

**Independent Auditors' Report
And Audited Financial Statements**

of

First Security Islami Capital & Investment Ltd.

As at & for the year ended 31 December, 2019



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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion:

We have audited the financial statements of **First Security Islami Capital & Investment Limited** which comprise the financial position as at 31st December, 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give true and fair view, in all material respects, of the financial position of the Company as at 31st December, 2019 and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 1.0 to 21.0

Basis for Opinion:

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls:

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as explained in note 1.0 to 21.0, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error. The Companies Act, 1994 require the Management to ensure effective internal audit, internal control and risk management functions of the Company.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements:

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report (continued)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:


- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the financial statements.

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 1987, we also report the following:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statements of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of accounts and returns;

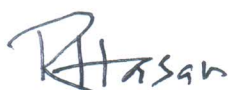
Place: Dhaka
Dated: 16th March, 2020


Shafiq Basak & Co.
Chartered Accountants

First Security Islami Capital & Investment Limited
Statement of Financial Position
As at 31 December, 2019

Particulars	Notes	Amount (Tk.)	
		2019	2018
ASSETS:			
Non Current Assets:		3,870,183	6,243,418
Property, Plant and Equipment Net off Accumulated Depreciation	3.0	3,870,183	6,243,418
Investment in marketable securities	4.0	239,662,226	222,288,874
Current Assets		1,130,362,075	1,153,084,922
Margin Finance to Portfolio Clients	5.0	1,098,270,202	1,120,180,414
Accounts Receivable	6.0	10,084,570	2,723,196
Advance, Prepayments & Deposits	7.0	8,580,638	17,397,540
Cash and Cash Equivalents	8.0	12,176,665	10,933,772
Quard against Car Leasing Scheme (Staff)	9.0	1,250,000	1,850,000
Total Assets		1,373,894,485	1,381,617,214
EQUITY AND LIABILITIES			
Shareholders' Equity:		693,655,076	702,505,213
Share Capital	10.0	647,350,000	647,350,000
Retained Earnings	11.0	46,305,076	55,155,213
Long term Liabilities:			
Borrowings from Financial Institutions	12.0	536,492,977	318,326,332
Current Liabilities:		143,746,432	360,785,669
Accruals and Provisions	13.0	2,495,210	215,800
Accounts Payable	14.0	23,047,837	16,499,568
Provision for Investments	15.0	95,029,133	89,529,133
Provision for Taxation	16.0	15,096,552	35,402,080
Portfolio Investors' Fund		8,077,700	219,139,088
Total Equity and Liabilities		1,373,894,485	1,381,617,214

The annexed notes 1 to 21 form an integral part of these financial statements.



In-Charge



Director




Chairman

Signed in terms of our report of even date.

Place: Dhaka

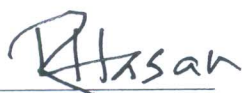
Dated: 16 March 2020


Shafiq Basak & Co.
Chartered Accountants

First Security Islami Capital & Investment Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December, 2019

Particulars	Notes	Amount (Tk.)	
		2019	2018
Revenue:		163,900,738	189,910,716
Profit on Margin Investment		133,202,671	126,339,270
Income from Portfolio Management Services		5,537,592	22,286,454
Settlement and Transaction Fees		5,779,213	7,390,304
Profit on Sale of Share		13,679,504	23,772,849
Dividend Income		2,248,765	4,808,338
Other Operating Income	17.0	3,452,993	5,313,501
Operating Expenses:		119,856,225	76,012,929
General and Administrative Expenses	18.0	54,477,865	40,746,333
Financial Expenses	19.0	65,378,360	35,266,596
Operating Profit/(Loss)		44,044,513	113,897,787
Total Provision for Investments:		5,500,000	70,344,666
Provision for Diminution in Value of Investments	15.0	-	32,290,943
Provision for Clients' Negative Equity	15.0	5,500,000	38,053,723
Profit/(Loss) before Taxation		38,544,513	43,553,121
Provision for Current Taxation		15,027,150	35,297,310
Profit/(Loss) after Taxation		23,517,363	8,255,811
Other Comprehensive Income		-	-
Total Comprehensive Income/(Losses)		23,517,363	8,255,811
Earnings Per Share (EPS)	20.0	3.63	1.28

The annexed notes 1 to 21 form an integral part of these financial statements.



In-Charge



Director



Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 16 March 2020



Shafiq Basak & Co.
Chartered Accountants

First Security Islami Capital & Investment Limited
Statement of Changes in Equity
For the year ended 31 December, 2019

(Figures in BDT)

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Opening Balance on 01-01-2019	647,350,000	-	55,155,213	702,505,213
Cash Dividend Paid for 2018	-	-	(32,367,500)	(32,367,500)
Net profit for the year	-	-	23,517,363	23,517,363
Balance as on 31 December, 2019	647,350,000	-	46,305,076	693,655,076

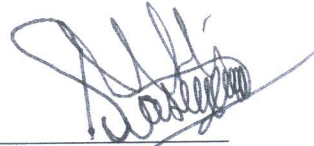
For the year ended 31 December, 2018

Opening Balance on 01-01-2018	588,500,000	-	105,749,402	694,249,402
Stock Dividend for 2017	58,850,000	-	(58,850,000)	-
Net profit for the year	-	-	8,255,811	8,255,811
Balance as on 31 December, 2018	647,350,000	-	55,155,213	702,505,213

The annexed notes 1 to 21 form an integral part of these financial statements.



In-Charge



Director



Chairman

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Place: Dhaka
Dated: 16 March 2020



Shafiq Basak & Co.
Chartered Accountants

First Security Islami Capital & Investment Limited

Statement of Cash Flows

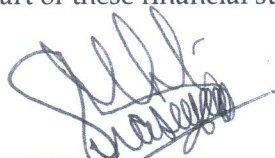
For the year ended 31 December, 2019

Particulars	Notes	Amount (Tk.)	
		2019	2018
A) Cash flows from Operating Activities:			
Cash Received from Operating Income		163,900,738	189,910,716
Margin Finance & payment to Clients		21,910,212	(108,945,167)
Payment for Administrative & Financial Expenses		(117,443,486)	(73,053,510)
(Increase)/Decrease of Advance, Deposit & Prepayment		8,816,902	1,781,868
(Increase)/Decrease of Accounts Receivable		(7,361,374)	4,502,577
Increase/(Decrease) of Accounts Payable		6,548,270	(3,857,682)
Quard against Car Leasing Scheme (Staff)		600,000	(950,000)
Liability for Expenses		2,279,409	(63,165)
Portfolio Investors' Fund		(211,061,388)	(22,165,316)
Provision for Investments		(5,500,000)	(70,344,666)
Provision for Diminution in Value of Investment in Share &		5,500,000	70,344,666
Cash Dividend Paid		(32,367,500)	-
Tax Paid		(35,332,678)	(41,397,913)
Net Cash flows from Operating Activities		(199,510,896)	(54,237,592)
B) Cash flows from Investing Activities:			
Acquisition of Fixed Assets		(39,504)	(121,375)
Investment in Marketable Securities		(17,373,352)	(31,649,021)
Net Cash used in Investing Activities		(17,412,856)	(31,770,396)
C) Cash flows from Financing Activities:			
Mudaraba Finance from FSIBL		185,705,534	27,326,410
Mudaraba Finance from Union Bank		32,461,111	49,851,917
Net Cash used in Financing Activities		218,166,646	77,178,327
D) Net cash flows for the year (A+B+C)		1,242,893	(8,829,660)
E) Cash and Cash Equivalents at beginning of the year		10,933,772	19,763,432
F) Cash and Cash Equivalents at end of the year (D+E)		12,176,665	10,933,772

The annexed notes 1 to 21 form an integral part of these financial statements.



In-Charge



Director



Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 16 March 2020



Shafiq Basak & Co.
Chartered Accountants

First Security Islami Capital & Investment Limited
Notes to the Financial Statements
For the year ended 31 December, 2019

1.0 Background Information

1.1 Incorporation and Legal Status

First Security Islami Capital & Investment Limited (FSICIL) 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. FSICIL's registered office is located at Al-Amin Centre (12th Floor), 25/A, Dilkusha C/A, Dhaka-1000. FSICIL's has only branch office situated at Akhtaruzzaman Centre (7th Floor), 21/22, Agrabad C/A, Chittagong-4100.

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

Main activities of First Security Islami Capital & Investment Limited (FSICIL) include Issue Management, Portfolio Management, Corporate Counseling, Investment Counseling, Capital Structuring, Underwriting, etc. FSICIL 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.

2.0 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 Accountants of Bangladesh (ICAB) 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 procurement cost.

2.3 Property, Plant and Equipment (IAS-16):

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:

Assets	Rate of Depreciation
Furniture and Fixtures	10%
Electronics Appliance	20%
Motor Vehicle	20%
Office equipment	20%
Office Renovation	20%
Software	33%

Depreciation on addition to fixed assets is charged when the asset is available for use as per para 55 of IAS 16.

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. Profit on Sale of Share and Cash Dividend received are recognized when these are realized.

2.5 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

Taxation

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

2.6 Current Tax

Current tax provision for the Company has been made @ 37.5% as per The Income Tax Ordinance, 1984.

Deferred Tax

Deferred tax has not been recognized on temporary difference on depreciation as required by IAS 12 as the Income Tax Return of the company is being filed U/S. 82BB of The Income Tax Ordinance, 1984 and being accepted accordingly.

2.7 Earnings Per Share:

Basic Earnings Per Share has been calculated in accordance with IAS-33 "Earnings Per Share" which has been shown on the face of Statement of Profit or Loss and Other Comprehensive Income. This has been calculated by dividing the basic earnings/(loss) by the number of ordinary shares outstanding during the year.

2.8 Reporting Period:

The Company's reporting period is 01 January, 2019 to 31 December, 2019.

2.9 General

(i) Previous year's figures have been rearranged wherever necessary, to conform to the current year's presentation. No rearrangement has been made during the year.

(ii) Figures have been rounded off to the nearest Bangladeshi Taka.

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2019	2018
3.0	Property, Plant and Equipment			
	A) Cost :		69,166,967	69,127,463
	Opening Balance		69,127,463	69,006,088
	Add : Addition during the year		39,504	121,375
	B) Accumulated Depreciation:		65,296,784	62,884,045
	Opening Balance		62,884,045	59,924,625
	Add: Charge during the Year		2,412,739	2,959,420
	Written Down Value (A-B)		3,870,183	6,243,418

Details of Property, Plant and Equipment have been shown in **Annexure-A**

4.0 Investment in Marketable Securities

Listed Securities	219,162,226	184,288,874
Non-Listed Securities	20,000,000	38,000,000
Bond	500,000	-
	239,662,226	222,288,874

Detail of Investment in Marketable Securities have been shown in **Annexure-B** and valued at procurement cost.

5.0 Margin Finance to Portfolio Clients

Investor's Discretionary Accounts (IDA)	1,098,270,202	1,120,180,414
	1,098,270,202	1,120,180,414

All clients are allowed to get finance facility from FSICIL 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.

6.0 Accounts Receivable

Receivable from brokers against sale proceeds of shares	10,084,570	2,723,196
	10,084,570	2,723,196

The above amount represents the balance sale value of shares of client accounts and FSICIL's own Portfolio account less transactions/settlement fee of brokers.

7.0 Advances, Deposits & Prepayments

Advance	(Note: 7.1)	8,309,628	17,126,530
Security Deposit	(Note: 7.2)	254,000	254,000
Prepayment	(Note: 7.3)	17,010	17,010
		8,580,638	17,397,540

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2019	2018
7.1	Advances			
	Advance Rent-Head Office & CTG Branch		1,406,150	2,051,690
	Income Tax		6,903,478	15,074,840
			8,309,628	17,126,530
7.2	Deposits			
	T & T Board		54,000	54,000
	Central Depository Bangladesh Limited		200,000	200,000
			254,000	254,000
7.3	Prepayments			
	Insurance		17,010	17,010
			17,010	17,010
8.0	Cash and Cash Equivalents			
	Cash in Hand		15,128	8,961
	Cash at Bank	(Note: 8.1)	12,161,537	10,924,811
			12,176,665	10,933,772
8.1	Cash at Bank			
	FSIBL, STD-101-131-0000219-0		490,249	3,029,697
	FSIBL, CD-101-111-0002710-5		248,976	1,483,176
	FSIBL, STD-129-131-0000039-2		11,222,090	6,091,433
	FSIBL, CD-129-111-0000187-6		950	1,870
	Union Bank Limited, STD-0131210000075		5,818	130,214
	NRB Global Bank, STD-0113000016333		193,454	188,420
			12,161,537	10,924,811
	Bank balances have either been agreed or reconciled with related bank statements.			
9.0	Quard against Car Leasing Scheme (Staff)			
	Opening Balance		1,850,000	900,000
	Add : Addition during the year		-	1,500,000
			1,850,000	2,400,000
	Less: Adjustment during the year		600,000	550,000
			1,250,000	1,850,000

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2019	2018

10.0 Share Capital

Authorized:

30,000,000 ordinary shares of Tk. 100 each	3,000,000,000	3,000,000,000
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Issued, Subscribed and Paid up:

6,473,500 ordinary shares of Tk 100 each fully paid up	647,350,000	647,350,000
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Details of Shareholders are given below:

<u>Name of Shareholder's</u>	<u>Nos. of Shares</u>		
First Security Islami Bank Ltd.	3,301,485	330,148,500	330,148,500
Mr. Mohammed Saiful Alam	1,262,333	126,233,300	126,233,300
Ms. Farzana Parveen	1,243,838	124,383,800	124,383,800
Mr. Shahidul Alam	166,461	16,646,100	16,646,100
Ms. Sharmin Fatema	159,806	15,980,600	15,980,600
Mr. Md. Abdullah Hasan	166,461	16,646,100	16,646,100
Ms. Marzina Sharmin	166,448	16,644,800	16,644,800
Mr. Abu Zafar Mohammad Salek	13	1,300	1,300
Chemon Ispat Ltd.	6,655	665,500	665,500
	6,473,500	647,350,000	647,350,000

11.0 Retained Earnings

Opening Balance	55,155,213	105,749,402
Less: Cash/Stock Dividend	32,367,500	58,850,000
	22,787,713	46,899,402
Add: Comprehensive Income/(Loss)	23,517,363	8,255,811
	46,305,076	55,155,213

12.0 Borrowings from Financial Institutions

Mudaraba Finance - FSIBL, Motijheel Branch	454,179,949	268,474,415
Mudaraba Finance - Union Bank, Panthopath Branch	82,313,028	49,851,917
	536,492,977	318,326,332

13.0 Accruals and Provisions

CDBL Charges	18,665	27,157
Audit & Consultancy	155,250	143,750
Utility Bill	48,746	40,806
Provision for Gratuity	2,268,664	-
Other Expenses	3,885	4,087
	2,495,210	215,800

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2019	2018
14.0 Accounts Payable				
	Payable to Broker	(Note: 14.1)	6,624,051	1,742,179
	Profit payable to Bank		16,423,786	14,757,389
			23,047,837	16,499,568
14.1	Payable to Broker		6,624,051	1,742,179
<p>The above amount represents the purchase value of shares on client accounts and FSICIL's own portfolio account transactions & settlement fee of brokers.</p>				
15.0 Provision for Investments				
	Provision for Diminution in Value of Investments	(Note: 15.1)	34,852,230	34,852,230
	Provision for Clients' Negative Equity	(Note: 15.2)	60,176,903	54,676,903
			95,029,133	89,529,133
15.1	Provision for Diminution in Value of Investments			
<p>The company has made provision as per directive no. BSEC/SRI/MB/Policy -5/2020/132 dated January 30, 2020 of the Bangladesh Securities & Exchange Commission against unrealized loss on investment in share as at 31 December 2019 due to decrease in market price of shares.</p>				
15.2	Provision for Clients' Negative Equity			
<p>Provisions for clients' negative equity have been maintained as per directive no. BSEC/SRI/MB/Policy-5/2020/132 dated January 30, 2020 of the Bangladesh Securities & Exchange Commission against margin finance to the clients' portfolio. During the year provision for Tk. 5,500,000 has been made in the account.</p>				
16.0 Provision for Taxation				
	Opening Balance		35,402,080	41,502,683
	Add: Provision for the year		15,027,150	35,297,310
			50,429,230	76,799,993
	Less: Paid/ Adjustments		(35,332,678)	(41,397,913)
			15,096,552	35,402,080
17.0 Other Operating Income				
	Documentation Charge		46,000	50,000
	Rent Received from Broker		2,165,000	2,611,000
	Account Settlement Charge		8,012	11,500
	Profit Earned from Bank Account		747,331	2,280,022
	Annual Account Maintenance Fee		192,150	160,979
	Issue Management fee		-	200,000
	Pledge/Unpledged fee		7,000	-
	Underwriting Commission		287,500	-
			3,452,993	5,313,501

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2019	2018
18.0 General and Administrative Expenses				
	Salary and Allowances		18,219,917	16,880,906
	CDBL Charges		1,065,018	1,142,299
	Traveling Expenses & Local Conveyance		819,373	790,637
	Medical		-	54,043
	Entertainment		1,157,272	1,614,155
	Car Fuel & Maintenance		1,399,816	1,292,040
	Generator Fuel		47,750	77,300
	Newspapers, Magazines, Books & Periodicals		15,283	16,442
	Office Rent		6,282,793	6,210,252
	Insurance-Motor Vehicle		17,010	17,010
	Postage, Stamps, Telecommunication etc.		216,839	269,683
	Internet		457,600	499,150
	Repair and Maintenance		247,680	195,025
	Security Guard Bill		270,000	246,000
	Cleaner bill		306,000	306,000
	Stationery		159,234	234,501
	Office Maintenance		93,890	191,636
	Renewal Expenses		98,800	95,740
	Printing		190,825	35,460
	Director Fees		475,000	500,000
	Board Meeting Expenses		1,344,000	1,480,500
	Fees & Charges		73,506	134,889
	Paid Up Capital Raising fee		-	56,770
	Audit fees		162,250	150,000
	Consultancy fees		127,500	480,000
	Business Promotion Expenses		798,780	2,473,910
	Subscription & Membership Fees		118,000	117,000
	Advertisement		-	115,846
	Utility Bill		829,722	833,625
	Company Contribution to Provident Fund		539,262	464,594
	Management Fee waived		14,258,342	-
	Depreciation Expenses		2,412,739	2,959,420
	Training Expenses		5,000	14,000
	Gratuity Expenses		2,268,664	-
	Misc. Contract Services		-	40,000
	AGM Expenses		-	757,500
			54,477,865	40,746,333
19.0 Financial Expense				
	Profit Paid		65,106,039	35,125,017
	Bank Charges & Commission		272,321	141,579
			65,378,360	35,266,596

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2019	2018

20.0 Basic Earnings Per Share (EPS)

The computation of EPS is given below:

(a) Earning attributable to the ordinary shareholders	23,517,363	8,255,811
(b) Weighted average number of ordinary shares outstanding during the period	6,473,500	6,473,500
(c) Basic/Diluted Earnings Per Share	<u>3.63</u>	<u>1.28</u>

Earnings per shares (EPS) have been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31,2019.

21.0 Others

21.1 Each Director is drawing BDT 10,000 (excluding Vat & Tax) 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.

21.2 Key Management Personnel Compensation

During the year, the of compensation paid to key management personnel including board of directors is as under (As per para 17 of IAS 24 - Related Party Disclosures):

Short Term Employee Benefits	18,219,917	16,880,906
Post- Employee Benefits	-	-
Other Long Term Benefits	2,268,664	-
Termination Benefits	-	-
Others (Directors' Fees)	475,000	500,000
	<u>20,963,581</u>	<u>17,380,906</u>

There is no other benefits provided by the company to its' employees other than a contributory provident fund scheme.

21.3 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 BDT 454,179,949 from FSIBL's Motijheel Branch for client financing purpose. No other related party transaction was made during the year.

21.4 Approval of Financial Statements and Events after Balance Sheet Date

The financial statements has approved by the Board of Directors in its 36th meeting held on 15-03-2020 recommended 5% stock dividend for eligible shareholders for the year 2019 to be approved in the annual general meeting.


In-Charge


Director


Chairman

First Security Islami Capital & Investment Limited
Property, Plant & Equipment Schedule
For the year ended 31 December, 2019

Annexure A

Particulars	COST			Rate %	DEPRECIATION			Written Down Value as on 31.12.2019
	Balance as on 01.01.2019	Additions during the period	Balance as on 31.12.2019		Balance as on 01.01.2019	Charged during the year	Balance as on 31.12.2019	
Furniture & Fixtures	2,241,079	39,504	2,280,583	10%	1,445,005	226,972	1,671,977	608,606
Electrical Appliance	5,747,393	-	5,747,393	20%	5,710,555	7,875	5,718,430	28,963
Office Equipment	17,885,595	-	17,885,595	20%	17,684,346	111,888	17,796,234	89,361
Office Renovation	37,114,239	-	37,114,239	20%	31,904,984	2,066,004	33,970,988	3,143,251
Motor Vehicles	3,364,157	-	3,364,157	20%	3,364,156	-	3,364,156	1
Software	2,775,000	-	2,775,000	33%	2,774,999	-	2,774,999	1
Balance as at 31-12-2019	69,127,463	39,504	69,166,967		62,884,045	2,412,739	65,296,784	3,870,183
Balance as at 31-12-2018	69,006,088	121,375	69,127,463		59,924,625	2,959,420	62,884,045	6,243,418

First Security Islami Capital & Investment Limited

Schedule of Investment in securities

As of December 31, 2019

Quoted Shares:

Annexure-B

Name of the Company	Number of share	Acquisition cost	Market price
AB Bank Ltd	325,000	7,076,686	2,567,500
ACI Formulations Ltd.	30,000	5,150,729	2,751,000
Aman Cotton Fibrous Ltd	113,588	6,410,670	2,396,707
Alif Industries Limited	88,275	8,282,709	2,595,285
Aman Feed Limited	19,500	870,765	549,900
AND Telecom Limited	18,968	569,040	569,040
Bangladesh Building System Ltd	399,300	14,184,987	6,388,800
Bashundhara Paper Mills Ltd	20,000	1,357,833	920,000
Bangladesh Steel Mills Ltd.	100,000	8,286,042	4,880,000
Baraka Power Ltd.	80,500	2,228,449	1,827,350
Coppertech Industries Ltd.	4,979	47,420	117,007
Central Pharmaceuticals Ltd	430,000	8,860,801	3,870,000
CVO Petrochemical Ltd.	7,460	1,599,139	673,638
DESCO Ltd.	290,000	14,763,604	10,730,000
Dhaka Bank Ltd	210,000	3,646,239	2,520,000
Doreen Power Generation Ltd	14,690	1,221,190	865,241
Esquire Knit Composite Ltd.	20,890	940,050	591,187
EXIM Bank Ltd.	312,000	3,168,794	3,151,200
Fortune Shoes Ltd.	47,200	1,246,236	1,085,600
Genex Infosys Limited	392	3,409	26,421
Golden Harvest Agro Limited	127,889	2,998,816	2,455,469
Ifad Autos Ltd	19,000	2,086,529	877,800
International Leasing and Financial Services Ltd.	262,500	4,581,016	1,575,000
Mobil Jamuna Bangladesh Ltd	241,500	29,105,850	15,286,950
Navana CNG Ltd.	120,000	8,409,389	4,128,000
Newline Clothings Ltd.	4,282	40,023	63,374
Pacific Denims Ltd.	34,200	456,821	335,160
Paramount Textiles Ltd.	119,900	7,526,582	7,074,100
Quasem Industries Ltd	217,701	11,786,162	7,967,857
Runner Automobile Ltd.	420,000	18,000,000	24,990,000
Ring Shine Textiles Ltd.	3,853	35,226	39,686
Summit Power Ltd	97,700	4,648,913	3,546,510
Shahjibazar Power Ltd.	167,675	22,171,371	11,737,250
Sea Pearl Beach Resorts Ltd.	3,916	37,300	161,731
Silco Pharmaceuticals Ltd	4,377	39,793	132,623
Unique Hotel & Resorts Ltd.	17,194	962,492	754,817
VFS Thread Dying Ltd.	299,198	16,361,150	5,983,960
		219,162,226	136,186,161

Unquoted Shares:

Name of the Company	Number of share	Acquisition cost	Market price
Oryza Agro Industries Ltd	2,000,000	20,000,000	20,000,000

Quoted Bonds:

Name of the Company	Quantity	Acquisition cost	Market price
Ashugonj Power Station Ltd.	100	500,000	500,000
Grand Total		239,662,226	156,686,161