



# Islamic Finance and Investment Limited (IFIL)

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

## INAUGURATION

by **Prof. A Q M Badruddoza Chowdhury, Hon'ble President of Peoples Republic of Bangladesh**  
March 3, 2002

...But Allah hath permitted trade and forbidden usury - Al Quran (2:275)

Honest and trust-worthy merchants will be with the Nabis, Siddiques and Shahids. - Al Hadis (Tirmidhi)

### Sponsors - Directors

**Mr. Abul Quasem Haider** Chairman  
Prominent Industrialist, Writer and Social Worker. Chairman-Youth Group (Comprising 14 export oriented industries and Global Beverage Co. Ltd.-the producer of Virgin Drinks), Vice Chairman- Bangladesh Textile Mills Association (BTMA), President-Bangladesh Sewing Thread Manufacturers and Exporters Association (BSTMEA), General Member-FBCCL, Ex Vice President-BGMEA, Editor-The Daily Aker Awaj & Weekly Panorama.



**Mr. Shabbir Mahmud** Vice Chairman  
Prominent Industrialist & Social Worker. Chairman-Swiss Text Ltd., Mercury Packaging & Accessories Ltd., Shirat Chemicals Ltd., Tiffany Food Ltd., Deluxe Apparels Ltd., Maillot Fashions Ltd., and Maillot Designs Ltd. Syndicate Member-Ahsania University of Science & Technology, Treasurer-Asia Crime Prevention Foundation, Founder, Director and Sponsor of many educational, cultural and social organization.



**Mr. Anwar Hossain Chowdhury** Vice Chairman  
Renowned Industrialist & Social Worker. President- AJ International (Buying House), Director-Takaful Islami Insurance Co. Ltd. Managing Director-Lucky Star Apparels Ltd., AJ Fashions Ltd. & Sears Accessories Ltd., Founder, Director and Sponsor of many Mosques, Madrasahs, Schools, Colleges and Social Welfare organization in greater Noakhali District specially in Ramgonj and Chatkhal.



**Mr. Md. Fazlul Hoque**  
Renowned Businessman and Social Worker. Founder & Managing Director of M/s Daika (Chemiland) Ltd.-a text chemical and machineries firm established under Joint Venture of Japan and Bangladesh. A leading personality co-ordinating between world high technology and process to promote Textile Industry of Bangladesh to export orientation level. Owner of M/s Trade Consortium. Sponsor of many educational-cultural and social organization.



**Mr. Feroz Alam**  
Renowned Industrialist and Social Worker. One of the founders and Managing Director of Youth Group. Devoted to establish and run Garments, Textile and Beverage Industries. Sponsor of many social and welfare organisations.



**Mr. Mazibur Rahman Khan**  
Established Industrialist and Social Worker. Chairman-Confidence Real Estate Ltd. Founder Director-Sonargon Textiles Ltd. Managing Director- Olympic Cement Ltd., Five 'R' Textile Ltd., Khan Sons Lines Ltd. and Rahman Export -Import Ltd. Owner-Rahman Traders. Founder and Sponsor of many educational and social organizations.



**Mr. Rezakul Haider (Monju)**  
Prominent Industrialist & Social Worker. One of the founders & Directors of Youth Group. Devoted to establish and run Garments, Textile and Beverage Industry. Sponsor of Many Social Welfare organisations.



**Md. Shamsuzzaman**  
Established Industrialist and Social Worker. Owner and Managing Director of Cherry (Pvt.) Limited, Calyx Fashion Limited and Zaman & Shahid Planters Co. Ltd. Sponsor of many educational and social welfare organisations.



**Engr. Md. Shafiqul Islam.**  
Prominent Industrialist and Social Worker. Founder Chairman-Shohi Business Limited, Educare Industries Limited, Earth Resources Consultants Limited. Chairman and Managing Director-Silva Housing Limited, Managing Director-Cedar Bangladesh Limited. Owner-Md. Shafiqul Islam & Co. Ex Chairman- Project Builders Ltd. (1979-1992). Sponsor of many educational, cultural and social welfare organisations. Life member -Engineers Institution of Bangladesh.



**Mr. Hossain Mahmud**  
Renowned Industrialist and Social Worker. Director-Swiss Text Ltd., Tiffany Food Ltd., Deluxe Apparels Ltd., Maillot Fashions Ltd., Maillot Designs Ltd. Managing Director-Mercury Packaging & Accessories Ltd. & Shirat Chemicals Ltd. Sponsor of many educational-cultural and social welfare organisations.



**Mr. Mohammed Zainul Abedin**  
Prominent Businessman and Social Worker. Managing Director-Paramount Securities Ltd., East Land Enterprise (Pvt.) Ltd. and Apex Overseas Services Ltd. Owner-Al-Hossam Establishment, Ex Director of Dhaka Chamber of Commerce and Industries. Sponsor of many educational, cultural and social organisation.



**Mr. Mohmmad Monwar** Managing Director  
Prominent Banker. Ex-Executive Vice President of Social Investment Bank Ltd. and Ex-Company Secretary of Eastern Bank Ltd. Ex-Regional Manager and Board Secretary of Janata Bank and Ex-Senior Vice President of Al-Baraka Bank Bangladesh Ltd. Sponsor of many social and cultural organisations.



### Islamic Finance and Investment Ltd:

A Development Finance Institution to apply Islamic Mode of Finance

- M. Azizul Huq

In an ideal situation banks and non-bank financial institutions (also known as development finance institutions) play a complementary role and together they produce a balanced result in the economy. This should have occurred in the case of Bangladesh but in reality it did not. A look into the financial sector of Bangladesh will reveal that the banking sector has grown to a great extent. During the seventies the country had hardly a dozen of local and foreign banks whereas by 2001 the number has reached 50. In the non-bank financial sector, the first institution i.e. ICB was organized in 1976 and by the year 2001 the number of DFIs has reached almost 30. According to knowledgeable sources, this growth, although quite significant, could not produce the required synergy and optimum results in the economy. Amongst other factors, both the banks and DFIs, with honourable exceptions, have developed a monolithic character. Banks have been too much trade-oriented and the DFIs have been too much lease-dependent. This dependency has been so wide-spread that any DFI, be it a merchant bank or an investment company or a mutual company, is popularly known as a leasing company. Islamic modes of Finance though very successful in the banking sector has not yet been tried in the non-bank sector. Thus despite the enormous growth of banking and non-bank financial sector, the vital and strategic needs of economy, like industries, housing, social, economic and other infrastructures have received inadequate attention.

This inadequacy has drawn the attention of a group of committed and successful entrepreneurs. As a bold step towards meeting this felt need of the economy they have come forward to sponsor this institution - Islamic Finance and Investment Limited (IFIL).

As decided by the sponsors, the IFIL is committed to work under Islamic framework within the scope given by GOB Financial Institution Act 1993. It will work towards realization of Islamic ideals of economic growth with social justice moderated by Islamic values. As regards mechanics of transactions, it will use interest free Islamic modes; in the choice of business portfolio, it will follow Islamic values and will be associated only with halal business. For building up its client population it will go strictly by merit without any reference to caste or need, of course to be a client of IFIL one must agree to conform to the requirements of the company.

IFIL uses the following modes of Islamic Finance in the deployment of its fund:

- Bai-Murabaha:** Bai-Murabaha may be defined as a contract between a buyer and a seller under which the seller sells certain specific goods (permissible under Islamic Shariah and the Law of the land), to the buyer at a cost plus agreed profit payable in cash or on any fixed future date in lump sum or by instalments. The profit marked-up may be fixed in lump sum or in percentage of the cost price of the goods.
- Bai- Muajjal:** Bai-Muajjal may be defined as a contract between a buyer and a seller under which the seller sells certain specific goods (permissible under Islamic Shariah and the Law

of the country), to the buyer at an agreed fixed price payable at a certain fixed future date in lump sum or within a fixed period by fixed instalments. The seller may also sell the goods purchased by him as per order and specification of the buyer.

**3. Hire Purchase under Shirkatul Meelk:** Under this mode Bank may supply implements / equipment/ goods on rental basis. The ownership of the implements / equipment / goods will be with the Bank but the client will be authorised to possess the equipment for certain period. The client, after completion of the instalments, will be the owner of he implements / equipment/ goods.

**4. Mudarabah:** It is a form of partnership where one party provides the funds while the other provides the expertise and management. The First Party is called the Sahib- Al Maal and the latter is referred to as the Mudarib. Any profits accrued are shared between the two parties on a pre-agreed basis, while capital loss is exclusively borne by the partner providing the capital.

**5. Musharakah:** An Islamic financial technique that adopts "equity sharing" as a means of financing projects. Thus, it embraces different types of profit and loss sharing partnership. The partners (entrepreneurs, banker, etc.) share both capital and management of a project so that profits will be distributed among them as per ratios, where loss is shared according to ratios of their equity participation.

**6. Bai-Salam:** Under this mode Bank will execute purchase contract with the client and make payment against purchase of product, which is under process of production. Bai-salam contract will be executed before making any investment showing price, quality, quantity, time, place and mode of delivery. The profit is to be negotiated.

**7. Lease :** It is a contract under which one party, called lessor rent out an asset to other party called lessee for a certain periodical rent. For funding transport and BMRE, the company will use this mechanism. IFIL will have a broad-based approach and will follow a development - cum - welfare oriented business policy. Naturally it will rely more on productivity than on collaterals.

As regards resources, IFIL will mobilise resources through various forms of term deposits based on mudaraba principle from within the country as well from expatriate Bangladeshies. Through cost - effective management policy, IFIL is expected to offer competitive rates to its deposit clients. Besides its has arrangement for line of credit from very respectable Islamic Sources. Thus, in addition to its sponsors' capital IFIL will have enough resources from other sources also.

Initial thrust of the Company will be on housing, transport and BMRE of industries having good prospect. It is hoped that with the active support of all concerned IFIL will establish itself as an innovative model in the non-bank financial sector, Inshah -Allah.



M. Azizul Huq  
Adviser

Prominent Banker & Economist. Founder Principal of Sonali Bank Staff College. Mastermind of Islamic banking in Bangladesh and founder Chief Executive of Islami Bank Bangladesh Ltd. Founder Managing Director of Social Investment Bank Ltd. and Islamic Finance and Investment Limited. Part-time Professor of University of Dhaka. Founder, Director and Sponsor of many educational, cultural and social organisations.

### Corporate Information

Date of Incorporation	: 27th February 2001
Commencement of Business	: 19th April 2001
Formal Inauguration	: 3rd March 2002
Authorised Capital	: Tk.1000.00 million
Paid-up Capital	: Tk.100.00 million
Sponsors' Contribution to Share-capital	: 70%

### Management of IFIL

Islamic Finance and Investment Limited is being managed by a 12-member Board of Directors - 11 elected by Share-holding 23 sponsors and Managing Director as ex-officio. A 6-member Executive Committee has been formed by the Board for quick disposal of business.

### Shariah Council

IFIL is committed to run its business strictly according to Islamic Shariah. To ensure strict adherence of Islamic principles in business the Board has taken steps to constitute a Shariah Council. Maulana Obaidul Huq, Khatib Baitul Mukarram National Mosque and Prof Muhammad Azharuddin Director, IBS, Darul Ihsan University have agreed to work as chairman and member respectively of our Shariah Council.

### Executives

In addition to the full time Adviser and Managing Director the following Executives have been employed by IFIL:

- 1. Rezauddin Ahmed - Vice President
- 2. A.B.M. Abdus Sattar - Asstt. Vice President
- 3. Afzalul Haq - Asstt. Vice President

They are supported by a group of young professionals.

### Head Office & Principal Branch

66, Dilkusha C/A, Dhaka-1000  
Phone : 9565604 (Hunting), Fax : 9555454  
E-mail : ifil@bangla.net Website : www.ifil.net

### Sponsors



**Mr. Anis Salahuddin Ahmad**  
Prominent Industrialist and Social Worker. Specialist in Business Administration and Management. One of the Directors of Youth Group. Devoted to establish and run Garments, Textile and Beverage Industries.



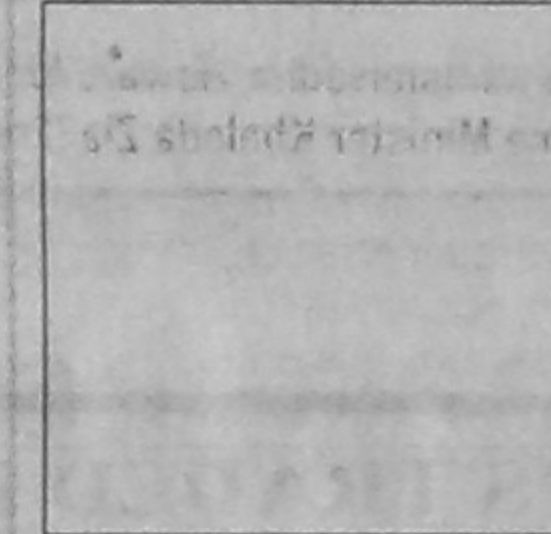
**Mr. Bakhtiar Uddin**  
Established Industrialist and Social Worker. Now living in New-York. Owner of B. Uddin Construction Co., New-York. Sponsor of many educational, cultural and social organisation including Education Society, New-York.



**Mr. S.M. Bakhtiar Alam**  
Renowned Businessman and Social Worker. Owner-Prophecy furnishers. Managing Director of Prophecy furnishers Ltd.-the first its kind in Joint Venture with foreigners, 100% export oriented and ISO 9002 certified furniture Industry. Life member-Registered Graduate of University of Dhaka. Sponsor of many educational, cultural and social organisations.



**Mr. Syed Tawfiq Hossain Ali**  
Established Industrialist and Social Worker. Managing Director-Syed Properties Ltd. Chairman S.S. Developer and Dealers Ltd. and Compo Knitex Ltd. Director-Kai Bangladesh Aluminium Ltd, Mohsin Jute Mills Ltd, Khulna Ice and Cold Storage Ltd, Aziz Corporation Ltd, and Dhaka Stock Exchange. Prominent Rotarian. Associated with many social organisations.



**Mr. Iqbalur Rahman**  
Chartered Accountant. Fellow- Institute of Chartered Accountants of England & Bangladesh. Sponsor of many social organisations.



**Mr. Liaquat Hossain Moghul**  
Prominent Industrialist and Social Worker. Devoted to establish and run Garments, Textile and Beverage Industries. Associated with many educational, social and cultural organisations.



**Mr. K.B.M. Moin Uddin Chisty**  
Eminent Educationist, Businessman and Social Worker. Executive President-Victoria University of Wellington, NZ, Bangladesh Campus. Managing Director- Global HRD Ltd. Executive President- Global Institute of Business and Technology. Owner -Diamond Trade International. Associated with social welfare and social development works.



**Mr. Mostanser Billa**  
Prominent Industrialist and Social Worker. One of the founders and Directors of Youth Group. Devoted to establish and run Garments, Textile and Beverage Industries. Sponsor of many social welfare organisations.



**Mrs. Kazi Mahbuba Akhter**  
Eminent Industrialist and Social Worker. Chairperson-Lucky Star Apparels Ltd, AJ Fashions Ltd, Sears Accessories Ltd. Founder, Director and Sponsor of many Mosques, Madrasahs, Schools, Colleges and Social Welfare organizations in greater Noakhali District specially in Ramgonj and Chatkhal.



**Mr. M. Mehdi Hasan**  
Prominent Industrialist and Social Worker. Now living in New-York. Owner-Metro Water Grouping Co. Closely associated with social and religious activities. Sponsor of many Mosques, Madrasahs, educational, cultural and social welfare organisations.



**Mr. Abu Khair Mohammed Sakhawat**  
Renowned Industrialist and Social Worker. Devoted to establish and run Garments and Textile Industries. Managing Director-Robintex (Bangladesh) Limited-a Composite knit Textile Industry established under German-Bangladesh Joint Venture Scheme. Sponsor of many educational, cultural and social organisations.



**Mr. Afzalur Rahman**  
Renowned Industrialist and Social Worker. One of the founders and Directors of Youth Group. Devoted to establish and run Garments, Textile and Beverage Industries. Sponsor of different educational, cultural and social welfare organisations.