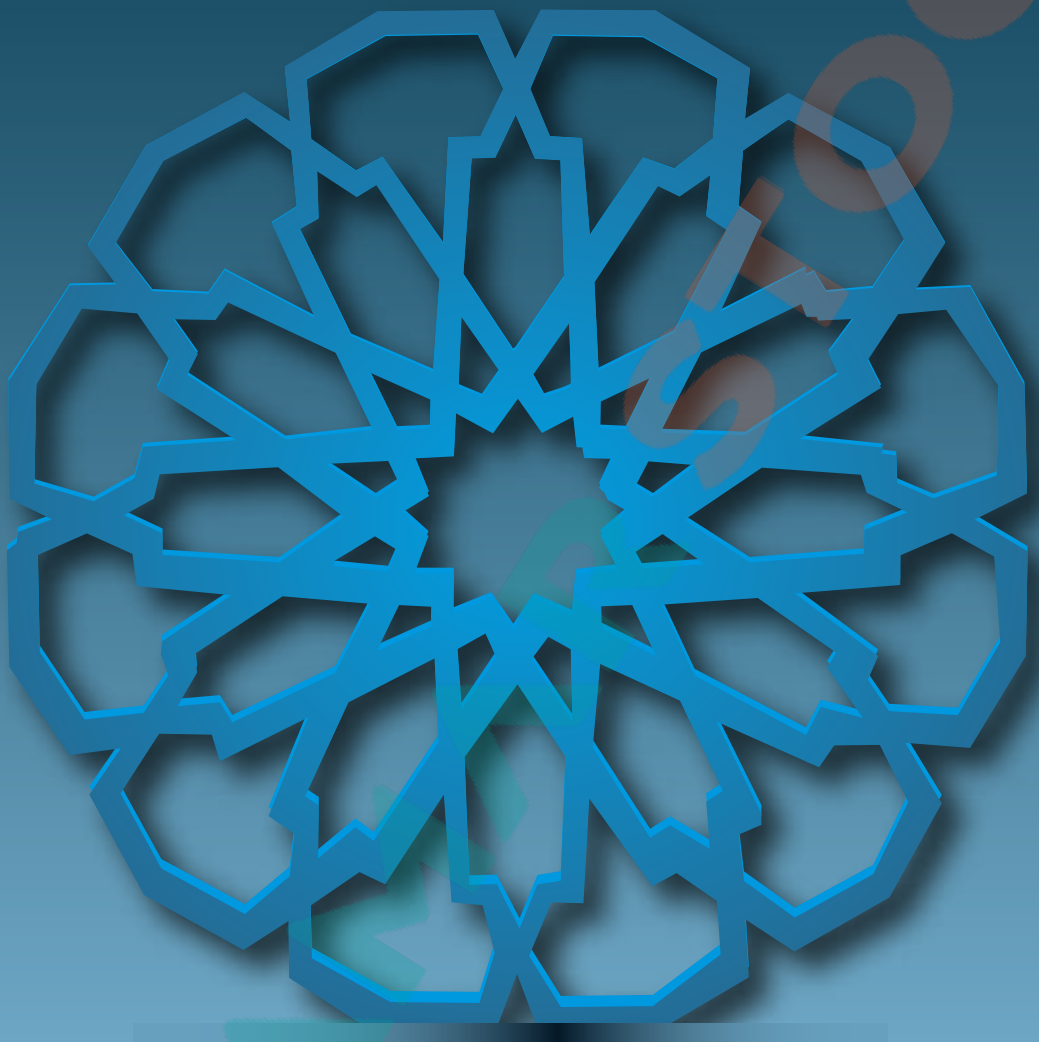
Annual Report 2017



IFIL
Your Partner in Business

Islamic Finance and Investment Limited

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

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 is 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	:	Abul Quasem Haider
Managing Director	:	A K M Shahidul Haque
Auditor	:	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 Zamil & Co. Chartered Accountants.
No. of Branch	:	06
No. of Employees	:	114
Telephone No. (Head Office)	:	47118483-4
Fax No. (Head Office)	:	+880 2 9563566
Website	:	www.ifilbd.com
Central Email	:	info@ifilbd.com

Stock Summery		
Authorized Capital	:	Tk.250 crore
Paidup Capital	:	Tk.134.28 crore
Face Value of Share	:	Tk.10/-
Head Office & Registered Office	:	Bhuiya Center, 68/A, Dilkusha C/A, Dhaka-1000. Phone:-8 02-47118483, 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: 88-02-9555454. Mob: 01713-012682(Manager), E-mail: ifilpb@ifilbd.com
Bogra Branch	:	Abdul Hannan Center (1st Floor), Holdings No-20 (11/1), Shahid Tareque Sarak, Katnerpara,Bogra, Phone:-051-69574, Fax:-051-69634 Mob: 01714-081092(Manager), E-mail: ifilbogra@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
Uttara Branch	:	Garib-e-Newaz Avenue, House # 09 (1st Floor), Sector # 11, Uttara, Dhaka-1230, Phone:-88-02-7911226, Fax:-88-0248952734- Ext-108 Mob: 01766-665860Manager), E-mail: ifiluttara@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
Nayabazar Branch	:	Chand Miah Paper Complex (2nd Floor), 40/41, Zindabahar 1st Lane, Nayabazar, Dhaka-1100, Phone: -88-02-57394615 Fax: 88-02 -57394785, Mob: 01766-665846 (Manager) E-mail: nayabazar@ifilbd.com



IFIL MILESTONES

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
Launching New Logo	25.09.2017

Islamic Finance and Investment Limited

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

Head Office: Bhuiya Center,68/A Dilkusha, Dhaka-1000

NOTICE OF THE 17TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 17th Annual General Meeting of Islamic Finance and Investment Limited will be held on Wednesday, 25 April, 2018 at 10:30 AM at Muktijudhho Shriti Milanayatan Hall (1st Floor) of 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, 2017 together with reports of the Directors and Auditor.
02. To declare the Dividend for the year ended 31st December, 2017.
03. To elect /re-elect Directors.
04. To appoint Auditor and fix their remuneration for the year 2018.
05. To transact any other business with the permission of the Chair.

By order of the Board of Directors

Dated: Dhaka, 9th April, 2018

S.Q. Bazlur Rashid
Company Secretary

NOTES:

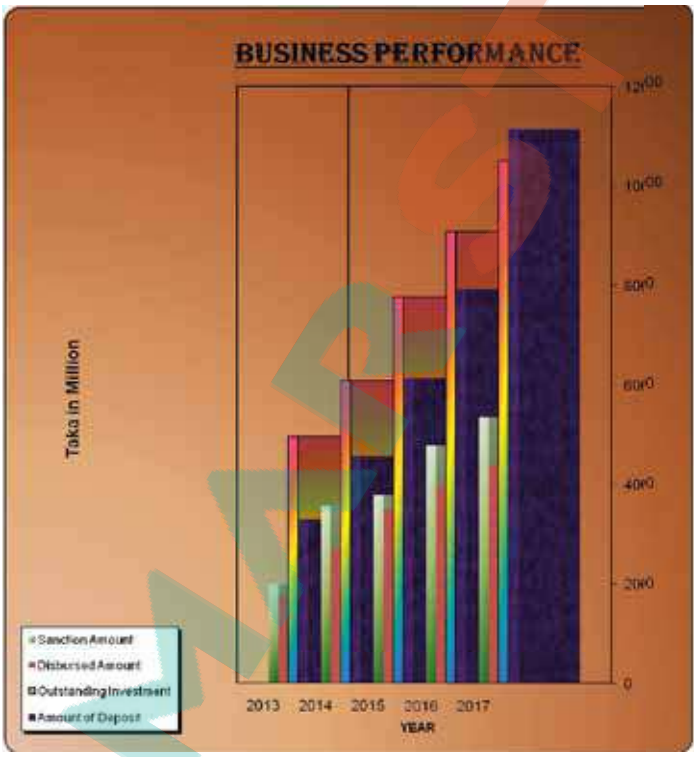
- The "Record Date" was on Thursday, April 05, 2018.
- The Board of Directors recommended for payment of 14.50% **(Fourteen point five zero Percent)** Cash Dividend.
- The Shareholders, whose name would appear in the register of members of the Company or in the Depository (CDBL) on the Record Date i.e. 05.04.2018 will be eligible to attend the meeting and entitled to dividend.
- Any member of the Company 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 23.04.2018 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.
- Hon'ble Members are requested to update their respective BO Accounts with Taxpayer's Identification Number (e-TIN) through Depository Participant (DP) latest by 15 April, 2018, 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.
- Hon'ble Members are also requested to update their Bank Account(s) Number, Address, Cell number and E-mail Address through Depository Participant (DP) latest by 15 April, 2018.
- **No Gift / Gift Coupon/ Food Box etc. to be distributed at the 17th AGM, in compliance with the Bangladesh Securities and Exchange Commission (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).**

PERFORMANCE OF IFIL AT A GLANCE

BUSINESS PERFORMANCE

Tk. in Million

	2013	2014	2015	2016	2017
Sanction Amount	1987	3566	3787	4781	5345
Disbursed Amount	1765	2677	3483	3947	4393
Outstanding Investment	4956	6077	7757	9073	10500
Amount of Deposit	3296	4566	6130	7911	11131



FINANCIAL PERFORMANCE

Tk. in Million

	2013	2014	2015	2016	2017
Operating Revenue	738	804	995	1174	1066
Operating Profit	199	208	265	388	240
Profit Before Tax	160	262	299	406	288
Profit After Tax	86	193	199	278	244
Total assets	6312	7440	9429	11937	15240
Share Holders' Equity	1385	1509	1615	1711	1918
Paid up Capital	1118	1163	1210	1210	1343

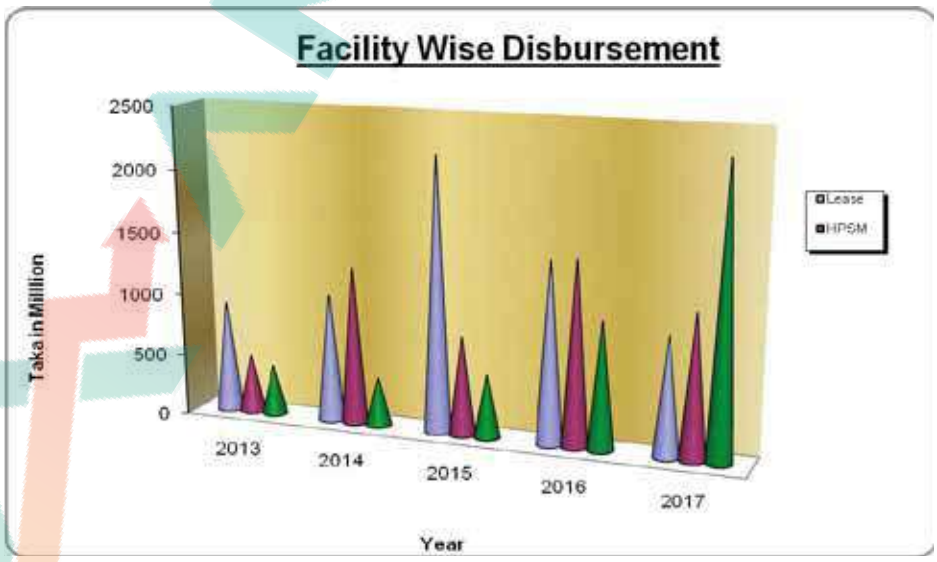
FINANCIAL RATIOS

	2013	2014	2015	2016	2017
Debt Equity Ratio	2.26:1	2.60:1	2.98:1	2.62:1	3.08:1
Return on Average Assets (%)	1.43%	2.81%	2.35%	2.60%	1.79%
Return on Average Equity (%)	6.41%	13.35%	12.71%	16.72%	13.42%
Profit Margin on Operating Income (%)	27.21%	56.61%	46.14%	49.31%	50.61%
Capital Adequacy Ratio (CAR)	17.60	16.88	14.49	13.87	13.81
Current Ratio	1.18:1	1.17:1	1.18:1	1.20:1	1.26:1
Net Worth to Total Assets (%)	21.94%	20.29%	17.13%	14.33%	12.59%
Earnings Per Share (After Tax) Taka : Restated: 2016	0.64	1.44	1.48	2.07	1.81
Price Earnings Ratio (P/E): Restated: 2016	29.19	12.72	10.48	9.32	11.58
Dividend Payout-DP: Restated: 2016	1.30	0.72	0.79	0.61	0.80

FACILITY WISE DISBURSEMENT

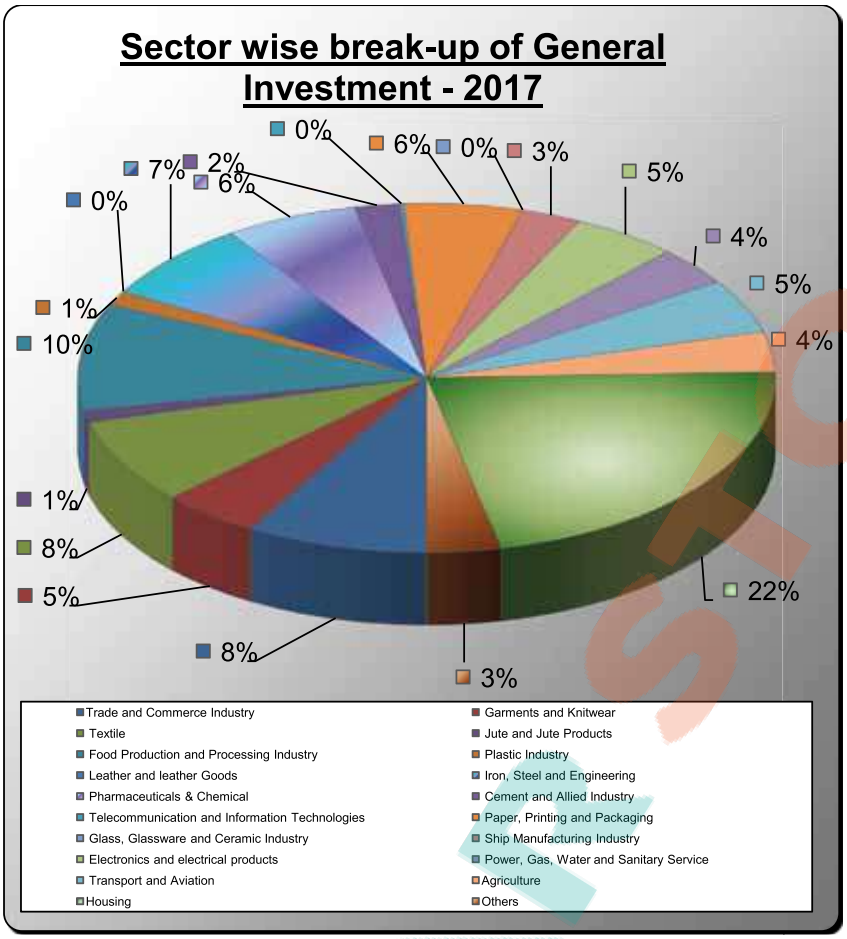
Tk. in Million

	2013	2014	2015	2016	2017
Lease	896	1030	2192	1454	954
HPSM	467	1260	787	1477	1145
Bai Muajjal	402	387	504	1016	2294
Total	**1526**	**2677**	**3483**	**3947**	**4393**

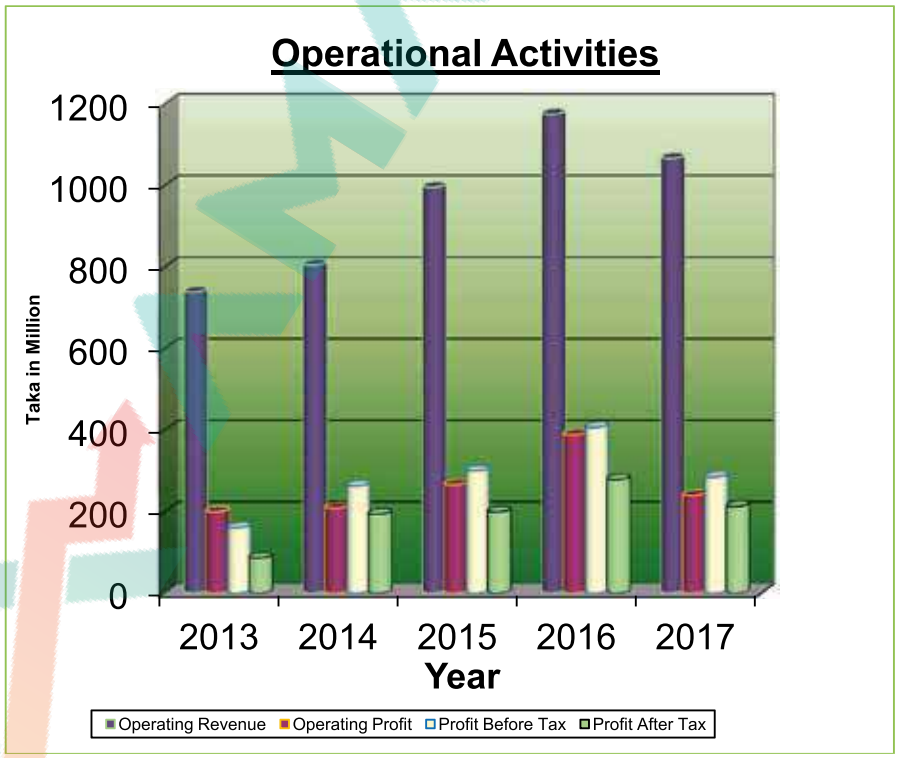


SECOTRORAL DISTRIBUTION OF INVESTMENT FOR THE YEAR- 2017

Sector	Amount	%
Trade and Commerce Industry	881.28	5.36
Garments and Knitwear	481.79	2.88
Textile	829.27	6.98
Jute and Jute Products	115.21	1.64
Food Production and Processing Industry	1,040.78	10.09
Plastic Industry	136.86	1.73
Leather and leather Goods	1.42	-
Iron, Steel and Engineering	766.40	9.66
Pharmaceuticals & Chemical	649.04	8.17
Cement and Allied Industry	217.47	2.29
Telecommunication and Information Technologies	19.90	-
Paper, Printing and Packaging	578.19	4.69
Glass, Glassware and Ceramic Industry	-	-
Ship Manufacturing Industry	290.39	4.04
Electronics and electrical products	518.95	4.88
Power, Gas, Water and Sanitary Service	375.99	1.05
Transport and Aviation	526.22	2.64
Agriculture	389.58	3.12
Housing	2,320.73	26.86
Others	361.01	3.92
	10,500.47	**100.00**



OPERATIONAL ACTIVITIES



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
- Mudaraba Special Deposit Scheme
- Mudaraba Millionaire 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
Your Partner in Business

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড
Islamic Finance and Investment Limited
Based on Islamic Shariah, the first of its kind in Bangladesh

Head Office: Bhuiya Center, 68 Dilkusha C/A, Dhaka-1000, Bangladesh, Ph: 880-2-47118483, 01766 665757, Fax: 880-2-956 3566, Email: info@ifilbd.com

Principal Branch : 01713 012682
Chittagong Branch: 01711 725967
Bogra Branch : 01714 081092
Narayanganj Branch: 01713 118741
Uttara Branch : 01766 665860
Nayabazar Branch : 01766 665846

web: www.ifilbd.com

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 sehedule 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 sehedule 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 sehedule 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 size 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 sehedule 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



Abul Quasem Haider
Chairman



Afzalur Rahman
Vice-Chairman



Hossain Mahmud
Vice-Chairman



Feroz Alam
Director



S. M. Bakhtiar Alam
Director



Shibbir Mahmud
Director

Kazi Mahbuba Akhter
Director



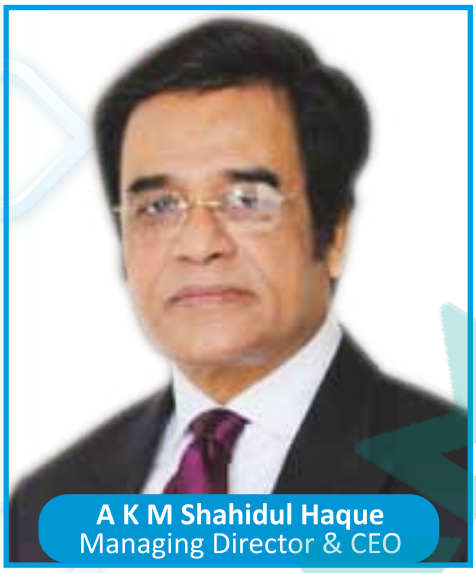
Anis Salahuddin Ahmad
Director



Professor Dr. Gazi Md. Ahsanul Kabir
Independent Director



Professor Dr. Md. Jahangir Alam
Independent Director



A K M Shahidul Haque
Managing Director & CEO



S.Q. Bazlur Rashid
Company Secretary

BOARD
Of DIRECTORS



Abul Quasem Haider	Chairman
Afzalur Rahman	Vice-Chairman
Hossain Mahmud	Vice-Chairman
Feroz Alam	Director
S.M. Bakhtiar Alam	Director
Shibbir Mahmud	Director
Kazi Mahbuba Akhter	Director
Anis Salahuddin Ahmad	Director
Professor Dr. Gazi Md. Ahsanul Kabir	Independent Director
Professor Dr. Md. Jahangir Alam	Independent Director
A K M Shahidul Haque	Managing Director & CEO
S. Q. Bazlur Rashid	Company Secretary

SPONSORS
OTHER THAN DIRECTORS

Anwar Hossain Chowdhury	Sponsor
Md. Fazlul Hoque	Sponsor
Mazibur Rahman Khan (Deceased)	Sponsor
Rezakul Haider	Sponsor
M/s Cherry (Pvt.) Ltd represented by Md. Shamsuzzaman	Sponsor
Md. Shafiqul Islam	Sponsor
Syed Tawfiq Hossain Ali	Sponsor
Mohammed Zainul Abedin	Sponsor
Bakhtiar Uddin	Sponsor
Iqbalur Rahman	Sponsor
Liaquat Hossain Moghul	Sponsor
K.B.M Moin Uddin Chisty	Sponsor
Mostanser Billa	Sponsor
M. Mehedi Hasan	Sponsor
A.K.M Sakhawat	Sponsor

AMARSTOCK

SPONSORS
OTHER THAN DIRECTORS


Anwar Hossain Chowdhury


Md. Fazlul Hoque


Mazibur Rahman Khan (Deceased)


Rezakul Haider


M/s Cherry (Pvt.) Ltd represented by Md. Shamsuzzaman


Md. Shafiqul Islam


Syed Tawfiq Hossain Ali

Mohammed Zainul Abedin


Bakhtiar Uddin


Iqbalur Rahman


Liaquat Hossain Moghul


K.B.M Moin Uddin Chisty


Mostanser Billa


M. Mehedi Hasan


A.K.M Sakhawat

EXECUTIVE COMMITTEE



Name	Position in the Board	Position in the Committee
S.M. Bakhtiar Alam	Director	Chairman
Afzalur Rahman	Director	Member
Shibbir Mahmud	Director	Member
Anis Salahuddin Ahmad	Director	Member
Professor Dr. Md. Jahangir Alam	Independent Director	Member

AUDIT COMMITTEE



Name	Position in the Board	Position in the Committee
Professor Dr. Gazi Md. Ahsanul Kabir	Independent Director	Chairman
Afzalur Rahman	Director	Member
Hossain Mahmud	Director	Member
S.M. Bakhtiar Alam	Director	Member
Shibbir Mahmud	Director	Member

SHARIAH SUPERVISORY COMMITTEE



Name	Position in the Committee
M. Azizul Huq	Chairman
Prof. Muhammad Mansurur Rahman Vice Chairman (Faqeeh)	Member
Prof. Dr. Muhammad Azhar-ud-Din	Member
Ruhul Amin Khan (Faqeeh)	Member
Mohammad Nazrul Islam	Member
Dr. Mohd. Haroon Rashid (Faqeeh)	Member

From the desk of Chairman



Dear Stakeholders,

Assalamu Alaikumwa Rahmatullah.

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 2017.

The year 2017 was of global changes in the financial sectors with strategic development in Governance, Risk Management and Compliance. IMF and World Bank initially forecasted a recession in the year 2017 but later they have revised the opinion with minor changes with a view that some countries may develop further in this situation. Several political and socio-economic issues like - the 45th President of the United States has sworn, dramatic change in the hierarchy position in the Kingdom of Saudi Arabia, crisis in some Middle Eastern Countries, USA and North Korean nuclear hyper tension, President's "Extraordinary Elevation"in Republic of China as Leader of the Leaders and his point of view regarding China and World economy, USA's declaration of Jerusalem as the Capital of Israel, Rohingya Crisis faced by Bangladesh and rest of the World suffering with taking decision regarding the issue, etc. were in the 2017 recipe.

Bangladesh started the year with a devastating flood in the North-Eastern and North-Western region of the Country followed by a humanitarian crisis due to influx of approximately 0.7 Million Rohingya refugees. However, Bangladesh economy witnessed good advances in various socio-economic indices despite having multifaceted crisis in the macro and micro economic aspects. Bangladesh economy kept its momentum in FY17 with GDP expanding at 7.24 percent, above the 7.11 percent growth recorded a year earlier. The growth pick up was broad-based in FY17. The growth of aggregate output was largely led by the industrial sector (10.5 percent growth). The service sector and agricultural activities grew by 6.5 percent and 3.4 percent, respectively, higher than those in the previous fiscal year. Agricultural output growth was driven mainly by strong (6.3 percent) growth in fishing sub-sector while growth in crop production moderated amid recent flood-related production losses. From the demand side, domestic demand was supported by government consumption and investment.

Since inception, IFIL has succeeded because it stayed true to the core values, putting people first, pursuing excellence, embracing change, acting with integrity and serving the clients. The year 2017 was a year of embracing change. I've always believed that change is good; it ensures and encourages sustainable growth and progress.

Effective and efficient management of the Company by the Board of Directors and the Management collaboratively results in ultimate positive growth in the profitability. Throughout the year, the Directors were highly 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 Investment Risk Management (IRM) process, establishment of Recovery and Legal Department, proper Asset Liability Management through Gap and Duration 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 their respective areas. They are 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 are knowledgeable, skilled and having 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, timely and prompt decision of the Board of Directors, the Executive Committee, the Audit Committee, the Management Committee, the Asset Liability Management Committee, the Investment Committee, Credit/ Investment Risk Management Division, Treasury Department and Recovery Department of the Company have contributed to achieve a significant amount of profit in the year 2017. I am thankful to the Management and the Employees of IFIL for their tremendous efforts to achieve the goal, though the industry forecast was not favorable.

I am pleased to announce that during the year 2017, IFIL have earned an amount of Tk. 481.27 as operating income. EPS stands at Tk. 1.81 as on 31st December 2017. We have our constant endeavor to maximize our shareholders' value, the Board of Directors' proudly offers 14.50% cash dividend to the shareholders, an increase of 0.50% over 2016 dividend payout.

In addition to that total income and total expenditure of IFIL during the year 2017 stands Tk. 1065.53 millions and Tk. 825.31 millions respectively. Total net profit before Taxation was Tk. 287.88 millions, while after Tax it stands Tk. 243.58 million.

Please allow me to convey my deepest appreciation to our shareholders for their continued confidence on 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 positive growth in such a challenging year. I would also like to thank the Management, the Employees and the Support Staffs of IFIL for their contribution, dedication and commitment towards the Company.

With best regards

Ma Assalam,



Abul Quasem Haider
Chairman

AMAR STOCK



Managing Director & CEO's **Review**

Assalamu Alaikum Wa-Rahmatullah.

Dear Shareholders,

I welcome you all to our Company's 17th Annual General Meeting on behalf of the Chairman, the Board of Directors, myself, other Executives, Officers and Staffs of IFIL. It is my pleasure to present the 17th Annual Report before our shareholders for the year 2017.

The Annual Report containing the Directors' report and Audited Financial Statements for the year ended 31st December, 2017 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 briefly cast a light on the Global and Bangladesh economic scenario and analyze the performance of our Company.

World Economic Scenario

A broad-based pickup in global activities have gained its momentum in recent months. Global growth is estimated to have grown by 3.7 percent in 2017 and the forecast for 2018 has been revised up by 0.2 percentage points to 3.9 percent, supported by higher investment, trade, and industrial production, coupled with increasing business and consumer confidence. The pickup in global growth in 2017 reflects higher domestic demand growth in US, Euro area, Canada, Japan, China, Europe and Russia. Global inflation rose in 2017, reflecting the continued cyclical recovery in demand and higher commodity prices. The US consumer price inflation reached 2.1 percent in 2017, up from 1.3 percent in 2016, and the euro area inflation reached 1.4 percent in 2017, up from 1.1 percent in 2016. With a stronger-than-expected recovery and higher commodity prices, headline inflation in the advanced economies will edge up to 1.9 in2 018. In 2018, both Chinese and Indian inflations are expected to increase to 2.6 and 5.5 percent, respectively.

The year 2017 was of global changes in the financial sectors with strategic development in Governance, Risk Management and Compliance. IMF and World Bank initially forecasted a recession in the year 2017 but later they have revised the opinion with minor changes with a view that some countries may develop further in this situation. Despite having many international significant events in the year 2017 Bangladesh economy witnessed good advances in various socio-economic indices despite having multifaceted crisis in the macro and micro economic aspects.

Bangladesh Economic Scenario

According to the final estimates by Bangladesh Bureau of Statistics (BBS), real gross domestic product (GDP), supported by manufacturing and services, grew robustly by 7.28 percent in FY17, outperforming the average growth of 4.7 percent for emerging market and developing economies in 2017. Despite some challenges stemming from flood-related crop losses in the beginning of the fiscal year, economic activities remain buoyant in FY17, underpinned by both domestic and external demand. During July-December 2017, exports grew by 7.2 percent, up from 1.7 percent of FY17; remittance reversed its declining trend of the previous fiscal year and grew by 12.5 percent. Imports also grew sharply by 27.6 percent during July-November 2017 in part, reflecting strong import demand for capital machinery and industrial raw materials, which grew by 37.5 percent and 18.9 percent, respectively. Manufacturing data also point to strong economic activity. After declining through FY17, average inflation has been gradually edging up in recent months, reaching 5.7 percent in December 2017. Expectation of one- year ahead average inflation is around 6-7percent, with over 50 percent of the respondents expecting the inflation to be above 6 percent.

Money Supply and Credit Growth

In December 2017, broad money (M2), domestic credit (DC), and reserve money (RM) grew by 10.7, 14.5, 13.3 percent, respectively. These outcomes of the aggregate anchors of the monetary policy helped moderate inflationary pressures. Growth of net domestic assets of banking system stood at 14.4 percent in December 2017 driven by a decline in credit to the public sector, a result of government paying off its credit through proceeds from the larger-than-planned sales of NSCs. Private sector credit experienced a robust growth of 19.1 percent in November 2017, before moderating to 18.1 percent in December 2017. Banks where credit growth have surged, exceeding prudent levels, will continue to be subjected to closer scrutiny. Due to large project-related imports of construction and industrial raw materials, credit demand rose sharply, as reflected in the L/C openings being closely related to the credit growth. As the lumpy L/C openings taper, credit growth appears to be moderating from its recent peak in November 2017. The recent pick-up in credit growth is moderating the ratio of excess of SLR assets to Total Demand and Time Liabilities (TDTL), often referred to as "excess liquidity," reaching around 9 percent in December 2017. The divergence between credit and deposit growth raised the average ADR

from73.9 percent in FY17 to 75.9 in December 2017, although there is significant variation within the system. Although deposit growth has steadily moderated in recent years and contributed to a lower growth of M2, financial deepening continues a pace as reflected in the relatively higher growth of the broader monetary aggregate of M3 (over 14 percent in November 2017, around the levels observed in recent years), which includes government resources procured through NSCs. Higher interest rates on NSCs contributed to the shift in the composition of the liability structure of the banking system.

During July-December 2017, export growth picked up from 1.7 percent in FY17 to 7.2 percent and remittance witnessed a broad-based improvement, up by 12.5 percent from negative 14.5 percent a year ago. But strong import growth, at over 27 percent during July-November 2017, widened trade and current account deficits. Favorable financial account dynamics is expected to finance the widened current account, driven by high import growth and projected at around 1.5 percent of GDP in FY18.

Capital Market

Stock market prices, measured by the DSE broad index (DSEX), rose by more than 10 percent and 24 percent since June 2017 and December 2016, respectively, reaching their recent heights market liquidity, measured by the DSE turnover, doubling since 2016, recorded the highest level in 2017 since the large stock market corrections in 2010-11. The buoyant trading activities benefitted from participation by overseas investors and positive macroeconomic outlook.

Performance of Islamic Finance & Investment Limited

Deposit in 2017 has registered a growth of 40.70 percent while Investment has shown a growth 15.73 percent in the same year. Our Profit stands 240.22 million BDT in the year 2017. Earning Per Share (EPS) stands at 1.81 percent. On the other hand, Net Asset Value (NAV) stands 1710.90 million BDT in the year 2017. Classified Investment stands 4.54% in the year 2017.

Dividend recommended

We have declared 14.50% Cash Dividend for the year 2017.

IFIL's VISION 2020

We are working hard to be in the list of 1st 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 Core Banking Software named ABABIL in IFIL. The Software is being tailored to ensure best service and maximum satisfaction to the customers.

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 37 employees in various training institutes of the country.

Corporate Social Responsibility Activities (CSR)

IFIL 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, Rural Development and promotion of sports.

Compliance

IFIL gives priority to the compliance issues of the regulatory authorities. We have been continuously working to build up a compliance culture within the organization. We remain compliant to Shariah while doing business which is our guiding force, Alhamdulillah.

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. I thank the Chairman of the Board of

Directors for his able leadership and the Directors for their encouraging guidance. The contribution made by auditors, legal advisers, consultants, correspondents and other partners are 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 IFIL is performing consistently over the years and will continue to make rapid strides on the profitable growth path. IFIL will scale new heights in future with the continued support and patronage of all the stakeholders. Thank you.

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

Ma-assalam,

Yours faithfully,



A K M Shahidul Haque
Managing Director & CEO

AMAR STOCK



DIRECTORS' REPORT

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 17th Annual General Meeting of the Company. We are pleased to place the "Annual Report 2017" for the year ended December 31, 2017; "Audited Financial Statements" along-with "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

Global economic activity has gathered pace with support from a cyclical recovery in investment, manufacturing, and trade. According to the International Monetary Fund, global output growth was expected to rise to 3.5 percent in 2017 and 3.6 percent in 2018. The aggregate growth figure masks significant cross-country and regional variations. Growth in the advanced economies was expected to increase from 1.7 percent in 2016 to 2.0 percent both in 2017 and 2018. Overall growth outlooks for emerging market and developing economies and in India are gaining momentum both in 2017 and 2018. Although geopolitical risks remain elevated in the Middle East region hosting the bulk of our migrant workers, overall growth is expected to increase due to some improvement in oil prices in 2016. Forecast for China's growth, though gradually moderating has been revised up by 0.1 percentage point and 0.2 percentage points in 2017 and 2018.

Despite earlier forecasts by WB and some others about substantial uptrend in global commodity prices for 2017 and 2018, the relevant price indices have turned downward or stagnated since the beginning of 2017, caused by continuing supply glut and/or demand slack, keeping global inflation at muted levels. Pull back of global liquidity glut initiated by the onset of monetary tightening in the US and the EU is likely to further prolong low global inflation, helping moderation in domestic inflationary pressures in Bangladesh.

FY17 export growth slowdown to 1.7 percent, remittance inflows decline of 14.5 percent, and import growth of 9.0 percent widened trade deficit and turned current account balance to deficit. Overall BoP balance continues in surplus nevertheless, from continuing growth in capital account in flows. Foreign exchange reserve growth continued in rising trend in FY17, with reserve balance adequate to cover 7 months of goods and services import requirement. BoP projections for FY18 indicate some further widening of BoP current account deficit, and lower but still positive overall balance.

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 year 2017 was of global changes in the financial sectors with strategic development in Governance, Risk Management and Compliance. IMF and World Bank initially forecasted a recession in the year 2017 but later they have revised the opinion with minor changes with a view that some countries may develop further in this situation. Several political and socio-economic issues like - the 45th President of the United States has sworn, dramatic change in the hierarchy position in the Kingdom of Saudi Arabia, Middle Eastern Countries Crisis, USA and North Korean nuclear hyper tension, President's "Extraordinary Elevation" in Republic of China as Leader of the Leaders and his point of view regarding China and World economy, USA's declaration of Jerusalem as the Capital of Israel, Rohingya Crisis faced by Bangladesh and rest of the World suffering with taking decision regarding the issue, etc. were in the 2017 recipe. Bangladesh started the year with a devastating flood in the North-Eastern and North-Western region of the Country followed by a humanitarian crisis due to influx of approximately 0.7 Million Rohingya refugees. However, Bangladesh economy witnessed good advances in various socio-economic indices despite of having multifaceted crisis in the macro and micro economic aspects. Bangladesh economy kept its momentum in FY17 with GDP expanding at 7.24 percent, above the 7.11 percent growth recorded a year earlier. The growth pick up was broad-based in FY17.The growth of aggregate output was largely led by the industrial sector (10.5 percent growth). The service sector and agricultural activities grew by 6.5 percent and 3.4 percent, respectively, higher than those in the previous fiscal year. Agricultural output growth was driven mainly by strong (6.3 percent) growth in fishing sub-sector while growth in crop production moderated amid recent flood-related production losses. From the demand side, domestic demand was supported by government consumption and investment.

Private sector credit grew by 15.7 percent in FY17,

somewhat easing from 16.1 percent in March 2017. Despite a sizeable growth of net foreign asset (14.1 percent) and strong growth of private sector credit (15.7 percent), broad money (M2) growth (10.9 percent) remained below the program path due to the negative growth of credit to the public sector.

Fiscal performances improved in FY17. Total revenue grew by 19.8 percent in FY17, while total expenditure rose by 11.8 percent. Consequently, budget deficit moderated to BDT 512.4 billion in FY17 from BDT 587.1 billion in FY16. Within the total government expenditure, ADP utilization increased by around 17.5 percent in FY17. Domestic non-bank borrowing, particularly through the National Saving Certificates, was the main source of the government's deficit budget financing.

The market-based exchange rate of Taka depreciating in response to weakening of exports and workers' remittance inflows, Bangladesh government is proactively engaging in bilateral and multi lateral trade negotiations towards widening market access and diversifying the export basket. Workers' remittance inflows are suffering downturn not just because of weakened demand for migrant workers in major migrant labor hosting countries, but also because it is getting harder, even impossible in some instances, for migrant workers to access legitimate-channels for sending money home, with high-cost burdens of compliance with unduly stringent AML/CFT regulations dissuading international banks from relationships with remittance handlers.

Stock market prices, measured by the DSE broad index (DSEX), rose by over 20percent since June 2017. The buoyant trend in stock prices sinceQ2 FY17 and the more-than-threefold increase of FPI inflows in FY17 appear to indicate that the buoyancy came about mainly from increased foreign investor interest in our stock markets following Bangladesh's inclusion in the frontier economy segment of the Morgan Stanley Capital International (MSCI) index. While the BSEC is the regulatory authority overseeing stability of the capital markets, BB closely monitors the operations of capital market subsidiaries of banks, seeing to it that these operate with in the statutory limits on capital market exposures for their parent banks.

The current account balance (CAB) reversed with a deficit of USD 1480 million in FY17, driven largely by weaker remittance inflows (-14.4 percent growth) and higher trade deficit (USD 9472 million). Moderate export growth (1.7 percent) coupled with stronger import growth (9 percent) caused widening of the trade deficit. Overall balance however narrowed and recorded a surplus of USD 3169 million in FY17 compared to a surplus of USD 5036 million in FY16, driven by a positive balance of USD 4493 million in the capital and financial account.

In FY17, BDT exchange rate depreciated by 2.7 percent, reflecting the market forces. Bangladesh Bank bought USD 1931 million and sold USD 175 million in the foreign exchange market during this period. However, real effective exchange rate appreciated modestly due to decline in relative price level of the trading partners.

The banking sector indicators depict a mixed picture in Q4FY17. At the end of June 2017, the rise in the capital to risk- weighted-asset ratio (CRAR) and the decline in the non-performing loans (NPLs) indicate some improvements, while the deterioration of provision shortfall position of banks against classified loans represents weak performance. The spread of monthly weighted average lending rates and deposit rates in the banking sector remained below 5 percent, while the inter-bank money market rate edged up modestly.

The capital market remained buoyant in FY17. The rising trends of DSE broad Index (DSEX) and DSE-30 index have continued since May 2016 with some fluctuations and reached their recent highs at the end of FY17.

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 regulatory 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 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 2017, the NPL for NBFIs was 8.93 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 2.5percent (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

A total number of 16 (Sixteen) meetings of Board of Directors, 9 (Nine) meetings of the Executive Committee, 4 (Four) meetings of Audit Committee and 3 (Three) meeting of Shariah Committee were held in 2017. As per directives of Bangladesh Bank, The Executive Committee and The Audit Committee of IFIL are constituted with 5 (Five) members. The reports of the Shariah Committee and Audit Committee have been incorporated in this Annual Report for your perusal.

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.

Related Party Transaction:

Sl. No.	Borrower Name	Director Name	Product Group	Sanction Amount	Outstanding Amount	Security Value	Loan Status
1	Eastern University	Abul Quasem Haider S.M.Bakhtiar Alam Rezakul Haider Anwar Hossain Chowdhury Afzalur Rahman	HPSM	70,000,000	12,419,205	37,500,000	STD
2	Janab Mostanser Billa	Mostanser Billa	HPSM	12,500,000	304,321	_	STD
3	Zennith Islami Life Insurance Ltd.	Rezakul Haider Feroz Alam	Lease	10,500,000	3,659,220	_	STD
4	Zennith Islami Life Insurance Ltd.	Rezakul Haider Feroz Alam	Lease	14,350,000	217,479	_	STD
5	Comfit Composite Knit Ltd.	Rezakul Haider Feroz Alam Anis Salahudin Ahmad	HPSM	10,000,000	6,505,191	_	STD
6	Zennith Islami Life Insurance Ltd.	Rezakul Haider Feroz Alam	Lease	14,350,000	604,640	_	STD
7	Bangladesh Independent Power Producers Association	Feroz Alam	HPSM	2,450,000	1,758,237	_	STD
8	Youth Fashion Ltd	Rezakul Haider Feroz Alam	Lease	10,000,000	10,237,754	_	STD
9	Lucky Star Apparels Ltd.	Anwar Hossain Chowdhury	BAIM	15,000,000	15,312,000	_	STD
10	N.I. Design Wear Ltd.	Anwar Hossain Chowdhury	Lease	10,000,000	4,478,593	_	STD
Total				**169,150,000**	**55,496,640**	**37,500,000**	

Performance of IFIL at a Glance

INVESTMENT

Tk. in Million

	2016		2017		% of Change
Lease	1454		954		(34.39)
BaiMuajjal	1016		2294		125.79
HPSM	1477		1145		(22.48)
Total	3947		4393		11.30

	2016		2017		% of Change
SME	1643		1693		3.04
Corporate	1431		2696		88.40
House Building	829		407		(50.90)
Total	3903		4796		22.88

DEPOSIT:

Tk. in Million

	Schemes			MTDS		
	2016	**2017**	**% of Change**	**2016**	**2017**	**% of Change**
Total Deposit	374.05	372.53	(0.40)	7,536.77	10,758.52	42.75

CORE BUSINESSREVIEW

Tk. in Million

	2013	**2014**	**2015**	**2016**	**2017**
Sanction Amount	1987	3566	3787	4781	5345
Disbursed Amount	1765	2677	3483	3947	4393
Outstanding Investment	4956	6077	7757	9073	10,500
Amount of Deposit	3296	4566	6130	7911	11131

SECTORWISE INVESTMENT

Tk. in Million

	2016	**2017**
Trade and Commerce Industry	486	881
Garments and Knitwear	262	482
Textile	633	829
Jute and Jute Products	149	115
Food Production and Processing Industry	915	1041
Plastic Industry	157	137
Leather and leather Goods	_	1
Iron, Steel and Engineering	876	766
Pharmaceuticals & Chemical	741	649
Cement and Allied Industry	207	218
Telecommunication and Information Technologies	_	20
Paper, Printing and Packaging	425	578
Glass, Glassware and Ceramic Industry	_	-
Ship Manufacturing Industry	366	290
Electronics and electrical products	443	519
Power, Gas, Water and Sanitary Service	95	376
Transport and Aviation	239	526
Agriculture	283	390
Housing	2437	2321
Others	356	361
TOTAL	9073	10,500

Note:

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

FINANCIAL PERFORMANCE

Tk. in Million

	2013	2014	2015	2016	2017
Operating Revenue	738	804	995	1174	1066
Operating Profit	199	208	265	388	240
Profit Before Tax	160	262	299	406	288
Profit After Tax	86	193	199	278	244
Total assets	6312	7440	9429	11937	15240
Share Holders' Equity	1385	1509	1615	1711	1918
Paid up Capital	1118	1163	1210	1210	1343

FINANCIAL RATIOS

	2013	2014	2015	2016	2017
Debt Equity Ratio	2.26:1	2.60:1	2.98:1	2.62:1	3.08:1
Return on Average Assets (%)	1.43%	2.81%	2.35%	2.60%	1.79%
Return on Average Equity (%)	6.41%	13.35%	12.71%	16.72%	13.42%
Profit Margin on Operating Income (%)	27.21%	56.61%	46.14%	49.31%	50.61%
Capital Adequacy Ratio (CAR)	17.60	16.88	14.49	13.87	13.81
Current Ratio	1.18:1	1.17:1	1.18:1	1.20:1	1.26:1
Net Worth to Total Assets (%)	21.94%	20.29%	17.13%	14.33%	12.59%
Earnings Per Share (After Tax) Taka : Restated: 2016	0.64	1.44	1.48	2.07	1.81
Price Earnings Ratio (P/E): Restated: 2016	29.19	12.72	10.48	9.32	11.58
Dividend Payout-DP: Restated: 2016	1.30	0.72	0.79	0.61	0.80

Operating Result

Income

Investment Income

Total Investment Income of IFIL stood at Tk. 1065.53 million as on 31st December 2017 which represents 86.92 % of the total income for the year 2017.

Non-Investment Income

Total Non-Investment Income of IFIL as on 31st December 2017 stood at Tk 160.38 million which was 13.08 % of the total income.

Expenditure

Profit Paid on Deposits

IFIL distributed profit of Tk. 725.20 million among the Mudaraba Depositors in the year 2017.

Operating Expenses

Total operating expenses for the year 2017 was Tk. 241.05 million which represents 24.45 % of the total expenses.

Operating Profit

During the year 2017, IFIL earned an amount of Tk. 240.22 million.

A summary of operating result of IFIL as on December 2017 are shown below:-

Tk. in Million

Particulars	2017
Total Income	1225.91
Less: Total Expenditure	985.69
Net Profit before Provision & Taxation	240.22
Less: Provision for Investment, Shares	(47.66)
Net profit before Taxation	287.88
Less: Provision for Taxation	44.30
Net Profit	243.58

Contribution to National Exchequer

IFIL has made provision of Tk. 44.30 million for corporate tax in 2017. IFIL has also contributed to the economy by generating employment of 114 full time officials. In the year 2017, IFIL has paid Tk 4.62 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 Cash dividend @ 14.50 % for each share for the year 2017. 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 (%)
2017	14.50 % Cash
2016	11% Stock & 3% Cash
2015	13% Cash
2014	8% Cash & 4% Stock
2013	6 % Cash and 4% Stock
2012	10 % Stock

Significant change in quarterly report

In September 2017 (3rd quarter) Earning Per Share (EPS) was Tk 0.838. In December 2017, it stood Tk. 1.81.

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 2017 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, 2017.

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 2017. 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 conformitywith 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.

an exhaustive way to reduce operational risks. Financial Administration Department is effectively managing the Capital Adequacy and Market Discipline

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

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

of Bangladesh Limited including other government and

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 Risk Management Committee formed with the top level management, Investment Risk Management (IRM) 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, IRMC 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

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 IRM 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 re-designs 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 Exchanges, Chittagong Stock Exchanges, Central Depository System 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,



Abul Quasem Haider
Chairman

পরিচালনা পর্ষদের প্রতিবেদন

সম্মানিত শেয়ার হোল্ডারবৃন্দ,

আস্‌সালামু আলাইকুম ওয়ারাহ্‌মাতুল্লাহ ।

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড (আইএফআইএল)-এর ১৭ তম বার্ষিক সাধারণ সভায় আপনাদেরকে আমন্ত্রণ জানানোর সুযোগ পেয়ে আমি আনন্দিত। ২০১৭ 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 এক্সচেঞ্জ কমিশন নোটিফিকেশন ২০০২, 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

বিশ্ব অর্থনীতির কর্মকান্ডে চক্রাকারে বিনিয়োগ, উৎপাদন ও বাণিজ্য গতি পুনরায় ফিরে এসেছে। আর্ন্তজাতিক মুদ্রা তহবিল অনুযায়ী, বৈশ্বিক উৎপাদন প্রবৃদ্ধি ২০১৭ সালে ৩.৫ শতাংশ ও ২০১৮ সালে ৩.৬ শতাংশ আশা করা হয়েছিল। সামাজিকভাবে বিভিন্ন দেশ ও অঞ্চল অনুযায়ী প্রবৃদ্ধি ও তারতম্য লক্ষ্য করা গেছে। উন্নত বিশ্বের প্রবৃদ্ধি ২০১৬ সালে ১.৭ শতাংশ হলেও ২০১৭ ও ২০১৮ সালে ২.০ শতাংশ হবে বলে প্রতীয়মান হয়। এছাড়া ইমার্জিং- মার্কেট ও উন্নয়নশীল দেশ ও ভারতের অর্থনীতিতেও যথেষ্ঠ গতিশীলতা বজায় আছে। মধ্যপ্রাচ্যের দেশ সমূহে সাম্প্রতিক সময়গুলিতে তেলের দাম কিছুটা বৃদ্ধি পাওয়ার ফলে অর্থনীতিতে কিছুটা চাঙ্গা ভাব পরিলক্ষিত হচ্ছে। এছাড়াও চীনের অর্থনীতিতেও ২০১৭ সালে পূর্বের তুলনায় ০.১ শতাংশ বেশী প্রবৃদ্ধি পরিলক্ষিত হয়েছে যা ২০১৮ সালেও ০.২ শতাংশ বেশী প্রবৃদ্ধি হবে বলে আশা করা যায়।

বিশ্ব ব্যাংক ও অন্যান্য আর্ন্তজাতিক সংস্থার পূর্বাভাস সত্ত্বেও ২০১৭ সালে পণ্যের মূল্যের কিছুটা উর্দ্ধগতি লক্ষ্য করা গেছে। তবে চাহিদার তুলনায় যথেষ্ট সরবরাহ থাকায় মূল্যস্ফীতি সহনীয় পর্যায়ে ছিল বলে লক্ষ্য করা গেছে। মার্কিন যুক্তরাষ্ট্র ও ইউরোপীয় ইউনিয়ন এর কঠোর মুদ্রানীতির ফলে বৈশ্বিক ভাবে নিম্ন মূল্যস্ফীতি দীর্ঘায়িত হয়েছে যার প্রভাব বাংলাদেশে পড়েছে।

দেশে ২০১৭ সালে রপ্তানী প্রবৃদ্ধি কমে ১.৭ শতাংশে হয়। রেমিটেন্স প্রবাহ ১৪.৫০ শতাংশ কম হয় এবং আমদানী প্রবৃদ্ধি ৯.০০শতাংশ বৃদ্ধি পাওয়ার ফলে বাণিজ্য ঘাটতি আরও সম্প্রসারিত হয় এবং এর ফলশ্রুতিতে চলতি একাউন্টের ব্যালেন্স ঘাটতি দেখা যায়। সার্বিক ভাবে ব্যালেন্স অব পেমেন্ট কিছুটা সন্তোষজনক দেখা যায় মূলত ক্যাপিটাল একাউন্ট ইনফ্লোর মাধ্যমে। বৈদেশিক মুদ্রার রিজার্ভ সন্তোষজনক অবস্থায় থাকার কারনে দেশ আমদানী মূল্য পরিশোধের ক্ষেত্রে কিছুটা সুবিধা জনক অবস্থায় আছে। ২০১৮ সালে ব্যালেন্স অব পেমেন্ট ঘাটতি আরও কিছুটা বৃদ্ধি পেতে পারে বলে অনুমিত হয়।

বাংলাদেশের অর্থনীতি

রাজনৈতিক অস্থিরতা, অবকাঠামোগত প্রতিকুলতা ও বৈশ্বিক অর্থনীতির অনিশ্চয়তা সত্ত্বেও বাংলাদেশের অর্থনীতি ভারসাম্য রক্ষা করতে ও প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে।

দেশীয় রাজনীতিতে কিছুটা রাজনৈতিক অস্থিরতা থাকলেও বাংলাদেশ ভাল জিডিপি প্রবৃদ্ধি অর্জন করেছে। মূলত শিল্প খাত ও সেবা খাত বাংলাদেশের সামগ্রিক অর্থনীতিকে এগিয়ে নিতে সাহায্য করেছে। বৈদেশিক মুদ্রার রির্জাভ একটি সন্তোষজনক পর্যায়ে পৌছেছে। এছাড়াও 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। এ ক্ষেত্রে বলা যায়, বিভিন্ন সীমাবদ্ধতা সত্ত্বেও অন্যান্য উন্নত ও উন্নয়নশীল দেশের ধীরগতির প্রবৃদ্ধির তুলনায় বাংলাদেশের অর্থনীতির চাকা ২০১৭ সালে ছিল অনেকটা সন্তোষজনক গতিতে সচল ছিল।

২০১৭ সাল আর্থিক খাত এ সুশাসন ঝুঁকি ব্যবস্থাপনা ও পরিপালনের ক্ষেত্রে পরিবর্তনের বছর হিসাবে পরিগনিত হয়। আর্ন্তজার্তিক মুদ্রা তহবিল ও বিশ্ব ব্যাংক প্রাথমিকভাবে ২০১৭ সালে মন্দার পূর্বাভাস দিলেও পরবর্তীতে কিছু পরিবর্তনের ইঙ্গিত দেয়। মার্কিন যুক্তরাষ্ট্রে সরকার পরিবর্তন, সৌদিআরবে রাজতন্ত্রের পুনর্বিন্যাস, মধ্যপ্রাচ্যের সংকট, উত্তর কোরিয়ার রাজনৈতিক পরিস্থিতি ও চীনের নেতৃত্বের বিষয়, জেরুজালেম পরিস্থিতি ও রোহিঙ্গা সমস্যা বাংলাদেশের রাজনৈতিক ও অর্থনৈতিক প্রেক্ষাপটে বিশেষ প্রভাব বিস্তার করে। বাংলাদেশ-এ উল্লেখিত বছরে উত্তর পূর্ব ও উত্তর পশ্চিমাঞ্চলে বন্যা পরিস্থিতি এবং প্রায় ৭ লক্ষ রোহিঙ্গার অবস্থান বাংলাদেশের অর্থনীতিকে অসুবিধায় ফেলে। তবে সামষ্টিক ও ব্যাষ্টিক অর্থনীতিতে কিছু দুর্দশা থাকলেও বাংলাদেশ সামাজিক ও অর্থনৈতিক ভাবে তা কাটিয়ে ওঠার জন্য সচেষ্ট থাকে।

বাংলাদেশে ২০১৭ সালে জিডিপি প্রবৃদ্ধি হয় ৭.২৪ শতাংশ যা ২০১৬ সালে ছিল ৭.১১ শতাংশ। এই প্রবৃদ্ধির মুল কারণ শিল্পখাতে ১০.৫% শতাংশ, সেবাখাতে ৬.৫ শতাংশ ও কৃষিখাতে ৩.৪ শতাংশ যা পূর্ববর্তী বছরের তুলনায় বেশী, বন্যা সত্ত্বেও কৃষিখাতে প্রবৃদ্ধির অন্যতম কারন হল মৎস উপখাতে ৬.৩ শতাংশ প্রবৃদ্ধি। চাহিদার ক্ষেত্রে অভ্যন্তরীন চাহিদা বিশেষ করে সরকারীভাবে সহায়তা ও বিনিয়োগ উল্লেখযোগ্য।

রাজস্ব খাতে ২০১৭ সালে বিশেষভাবে উন্নতি পরিলক্ষিত হয়। মোট রাজস্ব বৃদ্ধি পায় ১৯.৮ শতাংশ ও মোট ব্যয় ১১.৮ শতাংশ। বাজেট ঘাটতি ২০১৭ সালে ৫১২.৪ বিলিয়ন টাকা যা ২০১৬ সালে ছিল ৫৮৭.১ বিলিয়ন টাকা। তবে বার্ষিক উন্নয়ন প্রকল্প সমূহে ২০১৭ সালে ১৭.৫ শতাংশ বাস্তবায়ন বৃদ্ধি পায়। সরকারের বাজেট ঘাটতি পূরনের জন্য অ-ব্যাংকস ঋন বিশেষ করে সঞ্চয় পত্রের বিক্রয় উল্লেখ্য।

বাজার ভিত্তিক বিনিময় হারের নির্ধারনের কারনে রপ্তানী মূল্য ও রেমিটেন্সের ক্ষেত্রে আর্থিকভাবে কিছুটা ক্ষতিগ্রস্থ লক্ষ্য করা গেছে। বাংলাদেশ সরকার রপ্তানীর ক্ষেত্র আরও বৃদ্ধি করার জন্য ও বৈধভাবে রেমিটেন্স আনয়নের লক্ষ্যে বিভিন্ন দেশের সরকারের সাথে আলোচনা সহ সম্ভাব্য পদক্ষেপ নেয়ার চেষ্টা করছে। কারন সাম্প্রতিক সময়গুলোতে রেমিটেন্স কমে যাওয়ার অন্যতম কারন হল বৈধ পথে রেমিটেন্স পাঠানোর ক্ষেত্রে কিছুটা অনীহা। এই অনীহার অন্যতম কারণ হল বৈধপথে অর্থ প্রেরণের জন্য ব্যয় ও যথাযথ এএমএল/সিএফটি রেগুলেশন মেনে চলার ক্ষেত্রে সমস্যা।

চলতি হিসাব ব্যালেন্সে ১৪৮০ মিলিয়ন টাকার ঘাটতির একটি

চিত্র পরিলক্ষিত হয়। এর মূল কারণ, দুর্বল রেমিটেন্স ইনফ্লো (-১৪.৪ শতাংশ) ও উচ্চ বাণিজ্য ঘাটতি যার পরিমাণ ৯৪৭২ মিলিয়ন মার্কিন ডলার। তুলনামূলক স্বল্প রপ্তানী আয় ও অতিরিক্ত আমদানী ব্যয় বাণিজ্য ঘাটতিকে সম্প্রসারিত করেছে। অবশ্য সামগ্রিক স্থিতি ২০১৬ সালে ৫০৩৬ মিলিয়ন মার্কিন ডলারের বিপরীতে কমে ২০১৭ সালে ৩১৬৯ মিলিয়ন মার্কিন ডলার হয় এবং ক্যাপিটাল ও ফাইন্যান্সিয়াল একাউন্টে স্থিতি ৪৪৯৩ মিলিয়ন মার্কিন ডলার হয়।

২০১৭ সালে বিনিময় হার ২.৭ শতাংশ অবমূল্যায়িত হয়, যা বাজারকে প্রভাবিত করে। বাংলাদেশ ব্যাংক ১৯৩১ মিলিয়ন মার্কিন ডলার ক্রয় করে ও ১৭৫ মিলিয়ন মার্কিন ডলার বৈদেশিক বিনিময় বাজারে বিক্রয় করে।

ব্যাংকিং খাতে ২০১৭ সাল একটি মিশ্র প্রতিক্রিয়ার বছর। ক্যাপিটাল টু রিস্ক ওয়েটেড এ্যাসেট রেশিও বৃদ্ধি কিছু ব্যাংক এ শ্রেণীকৃত ঋণের বিপরীতে প্রভিশন ঘাটতি এ খাতের একটি দুর্বল দিক। বেশীর ভাগ ব্যাংকে স্প্রেড ৫ শতাংশের মধ্যে সীমাবদ্ধ ছিল এবং মুদ্রাবাজার বা মানি মার্কেট ও ছিল সহনীয় পর্যায়ে। ক্যাপিটাল মার্কেট ২০১৭ সালে মোটামুটি সচল অবস্থায় পরিলক্ষিত হয়, বিশেষ করে ২০১৬ সালের মে মাসের পর থেকে স্টক একচেঞ্জের সুচক বৃদ্ধি পায়। যদিও কখনও কখনও তা উত্থান পতনের মধ্যে ছিল।

অ-ব্যাংক আর্থিক প্রতিষ্ঠান ও শিল্পখাত

অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহ প্রয়োজনীয় ও দ্রুততার সাথে আর্থিক সেবা প্রদানের মাধ্যমে দেশে এক 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 মতো অধিকাংশ অ-ব্যাংক আর্থিক প্রতিষ্ঠানের নিজস্ব অঙ্গ প্রতিষ্ঠান রয়েছে যারা মার্চেন্ট ব্যাংকিং কার্যক্রম পরিচালনা করে থাকে। বাংলাদেশ ব্যাংক দেশের সকল অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের নিয়ন্ত্রণকারী সংস্থা।

অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহ ফাইন্যান্সিয়াল ইনস্টিটিউশন এ্যাক্ট, ১৯৯৩ অনুযায়ী লাইনেন্স প্রদানকৃত ও নিয়ন্ত্রিত হয়ে থাকে। ফাইন্যান্সিয়াল ইনস্টিটিউশন রেগুলেশন, ১৯৯৪ অনুযায়ী বর্তমানে অ-ব্যাংক আর্থিক প্রতিষ্ঠানের নূন্যতম পরিশোধিত মূলধন হতে হবে ১০০ কোটি টাকা। অ-ব্যাংক আর্থিক প্রতিষ্ঠানের ব্যবসায়িক কার্যক্রম ব্যাংক এর কার্যক্রমের তুলনায় সীমিত। বর্তমানে ৩৪টি 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 পারফরমেন্স বা সাফল্যের মানদন্ড মূলত মুল্যায়িত হয় ক্যামেলস্ রেটিং এর মাধ্যমে, যা ছয়টি গুরুত্বপূর্ণ বিষয় দ্বারা নির্ধারিত হয়। সেগুলো হল, ক্যাপিটাল এডিকুয়েসি, এ্যাসেট কোয়ালিটি, ম্যানেজমেন্ট এফিসিয়েন্সি, আর্নিংস, লিকিউডিটি এ্যান্ড সেনসিভিটি টু মার্কেট রিস্ক।

২০১৭ সনের ডিসেম্বর শেষে অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের কু-ঋণ এর পরিমান ছিল ৮.৯৩ শতাংশ। দক্ষ ব্যবস্থাপনা একটি অ-ব্যাংক আর্থিক প্রতিষ্ঠানের প্রবৃদ্ধির ক্ষেত্রে বিশেষ ভূমিকা পালন করে থাকে। মোট আয়ের সাথে মোট ব্যয়, মোট ব্যয়ের সাথে পরিচালন ব্যয়, জনপ্রতি আয়, পরিচালন ব্যয়, মুনাফার স্প্রেড ইত্যাদি ব্যবস্থাপনার দক্ষতার নির্দেশক হিসেবে পরিগনিত হয়। অ-ব্যাংক আর্থিক প্রতিষ্ঠান সমূহের ক্ষেত্রে প্রফিট রেট অথবা ইক্যুইটি 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 শুধুমাত্র মেয়াদী আমানত গ্রহণ করতে পারে। বর্তমানে দ্বি-সাপ্তাহিক ভিত্তিতে ২.৫ শতাংশ (কমপক্ষে প্রতিদিন ২ শতাংশ) নগদ রিজার্ভ রেশিও (সিআরআর) সহ ৫.০০ শতাংশ হারে স্ট্যাচুটরী লিকিউডিটি রেশিও রির্জাভ রাখতে হয়। অ-ব্যাংক আর্থিক প্রতিষ্ঠানের এসএলআর 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 যে কোন 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 পরিচপালনের উপর জোর দিয়ে থাকে। পরিচালনা পর্ষদের দিক নির্দেশনা প্রতিষ্ঠানকে তার লক্ষ্যে পৌঁছতে এবং আরও উচ্চতর অবস্থানে যেতে বিশেষভাবে সহায়তা করে।

পরিচালনা পর্ষদ কমিটি ও শরীয়াহ্ সুপারভাইজারি কমিটির সভা

২০১৭ সালে পরিচালনা পর্ষদের সভা- ১৬টি, নির্বাহি কমিটির সভা ৯ টি, অডিট কমিটির ৪টি ও শরীয়াহ সুপারভাইজরি কমিটির ৩টি সভা অনুষ্ঠিত হয়েছে। বাংলাদেশ ব্যাংক এর নির্দেশনা অনুযায়ী নির্বাহী কমিটি ও অডিট কমিটির প্রতিটি ৫ সদস্যের সমন্বয়ে গঠিত। শরীয়াহ সুপারভাইজরি কমিটি ও অডিট কমিটির প্রতিবেদন এই বার্ষিক প্রতিবেদনে সংযোজন করা হয়েছে। পরিচালনা পর্ষদসহ কমিটি সমূহের সভায় পরিচালকদের যোগদান সম্পর্কিত তথ্য সন্নিবেশ করা হয়েছে।

পরিচালকগণের সম্মানি

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।

রিলেটেড পার্টি ট্রানজেকশন

টাকা-মিলিয়ন হিসেবে

ক্রমিক নং	বিনিয়োগ গ্রহীতার নাম	পরিচালকের নাম	বিনিয়োগ পদ্ধতি	মঞ্জুরীকৃত অর্থের পরিমাণ	স্থিতি	জামানতের মূল্য	বিনিয়োগ শ্রেণী
১	ইস্টার্ন ইউনিভার্সিটি	আবুল কাসেম হায়দার এসএম বখতিয়ার আলম রেজাকুল হায়দার আনোয়ার হোসেন চৌধুরী আফজালুর রহমান	এইচপিএসএম	৭০,০০০,০০০	১২,৪১৯,২০৫	৩৭,৫০০,০০০	এসটিডি
২	জনাব মোস্তানছের বিল্ল্যাহ	মোস্তানছের বিল্ল্যাহ	এইচপিএসএম	১২,৫০০,০০০	৩০৪,৩২১	–	এসটিডি
৩	জেনিথ ইসলামিক লাইফ ইন্সুরেন্স	রেজাকুল হায়দার ফিরোজ আলম	লীজ	১০,৫০০,০০০	৩,৬৫৯,২২০	–	এসটিডি
৪	জেনিথ ইসলামিক লাইফ ইন্সুরেন্স	রেজাকুল হায়দার ফিরোজ আলম	লীজ	১৪,৩৫০,০০০	২১৭,৪৭৯	–	এসটিডি
৫	কমফিট কম্পোজিট নিট লিঃ	রেজাকুল হায়দার ফিরোজ আলম আনিস সালাহ্উদ্দিন আহমাদ	এইচপিএসএম	১০,০০০,০০০	৬,৫০৫,১৯১	–	এসটিডি
৬	জেনিথ ইসলামিক লাইফ ইন্সুরেন্স	রেজাকুল হায়দার ফিরোজ আলম	লীজ	১৪,৩৫০,০০০	৬০৪,৬৪০	–	এসটিডি
৭	বাংলাদেশ ইন্ডিপেন্ডেন্ট পাওয়ার প্রডিউসার এসোসিয়েশন	ফিরোজ আলম	এইচপিএসএম	২,৪৫০,০০০	১,৭৫৮,২৩৭	–	এসটিডি
৮	ইউথ ফ্যাশন লিঃ	রেজাকুল হায়দার ফিরোজ আলম	লীজ	১০,০০০,০০০	১০,২৩৭,৭৫৪	–	এসটিডি
৯	লাকি স্টার এ্যাপারেলস লিঃ	আনোয়ার হোসেন চৌধুরী	বাই মুয়াজ্জাল	১৫,০০০,০০০	১৫,৩১২,০০০	–	এসটিডি
১০	এন,আই, ডিজাইন লিঃ	আনোয়ার হোসেন চৌধুরী	লীজ	১০,০০০,০০০	৪,৪৭৮,৫৯৩	–	এসটিডি
	মোট			১৬৯,১৫০,০০০	৫৫,৪৯৬,৬৪০	৩৭,৫০০,০০০	

বিনিয়োগের ক্ষেত্রে আইএফআইএল-এর অর্জন

টাকা-মিলিয়ন হিসেবে

	২০১৬		২০১৭		% পরিবর্তন
লীজ	১৪৫৪		৯৫৪		(৩৪.৩৯)
বাই-মুয়াজ্জাল	১০১৬		২২৯৪		১২৫.৭৯
এইচপিএসএম	১৪৭৭		১১৪৫		(২২.৪৮)
মোট	৩৯৪৭		৪৩৯৩		১১.৩০

	২০১৬		২০১৭		% পরিবর্তন
ক্ষুদ্র ও মাঝারি বিনিয়োগ	১৬৪৩		১৬৯৩		৩.০৪
কর্পোরেট	১৪৩১		২৬৯৬		৮৮.৪০
ইমারত নির্মাণ	৮২৯		৪০৭		(৫০.৯০)
মোট	৩৯০৩		৪৭৯৬		২২.৮৮

ডিপোজিট:

টাকা-মিলিয়ন হিসেবে

	স্কীমসমূহ			এমটিডিএস		
	২০১৬	২০১৭	% পরিবর্তন	২০১৬	২০১৭	% পরিবর্তন
মোট ডিপোজিট	৩৭৪.০৫	৩৭২.৫২	(০.৪০)	৭,৫৩৬.৭৭	১০,৭৫৮.৫২	৪২.৭৫

মূল ব্যবসায়িক কার্যক্রম

টাকা-মিলিয়ন হিসেবে

	২০১৩	২০১৪	২০১৫	২০১৬	২০১৭
মঞ্জুরী	১৯৮৭	৩৫৬৬	৩৭৮৭	৪৭৮১	৫৩৪৫
বিতরণ	১৭৬৫	২৬৭৭	৩৪৮৩	৩৯৪৭	৪৩৯৩
বিনিয়োগ স্থিতি	৪৯৫৬	৬০৭৭	৭৭৫৭	৯০৭৩	১০,৫০০
আমানত	৩২৯৬	৪৫৬৬	৬১৩০	৭৯১১	১১.১৩১

খাতওয়ারি বিনিয়োগ

টাকা-মিলিয়ন হিসেবে

	২০১৬	২০১৭
ব্যবসা বাণিজ্যিক খাত	৪৮৬	৮৮১
গার্মেন্টস ও নিটওয়্যার	২৬২	৪৮২
বস্ত্র শিল্প	৬৩৩	৮২৯
পাট ও পাটজাত দ্রব্য	১৪৯	১১৫
খাদ্য উৎপাদন ও খাদ্য প্রক্রিয়াকরণ শিল্প	৯১৫	১০৪১
প্লাস্টিক ইন্ডাস্ট্রি	১৫৭	১৩৭
চামড়া শিল্প	–	১
লোহা ইস্পাত ও প্রকৌশল খাত	৮৭৬	৭৬৬
ঔষধ ও রসায়ন শিল্প	৭৪১	৬৪৯
সিমেন্ট ও সহযোগী শিল্প	২০৭	২১৮
টেলিকমিউনিকেশন এবং তথ্য প্রযুক্তি শিল্প	–	২০
কাগজ, মুদ্রণ এবং প্যাকেজিং খাত	৪২৫	৫৭৮
গ্লাস ও সিরামিক শিল্প	–	–
জাহাজ উৎপাদন শিল্প	৩৬৬	২৯০
ইলেক্ট্রনিক্স এবং বৈদ্যুতিক পণ্য	৪৪৩	৫১৯
বিদ্যুৎ, গ্যাস, পানি এবং স্যানিটারি সার্ভিস	৯৫	৩৭৬
পরিবহন এবং বিমান খাত	২৩৯	৫২৬
কৃষি	২৮৩	৩৯০
ইমারত নির্মাণ শিল্প	২৪৩৭	২৩২১
বিবিধ	৩৫৬	৩৬১
মোট	৯০৭৩	১০,৫০০

বিঃ দ্রঃ

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

অর্থনৈতিক সাফল্য

টাকা-মিলিয়ন হিসেবে

	২০১৩	২০১৪	২০১৫	২০১৬	২০১৭
পরিচালন আয়	৭৩৮	৮০৪	৯৯৫	১১৭৪	১০৬৬
পরিচালন মুনাফা	১৯৯	২০৮	২৬৫	৩৮৮	২৪০
কর পূর্ব মুনাফা	১৬০	২৬২	২৯৯	৪০৬	২৮৮
কর পরবর্তী মুনাফা	৮৬	১৯৩	১৯৯	২৭৮	২৪৪
মোট সম্পদ	৬৩১২	৭৪৪০	৯৪২৯	১১৯৩৭	১৫২৪০
শেয়ারহোল্ডারগণের ইক্যুইটি	১৩৮৫	১৫০৯	১৬১৫	১৭১১	১৯১৮
পরিশোধিত মূলধন	১১১৮	১১৬৩	১২১০	১২১০	১৩৪৩

অর্থনৈতিক অনুপাত

	২০১৩	২০১৪	২০১৫	২০১৬	২০১৭
বিনিয়োগ ইক্যুইটি রেশিও	২.২৬:১	২.৬০:১	২.৯৮:১	২.৬২:১	৩.০৮:১
গড় সম্পদ ফেরৎ (%)	১.৪৩%	২.৮১%	২.৩৫%	২.৬০%	১.৭৯%
গড় ইক্যুইটি ফেরত (%)	৬.৪১%	১৩.৩৫%	১২.৭১%	১৬.৭২%	১৩.৪২%
পরিচালনাগত আয়ের উপর মুনাফার গড়(%)	২৭.২১%	৫৬.৬১%	৪৬.১৪%	৪৯.৩১%	৫০.৬১%
মূলধন পর্যাপ্ততা অনুপাত	১৭.৬০	১৬.৮৮	১৪.৪৯	১৩.৮৭	১৩.৮১
বর্তমান অনুপাত	১.১৮:১	১.১৭:১	১.১৮:১	১.২০:১	১.২৬:১
মোট সম্পদের ন্যাস্ত মূল্য (%)	২১.৯৪%	২০.২৯%	১৭.১৩%	১৪.৩৩%	১২.৫৯%
প্রতি আয় শেয়ার (কর পরবর্তী) টাকা: রিস্টেটেড: ২০১৬	০.৬৪	১.৪৪	১.৪৮	২.০৭	১.৮১
মূল্য উপার্জন অনুপাত (পি/ই): রিস্টেটেড: ২০১৬	২৯.১৯	১২.৭২	১০.৪৮	৯.৩২	১১.৫৮
ডিভিডেন্ড পেআউট- (ডিপি)অনুপাত: রিস্টেটেড: ২০১৬	১.৩০	০.৭২	০.৭৯	০.৬১	০.৮০

পরিচালন ফলাফল (Operating Result)

১. আয়

বিনিয়োগ থেকে ২০১৭ সালে আয় হয়েছে ১০৬৫.৫৩ মিলিয়ন টাকা, যা মোট আয়ের ৮৬.৯২ শতাংশ।

অবিনিয়োগ আয়

অবিনিয়োগ আয় খাত থেকে ২০১৭ সালে আয় হয়েছে ১৬০.৩৮ মিলিয়ন টাকা, শতকরা হিসেবে যা মোট আয়ের ১৩.০৮ শতাংশ।

২. ব্যয়

মুদারাবা ডিপোজিটরদের মধ্যে মুনাফা বন্টন

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিঃ ২০১৭ সালে মুদারাবা ডিপোজিটরদের মধ্যে মুনাফা স্বরূপ বন্টন করেছে ৭২৫.২০ মিলিয়ন টাকা।

পরিচালন ব্যয়

২০১৭ সালে পরিচালন ব্যয় হয়েছে ২৪১.০৫ মিলিয়ন টাকা যা মোট ব্যয়ের ২৪.৪৫ শতাংশ।

পরিচালন মুনাফা

আইএফআইএল-এর ২০১৭ সালে পরিচালনগত মুনাফা ছিল ২৪০.২২ মিলিয়ন টাকা।

ডিসেম্বর ২০১৭ সালে সমাপ্ত বৎসরে পরিচালন ফলাফল এর সার সংক্ষেপ :

বিবরণ	২০১৭
মোট আয়	১২২৫.৯১
বাদ: মোট ব্যয়	৯৮৫.৬৯
কর ও সঞ্চিতি পূর্ববর্তী নিট মুনাফা	২৪০.২২
বাদ: শেয়ার ও বিনিয়োগ সঞ্চিতি	(৪৭.৬৬)
কর পূর্ববর্তী নিট মুনাফা	২৮৭.৮৮
বাদ: আয়কর সঞ্চিতি	৪৪.৩০
নিট মুনাফা	২৪৩.৫৮

সরকারী কোষাগারে অবদান

আইএফআইএল ২০১৭ সালে কর্পোরেট ট্যাক্স আকারে সরকারী কোষাগারে ৪৪.৩০ মিলিয়ন টাকা জমা দিয়েছে। এ ছাড়া ২০১৭ সালে ট্যাক্স এ্যাট সোর্স, বৈতনিক কর, ভ্যাট, এক্সাইজ ডিউটি ও অন্যান্য কর খাতে ৪.৬২ মিলিয়ন টাকা জমা দিয়েছে।

ডিভিডেন্ড

২০১৭ সালের জন্য পরিচালনা পর্ষদ ১৪.৫০ % নগদ লভ্যাংশ দেয়ার জন্য সুপারিশ করেছে। অতীতের লভ্যাংশের চিত্রটি নিম্নে দেয়া হলঃ

বছর	লভ্যাংশ (%)
২০১৭	১৪.৫০%
২০১৬	৩% নগদ ১১% স্টক
২০১৫	১৩% নগদ
২০১৪	৮% নগদ ৪% স্টক
২০১৩	৬% নগদ ৪% স্টক
২০১২	১০% স্টক

ত্রৈমাসিক রিপোর্টে উল্লেখযোগ্য পরিবর্তন

২০১৭ সালের তৃতীয় ত্রৈমাসিক এ ইপিএস ছিল ০.৮৩৮, যা ২০১৭-এর ডিসেম্বরে বৃদ্ধি পেয়ে দাঁড়িয়েছে ১.৮১ 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। ফলে মুদ্রাস্ফীতির বিষয়টিকে বিবেচনায় আনা হয়নি। আর্থিক প্রতিবেদনটি ডিএফআইএম সার্কুলার নং ১১ তারিখ ২৩.১২.২০০৯, ফাইন্যানিন্সয়াল ইনস্টিটিউশন এ্যাক্ট ১৯৯৩, কোম্পানি আইন ১৯৯৪, দি সিকিউরিটিজ এ্যান্ড এক্সচেঞ্জ রুলস 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 নির্দেশনাকেই 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।

হিসাব রক্ষণের গুরুত্বপূর্ণ বিচার বিশ্লেষণ ও অনুমান

আর্থিক প্রতিবেদন প্রস্তুতকালে ব্যবস্থাপনা কর্তৃপক্ষের বিচার, বিশ্লেষণ ও অনুমানের প্রয়োজন হয় যা মূলত 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 বিশ্লেষণ দ্বারা পরিবর্তনশীল। এসব বিশ্লেষণ ও অনুমান পদ্ধতি সময়ে সময়ে কর্তৃপক্ষ দ্বারা পর্যালোচিত। হিসাব রক্ষন পদ্ধতিও এই পর্যালোচনার সাথে সামঞ্জস্যপূর্ণ। ব্যবস্থাপনা কর্তৃপক্ষ দ্বারা বিশ্লেষিত বিনিয়োগ ও লীজের প্রভিশনের বিধানটি সবচাইতে গুরুত্বপূর্ণ। যদিও এই বিশ্লেষণ পরবর্তী বছরের হিসাবে এ্যাসেট লাইবেলিটিস এ তেমন কোন পরিবর্তন আনয়ন করে না।

বুকস অব এ্যাকাউন্স এর যথাযথ সংরক্ষণ ও ব্যবহার

আইএফআইএল ২০১৭ 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 এসইসি/সিএম আরআর সিডি/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 ইকুইটি 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। প্রতিষ্ঠানটি ভবিষ্যতে আরও কার্যকরভাবে এ ধারা অব্যাহত রাখার জন্য যথেষ্ঠ শক্তিশালী অবস্থান তৈরী করতে 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 শেয়ার হোল্ডারবৃন্দকে নিয়ন্ত্রণকারী সংস্থার নিয়ম অনুযায়ী প্রতিষ্ঠানের প্রয়োজনীয় তথ্য ত্রৈমাসিক, ষান্মাসিক ও বার্ষিক ভিত্তিতে সরবরাহ করে থাকে।

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 ব্যবস্াপনার মূল লক্ষ্য হল:

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

আইএফআইএল মানব সম্পদকে অত্যন্ত গুরুত্ব দিয়ে থাকে। প্রতিষ্ঠানটির নিয়োগ, পদায়ন, মানব সম্পদ উন্নয়ন, পুরস্কারের বিষয়ে নিজস্ব পরিকল্পনা অনুযায়ী কাজ করে যাচ্ছে। প্রতিষ্ঠানটির 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 ও পর্যাপ্ত জ্ঞান অর্জনের ওপর কাজ করা হচ্ছে, যাতে প্রতিষ্ঠানটি আশানুরূপ ফলাফল অর্জন করতে পারে। বছর জুড়ে প্রশিক্ষণ ও উন্নয়নের ব্যবস্থা করা হচ্ছে। গুরুত্ব আরোপ করা হচ্ছে কর্মকর্তা ও নির্বাহীদের আচরণ, দক্ষতা ও অভিজ্ঞতার উপর। প্রশিক্ষণ একটি চলমান প্রক্রিয়া। যার মাধ্যমে কর্মীদের গুণগত পরিবর্তন আনা সম্ভব।

আইএফআইএল কর্মীদের মধ্যে আন্ত ব্যক্তিক 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, যা 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 করে। 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 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, চিটাগং স্টক এক্সচেঞ্জ, সিডিবিএল, কর্তৃপক্ষকে তাঁদের অব্যাহত সহযোগিতা ও 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। শরীয়াহ্ সুপারভাইজরী কমিটি, নিরীক্ষা কমিটি ও নির্বাহী 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

(আবুল কাসেম হায়দার)

ATTENDANCE
IN THE MEETINGS

Attendance Board Meetings in 2017

Appendix-A

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	Abul Quasem Haider	Chairman	16	16	Continue
2.	Afzalur Rahman	Vice-Chairman	16	12	Continue
3.	Hossain Mahmud	Vice-Chairman	16	06	Elected as Director in the 16th AGM held on 24.05.2017
4.	Feroz Alam	Director	16	12	Continue
5.	S.M.Bakhtiar Alam	Director	16	08	Elected as Director in the 16th AGM held on 24.05.2017
6.	Shibbir Mahmud	Director	16	04	Elected as Director in the 16th AGM held on 24.05.2017
7.	Kazi Mahbuba Akhter	Director	16	11	Continue
8.	Anis Salahuddin Ahmad	Director	16	01	Elected as Director in the 16th AGM held on 24.05.2017
9.	Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	16	11	Continue
10.	Prof. Dr. Md. Jahangir Alam	Independent Director	16	15	Continue

Directors who could not attend the meeting were granted leave.

Attendance of EC Meetings in 2017

Appendix-B

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	S.M. Bakhtiar Alam	Chairman	09	04	Elected as Member in the 220th meeting of BOD held on 06.06.2017
2.	Afzalur Rahman	Member	09	03	Elected as Member in the 220th meeting of BOD held on 06.06.2017
3.	Shibbir Mahmud	Member	09	02	Elected as Member in the 220th meeting of BOD held on 06.06.2017
4.	Anis Salahuddin Ahmad	Member	09	0	Elected as Member in the 220th meeting of BOD held on 06.06.2017
5.	Prof. Dr. Md. Jahangir Alam	Member	09	04	Elected as Member in the 220th meeting of BOD held on 06.06.2017

ATTENDANCE
IN THE MEETINGS

Attendance of Audit Committee Meetings in 2017

Appendix-C

Sl.	Name of Directors	Position	Meeting Held	Attended	Remarks
1.	Prof. Dr. Gazi Md. Ahsanul Kabir	Chairman	04	04	
2.	Afzalur Rahman	Member	04	02	Elected as Member in the 220th meeting of BOD held on 06.06.2017
3.	Shibbir Mahmud	Member	04	02	Elected as Member in the 220th meeting of BOD held on 06.06.2017
4.	S.M.Bakhtiar Alam	Member	04	02	Elected as Member in the 220th meeting of BOD held on 06.06.2017
5.	Hossain Mahmud	Member	04	02	Elected as Member in the 220th meeting of BOD held on 06.06.2017

Meeting of Shariah Supervisory Committee-2017

Appendix-D

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	03	
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



শরীয়াহ্ সুপারভাইজরী কমিটির প্রতিবেদন

(৩১ শে ডিসেম্বর, ২০১৭ 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।

আস্‌সালামু 'আলাইকুম ওয়া রাহ্‌মাতুল্লাহ্‌

সম্মানিত শেয়ারহোল্ডারবৃন্দ!

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড (আইএফআইএল)-এর একটি কার্যকর শরীয়াহ্‌ সুপারভাইজরী কমিটি রয়েছে। এর সূচনালগ্ন থেকেই শরীয়াহ্‌ সুপারভাইজরী কমিটি তার সামগ্রিক কার্যক্রম, পরিচালনা নীতি ও প্রায়োগিক পদ্ধতিসমূহ ইসলামী শরীয়াহর দৃষ্টিকোন থেকে পর্যালোচনা করে আসছে।

ইসলামিক ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেডের ২০১৭ সনের সার্বিক কার্যক্রম পরিচালনার ক্ষেত্রে শরীয়াহ্‌ নির্দেশনাসমূহ কতটুকু পরিপালিত হয়েছে শরীয়াহ্‌ সুপারভাইজরী কমিটি তা পর্যালোচনা করে একটি স্বাধীন মতামত প্রস্তুত করে আপনাদের সদয় অবগতির জন্য উপস্থাপন করছে।

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

আইএফআইএল-এর সকল প্রকার মুদারাবা ডিপোজিটরদের মাঝে শরীয়াহ্‌ সম্মতভাবে মুনাফা বণ্টন করা হয়েছে।

আইএফআইএল-এর বিভিন্ন কার্যক্রম পরিচালনায় শরীয়াহ্‌-নীতিমালা পরিপালন ও প্রয়োগের ক্ষেত্রে কোন ধরনের সংশয় বা সমস্যার উদ্ভব ঘটলেই 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 শরীয়াহর 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 কার্যক্রম বাস্তবায়ন 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 মাধ্যমে 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 কল্যাণমুখী করা;

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

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

৬. 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।

(মুজাহিদ হুসাইন ইয়াসীন)
সদস্য সচিব

(এম. আযিযুল হক)
সভাপতি

REPORT OF 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 has been presenting an independent report after proper scrutiny regarding the overall operations of IFIL incompliance with the Shariah directives for the year 2017.

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

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.

IFIL has distributed Shariah based Mudaraba profit to the all Mudaraba Depositors.

In the last financial year Shariah Audit Report has been submitted to the Shariah Supervisory Committee after conducting Shariah Audit in all the Branches of IFIL. The Committee has suggested to the Management to rectify all the irregularities 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 has opined as follows:

a) In the last financial year all the operations, transactions, contracts, etc. have been found incompliance with the Shariah .

b) Sufficient training has been imported to the employee of IFIL Head Office and branches to comply fully Shariah principles and rules-regulations .

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 for the clients 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.
4. To start strengthening the Shariah principles on small investment projects.
5. To take necessary steps for the promotion of Shariah based deposit and investment procedures among different section of people.
6. To make IFI Foundation more affective necessary foot steps wood be undertaken.

May the Almighty Allah grant us Tawfik to exert flawless effort to achieve our success.

Mujahid Hussain Yeasin
Member Secretary

M. Azizul Haq
Chairman



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.

Muhtarum

Assalamu-alaikum wa-rahmatullah

In compliance with Bangladesh Bank guideline Bangladesh Securities and Exchange Commission (BSEC) notification on corporate governance, the Audit Committee of the Board of Islamic Finance and Investment Limited (IFIL) has been functioning as a sub-committee of the Board of Directors. It has been assisting the Board in ensuring that the financial statements reflects true and fair view of the state of affairs of the institute and in ensuring a good monitoring system with in the business.

Core Function:

The principal functions of the Audit Committee, among others, are to oversee the financial reporting process, monitor internal control, risk management process and review the adequacy of internal audit function and regulatory compliance functions.

Composition of the Committee:

As per corporate governance guideline of Bangladesh Securities and Exchange Commission (BSEC), the Board of Directors of IFIL has constituted the Audit Committee consisting of the following 5(five) members. The particulars of the members of the Audit committee as on 31.12.2017 are as follows:

Sl	Name of the Directors	Status in the BOD	Status in the Commitee
1	Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	Chairman
2	Afzalur Rahman	Director	Member
3	Shibbir Mahmud	Director	Member
4	S.M.Bakhtiar Alam	Director	Member
5	Hossain Mahmud	Director	Member

The Company Secretary acts as Secretary of the Audit Committee.

Meeting of the Committee:

During the year 2017, the audit committee met on 04 occasions. Member attendance of the committee meeting has been illustrated in the attendance statement (Appendix-E). The Managing Director & CEO, the Deputy Managing Director (DMD), Chief Financial Officer (CFO), Head of ICCD attended the meeting on invitation. The Manager of the reported Branches/Concern Divisional Head attended in the meeting for necessary classifications of the findings and observations of ICC teams & External Auditors. The minutes of Audit Committee meetings containing various suggestions and recommendations are placed to the Board for rectification on regular basis. During the year, the committee performed, amongst others, the following issues were taken up and disposed of:

1) The Committee reviewed the inspection reports of the branches and various division of Head Office of IFIL conducted by Internal Control & Compliance teams from time to time.

2) The Committee examined the Financial Statements of IFIL for the year 2017 and exchanged views with the Management and External Auditors on the issue.

3) The Committee reviewed the Half-Yearly and Yearly Financial Statements (un-audited) of IFIL for the year 2017 before submission to the Board for approval in compliance with the BSEC's Corporate Governance Guidelines 2012.

4) The committee took up the Comprehensive Inspection Report of Bangladesh Bank and made recommendation there against.

5) The Committee reviewed the Management Report of the institute for the year 2017 as submitted by External Auditors.

6) The Committee perused the Core Risk Management Guidelines including Internal Control and Compliance Risk along with compliance thereof.

7) The Committee reviewed the status of recovery of Classified Investment and instructed the management to reduce the Non performing Loans (NPLs).

8) The Committee ensured that the IFIL became successful in building a strong and suitable compliance culture on the internal control system of the Institute and the staff/officers of the Institute were instructed clearly regarding their duties and responsibilities.

9) The Committee ensured that the Management of the Institute fulfilled/complied with the recommendation of the Internal and External Auditors of the Institute for building up Internal Control Techniques/Structure of the Institute given from time to time.

10) The Audit Committee ensured that the complete

and appropriate information was incorporated in the Annual Financial Report and the said Financial Report was prepared considering the Accounting Standard of the existing laws of the country and as per guidelines issued by Bangladesh Bank and other regulatory bodies.

11) The Audit Committee reviewed that the internal audit activities and ensured that audit & inspection activities are free from any interference of the Management.

12) The Audit Committee regularly reported to the Board regarding regularization of the deficiencies, fraud-forgeries detected by the Internal and External Auditors and Inspectors of the regulatory authorities/bodies.

13) The Audit Committee reported on its activities to the Board of Directors through placement of minutes of the committee meeting.

Acknowledgement:

The Audit Committee expressed their gratitude & thanks to the Board members, Management, Auditors and the Regulatory Authorities for their cooperation and support. The Committee also thanks to all employees of IFIL for their effects and dedication to achieve the goal of the organization during the year.

Ma-assalam

On behalf of the Audit Committee



Professor Dr. Gazi Md. Ahsanul kabir
Chairman, Audit committee

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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. 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.

The present Board of the Company consists of 11 Directors headed by the Chairman of the Company. The Managing Director & CEO leads the management of the Company. He is also a member of the Board of Directors. He works as the bridge between the Board and the management of the Company. Two (02) Independent Directors are members of the Board of Directors as per the requirements of Bangladesh Securities and Exchange Commission notification. The business of the Company is managed by the Board of Directors. The Board of Directors is responsible to ensure that the business activities are soundly administrated and effectively controlled. At the same time the Board of Directors provides the management of the Company necessary guidance and directors ensure and uphold the highest interest of the shareholders.

In compliance with the Notification of the Bangladesh Securities and Exchange Commission, the Board of Directors of the Company has formed an Audit Committee as the sub-committee of the Board of Directors. The present Audit Committee of the Company is comprised of five (5) members of the Board of Directors. Out of them, one (1) member is the Independent Director. The Chairman of the Audit Committee is an Independent Director. The Audit Committee of IFIL regularly reviews the internal control systems of the company and also reviews along with the management, the quarterly, half yearly and annual financial statements of IFIL before submission to the Board for approval.

The company has developed processes for identifying, assessing and managing the significant risks and uncertainties facing the Bank. Internal control processes have been established to ensure efficiency and effectiveness of business operations and controls in all areas including finance. The operations of IFIL are well maintained and compliance with relevant laws and regulations. The Internal Control and Compliance Division have been tasked to provide oversight and support to ensure that individual business units conduct their business and affairs in a manner that drives forward the company's strategic objectives, while complying with applicable laws and regulatory requirements.

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.

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
- Investment Risk Management Committee(IRMC)
- 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 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.

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 LIMITED 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 attention 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, 2017.

Dhaka, 21 March, 2018

Md. Selim Reza FCA FCS
Partner
ARTISAN
Chartered Accountants

BSEC Bhaban (Level 10), 102, Kazi Nazrul Islam Avenue, Kawran Bazar, Dhaka-1215.
Phone : 8189883-7, 8180183-6, Fax : 8180187, E-mail : info@artisan-ca.com, Web: www.artisan-ca.com

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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
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 re-appointed in 202nd Board meeting held on 22.05.2016 and approved in the 15th AGM on 05-06-2016.
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.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		
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.	✓		
1.3	**Qualification of Independent Director(ID)**			
1.3 (i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.	✓		
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. One of them is a graduate from IBA and another is a retired professor of Chemistry.
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**			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		
1.5 (ii)	Segment-wise or product-wise performance.	✓		
1.5 (iii)	Risks and concerns.	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	None		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.	None		
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering	None		
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	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	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.
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 **Appendix-A** 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);	✓		
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).	✓		
1.5(xxi) c)	Executives	✓		
1.5(xxi) d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	None		
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	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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.	✓		
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 which 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.	✓		
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	Not Applicable		There was no IPO/RPO/Rights Issue during the period.

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	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.			
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 2017.
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
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.	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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 as declared as such as 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	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
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 2017.
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.	✓		

Shareholding Position of Directors & Others

as on December 31, 2017

Name of Directors	Number of Shares	% of Total Shares	Name of Spouse or minor children	Nos. of Shares held	Relationship with the Directors	Remarks
Abul Quasem Haider	3056163	2.28%	Not Applicable			
Afzalur Rahman	3209914	2.39%	Not Applicable			
Hossain Mahmud	2685813	2.00%	Not Applicable			
Feroz Alam	2697611	2.01%	Not Applicable			
S.M. Bakhtiar Alam	2879224	2.14%	Not Applicable			
Shibbir Mahmud	2730122	2.03%	Not Applicable			
Kazi Mahbuba Akhter	2792722	2.08%	Anwar Hossain Chowdhury	2693674	Husband	
Anis Salahuddin Ahmad	3300506	2.46%	Not Applicable			
Prof. Dr. Gazi Md. Ahsanul Kabir	-	-	Not Applicable			
Prof. Dr. Md. Jahangir Alam	-	-	Not Applicable			

Others:

Managing Director/ 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



Report on 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.

All investments involve some degree of risk. In finance, risk refers to the degree of uncertainty and/or potential financial loss inherent in an investment decision. In general, as investment risks rise, investors seek higher returns to compensate themselves for taking such risks.

Every saving and investment product has different risks and returns. Differences include: how readily investors can get their money when they need it, how fast their money will grow, and how safe their money will be.

Risk involves the chance an investment's actual return will differ from the expected return. Risk includes the possibility of losing some or all of the original investment. Different versions of risk are usually measured by calculating the standard deviation of the historical returns or average returns of a specific investment.

A high standard deviation indicates a high degree of risk. Many companies allocate large amounts of money and time in developing risk management strategies to help manage risks associated with their business and investment dealings. A key component of the risk management process is risk assessment, which involves the determination of the risks surrounding a business or investment.

Risk implies future uncertainty about deviation from expected earnings or expected outcome. Risk measures the uncertainty that an investor is willing to take to realize a gain from an investment.

In relevance with the international best practice, IFIL is introducing a Risk Management System that would emphasize on:

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

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 that aims to mitigate them.

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 2017. 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" is fully functioning. 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 ismuch concerned about the Credit/ Investment risk and its proper management so that the justified 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.

Investment Risk

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 risksare 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: After Investment Committee decision 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

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

Internal control facilitates systematic and orderly flow of various operational activities within the organization. To confront ICC risk, IFIL follows "Internal Control and Compliance guidelines" which is guided by Bangladesh Bank. An Audit committee isfully functioning to supervise and monitor all the ICC Risks and the functions of ICC Department. Moreover ICC Department is suggested to train the employees of IFIL relating to the statutory and non-statutory compliance issues, audit and establish control on day to day operational procedures of the company.

Money Laundering and Terrorist Financing Risk

Money laundering refers to a financial transaction scheme that aims to conceal the identity, source, and destination of illicitly obtained money. To fight with money laundering IFIL has framed an appropriate Money Laundering Prevention Policy Guideline so that it could be sufficient to protect the company from tribulations of money laundering. Besides that, a Central Compliance Unit (CCU) has been formed at Head Office in IFIL and a designated person has been

nominated to supply any information if required as per Money Laundering Prevention Act 2002 and Money Laundering Prevention and Combating Terrorist Financing circulars. Chief Anti Money Laundering Compliance Officer (CAMALCO) has been designated at Head Office and Branch Anti Money Laundering Compliance Officers (BAMALCO) has been nominated at branches. The second man of the six branches of IFIL have been complying the responsibility for their respective branches as Branch Anti Money Laundering Compliance Officers (BAMALCO) as per the direction of Bangladesh Bank.Moreover, all the employees of IFIL have received vigorous training on Anti Money Laundering and Combating Terrorist Financing issues from time to time.

Market Risk

Market risk refers to the risk of losses in on and off-balance sheet positions arising from fluctuations in market prices. It arises due to change in different market variables like profit rate, availability of liquidity with the lenders/ depositors, prices of securities in the stock exchange. The risk arising from market risk factors such as profit rates and equity prices have been discussed below:

1. Investment profit rate risk is the potential impact on the FI's earnings and net asset values due to changes in market profit rates. This can arise due to mismatches between maturities of investment and funds, imbalance between supply and demand of fund for investment etc. Besides that, increase in profit rate results in subsequent adjustment on the deposit rates whereas the pricing of investments cannot be done instantaneously giving rise to such risk. Early repayment of investment, early deposit encashment/withdrawals are additional factors of such risk. The Asset Liability Committee (ALCO) of IFIL is the primary body which looks after and monitors investment profit rate structure. The committee also evaluates any market risk that arises from the regulatory pressure thus reducing the profit rate. Moreover, ALCO is always watchful to adverse movement of the different market variables.

2. Equity financing risk is defined as loss due to change in market price of equity held by the FI. IFIL has significant amount of investment in equity portfolio. To measure, identify and reduce this kind of risk, IFIL is practicing mark to market valuation of the share investment portfolios which was reflected through the balance sheet as provisions for reduction in value of investment in shares.

Reputation Risk

Reputation risk may arise from the possibility that negative publicity regarding the company and its business practices, in the territory or elsewhere through related entities, whether accurate or not, will adversely impact the operations and position of the company. Reputation risk may also arise from an institution, or an affiliate, being domiciled in a jurisdiction where the legal and organizational framework for the regulation and supervision of financial institutions is generally viewed as failing to meet international standards for the protection of consumers of financial services and for the prevention of sheltering the proceeds of organized crime. Reputation risks are very difficult to measure but significantly important to manage since many new Financial Institutions have created the market more competitive ever before. IFIL is always conscious about the potential risk of reputation. For this reason full compliance and highest due diligence in the business practice are introduced and the same are made mandatory while making any decision.

Green Banking:
An Approach for Sustainable 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.

Green Banking means promoting environmental - friendly practices and reducing carbon footprint from banking activities. It is also called as ethical banking or a sustainable banking.

Green Banking is a process practiced by the Financial Institutions to make the earth environmentally appeasing and safe habitable for all of the species on the earth. A Green Bank considers all the social and environmental/ecological factors in its normal banking operations with an additional agenda toward taking care of the Earth's environment/habitats/resources. Green Banking involves the tenets of sustainability, ethical investing, conservation and energy efficiency to protect the environment and natural resources.

The Financial sector is one of the major sources of financing industrial projects such as steel, paper, cement, chemicals, fertilizers, power, textiles, etc., which cause maximum carbon emission. Therefore, the financial sector can play an intermediary role between economic development and environmental protection, for promoting environmentally sustainable and socially responsible investment. "Green banking? refers to the financial business conducted in such areas and in such a manner that helps the overall reduction of external carbon emission and internal carbon footprint. To aid the reduction of carbon emission, the FI has taken the following initiatives.

Initiatives taken by IFIL:

Areas of Green Banking

1. General banking

The FI uses the state-of-the art technology to provide various financial services on Ecommerce Plat form. These products are like SMS service, Phone banking, internet service and so on.

2. Green investment

Green Investment implies investment that helps recover the environmental degradations, prevent deterioration of the environment and are not harmful to the environment. Green Investment includes both Direct and Indirect Green Investment.

2(i). Direct green investment: Direct Green Investment means investment to the businesses to procure/purchase/set up Green Products, establish Green Industry and transform existing traditional ones to environment friendly ones.

2(ii). Indirect green investment: Indirect Green Investment means working capital investment to environment friendly plants /industry/products to carry out their businesses.

The total disbursement in green investment in 2016 and 2017 were respectively Tk.20.00 million and Tk.210.00 million, i.e. 950% growth in 2017.

3. Environmental risk management (ERM)

The FI in its business decision considers Environmental Risk Management alongside the Investment Risk Management system and carries Environmental Risk Rating (EnvRR) of the investment proposals within the following applicable investment limits/thresholds:

For Small and Medium Enterprises (SMEs), financing > BDT 2.5 million

For Corporate, financing > BDT10 million and

For real estate financing > BDT10 million.

In 2017, 275 number of investment projects were rated out of 290 applicable investments, on the other hand in 2016, 122 number of investment projects were rated out of 156 applicable investments.

4. Climate risk fund (CRF)

Climate change is the most complicated issue the world is facing. Across the globe there have been continuous endeavors to measure and mitigate the risk of climate change caused by human activities. As per Bangladesh Bank requirement, CRF as a part of CSR is used under Environment Friendly Banking related to prevention of environmental pollution and degradation, mitigation and adaptation of climate change issues, reduction of carbon emission rate, disaster, management (prevention & rehabilitation) etc.

5. Green Banking training and capacity building

Green banking training and capacity building for the employees in the form of (a) Green Events like seminars, symposiums, discussion meetings etc. are arranged by all the operational units, and (b) Academic training and workshops on green banking, environmental & social risk management were arranged by BBTA and HRMD.

6. Green marketing and awareness development

For the marketing of the FI's green products and awareness development of the clients and public on environmental issues, the following steps were undertaken:

¢ Motivation: Clients were motivated for making their products, productions & packaging process environment friendly.

- Advertisements: Advertisements were given in both print and electronic media on green banking products/issues.
- Publications: The FI published various publications exclusively on green banking products and issues.
- Public Events: The FI arranged events publicly on green banking.

7. In-house environmental management

The Bank manages its in-house activities in environment friendly ways to reduce its own carbon footprint by exercising the direction of the Holy Qur'an "And do not spend wastefully. Do not be a spendthrift because the spendthrifts are the brethren of Satan and Satan has been ungrateful to his Lord." Surah Bani Israil-26-27.

Different areas of in-house environment management are given below:

A. Utility consumptions

Responsible usage of utilities is a primary commitment of the FI.

B. Waste management

The FI emphasizes in waste minimization of its resources and centrally collects its e-wastes and other solid wastes from every operational unit and disposes centrally through e-tendering that are environmentally friendly and safe.

C. Renewable energy

The FI has strong commitment to use renewable energy resources in its operations at Head Office and 6 (six) other branches.

D. Green travel

IFIL always encourages its employees to undertake Green travel for personal as well as business travel and has the arrangements of hybrid autos and car pooling system.

E. Ethical banking

The FI aims to run in such a way that does not have any negative impact on either society or the environment. The principles of the FI based on Islamic Shari'ah have a direct impact on how it invests and utilizes its resources. It does not finance enterprises that deal in morally questionable businesses.

The FI attempts to maximize social welfare, reduce any type of environmental degradation and hazards through its operational activities and protect the nature. Moreover, the FI's core principle is the protection of resources for the future generation.

8. Green targets, strategic plan and budget

The Green banking requires annual targets, strategic plan and budget at the relevant activities duly approved by the competent authority.

- Targets: Each year the FI is required to determine a set of green yearly targets.
- Strategic plan: It includes required means of materializing the actions, supervision, monitoring, evaluating the achievement, training/ awareness development (with numbers and nature) and promotion programs.
- Budget: Necessary budget for pursuing the strategic plan and the targets will also be drawn.

Priorities for 2017

IFIL pursued all the relevant areas of green banking with the special focus on the following areas of Green Initiatives in 2017:

- Use of Video Conferencing instead of physical movement.
- Lesser paper use and use of on net communication.
- E-recruitment.
- Careful use of paper, water, electricity, gas and other materials to reduce own carbon footprint as well as cost.
- To check the awareness of green banking among FI employees, associates and general public.
- To create more awareness about green banking among the general public and consumers and FI employees.
- Creating awareness to business people about environmental and social responsibility enabling them to do an environment friendly business practices.
- To categorize all the transactions based on their environmental and social risk.
- To conduct environmental and social due diligence.
- To manage a client's non-compliance with the FIs environmental and social standards.



Statements on
Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is a business approach that contributes to sustainable development by delivering economic, social and environmental benefits for all stakeholders. Corporate Social Responsibility is integral and inseparable part of the long term business sustainable growth and success. It plays an important role in promoting values both locally and internationally. CSR is a commitment of the organization to act morally and add to financial progress of the people while improving the worth of the life of the employees and the local public in general. All over the world, CSR is essential for the organizations to confirm its sustainability. CSR is a worldwide issue and all organizations practice it to some degree.

Islamic Finance and Investment Limited was established in February, 2001. The company is committed to participate in CSR activities in the society. 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' which is also known as 'IFI Foundation' 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, donation for the Construction of Liberation War Museum, in helping the Savar Tragedy Victims of Rana Plaza and sponsorship of the convocation of Eastern University.

In the month of January 2017, IFIL distributed 1100 blankets to Bogra and Joypurhat District among the cold stricken people. Total amount of Tk. 3,00,000/- (three lac taka only) was spend for purchasing and distribution of these blankets.

IFIL provided scholarship of Tk. 2000/- (two thousand) to each student of 24 students in the year ..... 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 past years. IFIL also provided sewing machines among the poor people at the northern part of the country to contribute and support the unprivileged people.

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

On 24 April 2013, Rana Plaza, collapsed in Savar. Shortly after the tragedy, IFIL provided Tk. 5,00,000/- (five lac) to the Prime Minister Relief Fund for rehabilitations of the victims and also provided dry foods among the victims.

Eastern University is a UGC (University Grant Commission) approved private university in Bangladesh. IFIL provided Tk. 4,00,000/- (four lac only) for their Convocation and promote educational activities.

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.14,40,000/- (Fourteen lac forty thousand) in last five years.

In view of the above, it may be concluded that IFIL has an enthusiastic endeavor to run its CSR activities. With the passages of times, IFIL hope that these activities will be increased. As socially conscious and responsible corporate body IFIL is committed to improve of the society as a whole. IFIL is endless in the journey towards the motto of Business and Welfare runs together.



Step Towards Digitalization

Preface

Using latest technologies in any financial institution like IFIL is a demand of time. Technology makes life faster. It reduces time and cost, ensures accountability and increases performance and reliability. Considering the above facts into accounts, the Board of Directors of IFIL took initiative to automate all the business functionalities associated within the organization.

ICT activities in IFIL

Islamic Finance and Investment Limited has purchased centralize core business software 'ABABIL' from Millennium Information Solution Limited which was successfully implemented in IFIL on 18th December, 2016. To ensure quality services, IFIL sends SMS to all its valued clients for each transaction without charging any fees to the customers.

Before implementing the software, all the branches and Head Office were connected to the central network system through data connectivity from Link3 Technologies Limited. To ensure quality customer support a redundant data connectivity line has also been introduced.

Besides the core business software few other software's like Document archiving software, CIB enquiry software, IT asset and Stock Management software are developed by the IT department and is running in full swing. Recently the Board of IFIL has approved to purchase HR and Payroll Management Software.

To reduce paper cost and as a part of green banking activity IFIL now sends the necessary documents to the member of the BOD, EC and Audit committee through mail, and presented the proposals in the meeting through power point presentation.

ICT Governance

Islamic Finance and Investment Limited formed different committees Like ICT Security Committee, ICT Steering Committee, ICT Risk Management Committee to evaluate the ICT requirement, to analyze the risk associated within the institution and to secure the ICT resources available in the institution. Few experienced and professional IT people along with the experienced business people of the institution are engaged to perform those activities.

Implementation of Business Continuity Plan (BCP)

As a part of BCP implementation a Disaster Recovery Site has already been established in IFIL. Now data, information are more secured. In case of any disaster if happen and if the Data Center is damaged then the system will be recovered and restored within a shortest possible time from the DR site.

Cyber Security Awareness Program

Cyber Security is very important for a financial institution like IFIL. Considering this into account, IFIL has taken initiative to develop the skills of the IT people as well as organizing training programs to aware all officials about the cyber security risk. Security experts from Bangladesh Bank and IFIL are sharing their views with the officials.

VALUE ADDED STATEMENT

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.

VALUE ADDED

Figures in BDT

Particulars	2017		2016	
	Amount	%	Amount	%
Operational income	1,225,913,317		1,280,199,550	
Less: Cost of service rendered	858,157,338		789,216,078	
Total Operating Expenses	241,052,113		175,667,426	
Profit paid on deposits, Borrowing etc	744,639,627		716,265,683	
Less: Salaries & Expenses	93,423,896		87,594,129	
Managing Director Salary & allowances	6,000,000		5,493,548	
Depreciation on Fixed Assets	28,110,506		9,629,354	
Value added by operating activities	**367,755,979**	**89**	**490,983,472**	**97**
Less: Provision for doubtful accounts & future losses	(47,661,025)	(11)	(17,497,728)	**(3)**
Total Value Added	**415,417,004**	**100**	**508,481,200**	**100**

VALUE DISTRIBUTED TO

Figures in BDT

Particulars	2017		2016	
	Amount	%	Amount	%
Provider to Capital: Shareholders as Dividend	194,711,651	47	169,367,077	33
Employees: As Salaries and other benefits	99,423,896	24	93,087,677	18
Government: Corporate Tax	44,305,857	11	127,703,213	25
To Expansion and growth: Expansion and growth	76,975,600	19	118,323,233	23
Total Distribution	**415,417,004**	**100**	**508,481,200**	**100**

MARKET VALUE ADDED STATEMENT

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 BDT

Part culars	2017	2016
Face value per share	**10.00**	**10.00**
Market Value per Share	**21.00**	**19.30**
Number of Shares outstanding	134,283,897	120,976,484
Total market capitalizat on	2,819,961,837	2,334,846,141
Book value of paid up capital	1,342,838,971	1,209,764,840
Market Value Addit on	**1,477,122,866**	**1,125,081,301**



Report on Human Resources

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 resources to survive in a competitive business environment.

Human Capital

Manufacturing company needs capital machinery to produce their products. Likewise, service sector especially Financial Industry needs human resources to utilize them 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 Resources 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 on a regular basis. We have a service rule 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 Rule' 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 sound and viable 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 resources to survive in a competitive business environment.

HR Accounting

SL	Designation	Total
1	Managing Director	1
2	Deputy Managing Director	1
3	Senior Executive Vice President	0
4	Executive Vice President	2
5	Senior Vice President	2
6	Vice President	0
7	First Vice President	8
8	Assistant Vice President	0
9	First Assistant Vice President	6
10	Senior Principal Officer	14
11	Principal Officer	19
12	Senior Officer	23
13	Officer	8
14	Junior Officer	10
15	Messenger	11
16	Driver	9
	Total	**114**

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 creating small teams that offer more responsibility and a direct vision of their impact on the business to ensure continuous HR follow-up.

Leaders



A K M Shahidul Haque
Managing Director & CEO

Leaders



Mohammad Ruknuzzaman
Deputy Managing Director



Maruf Mansur
Senior Executive Vice President
& Manager, Principal Branch



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



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

Financial Administration Division



Md. Shafiqul Islam
First Vice President &
Head of FAD



Md. Shakhawat Hossain
Senior Principal Officer



Shahnaz Haque
Senior Principal Officer



Mohammad Rashedul Islam
Senior Principal Officer



Md. Mamunur Rahaman
Principal Officer



Md. Arifuzzaman Rasel
Senior Officer

Recovery Department



Md. Taufikul Hakim
First Vice President &
Head of Recovery



Abdulla Al Mamun
Junior Officer

Treasury Unit



Nusrat Islam
Senior Principal Officer
& Head of Treasury



Tania Karim
Senior Officer



Md. Enamul Hoque
Junior Officer

Investment Risk Management Division (IRMD)



Mohammad Salah Uddin
First Vice President &
Head of IRMD



Mahru Tanzina Hoque
Piincipal Officer



Engr. Md. Amirul Islam
Senior Officer



Md. Khaled Sifur Rahman
Senior Officer

Share Department



Shahidulla Kawsar
Senior Principal Officer



Esmat Jarin
Principal Officer

SME Department



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



Md. Hamidur Rashid
Junior Officer

Internal Control and Compliance Division



Md. Zakaria Faruq
Senior Vice President &
Head of ICCD



Omar Faruk
Principal Officer



Md. Abdul Hannan Mollah
Principal Officer

Human Resources Management Division



Mohammad Shahidul Kadir
Senior Principal Officer



Shabana Begum
Officer

Shariah Dept.



Mujahid Hossain Yasin
Principal Officer &
Shariah Secretary

Logistic & Common Services Division



Syed Shafayet Hossain, ACS
Principal Officer



Hafsa Begum Chowdhury
Junion Officer

IT & Credit Information Bureau



Mohammad Ataul Karim
Senior Principal Officer



Md. Aurangzeb
Principal Officer



Farzana Akhter
Principal Officer



Quazi Ekramul Rashid
Senior Officer



Mohammad Shafi Iqbal
Senior Officer



Jubayer Mahmud
Senior Officer

Principal Branch



Md. Raqibul Bashar
Senior Officer



Maruf Mansur
Senior Executive Vice President
& Manager, Principal Branch



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



Md. Toffazzel Hossain
Principal Officer



Sharmin Akhter
Senior Officer



Md. Saiful Alam
Senior Officer



Shaiful Alam Shaown
Senior Officer



Md. Akram Hossain
Officer



Mahmuda Sultana
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
Principal Officer



Mohammad Sahed Hossain
Senior Officer



A. B. M. Kamruzzaman
Senior Officer



Md. Abu Noman
Officer



Mirza Nazmul Hassan
Junior Officer

Public Relations Department



Hanif Md. Faisal
Senior Officer (PRO)

Bogra Branch



Md. Shahadat Hossain
First Vice President &
Branch Manager



Md. Kamruzzaman
Principal Officer



Md. Alaul Islam
Principal Officer



Md. Mizanur Rahman
Principal Officer



Khurshida Banu
Senior Officer



Md. Mijanur Rahman
Senior Officer



Md. Shamsul Islam
Senior Officer



Bulbul Ahmed
Junior Officer



Md. Shahadat Hossain
Junior Officer

Narayangonj Branch



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



Kazi Shahadat Hossain
Principal Officer



Md. Mustafizur Rahman Khan
Principal Officer



Md. Humyun
Senior Officer



Md. Sanwar Rahman Khan
Senior Officer



Md. Sahabuddin
Junior Officer



Nazmun Nahar
Junior Officer

Uttara Branch



Mohammad Shamsud Doha
First Vice President
& Branch Manager



Md. Azizur Rahman Sarker
Senior Principal Officer



Wahed Khan Noor
Senior Principal Officer



Nasiruddin Ahmed
Principal Officer



Md. Aminul Hoque
Principal Officer



Md. Yeahia
Senior Officer



Md. Abdul Alim
Senior Officer



Mohammad Nadim Mia
Senior Officer



Mahammad Masud Imran
Senior Officer



Wahida Ferdous
Junior Officer

Nayabazar Branch



Md. Iqbal Hossain Akand
First Vice President
& Branch Manager



Mizanur Rahman Mizan
First Assistant Vice President



Syed Badrul Hasan
First Assistant Vice President



Muhammad Jasim Uddin
Senior Principal Officer



Muhammad Nur-E- Alam
Principal Officer



Syed Nasirudin
Senior Officer



Md. Tamjedul Islam
Senior Officer



A.N.M. Ferdous Alam
Officer



S. M. Junayet Ali
Junior Officer

Auditors' Report



Independent 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, 2017 and the Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity 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 statements of the company in accordance 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, 2017 and revenue and expenses for the year ended December 31, 2017 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, 2017 and of the results of its profit and loss account 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

i. 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;

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

iii. the company's Financial position (Balance sheet) and Statement of comprehensive income (Profit and Loss Account) together with annexed notes 1 to 42 dealt with by the report are in agreement with the books of accounts;

iv. 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;

v. the expenditure incurred and payments were made for the purpose of the company's business;

vi. the information and explanations required by us have been received and found satisfactory;

vii. 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;

viii. 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 complied properly;

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

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

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

xii. 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 complied properly;

xiii. the company has no overseas branches;

xiv. we have reviewed over 80 percent of the risk-weighted assets of the company and we have spent approximately over 1688 person hours for the audit of books of accounts of the company;

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

Dated: March 14, 2018
Place: Dhaka

Ahmed Zaker & Co.
Chartered Accountants

AMAR STOCK

ISLAMIC FINANCE AND INVESTMENT LIMITED

Balance Sheet

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		December 31, 2017	December 31, 2016
PROPERTY AND ASSETS			
Cash	3.00	**232,723,892**	**179,770,635**
Cash in hand (including foreign currencies)	3.01	2,810,688	171,955
Balance with Bangladesh Bank & Sonali Bank (Including foreign currencies)	3.02	229,913,204	179,598,680
Balance with other banks and financial institutions	4.00	**3,976,235,959**	**1,714,754,915**
In Bangladesh	4.01	3,976,235,959	1,714,754,915
Outside Bangladesh	4.02	-	-
Money at call on short notice	5.00	-	-
Investments in shares and securities	6.00	**58,321,222**	**264,602,314**
Government	6.01	-	-
Others	6.02	58,321,222	264,602,314
Investment	7.00	**10,500,465,185**	**9,072,662,793**
General investment	7.01	10,500,465,185	9,072,662,793
Bills purchased and discounted	7.02	-	-
Fixed assets including premises, furniture and fixtures	8.00	150,729,659	171,352,287
Other assets	9.00	321,261,521	533,728,165
Non banking assets		-	-
Total assets		**15,239,737,438**	**11,936,871,109**
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	10.00	205,615,663	256,858,767
Deposits and other accounts	11.00	**11,198,423,520**	**7,976,827,539**
Mudaraba term deposits	11.01	10,758,516,776	7,536,772,279
Bills payable		-	-
Lease deposits	11.02	67,383,399	66,003,035
Bearer certificates of deposits		-	-
Deposits under schemes	11.05	372,523,345	374,052,225
Other liabilities	12.00	1,917,437,747	1,992,208,096
Total liabilities		**13,321,476,930**	**10,225,894,402**
Capital/shareholders' equity			
Paid-up capital	13.01	1,342,838,971	1,209,764,838
Share premium account	13.06	730,852	730,852
Statutory reserve	14.00	325,072,152	276,356,803
Other reserve	15.00	54,757,137	21,501,528
Surplus in profit & loss account	16.00	194,861,396	202,622,686
Total shareholders' equity		**1,918,260,508**	**1,710,976,707**
Total liabilities & shareholders' equity		**15,239,737,438**	**11,936,871,109**

ISLAMIC FINANCE AND INVESTMENT LIMITED

Off-Balance Sheet Items

As at December 31, 2017

Particulars	Notes	Amount in Taka	
		December 31, 2017	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	-	-
Total contingent liabilities:		-	-
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 other commitments:		-	-
Total off-balance sheet items including contingent liabilities		-	-
Net Assets Value Per Share (NAVPS) (Restated: 2016)	32.00	**14.29**	**12.74**

The accompanying notes and policies (1-42) form an integral part of these financial statements.

Mohammad Showket Akber, FCA, ACS
Chief Financial Officer

S.Q. Bazlur Rashid
Company Secretary

A K M Shahidul Haque
Managing Director

Hossain Mahmud
Vice-Chairman

Afzalur Rahman
Vice-Chairman

Abul Quasem Haider
Chairman

This is the Balance Sheet referred to in our separate report of even date.

Place: Dhaka;
Dated: March 14 , 2018

Ahmed Zaker & Co.
Chartered Accountants

ISLAMIC FINANCE AND INVESTMENT LIMITED

Profit and Loss Account

For the year ended December 31, 2017

Particulars	Notes	Amount in Taka	
		2017	2016
Profit on investment	18.01	1,065,531,341	1,174,136,328
Less: Profit paid on deposits, borrowings etc.	19.00	744,639,627	716,265,683
Net investment income		**320,891,714**	**457,870,645**
Income from investment in securities	18.02	74,774,430	29,519,256
Commission, exchange and brokerage	20.00	10,057,748	18,137,810
Other operating income	21.00	75,549,798	58,406,156
		160,381,976	**106,063,222**
Total operating income		**481,273,690**	**563,933,867**
Salaries and allowances	22.00	93,423,896	87,594,129
Rent, taxes, insurances, electricity etc.	23.00	10,605,677	10,089,428
Legal & professional expenses	24.00	888,685	1,649,713
Postage, stamps, telecommunication etc.	25.00	1,615,521	1,730,370
Stationery, printings, advertisements etc.	26.00	8,280,416	2,519,071
Managing director's salary and allowances	22.01	6,000,000	5,493,548
Directors' fees	27.00	1,384,000	1,680,000
Auditors' fees		140,000	120,000
Depreciation and repair of fixed assets	28.00	29,709,178	11,515,394
Other expenses	29.00	89,004,740	53,275,773
Total operating expenses		**241,052,113**	**175,667,426**
Profit before provision		**240,221,577**	**388,266,441**
Provision for loans & advances	30.00	4,797,312	5,983,464
Provision for diminution in value of investments	12.04	(53,354,672)	(11,740,734)
Other provision	12.05	896,335	(11,740,458)
Total provision		**(47,661,025)**	**(17,497,728)**
Total profit before taxes		**287,882,602**	**405,764,169**
Provision for taxation	12.02	**44,305,857**	**127,703,213**
Current tax		50,987,587	127,430,956
Deferred tax		(6,681,730)	272,257
Net profit after taxation		**243,576,745**	**278,060,956**
Retained surplus brought forward from previous year	16.00	-	(19,826,079)
		243,576,745	**258,234,877**
Appropriations			
Statutory reserve		48,715,349	55,612,191
Dividend equalization fund		-	-
Special reserve fund		-	-
Retained surplus		194,861,396	202,622,686
		243,576,745	**258,234,877**
Earning Per Share (EPS) (Restated: 2016)	31.00	**1.81**	**2.07**

The accompanying notes and policies (1-42) form an integral part of these financial statements.

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

S.Q. Bazlur Rashid
Company Secretary

A K M Shahidul Haque
Managing Director

Hossain Mahmud
Vice-Chairman

Afzalur Rahman
Vice-Chairman

Abul Quasem Haider
Chairman

This is the Profit and Loss Account referred to in our separate report of even date.

Place: Dhaka;
Dated: March 14 , 2018

Ahmed Zaker & Co.
Chartered Accountants

ISLAMIC FINANCE AND INVESTMENT LIMITED

Cash Flow Statement

For the year ended December 31, 2017

Particulars	Amount in Taka	
	2017	2016
A. Cash flow from operating activities		
Investment profit receipts	1,143,939,262	1,288,821,764
Profit paid on deposits	(770,918,642)	(661,102,365)
Receipts from bank deposit	45,068,955	31,186,655
Dividend receipts	14,753,405	13,689,439
Fees & commission receipt	10,057,748	18,137,810
Recoveries on investments previously written off	28,400	50,400
Cash payments to employees	(99,296,915)	(93,087,677)
Cash payments to suppliers	(7,598,786)	(2,519,071)
Income tax paid	(177,786,797)	(94,559,859)
Receipts from other operating activities	8,669,907	17,810,680
Payments for other operating activities	(105,237,295)	(70,431,324)
Cash generated from operating activities before changes in operating assets and liabilities	**61,679,242**	**447,996,452**
Increase/decrease in operating assets and liabilities	**2,159,247,363**	**1,217,396,023**
Investment (loans and advances) to customers	(1,506,210,313)	(1,315,198,423)
Receipts from investment in securities	58,878,663	29,519,256
Other assets	(36,433,849)	13,024,923
Deposits from other banks	2,540,035,992	586,426,100
Deposits received from customers	681,559,989	1,195,605,776
Other liabilities	421,416,881	708,018,391
Net cash provided from operating activities :	**2,220,926,605**	**1,665,392,475**
B. Cash flows from investing activities		
Proceeds from sale of securities	206,281,092	19,473,370
Proceeds from sale of fixed assets	1,757,700	2,838,655
Payment for advance for impetus	(19,431,385)	(72,000,000)
Purchases of property, plant & equipments	(7,908,515)	(12,282,101)
Net cash used in investing activities :	**180,698,892**	**(61,970,076)**
C. Cash flows from financing activities		
Receipts from loan/(borrowing) & debts securities	(51,243,104)	(251,092,071)
Dividend paid	(35,948,092)	(153,707,036)
Net cash used in financing activities :	**(87,191,196)**	**(404,799,107)**
D. Net increase/(decrease) in cash & cash equivalents (A+B+C)	**2,314,434,301**	**1,198,623,292**
E. Cash and cash equivalents at the beginning of the year	1,894,525,550	695,902,258
F. Cash and cash equivalents at the end of the year (D+E)	**4,208,903,051**	**1,894,525,550**
Net Operating Cash Flow Per Share (NOCFPS) (Restated: 2016)	**16.54**	**12.40**

The accompanying notes and policies (1-42) form an integral part of these financial statements.

Mohammad Showket Akber, FCA, ACS
Chief Financial Officer

S.Q. Bazlur Rashid
Company Secretary

A K M Shahidul Haque
Managing Director

Hossain Mahmud
Vice-Chairman

Afzalur Rahman
Vice-Chairman

Abul Quasem Haider
Chairman

Place: Dhaka;
Dated: March 14 , 2018

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Changes in Equity

For the year ended December 31, 2017

Amount in Taka

Particulars	Paid-up capital	Share premium	Statutory reserve	Other Reserve				Retained earnings	Total
				Dividend equalization reserve (A)	Special reserve fund (B)	General reserve fund (C)	Total other reserve		
Balance as at January 01, 2017	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
Cash dividend	-	-	-	-	-	-	-	(36,292,944)	(36,292,944)
Issue of bonus shares	133,074,133	-	-	-	-	-	-	(133,074,133)	-
Transfer to general reserve	-	-	-	-	-	33,255,609	33,255,609	(33,255,609)	-
Restated balance	1,342,838,971	730,852	276,356,803	12,301,528	9,200,000	33,255,609	54,757,137	-	1,674,683,763
Net profit for the year after taxation	-	-	48,715,349	-	-	-	-	194,861,396	243,576,745
Issuance of right share	-	-	-	-	-	-	-	-	-
Right share premium	-	-	-	-	-	-	-	-	-
Share issue expenses	-	-	-	-	-	-	-	-	-
Issue of share capital	-	-	-	-	-	-	-	-	-
Balance as at December 31, 2017	1,342,838,971	730,852	325,072,152	12,301,528	9,200,000	33,255,609	54,757,137	194,861,396	1,918,260,508
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

The accompanying notes and policies (1-42) form an integral part of these financial statements.

Mohammad Showket Akber, FCA, ACS
Chief Financial Officer

S.Q. Bazlur Rashid
Company Secretary

A K M Shahidul Haque
Managing Director

Hossain Mahmud
Vice-Chairman

Afzalur Rahaman
Vice-Chairman

Abul Quasem Haider
Chairman

This is the Statement of Changes in Equity referred to in our separate report of even date.

Place: Dhaka;
Dated: March 14 , 2018

Ahmed Zaker & Co.
Chartered Accountants

ISLAMIC FINANCE AND INVESTMENT LIMITED

Liquidity Statement

Assets and Liability Maturity Analysis

As at December 31, 2017

Amount in Taka

Particulars	Upto 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
Assets						
Cash in hand	232,723,892	-	-	-	-	232,723,892
Balance with other banks and financial institutions	380,133,146	1,020,573,000	2,575,529,813	-	-	3,976,235,959
Money at call and short notice	-	-	-	-	-	-
Investments	2,500,000	10,000,000	36,617,336	9,203,886	-	58,321,222
Loans and advances	807,331,079	2,311,675,633	2,356,171,898	2,030,769,349	2,994,517,226	10,500,465,185
Fixed assets including premises, furniture and fixtures	-	-	-	-	150,729,659	150,729,659
Other assets	1,217,628	47,751,184	34,472,222	237,820,487	-	321,261,521
Non-banking assets	-	-	-	-	-	-
Total assets:	**1,423,905,745**	**3,389,999,817**	**5,002,791,269**	**2,277,793,722**	**3,145,246,885**	**15,239,737,438**
Liabilities						
Borrowing from Bangladesh bank, other banks, financial institutions and agents	30,394,053	116,601,715	58,619,895	-	-	205,615,663
Deposits other accounts	1,109,037,979	2,781,318,633	3,632,091,961	1,570,277,127	2,105,697,820	11,198,423,520
Provision and other liabilities	110,137,045	53,509,170	725,933,940	232,568,634	795,288,958	1,917,437,747
Total liabilities:	**1,249,569,077**	**2,951,429,518**	**4,416,645,796**	**1,802,845,761**	**2,900,986,778**	**13,321,476,930**
Net liquidity gap:	**174,336,668**	**438,570,299**	**586,145,473**	**474,947,961**	**244,260,107**	**1,918,260,508**

The accompanying notes and policies (1-42) form an integral part of these financial statements.

Mohammad Showket Akber, FCA, ACS
Chief Financial Officer

S.Q. Bazlur Rashid
Company Secretary

A K M Shahidul Haque
Managing Director

Hossain Mahmud
Vice-Chairman

Afzalur Rahman
Vice-Chairman

Abul Quasem Haider
Chairman

ISLAMIC FINANCE AND INVESTMENT LIMITED

Notes to the Financial Statements

For the year ended December 31, 2017

1.00 Background and objectives of the company:

1.01 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.

1.02 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, Mudaraba Lakhopoti/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.

2.01 Responsibility for financial statements

The Board of directors is responsible for the preparation and presentation of the financial statements 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.

2.02 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.

2.03 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.

2.04 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.

2.05 Offsetting

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

2.06 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:

i) Auditors' report
ii) Balance sheet and
iii) 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, 2017 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:

2.07 BAS title of the BAS applicability remarks

Compliance of Bangladesh Accounting Standard (BAS) & (BFRS)		
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 Assistanc	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
First-time adoption of Bangladesh Financial Reporting	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	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)

2.08 Fixed assets:

2.08.1 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.

2.08.2 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.

2.08.3 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.

2.08.4 Depreciation

From January 01,2017 depreciation is provided using to straight line 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:

Pariculars	Rate (%)
Interior decoration	10%
Mechanical appliance	20%
Computer & accessories	33.33%
Motor vehicle	20%
Furniture & fixtures	10%
Building	2.50%
Software	50%

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

2.09 Borrowing costs:

All borrowing costs are recognized as expense in the profit or loss account in the period in which they incurred unless capitilzation in permitted under Bangladesh Accounting Standard (BAS)-23: "Borrowing Cost".

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

2.11.01 Accounting for lease

The company has been following the finance lease method, as per Bangladesh Accounting Standard (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.

2.11.02 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.

2.11.03 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.

2.11.04 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 is 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.

2.15.01 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.

2.15.02 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 Earnings Per Share (EPS)

The Company calculates earnings per share in accordance with Bangladesh Accounting Standards (BAS)- 33: "Earnings Per Share" which has been shown in the face of the Profit and Loss Account and the computation is stated in Note: 31.

2.17.01 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 (BAS)-19: "Employee Benefits".

2.18.01 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.

2.18.02 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 on the 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.

2.18.03 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.

2.18.04 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.

2.18.05 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 among 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.

2.21.01 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.

2.21.02 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.

2.21.03 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 are 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.

i) Proposed dividend

The Board of Directors at its 232nd Meeting of the Board held on March 14, 2018, recommended to the shareholders a cash dividend @ 14.50% . This will be considered for approval by the shareholders at the 17th Annual General Meeting (AGM) to be held on April 25, 2018.

ii) Date of authorization for issue

These financial statements have been authorized for issue by the Board of Directors (BOD) in the 232nd Meeting, Dated: March 14, 2018.

2.23 Departure from Bangladesg Accounting Standared (BAS-1)

According to DFIM Circular no-11 dated: December 23, 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 Bangladesh Accounting Standard (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 Dividend equalization reserve

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

2.26 Special reserve fund

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

2.27 Reporting currency and level of precision

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

		Amount in Taka	
		31-Dec-17	31-Dec-16
3.00	**Cash**		
3.01	**Cash in hand**	**2,810,688**	**171,955**
	In local currency	2,810,688	171,955
	In foreign currency	-	-
3.02	**Balance with Bangladesh Bank and Sonali Bank Ltd. (Including foreign currencies)**		
	Bangladesh Bank	**229,913,204**	**179,598,680**
	In local currency	229,913,204	179,598,680
	In foreign currency	-	-
	Sonali Bank Ltd.	**-**	**-**
	Sonali Bank Ltd. (as an agent of B.Bank)-local currency	-	-
		229,913,204	**179,598,680**
	Total cash & cash equivalents:	**232,723,892**	**179,770,635**

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 average demand and time liabilities**		
	Required reserve	206,901,122	171,933,231
	Actual reserve held with Bangladesh Bank	325,456,956	198,791,889
	Surplus/(deficit):	**118,555,834**	**26,858,658**
3.02.3	**Statutory Liquidity Requirement (SLR): 5% of average demand and time liabilities:**		
	Required reserve	486,443,000	399,371,175
	Actual reserve held	2,312,718,393	1,840,532,728
	Surplus/(deficit):	**1,826,275,393**	**1,441,161,553**
4.00	**Balance with other banks and financial institutions**		
	Inside Bangladesh Note: 4.01	3,976,235,959	1,714,754,915
	Outside Bangladesh Note: 4.02	-	-
	Total:	**3,976,235,959**	**1,714,754,915**

			Amount in Taka	
			31-Dec-17	31-Dec-16
4.01	**Inside Bangladesh**			
	Current account		**9,540,585**	**8,436,986**
	Pubali Bank Limited		726,063	416,031
	Islami Bank Bangladesh Limited		8,814,522	8,020,955
	Mudaraba short notice deposits/STD		**165,894,043**	**96,287,751**
	Exim Bank Limited			
	- Mudaraba Short Notice Deposit		30,511,047	11,856,843
	Al-Arafa Islami Bank Limited			
	- Mudaraba Short Notice Deposit		52,704,487	12,453,051
	- Mudaraba Savings Deposit		12,461,722	17,732,731
	- Mudaraba Savings Deposit		5,599,811	1,966,398
	Bank Al Falah Limited			
	- Mudaraba Savings Deposit		3,687,585	4,700,475
	Social Islami Bank Limited			
	- Mudaraba Savings Deposit		12,229,425	10,478,012
	- Mudaraba Short Notice Deposit		10,977,319	1,697,537
	Shahjalal Islami Bank Limited			
	- Mudaraba Short Notice Deposit		4,595,095	16,889,530
	- Mudaraba Short Notice Deposit		175,995	-
	- Mudaraba Short Notice Deposit		-	67,591
	- Mudaraba Short Notice Deposit		23,808,126	4,067,927
	South East Bank Limited			
	- Mudaraba Short term Deposit	Note: 4.01.1	213,737	200,374
	- Mudaraba Short term Deposit		1,878,503	1,837,800
	- 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		1,379,929	8,278,502
	Standard Bank Limited			
	- Mudaraba Short Notice Deposit		2,465	-
	Union Bank			
	- Mudaraba Short Notice Deposit		2,327,307	719,490
	Mudaraba Term Deposits		**3,800,801,331**	**1,610,030,178**
	Social Islami Bank Limited		80,000,000	103,262,500
	Al-Arafah Islami Bank Limited		2,132,863,271	687,550,735
	Exim Bank Limited		54,338,060	706,545,262
	Union Bank Limited		1,433,600,000	82,671,681
	Hajj Finance Limited		100,000,000	-
	Bank Al Falah Limited		-	30,000,000
	Total:		**3,976,235,959**	**1,714,754,915**
4.01.1	**South East Bank Limited**			
	Foreign currency account (US$ 2173.03@82.7)		179,710	171,626
	Foreign currency account (EUR€ 204.53@99.22)		20,294	16,863
	Foreign currency account (GBP£ 122.88@111.76)		13,733	11,885
	Total:		**213,737**	**200,374**
4.02	**Outside Bangladesh (Nostro Accounts)**			
			-	-
			-	-
	Total:		**-**	**-**

		Amount in Taka	
		31-Dec-17	31-Dec-16
4.03	**Maturity-wise groupings (inside and outside Bangladesh)**		
	Payable on demand	-	-
	Up to 1(one) month	380,133,146	20,986,986
	Over 1(one) month but not more than 3 (three) months	1,020,573,000	458,850,000
	Over 3 (three) months but not more than 1 (one) year	2,575,529,813	1,234,917,929
	Over 1 (one) Year but not more than 5 (five) Years	-	-
	Over 5 (five) Years	-	-
	Total:	**3,976,235,959**	**1,714,754,915**
5.00	**Money at call on short notice**		
	Financial institutions	-	-
	Banks	-	-
	Total:	**-**	**-**
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	58,321,222	264,602,314
	Total investment in shares & government securities:	**58,321,222**	**264,602,314**
	Maturity grouping of investments	**58,321,222**	**264,602,314**
	Payable on demand	-	-
	Up to 1(one) month	2,500,000	4,651,305
	Over 1(one) month but not more than 3 (three) months	10,000,000	20,745,100
	Over 3 (three) months but not more than 1 (one) year	36,617,336	10,532,000
	Over 1 (one) year but not more than 5 (five) years	9,203,886	228,673,909
	Over 5 (five) years	-	-
6.01	**Types of government securities**		
	Held to maturity (HTM) securities	-	-
	Held for trading (HFM) Securities	-	-
	Encumbered treasury bond (lien with Bangladesh bank)	-	-
	Total:	-	-
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	-	-
	03 years T & T bond	-	-
	Prize bond	-	-
	Total:	**-**	**-**

		Amount in Taka	
		31-Dec-17	31-Dec-16
6.02	**Other investments**		
6.02.1	**Treasury line**	-	-
		-	-
		-	-
6.02.2	**Shares**		
	Central Depository Bangladesh Ltd.	**1,569,450**	**1,569,450**
	2011 (514,236 including 414,236 bonus shares)	1,000,000	1,000,000
	2011 (56,945 newly alloted shares)	569,450	569,450
	Sub total:	**1,569,450**	**1,569,450**
	Shares held for trading		
	Un Quoted share	-	-
	Sub total:		
	Quoted share		
	Shahjalal Islami Bank Limited	-	23,507,080
	Exim Bank Limited	-	1,747,357
	Al-Arafah Islami Bank Limited	-	21,669,542
	Shahjibazar Power Co. Limited	1,488,309	12,482,663
	Summit Alliance Port Limited	-	18,046,391
	Khulna Power Company Limited	-	6,746,284
	Beximco Limited	15,337,813	51,545,289
	Aftab Automobiles Limited	-	2,215,828
	IFIL Islamic Mutual Fund-1	10,000,000	70,000,000
	Grameen Phone Limited	-	2,578,588
	Square Pharmaceuticals Limited	-	9,005,441
	Linde Bangladesh Ltd.	-	1,303,240
	Beximco Pharmaceuticals Limited	13,145,881	555,948
	Heidlberg Cement Bangla	13,812,082	1,092,966
	Olympic Industries Limited	-	24,267,685
	ACI Limited	185,007	538,452
	Fortune Shoes Limited	-	100,630
	Berger Paints Bangladesh	-	9,523,520
	Golden Harvest Agro	-	6,105,960
	Oimax Electrode Limited	64,800	-
	IFAD Autos Limited	2,655,634	-
	Nahee Alu. Com. Limited	62,246	-
	Total investment in quoted shares :	**56,751,772**	**263,032,864**
	Total share:	**58,321,222**	**264,602,314**
	Details are shown in annexure-B		
6.02.2.1	**Musharaka- Mudaraba Investment**		
	For employees	-	-
	Other than employees	-	-
	Total:	**-**	**-**
6.02.3	**Bonds**	-	-
	Total:	**-**	**-**
6.02.4	**Treasury term finance**	-	-
	Total:	**-**	**-**

		Amount in Taka	
		31-Dec-17	31-Dec-16
7.00	**Investments**		
	General investments Note: 7.01	10,500,465,185	9,072,662,793
	Bills purchased and discounted Note: 7.02	-	-
	Total:	**10,500,465,185**	**9,072,662,793**
7.01	**General investments**		
	Investments in leases	4,440,975,829	4,548,175,216
	HPSM (Hire purchase sherkatul melk)	3,500,029,824	3,392,401,655
	Bai muajjal	2,556,008,197	1,129,141,838
	Baim HDS (Household durable scheme)	3,451,335	2,944,084
	Total:	**10,500,465,185**	**9,072,662,793**
7.01.1	**Lease finance**		
	Principal outstanding	**4,440,975,829**	**4,548,175,216**
	Principal outstanding		
	Gross rental receivable	5,722,206,794	6,010,406,732
	Unearned lease income	1,281,230,965	1,462,231,516
	Net investment:	**4,440,975,829**	**4,548,175,216**
	Movement of lease finance		
	Cost of lease assets		
	Opening balance	6,010,406,732	5,640,383,437
	Add: Addition during the year	1,614,558,300	1,914,812,192
	Less: Disposal/ adjustment during the year	1,902,758,238	1,544,788,897
	Closing balance:	**5,722,206,794**	**6,010,406,732**
	Unearned income of lease investment		
	Opening balance	1,462,231,516	1,595,250,049
	Add: Addition during the year	395,420,710	491,979,051
	Less: Disposal/ adjustment during the year	576,421,261	624,997,584
	Closing balance:	**1,281,230,965**	**1,462,231,516**
7.01.2	**Aging analysis of lease asstes**		
	Not later than 01 (one) year	1,581,150,919	1,339,375,086
	Later than 01 (one) year and not later than 05 years	2,054,173,394	1,829,043,004
	Later than 05 (five) years	805,651,516	1,379,757,126
	Total:	**4,440,975,829**	**4,548,175,216**
7.01.3	**Maturity grouping of investments**		
	Up to 1(one) month	807,331,079	899,809,480
	Over 1(one) month but not more than 3 (three) months	2,311,675,633	1,700,241,756
	Over 3 (three) months but not more than 1 (one) year	2,356,171,898	2,539,514,509
	Over 1 (one) year but not more than 5 (five) years	2,030,769,349	1,777,918,270
	Over 5 (five) years	2,994,517,226	2,155,178,778
	Total:	**10,500,465,185**	**9,072,662,793**
7.02	**Bills purchased and discounted**		
	Payable in Bangladesh	-	-
	Payable outside Bangladesh	-	-
	Total:	**-**	**-**

		Amount in Taka	
		31-Dec-17	31-Dec-16
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	-	-
	Total:	**-**	**-**
7.03	**Investments (Broad categories)**		
	In Bangladesh	**10,500,465,185**	**9,072,662,793**
	General investments	10,500,465,185	9,072,662,793
		-	-
	Outside Bangladesh	-	-
	Total:	**10,500,465,185**	**9,072,662,793**
7.04	**Significant concentration**		
	Investments to allied concern of directors	55,496,640	51,495,573
	Investments to executives/officers	30,064,993	25,845,783
	Investments to customer groups	2,813,099,582	1,412,430,849
	Industrial investment	5,863,234,592	5,221,996,133
	Others	1,738,569,378	2,360,894,455
	Total:	**10,500,465,185**	**9,072,662,793**
7.05	**Geographical location-wise break-up**		
	Urban		
	Dhaka division	8,066,793,551	6,827,287,164
	Chittagong division	1,495,659,470	1,402,411,638
	Rajshahi division	938,012,164	842,963,991
	Total:	**10,500,465,185**	**9,072,662,793**
7.06	**Sector wise break-up of general investments**		
	Trade and commerce industry	881,278,055	486,198,096
	Garments and knitwear	481,787,023	261,666,446
	Textile	829,265,135	633,083,418
	Jute and jute products	115,210,285	148,720,820
	Food production and processing industry	1,040,777,690	915,335,811
	Plastic industry	136,855,787	157,393,154
	Leather and leather goods	1,423,166	-
	Iron, steel and engineering	766,402,201	875,993,935
	Pharmaceuticals & chemical	649,036,531	741,413,478
	Cement and allied industry	217,471,433	207,462,491
	Telecommunication and information technologies	19,900,657	407,793
	Paper, printing and packaging	578,187,089	425,070,504
	Ship manufacturing industry	290,386,532	366,487,373
	Electronics and electrical products	518,950,138	442,581,468
	Power, gas, water and sanitary service	375,994,998	94,899,467
	Transport and aviation	526,222,645	239,440,974
	Agriculture	389,579,656	283,343,715
	Housing	2,320,727,357	2,437,177,053
	Others	361,008,807	355,986,797
	Total:	**10,500,465,185**	**9,072,662,793**

		Amount in Taka	
		31-Dec-17	31-Dec-16
7.07	**Investments allowed to each customer exceeding 10% of FI's total capital**		
	Total loans, advances and leases	3,754,318,690	3,284,071,712
	Number of customers	14	13
	Classified amount thereon	Nil	Nil
	Measures taken for recovery	N/A	N/A
7.08	**General investments classified as per Bangladesh bank circular**		
	Standard	9,822,494,574	8,567,406,923
	Special Mentioned Account (SMA)	201,706,313	65,011,508
	Sub-standard	73,986,821	95,664,840
	Doubtful	54,826,992	15,019,928
	Bad & Loss	347,450,485	329,559,594
	Closing balance:	**10,500,465,185**	**9,072,662,793**
7.09	**Nature wise investments**		
	Lease finance (FICL-2A) less than 5 years	2,161,901,745	2,510,287,189
	Lease finance (FICL-2B) more than 5 years	2,279,074,085	2,037,888,027
	Term loans (FICL-3A) less than 5 years	3,166,628,896	1,470,047,166
	Term loans (FICL-3B) more than 5 years	745,975,953	629,472,591
	Housing finance (FICL-4A) less than 5 years	387,930,165	394,162,216
	Housing finance (FICL-4B)more than 5 years	1,758,954,341	2,004,739,884
	Housing finance-staffs (FICL-5)	-	26,065,720
	Closing balance:	**10,500,465,185**	**9,072,662,793**
7.09.1	**Provision for investments**		
	Required provision for loans, advances and leases		
	Standard	78,888,801	69,829,826
	Special Mentioned Account (SMA)	9,889,666	3,209,968
	Sub-standard	6,071,349	5,754,453
	Doubtful	3,741,299	1,340,323
	Bad & loss	21,552,737	34,685,259
	Total provision required	**120,143,852**	**114,819,829**
	Total provision maintained Note: 12.03	120,974,262	119,528,650
	Excess/(short) provision:	**830,410**	**4,708,821**
7.10	**Particulars of investments**		
	i) Investments considered good in respect of which the FI is fully secured .	6,064,131,127	5,798,175,645
	ii) Investment considered good for which the FI holds no other security than the debtors personal security .	1,804,930,652	910,153,447
	iii) Investments considered good and secured by the personal security of one or more parties in addition to the personal security of the debtors.	2,631,403,406	2,364,333,701
	iv) Investments adversely classified; provision not maintained there against.	-	-
		10,500,465,185	**9,072,662,793**
	v) Investments due by directors or executives of the FI or any of them taken either severally or jointly with any other person.	30,369,314	26,250,245
	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.	55,192,319	51,091,111

	Amount in Taka	
	31-Dec-17	31-Dec-16
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.	13,675,000	9,067,500
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 .	25,000,000	13,550,000
ix) Due from other banking companies	-	-
x) Total amount of classified advances on which interest is not credited to income .	476,264,298	440,244,362
a. Movement of classified investments		
Opening balance	440,244,362	657,408,014
Increase/ (decrease) during the year	36,019,936	(217,163,652)
Closing balance:	**476,264,298**	**440,244,362**
b. Amount of provision kept against investment classified as 'bad/loss' on the reporting date of balance sheet .	21,552,737	34,685,259
c. Profit creditable to the profit suspense accounts	42,149,431	29,559,645
xi) Amount of written off investments:		
Opening balance	30,970,837	25,630,590
Amount written off during the year	3,351,700	5,390,647
Amount for legal charge for written off account	891,206	-
Amount recovered during the year	(28,400)	(50,400)
Cumulative balance:	**35,185,343**	**30,970,837**

8.00 Fixed assets including premises, furniture and fixtures

Cost		
Opening balance	219,554,371	209,818,417
Add: Addition during the year	7,607,515	14,750,286
Less: Disposal during the year	5,295,995	5,014,332
Closing balance at cost	**221,865,891**	**219,554,371**
Depreciation		
Opening balance	48,202,084	42,800,200
Add: Addition during the year	28,110,506	9,629,354
Less: Adjustment on disposal during the year	5,176,358	4,227,470
Accumulated depreciation	**71,136,232**	**48,202,084**
Carrying value:	**150,729,659**	**171,352,287**

IFIL changed its deprication method from reducing balance to stright line method. This change principally applies to assets newly purchased when placed in use and all existing assets as well. According to Bangladesh Accounting Standard (BAS)-8 "Accounting Policies, Changes in Accounting Estimates and Errors." the changes had the effect of increase depreciation expenses and decrease net income by approximately amount of Tk. 16,620,029.

Details given in Annexure-A

		Amount in Taka	
		31-Dec-17	31-Dec-16
9.00 Other assets			
Advance, deposits & prepayments	Note: 9.01	224,964,158	169,543,143
Quard against salary		3,264,458	2,988,303
Accrued profit receivable		27,529,901	7,357,028
Stamp on hand		75,266	49,807
Stationary on hand		174,731	21,090
Receivable from PF	Note: 9.02	-	11,040
Advance income tax	Note: 9.03	65,253,007	353,757,754
Total:		**321,261,521**	**533,728,165**

9.01 Advance, deposits & prepayments

Security deposits	67,600	50,300
Advance against software development	6,573	-
Advance rent	2,239,760	3,157,756
Advance to impetus - floor purchase for head office	169,431,385	150,000,000
Advance against supplies and legal expenses	3,598,032	193,099
Receivable from stock dealer	47,576,453	15,221,681
Advance from dividend of Mudaraba investment (IFIL mutual fund)	896,335	896,335
Dividend receivable from CDBL	1,142,362	-
Others	5,658	23,972
Total:	**224,964,158**	**169,543,143**

9.02 Receivable from PF

Opening balance	11,040	-
Provision made during the year	6,035,190	6,035,190
Transfer to provident fund & paid to employee	(6,046,230)	(6,046,230)
Closing balance:	**-**	**11,040**

9.03 Advance income tax

Opening balance		353,757,754	281,104,579
Add: Addition during the year		69,608,232	72,653,175
Add: Adjustment with opening balance		57,339,865	-
Less: Adjustment for different year	Note: 9.03(i)	415,452,844	-
Closing balance:		**65,253,007**	**353,757,754**

9.03(i) Adjustment for different year

Financial Year	Assessment Year	Tax Payable	Total Advance	Adjustment Amount
2010	2011-12	45,412,462	42,595,001	42,595,001
2011	2012-13	41,124,479	46,286,950	41,124,479
2012	2013-14	68,400,000	64,093,863	64,093,864
2013	2014-15	97,612,750	68,263,924	68,263,924
2014	2015-16	57,842,286	67,781,713	57,842,286
2015	2016-17	64,941,034	65,268,581	64,941,034
Sub total:		**375,333,011**	**354,290,032**	**338,860,588**
2016	2017-18	127,430,956	76,592,256	76,592,256
Total:		**502,763,967**	**430,882,288**	**415,452,844**

		Amount in Taka	
		31-Dec-17	31-Dec-16
10.00	**Borrowings from other banks, financial institutions and agents**		
	Inside Bangladesh - profit bearing	**35,741,332**	**94,351,360**
	Al Arafah Islami Bank Limited	15,025,000	-
	Shahjalal Islami Bank Limited	20,716,332	94,351,360
	Other borrowings	**169,874,331**	**162,507,407**
	Bangladesh Bank	169,874,331	162,507,407
	Outside Bangladesh	-	-
	Total:	**205,615,663**	**256,858,767**
10.01	**Security wise grouping**		
	Secured borrowing	205,615,663	256,858,767
	Unsecured borrowing	-	-
	Total:	**205,615,663**	**256,858,767**
10.02	**Nature of repayment**		
	Repayable on demand	-	-
	Repayable within 01 month	30,394,053	74,438,044
	Repayable over 01 (one) month but within 03 (three) months	116,601,715	65,316,453
	Repayable over 03 (three) months but within 01 (one) year	58,619,895	65,490,000
	Repayable over 01 (one) year but within 05 (five) years	-	44,308,500
	Repayable over 05 (five) years	-	7,305,770
	Total:	**205,615,663**	**256,858,767**
11.00	**Deposits and other accounts**		
11.01	**Mudaraba term deposits**		
	Deposits received from banks & FI's Note: 11.03	3,990,062,092	1,450,026,100
	Deposits received from individuals	6,768,454,684	6,086,746,179
	Total:	**10,758,516,776**	**7,536,772,279**
11.02	**Lease deposits**	**67,383,399**	**66,003,035**
11.02.a	**Maturity analysis (deposits received from other than banks)**		
	Repayable on demand	-	9,125,418
	Repayable within 01 month	1,109,037,979	805,204,715
	Repayable over 01 (one) month but within 03 (three) months	2,781,318,633	1,789,091,948
	Repayable over 03 (three) months but within 01 (one) year	3,632,091,961	3,058,848,546
	Repayable over 01 (one) year but within 05 (five) years	1,570,277,127	1,087,164,425
	Repayable over 05 (five) years	2,105,697,820	1,227,392,487
	Total:	**11,198,423,520**	**7,976,827,539**
11.03	**Deposits received from banks & FI's**		
	AB Bank Limited	230,003,688	100,000,000
	Islami Bank Bangladesh Limited	795,049,403	485,026,100
	Al Arafah Islami Bank Limited	1,400,000,000	200,000,000
	Bank Asia Limited	-	100,000,000
	The Trust Bank Limited	-	300,000,000
	Shahajalal Islami BankLimited	-	100,000,000
	Standard Bank Limited	15,002,435	15,000,000
	Export Import Bank Limited	200,006,566	150,000,000
	Bangladesh Development Bank Limited	50,000,000	-
	Agrani Bank Limited	200,000,000	-
	Union Bank Limited	1,100,000,000	-
	Total:	**3,990,062,092**	**1,450,026,100**

		Amount in Taka	
		31-Dec-17	31-Dec-16
11.04	**Maturity wise grouping**		
	Repayable within 01 month	335,030,595	280,026,100
	Repayable over 01 (one) month but within 03 (three) months	1,725,013,620	830,000,000
	Repayable over 03 (three) months but within 01 (one) year	1,930,017,877	340,000,000
	Repayable over 01 (one) year but within 05 (five) years	-	-
	Repayable over 05 (five) years but within 10 (ten) years	-	-
	Unclaimed deposits 10 (ten) years and above	-	-
	Total:	**3,990,062,092**	**1,450,026,100**
11.05	**Deposits under schemes**		
	Home owning scheme (monthly)	7,332,609	4,339,332
	Higher education & marriage deposit scheme	1,783,187	1,466,244
	Marriage deposit scheme	289,803	219,232
	Pension deposit scheme	310,047,827	321,980,969
	Hajj deposit scheme	15,158,892	13,593,180
	Mudaraba Mohor deposit scheme	345,782	177,938
	Mudaraba Special deposit scheme	5,967,395	3,753,871
	Mudaraba Lakhpoti deposit scheme	4,186,583	4,100,603
	Mudaraba Millionaire deposit scheme	12,800,158	13,831,578
	Mudaraba Kotipoti deposit scheme	14,511,109	10,375,224
	Mudaraba Cash WAQF scheme	100,000	214,054
	Total:	**372,523,345**	**374,052,225**
12.00	**Other liabilities**		
	Provision for gratuity Note: 12.01	-	-
	Provision for profit on deposits	230,720,382	256,999,397
	Provision for income tax Note: 12.02	102,154,448	466,800,270
	Provision for expenses	18,311,253	22,118,460
	Provision for AIT, VAT, Tax at source, Excise Duty	8,142,383	5,585,226
	Provision for general investments Note: 12.03	120,974,262	119,528,650
	Provision against investment in shares Note: 12.04	6,001,671	59,356,343
	Provision against others assets Note: 12.05	896,335	-
	Unearned profit on BAIM	411,296,778	146,384,263
	Profit payable on QTDR (MTDR)	123,044	7,100,472
	QTDR on MTDR	934,800,000	840,000,000
	Unclaimed dividend	7,983,230	7,638,378
	Sundry deposits	4,632,326	10,778,277
	Security deposits	14,547,637	12,804,204
	Share money deposits- dividend	393,241	393,241
	Unrealised compensation A/C	11,731,659	6,118,701
	Suspense account - right share	37,384	37,384
	Payable against fixed asset	704,185	1,005,185
	IFIL foundation	1,799,874	-
	Contribution of PF Note: 12.06	38,224	-
	Profit suspense account Note: 12.07	42,149,431	29,559,645
	Total:	**1,917,437,747**	**1,992,208,096**
12.01	**Provision for gratuity**		
	Opening balance		
	Provision made during the year	4,703,149	6,032,275
	Transfer to gratuity fund & paid to employee	(4,703,149)	(6,032,275)
	Closing balance:	-	-



Hospital Project Finance by Chittagong Branch



Restaurant Project Finance by Chittagong Branch



Capital Mechinery Project Finance by Narayangonj Branch



Real Estate Project Finance by Narayangonj Branch



Renewable Energy Project Finance by Nayabazar Branch



Fan Manufacturing Project Finance by Nayabazar Branch



Resort Project Finance by Principal Branch



Garment Manufacturing Project Finance by Principal Branch



Polymar Manufacturing Project Finance by Uttara Branch



Meter Manufacturing Project Finance by Uttara Branch

Pictorial of the 16th Annual General Meeting



16th Annual General Meeting (AGM) is in progress



16th Annual General Meeting (AGM) is in progress



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16th Annual General Meeting (AGM) is in progress

IFIL Album



Md. Shahadat Hossain, FVP & Manager of Bogra Branch of Islamic Finance and Investment Limited, distributes warm cloth among cold-hit people at Mazira, Shajahanpur Upazila in Bogra.



Mr. A K M Shahidul Haque, Managing Director and Chief Executive Officer (CEO) of Islamic Finance and Investment Limited (IFIL) and Mr. Swapan Kumar Roy, General Manager, SMESPD of Bangladesh Bank, exchanged the documents of a participating financial institutions deal with the central bank under Japan International Cooperation Agency funded "Urban Building Safety Project (UBSP)" at Bangladesh Bank headquarters on February 13, 2017.



Janab Abul Quasem Haider, Chairman of the Board of Directors of Islamic Finance and Investment Limited (IFIL) and Managing Director and CEO Mr. A K M Shahidul Haque along with Directors and Sponsors of the institution unveils new logo in a colorful ceremony at a city hotel in Dhaka on September 25, 2017.



Islamic Finance and Investment Limited (IFIL) in collaboration with the Central Shariah Board for Islamic Banks of Bangladesh organized a day-long workshop on "Islamic Banking and Financing" at IFIL head office on February 25, 2017.

Note:

Head Office
Bhuiya Center (Ground Floor & 1st Floor)
68/A Dilkusha C/A, Dhaka-1000
Tel: 47118483-4, Fax: 880-02-9563566
E-mail : info@ifilbd.com, Web: www.ifilbd.com

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Islamic Finance and Investment Limited

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

		Amount in Taka	
		31-Dec-17	31-Dec-16
12.02	**Provision for taxation**		
	Opening balance	466,800,270	336,340,483
	Add: Opening adjustment	57,339,865	-
	Add: Provision made during the year	44,305,857	152,366,471
	Less: Adjustment during the year	466,291,544	(21,906,684)
	Closing balance:	**102,154,448**	**466,800,270**
12.02 (A)	**Current tax liabilities**		
	Provision held at the beginning of the year	459,127,262	328,939,732
	Add: Opening adjustment	57,339,865	-
	Add: Provision made for the Year-2013	-	24,663,258
	Add: Provision made during the year	50,987,587	127,430,956
	Less: Adjustment for different years Note: 12.02 (B)	466,291,544	21,906,684
	Closing balance:	**101,163,170**	**459,127,262**

12.02 (B) Adjustment for different year

Finincial Year	Assesment Year	Tax Payable	Total Advance	Adjustment Amount
2010	2011-12	45,412,462	42,595,001	42,595,001
2011	2012-13	41,124,479	46,286,950	41,124,479
2012	2013-14	68,400,000	64,093,863	64,093,864
2013	2014-15	97,612,750	68,263,924	68,263,924
2014	2015-16	57,842,286	67,781,713	57,842,286
2015	2016-17	64,941,034	65,268,581	64,941,034
Sub total:		**375,333,011**	**354,290,032**	**338,860,588**
2016	2017-18	127,430,956	76,592,256	127,430,956
Total:		**502,763,967**	**430,882,288**	**466,291,544**

Assessment of income tax for the years 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 "F". The management is in the opinion that decision will be awarded in favor of the company upon finalization of individual year of assessment.

12.02 (C)	**Deferred tax liabilities/(assets)**		
	Provision held at the beginning of the year	7,673,008	7,400,751
	Add: Provision/(adjustment) made during the year	(6,681,730)	272,257
	Closing Deferred tax liabilities/(assets):	**991,278**	**7,673,008**
	Deferred tax expense for the year	(6,681,730)	272,257
12.03	**Provision for general investments**		
	Movement of provision:		
	Against classified investments		
	Opening balance	73,962,217	57,244,000
	Less: Adjustment with unclassified investment	(39,471,834)	-
	Less: Bad and doubtful debts written off	(3,351,700)	(5,390,647)
	Add: Provision made during the year	687,857	21,965,031
	Add: Recoveries of amount previously written off	28,400	143,833
		31,854,940	**73,962,217**
	Against unclassified investments		
	Provision held at the beginning of the year	45,566,433	61,548,000
	Adjustment with classified investment	39,471,834	-
	Provision made during the year	4,081,055	(15,981,567)
		89,119,322	**45,566,433**
	Closing balance:	**120,974,262**	**119,528,650**

		Amount in Taka	
		31-Dec-17	31-Dec-16
12.04	**Provision against investments in shares**		
	Opening balance	59,356,343	71,097,077
	Add: Provision made during the year	(53,354,672)	(11,740,734)
	Closing balance:	**6,001,671**	**59,356,343**
	Details given in Annexure-B		
12.05	**Provision for other assets**		
	Opening balance	-	12,776,942
	Add: Provision made during the year	896,335	(11,740,458)
	Less: Adjustment during the year	-	1,036,484
	Closing balance:	**896,335**	**-**
12.06	**Contribution to PF**		
	Opening balance Note: 9.02	(11,040)	-
	Add: Provision made during the year	6,011,104	-
	Less: Transfer to provident fund & paid to employee	5,961,840	-
	Closing balance:	**38,224**	**-**
12.07	**Profit suspense account**		
	Opening balance	29,559,645	51,834,201
	Add: Amount transferred during the year	126,724,403	61,731,913
		156,284,048	**113,566,114**
	Less: Amount recovered during the year	114,134,617	84,006,469
	Less: Amount written off during the year	-	-
	Closing balance:	**42,149,431**	**29,559,645**
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**		
	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
	13307413 bonus shares of Tk. 10 each issued in 2016	133,074,133	-
	Closing balance:	**1,342,838,971**	**1,209,764,838**

	Amount in Taka	
	31-Dec-17	31-Dec-16

13.02 Particulars of fully paid-up share capital

Particulars	Number of Shares		Percentage (%)	
	2017	2016	2017	2016
Sponsor	48,477,255	44,265,106	36.10	36.59
Institutions	41,145,342	35,543,146	30.64	29.38
General public	44,661,300	41,168,232	33.26	34.03
Total:	**134,283,897**	**120,976,484**	**100.00**	**100.00**

13.03 Classification of shareholders by holding as on December 31, 2017

Particulars	Number of Share Holdres	No of Shares	Holding Position (%)
1 to 500 shares	4,540	587,765	0.44
501 to 5,000 shares	4,644	9,513,725	7.08
5,001 to 10,000 shares	800	6,023,950	4.49
10,001 to 20,000 shares	459	6,754,195	5.03
20,001 to 30,000 shares	142	3,515,217	2.62
30,001 to 40,000 shares	80	2,826,323	2.10
40,001 to 50,000 shares	59	2,763,500	2.06
50,001 to 100,000 shares	82	5,985,751	4.46
100,001 to 1,000,000 shares	86	27,235,452	20.28
1,000,001 to 9999999 shares	28	69,078,019	51.44
Total:	**10,920**	**134,283,897**	**100.00**

13.04 Capital adequacy

Tier – I (Core Capital)

Paid up capital	1,342,838,971	1,209,764,838
Share premium account	730,852	730,852
Statutory reserve	325,072,152	276,356,803
Retained earnings	194,861,396	202,622,686
Other reserve	54,757,137	21,501,528
Sub total:	**1,918,260,508**	**1,710,976,707**
Tier –II (Supplementary Capital)		
General provision	88,778,467	73,039,794
Sub total:	**88,778,467**	**73,039,794**
A.Total capital:	**2,007,038,975**	**1,784,016,501**
B. Required capital:	1,000,000,000	1,000,000,000
C. Surplus/(Deficiency) (A - B):	**1,007,038,975**	**784,016,501**

13.05 Minimum Capital Requirement (MCR) under basel accord for financial institutions (BAFI)

Total eligible capital	**2,007,038,975**	**1,784,016,501**
Tier - 1 Capital	1,918,260,508	1,710,976,707
Tier - 2 Capital	88,778,467	73,039,794
Total Risk Weighted Assets (RWA)	**14,681,426,658**	**12,866,743,611**
On balance sheet	14,133,209,090	11,978,673,549
Market risk	101,500,204	456,030,023
Operational risk	446,717,364	432,040,039
Capital adequacy ratio (CAR)	13.67	13.87
Core capital to RWA	13.07	13.30
Supplementary capital to RWA	0.60	0.57
Minimum Capital Requirment (MCR)	**1,468,142,666**	**1,286,674,361**
Surplus/(Deficiency):	**538,896,309**	**497,342,140**

		Amount in Taka	
		31-Dec-17	31-Dec-16
13.06	**Share premium account**		
	Opening balance	730,852	730,852
	Premium received	-	-
	Bonus share issued	-	-
	Share issue expenses	-	-
	Closing balance:	**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	276,356,803	220,744,612
	Add: Addition during the year	48,715,349	55,612,191
	Closing balance:	**325,072,152**	**276,356,803**
15.00	**Other reserves**		
	Dividend equalization reserve		
	Opening balance	12,301,528	12,301,528
	Add: Addition during the year	-	-
	Less: Issued bonus during the year	-	-
	Closing balance:	**12,301,528**	**12,301,528**
	Special reserve fund		
	Opening balance	9,200,000	9,200,000
	Add: Addition during the year	-	-
	Less: Issued bonus during the year	-	-
	Closing balance:	**9,200,000**	**9,200,000**
	General reserve fund		
	Opening balance	-	-
	Add: Addition during the year	33,255,609	-
	Less: Issued bonus during the year	-	-
	Closing balance:	**33,255,609**	**-**
	Total other reserve:	**54,757,137**	**21,501,528**
16.00	**Surplus in profit & loss account**		
	Balance as on January 01, 2017	202,622,686	162,106,606
	Add: Prior year adjustment	-	(24,663,258)
	Retained earnings as on January 01, 2017	**202,622,686**	**137,443,348**
	Less: Dividend paid	(36,292,944)	(157,269,427)
	Less: Bonus share issue	(133,074,133)	-
	Less: General reserve	(33,255,609)	-
	Add: Post tax profit for the year	243,576,745	278,060,956
	Less: Transfer to statutory reserve	(48,715,349)	(55,612,191)
	Retained Earnings as on December 31, 2017	**194,861,396**	**202,622,686**
	Total profit before income tax	287,882,602	405,764,169
	Provision for Income Tax	44,305,857	127,703,213
	Net profit after income tax for the year	**243,576,745**	**278,060,956**
	Statutory reserve	48,715,349	55,612,191
	Dividend equalization reserve	-	-
	Special reserve fund	-	-
	Retained earnings brought forward	-	(19,826,079)
	Total:	**194,861,396**	**202,622,686**

		Amount in Taka	
		31-Dec-17	31-Dec-16
17.00	**Acceptances and endorsements**		
	Back to back bills	-	-
	Back to back bills (EDF)	-	-
	FI's liabilities PAD (DEF)	-	-
	Total:	-	-
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	-	-
	Total:	-	-
17.01.1	**Letter of guarantees others**		
	Local	-	-
	Foreign	-	-
	Total:	-	-
17.02	**Irrevocable letters of credit**		
	Inland	-	-
	General	-	-
	Total:	-	-
17.03	**Bills for collection**		
	Outward bills for collection	-	-
	Outward foreign bills for collection	-	-
	Inward bills for collection	-	-
	Inward foreign bills for collection	-	-
	Total:	-	-
17.04	**Other contingent liabilities**		
	FI's liabilities (BLW)	-	-
	Total:	-	-

		Amount in Taka	
		2017	2016
18.00 Income statement			
Income			
Profit, discount and similar income	Note:18.01	1,065,531,341	1,174,136,328
Dividend income		15,895,767	13,689,439
Fees, commission and brokerage	Note: 20	10,057,748	18,137,810
Income from investment in securities		58,878,663	15,829,817
Other operating income	Note: 21	75,549,798	58,406,156
Total:		**1,225,913,317**	**1,280,199,550**
Expenses			
Profit paid on deposits, borrowings etc.		744,639,627	716,265,683
Administrative expenses		212,941,607	166,038,072
Depreciation on banking assets		28,110,506	9,629,354
Total:		**985,691,740**	**891,933,109**
Operating profit before provision		**240,221,577**	**388,266,441**
18.01 Profit on investment			
Income from lease finance		493,197,330	634,664,408
Income from HPSM		392,420,490	450,676,658
Income from BAIM & HDS		179,913,521	88,795,262
Total:		**1,065,531,341**	**1,174,136,328**
18.02 Investment income			
Gain from investment in securities		58,878,663	15,829,817
Dividend income		15,895,767	13,689,439
Total:		**74,774,430**	**29,519,256**
19.00 Profit paid on deposits & borrowings etc.			
Profit on deposits		725,203,132	681,449,287
Profit on borrowings		13,223,518	20,989,711
Profit on refinance Bangladesh Bank		6,212,977	13,826,685
Total:		**744,639,627**	**716,265,683**
20.00 Commission, exchange & brokerage			
Fees, commission etc.		10,057,748	18,137,810
Total:		**10,057,748**	**18,137,810**
21.00 Other operating income			
Profit on bank deposit		65,241,828	38,543,683
Profit on sales of fixed assets		1,638,063	2,051,793
Other income		8,669,907	17,810,680
Total:		**75,549,798**	**58,406,156**
21.01 Profit on sales of fixed assets			
This represents gain/(loss) on sales of the following fixed assets			
Cost		5,295,995	5,014,332
Less: Accumulated depreciation		5,176,358	4,227,470
Written down value		119,637	786,862
Sale proceeds of above fixed assets		1,757,700	2,838,655
Total gain/ (loss) on sales of fixed assets:		**1,638,063**	**2,051,793**

	Amount in Taka	
	2017	2016

22.00 Salaries & Allowances

Basic salary	35,675,829	32,593,787
Bonus	6,525,186	5,476,731
FI's contribution to employees provident fund	3,005,552	3,017,595
House rent	18,369,023	16,599,259
Conveyance allowance	1,496,606	1,357,797
Medical allowance	3,590,562	3,279,644
Gratuity	4,703,149	6,032,275
Other allowances	20,057,989	19,237,041
Total:	**93,423,896**	**87,594,129**

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	2,520,000	3,794,064
Other allowances	3,480,000	1,699,484
Total:	**6,000,000**	**5,493,548**

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:	6,000,000	5,493,548
(b) Post-employment benefits;	-	-
(C) Other long-term benefits;	-	-
(d) Termination benefits; and	-	-
(e) Share-based payment	-	-
	6,000,000	**5,493,548**

23.00 Rent, taxes, insurances, electricity etc.

Rent	7,255,350	7,049,187
Insurance	657,545	275,251
Lighting, gas & water	2,692,782	2,764,990
Total:	**10,605,677**	**10,089,428**

24.00 Legal expenses

Legal & professional fees	888,685	1,649,713
Total:	**888,685**	**1,649,713**

25.00 Postage, stamps and telecommunication

Postage & stamp	699,444	661,943
Telephone expenses	916,077	1,068,427
Total:	**1,615,521**	**1,730,370**

26.00 Stationery, printing and advertisement

Printing & stationery	2,851,088	835,506
Advertisement	3,833,126	860,876
Computer expenses	1,596,202	822,689
Total:	**8,280,416**	**2,519,071**

27.00 Directors' fees

Directors' fees	1,384,000	1,680,000
Total:	**1,384,000**	**1,680,000**

		Amount in Taka	
		2017	2016
28.00 Depreciation and Repair of fixed assets			
Depreciation on fixed assets	Note: 28.01	28,110,506	9,629,354
Repairs & maintenance		1,598,672	1,886,040
Total:		**29,709,178**	**11,515,394**
28.01 Depreciation/Amortization on fixed assets (Annexure - A)			
Building		9,043,569	1,432,507
Interior decoration		1,725,582	812,672
Mechanical appliance		4,604,671	2,181,877
Computer & accessories		6,826,588	3,433,402
Motor vehicle		3,506,374	1,274,657
Furniture & fixture		1,370,632	485,906
Software		1,033,090	8,333
Total:		**28,110,506**	**9,629,354**
29.00 Other Expenses			
Bank charges		1,735,675	1,014,399
Car & generator expenses		1,447,626	1,528,439
Website expenses		-	510,124
Training expenses		450,528	247,325
AGM expenses		2,156,704	2,000,000
Fees & subscription		2,051,948	2,521,729
Entertainment expenses		7,608,022	7,700,938
Travelling expenses		1,017,047	846,400
Conveyance, carriage & freight		1,063,228	994,204
Business development		1,600,905	1,302,240
Incentive expenses		14,375,000	18,010,000
Shariah meeting fee		153,612	118,000
Newspapers and magazines		89,442	89,749
Crockeries & accessories		10,860	8,348
Office maintenance		2,193,574	2,467,430
Gross loss on sale of share		50,989,055	13,281,894
Miscellaneous expenses		2,061,514	634,554
Total:		**89,004,740**	**53,275,773**
30.00 Provision against lease, loans and investments			
Provision against unclassified loans	Note: 12.03	4,081,055	(15,981,567)
Provision against classified loans	Note: 12.03	716,257	21,965,031
Provision for loans & advances		**4,797,312**	**5,983,464**
Provision against investment in shares	Note: 12.04	(53,354,672)	(11,740,734)
Provision against others assets	Note: 12.05	896,335	(11,740,458)
Total:		**(47,661,025)**	**(17,497,728)**
31.00 Earning Per Share(EPS)			
Net profit after tax		243,576,745	278,060,956
Number of ordinary shares outstanding		134,283,897	120,976,484
Earning Per Share (EPS):		**1.81**	**2.30**
Net profit after tax		243,576,745	278,060,956
Number of ordinary shares outstanding		134,283,897	134,283,897
Earning Per Share (EPS) (Restated: 2016)		**1.81**	**2.07**

	Amount in Taka	
	2017	2016
32.00 Net Asset Value (NAV) per share		
Total assets	15,239,737,438	11,936,871,109
Total liabilities	(13,321,476,930)	(10,225,894,402)
Net Asset Value (NAV):	**1,918,260,508**	**1,710,976,707**
Number of shares outstanding	134,283,897	120,976,484
Net Asset Value per Share (NAVPS):	**14.29**	**14.14**
Number of shares outstanding	134,283,897	134,283,897
Net Asset Value per Share (NAVPS) (Restated: 2016):	**14.29**	**12.74**

33.00 Number of employees

The number of employees engaged for the whole year or part thereof who received a total amount of BDT 36,000 or above were 105.

34.00 Board meeting and directors' remuneration

Bangladesh Bank vide its DFIM Circular No. 13, dated November 30, 2015, re-fixed the maximum limit of remuneration to the directors for attending meeting of the Board and its committees at Taka 8,000 per meeting No remuneration or special payment was paid to the directors for attending board meetings or otherwise during the year 2017. During the year under audit sixteen Board of director's meetings were held.

35.00 Receivable from Directors

The Company does not have any receivable from any of the Directors of the Company as at December 31, 2017.

36.00 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.

37.00 Claims against the company not acknowledged as debt

There was no claim at the balance sheet date.

38.00 Contingent liabilities

There was no Contingent liabilities at the balance sheet date.

39.00 Related party disclosure

Details are shown in annexure-C.

40.00 Name of directors and their interest in the FI and different entities

Details are shown in annexure-D.

41.00 Disclosure on Audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular no. 13 dated: October 26, 2011 and Bangladesh Securities and Exchange Commission notification ref. no. SEC/CMRRCD/2006-158/129/Admin/43, dated July 03, 2012.

Details are shown in annexure-E.

42.00 Income Tax Status in Different Years

Details are shown in annexure-F.

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Property, Plant and Equipment

As at December 31, 2017

Annexure: A

Amount in Taka

Asset category	Cost				Rate (%)	Amortization				Net Book value as at 31.12.2017
	Balance as at 01.01.2017	Addition/ Adjustment during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2017	
Software	2,000,000	200,000	-	2,200,000	50%	8,333	1,033,090	-	1,041,423	1,158,577
Sub Total	**2,000,000**	**200,000**	**-**	**2,200,000**		**8,333**	**1,033,090**	**-**	**1,041,423**	**1,158,577**

Asset Category	Cost				Rate %	Depreciation				Net Book value as at 31.12.2017
	Balance as at 01.01.2017	Addition/ Adjustment during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2017	
Land	76,488,317	-	-	76,488,317	-	-	-	-	-	76,488,317
Building	61,469,450	-	-	61,469,450	2.50%	5,601,687	9,043,569	19,538	14,625,718	46,843,732
Interior decoration	12,314,536	25,500	49,920	12,290,116	10%	4,963,771	1,725,582	8,800	6,680,553	5,609,563
Furniture & fixture	7,782,314	53,070	8,800	7,826,584	10%	3,241,753	1,370,632	437,880	4,174,505	3,652,079
Mechanical appliance	21,227,895	188,502	437,880	20,978,517	20%	12,167,487	4,604,671	77,925	16,694,233	4,284,284
Computer & accessories	20,940,926	1,310,822	77,925	22,173,823	33.33%	9,529,649	6,826,588	-	16,356,237	5,817,586
Motor vehicle	17,330,933	5,829,621	4,721,470	18,439,084	20%	12,689,404	3,506,374	4,632,215	11,563,563	6,875,521
Sub Total	**217,554,371**	**7,407,515**	**5,295,995**	**219,665,891**		**48,193,751**	**27,077,416**	**5,176,358**	**70,094,809**	**149,571,082**
Total As at 31.12.2017	**219,554,371**	**7,607,515**	**5,295,995**	**221,865,891**		**48,202,084**	**28,110,506**	**5,176,358**	**71,136,232**	**150,729,659**
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**	**171,352,287**

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of investment in share

As at December 31, 2017

Annexure-B

Sl No.	Name Of Company	Amount in Taka					
		Number of Shares	Average Cost Value Per Share	Market value Per Share	Total Cost Value of Investment	Market Value of Investment	Provision Required
01.	Shahjibazar Power Co. Ltd.	42,000	35.44	116.10	1,488,309	4,876,200	3,387,891
02.	Beximco Ltd.	232,837	65.87	27.00	15,337,813	6,286,599	(9,051,214)
03.	IFIL Islamic Mutual Fund-1	1,000,000	10.00	9.86	10,000,000	9,860,000	(1,620,000)
04.	Beximco Pharmaceuticals Ltd.	128,200	102.54	103.80	13,145,881	13,307,160	161,279
05.	ACI Ltd.	335	552.26	459.80	185,007	154,033	(30,974)
06.	Heidlberg Cement Bangla Ltd.	33,558	411.59	424.90	13,812,082	14,258,794	446,713
07.	Oimax Electrode Ltd.	7,128	9.09	65.20	64,800	464,746	399,946
08.	IFAD Autos Ltd.	20,000	132.78	126.00	2,655,634	2,520,000	(135,634)
09.	Nahee alu. Com. Ltd.	6,847	9.09	73.40	62,246	502,570	440,323
Total:					**56,751,772**	**52,230,102**	**(6,001,671)**

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Related Party Transaction

For the Year ended December 31, 2017

Annexure- C

Sl. No.	Borrower Name	Director Name	Product Group	Sanction Amount	Outstanding Amount	Security Value	Loan Status
01.	Eastern University	Janab Abul Quasem Haider Janab S.M. Bakhtiar Alam Janab Rezakul Haider Janab Anwar Hossain Chowdhury Janab Afzalur Rahman	HPSM	70,000,000	12,419,205	37,500,000	STD
02.	Janab Mostanser Billa	Janab Mostanser Billa	HPSM	12,500,000	304,321	-	STD
03.	Zennith Islami Life Insurance Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	10,500,000	3,659,220	-	STD
04.	Zennith Islami Life Insurance Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	14,350,000	217,479	-	STD
05.	Comfit Composite Knit Ltd.	Janab Rezakul Haider Janab Feroz Alam Janab Anis Salahudin Ahmad	HPSM	10,000,000	6,505,191	-	STD
06.	Zennith Islami Life Insurance Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	14,350,000	604,640	-	STD
07	Bangladesh Independent Power Producers Association	Janab Feroz Alam	HPSM	2,450,000	1,758,237	-	STD
08.	Youth Fashion Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	10,000,000	10,237,754	-	STD
09.	Lucky Star Apparels Ltd.	Janab Anwar Hossain Chowdhury	BAIM	15,000,000	15,312,000	-	STD
10.	N.I. Design Wear Ltd.	Janab Anwar Hossain Chowdhury	Lease	10,000,000	4,478,593	-	STD
Total				**169,150,000**	**55,496,640**	**37,500,000**	

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ISLAMIC FINANCE AND INVESTMENT LIMITED

Name of the Directors of IFIL and their interest in other different entities

For the year ended December 31, 2017

Annexure - D

Name	Status in the IFIL	Name of firms/ Companies in which interested
Janab Abul Quasem Haider	Chairman	Youth Spinning Mills Ltd.
		Youth Hatchery & Agro Ltd.
		Youth Real estate Ltd.
		Australian International school.
		Eastern University
		Multimode Resource Ltd.
		Chowdhury Apparels (Pvt.) Ltd.
Janab Afzalur Rahman	Vice- Chairman	Youth Spinning Mills Ltd.
		International Holdings Ltd.
		Eastern University Foundation
Janab Hossain Mahmud	Vice- Chairman	M/s. Shirat Chemicals Ltd.
Janab Feroz Alam	Director	Shahjibazar Power Co. Ltd.
		Petromax Refinery Ltd.
		Comfit Composite Knit Ltd.
		Midland Power Co. Ltd.
		Youth Fashion Ltd.
		Midland East Power Ltd.
		Petromax CYPG Ltd.
		Petromax LPG Ltd.
		Australian International school.
Mrs. Kazi Mahbuba Akhter	Director	A .J Fashion Ltd.
		Lucky Star Apparels Ltd.
		Sears Accessories Ltd.
		N.I. Design Wear Ltd.
Janab Shibbir Mahmud	Director	M/s. Euro Label Ltd.
		SWISS TEX Ltd.
		Diganta Media Corporation.
		SWISS Tex Packaging & Accessories Ltd.
		SWISS Tex Printers Ltd.
Janab S.M. Bakhtiar Alam	Director	Prophecy Furnishers Ltd.
		Prophecy Furnishers
		Eastern University
Janab Anis Salahuddin Ahmad	Director	Shahjibazar Power Co. Ltd.
		Petromax Refinery Ltd.
		Comfit Composite Knit Ltd.
		Petromax Cylinder Ltd.
		Petromax LPG Ltd.
		Australian International school.
Janab Dr. Gazi Md.Ahsanul Kabir	Independent Director	N/A
Janab Dr. Md. Jahangir Alam	Independent Director	N/A

ISLAMIC FINANCE AND INVESTMENT LIMITED

Schedule of Audit Committee

For the year ended December 31, 2017

Annexure -E

Sl. No.	Name	Status held in the FIs	Status held in the Audit Committee	Date of Appointment	Educational Qualification
1.	Janab Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	Chairman	June 6, 2017	PhD.
2.	Janab Afzalur Rahman	Director	Member	June 6, 2017	Diploma in Textile Industry Technology from Mebel & Fletcher Technical College Liverpool, UK
3.	Janab Shibbir Mahmud	Director	Member	June 6, 2017	B. Com
4.	Janab S.M. Bakhtiar Alam	Director	Member	June 6, 2017	M.Sc.
5.	Janab Hossain Mahmud	Director	Member	June 6, 2017	M.Com

Number of meeting held by the committee during the year 2017

Sl.	Meeting Particulars	Meetings held on
1.	48th Audit committee meeting	April 3, 2017
2.	49th Audit committee meeting	August 24, 2017
3.	50th Audit committee meeting	September 21, 2017
4.	51st Audit committee meeting	December 26, 2017

The Audit Committee, in the above 04(Four) meetings, held during the year 2017, discussed many issue, some of which are :

1. Discussed & reviewed the Internal and External Auditor reports and advised the Management to rectify all lapses revealed in the reports.
2. 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.
3. Advised the Management to meticulously comply with all regulatory requirements set-forth by Bangladesh Bank and other regulatory bodies.
4. Advised the concerned Head of departments/Branch Managers and officials of the institute were invited to attend the meeting of the audit committee in order to augment the process of regularization of lapses and
5. Advised the Management to complete all the documentation formalities carefully and preserve each and every document properly.
6. Review the financial statements to ensure that these Financial Statements are in full compliance with Acts, Rules and the Accounting Standards (BAS/BFRS).
7. Highlights from the Bangladesh Bank Comprehensive Inspection report on branches as well as various Divisions of Head Office of IFIL.
8. 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.
9. Suggested to take up the matters with concerned lawyers for early disposal of the suits for recovery of the outstanding dues.

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Income Tax Status in Different Years

Annexure - F

Finincial Year	Assessment Year	Net Profit/(Loss) as per Accounts (Before Tax)	Tax Provision in Account	Tax Payable (Tk.) DCT Level	Update Position
2007	2008-2009	87,517,547	(729,729)	2,295,929	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	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	Appeal at Appeallate Tribunal Bench-1
2010	2011-2012	168,243,027	45,412,462	45,412,462	Assessment Completed
2011	2012-2013	67,810,478	41,124,479	41,124,479	Assessment Completed
2012	2013-2014	152,731,654	68,400,000	68,400,000	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	97,612,750	97,612,750	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	57,842,286	-	DCT level for Tax Assessed
2015	2016-2017	299,038,646	86,847,718	-	DCT level for Tax Assessed
2016	2017-2018	405,764,169	127,430,956	-	Return submitted for assessment at DCT level.
Total		**1,782,023,899**	**535,458,399**	**322,131,984**	

Pictorial of Some Project



Cyber Cafe Project Finance by Bogra Branch



Agro Industries Project Finance by Bogra Branch

		Amount in Taka	
		31-Dec-17	31-Dec-16
12.02	**Provision for taxation**		
	Opening balance	466,800,270	336,340,483
	Add: Opening adjustment	57,339,865	-
	Add: Provision made during the year	44,305,857	152,366,471
	Less: Adjustment during the year	466,291,544	(21,906,684)
	Closing balance:	**102,154,448**	**466,800,270**
12.02 (A)	**Current tax liabilities**		
	Provision held at the beginning of the year	459,127,262	328,939,732
	Add: Opening adjustment	57,339,865	-
	Add: Provision made for the Year-2013	-	24,663,258
	Add: Provision made during the year	50,987,587	127,430,956
	Less: Adjustment for different years Note: 12.02 (B)	466,291,544	21,906,684
	Closing balance:	**101,163,170**	**459,127,262**

12.02 (B) Adjustment for different year

Finincial Year	Assesment Year	Tax Payable	Total Advance	Adjustment Amount
2010	2011-12	45,412,462	42,595,001	42,595,001
2011	2012-13	41,124,479	46,286,950	41,124,479
2012	2013-14	68,400,000	64,093,863	64,093,864
2013	2014-15	97,612,750	68,263,924	68,263,924
2014	2015-16	57,842,286	67,781,713	57,842,286
2015	2016-17	64,941,034	65,268,581	64,941,034
Sub total:		**375,333,011**	**354,290,032**	**338,860,588**
2016	2017-18	127,430,956	76,592,256	127,430,956
Total:		**502,763,967**	**430,882,288**	**466,291,544**

Assessment of income tax for the years 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 "F". The management is in the opinion that decision will be awarded in favor of the company upon finalization of individual year of assessment.

12.02 (C)	**Deferred tax liabilities/(assets)**		
	Provision held at the beginning of the year	7,673,008	7,400,751
	Add: Provision/(adjustment) made during the year	(6,681,730)	272,257
	Closing Deferred tax liabilities/(assets):	**991,278**	**7,673,008**
	Deferred tax expense for the year	(6,681,730)	272,257
12.03	**Provision for general investments**		
	Movement of provision:		
	Against classified investments		
	Opening balance	73,962,217	57,244,000
	Less: Adjustment with unclassified investment	(39,471,834)	-
	Less: Bad and doubtful debts written off	(3,351,700)	(5,390,647)
	Add: Provision made during the year	687,857	21,965,031
	Add: Recoveries of amount previously written off	28,400	143,833
		31,854,940	**73,962,217**
	Against unclassified investments		
	Provision held at the beginning of the year	45,566,433	61,548,000
	Adjustment with classified investment	39,471,834	-
	Provision made during the year	4,081,055	(15,981,567)
		89,119,322	**45,566,433**
	Closing balance:	**120,974,262**	**119,528,650**

		Amount in Taka	
		31-Dec-17	31-Dec-16
12.04	**Provision against investments in shares**		
	Opening balance	59,356,343	71,097,077
	Add: Provision made during the year	(53,354,672)	(11,740,734)
	Closing balance:	**6,001,671**	**59,356,343**
	Details given in Annexure-B		
12.05	**Provision for other assets**		
	Opening balance	-	12,776,942
	Add: Provision made during the year	896,335	(11,740,458)
	Less: Adjustment during the year	-	1,036,484
	Closing balance:	**896,335**	**-**
12.06	**Contribution to PF**		
	Opening balance Note: 9.02	(11,040)	-
	Add: Provision made during the year	6,011,104	-
	Less: Transfer to provident fund & paid to employee	5,961,840	-
	Closing balance:	**38,224**	**-**
12.07	**Profit suspense account**		
	Opening balance	29,559,645	51,834,201
	Add: Amount transferred during the year	126,724,403	61,731,913
		156,284,048	**113,566,114**
	Less: Amount recovered during the year	114,134,617	84,006,469
	Less: Amount written off during the year	-	-
	Closing balance:	**42,149,431**	**29,559,645**
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**		
	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
	13307413 bonus shares of Tk. 10 each issued in 2016	133,074,133	-
	Closing balance:	**1,342,838,971**	**1,209,764,838**

	Amount in Taka	
	31-Dec-17	31-Dec-16

13.02 Particulars of fully paid-up share capital

Particulars	Number of Shares		Percentage (%)	
	2017	2016	2017	2016
Sponsor	48,477,255	44,265,106	36.10	36.59
Institutions	41,145,342	35,543,146	30.64	29.38
General public	44,661,300	41,168,232	33.26	34.03
Total:	**134,283,897**	**120,976,484**	**100.00**	**100.00**

13.03 Classification of shareholders by holding as on December 31, 2017

Particulars	Number of Share Holdres	No of Shares	Holding Position (%)
1 to 500 shares	4,540	587,765	0.44
501 to 5,000 shares	4,644	9,513,725	7.08
5,001 to 10,000 shares	800	6,023,950	4.49
10,001 to 20,000 shares	459	6,754,195	5.03
20,001 to 30,000 shares	142	3,515,217	2.62
30,001 to 40,000 shares	80	2,826,323	2.10
40,001 to 50,000 shares	59	2,763,500	2.06
50,001 to 100,000 shares	82	5,985,751	4.46
100,001 to 1,000,000 shares	86	27,235,452	20.28
1,000,001 to 9999999 shares	28	69,078,019	51.44
Total:	**10,920**	**134,283,897**	**100.00**

13.04 Capital adequacy

Tier – I (Core Capital)

Paid up capital	1,342,838,971	1,209,764,838
Share premium account	730,852	730,852
Statutory reserve	325,072,152	276,356,803
Retained earnings	194,861,396	202,622,686
Other reserve	54,757,137	21,501,528
Sub total:	**1,918,260,508**	**1,710,976,707**
Tier –II (Supplementary Capital)		
General provision	88,778,467	73,039,794
Sub total:	**88,778,467**	**73,039,794**
A.Total capital:	**2,007,038,975**	**1,784,016,501**
B. Required capital:	1,000,000,000	1,000,000,000
C. Surplus/(Deficiency) (A - B):	**1,007,038,975**	**784,016,501**

13.05 Minimum Capital Requirement (MCR) under basel accord for financial institutions (BAFI)

Total eligible capital	**2,007,038,975**	**1,784,016,501**
Tier - 1 Capital	1,918,260,508	1,710,976,707
Tier - 2 Capital	88,778,467	73,039,794
Total Risk Weighted Assets (RWA)	**14,681,426,658**	**12,866,743,611**
On balance sheet	14,133,209,090	11,978,673,549
Market risk	101,500,204	456,030,023
Operational risk	446,717,364	432,040,039
Capital adequacy ratio (CAR)	13.67	13.87
Core capital to RWA	13.07	13.30
Supplementary capital to RWA	0.60	0.57
Minimum Capital Requirment (MCR)	**1,468,142,666**	**1,286,674,361**
Surplus/(Deficiency):	**538,896,309**	**497,342,140**

		Amount in Taka	
		31-Dec-17	31-Dec-16
13.06	**Share premium account**		
	Opening balance	730,852	730,852
	Premium received	-	-
	Bonus share issued	-	-
	Share issue expenses	-	-
	Closing balance:	**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	276,356,803	220,744,612
	Add: Addition during the year	48,715,349	55,612,191
	Closing balance:	**325,072,152**	**276,356,803**
15.00	**Other reserves**		
	Dividend equalization reserve		
	Opening balance	12,301,528	12,301,528
	Add: Addition during the year	-	-
	Less: Issued bonus during the year	-	-
	Closing balance:	**12,301,528**	**12,301,528**
	Special reserve fund		
	Opening balance	9,200,000	9,200,000
	Add: Addition during the year	-	-
	Less: Issued bonus during the year	-	-
	Closing balance:	**9,200,000**	**9,200,000**
	General reserve fund		
	Opening balance	-	-
	Add: Addition during the year	33,255,609	-
	Less: Issued bonus during the year	-	-
	Closing balance:	**33,255,609**	**-**
	Total other reserve:	**54,757,137**	**21,501,528**
16.00	**Surplus in profit & loss account**		
	Balance as on January 01, 2017	202,622,686	162,106,606
	Add: Prior year adjustment	-	(24,663,258)
	Retained earnings as on January 01, 2017	**202,622,686**	**137,443,348**
	Less: Dividend paid	(36,292,944)	(157,269,427)
	Less: Bonus share issue	(133,074,133)	-
	Less: General reserve	(33,255,609)	-
	Add: Post tax profit for the year	243,576,745	278,060,956
	Less: Transfer to statutory reserve	(48,715,349)	(55,612,191)
	Retained Earnings as on December 31, 2017	**194,861,396**	**202,622,686**
	Total profit before income tax	287,882,602	405,764,169
	Provision for Income Tax	44,305,857	127,703,213
	Net profit after income tax for the year	**243,576,745**	**278,060,956**
	Statutory reserve	48,715,349	55,612,191
	Dividend equalization reserve	-	-
	Special reserve fund	-	-
	Retained earnings brought forward	-	(19,826,079)
	Total:	**194,861,396**	**202,622,686**

		Amount in Taka	
		31-Dec-17	31-Dec-16
17.00	**Acceptances and endorsements**		
	Back to back bills	-	-
	Back to back bills (EDF)	-	-
	FI's liabilities PAD (DEF)	-	-
	Total:	-	-
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	-	-
	Total:	-	-
17.01.1	**Letter of guarantees others**		
	Local	-	-
	Foreign	-	-
	Total:	-	-
17.02	**Irrevocable letters of credit**		
	Inland	-	-
	General	-	-
	Total:	-	-
17.03	**Bills for collection**		
	Outward bills for collection	-	-
	Outward foreign bills for collection	-	-
	Inward bills for collection	-	-
	Inward foreign bills for collection	-	-
	Total:	-	-
17.04	**Other contingent liabilities**		
	FI's liabilities (BLW)	-	-
	Total:	-	-

		Amount in Taka	
		2017	2016
18.00 Income statement			
Income			
Profit, discount and similar income	Note:18.01	1,065,531,341	1,174,136,328
Dividend income		15,895,767	13,689,439
Fees, commission and brokerage	Note: 20	10,057,748	18,137,810
Income from investment in securities		58,878,663	15,829,817
Other operating income	Note: 21	75,549,798	58,406,156
Total:		**1,225,913,317**	**1,280,199,550**
Expenses			
Profit paid on deposits, borrowings etc.		744,639,627	716,265,683
Administrative expenses		212,941,607	166,038,072
Depreciation on banking assets		28,110,506	9,629,354
Total:		**985,691,740**	**891,933,109**
Operating profit before provision		**240,221,577**	**388,266,441**
18.01 Profit on investment			
Income from lease finance		493,197,330	634,664,408
Income from HPSM		392,420,490	450,676,658
Income from BAIM & HDS		179,913,521	88,795,262
Total:		**1,065,531,341**	**1,174,136,328**
18.02 Investment income			
Gain from investment in securities		58,878,663	15,829,817
Dividend income		15,895,767	13,689,439
Total:		**74,774,430**	**29,519,256**
19.00 Profit paid on deposits & borrowings etc.			
Profit on deposits		725,203,132	681,449,287
Profit on borrowings		13,223,518	20,989,711
Profit on refinance Bangladesh Bank		6,212,977	13,826,685
Total:		**744,639,627**	**716,265,683**
20.00 Commission, exchange & brokerage			
Fees, commission etc.		10,057,748	18,137,810
Total:		**10,057,748**	**18,137,810**
21.00 Other operating income			
Profit on bank deposit		65,241,828	38,543,683
Profit on sales of fixed assets		1,638,063	2,051,793
Other income		8,669,907	17,810,680
Total:		**75,549,798**	**58,406,156**
21.01 Profit on sales of fixed assets			
This represents gain/(loss) on sales of the following fixed assets			
Cost		5,295,995	5,014,332
Less: Accumulated depreciation		5,176,358	4,227,470
Written down value		119,637	786,862
Sale proceeds of above fixed assets		1,757,700	2,838,655
Total gain/ (loss) on sales of fixed assets:		**1,638,063**	**2,051,793**

	Amount in Taka	
	2017	2016

22.00 Salaries & Allowances

Basic salary	35,675,829	32,593,787
Bonus	6,525,186	5,476,731
FI's contribution to employees provident fund	3,005,552	3,017,595
House rent	18,369,023	16,599,259
Conveyance allowance	1,496,606	1,357,797
Medical allowance	3,590,562	3,279,644
Gratuity	4,703,149	6,032,275
Other allowances	20,057,989	19,237,041
Total:	**93,423,896**	**87,594,129**

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	2,520,000	3,794,064
Other allowances	3,480,000	1,699,484
Total:	**6,000,000**	**5,493,548**

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:	6,000,000	5,493,548
(b) Post-employment benefits;	-	-
(C) Other long-term benefits;	-	-
(d) Termination benefits; and	-	-
(e) Share-based payment	-	-
	6,000,000	**5,493,548**

23.00 Rent, taxes, insurances, electricity etc.

Rent	7,255,350	7,049,187
Insurance	657,545	275,251
Lighting, gas & water	2,692,782	2,764,990
Total:	**10,605,677**	**10,089,428**

24.00 Legal expenses

Legal & professional fees	888,685	1,649,713
Total:	**888,685**	**1,649,713**

25.00 Postage, stamps and telecommunication

Postage & stamp	699,444	661,943
Telephone expenses	916,077	1,068,427
Total:	**1,615,521**	**1,730,370**

26.00 Stationery, printing and advertisement

Printing & stationery	2,851,088	835,506
Advertisement	3,833,126	860,876
Computer expenses	1,596,202	822,689
Total:	**8,280,416**	**2,519,071**

27.00 Directors' fees

Directors' fees	1,384,000	1,680,000
Total:	**1,384,000**	**1,680,000**

		Amount in Taka	
		2017	2016
28.00 Depreciation and Repair of fixed assets			
Depreciation on fixed assets	Note: 28.01	28,110,506	9,629,354
Repairs & maintenance		1,598,672	1,886,040
Total:		**29,709,178**	**11,515,394**
28.01 Depreciation/Amortization on fixed assets (Annexure - A)			
Building		9,043,569	1,432,507
Interior decoration		1,725,582	812,672
Mechanical appliance		4,604,671	2,181,877
Computer & accessories		6,826,588	3,433,402
Motor vehicle		3,506,374	1,274,657
Furniture & fixture		1,370,632	485,906
Software		1,033,090	8,333
Total:		**28,110,506**	**9,629,354**
29.00 Other Expenses			
Bank charges		1,735,675	1,014,399
Car & generator expenses		1,447,626	1,528,439
Website expenses		-	510,124
Training expenses		450,528	247,325
AGM expenses		2,156,704	2,000,000
Fees & subscription		2,051,948	2,521,729
Entertainment expenses		7,608,022	7,700,938
Travelling expenses		1,017,047	846,400
Conveyance, carriage & freight		1,063,228	994,204
Business development		1,600,905	1,302,240
Incentive expenses		14,375,000	18,010,000
Shariah meeting fee		153,612	118,000
Newspapers and magazines		89,442	89,749
Crockeries & accessories		10,860	8,348
Office maintenance		2,193,574	2,467,430
Gross loss on sale of share		50,989,055	13,281,894
Miscellaneous expenses		2,061,514	634,554
Total:		**89,004,740**	**53,275,773**
30.00 Provision against lease, loans and investments			
Provision against unclassified loans	Note: 12.03	4,081,055	(15,981,567)
Provision against classified loans	Note: 12.03	716,257	21,965,031
Provision for loans & advances		**4,797,312**	**5,983,464**
Provision against investment in shares	Note: 12.04	(53,354,672)	(11,740,734)
Provision against others assets	Note: 12.05	896,335	(11,740,458)
Total:		**(47,661,025)**	**(17,497,728)**
31.00 Earning Per Share(EPS)			
Net profit after tax		243,576,745	278,060,956
Number of ordinary shares outstanding		134,283,897	120,976,484
Earning Per Share (EPS):		**1.81**	**2.30**
Net profit after tax		243,576,745	278,060,956
Number of ordinary shares outstanding		134,283,897	134,283,897
Earning Per Share (EPS) (Restated: 2016)		**1.81**	**2.07**

	Amount in Taka	
	2017	2016
32.00 Net Asset Value (NAV) per share		
Total assets	15,239,737,438	11,936,871,109
Total liabilities	(13,321,476,930)	(10,225,894,402)
Net Asset Value (NAV):	**1,918,260,508**	**1,710,976,707**
Number of shares outstanding	134,283,897	120,976,484
Net Asset Value per Share (NAVPS):	**14.29**	**14.14**
Number of shares outstanding	134,283,897	134,283,897
Net Asset Value per Share (NAVPS) (Restated: 2016):	**14.29**	**12.74**

33.00 Number of employees

The number of employees engaged for the whole year or part thereof who received a total amount of BDT 36,000 or above were 105.

34.00 Board meeting and directors' remuneration

Bangladesh Bank vide its DFIM Circular No. 13, dated November 30, 2015, re-fixed the maximum limit of remuneration to the directors for attending meeting of the Board and its committees at Taka 8,000 per meeting No remuneration or special payment was paid to the directors for attending board meetings or otherwise during the year 2017. During the year under audit sixteen Board of director's meetings were held.

35.00 Receivable from Directors

The Company does not have any receivable from any of the Directors of the Company as at December 31, 2017.

36.00 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.

37.00 Claims against the company not acknowledged as debt

There was no claim at the balance sheet date.

38.00 Contingent liabilities

There was no Contingent liabilities at the balance sheet date.

39.00 Related party disclosure

Details are shown in annexure-C.

40.00 Name of directors and their interest in the FI and different entities

Details are shown in annexure-D.

41.00 Disclosure on Audit committee

The Audit Committee of the Board was duly constituted by the Board of Directors of the Company in accordance with the Bangladesh Bank's DFIM circular no. 13 dated: October 26, 2011 and Bangladesh Securities and Exchange Commission notification ref. no. SEC/CMRRCD/2006-158/129/Admin/43, dated July 03, 2012.

Details are shown in annexure-E.

42.00 Income Tax Status in Different Years

Details are shown in annexure-F.

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Property, Plant and Equipment

As at December 31, 2017

Annexure: A

Amount in Taka

Asset category	Cost				Rate (%)	Amortization				Net Book value as at 31.12.2017
	Balance as at 01.01.2017	Addition/ Adjustment during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2017	
Software	2,000,000	200,000	-	2,200,000	50%	8,333	1,033,090	-	1,041,423	1,158,577
Sub Total	**2,000,000**	**200,000**	**-**	**2,200,000**		**8,333**	**1,033,090**	**-**	**1,041,423**	**1,158,577**

Asset Category	Cost				Rate %	Depreciation				Net Book value as at 31.12.2017
	Balance as at 01.01.2017	Addition/ Adjustment during the year	Disposal during the year	Balance as at 31.12.2017		Balance as at 01.01.2017	Charged during the year	Disposal/ Adjustment during the year	Balance as at 31.12.2017	
Land	76,488,317	-	-	76,488,317	-	-	-	-	-	76,488,317
Building	61,469,450	-	-	61,469,450	2.50%	5,601,687	9,043,569	19,538	14,625,718	46,843,732
Interior decoration	12,314,536	25,500	49,920	12,290,116	10%	4,963,771	1,725,582	8,800	6,680,553	5,609,563
Furniture & fixture	7,782,314	53,070	8,800	7,826,584	10%	3,241,753	1,370,632	437,880	4,174,505	3,652,079
Mechanical appliance	21,227,895	188,502	437,880	20,978,517	20%	12,167,487	4,604,671	77,925	16,694,233	4,284,284
Computer & accessories	20,940,926	1,310,822	77,925	22,173,823	33.33%	9,529,649	6,826,588	-	16,356,237	5,817,586
Motor vehicle	17,330,933	5,829,621	4,721,470	18,439,084	20%	12,689,404	3,506,374	4,632,215	11,563,563	6,875,521
Sub Total	**217,554,371**	**7,407,515**	**5,295,995**	**219,665,891**		**48,193,751**	**27,077,416**	**5,176,358**	**70,094,809**	**149,571,082**
Total As at 31.12.2017	**219,554,371**	**7,607,515**	**5,295,995**	**221,865,891**		**48,202,084**	**28,110,506**	**5,176,358**	**71,136,232**	**150,729,659**
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**	**171,352,287**

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of investment in share

As at December 31, 2017

Annexure-B

Sl No.	Name Of Company	Amount in Taka					
		Number of Shares	Average Cost Value Per Share	Market value Per Share	Total Cost Value of Investment	Market Value of Investment	Provision Required
01.	Shahjibazar Power Co. Ltd.	42,000	35.44	116.10	1,488,309	4,876,200	3,387,891
02.	Beximco Ltd.	232,837	65.87	27.00	15,337,813	6,286,599	(9,051,214)
03.	IFIL Islamic Mutual Fund-1	1,000,000	10.00	9.86	10,000,000	9,860,000	(1,620,000)
04.	Beximco Pharmaceuticals Ltd.	128,200	102.54	103.80	13,145,881	13,307,160	161,279
05.	ACI Ltd.	335	552.26	459.80	185,007	154,033	(30,974)
06.	Heidlberg Cement Bangla Ltd.	33,558	411.59	424.90	13,812,082	14,258,794	446,713
07.	Oimax Electrode Ltd.	7,128	9.09	65.20	64,800	464,746	399,946
08.	IFAD Autos Ltd.	20,000	132.78	126.00	2,655,634	2,520,000	(135,634)
09.	Nahee alu. Com. Ltd.	6,847	9.09	73.40	62,246	502,570	440,323
Total:					**56,751,772**	**52,230,102**	**(6,001,671)**

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Related Party Transaction

For the Year ended December 31, 2017

Annexure- C

Sl. No.	Borrower Name	Director Name	Product Group	Sanction Amount	Outstanding Amount	Security Value	Loan Status
01.	Eastern University	Janab Abul Quasem Haider Janab S.M. Bakhtiar Alam Janab Rezakul Haider Janab Anwar Hossain Chowdhury Janab Afzalur Rahman	HPSM	70,000,000	12,419,205	37,500,000	STD
02.	Janab Mostanser Billa	Janab Mostanser Billa	HPSM	12,500,000	304,321	-	STD
03.	Zennith Islami Life Insurance Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	10,500,000	3,659,220	-	STD
04.	Zennith Islami Life Insurance Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	14,350,000	217,479	-	STD
05.	Comfit Composite Knit Ltd.	Janab Rezakul Haider Janab Feroz Alam Janab Anis Salahudin Ahmad	HPSM	10,000,000	6,505,191	-	STD
06.	Zennith Islami Life Insurance Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	14,350,000	604,640	-	STD
07	Bangladesh Independent Power Producers Association	Janab Feroz Alam	HPSM	2,450,000	1,758,237	-	STD
08.	Youth Fashion Ltd.	Janab Rezakul Haider Janab Feroz Alam	Lease	10,000,000	10,237,754	-	STD
09.	Lucky Star Apparels Ltd.	Janab Anwar Hossain Chowdhury	BAIM	15,000,000	15,312,000	-	STD
10.	N.I. Design Wear Ltd.	Janab Anwar Hossain Chowdhury	Lease	10,000,000	4,478,593	-	STD
Total				**169,150,000**	**55,496,640**	**37,500,000**	

ARIVARSTOCK

ISLAMIC FINANCE AND INVESTMENT LIMITED

Name of the Directors of IFIL and their interest in other different entities

For the year ended December 31, 2017

Annexure - D

Name	Status in the IFIL	Name of firms/ Companies in which interested
Janab Abul Quasem Haider	Chairman	Youth Spinning Mills Ltd.
		Youth Hatchery & Agro Ltd.
		Youth Real estate Ltd.
		Australian International school.
		Eastern University
		Multimode Resource Ltd.
		Chowdhury Apparels (Pvt.) Ltd.
Janab Afzalur Rahman	Vice- Chairman	Youth Spinning Mills Ltd.
		International Holdings Ltd.
		Eastern University Foundation
Janab Hossain Mahmud	Vice- Chairman	M/s. Shirat Chemicals Ltd.
Janab Feroz Alam	Director	Shahjibazar Power Co. Ltd.
		Petromax Refinery Ltd.
		Comfit Composite Knit Ltd.
		Midland Power Co. Ltd.
		Youth Fashion Ltd.
		Midland East Power Ltd.
		Petromax CYPG Ltd.
		Petromax LPG Ltd.
		Australian International school.
Mrs. Kazi Mahbuba Akhter	Director	A .J Fashion Ltd.
		Lucky Star Apparels Ltd.
		Sears Accessories Ltd.
		N.I. Design Wear Ltd.
Janab Shibbir Mahmud	Director	M/s. Euro Label Ltd.
		SWISS TEX Ltd.
		Diganta Media Corporation.
		SWISS Tex Packaging & Accessories Ltd.
		SWISS Tex Printers Ltd.
Janab S.M. Bakhtiar Alam	Director	Prophecy Furnishers Ltd.
		Prophecy Furnishers
		Eastern University
Janab Anis Salahuddin Ahmad	Director	Shahjibazar Power Co. Ltd.
		Petromax Refinery Ltd.
		Comfit Composite Knit Ltd.
		Petromax Cylinder Ltd.
		Petromax LPG Ltd.
		Australian International school.
Janab Dr. Gazi Md.Ahsanul Kabir	Independent Director	N/A
Janab Dr. Md. Jahangir Alam	Independent Director	N/A

ISLAMIC FINANCE AND INVESTMENT LIMITED

Schedule of Audit Committee

For the year ended December 31, 2017

Annexure -E

Sl. No.	Name	Status held in the FIs	Status held in the Audit Committee	Date of Appointment	Educational Qualification
1.	Janab Prof. Dr. Gazi Md. Ahsanul Kabir	Independent Director	Chairman	June 6, 2017	PhD.
2.	Janab Afzalur Rahman	Director	Member	June 6, 2017	Diploma in Textile Industry Technology from Mebel & Fletcher Technical College Liverpool, UK
3.	Janab Shibbir Mahmud	Director	Member	June 6, 2017	B. Com
4.	Janab S.M. Bakhtiar Alam	Director	Member	June 6, 2017	M.Sc.
5.	Janab Hossain Mahmud	Director	Member	June 6, 2017	M.Com

Number of meeting held by the committee during the year 2017

Sl.	Meeting Particulars	Meetings held on
1.	48th Audit committee meeting	April 3, 2017
2.	49th Audit committee meeting	August 24, 2017
3.	50th Audit committee meeting	September 21, 2017
4.	51st Audit committee meeting	December 26, 2017

The Audit Committee, in the above 04(Four) meetings, held during the year 2017, discussed many issue, some of which are :

1. Discussed & reviewed the Internal and External Auditor reports and advised the Management to rectify all lapses revealed in the reports.
2. 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.
3. Advised the Management to meticulously comply with all regulatory requirements set-forth by Bangladesh Bank and other regulatory bodies.
4. Advised the concerned Head of departments/Branch Managers and officials of the institute were invited to attend the meeting of the audit committee in order to augment the process of regularization of lapses and
5. Advised the Management to complete all the documentation formalities carefully and preserve each and every document properly.
6. Review the financial statements to ensure that these Financial Statements are in full compliance with Acts, Rules and the Accounting Standards (BAS/BFRS).
7. Highlights from the Bangladesh Bank Comprehensive Inspection report on branches as well as various Divisions of Head Office of IFIL.
8. 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.
9. Suggested to take up the matters with concerned lawyers for early disposal of the suits for recovery of the outstanding dues.

ISLAMIC FINANCE AND INVESTMENT LIMITED

Statement of Income Tax Status in Different Years

Annexure - F

Finincial Year	Assessment Year	Net Profit/(Loss) as per Accounts (Before Tax)	Tax Provision in Account	Tax Payable (Tk.) DCT Level	Update Position
2007	2008-2009	87,517,547	(729,729)	2,295,929	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	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	Appeal at Appeallate Tribunal Bench-1
2010	2011-2012	168,243,027	45,412,462	45,412,462	Assessment Completed
2011	2012-2013	67,810,478	41,124,479	41,124,479	Assessment Completed
2012	2013-2014	152,731,654	68,400,000	68,400,000	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	97,612,750	97,612,750	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	57,842,286	-	DCT level for Tax Assessed
2015	2016-2017	299,038,646	86,847,718	-	DCT level for Tax Assessed
2016	2017-2018	405,764,169	127,430,956	-	Return submitted for assessment at DCT level.
Total		**1,782,023,899**	**535,458,399**	**322,131,984**	

Pictorial of Some Project



Cyber Cafe Project Finance by Bogra Branch



Agro Industries Project Finance by Bogra Branch



Hospital Project Finance by Chittagong Branch



Restaurant Project Finance by Chittagong Branch



Capital Mechinery Project Finance by Narayangonj Branch



Real Estate Project Finance by Narayangonj Branch



Renewable Energy Project Finance by Nayabazar Branch



Fan Manufacturing Project Finance by Nayabazar Branch



Resort Project Finance by Principal Branch



Garment Manufacturing Project Finance by Principal Branch



Polymar Manufacturing Project Finance by Uttara Branch



Meter Manufacturing Project Finance by Uttara Branch

Pictorial of the 16th Annual General Meeting



16th Annual General Meeting (AGM) is in progress



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IFIL Album



Md. Shahadat Hossain, FVP & Manager of Bogra Branch of Islamic Finance and Investment Limited, distributes warm cloth among cold-hit people at Mazira, Shajahanpur Upazila in Bogra.



Mr. A K M Shahidul Haque, Managing Director and Chief Executive Officer (CEO) of Islamic Finance and Investment Limited (IFIL) and Mr. Swapan Kumar Roy, General Manager, SMESPD of Bangladesh Bank, exchanged the documents of a participating financial institutions deal with the central bank under Japan International Cooperation Agency funded "Urban Building Safety Project (UBSP)" at Bangladesh Bank headquarters on February 13, 2017.



Janab Abul Quasem Haider, Chairman of the Board of Directors of Islamic Finance and Investment Limited (IFIL) and Managing Director and CEO Mr. A K M Shahidul Haque along with Directors and Sponsors of the institution unveils new logo in a colorful ceremony at a city hotel in Dhaka on September 25, 2017.



Islamic Finance and Investment Limited (IFIL) in collaboration with the Central Shariah Board for Islamic Banks of Bangladesh organized a day-long workshop on "Islamic Banking and Financing" at IFIL head office on February 25, 2017.

Note:

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AMAR STOCK

IFIL
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Islamic Finance and Investment Limited

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