

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, 2020, 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, 2020 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 22.0

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 22.0, 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 skepticism 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;

The engagement partner on the audit resulting in this independent auditor's report is **Sarwar Mahmood** FCA (Enrolment No.-239).

Place: Dhaka
Dated: 31st March, 2021


Shafiq Basak & Co.
Chartered Accountants
DVC: 2103310239AS654539

First Security Islami Capital & Investment Limited
Statement of Financial Position
As at 31 December, 2020

Particulars	Notes	Amount (Tk.)	
		2020	2019
ASSETS:			
Non Current Assets:		3,947,362	3,870,183
Property, Plant and Equipment Net off	3.01	1,615,239	3,870,183
Accumulated Depreciation			
Right of Use Asset (ROU) Net	3.02	2,332,123	-
Investment in marketable securities	5.00	246,588,598	239,662,226
Current Assets		1,696,529,985	1,130,362,076
Margin Finance to Portfolio Clients	6.00	1,338,836,969	1,098,270,202
Accounts Receivable	7.00	61,263,868	10,084,570
Advance, Prepayments & Deposits	8.00	8,979,127	8,580,639
Cash and Cash Equivalents	9.00	286,800,021	12,176,665
Quard against Car Leasing Scheme (Staff)	10.00	650,000	1,250,000
Total Assets		1,947,065,945	1,373,894,485
EQUITY AND LIABILITIES			
Shareholders' Equity:		719,406,573	693,655,076
Share Capital	11.00	679,717,500	647,350,000
Retained Earnings	12.00	39,689,073	46,305,076
Long term Liabilities:			
Borrowings from Financial Institutions	13.00	1,008,584,306	536,492,977
Current Liabilities:		219,075,066	143,746,431
Accruals and Provisions	14.00	338,364	2,495,210
Accounts Payable	15.00	82,057,884	23,047,837
Leases liability	4.00	2,094,372	-
Provision for Investments	16.00	100,229,004	95,029,133
Provision for Taxation	17.00	22,517,883	15,096,552
Portfolio Investors' Fund		11,837,559	8,077,700
Total Equity and Liabilities		1,947,065,945	1,373,894,485

The annexed notes 1.0 to 22.0 form an integral part of these financial statements.



Chief Executive Officer



Director



Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 31 March, 2021



Shafiq Basak & Co.

Chartered Accountants

DVC: 2103310239AS654539

First Security Islami Capital & Investment Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 December, 2020

Particulars	Notes	Amount (Tk.)	
		2020	2019
Revenue:		165,842,252	163,900,738
Profit on Margin Investment		145,665,879	133,202,671
Income from Portfolio Management Services		4,443,702	5,537,592
Settlement and Transaction Fees		6,304,921	5,779,213
Profit on Sale of Share		3,021,294	13,679,504
Dividend Income		4,008,264	2,248,765
Other Operating Income	18.00	2,398,192	3,452,993
Operating Expenses:		110,675,397	119,856,225
General and Administrative Expenses	19.00	36,676,427	54,477,865
Financial Expenses	20.00	73,998,970	65,378,360
Operating Profit/(Loss)		55,166,855	44,044,513
Total Provision for Investments:		5,200,000	5,500,000
Provision for Diminution in Value of Investments	16.00	2,000,000	-
Provision for Clients' Negative Equity	16.00	3,200,000	5,500,000
Profit/(Loss) before Taxation		49,966,855	38,544,512
		24,215,358	15,027,150
Prior year Tax Paid		4,984,817	-
Current Year Tax Expenses		19,230,541	15,027,150
Profit/(Loss) after Taxation		25,751,497	23,517,362
Other Comprehensive Income		-	-
Total Comprehensive Income/(Losses)		25,751,497	23,517,362
Earnings Per Share (EPS)/Diluted	21.00	3.79	3.46

The annexed notes 1.0 to 22.0 form an integral part of these financial statements.



Chief Executive Officer



Director



Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 31 March, 2021



Shafiq Basak & Co.

Chartered Accountants

DVC: 2103310239AS654539

First Security Islami Capital & Investment Limited

Statement of Changes in Equity
For the year ended 31 December, 2020

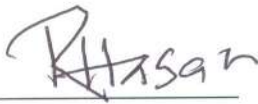
(Figures in BDT)

Particulars	Share Capital	Share Money Deposit	Retained Earnings	Total
Opening Balance on 01-01-2020	647,350,000	-	46,305,076	693,655,076
Stock Dividend Paid for 2019	32,367,500	-	(32,367,500)	-
Net profit for the year	-	-	25,751,497	25,751,497
Balance as on 31 December, 2020	679,717,500	-	39,689,073	719,406,573

For the year ended 31 December, 2019

Opening Balance on 01-01-2019	647,350,000	-	55,155,214	702,505,214
Cash Dividend for 2018	-	-	(32,367,500)	(32,367,500)
Net profit for the year	-	-	23,517,362	23,517,362
Balance as on 31 December, 2019	647,350,000	-	46,305,076	693,655,076

The annexed notes 1.0 to 22.0 form an integral part of these financial statements.



Chief Executive Officer



Director



Chairman

Signed in terms of our report of even date.

Place: Dhaka

Dated: 31 March, 2021



Shafiq Basak & Co.
Chartered Accountants
DVC: 2103310239AS654539

First Security Islami Capital & Investment Limited
Statement of Cash Flows
For the year ended 31 December, 2020

Particulars	Notes	Amount (Tk.)	
		2020	2019
A) Cash flows from Operating Activities:			
Cash Received from Operating Income		165,842,252	163,900,738
Margin Finance & payment to Clients		(240,566,767)	21,910,212
Payment for Administrative & Financial Expenses		(108,584,833)	(117,443,486)
(Increase)/Decrease of Advance, Deposit & Prepayment		(398,488)	8,816,902
(Increase)/Decrease of Accounts Receivable		(51,179,298)	(7,361,374)
Increase/(Decrease) of Accounts Payable		59,010,047	6,548,270
Quard against Car Leasing Scheme (Staff)		600,000	600,000
Liability for Expenses		(2,156,845)	2,279,409
Portfolio Investors' Fund		3,759,859	(211,061,388)
Provision for Investments		(5,200,000)	(5,500,000)
Provision for Diminution in Value of Investment in Share &		5,200,000	5,500,000
Cash Dividend Paid		-	(32,367,500)
Tax Paid		(16,794,027)	(35,332,678)
Net Cash flows from Operating Activities		(190,468,101)	(199,510,896)
B) Cash flows from Investing Activities:			
Acquisition of Fixed Assets		(73,500)	(39,504)
Investment in Marketable Securities		(6,926,372)	(17,373,352)
Net Cash used in Investing Activities		(6,999,872)	(17,412,856)
C) Cash flows from Financing Activities:			
Mudaraba Finance from FSIBL		72,529,438	185,705,534
Mudaraba Finance from Union Bank		399,561,891	32,461,111
Net Cash used in Financing Activities		472,091,329	218,166,645
D) Net cash flows for the year (A+B+C)		274,623,356	1,242,893
E) Cash and Cash Equivalents at beginning of the year		12,176,665	10,933,772
F) Cash and Cash Equivalents at end of the year (D+E)	9.00	286,800,021	12,176,665

The annexed notes 1.0 to 22.0 form an integral part of these financial statements.


Chief Executive Officer


Director


Chairman

Signed in terms of our report of even date.

Place: Dhaka
Dated: 31 March, 2021


Shafiq Basak & Co.
Chartered Accountants
DVC: 2103310239AS654539

First Security Islami Capital & Investment Limited
Notes to the Financial Statements
For the year ended 31 December, 2020

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.

2.5 Right of Use Asset (ROU)

All leasing arrangements except those having less than 12 months of useful life and underlying asset values of less than Taka 425,000 when new, have been capitalized as "right-of-use" asset with a corresponding financial liability on the financial position.

Leased assets are capitalized from the start date of the lease agreement at the present value of the future lease payments, based on the rate of interest entered in the asset master data. Low value (Taka 425,000) and short term leases (12months) have been excluded from the recognition requirements and charged to statement of profit or loss as rental costs. Lease reassessment and lease modification to increase/decrease the value of an asset depending on a change in scope of lease agreement can be made if necessary.

The asset is written off on a straight-line basis over the tenure of the lease agreements. Hence, the useful life of any lease assets depends on the periods the assets can be used. The useful life of such assets are dependent on individual agreement and can vary from one agreement to another.

2.6 Revenue Recognition

Settlement fee
Profit on STD account.
Profit earned from IDA Investment.
Documentation fee
Capital Gain on Investment
Dividend Income
Underwriting Commission
Issue Management fee

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.

Taxation

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

2.7 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.

2.9 Reporting Period:

The Company's reporting period is 01 January, 2020 to 31 December, 2020.

2.10 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.)	
			2020	2,019
3.00	Property, Plant and Equipment			
	Own Assets	Note-3.01	1,615,239	3,870,183
	Right of Use Asset	Note-3.02	2,332,123	-
			<u>3,947,362</u>	<u>3,870,183</u>
3.01	Own Assets:			
	A) Cost :		69,240,467	69,166,967
	Opening Balance		69,166,967	69,127,463
	Add : Addition during the year		73,500	39,504
	B) Accumulated Depreciation:		67,625,228	65,296,784
	Opening Balance		65,296,784	62,884,045
	Add: Charge during the Year		2,328,444	2,412,739
	Written Down Value (A-B)		<u>1,615,239</u>	<u>3,870,183</u>
3.01	Right of Use Asset (ROU) Net			
	Balance as at 1st January 2020		-	-
	Add: Addition during the year		7,773,871	-
	Less: Depreciation during the year		5,441,748	-
	Closing Balance at the 31th December 2020		<u>2,332,123</u>	<u>-</u>
	Details of Property, Plant and Equipment have been shown in Annexure-A			
4.00	Lease Liability			
	Opening Balance as at 1st January 2020		-	-
	Add: Addition during the year		7,468,963	-
	Add: Accrued Interest		321,293	-
	Less: Payments		(5,695,884)	-
	Closing Balance at the 31th December 2020		<u>2,094,372</u>	<u>-</u>
	Lease Liability Recognized in Statement of financial Position			
	Lease Liability - Net off Current Maturity		6,017,177	-
	Lease Liability - Current Maturity		(3,922,804)	-
			<u>2,094,372</u>	<u>-</u>
5.00	Investment in Marketable Securities			
	Quoted Shares	Note-5.01	226,588,598	219,162,226
	Unquoted Shares	Note-5.02	20,000,000	20,000,000
	Quoted Bonds	Note-5.03	-	500,000
			<u>246,588,598</u>	<u>239,662,226</u>

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2,019
5.01	Quoted Shares			
	Name of the Company		Acquisition cost	Acquisition cost
	AB Bank Ltd		7,076,686	7,076,686
	ACI Formulations Ltd.		9,445,794	5,150,729
	Aman Cotton Fibrous Ltd		6,410,670	6,410,670
	Alif Industries Limited		8,282,709	8,282,709
	Aman Feed Limited		2,413,577	870,765
	ADN Telecom Limited		-	569,040
	Bangladesh Building System Ltd		14,184,987	14,184,987
	Bashundhara Paper Mills Ltd		2,226,894	1,357,833
	Bangladesh Steel Mills Ltd.		8,286,042	8,286,042
	Baraka Power Ltd.		-	2,228,449
	Coppertech Industries Ltd.		-	47,420
	Central Pharmaceuticals Ltd		8,860,801	8,860,801
	Confidence Cement Ltd		587,055	-
	Crystal Insurance Ltd		108,790	-
	CVO Petrochemical Ltd.		1,599,139	1,599,139
	DESCO Ltd.		14,763,604	14,763,604
	Delta Brac Housing		1,620,311	-
	Dhaka Bank Ltd		3,646,239	3,646,239
	Doreen Power Generation Ltd		2,149,197	1,221,190
	Esquire Knit Composite Ltd.		1,522,833	940,050
	EXIM Bank Ltd.		-	3,168,794
	Fortune Shoes Ltd.		95,600	1,246,236
	Genex Infosys Limited		-	3,409
	Golden Harvest Agro Limited		2,998,816	2,998,816
	Ifad Autos Ltd		2,516,302	2,086,529
	International Leasing and Financial Services Ltd.		4,581,016	4,581,016
	Lafarge Holcim Bangladesh		1,678,215	-
	Lub-rref Bangladesh Ltd		5,002,000	-
	Mobil Jamuna Bangladesh Ltd		29,105,850	29,105,850
	Navana CNG Ltd.		8,409,389	8,409,389
	Nahee Aluminum Com		1,037,865	-
	Newline Clothings Ltd.		-	40,023
	Orion Pharma Ltd		1,237,724	-
	Pacific Denims Ltd.		573,402	456,821
	Paramount Textiles Ltd.		-	7,526,582
	Quasem Industries Ltd		11,786,162	11,786,162
	Robi Axiata Ltd		874,580	-
	Runner Automobile Ltd.		17,142,857	18,000,000
	Ring Shine Textiles Ltd.		73,116	35,226
	Summit Power Ltd		4,648,913	4,648,913
	Summit Alliance Poet Ltd		33,080	-
	Saif Powertec Ltd		797,433	-
	Shahjibazar Power Ltd.		22,171,371	22,171,371
	Sea Pearl Beach Resorts Ltd.		17,764	37,300
	Silco Pharmaceuticals Ltd		-	39,793
	Unique Hotel & Resorts Ltd.		2,260,662	962,492
	VFS Thread Dying Ltd.		16,361,150	16,361,150
			226,588,598	219,162,226

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2,019
5.02	Unquoted Shares:			
	Oryza Agro Industries Ltd		20,000,000	20,000,000
5.03	Quoted Bonds			
	Ashugonj Power Station Ltd		-	500,000
	Grand Total		246,588,598	239,662,226
5.04	Market Value of Quoted Shares		177,625,533	136,186,161
6.00	Margin Finance to Portfolio Clients			
	Investor's Discretionary Accounts (IDA)		1,338,836,969	1,098,270,202
			1,338,836,969	1,098,270,202
<p>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.</p>				
7.00	Accounts Receivable			
	Receivable from brokers against sale proceeds of shares		61,263,868	10,084,570
			61,263,868	10,084,570
<p>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.</p>				
8.00	Advances, Deposits & Prepayments			
	Advance	(Note: 8.01)	8,716,622	8,309,628
	Security Deposit	(Note: 8.02)	254,000	254,000
	Prepayment	(Note: 8.03)	8,505	17,010
			8,979,127	8,580,639
8.01	Advances			
	Advance Rent		1,614,144	1,406,150
	Income Tax		7,102,478	6,903,478
			8,716,622	8,309,628
8.02	Deposits			
	T & T Board		54,000	54,000
	Central Depository Bangladesh Limited		200,000	200,000
			254,000	254,000
8.03	Prepayments			
	Insurance		8,505	17,010
			8,505	17,010

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2,019

9.00 Cash and Cash Equivalents

Cash in Hand		55,000	15,128
Cash at Bank	(Note: 9.01)	286,745,021	12,161,537
		286,800,021	12,176,665

9.01 Cash at Bank

FSIBL, STD-101-131-0000219-0		1,589,467	490,249
FSIBL, CD-101-111-0002710-5		1,149,474	248,976
FSIBL, STD-129-131-0000039-2		11,005,418	11,222,090
FSIBL, CD-129-111-0000187-6		559,100	950
Union Bank Limited, STD-0131210000075		272,243,387	5,818
NRB Global Bank, STD-0113000016333		198,175	193,454
		286,745,021	12,161,537

Bank balances have either been agreed or reconciled with related bank statements.

10.00 Quard against Car Leasing Scheme (Staff)

Opening Balance		1,250,000	1,850,000
Add : Addition during the year		-	-
		1,250,000	1,850,000
Less: Adjustment during the year		600,000	600,000
		650,000	1,250,000

11.00 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:

6,797,175 ordinary shares of Tk 100 each fully paid up		679,717,500	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.	3,466,559	346,655,900	330,148,500
Mr. Mohammed Saiful Alam	1,325,450	132,545,000	126,233,300
Ms. Farzana Parveen	1,306,030	130,603,000	124,383,800
Mr. Shahidul Alam	174,784	17,478,400	16,646,100
Ms. Sharmin Fatema	167,796	16,779,600	15,980,600
Mr. Md. Abdullah Hasan	174,784	17,478,400	16,646,100
Ms. Marzina Sharmin	174,770	17,477,000	16,644,800
Mr. Abu Zafar Mohammad Salek	14	1,400	1,300
Chemon Ispat Ltd.	6,988	698,800	665,500
	6,797,175	679,717,500	647,350,000

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2,019
12.00	Retained Earnings			
	Opening Balance		46,305,076	55,155,213
	Less: Stock/Cash Dividend		32,367,500	32,367,500
			<u>13,937,576</u>	<u>22,787,713</u>
	Add: Comprehensive Income/(Loss)		25,751,497	23,517,363
			<u><u>39,689,073</u></u>	<u><u>46,305,076</u></u>

13.00 Borrowings from Financial Institutions

Mudaraba Finance - FSIBL, Motijheel Branch	526,709,387	454,179,949
Mudaraba Finance - Union Bank, Panthopath Branch	481,874,919	82,313,028
	<u>1,008,584,306</u>	<u>536,492,977</u>

14.00 Accruals and Provisions

CDBL Charges	130,301	18,665
Audit & Consultancy	155,250	155,250
Utility Bill	48,655	48,746
Provision for Gratuity	-	2,268,664
Other Expenses	4,158	3,885
	<u>338,364</u>	<u>2,495,210</u>

15.00 Accounts Payable

Payable to Broker	(Note: 15.1)	56,062,680	6,624,051
Profit payable to Bank		25,995,204	16,423,786
		<u>82,057,884</u>	<u>23,047,837</u>

15.01 Payable to Broker

	<u>56,062,680</u>	<u>6,624,051</u>
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The above amount represents the purchase value of shares on client accounts and FSICIL's own portfolio account transactions & settlement fee of brokers.

16.00 Provision for Investments

Provision for Diminution in Value of Investments	(Note: 16.01)	36,852,101	34,852,230
Provision for Clients' Negative Equity	(Note: 16.02)	63,376,903	60,176,903
		<u>100,229,004</u>	<u>95,029,133</u>

16.01 Provision for Diminution in Value of Investments

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. During the year provision for Tk. 2,000,000 has been made in the account .

16.02 Provision for Clients' Negative Equity

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. 3,200,000 has been made in the account.

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2,019
17.00	Provision for Taxation			
	Opening Balance		15,096,552	35,402,080
	Add: Provision for the year		19,230,541	15,027,150
			<u>34,327,093</u>	<u>50,429,230</u>
	Less: Paid/ Adjustments		(11,809,210)	(35,332,678)
			<u><u>22,517,883</u></u>	<u><u>15,096,552</u></u>
18.00	Other Operating Income			
	Documentation Charge		50,000	46,000
	Rent Received from Broker		1,269,000	2,165,000
	Account Settlement Charge		6,000	8,012
	Profit Earned from Bank Account		638,434	747,331
	Annual Account Maintenance Fee		181,882	192,150
	Issue Management fee etc.		252,876	-
	Pledge/Unpledged fee		-	7,000
	Underwriting Commission		-	287,500
			<u><u>2,398,192</u></u>	<u><u>3,452,993</u></u>
19.00	General and Administrative Expenses			
	Salary and Allowances		19,000,124	18,219,917
	CDBL Charges		725,700	1,065,018
	Traveling Expenses & Local Conveyance		635,550	819,373
	Medical		8,210	-
	Entertainment		530,900	1,157,272
	Car Fuel & Maintenance		1,125,689	1,399,816
	Generator Fuel		13,000	47,750
	Newspapers, Magazines, Books & Periodicals		15,790	15,283
	Office Rent		524,483	6,282,793
	Insurance-Motor Vehicle		25,515	17,010
	Postage, Stamps, Telecommunication etc.		210,393	216,839
	Internet		465,180	457,600
	Repair and Maintenance		16,990	247,680
	Security Guard Bill		270,000	270,000
	Cleaner bill		306,000	306,000
	Stationery		159,359	159,234
	Office Maintenance		122,878	93,890
	Renewal Expenses		95,150	98,800
	Printing		10,960	190,825
	Director Fees		425,000	475,000
	Board Meeting Expenses		1,200,000	1,344,000
	Fees & Charges		5,060	73,506
	Audit fees		162,250	162,250
	Consultancy fees		15,000	127,500

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2019
	Business Promotion Expenses		915,751	798,780
	Subscription & Membership Fees		119,000	118,000
	Utility Bill		733,035	829,722
	Company Contribution to Provident Fund		573,488	539,262
	Management Fee waived		-	14,258,342
	Depreciation Expenses	Note-3.01	2,328,444	2,412,739
	Depreciation Right of use asset (ROU)	Note-3.02	5,441,748	-
	Training Expenses		-	5,000
	Gratuity Expenses		495,780	2,268,664
			<u>36,676,427</u>	<u>54,477,865</u>

During the year total office rent was paid Tk. 6,287,524 which has been shown in the financial statements in the following way/mode to fulfil the requirement of IFRS 16.

Office Rent	Note-19.00	524,483
Depreciation Right of use Assets	Note-19.00	5,441,748
Profit for Rent	Note-20.00	321,293
		<u>6,287,524</u>

20.00 Financial Expense

Profit Paid	73,465,496	65,106,039
Profit for Rent	321,293	-
Bank Charges & Commission	212,181	272,321
	<u>73,998,970</u>	<u>65,378,360</u>

21.00 Basic Earnings Per Share (EPS)

The computation of EPS is given below:

(a) Earning attributable to the ordinary shareholders	25,751,497	23,517,362
(b) Weighted average number of ordinary shares outstanding during the period	6,797,175	6,797,175
(c) Basic/Diluted Earnings Per Share	<u>3.79</u>	<u>3.46</u>

Earnings per shares (EPS) have been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31,2020.

22.00 Others

22.01 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.

Notes Sl. No.	Particulars	Notes	Amount (Tk.)	
			2020	2,019

22.02 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	19,000,124	18,219,917
Post- Employee Benefits	-	-
Other Long Term Benefits	495,780	2,268,664
Termination Benefits	-	-
Others (Directors' Fees)	425,000	475,000
	<u>19,920,904</u>	<u>20,963,581</u>

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

22.03 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 526,709,387 from FSIBL's Motijheel Branch for client financing purpose. No other related party transaction was made during the year.

22.04 Approval of Financial Statements and Events after Balance Sheet Date

The financial statements has approved by the Board of Directors in its 40th meeting held on 29-03-2021 recommended no dividend to eligible shareholders for the year 2020 to be approved in the annual general meeting.



Chief Executive Officer



Director



Chairman

First Security Islami Capital & Investment Limited

Property, Plant & Equipment Schedule

For the year ended 31 December, 2020

Annexure A

(a) Own Assets:

Particulars	COST			Rate %	DEPRECIATION			Written Down Value as on 31.12.2020
	Balance as on 01.01.2020	Additions during the period	Balance as on 31.12.2020		Balance as on 01.01.2020	Charged during the year	Balance as on 31.12.2020	
Furniture & Fixtures	2,280,583	-	2,280,583	10%	1,671,977	228,058	1,900,035	380,548
Electrical Appliance	5,747,393	-	5,747,393	20%	5,718,430	7,875	5,726,305	21,088
Office Equipment	17,885,595	-	17,885,595	20%	17,796,234	16,400	17,812,634	72,961
Office Renovation	37,114,239	-	37,114,239	20%	33,970,988	2,066,004	36,036,992	1,077,247
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
Computer	-	73,500	73,500	33%	-	10,106	10,106	63,394
Total Own Assets (a)	69,166,967	73,500	69,240,467		65,296,784	2,328,444	67,615,122	1,615,239

(b) Leased Assets:

Right of Use Asset (ROU)	-	7,773,871	7,773,871	-	-	5,441,748	5,441,748	2,332,123
Total Leased Assets (b)	-	7,773,871	7,773,871	-	-	5,441,748	5,441,748	2,332,123
Balance as at 31-12-2020 (a+b)	69,166,967	7,847,371	77,014,338	-	65,296,784	7,770,192	73,056,870	3,947,362
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