

**Financial Statements of  
First Security Islami Capital and Investment Limited  
For the year ended 31 December 2015**

# Hoda Vasi Chowdhury & Co

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FIRST SECURITY ISLAMI CAPITAL & INVESTMENT LIMITED

We have audited the accompanying financial statements of First Security Islami Capital & Investment Limited (the "Company") which comprise the statement of financial position as at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

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 present fairly, in all material respects, the financial position of the Company as at 31 December 2015 and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRSs).

#### Report on Other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and other applicable laws and regulations, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the Company's statement of financial position and the statement of comprehensive income together with the annexed notes dealt with by the report are in agreement with the books of account; and
- d) the expenditure incurred was for the purposes of the Company's business.

Dhaka,


11 3 MAR 2016

  
Chartered Accountants

**First Security Islami Capital & Investment Limited  
Statement of Financial Position  
As at 31 December 2015**

|   | Notes          | BDT<br>2015          | BDT<br>2014        |
|---|----------------|----------------------|--------------------|
| <b>SOURCES OF FUND</b>  |                |                      |                    |
| <b>Shareholders' equity</b>                                   |                |                      |                    |
| Share capital   | 3              | 535,000,000          | 350,000,000        |
| Share money deposit   |                | -                    | 150,000,000        |
| Accumulated profit  |                | 73,122,136           | 52,973,476         |
|   |                | <u>608,122,136</u>   | <u>552,973,476</u> |
| <b>Long term liabilities</b>                                  |                |                      |                    |
| Borrowings from financial institutions                        | 4              | 1,059,868,355        | 441,798,418        |
|   |                | <u>1,667,990,491</u> | <u>994,771,894</u> |
| <b>APPLICATION OF FUND</b>                                    |                |                      |                    |
| <b>Non current assets</b>                                     |                |                      |                    |
| Property, plant and equipment net of accumulated depreciation | Annexure-<br>A | 21,078,281           | 30,340,911         |
| Investment in marketable securities                           | 5              | 276,796,716          | 255,761,059        |
| <b>Current assets</b>   |                |                      |                    |
| Margin finance to portfolio clients                           | 6              | 1,486,868,421        | 738,091,515        |
| Accounts receivable   | 7              | 25,879,769           | 9,917,249          |
| Advance, prepayments & deposits                               | 8              | 7,907,872            | 6,237,481          |
| Cash and cash equivalents                                     | 9              | 16,850,318           | 8,694,727          |
|   |                | <u>1,537,506,379</u> | <u>762,940,972</u> |
| <b>Current liabilities</b>                                    |                |                      |                    |
| Accruals and provisions                                       | 10             | 401,057              | 1,275,947          |
| Accounts payable  | 11             | 81,970,034           | 20,321,760         |
| Provision for investments                                     | 12             | 21,936,927           | 13,617,351         |
| Provision for taxation  |                | 24,768,032           | 16,858,411         |
| Portfolio investors' fund                                     |                | 38,314,835           | 2,197,580          |
|   |                | <u>167,390,885</u>   | <u>54,271,050</u>  |
| <b>Net current assets</b>                                     |                | <u>1,370,115,494</u> | <u>708,669,922</u> |
|   |                | <u>1,667,990,491</u> | <u>994,771,894</u> |

The annexed notes 1 to 17 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chairman

Signed as per our annexed report of even date

Dhaka, 13 MAR 2016.

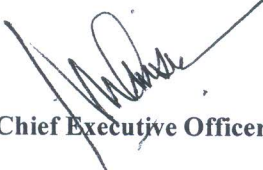
  
Chartered Accountants



**First Security Islami Capital & Investment Limited  
Statement of Comprehensive Income  
For the period ended 31 December 2015**

|  | Notes | BDT<br>2015        | BDT<br>2014        |
|--|-------|--------------------|--------------------|
| Profit on margin investment                      |       | 161,399,171        | 81,523,723         |
| Income from portfolio management services        |       | 31,550,605         | 11,027,509         |
| Settlement and transaction fees                  |       | 13,625,476         | 14,008,850         |
| Investment income                                |       | 28,822,225         | 33,196,373         |
| Other operating income                           | 13    | 4,999,628          | 3,898,727          |
| <b>Total operating income</b>                    |       | <b>240,397,105</b> | <b>143,655,183</b> |
| General and administrative expenses              | 14    | 49,849,799         | 38,138,055         |
| Financial expenses                               | 15    | 105,173,943        | 45,439,467         |
| <b>Total operating expenses</b>                  |       | <b>155,023,742</b> | <b>83,577,522</b>  |
| <b>Net operating profit</b>                      |       | <b>85,373,363</b>  | <b>60,077,660</b>  |
| Provision for diminution in value of investments | 12    | 7,120,612          | 779,256            |
| Provision for clients' negative equity           | 12    | 1,198,964          | -                  |
| <b>Total provision for investments</b>           |       | <b>8,319,576</b>   | <b>779,256</b>     |
| <b>Profit before taxation</b>                    |       | <b>77,053,787</b>  | <b>59,298,404</b>  |
| Provision for current taxation                   |       | 21,905,127         | 14,311,024         |
| <b>Profit after taxation</b>                     |       | <b>55,148,660</b>  | <b>44,987,380</b>  |
| <b>Other comprehensive income</b>                |       | <b>-</b>           | <b>-</b>           |
| <b>Total comprehensive income/(losses)</b>       |       | <b>55,148,660</b>  | <b>44,987,380</b>  |
| <b>Earnings per share (EPS)</b>                  | 16    | <b>11.21</b>       | <b>11.69</b>       |

The annexed notes 1 to 17 form an integral part of these financial statements.

  
Chief Executive Officer

  
Director

  
Chairman

Signed as per our annexed report of even date

Dhaka, 13 3 MAR 2016.

  
Chartered Accountants

**First Security Islami Capital & Investment Limited  
Statement of Cash Flows  
For the period ended 31 December 2015**

| Particulars  | BDT<br>2015          | BDT<br>2014          |
|--|----------------------|----------------------|
| <b>A. Cash flows from Operating Activities</b>                               |                      |                      |
| Net profit after tax   | 55,148,660           | 44,987,380           |
| <b>Adjustment to the determine net cash flows from operating activities:</b> |                      |                      |
| Provision for tax  | 21,905,127           | 14,311,024           |
| Depreciation charged   | 11,529,664           | 11,227,778           |
| Advance, deposit & prepayments   | (1,670,391)          | (1,513,991)          |
| Finance to clients   | (748,776,906)        | (409,393,100)        |
| Accounts receivable  | (15,962,520)         | 4,424,543            |
| Accruals and provisions  | (874,890)            | 813,776              |
| Payable  | 61,648,274           | 458,720              |
| Portfolio investors' fund  | 36,117,255           | (5,116,116)          |
| Provisions   | (5,675,929)          | (3,969,266)          |
| <b>Net Cash flows from Operating Activities</b>                              | <b>(586,611,654)</b> | <b>(343,769,250)</b> |
| <b>B. Cash flows from Investing Activities</b>                               |                      |                      |
| Acquisition of fixed assets  | (2,267,035)          | (625,640)            |
| Disposal of fixed assets   | -                    | -                    |
| Investment in share  | (21,035,657)         | 17,306,082           |
| <b>Net Cash used in Investing Activities</b>                                 | <b>(23,302,692)</b>  | <b>16,680,442</b>    |
| <b>C. Cash flows from Financing Activities</b>                               |                      |                      |
| Share Capital  | -                    | -                    |
| Share Money Deposit  | -                    | 150,000,000          |
| Mudaraba Finance from FSIBL  | 19,319,092           | 188,820,787          |
| Mudaraba Finance from UNBL   | 318,631,779          | 20,186,977           |
| Overdraft Facilitais from NRGBL  | 280,119,066          | -                    |
| Finance from Dilkusha branch.  | -                    | (40,254,488)         |
| <b>Net Cash used in Financing Activities</b>                                 | <b>618,069,937</b>   | <b>318,753,276</b>   |
| <b>D. Net cash flows for the year (A+B+C)</b>                                | <b>8,155,591</b>     | <b>(8,335,532)</b>   |
| <b>E. Cash and Cash Equivalents at begining of the year</b>                  | <b>8,694,727</b>     | <b>17,030,259</b>    |
| <b>F. Cash and Cash Equivalents at end of the year</b>                       | <b>16,850,318</b>    | <b>8,694,727</b>     |

Cash and Cash Equivalents details breakup shown in this area.

|   |                   |                  |
|---|-------------------|------------------|
| Cash in Hand  | 5,690             | 4,376            |
| <b>Cash at Bank with First Security Islami Bank Limited</b> |                   |                  |
| Short Term Deposit Account # 101-131-0000219-0              | 398,480           | 712,497          |
| Current Account # 101-111-0002710-5                         | 514,175           | 285,086          |
| Short Term Deposit Account # 129-131-0000039-2              | 13,938,778        | 7,630,882        |
| Current Account # 129-111-0000187-6                         | -                 | 1,000            |
| Short Term Deposit Account # 0131210000075                  | 376,467           | 60,873           |
| Short Term Deposit Account # 0113000016333                  | 1,616,728         | 14               |
|   | <b>16,844,628</b> | <b>8,690,351</b> |
| <b>Cash and cash equivalent at end of the year</b>          | <b>16,850,318</b> | <b>8,694,727</b> |

The annexed notes 1 to 17 form an integral part of these financial statements.

Chief Executive Officer

Director

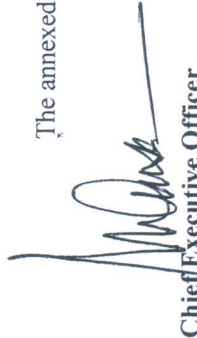
Chairman

**First Security Islami Capital & Investment Limited**  
**Statement of Changes in Equity**  
**For the period ended 31 December 2015**

*(figures in BDT)*

| Particulars                           | Share Capital      | Share Money Deposit | Accumulated Profit | Total Equity       |
|---------------------------------------|--------------------|---------------------|--------------------|--------------------|
| <b>January 1, 2014</b>                |                    |                     |                    |                    |
| Opening                               | 350,000,000        | -                   | 7,986,096          | 357,986,096        |
| Share money deposit                   | -                  | 150,000,000         | -                  | 150,000,000        |
| Net profit for the year               | -                  | -                   | 44,987,380         | 44,987,380         |
| <b>Balance as on 31 December 2014</b> | <b>350,000,000</b> | <b>150,000,000</b>  | <b>52,973,476</b>  | <b>552,973,476</b> |
| <b>January 1, 2015</b>                |                    |                     |                    |                    |
| Opening                               | 350,000,000        | 150,000,000         | 52,973,476         | 552,973,476        |
| Issue of new shares                   | 150,000,000        | (150,000,000)       | -                  | -                  |
| Stock dividend for 2014               | 35,000,000         | -                   | (35,000,000)       | -                  |
| Net profit for the year               | -                  | -                   | 55,148,660         | 55,148,660         |
| <b>Balance as on 31 December 2015</b> | <b>535,000,000</b> | <b>-</b>            | <b>73,122,136</b>  | <b>608,122,136</b> |

The annexed notes 1 to 17 form an integral part of these financial statements.

  
**Chief Executive Officer**

  
**Chairman**



**First Security Islami Capital & Investment Limited**  
**Notes to the Financial Statements**  
**For the period ended 31 December 2015**

**1. Background Information**

**1.1 Incorporation and Legal Status**

First Security Islami Capital & Investment Limited (FSICI) ( the "Company"), a subsidiary of First Security Islami Bank Limited was incorporated under the Companies Act, 1994 on 02 December 2010 under Registration No. C-88567/10 with a view to run and manage the merchant banking operations . First Security Islami Capital & Investment Limited also obtained license on 27 March 2011 vide SEC's Reg.# MB-65/2011 under the Securities and Exchange Commission Act 1993 to carryout merchant banking business in Bangladesh.

First Security Islami Capital & Investment Limited want to achieve the reputation as a leading Merchant Banker through providing portfolio management services by maintaining a high level of professional expertise and integrity in client relationship. FSICI's registered office is located at Al-Amin Centre (12th Floor), 25/A, Dilkusha C.A., Dhaka-1000.

**1.2 Nature of business of First Security Islami Capital & Investment Limited (FSICI)**

Main activities of First Security Islami Capital & Investment Limited (FSICI) include Issue Management, Portfolio Management, Corporate Counseling, Investment Counseling, Capital Structuring, Underwriting, etc. FSICI performs its portfolio management activities in three ways (i) Investors Discretionary Account (IDA), where portfolio management operates as per clients' decision, (ii) Merchant Bank's Discretionary Account (MBDA), where portfolio management operates as per banks' decision using clients' money and (iii) Non Discretionary Investment Account (NIDA). On the other hand, own portfolio management operates as per bank's decision by using bank's money.

**2 Significant Accounting Policies**

**2.1 Basis of Presentation of Financial Statements**

The financial statements have been prepared and the disclosures of information made in accordance with the requirements of the Companies Act 1994, and International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as adopted by the Institute of Chartered Accountant of Bangladesh (ICAB), as Bangladesh Accounting Standard (BAS) and Bangladesh Financial Reporting Standards (BFRS), and other laws and rules applicable thereto.

**2.2 Accounting convention and assumption**

The financial statements are prepared under the historical cost convention, except Investments, which are measured at fair value.

**2.3 Fixed Assets**

Fixed assets are stated at cost less accumulated Depreciation and Impairment losses. Cost represents cost of acquisition and includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use.

**2.4 Depreciation**

Depreciation is charged on all applicable fixed assets using Straight Line Method at rates varying from 10% to 33% based on the nature & useful lives of the assets. The depreciation rates are as under:

| <u>Assets</u>          | <u>Rate of Depreciation</u> |
|------------------------|-----------------------------|
| Furniture and fixtures | 10%                         |
| Electronics appliance  | 20%                         |
| Motor vehicle          | 20%                         |
| Office equipment       | 20%                         |
| Office renovation      | 20%                         |
| Software               | 33%                         |

Half year's depreciation has been charged on the assets additions and disposals.

**2.5 Revenue Recognition**

Revenue is recognized on accrual basis. Profit earned from IDA Investment, Settlement fee, Underwriting commission and Issue management fee is admitted only if its realization is reasonably certain. Investment income is accounted for on accrual basis. Capital gain on Investments on shares and Cash Dividend received are included in the Investment Income. Capital gains are recognized when these are realized.

**Revenue Segments:**

Settlement fee  
Profit on STD account.  
Profit earned from IDA investment.  
Documentation fee  
Capital gain on investment  
Dividend income  
Underwriting commission  
Issue management fee

**2.6 Taxation**

Provision for current year's taxation is made at the ruling rate prescribed in The Income Tax Ordinance of Bangladesh 1984.

**Current Tax**

Current tax provision for the Company has been made from @ 10% to @ 37.5% as per Income Tax Ordinance 1984 applicable for Merchant Banking.

**Deferred Tax**

Deferred tax has not been recognized on temporary difference on depreciation as the amount is immaterial.

**2.7 Earnings Per Share**

Basic Earning Per Share has been calculated in accordance with BAS-33 "Earnings Per Share" which has been shown on the face of Statement of Comprehensive Income. This have been calculated by dividing the basic earnings/(loss) by the weighted average number of ordinary shares outstanding during the year.

**2.8 Reporting Period**

The Company's reporting period is 01 January 2015 to 31 December 2015.

**2.9 General**

- (i) Previous year's figures have been rearranged wherever necessary, to confirm to the current year presentation.
- (ii) Figures have been rounded off to the nearest Bangladesh Taka.



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|   | BDT           | BDT           |
|---|---------------|---------------|
|   | 31 Dec 2015   | 31 Dec 2014   |
| <b>3 Share Capital</b>  |               |               |
| <b>Authorized:</b>  |               |               |
| 30,000,000 ordinary shares of Tk. 100 each  | 3,000,000,000 | 3,000,000,000 |
| <b>Issued, subscribed and paid up:</b>  |               |               |
| 5,350,000 ordinary shares of Tk 100 each fully paid up  | 535,000,000   | 350,000,000   |
| <b>4 Borrowings from Financial Institutions</b>   |               |               |
| Mudaraba Finance - FSIBL, Motijheel Branch  | 440,930,533   | 421,611,441   |
| Mudaraba Finance - UBL, Pantapath Branch  | 338,818,756   | 20,186,977    |
| Long Term Finance - NRBGB, Motijheel Branch   | 280,119,066   | -             |
|   | 1,059,868,355 | 441,798,418   |
| <b>5 Investment in marketable securities</b>  |               |               |
| Investment in marketable securities   | 276,796,716   | 255,761,059   |
| <i>(Detail is presented in Annexure - B)</i>  |               |               |
| <b>6 Margin finance to portfolio clients</b>  |               |               |
| Investor's Discretionary Accounts (IDA)   | 1,486,868,421 | 738,091,515   |
|   | 1,486,868,421 | 738,091,515   |
| <p>All clients are allowed to get finance facility from FSICI at a maximum ratio of 0.5:1 of their own deposited amount. If investment of the clients exceed the deposited amount, the excess amount is shown as "Margin finance to portfolio clients" for which profit is charged as per agreement with clients.</p> |               |               |
| <b>7 Accounts Receivable</b>  |               |               |
| Receivable from broker against sale proceeds of shares  | 25,879,769    | 9,917,249     |
| <p>The above amount represents the sale value of shares of client accounts and FSICI's own Portfolio account less transactions/settlement fee of brokers.</p>   |               |               |
| <b>8 Advances, Deposits &amp; Prepayments</b>   |               |               |
| Advance (Note: 8.1)   | 7,628,521     | 5,952,336     |
| Security deposit (Note: 8.2)  | 254,000       | 254,000       |
| Prepayment (Note: 8.3)  | 25,351        | 31,145        |
|   | 7,907,872     | 6,237,481     |
| <b>8.1 Advances</b>   |               |               |
| Advance rent-head office  | 2,379,770     | 2,646,830     |
| Others  | 55,000        | 100,000       |
| Income tax  | 5,193,751     | 3,205,506     |
|   | 7,628,521     | 5,952,336     |
| <b>8.2 Deposits</b>   |               |               |
| T & T board   | 54,000        | 54,000        |
| Central depository Bangladesh Limited   | 200,000       | 200,000       |
|   | 254,000       | 254,000       |

## Hoda Vasi Chowdhury & Co

|   | BDT               | BDT               |
|---|-------------------|-------------------|
|   | 31 Dec 2015       | 31 Dec 2014       |
| <b>8.3 Prepayments</b>  |                   |                   |
| Insurance   | 25,351            | 31,145            |
|   | <b>25,351</b>     | <b>31,145</b>     |
| <b>9. Cash and Cash Equivalents</b>   |                   |                   |
| Cash in Hand  | 5,690             | 4,376             |
| Cash at Bank (Note: 9.1)  | 16,844,628        | 8,690,351         |
|   | <b>16,850,318</b> | <b>8,694,727</b>  |
| <b>9.1 Cash at Bank</b>   |                   |                   |
| First Security Islami Bank Limited  | 14,851,433        | 8,629,464         |
| Union Bank Limited  | 376,467           | 60,873            |
| NRB Global Bank   | 1,616,728         | 14                |
|   | <b>16,844,628</b> | <b>8,690,351</b>  |
| <b>10 Accruals and Provisions</b>   |                   |                   |
| CDBL charges  | 71,552            | 99,890            |
| Audit & consultancy   | 143,750           | 143,750           |
| Utility bill  | 49,702            | 41,558            |
| Service contract expenses (LEADS)   | 130,625           | 391,875           |
| Other expenses  | 5,427             | 598,874           |
|   | <b>401,057</b>    | <b>1,275,947</b>  |
| <b>11 Accounts Payable</b>  |                   |                   |
| Payable to broker (Note: 11.1)  | 5,528,760         | 5,488,833         |
| Profit payable to FSIBL UNB & NRGB  | 76,441,274        | 14,832,926        |
|   | <b>81,970,034</b> | <b>20,321,759</b> |
| <b>11.1 Payable to Broker</b>   | <b>5,528,760</b>  | <b>5,488,833</b>  |
| The above amount represents the purchase value of shares on client accounts and FSICI's own portfolio account transactions & settlement fee of brokers. |                   |                   |
| <b>12 Provision for Investments</b>   |                   |                   |
| Provision for diminution in value of investments (Note: 12.1)   | 19,364,695        | 12,244,083        |
| Provision for clients' negative equity (Note: 12.2)   | 2,572,232         | 1,373,268         |
|   | <b>21,936,927</b> | <b>13,617,351</b> |

### 12.1 Provision for diminution in value of investments

First Security Islami Capital & Investment Limited has created provision 20% of unrealized loss from investment in shares for compensating loss as at 31 December 2015, which is incurred due to decrease in market price of shares as per directive no. SEC/CMRRCD/2009-193-181 dated December 08, 2015 of the Bangladesh Securities & Exchange Commission.

### 12.2 Provision for clients' negative equity

First Security Islami Capital & Investment Limited has created 20% provision on negative equity of clients as per directive no. SEC/CMRRCD/2009-193-181 dated December 08, 2015 of the Bangladesh Securities & Exchange Commission. There are total nos of 45 IDA accounts and total negative equity amount is Tk. 12,861,161.

## Hoda Vasi Chowdhury & Co

|   | BDT<br>31 Dec 2015 | BDT<br>31 Dec 2014 |
|---|--------------------|--------------------|
| <b>13 Other Operating Income</b>              |                    |                    |
| Documentation charge                          | 48,000             | 91,000             |
| Rent received from broker                     | 2,240,000          | 2,100,000          |
| Account settlement charge                     | 15,000             | 6,000              |
| Profit earned from Bank Account               | 2,464,128          | 965,360            |
| Annual account maintenance fee                | 232,500            | 121,000            |
| Underwriting commission                       | -                  | 615,366            |
|   | <b>4,999,628</b>   | <b>3,898,727</b>   |
| <b>14 General and Administrative Expenses</b> |                    |                    |
| Salary and allowances                         | 10,759,780         | 9,136,292          |
| Leave fare concession (LFC)                   | 1,789,915          | 1,604,896          |
| CDBL Charges                                  | 1,508,743          | 1,846,365          |
| Traveling expenses & local conveyance         | 65,979             | 66,335             |
| Medical                                       | 94,207             | 56,550             |
| Entertainment                                 | 690,102            | 1,910,483          |
| Car fuel & maintenance                        | 160,440            | 222,541            |
| Generator fuel                                | 102,000            | 102,000            |
| Newspapers, magazines, books & periodicals    | 21,702             | 20,986             |
| Office rent                                   | 4,401,000          | 4,401,000          |
| Insurance-Motor Vehicle                       | 31,145             | 39,962             |
| Postage, stamps, telecommunication etc.       | 159,604            | 169,215            |
| Internet                                      | 288,837            | 298,196            |
| Repair and maintenance                        | 257,487            | 282,790            |
| Security guard bill                           | 198,000            | 198,000            |
| Cleaner bill                                  | 190,000            | 180,000            |
| Stationery                                    | 148,443            | 195,785            |
| Office maintenance                            | 62,310             | 90,875             |
| Renewal expenses                              | 81,462             | 74,510             |
| Printing                                      | 52,026             | 188,070            |
| Director fees                                 | 552,500            | 293,250            |
| Board meeting expenses                        | 2,005,000          | 1,684,400          |
| Fees & charges                                | 46,128             | 24,000             |
| Paid Up Capital Raising fee                   | 40,000             | 75,000             |
| Audit & consultancy fees                      | 206,250            | 268,250            |
| Gift & business promotion expenses            | 3,006,325          | 2,005,200          |
| Membership fees                               | 100,000            | 100,000            |
| Advertisement in newspaper                    | -                  | 84,880             |
| Utility bill                                  | 740,665            | 730,302            |
| Company contribution to provident fund        | 286,335            | 266,268            |
| Depreciation expenses                         | 11,529,664         | 11,227,778         |
| Training Expenses                             | 7,500              | 14,000             |
| Misc. contrac services                        | 5,000              | 13,000             |
| Donation                                      | 10,000,000         | -                  |
| Expensess for service contrac                 | 261,250            | 266,875            |
|   | <b>49,849,799</b>  | <b>38,138,055</b>  |

Donation amount is paid to Center for Reserch and Information (CRI) as approved by the Board

of Directors to support the Company's long-term commitment for corporate social responsibility.



## Hoda Vasi Chowdhury & Co

|  | BDT<br>31 Dec 2015 | BDT<br>31 Dec 2014 |
|--|--------------------|--------------------|
| <b>15 Financial Expense</b>  |                    |                    |
| Profit charge  | 105,022,288        | 45,348,992         |
| Bank charges & commission  | 151,655            | 90,475             |
|  | <b>105,173,943</b> | <b>45,439,467</b>  |
| <b>16 Basic Earnings Per Share (EPS)</b>                                     |                    |                    |
| The computation of EPS is given below:                                       |                    |                    |
| (a) Earning attributable to the ordinary shareholders                        | 55,148,660         | 44,987,380         |
| (b) Weighted average number of ordinary shares outstanding during the period | 4,918,493          | 3,500,000          |
| (c) Basic EPS  | <b>11.21</b>       | <b>12.85</b>       |
| (d) Basic EPS ( <i>Comparative restated</i> )                                | <b>11.21</b>       | <b>11.69</b>       |

During the year ended 31 December 2015, the Company has issued 1,500,000 new shares on 16 April 2015. As a result, on pro-rata basis 1,068,493 share is outstanding for the full year, which is included in the above calculation.

### 17 Others

#### 17.1 Board meeting and Directors' remuneration

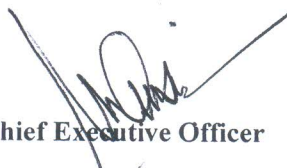
Each Director is drawing Tk 10,000 for attending each Board Meeting. Nothing is due from any Director of the Company as on the date of closing the accounts. During the year under audit four Board of Director's meetings were held.

#### 17.2 Employees' details

Sixteen (Permanent & Casual) employees were engaged for the whole period, who received a total periodical remuneration of Tk 12,549,695 and above.

#### 17.3 Related Party Transaction

First Security Islami Bank Limited (FSIBL) is the banker of the Company, and also hold 51% equity shares. Besides this, the Company avails Long term financing of Tk 440,930,533 from FSIBL's Motijheel Branch for client's financing purpose.

  
Chief Executive Officer

  
Director

  
Chairman

**First Security Islami Capital & Investment Limited**  
**Fixed Asset Schedule**  
**For the period ended 31 December 2015**

Property, Plant &amp; Equipment:

(Figures in BDT)

| Particulars                         | Cost                        |                                   | Rate<br>% | Depreciation                |                            |                             | Written Down<br>Value as on<br>31.12.2015 |
|-------------------------------------|-----------------------------|-----------------------------------|-----------|-----------------------------|----------------------------|-----------------------------|---|
|                                     | Balance as on<br>01.01.2015 | Additions<br>during the<br>period |           | Balance as on<br>31.12.2015 | Charged during<br>the year | Balance as on<br>31.12.2015 |   |
| Furniture & Fixtures                | 2,241,079                   | -                                 | 10%       | 548,573                     | 224,108                    | 772,681                     | 1,468,398                                 |
| Electrical Appliance                | 5,639,018                   | 34,000                            | 20%       | 2,949,734                   | 1,131,204                  | 4,080,938                   | 1,592,080                                 |
| Office equipment                    | 17,229,555                  | 96,600                            | 20%       | 6,505,844                   | 3,455,571                  | 9,961,415                   | 7,364,740                                 |
| Office renovation                   | 24,847,782                  | 1,936,435                         | 20%       | 12,258,411                  | 5,163,200                  | 17,421,611                  | 9,362,606                                 |
| Motor Vehicles                      | 3,364,157                   | -                                 | 20%       | 2,018,494                   | 672,831                    | 2,691,325                   | 672,832                                   |
| Software                            | 2,575,000                   | 200,000                           | 33%       | 1,274,625                   | 882,750                    | 2,157,375                   | 617,625                                   |
| <b>Total as of 31 December 2015</b> | <b>55,896,591</b>           | <b>2,267,035</b>                  |           | <b>25,555,681</b>           | <b>11,529,664</b>          | <b>37,085,345</b>           | <b>21,078,281</b>                         |



**First Security Islami Capital & Investment Limited**  
Schedule of Investment in Shares

(Amount in BDT)

| Name of the Script           | Cost Price |        |                    | Market Price |        |                    | Un realized gain/(Loss)<br>Amount | Provision @ 20% of Un realized gain/(Loss)<br>Amount |
|------------------------------|------------|--------|--------------------|--------------|--------|--------------------|-----------------------------------|--|
|                              | Qty        | Rate   | Amount             | Qty          | Rate   | Amount             |                                   |  |
| Apex Footwaer Limited        | 91,000     | 496.81 | 45,209,450         | 91,000       | 347.20 | 31,595,200         | -13,614,250                       | (2,722,850)  |
| Appollo Ispat                | 190,475    | 22.19  | 4,227,556          | 190,475      | 17.40  | 3,314,265          | -913,291                          | (182,658)  |
| BSCCL                        | 44,000     | 144.80 | 6,371,065          | 44,000       | 108.10 | 4,756,400          | -1,614,665                        | (322,933)  |
| Confidence Cement Limited    | 60,500     | 123.08 | 7,446,472          | 60,500       | 86.70  | 5,245,350          | -2,201,122                        | (440,224)  |
| Dutch Bangla Bank Limited    | 40,500     | 123.02 | 4,982,148          | 40,500       | 107.60 | 4,357,800          | -624,348                          | (124,870)  |
| Eastland Insurance           | 235,950    | 55.91  | 13,191,702         | 235,950      | 19.40  | 4,577,430          | -8,614,272                        | (1,722,854)  |
| Familytex Limited            | 220,000    | 28.07  | 6,176,247          | 220,000      | 10.60  | 2,332,000          | -3,844,247                        | (768,849)  |
| Far Chemical Industries Ltd  | 126,347    | 42.44  | 5,362,436          | 126,347      | 28.70  | 3,626,159          | -1,736,277                        | (347,255)  |
| GP                           | 40,000     | 347.21 | 13,888,300         | 40,000       | 253.00 | 10,120,000         | -3,768,300                        | (753,660)  |
| GPH Ispat Limited            | 30,000     | 56.00  | 1,680,019          | 30,000       | 41.10  | 1,233,000          | -447,019                          | (89,404)   |
| Hamid Fabrics Limited        | 57,750     | 51.03  | 2,947,256          | 57,750       | 17.80  | 1,027,950          | -1,919,306                        | (383,861)  |
| Islamic Finance & Investment | 46,800     | 21.83  | 1,021,527          | 46,800       | 15.50  | 725,400            | -296,127                          | (59,225)   |
| Keya Cosmetic Limited        | 28,800     | 20.55  | 591,813            | 28,800       | 12.00  | 345,600            | -246,213                          | (49,243)   |
| Khulna Power Co. Ltd         | 20,000     | 75.97  | 1,519,336          | 20,000       | 74.90  | 1,498,000          | -21,336                           | (4,267)  |
| LankaBangla Finance          | 215,277    | 54.55  | 11,744,368         | 215,277      | 29.00  | 6,243,033          | -5,501,335                        | (1,100,267)  |
| Lafarge Surma Cement Ltd     | 40,000     | 84.11  | 3,364,545          | 40,000       | 74.60  | 2,984,000          | -380,545                          | (76,109)   |
| M.I. Cement Factory Ltd.     | 50,000     | 101.03 | 5,051,576          | 50,000       | 85.40  | 4,270,000          | -781,576                          | (156,315)  |
| Maksons Spinning             | 551,250    | 21.44  | 11,816,582         | 551,250      | 7.80   | 4,299,750          | -7,516,832                        | (1,503,366)  |
| Meghna Life Insurance        | 66,000     | 112.62 | 7,432,692          | 66,000       | 57.00  | 3,762,000          | -3,670,692                        | (734,138)  |
| Meghna Petroleum Limited     | 44,000     | 264.81 | 11,651,435         | 44,000       | 152.60 | 6,714,400          | -4,937,035                        | (987,407)  |
| Meghna Cement Limited        | 10,000     | 148.76 | 1,487,633          | 10,000       | 106.90 | 1,069,000          | -418,633                          | (83,727)   |
| National Bank Limited        | 423,500    | 23.72  | 10,047,194         | 423,500      | 9.40   | 3,980,900          | -6,066,294                        | (1,213,259)  |
| Navana CNG Ltd               | 100,000    | 61.59  | 6,158,926          | 100,000      | 49.70  | 4,970,000          | -1,188,926                        | (237,785)  |
| Padma Islami Life Insurance  | 5,000      | 65.06  | 325,284            | 5,000        | 27.30  | 136,500            | -188,784                          | (37,757)   |
| RAK Ceramics (BD) Ltd        | 50,000     | 79.06  | 3,952,774          | 50,000       | 66.90  | 3,345,000          | -607,774                          | (121,555)  |
| Summit Alliance Port Limited | 200,000    | 69.55  | 13,910,889         | 200,000      | 60.30  | 12,060,000         | -1,850,889                        | (370,178)  |
| Social Investment Bank Ltd   | 450,000    | 17.87  | 8,039,896          | 450,000      | 14.40  | 6,480,000          | -1,559,896                        | (311,979)  |
| South East bank Ltd          | 378,000    | 23.10  | 8,732,440          | 378,000      | 17.60  | 6,652,800          | -2,079,640                        | (415,928)  |
| Summit Power Limited         | 389,800    | 45.10  | 17,579,118         | 389,800      | 39.70  | 15,475,060         | -2,104,058                        | (420,812)  |
| Summit Purbachal Power Ltd   | 87,700     | 60.21  | 5,280,488          | 87,700       | 55.20  | 4,841,040          | -439,448                          | (87,890)   |
| Titas Gas & Distribution Co  | 100,000    | 79.13  | 7,913,335          | 100,000      | 47.40  | 4,740,000          | -3,173,335                        | (634,667)  |
| Unique Hotel & Resort Ltd    | 100,000    | 100.97 | 10,097,032         | 100,000      | 50.60  | 5,060,000          | -5,037,032                        | (1,007,406)  |
| Uttara Bank Ltd              | 176,000    | 51.09  | 8,992,147          | 176,000      | 22.70  | 3,995,200          | -4,996,947                        | (999,389)  |
| Western Marine Shipward Ltd  | 150,000    | 57.35  | 8,603,033          | 150,000      | 27.60  | 4,140,000          | -4,463,033                        | (892,607)  |
| <b>Total</b>                 |            |        | <b>276,796,716</b> |              |        | <b>179,973,237</b> | <b>-96,823,482</b>                | <b>-19,364,695</b>                                   |