa Industries Ltd.		-	696,737
Renata		-	1,247,972
ACI Ltd	1,040	538,452	-
Fortune Shoes Limited	10,063	100,630	-
Berger Paints Bangladesh	4,150	9,523,520	-
Golden Harvest Agro	115,000	6,105,960	-
Total Investment in Shares :		**263,032,864**	**282,506,234**
		264,602,314	**284,075,684**

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6.02.2.1 Musharaka- Mudaraba Investment

	Amount in Taka	
	2016	2015
For Employees	-	955,000
Other Than Employees	-	3,000,000
	-	**3,955,000**
6.02.3 Bonds	-	-
6.02.4 Treasury Term Finance	-	-

7.00 Investments

General Investments (Note 7.01)	9,072,662,793	7,757,464,370
Bills Purchased and Discounted (Note 7.02)	-	-
	9,072,662,793	**7,757,464,370**

7.01 General Investments

Investments in Leases	4,548,175,216	4,045,133,388
HPSM (Hire Purchase Sherkatul Melk)	3,392,401,655	3,024,490,951
Bai Muajjal	1,129,141,838	684,430,279
Baim HDS (Household Durable Scheme)	2,944,084	3,409,752
	9,072,662,793	**7,757,464,370**

7.01.1 Lease Finance

Principal Outstanding	4,548,175,216	4,045,133,388
Principal Outstanding		
Gross rental receivable	6,010,406,732	5,640,383,437
Unearned lease income	1,462,231,516	1,595,250,049
Net Investment	**4,548,175,216**	**4,045,133,388**
Movement of Lease Finance		
Cost of Lease Assets		
Opening balance	5,640,383,437	3,855,769,108
Addition during the year	1,914,812,192	4,030,784,573
Disposal/ Adjustment during the year	1,544,788,897	2,246,170,244
Closing Balance	**6,010,406,732**	**5,640,383,437**
Unearned Income of Lease Investment		
Opening balance	1,595,250,049	1,068,680,796
Addition during the year	491,979,051	1,219,600,043
Disposal/ Adjustment during the year	624,997,584	693,030,790
Closing Balance	**1,462,231,516**	**1,595,250,049**

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7.01.2 Aging analysis of Lease Asstes	Amount in Taka	
	2016	2015
Not later than 01 (one) year	1,339,375,086	1,025,007,398
Later than 01 (one) year and not later than 05 years	1,829,043,004	2,145,742,159
Later than 05 (five) years	1,379,757,126	874,383,831
	4,548,175,216	**4,045,133,388**

7.01.3 Maturity Grouping of Investments		
Up to 1(one) Month	899,809,480	553,147,291
Over 1(one) Month but not more than 3 (three) Months	1,700,241,756	1,333,598,193
Over 3 (three) Months but not more than 1 (one) Year	2,539,514,509	1,044,537,626
Over 1 (one) Year but not more than 5 (five) Years	1,777,918,270	2,037,995,913
Over 5 (five) Years	2,155,178,778	2,788,185,347
	9,072,662,793	**7,757,464,370**

7.02 Bills Purchased and Discounted		
Payable in Bangladesh	-	-
Payable outside Bangladesh	-	-
	-	-

7.02.1 Maturity Grouping		
Up to 1(one) Month	-	-
Over 1(one) Month but not more than 3 (three) Months	-	-
Over 3 (three) Months but not more than 1 (one) Year	-	-
Over 1 (one) Year but not more than 5 (five) Years	-	-
Over 5 (five) Years	-	-
	-	-

7.03 Investments (Broad Categories)		
In Bangladesh	**9,072,662,793**	**7,757,464,370**
General Investments	9,072,662,793	7,757,464,370
Outside Bangladesh	-	-
	9,072,662,793	**7,757,464,370**

7.04 Significant Concentration		
Investments to allied concern of Directors	51,495,573	62,574,303
Investments to Executives/Officers	25,210,219	18,910,414
Investments to Customer Groups	1,413,066,413	1,419,469,274
Industrial Investment	5,221,996,133	3,908,189,137
Others	2,360,894,455	2,348,321,242
	9,072,662,793	**7,757,464,370**

7.05 Geographical Location-wise break-up

	Amount in Taka	
	2016	**2015**
Urban		
Dhaka Division	6,827,287,164	5,477,188,974
Chittagong Division	1,402,411,638	1,602,089,434
Rajshahi Division	842,963,991	678,185,962
	9,072,662,793	**7,757,464,370**

7.06 Sector wise break-up of General Investments:

Trade and Commerce Industry	486,198,096	298,431,092
Garments and Knitwear	261,666,446	261,543,048
Textile	633,083,418	612,672,546
Jute and Jute Products	148,720,820	144,167,994
Food Production and Processing Industry	915,335,811	672,283,980
Plastic Industry	157,393,154	165,215,121
Leather and leather Goods	-	223,027
Iron, Steel and Engineering	875,993,935	621,605,013
Pharmaceuticals & Chemical	741,413,478	661,813,152
Cement and Allied Industry	207,462,491	264,745,731
Telecommunication and IT	407,793	-
Paper, Printing and Packaging	425,070,504	417,810,092
Glass, Glassware and Ceramic Industry	-	-
Ship Manufacturing Industry	366,487,373	25,052,707
Electronics and electrical products	442,581,468	232,675,950
Power, Gas, Water and Sanitary Service	94,899,467	107,933,253
Transport and Aviation	239,440,974	283,922,909
Agriculture	283,343,715	1,360,010
Housing	2,437,177,053	2,246,258,447
Others	355,986,797	739,750,298
	9,072,662,793	**7,757,464,370**

7.07 Investments allowed to each customer exceeding 10% of FI's total capital

Total Loans, Advances and Leases	3,284,071,712	2,762,196,800
No. of Customers	13	10
Classified amount thereon	Nil	Nil
Measures taken for recovery	N/A	N/A

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		Amount in Taka
	2016	2015
7.08 General Investments Classified as per Bangladesh Bank Circular		
Standard	8,567,406,923	7,080,055,323
Special Mentioned Account (SMA)	65,011,508	18,785,744
Sub-standard	95,664,840	216,939,883
Doubtful	15,019,928	109,093,985
Bad & Loss	329,559,594	332,589,435
	9,072,662,793	**7,757,464,370**
7.09 Nature wise Investments		
Lease Finance (FICL-2A) Less than 5 Years	2,510,287,189	2,130,001,521
Lease Finance (FICL-2B) More than 5 Years	2,037,888,027	1,915,131,867
Term Loans (FICL-3A) Less than 5 Years	1,470,047,166	950,693,157
Term Loans (FICL-3B) More than 5 Years	629,472,591	506,140,833
Housing Finance (FICL-4A) Less than 5 Years	394,162,216	380,233,391
Housing Finance (FICL-4B) More than 5 Years	2,004,739,884	1,875,263,601
Housing Finance-Staffs (FICL-5)	26,065,720	-
	9,072,662,793	**7,757,464,370**
7.09.1 Provision for Investments		
Required Provision for Loans, Advances and Leases		
Standard	69,829,826	60,548,932
Special Mentioned Account (SMA)	3,209,968	933,886
Sub-standard	5,754,453	1,575,095
Doubtful	1,340,323	17,739,602
Bad & Loss	34,685,259	33,370,360
Total Provision Required	**114,819,829**	**114,167,875**
Total Provision Maintained (Note-12.3)	119,528,650	118,792,000
Excess/(Short) Provision	**4,708,821**	**4,624,125**
7.10 Particulars of Investments		
i) Investments considered good in respect of which the FI is fully secured	5,798,175,645	4,845,563,815
ii) Investment considered good for which the FI holds no other Security than the debtors personal security	910,153,447	58,529,674
iii) Investments considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors	2,364,333,701	2,853,370,881
iv) Investments adversely classified; provision not maintained there against.	-	-
	9,072,662,793	**7,757,464,370**
v) Investments due by directors or executives of the FI or any of them taken either severally or jointly with any other person	2,083,539,446	49,332,446

	Amount in Taka	
	2016	2015
vi) Investments due by companies or firms in which the directors of the FI are interested as directors, partners or managing agents or in case of private companies, as members.	1,408,333,935	1,362,621,987
vii) Maximum total amount of Investments, including temporary investments made at any time during the year to directors or managers or officers of the FI or any of them either separately or jointly with any other person	8,687,500	11,044,400
viii) Maximum total amount of Investments, including temporary investments granted during the year to the companies or firms in which the directors of the FI are interested as directors, partners or managing agents or in the case of private companies, as members	13,550,000	672,708,200
ix) Due from other Banking Companies	-	-
x) Total amount of Classified Advances on which interest is not credited to income	440,244,362	657,408,014
a. Movement of classified Investments		
Opening balance	657,408,014	368,542,398
Increase/ (Decrease) during the year	(217,163,652)	288,865,616
	440,244,362	**657,408,014**
b. Amount of provision kept against Investment Classified as 'Bad/Loss' on the reporting date of Balance Sheet	34,685,259	33,370,360
c. Profit creditable to the Profit Suspense Acc	29,559,645	51,834,201
xi) Amount of written off Investments:		
Opening Balance	25,630,590	24,424,557
Amount written off during the year	5,390,647	1,301,592
Amount recovered during the year	(50,400)	(95,559)
Cumulative Balance	30,970,837	25,630,590

8.00 Fixed Assets Including Premises, Furniture And Fixtures

At cost less accumulated depreciation (Annexure-A)		
Cost		
Opening balance	209,818,417	195,405,640
Addition during the year	14,750,286	15,606,609
Disposal during the year	(5,014,332)	(1,193,832)
Closing balance at cost	**219,554,371**	**209,818,417**
Depreciation		
Opening balance	42,800,200	36,524,685
Addition during the year	9,629,354	6,932,422
Adjustment on disposal during the year	(4,227,470)	(656,907)
Accumulated Depreciation	**48,202,084**	**42,800,200**
Carrying value	**171,352,287**	**167,018,217**

9.00 Other Assets

	Amount in Taka	
	2016	**2015**
Advance, Deposits & Prepayments (Note-9.01)	169,543,143	104,453,449
Net Lease Income Receivable	-	64,879,424
Quard against Salary	2,988,303	3,210,950
Accrued Profit Receivable	7,357,028	70,852,479
Stamp on Hand	49,807	68,720
Stationary on Hand	21,090	-
IFIL Foundation	-	11,159
Receivable from PF (Note:9.02)	11,040	-
Advance Income Tax	353,757,754	281,104,579
Quard against Mudaraba Term Deposits	-	-
Total Other Assets	**533,728,165**	**524,580,760**

9.01 Advance, Deposits & Prepayments

Security Deposits	50,300	54,300
Advance against Software Development	-	1,463,000
Advance Rent	3,157,756	4,070,752
Advance to Impetus - Floor Purchase for Head Office	150,000,000	78,000,000
Advance against Supplies and legal expenses	193,099	17,899,415
Receivable from Stock Dealer	15,221,681	2,034,421
Advance from Dividend of Mudaraba Investment (IFIL Mutual Fund)	896,335	896,335
Others	23,972	35,226
	169,543,143	**104,453,449**

9.02 Receivable from PF

Opening balance	-	81
Provision made during the year	6,035,190	5,283,436
Transfer to Provident fund & Paid to Employee	(6,046,230)	(5,283,517)
Closing balance	**11,040**	**-**

10.00 Borrowings from Other Banks,

Financial Institutions and Agents		
Inside Bangladesh - Profit bearing	**94,351,360**	**196,139,740**
Islami Bank Bangladesh Ltd.	-	8,889,477
Shahjalal Islami Bank Ltd.	94,351,360	187,250,263
Other Borrowings	**162,507,407**	**311,811,098**
Bangladesh Bank	162,507,407	311,811,098
Outside Bangladesh	**-**	**-**
Total Borrowings	**256,858,767**	**507,950,838**

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10.01 Security wise grouping	Amount in Taka	
	2016	2015
Secured Borrowing	256,858,767	507,950,838
Unsecured Borrowing	-	-
	256,858,767	**507,950,838**

10.02 Nature of repayment		
Repayable on Demand	-	-
Repayable within 01 Month	74,438,044	81,751,484
Repayable over 01 (one) Month but within 03 (three) Months	65,316,453	108,201,078
Repayable over 03 (three) Months but within 01 (one) Year	65,490,000	167,552,647
Repayable over 01 (one) Year but within 05 (five) Years	44,308,500	40,445,629
Repayable over 05 (five) Years	7,305,770	110,000,000
	256,858,767	**507,950,838**

11.00 Deposits and Other Accounts

11.01 Mudaraba Term Deposits	**7,536,772,279**	**5,814,588,759**
Deposits Received from Banks & FI's (note-11.03)	1,450,026,100	863,600,000
Deposits Received from Individuals	6,086,746,179	4,950,988,759
11.02 Lease Deposits	**66,003,035**	**64,445,843**

11.02.a Maturity Analysis (Deposits received from other than Banks)		
Repayable on Demand	9,125,418	-
Repayable within 01 Month	805,204,715	81,751,484
Repayable over 01 (one) Month but within 03 (three) Months	1,789,091,948	108,201,078
Repayable over 03 (three) Months but within 01 (one) Year	3,058,848,546	167,552,647
Repayable over 01 (one) Year but within 05 (five) Years	1,087,164,425	40,445,629
Repayable over 05 (five) Years	1,227,392,487	110,000,000
	7,976,827,539	**507,950,838**

11.03 Deposits received from Banks & FI's		
AB Bank Limited	100,000,000	30,000,000
Islami Bank Bangladesh Ltd.	485,026,100	435,000,000
Al Arafah Islami Bank Ltd.	200,000,000	100,000,000
Bank Asia Ltd.	100,000,000	100,000,000
The Trust Bank Ltd.	300,000,000	100,000,000
Shahajalal Islami Bank Ltd.	100,000,000	-
Standard Bank Limited	15,000,000	98,600,000
Export Import Bank Limited	150,000,000	-
	1,450,026,100	**863,600,000**

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11.04 Maturity wise Grouping	Amount in Taka	
	2016	2015
Repayable within 01 Month	280,026,100	200,000,000
Repayable over 01 (one) Month but within 03 (three) Months	830,000,000	445,000,000
Repayable over 03 (three) Months but within 01 (one) Year	340,000,000	148,600,000
Repayable over 01 (one) Year but within 05 (five) Years	-	70,000,000
Repayable over 05 (five) Years but within 10 (ten) Years	-	-
Unclaimed Deposits 10 (ten) Years and above	-	-
	1,450,026,100	**863,600,000**

11.05 Deposits Under Schemes		
Home Owning Scheme (monthly)	4,339,332	3,435,470
Higher Education & Marriage Deposit Scheme	1,466,244	1,155,850
Marriage Deposit Scheme	219,232	124,366
Pension Deposit Scheme	321,980,969	274,497,390
Hajj Deposit Scheme	13,593,180	10,764,773
Mudaraba Mohor Deposit Scheme	177,938	39,064
Mudaraba Special Deposit Scheme	3,753,871	4,032,303
Mudaraba Lakhpoti Deposit Scheme	4,100,603	3,708,244
Mudaraba Millionaire Deposit Scheme	13,831,578	10,992,462
Mudaraba Kotipoti Deposit Scheme	10,375,224	6,808,191
Mudaraba Cash WAQF Scheme	214,054	202,948
	374,052,225	**315,761,061**

12.00 Other Liabilities		
Provision for Gratuity (Note-12.01)	-	-
Provision for Profit on Deposits	256,999,397	201,836,079
Provision for Income Tax (Note-12.02)	466,800,270	336,340,483
Provision for Expenses	22,118,460	22,137,178
Provision for AIT, VAT, Tax at source, Excise Duty	5,585,226	820,245
Provision for General Investments (Note-12.03)	119,528,650	118,792,000
Provision against Investment in Shares (Note-12.04)	59,356,343	71,097,077
Provision against others Assets (Note-12.05)	-	12,776,942
Unearned Profit on BAIM	146,384,263	150,789,828
Profit payable on QTDR (MTDR)	7,100,472	-
QTDR on MTDR	840,000,000	102,000,000
Unclaimed Dividend	7,638,378	4,075,987
Sundry Deposits	10,778,277	22,459,154
Security Deposits	12,804,204	10,047,222
Share money deposits- Dividend	393,241	393,241
Unrealised Compensation A/C	6,118,701	6,009,331
Suspense account - Right share	37,384	37,384
Payable against Fixed Asset	1,005,185	-
Profit Suspense Account (Note-12.06)	29,559,645	51,834,201
	1,992,208,096	**1,111,446,352**

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12.01 Provision for Gratuity	Amount in Taka	
	2016	2015
Opening balance	-	-
Provision made during the year	6,032,275	3,239,025
Transfer to gratuity fund & Paid to Employee	(6,032,275)	(3,239,025)
Closing balance	**-**	**-**

12.02 Provision for Taxation		
Opening balance	336,340,483	235,866,025
Provision made during the year	152,366,471	100,474,458
Less: Paid during the year	(21,906,684)	-
Closing balance	**466,800,270**	**336,340,483**
A. Current Tax liabilities		
Provision held at the beginning of the year	328,939,732	232,064,482
Add: Provision made for the Year-2013	24,663,258	-
Add: Provision made during the year	127,430,956	96,875,250
Less: Adjustment during the year	21,906,684	-
Closing Current Tax Liabilities	**459,127,262**	**328,939,732**

Assessment of income tax for the year 2007, 2008, 2009, 2012 & 2013 is pending before the tax Authority. A Detailed statement of income tax and their status has been given in annexure "E". The management is in the opinion that decision will be awarded in favor of the company upon finalization of individual year of assessment.

B. Deferred Tax Liabilities/(Assets)		
Provision held at the beginning of the year	7,400,751	3,801,543
Add: Provision/(Adjustment) made during the year	272,257	3,599,208
Closing Deferred Tax Liabilities/(Assets)	7,673,008	7,400,751
Deferred Tax expense for the year	272,257	3,599,208

12.03 Provision for General Investments		
Movement of Provision:		
Against Classified Investments		
Opening balance	57,244,000	48,954,237
Bad and Doubtful Debts written off	(5,390,647)	(1,301,592)
Provision made during the year	21,965,031	9,505,529
Recoveries of amount previously written off	143,833	85,826
	73,962,217	**57,244,000**
Against Unclassified Investments		
Provision held at the beginning of the year	61,548,000	63,703,815
Provision made during the year	(15,981,567)	(2,155,815)
	45,566,433	**61,548,000**
Closing balance	**119,528,650**	**118,792,000**

12.04 Provision Against Investments in Shares		Amount in Taka
	2016	2015
Opening balance	71,097,077	116,245,727
Provision made during the year	(11,740,734)	(45,148,650)
Adjustment during the year	-	-
Closing balance	**59,356,343**	**71,097,077**
Details Given in Annexure-B		

12.05 Provision for Other Assets		
Opening balance	12,776,942	9,069,942
Provision made during the year	(11,740,458)	5,878,788
Adjustment during the year	1,036,484	2,171,788
Closing balance	**-**	**12,776,942**

12.06 Profit Suspense Account		
Opening balance	51,834,201	34,542,781
Add: Amount transferred during the year	61,731,913	49,610,407
	113,566,114	**84,153,188**
Less: Amount recovered during the year	84,006,469	32,295,811
Less: Amount written off during the year	-	23,176
Closing balance	**29,559,645**	**51,834,201**

13.00 Capital

Authorized Capital		
250,000,000 ordinary shares of Taka 10 each.	2,500,000,000	2,500,000,000

13.01 Issued, Subscribed and Fully Paid-up Capital	2016	2015
170,00,000 Ordinary shares of Tk. 10 each issued for cash	170,000,000	170,000,000
700,000 Bonus shares of Tk. 10 each issued upto 2003	7,000,000	7,000,000
70,00,000 Right shares of Tk. 10 each issued in cash 2004	70,000,000	70,000,000
14,70,000 Bonus shares of Tk. 10 each issued upto 2004	14,700,000	14,700,000
13,08,500 Bonus shares of Tk. 10 each issued upto 2005	13,085,000	13,085,000
43,96,560 Bonus shares of Tk. 10 each issued upto 2008	43,965,600	43,965,600
79,68,760 Bonus shares of Tk. 10 each issued in 2009	79,687,600	79,687,600
19,921,910 Right shares of Tk. 10 each issued in cash 2010	199,219,100	199,219,100
95,62,510 Bonus shares of Tk. 10 each issued in 2010	95,625,100	95,625,100
69,32,824 Bonus shares of Tk. 10 each issued in 2011	69,328,240	69,328,240
25,420,354 Right shares of Tk. 10 each issued in cash 2012	254,203,540	254,203,540
10,168,142 Bonus shares of Tk. 10 each issued in 2012	101,681,418	101,681,418
44,73,982 Bonus shares of Tk. 10 each issued in 2013	44,739,820	44,739,820
4,652,942 Bonus shares of Tk. 10 each issued in 2014	46,529,420	46,529,420
120,976,484	**1,209,764,838**	**1,209,764,838**

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13.02 Particulars of Fully Paid-up Share Capital

Particulars	No. of Shares 2016	No. of Shares 2015	(%) 2016	(%) 2015
Sponsor	44,265,106	45,734,106	36.59	37.80
Institutions	35,543,146	33,563,544	29.38	27.74
General Public	41,168,232	41,678,834	34.04	34.45
Total	**120,976,484**	**120,976,484**	**100.00**	**100.00**

13.03 Classification of Shareholders by Holding as on December 31, 2016

Particulars	No. of Share Holders	No. of Shares	(%) of Holdings
1 to 500 Shares	4,907	577,162	0.48
501 to 5,000 Shares	4,618	8,896,995	7.35
5,001 to 10,000 Shares	739	5,483,141	4.53
10,001 to 20,000 Shares	422	6,065,065	5.01
20,001 to 30,000 Shares	157	3,946,464	3.26
30,001 to 40,000 Shares	63	2,228,605	1.84
40,001 to 50,000 Shares	60	2,777,040	2.30
50,001 to 100,000 Shares	92	6,651,961	5.50
100,001 to 1,000,000 Shares	89	23,073,303	19.07
1,000,001 to 9999999 Shares	26	61,276,748	50.65
Total	**11,173**	**120,976,484**	**100.00**

13.04 Capital Adequacy

	Amount in Taka 2016	Amount in Taka 2015
Tier – I (Core Capital)		
Paid up Capital	1,209,764,838	1,209,764,838
Share Premium account	730,852	730,852
Statutory Reserve	276,356,803	220,744,612
Retained Earnings	202,622,686	162,106,606
Other reserve	21,501,528	21,501,528
	1,710,976,707	**1,614,848,436**
Tier –II (Supplementary Capital)		
General Provision	73,039,794	61,482,818
	73,039,794	**61,482,818**
A. Total Capital	**1,784,016,501**	**1,676,331,254**
B. Required Capital	**1,000,000,000**	**1,000,000,000**
C. Surplus/ (Deficiency) (A - B)	**784,016,501**	**676,331,254**

13.05 Minimum Capital Requirement (MCR) under Basel Accord for Financial Institutions (BAFI)

Total Eligible Capital	**1,784,016,501**	**1,676,331,254**
Tier - 1 Capital	1,710,976,707	1,614,848,436
Tier - 2 Capital	73,039,794	61,482,818

	Amount in Taka	
	2016	2015
Total Risk Weighted Assets (RWA)	**12,866,743,611**	**11,570,024,872**
On Balance Sheet	11,978,673,549	10,665,699,024
Market Risk	456,030,023	568,151,368
Operational Risk	432,040,039	336,174,480
Capital Adequacy Ratio (CAR)	13.87	14.49
Core Capital to RWA	13.30	13.96
Supplementary Capital to RWA	0.57	0.53
Minimum Capital Requirment (MCR)	**1,286,674,361**	**1,157,002,487**
Surplus/ (Defficiency)	**497,342,140**	**519,328,767**

13.06 Share Premium Account

Opening Balance	730,852	730,852
Premium received	-	-
Bonus Share Issued	-	-
Share Issue Expenses	-	-
	730,852	**730,852**

The share premium shall be utilized for the purposes as provided in the Securities and Exchange Ordinance-1969 as amended and the Companies Act-1994.

14.00 Statutory Reserve

Opening Balance	220,744,612	181,031,774
Addition During the Year	55,612,191	39,712,838
Closing Balance	**276,356,803**	**220,744,612**

15.00 Other Reserves

Dividend Equalization Reserve		
Opening Balance	12,301,528	2,301,528
Addition During the Year	-	10,000,000
Issued bonus During the Year	-	-
Closing Balance	**12,301,528**	**12,301,528**
Special Reserve Fund		
Opening Balance	9,200,000	6,700,000
Addition During the Year	-	2,500,000
Issued bonus During the Year	-	-
Closing Balance	**9,200,000**	**9,200,000**
Total Other Reserves:	**21,501,528**	**21,501,528**

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16.00 Surplus in Profit & Loss Account

	Amount in Taka	
	2016	2015
Balance as on 1 January	162,106,606	3,255,256
Less: Prior year adjustment	(24,663,258)	-
Retained Earnings as on January 01	**137,443,348**	**3,255,256**
Less: Dividend paid	(157,269,427)	-
Add: Post tax profit for the year	278,060,956	198,564,188
Less: Transfer to Statutory Reserve	(55,612,191)	(39,712,838)
Retained Earnings as on December 31	**202,622,686**	**162,106,606**
Total Profit before Income Tax	405,764,169	299,038,646
Provision for Income Tax	127,703,213	100,474,458
Net Profit after Income Tax for the year	278,060,956	198,564,188
Statutory Reserve	55,612,191	39,712,838
Dividend Equalization Reserve	-	10,000,000
Special Reserve Fund	-	2,500,000
Retained Earnings Brought forward	(19,826,079)	3,255,256
	202,622,686	**149,606,606**

17.00 Acceptances and Endorsements

Back to Back Bills	-	-
Back to Back Bills (EDF)	-	-
FI's Liabilities PAD (DEF)	-	-
	-	-

17.01 Letter of Guarantees

Money for which the FI is contingently liable in respect of guarantees are given favoring:		
Directors	-	-
Government	-	-
Bank and other Financial Institutions	-	-
Others (Note-17.01.1)	-	-
	-	-

17.01.1 Letter of Guarantees Others

Local	-	-
Foreign	-	-
	-	-

17.02 Irrevocable Letters of Credit

Inland	-	-
General	-	-
	-	-

17.03 Bills for Collection	Amount in Taka	
	2016	2015
Outward Bills for Collection	-	-
Outward Foreign Bills for Collection	-	-
Inward Bills for Collection	-	-
Inward Foreign Bills for Collection	-	-
	-	-

17.04 Other Contingent Liabilities		
FI's Liabilities (BLW)	-	-
	-	-

18.00 Income Statement

Income		
Profit, Discount and Similar Income (Note-18.01)	1,174,136,328	994,802,694
Dividend Income	13,689,439	12,136,342
Fees, Commission and Brokerage	18,137,810	25,114,216
Income from Investment in securities	15,829,817	46,762,761
Other Operating Income	58,406,156	37,282,541
	1,280,199,550	**1,116,098,554**
Expenses		
Profit Paid on Deposits, Borrowings etc.	716,265,683	685,752,698
Administrative expenses	166,038,072	158,466,724
Depreciation on banking assets	9,629,354	6,932,422
	891,933,109	**851,151,844**
Operating Profit before Provision	**388,266,441**	**264,946,710**

18.01Profit on Investment		
Income from Lease Finance	634,664,408	512,185,151
Income from HPSM	450,676,658	404,498,020
Income from BAIM & HDS	88,795,262	78,119,523
	1,174,136,328	**994,802,694**

18.02 Investment Income		
Gain from Investment in securities	15,829,817	46,762,761
Dividend Income	13,689,439	12,136,342
	29,519,256	**58,899,103**

19.00 Profit paid on Deposits & Borrowings etc.

Profit on Deposits	681,449,287	629,582,348
Profit on Borrowings	20,989,711	47,677,479
Profit on Refinance Bangladesh Bank	13,826,685	8,492,871
	716,265,683	**685,752,698**

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20.00 Commission, Exchange & Brokerage

	Amount in Taka	
	2016	2015
Fees, Commission etc.	18,137,810	25,114,216
	18,137,810	**25,114,216**

21.00 Other Operating Income

Profit on Bank Deposit	38,543,683	25,137,661
Profit on Sales of Fixed Assets	2,051,793	-
Other Income	17,810,680	12,144,880
	58,406,156	**37,282,541**

21.01 Profit on Sales of Fixed Assets

This represents gain/(loss) on sales of the following fixed assets		
Cost	5,014,332	1,166,502
Less: Accumulated Depreciation	(4,227,470)	(637,001)
Written down value	**786,862**	**529,501**
Sale proceeds of above fixed assets	(2,838,655)	(30,000)
Total gain/ (loss) on sales of fixed assets	**2,051,793**	**(499,501)**

22.00 Salaries & Allowances

Basic Salary	32,593,787	30,226,320
Bonus	5,476,731	5,185,782
FI's Contribution to Employees Provident Fund	3,017,595	2,641,718
House Rent	16,599,259	22,670,925
Conveyance Allowance	1,357,797	1,214,359
Medical Allowance	3,279,644	1,535,435
Gratuity	6,032,275	3,239,025
Other Allowances	19,237,041	13,689,473
	87,594,129	**80,403,037**

No provision made against Workers' profit participation and Welfare fund as per section 234 of labour law act 2006 (amendment 2013). Provision against Workers' profit participation and Welfare fund would be recognized in the financial statements in the next year.

22.01 Managing Director's Salary And Fees

Salary	3,794,064	2,949,724
Other allowances	1,699,484	2,383,582
	5,493,548	**5,333,306**

As per the paragraph 16 of BAS 24: "Related party Disclosures "regarding key management personnel, Managing Director is the key management personnel. His benefit is given below:

(a) Short term employee benefits:	5,493,548	5,333,306
(b) Post-employment benefits;	-	-
(c)Other long-term benefits	-	-
(d) Termination benefits; and	-	-
(e) Share-based payment	-	-
	5,493,548	**5,333,306**

23.00Rent, Taxes, Insurances, Electricity etc.

	Amount in Taka	
	2016	2015
Rent	7,049,187	6,047,588
Insurance	275,251	253,627
Lighting, Gas & Water	2,764,990	2,390,010
	10,089,428	**8,691,225**

24.00 Legal Expenses

Legal & Professional fees	1,649,713	4,483,431
	1,649,713	**4,483,431**

25.00 Stationery, Printing, Advertisement etc

Printing & Stationery	835,506	2,303,241
Advertisement	860,876	1,270,691
Computer Expenses	822,689	875,774
	2,519,071	**4,449,706**

26.00 Directors' Fees

Director Fees	1,680,000	885,000
	1,680,000	**885,000**

27.00 Depreciation And Repair Of Fixed Assets

Depreciation on Fixed Assets (Note-27.01)	9,629,354	6,932,422
Repairs & Maintenance	1,886,040	2,388,694
	11,515,394	**9,321,116**

27.01 Depreciation on Fixed Assets (Annexure - A)

Building	1,432,507	1,466,844
Interior Decoration	812,672	707,774
Mechanical Appliance	2,181,877	415,496
Computer & Accessories	3,433,402	2,014,042
Motor Vehicle	1,274,657	910,563
Furniture & Fixture	485,906	1,417,703
Software	8,333	-
	9,629,354	**6,932,422**

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28.00 Other Expenses

	Amount in Taka	
	2016	2015
Bank Charges	1,014,399	865,967
Donation	-	300,000
Car & Generator Expenses	1,528,439	1,909,795
Website Expenses	510,124	459,924
Training Expenses	247,325	828,797
AGM Expenses	2,000,000	2,500,000
Fees & Subscription	2,521,729	1,609,278
Entertainment Expenses	7,700,938	4,540,494
Travelling Expenses	846,400	905,207
Conveyance, Carriage & Freight	994,204	951,677
Business Development	1,302,240	841,166
Incentive Exp.	18,010,000	14,950,000
Loss on sale of Fixed Asset	-	499,501
Shariah Meeting Fee	118,000	130,280
Meeting Expenses	-	839,559
Newspapers and Magazines	89,749	95,407
Crockeries & Accessories	8,348	280,336
Office Maintenance	2,467,430	2,495,759
Share issue Exp.	-	-
Gross Loss on sale of Share	13,281,894	13,921,909
Commission	-	422,798
House+entertain+utility	-	-
VAT & Taxes	-	145,564
Miscellaneous Expenses	634,554	683,416
	53,275,773	**50,176,834**

29.00 Provision against Lease, Loans and Investments

Provision against UnClassified Loans (Note-12.03)	(15,981,567)	(2,155,815)
Provision against Classified Loans (Note-12.03)	21,965,031	9,505,529
Provision for Loans & Advances	**5,983,464**	**7,349,714**
Provision against Investment in shares (Note-12.04) & Annx-B	(11,740,734)	(45,148,650)
Provision against others Assets (Note-12.05)	(11,740,458)	3,707,000
	(17,497,728)	**(34,091,936)**

30.00 Earning Per Share (EPS)

		Amount in Taka
	2016	2015
Net Profit after Tax	278,060,956	198,564,188
Number of Ordinary Shares outstanding	120,976,484	120,976,484
Earning Per Share (EPS)	2.30	1.64

31.00 Net Asset Value (NAV) per Share

Total Assets	11,936,871,109	9,429,041,289
Total Liabilities	(10,225,894,402)	(7,814,192,853)
Net Asset Value (NAV)	1,710,976,707	1,614,848,436
Number of shares outstanding	120,976,484	120,976,484
Net Asset Value (NAV) per Share	14.14	13.35

32.00 Number of Employees

The number of employees engaged for the whole year or part thereof who received a total remuneration of BDT 36,000 or above were 93

33.00 Board Meeting and Directors' remuneration

Each Director was paid Taka 8,000 for attending each Board meeting. No remuneration or special payment was paid to the directors for attending Board meetings or otherwise during the year 2016. During the year under audit seventeen Board of Director's meetings were held.

34.00 The company had no receivable from the directors on 31.12.2016

35.00 Appropriation during the year

In accordance with BAS 1 "Presentation of Financial Statement", the appropriations for the year is reflected in the statement of changes in equity.

36.00 Claims against the company not acknowledged as debt

There was no claim at the balance sheet date.

37.00 Contingent Liabilities

There was no Contingent Liabilities at the balance sheet date.

38.00 Related Party Disclosure

38.01 Name of Directors and their interest in the FI and different entities-shown in Annexure-C.

38.02 Particulars about the members of the Audit Committee: Shown in Annexure-D.

38.03 Income tax status shown in Annexure - E

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38.04 Related Party Transaction :

Sl.	Borrower Name	Director Name	Product Group	Sanction Amount	Outstanding Amount	Security Value	Loan Status
1	Eastern University	Janab Anwar Hossain Chowdhury Janab S.M. Bakhtiar Alam Janab Rezakul Haider	HPSM	70,000,000	24,201,006	37,500,000	STD
2	Janab Mostanser Billa	Janab Mostanser Billa	HPSM	12,500,000	404,461	-	STD
3	Zennith Islami Life Insurance Ltd. STD	Janab Rezakul Haider	Lease	10,500,000	5,042,558	-	
4	Zennith Islami Life Insurance Ltd. STD	Janab Rezakul Haider	Lease	14,350,000	615,675	-	
5	Comfit Composite Knit Ltd.	Janab Feroz Alam Janab Rezakul Haider	HPSM	10,000,000	8,724,431		STD
6	Zennith Islami Life Insurance Ltd. STD	Janab Rezakul Haider	Lease	14,350,000	953,588		
7	Bangladesh Independent Power Producers Association	Janab Feroz Alam	HPSM	2,450,000	2,185,914		STD
8	Lucky Star Apparels Ltd.	Janab Anwar Hossain Chowdhury	Lease	12,000,000	6,548,488	-	STD
9	N.I. Design Wear Ltd.	Janab Anwar Hossain Chowdhury	Lease	10,000,000	2,819,452	-	STD
	Total			**156,150,000**	**51,495,573**	**37,500,000**	

(Mohammad Showket Akber, FCA, ACS)
Chief Financial Officer (CFO)

(S.Q. Bazlur Rashid)
Company Secretary

(A K M Shahidul Haque)
Managing Director & CEO

(Rezakul Haider)
Vice Chairman

(Afzalur Rahman)
Chairman

Annexure-A

STATEMENT OF PROPERTY, PLANT & EQUIPMENT

Amount in Taka

	Cost					Amortization				
Asset Category	Balance as at 01.01.2016	Addition/ Adjust during the year	Disposal during the year	Balance as at 31.12.2016	Rate %	Balance as at 01.01.2016	Charged during the year	Disposal/ Adjust during the year	Balance as at 31.12.2016	Net Book value as at 31.12.2016
Software	-	2,000,000	-	2,000,000	50%	-	8,333	-	8,333	1,991,667
Sub Total	**-**	**2,000,000**	**-**	**2,000,000**		**-**	**8,333**	**-**	**8,333**	**1,991,667**
Land	76,488,317	-	-	76,488,317	-	-	-	-	-	76,488,317
Building	61,469,450	-	-	61,469,450	2.50%	4,169,180	1,432,507	-	5,601,687	55,867,763
Interior Decoration	12,275,336	39,200	-	12,314,536	10%	4,151,099	812,672	-	4,963,771	7,350,765
Furniture & Fixture	7,507,034	275,280	-	7,782,314	10%	2,755,847	485,906	-	3,241,753	4,540,561
Mechanical Appliance	20,499,390	728,505	-	21,227,895	20%	9,985,610	2,181,877	-	12,167,487	9,060,408
Computer & Accessories	9,233,625	11,707,301	-	20,940,926	25%	6,096,247	3,433,402	-	9,529,649	11,411,277
Motor Vehicle	22,345,265	-	5,014,332	17,330,933	20%	15,642,217	1,274,657	4,227,470	12,689,404	4,641,529
Sub Total	**209,818,417**	**12,750,286**	**5,014,332**	**217,554,371**		**42,800,200**	**9,621,021**	**4,227,470**	**48,193,751**	**69,360,620**
Total As at 31.12.2016	**209,818,417**	**14,750,286**	**5,014,332**	**219,554,371**		**42,800,200**	**9,629,354**	**4,227,470**	**48,202,084**	**71,352,287**
Total As at 31.12.2015	**195,405,640**	**15,606,609**	**1,193,832**	**209,818,417**		**36,524,685**	**6,932,422**	**656,907**	**42,800,200**	**67,018,217**

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SHARES HELD FOR TRADING

Annexure-B

Amount in Taka

Sl	Name Of Company	Number of Shares	Book Value of Investment	Market Value of Investment	Short fall
1	Shahjalal Islami Bank Limited	1,034,532	23,507,080	15,517,980	7,989,100
2	Exim Bank Limited	146,520	1,747,357	1,714,284	33,073
3	Al-Arafah Islami Bank Limited	977,235	21,669,542	15,538,037	6,131,505
4	Shahjibazar Power Co. Ltd.	309,000	12,482,663	29,572,237	-
5	Summit Alliance Port Limited	273,000	18,046,391	14,059,500	3,986,891
6	Khulna Power Company Limited	80,000	6,746,284	5,000,000	1,746,284
7	Beximco Limited	745,228	51,545,289	19,375,928	32,169,361
8	Aftab Automobiles Limited	22,400	2,215,828	1,270,080	945,748
9	IFIL Islamic Mutual Fund-1	7,000,000	70,000,000	63,840,000	6,160,000
10	Grameen Phone Limited	9,000	2,578,588	2,556,900	21,688
11	Square Pharmaceuticals Ltd.	36,800	9,005,441	9,166,880	-
12	Linde Bangladesh Ltd.	1,000	1,303,240	1,296,000	7,240
13	Beximco Pharmaceuticals Ltd.	6,535	555,948	528,027	27,921
14	Heidlberg Cement Bangla	2,000	1,092,966	1,104,600	-
15	Olympic Industries Ltd.	79,000	24,267,685	24,324,100	-
16	ACI Ltd	1,040	538,452	400,920	137,532
17	Fortune Shoes Limited	10,063	100,630	511,200	-
18	Berger Paints Bangladesh	4,150	9,523,520	9,618,870	-
19	Golden Harvest Agro	115,000	6,105,960	6,152,500	-
Total:		**10,852,503**	**263,032,864**	**221,548,043**	**59,356,343**

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Annexure - C

NAME OF THE DIRECTORS OF IFIL AND THEIR INTEREST IN OTHER DIFFERENT ENTITIES

Name	Status in the FI's	Name of firms/ Companies in which interested
Janab Afzalur Rahman	Chairman	Youth Spinning Mills Ltd International Holdings Ltd. Australian International School Eastern University Foundation
Janab Rezakul Haider	Vice-Chairman	M/S Youth Fashion Ltd. Shahijibazar Power Co. Ltd. Eastern University Youth Garments Ltd. International Holdings Ltd. M/S. Comfit Composite Knit Ltd. Patromax Refineary Ltd Patromax LPG Ltd Midland Power Ltd Zennith Islami Life Insurance Ltd.
Mrs. Kazi Mahbuba Akhter	Vice-Chairman	A .J. Fashion Ltd. N.I. Design Wear Ltd. Sears Accessories Ltd.
Janab Mostanser Billa	Director	Youth Spinning Mills Ltd. International Holdings Ltd.
Janab K.B.M. Moin Uddin Chisty	Director	Victoria University of Bangladesh. Global Human Resources & Development. Diamond Trade International Global Institute of Business & Technology.
Janab Anwar Hossain Chowdhury	Director	AJ Fashion Limited Eastern University Lucky Star Apparels N.I. Design Wear Limited Sears Accessories. Takaful Islami Insurance Ltd. AJ Embroidery Ltd. Bangladesh Institute of Communication Studies & Public Relations (BICSPR)
Janab Abul Quasem Haider	Director	Youth Spinning Mills Ltd. Youth Hatchery & Agro Ltd. International Holdings Ltd. Eastern University Multimode Resource Ltd Chowdhury Apparel (Pvt) Ltd
Janab Feroz Alam	Director	Comfit Composite Knit Ltd. Youth Fashion Ltd. Shahjibazar Power Co. Ltd. Patromax Refineary Ltd Midland Power Co Ltd Patromax LPG Ltd
Janab Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	N/A
Janab Dr. Md. Jahangir Alam	Independent Director	N/A

Annexure - D

AUDIT COMMITTEE

Sl.	Name	Status held in the FI	Status held in the Audit Committee	Date of Appointment	Educational Qualification
1.	Janab Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	Chairman	12-Jun-16	PhD.
2.	Janab Mostanser Billa	Director	Member	12-Jun-16	B. Com
3.	Janab K.B.M Moin Uddin Chisty	Director	Member	12-Jun-16	MBA
4.	Janab Anwar Hossain Chowdhury	Director	Member	12-Jun-16	Engineer
5.	Janab Abul Quasem Haider	Director	Member	12-Jun-16	M.Sc.

No. of meeting held by the committee during the year 2016

Sl	Meeting Particulars	Meetings held on
1.	44th Audit committee meeting	28-Mar-16
2.	45th Audit committee meeting	3-May-16
3.	46th Audit committee meeting	30-Jun-16
4.	47th Audit committee meeting	20-Oct-16

The Audit Committee, in the above 04(Four) meetings, held during the year 2016, discussed many issue, some of which are :-

1. Annual financial statement.
2. Discussed audit findings of Internal Auditor.
3. Compliance report on observation, recommendation and decisions of the Audit Committee Meetings.
4. Position of pending court cases filed against the defaulting borrowers of IFIL.
5. Audit and Inspection report on branches as well as various division of Head Office conducted by Internal Control & Compliance Division, Head Office during the year 2016.
6. Highlights from the Bangladesh Bank Comprehensive Inspection report on branches as well as various Divisions of Head Office of IFIL.
7. Observation of Bangladesh Bank on Anti-Money Laundering Department of IFIL and reporting of branch wise number of STR to Bangladesh Bank against number of Clients in each branch.
8. Risk-based Internal Audit & Inspection Plan for the year 2016.
9. Monthly Progress report of Principal Branch for the delienquent clients.
10. Management report on the financial statements of IFIL for the year 2015 of external auditor.

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Annexure - E

Income Tax Position in Different Years

Accounting Year	Assessment Year	Net Profit/(Loss) as per Accounts (Before Tax)	Tax Provision in Account	Tax Payable (Tk.) DCT Level	Tax Paid (Tk.)	Update Position
2007	2008-2009	87,517,547	(729,729)	2,295,929	2,448,830	Decision given in favor of IFIL from Honorable High Court Division of the Supreme Court of Bangladesh
2008	2009-2010	62,513,786	5,225,973	10,561,938	2,502,086	Case pending with the Honorable High Court Division of the Supreme Court of Bangladesh
2009	2010-2011	116,579,888	6,291,504	56,724,426	15,845,275	Appeal at Appeallate Tribunal Bench-1
2010	2011-2012	168,243,027	38,359,355	45,412,462	45,412,462	Assessment Completed
2011	2012-2013	67,810,478	39,383,847	57,339,865	57,339,865	Assessment Completed
2012	2013-2014	152,731,654	68,400,000	83,000,577	70,576,358	Appeal at Appeallate Tribunal Bench-2, Tribunal give assessment order and DCT issue a demand notice as per Tribunal order.
2013	2014-2015	160,154,948	72,949,492	98,766,998	68,399,681	Appeal at Commissioner Appeal Zone-2, CT Appeal give assessment order and DCT issue a demand notice as per Commissioner Appeal order.
2014	2015-2016	261,669,756	65,110,588	-	67,899,573	DCT level for Tax Assessed
2015	2016-2017	308,203,405	100,942,420	-	86,847,718	DCT level for Tax Assessed
Total		**1,385,424,489**	**395,933,450**	**354,102,195**	**417,271,848**	

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Pictorial
of some project



50 MW power plant Energy Project Financed by Uttara Branch



Garment Manufacturing Project Financed by Principal Branch



Cement Manufacturing Project Financed by Nayabazar Branch



Food Manufacturing Project Financed by Narayangonj Branch



Cotton Mill Project Financed by Chittagong Branch



Auto Rice Mill Project Financed by Bogra Branch



Fan Manufacturing Project Financed by Nayabazar Branch



Ispat Project Financed by Principal Branch



Meter Manufacturing Projcet Financed by Uttara Branch



Paper Mill Project Financed by Bogra Branch



Spinning Mills Project Financed by Narayongonj Branch



Hospital Financed by Chittagong Branch



Real Estate Project
Financed by Nayabazar Branch

Pictorial
of the 15th Annual General Meeting



15th Annual General Meeting (AGM) is in progress



15th Annual General Meeting (AGM) is in progress



Shareholders in the 15th Annual General Meeting.



Shareholder in the 15th Annual General Meeting



Shareholder in the 15th Annual General Meeting



Shareholder in the 15th Annual General Meeting



Shareholder in the 15th Annual General Meeting



Shareholder in the 15th Annual General Meeting



Shareholder in the 15th Annual General Meeting

Awards & recognition

SME Banking Award 2014

Islamic Finance and Investment Limited awarded
The Best Manufacturing Sector Friendly
Financial Institution in 2014

Jointly Organized by
Bangladesh Bank and SME Foundation





BANGLADESH ASSOCIATION OF PUBLICLY LISTED COMPANIES

Ref. No: CM-2017/058

BAPLC

Date of issue :16th February 2017

Renewed Certificate

This is to certify that

ISLAMIC FINANCE AND INVESTMENT LIMITED

is an Ordinary Member of Bangladesh Association of Publicly Listed Companies *and is entitled to all the rights and privileges appertaining thereto.*

This certificate remains current until 31st December 2017.

BAPLC

Secretary-General
(Acting)

IFIL STOCK

Note:

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Note:

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ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড
اسلامیك فینانس اند انویستمینت لیمیتد
Islamic Finance and Investment Limited
(Based on Islamic Shariah, the first of its kind in Bangladesh)
Head Office: Bhuiya Center, 68/A, Dilkusha C/A, Dhaka-1000

PROXY FORM

I /We ----------

of ----------

Being a member of Islamic Finance and Investment Limited do hereby appoint

Mr. / Mrs. /Miss ---------- or (failing him/her) of

As my/ our proxy to attend and vote for me/ us and on my / our behalf at the 16th Annual General Meeting (AGM) of the Company to be held on Wednesday, 24 May, 2017 at 10.30 AM at the Institution of Diploma Engineers' Bangladesh (IDEB), 160/A, Kakrail VIP Road, Dhaka and any adjournment thereof:

Signed this ---------- Day of ---------- 2017 Signature of proxy

---------- Signature of shareholder ----------

Revenue Stamp 20/-

Folio / BO No. ----------

Note:

1) This form of proxy, duly completed and signed, must be deposited at least 48 hours before the meeting at the company's registered office.

2) Signature of the shareholders should agree with the specimen signature registered with the company or Depository Register.

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড
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Islamic Finance and Investment Limited
(Based on Islamic Shariah, the first of its kind in Bangladesh)
Head Office: Bhuiya Center, 68/A, Dilkusha C/A, Dhaka-1000

ATTENDANCE SLIP

I hereby record my attendance at the SIXTEENTH ANNUAL GENERAL MEETING of the Company Name of the Member / proxy ---------- Folio/ BO No. ----------

Signature ---------- Date ----------

Note: Shareholder attending meeting in person or by proxy are requested to complete the Attendance slip and hand it over at the entrance of meeting hall.

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Annual Report 2016

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ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড
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