

ANNUAL
REPORT

2019
20



ICB CAPITAL MANAGEMENT LIMITED

(A Subsidiary of ICB)

Annual Report
2019-20



“মুজিববর্ষের অঙ্গীকার
উন্নয়ন-অর্থায়নের উৎস হবে পুঁজিবাজার”



ICB CAPITAL MANAGEMENT LIMITED

(A Subsidiary of ICB)

ICML hosted a Milad Mahfil at its Head Office marking the National Mourning Day and the 45th martyrdom anniversary of **Father of the Nation Bangabandhu Sheikh Mujibur Rahman**. The Managing Director of ICB & Chairman of ICML Md. Abul Hossain was present at the Milad. The Honorable Chairman Dr. Mojib Uddin Ahamed, Deputy Managing Director and General Managers of ICB were attended the Milad online through Zoom Cloud Meetings. The CEO of ICML Ms. Shukla Das along with other officers of ICB and its subsidiaries were also present at the occasion. A Munajat was also offered by all who were present seeking the eternal peace of the departed souls of the August 15 carnage.



Wreath-laying ceremony on the portrait of the Father of the nation on the National Mourning Day. The CEO of ICML along with General Managers of ICB was present.

Plant giving ceremony arranged by ICB and ICML on the occasion of the National Mourning Day. The DMD of ICB and the CEO of ICML along with other employees were present.





Our sincere and heartfelt condolences for the loss of thousands lives due to Covid-19 all over the world. Deepest gratitude to the front liners for their bravery and tireless work in discharging emergency services. We believe, we will overcome the situation soon with all the initiatives taken by all the parties concerned.

Stay Safe. Stay Blessed.

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Notice of the 20th Annual General Meeting

Notice is hereby given that the 20th Annual General Meeting of the Company will be held on **29 October 2020, Thursday at 4:00 pm** in the Board Room of the Company's Head Office at Green City Edge, 5th Floor, 89 Kakrail, Dhaka-1000/online by Zoom Cloud Meetings for the purpose of transacting the following business:

1. To place the minutes of the 19th Annual General Meeting held on 16 November 2019 for information;
2. To receive, consider and adopt the Annual Report and the Audited Accounts of the Company for the year ended 30 June 2020;
3. To elect Directors ;
4. To appoint Auditors and fix their remuneration; and
5. To discuss any other business with the consent of the Chair.

By order of the Board of Directors,



Shukla Das

Chief Executive Officer/Secretary

12 October, 2020
Dhaka

Notes:

- 1) The share transfer books of the Company will remain closed from 23 October, 2020 to 29 October, 2020 (both days inclusive).
- 2) Shareholder entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend on his/her behalf. In order to be effective, proxy form should be duly signed and stamped and the proxy form must be sent at the Company's registered office not later than FORTY EIGHT HOURS before the Meeting.

20th Annual General Meeting

29 October, 2020

HEAD OFFICE

19th Annual General Meeting

The 19th Annual General Meeting of the Shareholders of ICB Capital Management Limited (ICML) was held on 16 November 2019, Saturday, at 11:00 am in the Board Room of the Company's Head Office at Green City Edge (5th Floor), 89, Kakrail, Dhaka.



Corporate Profile

Registered Name:

ICB Capital Management Limited

Legal Form:

As a part of the restructuring program of ICB under Capital Market Development Program (CMDP) initiated by the Government of Bangladesh and the Asian Development Bank (ADB), ICB Capital Management Ltd. has been established as a subsidiary of ICB to carry out merchant banking activities including issue management, underwriting and portfolio management. The Company was incorporated under the Companies Act, 1994 on 5 December 2000 and registration from the Bangladesh Securities and Exchange Commission (BSEC) was obtained on 16 October 2001. The Company started its operation from 01 July 2002 upon issuance of gazette notification by the Government.

Registration No. : C-41983 (1342)/2000

SEC License No. : 31/2001

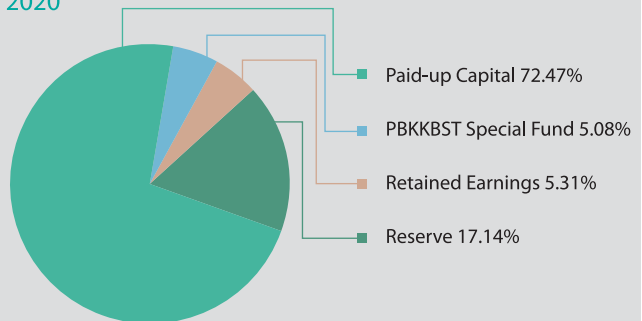
Depository Participant (DP) License No. : DP-378

Registered Office:

Green City Edge, 5th and 6th Floor, 89, Kakrail, Dhaka-1000
Phone: +88-02-8300555 (Auto hunting), Fax: 880-2-8300396
Website: www.icml.com.bd, E-mail: ceo@icml.com.bd

Capital Structure of the Company as on 30 June 2020

Authorized Capital	500.00 crore
Paid-up Capital	329.65 crore
*PBKKBST Special Fund	23.11 crore
Retained Earnings	24.13 crore
Reserve	77.96 crore
Total	454.85 crore



* পুঁজিবাজারে ক্ষতিগ্রস্ত ক্ষুদ্র বিনিয়োগকারীদের সহায়তা তহবিল (PBKKBST)

Branch Offices:

Chattogram Branch:	Ayub Trade Centre (10 th Floor), Sheikh Mujib Road, 1269/B Agrabad C/A, Chattogram manager_ctg@icml.com.bd, 031-2510997
Rajshahi Branch :	Dr. Gaffar Plaza (2 nd Floor), Main Road, Shaheb Bazar, Rajshahi manager_raj@icml.com.bd, 0247-81225, 0721-770048
Barishal Branch :	Barishal Plaza (2 nd Floor), 87-88, Hemayet Uddin Road, Barishal manager_barisal@icml.com.bd, 0431-2176020
Khulna Branch :	BDBL Bhaban (2 nd Floor), 25-26, KDA C/A, Upper Jessore Road, Khulna manager_khulna@icml.com.bd, 041-2830034
Bogura Branch :	Afsar Ali Complex (3 rd Floor), Borogola, Raza Bazar Road, Bogura manager_bogra@icml.com.bd, 051-78280
Sylhet Branch :	Ananda Tower Complex (2 nd Floor), Dhopa Dighir Uttar Par, Jail Road, Sylhet manager_sylhet@icml.com.bd, 0821-727448
Uttara Branch :	Plot # 13 (2 nd Floor), Road-14/A, Sector-4, Uttara, Dhaka-1230 manager_uttara@icml.com.bd, 02-58955679
Gazipur Branch :	Rahmat Tower (2 nd Floor), Chandra Chowrasta, Gazipur-1702 manager_gazipur@icml.com.bd 02-9263732

Chairman

Md. Abul Hossain
Managing Director
Investment Corporation of Bangladesh

Chief Executive Officer/Secretary

Shukla Das
General Manager
Investment Corporation of Bangladesh

Auditors



Ata Khan & Co.
Chartered Accountants
67, Motijheel C/A, 1st Floor, Dhaka-1000
Contacts: 88-02-9560933, 9560716
Mobile: 01819-228521
e-mail: maqbul.ahmed@yahoo.com
www.atakhanca.com

Income Tax Adviser



Enayet Muhammed & Associates
26/2 Purana Paltan
Flat B-1, Anowara Monjil
Contacts: 9344662
E-mail: ema.dhakabd@gmail.com

Banker



IFIC Bank Ltd.



NCC Bank Ltd.



Mutual Trust Bank Ltd.

Major Events/Milestones

2000	Date of incorporation	05 December 2000
2000	Date of commencement	05 December 2000
2001	BSEC's registration obtained	16 October 2001
2002	Commencement of Business	01 July 2002
2002	Permission of BSEC for Branch operation	15 July 2002
2003	Started activities of Lien Bank for the projects under EEF & ESF	2003
2003	Opening of ICML Chattogram Branch	07 May 2003
2005	Opening of ICML Rajshahi Branch	16 June 2005
2006	Opening of ICML Barishal Branch	19 March 2006
2007	Opening of ICML Khulna Branch	18 March 2007
2008	Purchasing Floor Space for Sylhet Branch	29 January 2008
2008	Opening of ICML Bogura Branch	15 May 2008
2008	Opening of ICML Sylhet Branch	22 May 2008
2009	Opening of ICML Uttara Branch	02 February 2009
2011	Started activities of Trustee & Custodian	24 April 2011
2011	Opening of ICML Gazipur Branch	28 June 2011
2011	Purchasing Floor Space for proposed Faridpur Branch	05 July 2011
2013	Obtaining Custodian DP License	03 February 2013
2013	Purchasing Floor Space (5 th & 6 th) at 89 Kakrail, Dhaka	16 April 2013
2013	Launching of Discretionary Investment Accounts	19 June 2013
2015	Started operational activities at 89 Kakrail, Dhaka	01 September 2015

Vision, Mission, Values & Philosophy

Our vision, mission, core values and philosophy continuously serve as a guiding compass in our business. Our employees act in an ethical manner with integrity, competence, diligence & respect to the prospective clients, colleagues and other participants in the business arena. Our company takes reasonable care and exercises independent judgement with trust in conducting business activities.

our vision

To become the trend setter in providing merchant banking services that is built on a foundation of sound business principles and values.

our mission

Provide efficient and customer focused merchant banking services overcoming the continuous challenges in the capital market to promote ICML as a leading and sound merchant banking institution.

our values

- ⊕ Develop saving habit of general people through investment;
- ⊕ Assist continuous growth of wealth of customers;
- ⊕ Sustained growth and stability;
- ⊕ Accountability with high integrity;
- ⊕ Satisfying customers at optimum level;
- ⊕ Developing a well-trained meritorious work force;
- ⊕ Building professionalism and service quality on continuous basis.

our philosophy

We believe that credibility of policies and actions are prerequisites for achieving company's goal which can only be attained through assurance of business ethics and deliverance of superior services. We ensure that all the activities are conducted effectively and efficiently for the development of our company, clients and the capital market at large.

Objectives

- ⊕ To carry out merchant banking activities including issue management, underwriting and portfolio management with a view to develop a vibrant capital market.
- ⊕ To widen the scope and area of investment by mobilizing savings of small and medium level of investors' through generating demand for securities.
- ⊕ To bring in high quality companies to the Bangladesh capital market and to support a good number of issuer companies in raising their funds from the capital market thereby facilitating adequate supply of securities in the capital market.
- ⊕ To infuse professionalism and efficiency in portfolio management.
- ⊕ To establish perfect combination of high quality buy-sell execution capabilities and create a large local network among investors and broker community.

Functions

- ⊕ Managing Investors' Account.
- ⊕ Issue management.
- ⊕ Underwriting of IPO, RPO, right shares, debentures and bonds.
- ⊕ Providing investment counsel to issuers and investors' including financial restructuring/engineering.
- ⊕ Providing corporate advisory services.
- ⊕ Purchasing shares, bonds and debentures from primary & secondary market.
- ⊕ Providing consultancy services for disinvestment programs of the Government.
- ⊕ Performing activities as Lien Bank for Equity & Entrepreneurship Fund (EEF) & Entrepreneurship Support Fund (ESF) of The Government of People's Republic of Bangladesh.
- ⊕ Acting as Trustee and Custodian.
- ⊕ Acting as Arranger.
- ⊕ Dealing in other matters related to capital market operation.

Board and Board Committees



Review and Recommendation on Annual Accounts of the Company for the FY 2019-20 in the meeting of the Board

Meeting of the Executive Committee



Review and Recommendation on Annual Accounts of the Company for the FY 2019-20 in the meeting of the Audit Committee

Board of Directors

As a Subsidiary of ICB, the forerunner in investment banking, we are accountable to the people we serve. Our Board of Directors is responsible for determining the strategy and overall direction of the Company in an open, honest and transparent manner. They are highly experienced leaders and are committed to the long-term growth and performance of the Company.



Md. Abul Hossain
Chairman

Managing Director, Investment Corporation of Bangladesh

Md. Abul Hossain joined as Chairman on the Board of ICML in 17 September 2019. He has been the Managing Director of Investment Corporation of Bangladesh since 21 August 2019, the core public sector investment bank of the country. Mr. Hossain has more than 29 years of diversified experience in investment banking, specialized and commercial banking, Islamic banking, Asset management and ICT works. He started his career as a System Analyst/Senior Principal Officer of ICB in 1998 and served in different positions in the same organization. Prior to his joining in ICB, he acted as the Managing Director of Karmasangsthan Bank. He also served as the Managing Director (Additional Charge) and Deputy Managing Director of Bangladesh Krishi Bank.

Currently, he is contributing his professional expertise as a Board member of British American Tobacco Bangladesh Co. Ltd. (BATBC), GlaxoSmithKline Bangladesh Ltd. (GSK), Standard Bank Limited, National Tea Company Limited (NTC), Apex Tannery Limited, United Power Generation & Distribution Company Limited (UPGDCL), Apex Footwear Limited, Ratanpur Steel Re-rolling Mills Limited (RSRM), Heidelberg Cement Bangladesh Limited, Padma Bank Limited. Mr. Hossain is actively involved in different philanthropic activities of various national, social, cultural, religious and volunteer organizations.



Md. Asaduzzaman Khan

Director

Executive Director, Credit Rating Information & Services Limited (CRISL)

Mr. Md. Asaduzzaman Khan joined ICML as a Director on 08 September, 2012. He served IIDFC, a leading NBFIs of the country, for about 10 years. Earlier, he shouldered responsibilities of Executive Director of Bangladesh Bank where he served 32 years and worked in major departments like BRPD, FEPRD, DBI, DOS etc. His major contributions in central bank included formulation and implementation of Core Risk Guidelines, Basel II rules for capital adequacy, Repo and Reverse Repo policies etc. In 2006 Mr. Khan was appointed as Administrator of the problem-ridden Oriental Bank Limited (now ICB Islamic Bank). He was there for 20 months and within this period he succeeded in unearthing massive irregularities in the bank and helped recovery/regularization of huge NPL, restoring confidence amongst depositors, turning the bank into a profit making bank and returned back to central bank after handing over the Bank to the new owners and management under central bank's reconstitution scheme. A Diplomaed Associate of the Institute of Bankers Bangladesh (DAIBB), Mr. Khan graduated with Honors and Masters in Economics from the University of Dhaka and also did M.A. in Banking and Finance from the University of Wales, Bangor, UK.



Prof. Dr. Md. Kismatul Ahsan

Director

Professor, Department of Finance
Faculty of Business Studies, University of Dhaka

Professor Dr. Md. Kismatul Ahsan joined ICML as Director on 14 November 2012. He has 38 years of experience in teaching and research works. He has passed 4 years as the Vice-Chancellor of Leading University, Sylhet. He has served as a faculty member of the Department of Finance in both University of Dhaka and University of Rajshahi. He acted as the Chairman of the Department of Finance and Banking in Rajshahi University. Professor Ahsan was also the Director of the MBA Program and the Student Advisor of the Department of Finance, University of Dhaka. Mr. Ahsan completed his B.Com. (Hons) and M.Com. in Finance from the University of Dhaka and also did MBA (Major in Finance) from Western Michigan University of United States. He obtained his Ph.D. degree from the University of Dhaka in 2014. He is involved as an expert member in the selection boards of many academic institutions and corporate bodies. He is a member of the Board of Directors of Bangladesh Institute of Capital Market (BICM). He acted as a consultant for many local NGOs and has participated in different seminars and workshops, both home and abroad. Professor Ahsan is also a life member of Dhaka University Alumni Association, Dhaka University Finance Alumni Association and Lion's Club.



Dr. Md. Humayun Kabir Chowdhury
Director

Professor, Department of Marketing, Jagannath University

Dr. Md. Humayun Kabir Chowdhury is currently a Professor and Chairman in the Department of Marketing, Jagannath University. He attended University of Rajshahi for his B.Com (Hons.) and M. Com in Marketing. He did his MBA in Marketing and Ph.D. in Consumer Behavior from Yokohama National University of Japan. Prior to joining the Department of Marketing at Jagannath University, he served as the Pro Vice Chancellor at Southeast University, Dean and Chairperson at East West University, Associate Professor at North South University and Rajshahi University. He joined ICML as Director on 10 May 2018. He is also serving as a Board Member of Bangladesh House Building Finance Corporation.



Quazi M. Munzur-I-Muqshed
Director

Deputy Secretary
Bangladesh Government

Mr. Quazi M. Munzur-I-Muqshed joined ICML on 10 June 2018 as nominated Director from the Financial Institution Division, Ministry of Finance, Bangladesh Government. He is currently working as Economic Advisor, Bangladesh Atomic Energy Regulatory Authority, Ministry of Science & Technology.



Nasmin Anwar
Director

General Manager, ICB

Mrs. Nasmin Anwar joined ICB in 1987 as Senior Officer. She obtained her graduation and post-graduation degree in Economics from the Jahangirnagar University. She has been working in different divisions/departments including Central Accounts Department, Fund Management Department and Establishment Division of ICB in various capacities for the last 33 years. She also served as the Additional Chief Executive Officer of ICB Securities Trading Company Limited (ISTCL). She has participated in different training courses on various subjects at home and abroad. Currently She is working as the General Manager of Operations Wing of ICB. She joined as nominated Director of ICML on 06 June 2020. She is also serving as the Director of CVC Finance Ltd.



Shukla Das
CEO/Ex-officio Director

General Manager, ICB

Ms. Shukla Das joined ICB in 1989 as Senior Officer. She obtained her graduation and post-graduation degree in Management from the Dhaka University. She has been working in different divisions/departments of ICB and its subsidiaries in various capacities for the last 31 years. She also shouldered the responsibility of Deputy Chief Executive Officer of ICB Capital Management Limited and ICB Securities Trading Company Limited (ISTCL). She also served as Chief Executive Officer (Current Charge) of ISTCL. She achieved outstanding appreciation for her diligence service in ICB and its subsidiaries. She has participated in different training courses on various subjects at home and abroad. She also visited India, Thailand, USA, Australia & Belgium. She joined as the CEO as well as Ex-officio Director of ICML on 09 May 2020. She is also serving as the Director of Aramit Cement Ltd.

Former Chairmen of ICML



Md. Ziaul Haque Khondker



Md. Humayun Kabir



Md. Fayekuzzaman



Md. Iftikhar-uz-zaman



Kazi Sanaul Hoq

Former Chief Executive Officers of ICML



Md. Fayekuzzaman
(20 Dec 2000-13 Aug 2001)



Late Md. Jahangir Miah
(14 Aug 2001-05 Sep 2003)



M.A. Motalib Chowdhury
(06 Sep 2003-07 Mar 2004)



Md. Iftikhar-uz-zaman
(08 Mar 2004-26 Nov 2008)



Md. Abdur Rouf
(27 Nov 2008-21 Mar 2011)



Nasir Uddin Ahmed, FCMA
(04 Apr 2011-29 Dec 2011)



Md. Moshir Rahman
(03 Jan 2012-05 Apr 2015)



Mahmud Mizanur Rahman
(06 Apr 2015-14 Oct 2015)



Nasrin Sultana
(01 Nov 2015-09 Jan 2017)



* Md. Sohel Rahman
(31 May 2017-08 May 2020)
* Chief Executive Officer (Additional Charge)

Message from the Chairman



Dear Shareholders,

Assalamu Aalaikum,

I begin by extending a warm welcome to you all at the 20th Annual General Meeting of the Company. As Chairman of the Board of Directors, I feel enormously honored in taking this opportunity to formally report the operational performance of the Company during FY 2019-20. On behalf of the Board of Directors, I convey my sincerest gratitude to all of you for the overwhelming support towards the Company over the past years.

I am going to present this year's annual report against the backdrop of a situation that has never been seen before in the history of the world. I regret to inform you that we could not achieve the desired business in FY 2019-20 due to reasons beyond our control. Infact, the business was less than 2018-19. The company had to deal with a number of international and national economic challenges, although there were no major political and environmental issues in the country.

The world has had gone through an extraordinary time, as the pandemic have hit businesses, economies and lives. The world's economic landscape was already fraught with uncertainties ranging from trade tensions and volatility in global financial markets. Our country is no exception. Due to the worldwide as well as the country wide effect of COVID-19 the

country was under Lockdown for more than two months, as a result, we are struggling with normal business. The significant disruptions caused by the pandemic, FY 2019-20 remained a challenging year for country's economy and the capital market.

As you may be already aware, FY 2019-20 was a year filled with a number of challenges to the business operations of ICML. Throughout the year, there was swinging situations in the capital market. Like in other countries of the world, the capital market of Bangladesh also suffered adverse impacts due to the novel coronavirus. The DSEX, the benchmark index of the Dhaka Stock Exchange (DSE) displayed the most dismal first quarter (Jan-March 2020) in its history. The index began the year on a high note but because of the coronavirus-induced panic, it nosedived to the lowest since 2013. That continued at the end of the financial year under review. As a result, the Company's income was affected. Upon overcoming what has been tough, we embark upon FY 2019-20 with renewed vigor, expectation and optimism. Although we positively hoped for the best, we also remained prepared to face the worst considering that current challenges, which may not disappear overnight and continue to pose difficulties in future as well.

The major functions of the Company include managing investors' accounts both discretionary and non-discretionary service, issue management, underwriting, portfolio management and consultancy services for Equity & Entrepreneur Fund (EEF)/Entrepreneurship Support Fund (ESF) and Pre-Issue Management. The Company provides issue management services including Capital Raising, IPO, Rights Issue, Register to the Issue and Consultancy.

ICML being an intermediary of the capital market its' income to a large extent depends on the performance of the market. In the last decade capital market has been experiencing falling trend after crash of the market in the year 2010. Performance of ICML is also in the same parallel condition with the market. As a result, the company has been facing difficult period for long time. Income from key areas declined sharply. You must have known from DSE data that the main index DSEX was 5,421.62 on June 30, 2019. At the end of the financial year, the DSEX stood at 3,969.09 points on 30 June 2020, registering a decrease by 26.42%. Again, the volume of transactions on both the stock exchanges declined significantly in 2019-20. The total turnover of Dhaka and Chittagong Stock Exchanges in 2019-20 was Tk. 83,350.59 crore, which was Tk.1,54,445.51 crore in 2018-19. Consequently, the total transactions on both the stock exchanges decreased by Tk.71,094.92 crore during 2019-20, which is 46% less in terms of percentage. Despite this, the company has invested 65.59 crore (at cost) in its own portfolio during the year. With these efforts, the company has been able to earn a total of Tk. 39.65 crore during the year under review, which was not just enough to avoid the company's net loss after tax in the year under review that stood at Tk. 4.52 crore and the fell of company's earnings per share (EPS) from 0.14 to (0.14). The overall performance of the company is not very encouraging, but considering the situation, it was not possible to do anything better.

Issue management fee, underwriting commission, trustee & custodian fee and project evaluation fees under EEF/ESF are the sources of non-funded income. The issue management fee and underwriting commission income is Tk. 1.49 crore which is Tk. 1.05 crore less than the previous financial year due to less interest of prospective companies to be listed for overall situation of the capital market. In the case of mutual funds, the trustee fee is calculated on the basis of the weekly NAV of the securities held in the respective fund and the custodian fee on the basis of monthly NAV. Due to sharp price fall of the listed securities, the NAV of the funds declined that eventually affect the income from the trustee and custodian fee.

However, we believe that the capital market of Bangladesh is expected to be on its strong footing within a very short time with measures taken by the regulators. With shifting the existing scenario of the market to more desirable phase, the company would take all opportunities to cash in by strengthening prevailing financial condition. In this regard, all existing policies of ICML have been reviewed or are under review to make the next journey smooth.

The prospects of capital market in Bangladesh in the coming years are rising and glaring. Involvement of general people, institutional investors, corporate bodies and industries in the form of various instruments relating to capital market is making it stronger and more effective. It is expected that investors' confidence in the capital market will be back soon with all the initiatives taken by all related parties in the days to come.

On behalf of the Board, I want to thank our shareholders, management and employees for their continued trust in the company. We are building a company that we expect will stand the test of time. I am confident that inherent strengths and principles of ICML will enable us to endure and thrive.

May Allah bless us,
Thanking You,



(Md. Abul Hossain)
Chairman of the Board

From the Desk of the CEO



Dear Shareholders

I am pleased to present the Annual Report of ICML for the FY 2019-20. As I write, the spread of coronavirus has thrown the world into disarray. The pandemic is three shocks in one: a public health crisis, a hammer-blow to the economy and a stress test for the global financial system. During the acute phase of the pandemic, Government took timely measures to preserve the stability of the financial system. Financial markets worldwide are responding abruptly to the on-going pandemic. The Covid-19 pandemic produced widespread impacts on financial markets and institutions in almost each affected country. Although the stock market is yet to prove its dominance, the Covid-19 pandemic is not likely to spare it.

The already upset stock market in Bangladesh has begun to reflect adverse impacts of the coronavirus pandemic since February 2020. The stock exchanges resumed operations on May 31, 2020 after a prolonged lockdown period from March 26 to May 30, 2020. Few weeks before the lockdown was imposed, the Bangladesh Securities and Exchange Commission (BSEC) introduced floor prices for all the listed securities to recover the normally-declining market trends. However, that doesn't appear to help much so far as trade volume trends to decline, and the emergence of the Covid-19 pandemic adds to the injuries through adverse micro and macro-level impacts. After resuming the market, investors appear shaky and worried about overall economic and financial uncertainty, reflected by a sharp decline in trading activities which continued up to June 2020.

Given the tough capital market scenario and the serious challenges due to the pandemic in FY 2019-20, it's easy to lose sight of the significant strides that we made. The reality is, being a subsidiary of ICB, ICML acted as a much stronger, learner and more agile merchant bank during the year under review. ICML provided issue management services to 8 (eight) companies involving total issue size of Tk. 235.00 crore and committed to underwrite an amount of Tk. 22.80 crore of 5 (five) companies' proposed IPO during FY 2019-20. Under investors' scheme 27,796 net accounts were operated with a new deposit of Tk. 81.03 crore and investment of Tk. 292.35 crore during the year under review. The Company also invested in securities amounting to Tk. 65.59 crore from both primary and secondary markets in its own portfolio.

The total income of the Company in the year under review stood at Tk. 39.65 crore including capital gains of Tk. 4.28 crore, interest income Tk. 16.14 crore, fees & Commission Tk. 4.25 crore, dividend income of Tk. 7.10 crore, trustee and custodian fee of Tk. 4.74 crore, income from EEF/ESF Tk. 2.07 crore, other income of Tk. 0.89 crore and non-operating income of Tk. 0.18 crore against total income of Tk. 72.03 crore of the previous year. Total expenditure amounted to Tk. 43.23 crore resulting loss before provision of Tk. 3.58 crore. In contrast, an amount of Tk. 0.20 crore has been provisioned against margin loan. Besides, Tk. 0.49 crore has also been provided for income tax @ 37.50% on the net taxable income. After provision against marketable securities of Tk. 0.25 crore and income tax, the net loss stood at Tk. 4.52 crore.

The two main sources of the company's income are interest income from margin loans and capital gains through operating its own portfolio. Most of the fund of ICML concentrated in margin loan under Investors' Scheme and own portfolio management activities. Outstanding margin loan and investment in own portfolio at cost amounting to TK. 539.31 crore and Tk. 365.83 crore respectively during the period under review. The company saw consistent decline in revenues both from margin loan and own portfolio. Most of the company's margin loans are classified as doubtful and bad as the country's stock market continues to slide. That is why the interest charged against classified accounts could not be accounted for income. The presence of investors in the stock market was very low due to the fear of infection of Covid-19 after the business activities resumed. DSEX, the main index of DSE, was 4006.28 points on 25.03.2020, the day before the start of the general holiday. The DSEX index stood at 3969.09 points on 30.06.2020 after the general holiday. The company earned interest from margin loan amounting to TK.12.02 crore and TK.4.28 crore as capital gain from sale of securities in its own portfolio as on 30 June, 2020 both of which were the lowest revenue in a decade. In the said areas ICML earned TK.37.45 crore and Tk.13.31 crore respectively in the FY 2018-19. These indicate declining capital market situation badly impacting on the major revenue generating areas of the company.

I believe that highly capable and skilled staff members are our greatest asset. We aim at attracting talents and retaining efficient employees. We have implemented incentives that are in line with employee's performance and company's profitability. In FY 2019-20, we also invested significantly in our employees through training, workshop and seminar.

In conclusion, I would like to express my gratitude to our entire Board of Directors for placing their faith in me as the CEO of this company. I would also like to recognize our employees who faced the challenges and worked hard to achieve our target to the maximum level. We can't control the stock prices, but we can focus on our strategy to achieve financial targets. Through our professionally managed portfolios, we are now better protected against further price downside and more strongly positioned for the upside.

We are grateful to our regulatory authorities, valued shareholders, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange, respected customers and other stakeholders for their continued support. Our Board in general and Honorable Chairman in particular have put in relentless efforts in guiding the company's strategies and providing us with invaluable suggestions in all important matters. Be assured that we will continue to respond to our clients' interests with utmost efforts.

With best regards,



(Shukla Das)

Chief Executive Officer

Senior Executives



Shukla Das
Chief Executive Officer



Gazi Mastafa Haque
Additional Chief Executive Officer
Administration



Md. Sydul Islam
Additional Chief Executive Officer
Operations



Md. Mosharraf Hossain
Deputy Chief Executive Officer

Head of Departments



Sharif Mohammad Kibria
Senior Executive Officer
EEF Department



Swapna Roy
Senior Executive Officer
Underwriting & Issue Management
Department



Irin Perveen Binte Faruque
Senior Principal Officer
Securities Analysis Department



**Abu Noyeem
Md. Anuruzzaman**
Executive Officer
Investors' Department



Sasthi Pada Mohanta
Executive Officer
Finance & Accounts
Department



Mohammad Shamim Parves
Executive Officer
Administration Department



Abu Dalim Md. Fazlulla
Executive Officer
Trustee & Custodian Department and
AML/CFT Unit



Ashikur Rahman
Executive Officer
Secretary's & PRBD
Department



Muhammad Arif Khan
Programmer
Computer Department



Tribarna Chowdhury
Executive Officer
Shares Department



Md. Abdul Malek Sarker
Principal Officer
Establishment Department



Kamalesh Sutar
Senior Officer
Legal Affairs & Audit
Department



Nirmal Basak
Senior Officer
Inspection & Compliance
Department



Mohammad Shofiqul Islam
Senior Officer
Portfolio Management Department



Md. Aminul Islam Khan
Senior Officer
Branch Control Department

Branch Managers



Mohammad Ishaque Bhuyan
Senior Executive Officer
Uttara Branch



Md. Abdul Mannan
Senior Executive Officer
Gazipur Branch



Md. Sirazul Islam
Executive Officer
Sylhet Branch



Abu Haider Md. Shoyeb
Programmer
Rajshahi Branch



Mirazul Islam
Programmer
Khulna Branch



Abu Saleh Md. Monjur Morshed
Executive Officer
Chattogram Branch



Md. Aminul Islam
Executive Officer
Barishal Branch



Kazi Harun Ar Rashid
Senior Officer
Bogura Branch

Corporate Governance

ICB Capital Management Limited is a fully owned subsidiary of Investment Corporation of Bangladesh (ICB). The Company obtained license from the Bangladesh Securities and Exchange Commission (BSEC) to act as Issue Manager, Underwriter and Portfolio Manager and to carry out other merchant Banking operations under the Bangladesh Securities and Exchange Commission (Merchant Banker and Portfolio Manager) regulations, 1996. The Company was incorporated under the Companies Act, 1994 on 5 December 2000 and obtained registration from the BSEC on 16 October 2001. The Company started its operation on 1 July 2002 upon issuance of gazette notification by the Government.

Corporate Governance is the system by which companies are directed and controlled. It encompasses many issues like internal control, rights of and relation with stakeholders, corporate social responsibility, structure and role of the management committee, management transparency that refers to the disclosure of all reliable and relevant information and accountability. It has become a top priority for the regulatory bodies with the objective of providing better and effective protection to all stakeholders and also to make the market confident.

The edifice of corporate governance (which includes, among others, Board composition, relationship between the Board and the management, internal control mechanisms, independent audit committee) are based on four principles. These are:

1. Compliance with all regulatory requirements;
2. Equitable treatment of all stakeholders such as suppliers, employees, consumers, etc.;
3. Full and fair disclosure of all material information with particular emphasis on accurate, objective presentation of financial information; and
4. Respect for norms of business ethics and social responsibility.

Likewise, fair practice, accountability, transparency, compliance, value creation and corporate social responsibility are the pillars of corporate governance of ICML. The principles of corporate governance in practice have been strengthened and are now embedded in the overall activities. The Corporate Governance structure comprises the following parties and participants:

- ✚ Annual General Meeting of the Shareholders
- ✚ Board of Directors
- ✚ Executive Committee
- ✚ Audit Committee
- ✚ Management Committees

Board of Directors

a) Composition

ICML has a divergent Board of Directors comprising of 7 (seven) members. Out of seven Directors 3 (three) Directors including the CEO are appointed from ICB and remaining 4 (four) Directors are from the private/public sectors covering diversified areas of expertise. The managing Director of ICB is the Chairman of the Board. The Board is the highest authority to manage, represent and supervise, as may be necessary, so as to ensure that the Company fulfils its corporate objectives, while seeking to protect the Company's general interests and create value for the benefit of all the shareholders.

b) Compliance

The Board always aims to achieve managerial best practices by ensuring maximum efficiency in decision-making processes, delivering services routinely and systematically, adopting compliance programs that are consistent with ICML's responsibilities as well as other regulatory requirements, adopting programs and policies dealing with environmental issues, occupational health and safety issues and equal opportunity practices and putting the procedures in place to ensure that all areas of financial risk are contained to acceptable levels and has effective internal financial controls.

c) Functions

- ⊕ Approve strategic guidelines, major policies, management goals and annual budgets;
- ⊕ Approve policy in the areas such as: investments and finance, corporate governance, corporate social responsibility, evaluation of senior executives, risk control and management;
- ⊕ Appointment, removal and orientation of Company's CEO as well as Directors. Fixing Directors' remuneration;
- ⊕ Approve and monitor Company's quarterly and annual financial statements and supervise circulation of the information periodically to the related authorities;
- ⊕ Approve investments or transactions whose size or special characteristics makes them strategic. Participate actively in monitoring the progress of the strategic plan;
- ⊕ Determine and periodically review the organizational mission, vision, principles, and long range goals and resources;
- ⊕ Review policies and performance of the company annually and take steps to continually improve its performance;
- ⊕ Monitor and advise on overall performance and operations to ensure that they are consistent with the Company's mission, vision and goals;
- ⊕ Ensure that proper financial controls are in place as well as legal and ethical integrity and accountability are maintained;
- ⊕ Ensure that a regular independent audit is conducted, and review and monitor audit findings;
- ⊕ Articulate the organization's mission, vision, principles and accomplishments in order to mobilize support system.

Meeting of the Board of Directors

During the FY 2019-20, ten (10) meetings of the Board of Directors of ICML held at the head office of the Company.

Executive Committee

Executive Committee (EC) recommends the Board to support its decision-making processes. Appointed by the Board, the committee has the authority to act on its behalf. With regard to investment and strategic planning decisions, the committee might not take action itself, but instead report on the results of research and make recommendations. The duties of the Committee are based on providing organizational direction on behalf of the Board and advising accordingly on decisions and business matters ranging from strategy planning, policy, investment and risk. The Committee oversees policy development pertaining to ethics, security guidelines, quality management, human resources, environmental and regulatory requirements.

ICML has a 4-members Executive Committee (EC) to decide upon all routine and day-to-day operational matters beyond delegated power of the Management, subject to consent of the Board. The committee assumes general managerial responsibilities they are associated with and establish policies and then roll them out effectively across the organization. They are also responsible for coordinating the work of other committees and review their reports.

Members of the Executive Committee



Md. Abul Hossain
Chairman, Board



Prof. Dr. Md. Kismatul Ahsan
Director, Board



Quazi M. Munzur-I-Muqshed
Director, Board



Shukla Das
Chief Executive Officer

Audit Committee

The Audit Committee is a standing committee of the Board. The Committee's purpose is to assist the Board in carrying out its oversight responsibilities relating to the Company's financial reporting. The 3-members Audit Committee of the Company functions for a better practice to provide independent assurance and advice in risk management, internal control, financial statements, compliance requirements, internal audit, external audit and other relevant issues including review of overall financial performance. The Audit Committee operates the following:

- ⊕ Review the adequacy of the organization's internal control structure;
- ⊕ Monitor compliance with the organization's code of conduct and conflict-of-interest policy;

- ⊕ Review the policies and procedures in effect for the review of executive compensation and benefits;
- ⊕ Review, with the organization’s counsel, any legal matters that could have a significant effect on the organization’s financial statements;
- ⊕ If necessary, institute special investigations and, if appropriate, hire special counsel or experts to assist;
- ⊕ Perform other oversight functions as requested by the full board;
- ⊕ When applicable, review the activities, organizational structure and qualifications of the internal audit function;
- ⊕ Works with the independent auditor, which may include the following:
 - ❖ Recommend the appointment (or reappointment) of the independent auditor;
 - ❖ Review the independent auditor’s fee arrangements, scope and approach of the audit proposed by the independent auditor;
 - ❖ Conduct a post-audit review of the financial statements and audit findings, including any significant suggestions for improvements provided to management by the independent auditor;
 - ❖ Review the overall performance of the independent auditor.

Members of the Audit Committee



Md. Asaduzzaman Khan
Director, Board



Dr. Md. Humayun Kabir Chowdhury
Director, Board



Nasmin Anwar
Director, Board

Shareholders

The shareholders of a company are its financial supporters with certain rights. They have roles and duties to adhere to, which are set out in the Companies Act. Shareholders may or may not be directors of the company. Whilst directors are in charge of running the day to day business of the company and making decisions, the shareholders have a few specific roles and duties to ensure that they ultimately have control over the company.

The main duty of shareholders is to pass resolutions at general meetings by voting through their shareholder capacity. This duty is particularly important as it allows the shareholders to exercise their ultimate control over the company and how it is managed. The Shareholders of ICML exercise their right at the Annual General Meeting (AGM) which is being held regularly. The constructive suggestions of the shareholders are implemented for the interest of the Company. They consider votes to approve ICML’s financial statement, reports of the Board and that of the Auditors, declaration of dividend by the Company, elect/re-elect directors of the Company and appoint External Auditors of the Company.

Management Committee

ICML has several key committees in effect to assist the Management of the Company.

World Economic Outlook

A Crisis Like No Other, An Uncertain Recovery

The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast. In 2021 global growth is projected at 5.4 percent. Overall, this would leave 2021 GDP some 6.5 percentage points lower than in the pre-COVID-19 projections of early 2020. The adverse impact on low-income households is particularly acute, imperiling the significant progress made in reducing extreme poverty in the world since the 1990s.

In economies with declining infection rates, the slower recovery path in the updated forecast reflects persistent social distancing into the second half of 2020; greater scarring (damage to supply potential) from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters of 2020; and a hit to productivity as surviving businesses ramp up necessary workplace safety and hygiene practices. For economies struggling to control infection rates, a lengthier lockdown will inflict an additional toll on activity. Alternative outcomes to those in the baseline are clearly possible, and not just because of how the pandemic is evolving. The extent of the recent rebound in financial market sentiment appears disconnected from shifts in underlying economic prospects.

All countries—including those that have seemingly passed peaks in infections—should ensure that their health care systems are adequately resourced. The international community must vastly step up its support of national initiatives, including through financial assistance to countries with limited health care capacity and channeling of funding for vaccine production as trials advance, so that adequate, affordable doses are quickly available to all countries. Strong multilateral cooperation remains essential on multiple fronts. Liquidity assistance is urgently needed for countries confronting health crises and external funding shortfalls, including through debt relief and financing through the global financial safety net. Beyond the pandemic, policymakers must cooperate to resolve trade and technology tensions that endanger an eventual recovery from the COVID-19 crisis.

COVID-19 Crisis: More Severe Economic Fallout than Anticipated

The pandemic has worsened in many countries, leveled off in others. First-quarter GDP was generally worse than expected (the few exceptions include, for example, Chile, China, India, Malaysia, and Thailand, among emerging markets, and Australia, Germany and Japan among advanced economies). High-frequency indicators point to a more severe contraction in the second quarter, except in China, where most of the country had reopened by early April.

Consumption and services output have dropped markedly. In most recessions, consumers dig into their savings or rely on social safety nets and family support to smooth spending, and consumption is affected relatively less than investment. But this time, consumption and services output have also dropped markedly. The pattern reflects a unique combination of factors: voluntary social distancing, lockdowns needed to slow transmission and allow health care systems to handle rapidly rising caseloads, steep

income losses, and weaker consumer confidence. Firms have also cut back on investment when faced with precipitous demand declines, supply interruptions, and uncertain future earnings prospects. Thus, there is a broadbased aggregate demand shock, compounding near-term supply disruptions due to lockdowns.

Mobility remains depressed. Globally, lockdowns were at their most intense and widespread from about mid-March through mid-May. As economies have gradually reopened, mobility has picked up in some areas but generally remains low compared to pre-virus levels, suggesting people are voluntarily reducing exposure to one another.

Severe hit to the labor market. The steep decline in activity comes with a catastrophic hit to the global labor market. Some countries (notably in Europe) have contained the fallout with effective short-term work schemes. Nonetheless, according to the International Labour Organization, the global decline in work hours in 2020:Q1 compared to 2019:Q4 was equivalent to the loss of 130 million full-time jobs. The decline in 2020:Q2 is likely to be equivalent to more than 300 million full-time jobs.

Weaker inflation. Average inflation in advanced economies had dropped about 1.3 percentage points since the end of 2019, to 0.4 percent (year over year) as of April 2020, while in emerging market economies it had fallen 1.2 percentage points, to 4.2 percent. Downward price pressure from the decline in aggregate demand, together with the effects of lower fuel prices, seems to have more than offset any upward cost-push pressure from supply interruptions so far.

Policy Countermeasures Have Limited Economic Damage and Lifted Financial Sentiment

Sizable fiscal and financial sector countermeasures deployed in several countries since the start of the crisis have forestalled worse near-term losses. Reduced-work-hour programs and assistance to workers on temporary furlough have kept many from outright unemployment, while financial support to firms and regulatory actions to ensure continued credit provision have prevented more widespread bankruptcies.

Swift and, in some cases, novel actions by major central banks (such as a few emerging market central banks launching quantitative easing for the first time and some advanced economy central banks significantly increasing the scale of asset purchases) have enhanced liquidity provision and limited the rise in borrowing costs. Moreover, swap lines for several emerging market central banks have helped ease dollar liquidity shortages. Portfolio flows into emerging markets have recovered after the record outflows in February-March and hard currency bond issuance has strengthened for those with stronger credit ratings. Meanwhile, financial regulators' actions—including modification of bank loan repayment terms and release of capital and liquidity buffers—have supported the supply of credit.

Stability in the oil market has also helped lift sentiment. West Texas Intermediate oil futures, which in April had sunk deep into negative territory for contracts expiring in the early summer, have risen in recent weeks to trade in a stable range close to the current spot price.

Considerations for the Forecast

Disruptions to activity in the forecast baseline. Based on downside surprises in the first quarter and the weakness of high-frequency indicators in the second quarter, this updated forecast factors in a larger hit to activity in the first half of 2020 and a slower recovery path in the second half than envisaged in the April 2020 WEO. For economies where infections are declining, the slower recovery path in the updated forecast reflects three key assumptions: persistent social distancing into the second half of 2020, greater scarring from the larger-than-anticipated hit to activity during the lockdown in the first and second quarters, and a negative impact on productivity as surviving businesses enhance workplace safety and hygiene standards. For economies still struggling to control infection rates, the need to continue lockdowns and social distancing will take an additional toll on activity.

Policy support and financial conditions. The projection factors in the impact of the sizable fiscal countermeasures implemented so far and anticipated for the rest of the year. With automatic stabilizers also allowed to operate and provide further buffers, overall fiscal deficits are expected to widen significantly and debt ratios to rise over 2020–21. Major central banks are assumed to maintain their current settings throughout the forecast horizon to the end of 2021. More generally, financial conditions are expected to remain approximately at current levels for both advanced and emerging market economies.

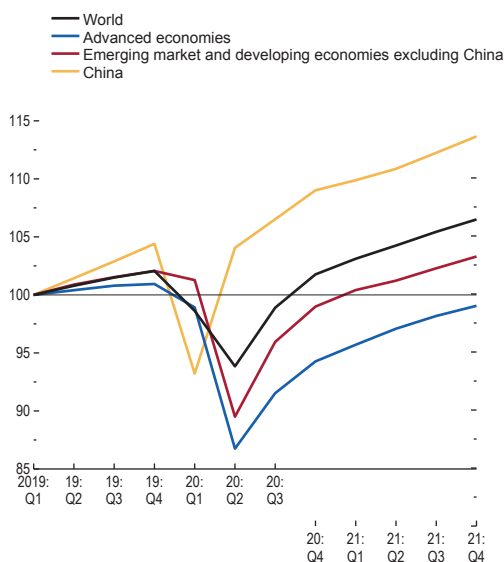
Deep Downturn in 2020, Sluggish Turnaround in 2021

Consumption growth, in particular, has been downgraded for most economies, reflecting the larger-than-anticipated disruption to domestic activity.

The projections of weaker private consumption reflect a combination of a large adverse aggregate demand shock from social distancing and lockdowns, as well as a rise in precautionary savings. Moreover, investment is expected to be subdued as firms defer capital expenditures amid high uncertainty. Policy support partially offsets the deterioration in private domestic demand.

In the baseline, global activity is expected to trough in the second quarter of 2020, recovering thereafter. In 2021 growth is projected to strengthen to 5.4 percent, 0.4 percentage point lower than the April forecast. Consumption is projected to strengthen gradually next year, and investment is also expected to firm up, but to remain subdued. Global GDP for the year 2021 as a whole is forecast to just exceed its 2019 level.

Figure. Quarterly World GDP
(2019:Q1 = 100)



Risks to the Outlook

Fundamental uncertainty around the evolution of the pandemic is a key factor shaping the economic outlook and hinders a characterization of the balance of risks. The downturn could be less severe than forecast if economic normalization proceeds faster than currently expected in areas that have reopened—for example in China, where the recovery in investment and services through May was stronger than anticipated. Medical breakthroughs with therapeutics and changes in social distancing behavior might allow health care systems to cope better without requiring extended, stringent lockdowns. Vaccine trials are also proceeding at a rapid pace. Development of a safe, effective vaccine would lift sentiment and could improve growth outcomes in 2021, even if vaccine production is not scaled up fast enough to deliver herd immunity by the end of 2021. More generally, changes in production, distribution, and payment systems during the pandemic could actually spur productivity gains—ranging from new techniques in medicine to, more broadly, accelerated digitalization or the switch from fossil fuels to renewables.

Downside risks, however, remain significant. Outbreaks could recur in places that appear to have gone past peak infection, requiring the reimposition of at least some containment measures. A more prolonged decline in activity could lead to further scarring, including from wider firm closures, as surviving firms hesitate to hire jobseekers after extended unemployment spells, and as unemployed workers leave the labor force entirely. Financial conditions may again tighten as in January–March, exposing vulnerabilities among borrowers. This could tip some economies into debt crises and slow activity further. More generally, cross-border spillovers from weaker external demand and tighter financial conditions could further magnify the impact of country- or region-specific shocks on global growth. Moreover, the sizable policy response following the initial sudden stop in activity may end up being prematurely withdrawn or improperly targeted due to design and implementation challenges, leading to misallocation and the dissolution of productive economic relationships.

Beyond pandemic-related downside risks, escalating tensions between the United States and China on multiple fronts, frayed relationships among the Organization of the Petroleum Exporting Countries (OPEC)+ coalition of oil producers, and widespread social unrest pose additional challenges to the global economy. Moreover, against a backdrop of low inflation and high debt (particularly in advanced economies), protracted weak aggregate demand could lead to further disinflation and debt service difficulties that, in turn, weigh further on activity.

Policy Priorities

With the relentless spread of the pandemic, prospects of long-lasting negative consequences for livelihoods, job security, and inequality have grown more daunting. Further effective policy actions can help slow the deterioration of those prospects and set the stage for a speedier recovery that benefits all in society across the income spectrum and skills distribution. At the same time, considering the substantial uncertainty regarding the pandemic and its implications for different sectors, the policy response will have to adapt as the situation evolves to maximize its effectiveness—for instance, shifting from saving firms to facilitating resource reallocation across sectors.

Moreover, some emerging market and developing economies entered this crisis with limited policy space. External support and strong multilateral cooperation are therefore essential to help these financially constrained countries combat the crisis. This is particularly the case for low-income countries. Many of these have high debt, and some are already in a precarious security situation, with scarce food and medicine. Hence, their ability to deploy the policy response needed to prevent a devastating human toll and long-lasting impacts on livelihoods depends critically on debt relief, grants, and concessional financing from the international community. Island economies that rely heavily on tourism and economies that are driven by oil exports are also likely to face long-lasting challenges.

Fiscal Developments and the Outlook

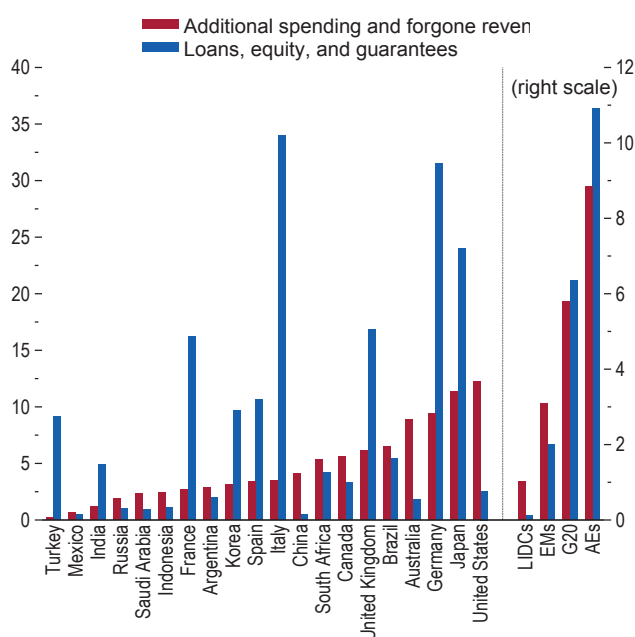
As the economic fallout from the COVID-19 pandemic and the Great Lockdown has become more severe, many governments have stepped up their emergency lifelines to protect people, preserve jobs, and prevent bankruptcies. The steep contraction in economic activity and fiscal revenues, along with the sizable fiscal support, has further stretched public finances, with global public debt projected to reach more than 100 percent of GDP this year. As the lockdowns are unwound in many countries, policy focus needs to shift toward facilitating recovery, although uncertainty about the containment of the pandemic remains, and elevated debt could constrain the scope and effectiveness of further fiscal support.

More than two-thirds of governments across the world have scaled up their fiscal support since April to mitigate the economic fallout from the pandemic and the stringent lockdowns as growth is revised further down relative to the April 2020 World Economic Outlook. These measures have helped save lives, protect livelihoods, and preserve employment and business relations.

Announced fiscal measures are now estimated at near \$11 trillion globally, up from \$8 trillion estimated in the April 2020 Fiscal Monitor. Onehalf of these measures (\$5.4 trillion) are additional spending and forgone revenue, directly affecting government budgets. The remaining half (\$5.4 trillion) is liquidity support, such as loans, equity injections, and guarantees, including through state-owned banks and enterprises, which help maintain cashflows and limit bankruptcies, but could add to government debt and deficits down the

Figure. Country Fiscal Measures in Response to the COVID-19 Pandemic
(Percent of GDP)

Countries are providing sizable fiscal support through budgetary measures, as well as off-budget liquidity.



road if these public interventions incur losses. The Group of Twenty (G20) economies continue to account for the bulk of the global fiscal support, with budget measures now standing at 6 percent of GDP on average, compared with just 3 percent of GDP in April, and much higher than during 2008–10 in response to the global financial crisis.

Fiscal Developments and Outlook by Country Income Groups

Most advanced economies have enacted further rounds of fiscal support as activity contracted more than expected. Overall fiscal deficits are now projected to widen to 16.5 percent of GDP on average this year, 13 percentage points higher than last year, and government debt is set to exceed 130 percent of GDP during 2020–21. The large liquidity support in some advanced economies (France, Germany, Italy, Japan, United Kingdom) creates fiscal risks in the event of substantial take-up and losses. Borrowing costs, nonetheless, are expected to remain low in advanced economies. In terms of fiscal support, the United States approved another package (\$483 billion, or 2.5 percent of GDP) in late April, providing additional forgivable loans to small and medium-sized enterprises. Further support amounting to \$3 trillion is pending legislative approval to fund subnational governments and additional cash transfers. Japan rolled out a massive package of \$1.1 trillion (22 percent of GDP) in late May, amounting to over 40 percent of GDP when combined with measures decided in April. The package includes expanded concessional loans to affected firms. Germany announced a new package (€130 billion, or 4 percent of GDP, over 2020–21) in June to support the recovery, with measures to boost activity in green and digital economies. The European Union has proposed an additional €750 billion (6 percent of its GDP) in support over 2021–27, including a grant-based recovery fund, which, if approved, could promote green recovery and reduce the uneven impact of the pandemic on member states' debt sustainability.

In emerging market economies, the average fiscal response to the pandemic is now estimated at 5 percent of GDP, sizable but less than in advanced economies. Yet fiscal deficits are projected to widen sharply to 10½ percent of GDP on average in 2020, more than double the level last year. This reflects the fiscal expansion, steep output contraction, lower commodity revenues, and higher external borrowing costs, as global financial conditions remain tighter than they were before the crisis despite recent easing (see the June 2020 Global Financial Stability Report Update). Government debt is now projected to average 63 percent of GDP in 2020, continuing its upward trend with a 10 percentage point surge from a year ago. Many emerging markets have scaled up their support. India has unveiled liquidity support (4½ percent of GDP) through loans and guarantees for businesses and farmers and equity injections into financial institutions and the electricity sector. South Africa has temporarily expanded its unemployment support and transfers to vulnerable households. As activity begins to recover, China has continued to focus on vulnerable firms and households, including through the expansion of the social safety net, medical facilities, and digital infrastructure.

As many low-income developing countries face tight financing constraints and a less severe impact of the pandemic thus far, the fiscal response to the pandemic has been modest, at 1.2 percent of GDP on average, and mostly through budgetary measures. For example, Nigeria provided tax relief for employers to retain workers and raised health care spending (0.3 percent of GDP), while Ethiopia has expanded its in-kind provision of food and shelter (1.8 percent of GDP). Support measures in Vietnam have included

cash transfers to the poor and higher benefits in existing social protection programs (1.2 percent of GDP). As a result, the headline deficit for low-income developing countries is projected to widen to 6 percent of GDP in 2020, 2 percentage points higher than last year, and much higher for oil exporters. Within the group, many countries have requested a suspension of official bilateral debt repayment under the G20 Debt Service Suspension Initiative, and 45 countries have sought IMF emergency financing. While these provide temporary relief, elevated public debt—exceeding 48 percent of GDP on average during 2020–21—has raised sustainability concerns in many countries.

Fiscal Policies Going Forward

As the Great Lockdown begins to ease in several parts of the world, fiscal policies will have to adapt to country circumstances, balancing the need to protect people, stabilize demand, and facilitate recovery. Where the pandemic remains acute and stringent lockdowns continue, fiscal policies should accommodate health care services to save lives and provide emergency lifelines to protect people. Where lockdowns are easing, fiscal policies should gradually transition away from firm support to better targeted household support, taking into account the extent of informality in the economy. Employment support measures will need to encourage safe return to jobs and facilitate structural shifts in labor markets for a more resilient post COVID-19 economy. Once the pandemic is under control, broad-based fiscal stimulus to support the recovery could focus on public investment, including on physical and digital infrastructure, health care systems, and the transition to a low-carbon economy. Where fiscal space is limited, countries need to reorient revenue and spending to increase and incentivize productive investment. Making some provisions (for example, relaxing eligibility) of social protection programs more long-lasting can enhance automatic stabilizers and help tackle rising poverty and inequality. All measures should be embedded in a medium-term fiscal framework and transparently managed and recorded to mitigate fiscal risks, including loans and guarantees that do not have an immediate effect on government debt and deficits.

*Source: International Monetary Fund (IMF) website
Asian Development Bank (ADB) website*

Domestic Economy

Bangladesh recorded one of the fastest growth rates in the world in the past few years with a stable economic performance that has helped to reduce poverty and social inequalities. GDP growth was estimated to have reached 7.9% in 2019 and is forecast to fall to 2% in 2020 due to the outbreak of the COVID-19 and pick up to 9.5% in 2021, according to the updated IMF forecasts. The post-pandemic global economic recovery and the private consumption boosted by strong remittance flows from the Bangladeshi diaspora around the world are expected to be the key drivers of growth in 2021.

In 2019, the general government gross debt remained relatively low - at around 34.6% of GDP - as a result of a tight fiscal policy. Nonetheless, the tax base is narrow owing to a number of exemptions, weighing on public revenue. Public debt ratio to GDP is consequently anticipated to increase to 35.9% by 2021. A new VAT law was introduced at the start of the fiscal year 2019-20 in an attempt to increase tax income; however, its impact has been limited since the launch. VAT collection grew only by 1.8% in July-October 2019, the slowest growth rate in recent years, according to the National Board of Revenue. Financial situation of the banking sector remains weak due to a large share of non-performing loans and an increase in restructured loans. Inflation moderated to 5.7% in 2019 and is expected to remain stable in 2020 (5.5%) and in 2021 (5.6%), despite the COVID-19 pandemic. Current account deficit was estimated to have narrowed to 2.7% of GDP in 2019 as higher textile exports provided support. Nonetheless, deficit is forecast to widen to 2.2% in 2020 because of high import requirements of the construction sector for mega-infrastructure projects. Bangladesh is one of the most vulnerable countries in the world to climate change, with extreme weather events estimated to have caused a loss of around 1.8% of GDP in the past few decades. The country has taken measures to promote green financing and is seeking grants from the international community, notably via the Green Climate Fund.

The official unemployment rate according to the latest survey of Bangladesh Bureau of Statistics (BBS) was 4.2% during 2016-2018, but this more than doubles to 10.6% for the youth unemployment rate. More importantly, 29.8% of young people in Bangladesh are not involved in education, employment or training. Other social issues include constant social strikes, terrorist threats, limited access to capital by the population, and disputes over Teesta River water distribution with India. Climate change also poses a serious threat to Bangladesh.

The Bangladeshi economy relies on its enormous human resources, rich agricultural soils and abundant water resources. Agriculture represents 13.1% of GDP and employs 39.7% of the total workforce. Main crops include rice, tea, jute, wheat, sugarcane, tobacco, spices, and fruits. Bangladesh is the world's fourth biggest rice producer, although shortages caused by natural disasters occasionally force the country to import rice.

Industry represents 28.5% of GDP and employs 20.5% of the total workforce. Textile is by far the largest industry, accounting for more than 80% of the country's total exports. Textile export income fell to USD 30.1 billion in January-November 2019 from USD 32.9 billion in the same time a year earlier. A risk factor for the clothing industry is the gap between local supply and demand of cotton. Secondary industries include paper, leather, fertilizers, metals, and pharmaceuticals.

Services account for 53.5% of GDP and employ 39.8% of the total workforce. Microfinance and computing are among the largest sectors, with the country's technology exports reaching around USD 1 billion per year. The government aims to increase technology exports to USD 5 billion by 2021.

The country's main export partners are the European Union, the United States and China. Bangladesh imports mainly from Thailand, India, China, Indonesia and Singapore. The country acts as a passageway between the center of India and its Eastern provinces. Customs duties in Bangladesh are relatively high; however, the country is implementing a series of measures to reduce its trade barriers, including concessional tariffs, a customs duty recovery system and export processing zones as well as high-level negotiation with key countries. The country has benefited from more simplified procedures and regulations to exports its products to the European Union as an LDC (least developed country). However, the country is most likely to leave the LDC category by 2024 as a result of progress made in health, life expectancy and economic growth, according to the UN.

In 2018, exports from Bangladesh rose further from record levels of a year earlier, reaching USD 39.3 billion due to stronger garment sales. The imports of goods was equal to USD 60.5 billion in 2018. Since becoming independent, Bangladesh has had a negative trade balance, with its deficit being financed by international aid and expatriate transfers. WTO estimated the 2018 trade balance to be USD -16.9 billion. Concerning services, the imports for 2018 were USD 10.4 billion, while the exports were USD 2.9 billion, leading to an overall trade balance of USD -21.3 billion. According to data from the central bank of Bangladesh, the country's trade deficit widened by 5.4% on the year in the first half of 2019-20 fiscal year to USD 8.22 billion.

COVID-19 Pandemic: The impacts

Like most of the other nations, the outbreak of the COVID-19 pandemic is an unprecedented shock to the Bangladesh economy. The concern for Bangladesh is higher as the economy was already in a parlous state before COVID-19 struck. With the prolonged country-wide lockdown, global economic slump and associated disruption of demand and supply chains, Bangladesh economy is likely to face a protracted period of slowdown in activity. The magnitude of the economic impact will depend upon the duration and severity of the health crisis and the manner in which the situation unfolds on withdrawal of the lockdown. Major impact areas of the economy are highlighted below:

- ⊕ The largest two cities of Bangladesh, Dhaka and Chattogram generate 87% of the country's total output, with Dhaka housing the largest concentration (31.9%) of urban population. Such massive concentration in the top two cities for economic activities, specially manufacturing and service industry, puts the country at a very high risk of COVID-19 transmission. Hence, without effective management of the contagion, the Bangladesh growth story may take a disastrous turn.
- ⊕ Global and local demand for manufactured goods, particularly in the garments sector, will affect private sector growth and government's focus in managing the COVID-19 pandemic is expected to halt public sector projects. Hence, based on the economic disruptions following the pandemic, GDP growth forecast of Bangladesh by IMF, WB and ADB has been revised downward from 7.8%-8.2% to a range of 2.0% to 3.8% for FY 2019-20. We project export to fall by 15.4%, import to slow down by 11.8% and remittance to grow at 6.0% in FY 2019-20.

- ⊕ Fiscal stimulus worth BDT 1,029.6 bn and various non fiscal stimulus has been announced to tackle the economic fallout of the coronavirus pandemic. However, efficient implementation of the fiscal stimulus will be a key challenge.
- ⊕ The banking sector was already struggling prior to the COVID-19 situation from skyrocketing Non-Performing loans, declining margins in a capped interest rate regime, deteriorations in various efficiency indicators, government directed restructuring of loans, declining demand for loanable funds, etc. Now, the pandemic has put the sector into further stress.
- ⊕ The funds from the stimulus package will be distributed through the banking channel; while both credit and collection risk will lie with the banks. The sector being overburdened with non-performing assets need to mitigate credit risk before disbursing any fresh aids.
- ⊕ It is high time for the country's banking sector to develop and implement a truly digitized financial system, which would include a secured, contactless, and converged financial platform for transactions. The post pandemic banking scenario would be unquestionably different than the present and technology would play the dominant factor in creating competitiveness.
- ⊕ High cost to income ratio (78%) in the banking sector with a sudden pandemic shock made the banks ripe for cost efficiency developments. Cost rationalizations and layoffs in banking sector may come up with an endeavor to increase efficiency but if done in biased/ weak governance framework, it may leave the sector demoralized.
- ⊕ The revenue stream of insurance industry is suffering badly due to COVID-19 pandemic. Due to COVID-19 fire and marine insurance are expected to take the biggest hit. These two components consist of around 77% of non-life insurance companies total premium income.
- ⊕ The Covid-19 pandemic has completely derailed the textile industry from its growth trajectory. From Mar 2020 to May 2020, RMG exports fell by 54.8% to USD 3.7 bn from USD 8.2 bn over the same period of 2019. During this time, 1,150 factories reported order cancellation/suspension of USD 3.18 bn which impacted around 2.28 mn workers in the industry.
- ⊕ The previous structural weaknesses coupled with pandemic shock has driven the textile industry into a corner and has created a "do or die" situation. The government stimulus gives the industry access to cheap financing which is not enough to address the demand and supply chain disruptions over the long run.
- ⊕ Bangladesh has excess power generation capacity that results in growing capacity payments every year. Overall power capacity utilization in Bangladesh for 2018-19 was just 43%, while capacity payments to idle plants reached BDT 89.3 bn in 2018-19. Now, the pandemic driven slowdown in economic activities is likely to further lower energy demand and worsen the excess capacity situation. Many of the power generation and distribution companies are likely to witness significant fall in their topline even with capacity payments, some will face business continuity risk from non-renewal of rental power agreements.

Domestic Economy - *continued*

- ⊕ Cement and Steel producers in Bangladesh made aggressive expansion over the past few years with the aim of supplying to the government for its megaprojects, meeting the rising consumer demand and exporting to neighboring countries. Now, with the advent of the Covid-19 pandemic all activities in the construction industry has come to a grinding halt. With the prospect a prolonged demand slump, broken cash cycle from high credit sales and high debt burden industry players are likely to find it impossible to survive without government assistance.
- ⊕ The pharmaceutical industry is among the least effected by the pandemic disruption but the industry's supply chain has been stretched dangerously thin. The industry imports over 97% of its raw materials; however, trade with importing countries has been severely restricted since the start of the pandemic. If this persists, drug producers may have to shift to expensive import destinations which will eat into their profit margins.
- ⊕ The post-COVID-19 world will not be the same again. The new normal may come up with changed lifestyle, purchasing behavior and way of doing business through new interfaces. The post-pandemic solutions of unique problems that we are facing through this pandemic may lay the foundation for many business ideas and can shape the future of our e-commerce industry in the coming years.

*Source : Website Data of Bangladesh Bureau of Statistics (BBS)
International Monetary Fund (IMF)
Asian Development Bank (ADB)*

Stock Market

Economy of Bangladesh as one of the rapidly growing economies has been experiencing tremendous growth for the last decade and so, while the capital market is going on with the opposite direction. Meanwhile regulatory measures and reforms taken by Bangladesh Securities & Exchange Commission will have a profound impact on capital market in the future. Investors are getting matured with the emotions of the market. Now investors need to show investment decisions reflecting a decisive characteristics of matured decision makers for a sustainable capital market. Here institutional investors can play a significant role for stable capital market through restoring confidence in the market. However, capital market in the FY 2019-20 was overall bearish. Specially in the second half of the year, the market saw adverse situation due to world wide pandemic of Covid-19. The economy being lock-down in the wake of the pandemic came to stand still. Almost all sectors faced negative growth. The economy of the world including Bangladesh was shattered by the pandemic. The capital market also suffered a lot and shredded several hundreds points due to the pandemic before floor price (minimum price for trade) imposed by the regulatory body. Even the market was closed for more than 2 months from March 26 to May 30 of 2020. Later the market started on May 31, 2020. Trade volume in the last month of the year was the lowest in a decade. Uncertainty gripped resulting in rapidly depleted confidence of the investors, as recovery from the pandemic situation remains in dark.

In the outgoing year, the DSEX index stood at 3989.09 points on 30th June 2020, while the market started with 5421.62 points on 1st July 2019. During the year, the top and bottom of DSEX index were 5384.93 and 3603.95 points respectively. The daily average turnover was TK. 3.83 billion on the premier bourse in the last financial year down about 16 percent than that of the previous year. DSE30 index stood at 1332.34 point on 30th June 2020.

In the bearish mood, the capital market lost market capitalization of about Tk. 878.50 billion throughout the year. As on 30th June 2020 market capitalization stood at Tk. 31196.70 billion against TK. 39981.64 billion on 30th June 2019. Size of the market as on 30th June 2020 is 12.30% of total GDP of Bangladesh. Price Earning (P/E) Ratio of the market stood at 10.78 at the end of the year against 14.25 of the previous year. In the following sections important statistical data during the period under review are given at a glance.

Sector-wise P/E ratios are furnished below:

Weighted Average P/E Ratio

Sector	June-20	June-19	June-18	June-17	June-16	June-15
Banks	6.67	8.26	8.76	9.10	6.70	6.67
Financial Institutions	15.86	14.66	14.66	22.67	13.95	15.40
Mutual Funds	10.50	7.32	7.63	12.97	7.21	6.34
Engineering	10.09	14.56	16.77	24.04	22.20	24.95
Food & Allied	17.43	25.08	26.65	24.47	31.91	30.51
Fuel & Power	9.51	14.72	12.55	12.83	12.60	13.63
Jute	31.69	305.65	122.06	257.72	67.79	138.33
Textile	11.72	16.79	17.58	15.03	10.17	11.90
Pharmaceuticals	15.23	19.10	20.61	17.26	27.17	27.35
Paper & printing	23.76	17.69	-	38.45	13.55	24.09
Service & Real estate	12.59	15.42	16.67	32.61	29.92	39.14
Cement	20.82	28.64	34.57	22.06	26.42	35.09
IT	19.15	24.37	25.98	34.05	29.74	22.18
Tannery	12.69	20.31	15.77	20.77	26.34	23.42
Ceramic	17.69	23.95	26.10	22.49	20.45	300.47
Insurance	12.23	14.42	11.00	13.20	10.03	10.41
Telecommunication	9.59	14.59	19.54	21.37	18.25	23.06
Travel & Leisure	25.46	23.85	27.04	18.02	15.43	14.46
Miscellaneous	18.92	27.09	16.93	28.88	31.68	33.68
Market P/E	10.78	14.25	14.97	15.74	14.61	15.90

Stock Market - continued

Performance of DSE during the period under review is as follows:

Month	DSE Turnover		Ratio of Market Cap. To Turnover	Index (Last Trading Day)		
	Volume (in mn)	Value (Tk. in mn)		DSEX	DSE30	DSES
19-Jul	3,250.80	89,468.59	0.02	5,138.79	1,827.91	1,181.20
19-Aug	2,079.64	73,977.64	0.019	5,095.78	1,800.06	1,183.44
19-Sep	2,271.23	84,952.46	0.019	4,947.64	1,759.97	1,138.70
19-Oct	2,180.63	70,202.25	0.019	4,682.90	1,627.75	1,075.48
19-Nov	2,653.40	74,108.81	0.021	4,731.44	1,647.71	1,082.16
19-Dec	2,644.52	67,027.28	0.02	4,452.93	1,513.35	999.83
20-Jan	2,902.54	80,722.33	0.024	4,469.66	1,524.04	1,028.29
20-Feb	4,589.79	1,24,277.72	0.0036	4,480.23	1,492.37	1,044.91
20-Mar	2,626.98	66,456.39	0.021	4,008.29	1,330.83	920.69
20-Apr	--	--	--	--	--	--
20-May	43.96	1,432.93	0.0005	4,060.45	1,365.37	951.6
20-Jun	650.18	47,801.33	0.015	3,989.09	1,340.98	925.08

Particulars of Initial Public Issue during FY 2019-20:

Sl.	Name of the Issues	Subscription date		Issued capital (in mn)	Offer Price	Public Offer (in mn)	Subscription (in mn)
		Opening	Closing				
01	COPPERTECH INDUSTRIES LTD.	31.03.2019	19.04.2019	600.00	10.00	200.00	7515.57
02	SEA PEARL BEACH RESORT LTD.	23.04.2019	06.05.2019	1150.00	10.00	150.00	7307.90
03	RING SHINE TEXTILE LTD.	25.08.2019	09.09.2019	4350.55	10.00	1500.00	1010.79
04	ADN TELECOM LTD.	04.11.2019	11.11.2019	646.52	27.00	197.92	6610.00
05	APSCL NON CONVERTIBLE AND FULLY REDEEMABLE COUPON BEARING BOND OF ASHUGONJ POWER STATION COMPANY LTD.	23.09.2019	18.11.2019	6615.00	5000.00	1000.00	998.87

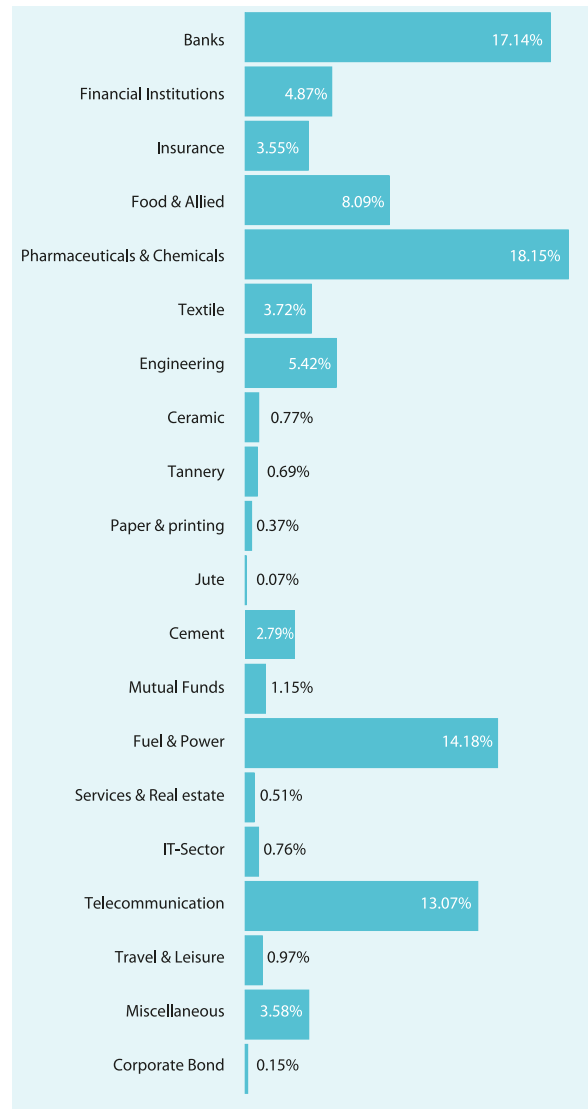
(As per listing date with DSE)

Comparative position of listed securities, paid-up capital and market capitalization of DSE:

Particulars	DSE		
	As on 30 June 2019	As on 30 June 2020	Change %
Number of Listed Securities (including Mutual Fund, Debenture and Govt. Bond)	584	589	0.86
Total Issued Capital of all listed Securities (in crore)	1,26,857.50	1,29,981.40	2.46
Market Capitalization (in crore)	3,99,816.38	3,11,967.00	(21.97)
DSEX/ All Share Price Index	5421.62	3989.09	(26.42)

Percentage of Total Market Capitalization in different sectors at DSE

Name of the Sector	Percentage (%)
Banks	17.14
Financial Institutions	4.87
Insurance	3.55
Food & Allied	8.09
Pharmaceuticals & Chemicals	18.15
Textile	3.72
Engineering	5.42
Ceramic	0.77
Tannery	0.69
Paper & printing	0.37
Jute	0.07
Cement	2.79
Mutual Funds	1.15
Fuel & Power	14.18
Services & Real estate	0.51
IT-Sector	0.76
Telecommunication	13.07
Travel & Leisure	0.97
Miscellaneous	3.58
Corporate Bond	0.15
Total	100.00



Inauguration of CNI-DSE Select Index (CDSET) on December 30, 2019.

Source: DSE Monthly Review, DSE Review June-2020.



Report of the Audit Committee

The Audit Committee is formed by the Board of Directors of ICML in order to improve corporate governance discipline. This committee acts as a sub-committee of the Board that ensures a good monitoring system within the business. ICML has a Audit committee consisting of three members out of which two members are private sector directors and one nominated director of the company. The Secretary to the Board also acts as the Secretary of the Audit Committee. The recommendation of the Audit Committee is placed to the Board of Directors for further approval.

Meetings

The Committee met four times during the year under review. The proceedings of the Audit Committee were reported to the Board of Directors on a regular basis.

Role of the Committee

The main objectives of the Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities in the financial reporting process, the system of internal controls and risk management, the independence and the audit process, of the external auditors and the process for monitoring compliance with laws and regulations.

Regulatory compliance

The Audit Committee examined whether the procedures followed by the company are in accordance with the compliance of-

- ⊕ The laws and regulations framed by the regulatory authorities (BSEC, DSE, CSE, CDBL and other regulatory authorities);
- ⊕ Internal regulations approved by the Board of Directors.

ICML strictly follows the rules and regulations set by the regulatory bodies to resolve the issues related to conflict of interest. The committee was satisfied that company substantially complies with these regulatory requirements.

The committee also reviewed:

- ⊕ The quarterly and half yearly financial statements of the company prior to recommending them for the approval by the board;
- ⊕ The annual audited financial statements of ICML with external auditors prior to submission to the Board for Approval. The review focused particularly on changes of accounting policy and compliance with applicable accounting standards as adopted in Bangladesh and other legal & regulatory requirements.

Internal Audit

The in-house Internal Audit department mainly focused on initiating and improving policies and procedures of the business processes during the year under review. The Internal Audit is responsible to review and report on the accuracy and integrity of the financial statements, efficiency of the internal control systems and compliance with statutory & other regulation and the accounting & operational policies.

External Audit

During the year, the committee met with the external Auditors to discuss the Audit scope, approach and methodology to be adopted and the findings of their audit report prior to commencement of the audit. The audit committee has reviewed the findings and recommendations made by external auditors in order to remove the weakness as detected in the auditing process.

Conclusion

Finally, I would like to express profound thanks on behalf of the committee to the members of the Board of Directors for their judicious guidance, Executive Management for their endless loyalty to the company and the Auditors for their prudential tasks.



(Md. Asaduzzaman Khan)

Director, Board

Chairman, Audit Committee

Financial and Operational Highlights

Financial Performance

(Tk. in crore)

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
01. Total Income	39.65	72.03	109.67	72.17	61.23
02. Net Income	(4.52)	4.70	4.28	0.30	(13.42)
03. Total Shareholders' Equity	431.74	*436.26	371.00	229.70	196.64
04. Total Assets	1013.40	*1016.92	951.99	932.23	904.41

* Restated

Operational Performance

Particulars	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17	FY 2015-16
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Issue Management

01. No. of Companies (agreement signed)	08	08	13	09	31
02. Amount of Issue size	235.00	1401.10	501.67	644.59	1273.82

Underwriting

03. No. of Companies (commitment made)	05	05	05	06	04
04. Amount of Commitment	22.80	57.82	48.32	283.26	34.52

Trustee & Custodian

05. No. of Issue (agreement signed)	03	04	03	01	01
06. Amount of Issue size	80.00	730.00	2900.00	600.00	200.00

Investors' Scheme

07. No. of Account Opened	287	360	288	387	464
08. Deposits Received	81.03	53.44	69.66	86.43	42.58
09. Margin Loan Disbursed	329.58	495.63	596.23	1087.89	621.11
10. Recovery of Margin Loan	385.38	549.68	709.44	1180.89	581.18

Own Portfolio

11. Total Investment	65.59	88.16	134.53	204.48	88.02
12. Profit on sale of marketable securities	4.28	13.31	39.27	19.79	9.66

Underwriting & Issue Management

Preface

ICML has established itself as an unparallel and leading provider of merchant banking activities including best-in-class services in managing public issue and related instruments. ICML has achieved remarkable success in issue management & advisory services by delivering perfect blend of diligent service and trust. It has continued to execution of excellence coupled with a high level of integrity to its client relationships & other assistance to companies in various forms with a view to accelerate the pace of industrialization as well as to develop a well-organized, buoyant and sustainable capital market of the country.

Underwriting and Issue Management Services

Since inception, ICML has been assisting fundamentally strong based companies to float their securities in the capital market & thus establishing itself as a trusted brand to issuers as well as to investors. ICML provides Issue Management, Underwriting and Consultancy services to potential companies intend to raise capital and fund through Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Issue (RI), Private Placement of shares, Debt Securities (Bond, Debenture), Preference shares, Capital Restructuring, Merger & Acquisition and Corporate Advisory Functions.

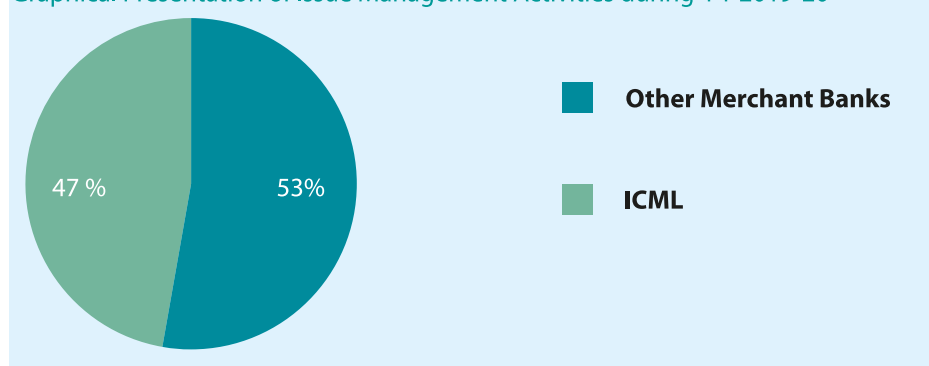
Focus on present industry performance

During FY 2019-20 Bangladesh Securities and Exchange Commission (BSEC) approved IPO of 04 (four) companies amounting to Tk. 333.08 crore. Out of this, ICML acted as the Issue Manager of 2 (two) renowned companies namely The Ashuganj Power Station Company Limited and ADN Telecom Limited with issue size of Tk. 100.00 crore and Tk. 57.00 crore respectively which is an excellent achievement in a very challenging situation of the primary as well as secondary market depicting its leading position in the market.

Summary of Performance comparing to other Merchant Banks during FY 2019-20

Particulars	ICML		Other Merchant Banks		Total Size (Tk. in Crore)	Market share of ICML in value (%)
	No. of Issue	Issue Size (Tk. in Crore)	No. of Issue	Issue Size (Tk. in Crore)		
IPO	02	157.00	02	176.08	333.08	47.14 %

Graphical Presentation of Issue Management Activities during FY 2019-20



Adversity and offset mechanism of ICML

Now-a-days the main adversity in managing the issue management services is the regular changes in the rules & regulations and conservativeness in the valuation of properties. However, ICML has managed to offset the adversities to a greater extent & managed to bring a good number of prospective companies through IPO by using its brand value, strong liaison with regulatory authorities, reputation regarding compliance of relevant regulations and continuous team effort.

Underwriting & Issue Management - *continued*

Present status of Issue Management & Underwriting Commitment

Despite prevailing challenges in the capital market, ICML has signed agreement to provide issue management services in different forms including Capital Raising of 3 (three) companies & IPO of 05 (five) companies and committed to underwriting of shares of 05 (five) companies during the year under review. Details are stated below:

Commitment for providing Issue Management Services during FY 2019-20

Sl.	Name of the Company	Service Provided	
		Issue Management	Advisory Function
1	Infinity Technology International Ltd.	IPO	-
2	JMI Hospital Requisite Manufacturing Ltd.	IPO	-
3	Pearl Paper and Board Mills Ltd.	IPO	Advisory
4	Paper Processing & Packaging Ltd.	RPO	Advisory
5	Bangladesh Monospool Paper Manufacturing Co. Ltd.	RPO	Advisory

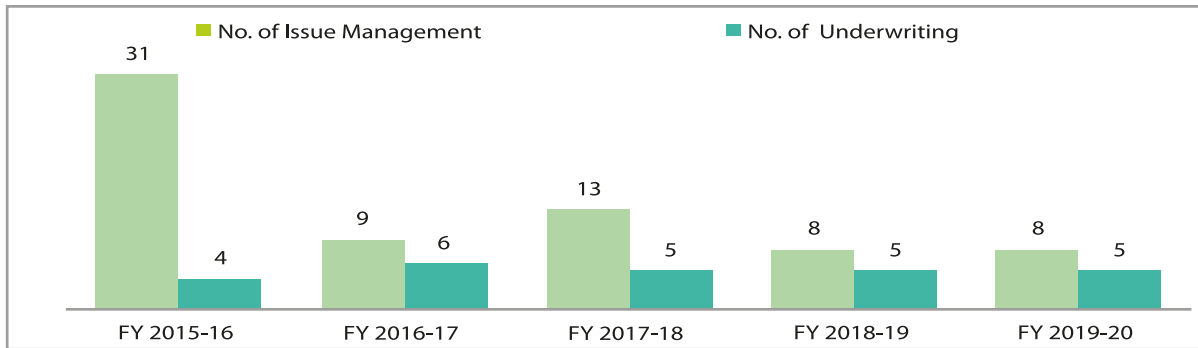
Underwriting Commitment during FY 2019-20

Sl.	Name of the Company	Type of Issue
1	JMI Hospital Requisite Manufacturing Limited	IPO
2	Infinity Technology International Limited	IPO
3	Omera petroleum Limited	IPO
4	Taufika Foods and Agro Industries Limited	IPO
5	Robi Axiata Limited	IPO

Comparative Position of Issue Management and Underwriting Commitment of previous five years : (Taka in crore)

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20	Cumulative as on 30-06-20
Issue Management						
No. of Issue	31	9	13	8	8	225
Size of Issue	1,273.82	644.59	501.67	1,401.1	235	15,713.53
Underwriting						
No. of Companies	4	6	5	5	5	173
Amount of Underwriting Commitment	34.52	283.26	48.32	57.82	22.8	3,073.80

Graphical Comparative position of Issue Management and Underwriting Activities



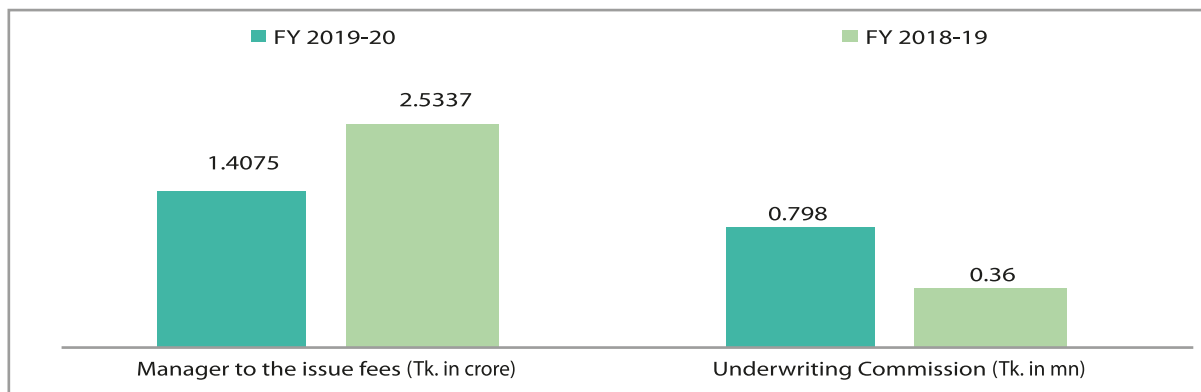
Financial pulse

Income from Issue Management Services & Underwriting Commitment during the FY 2019-20

Sl. No.	Name of Issue	Type of Fees	Amount (in crore)	Total
01	Union Bank Limited	Issue Management Fee	0.08	1.4075
02	South Bangla Agriculture and Commerce Bank Limited		0.05	
03	Base Textiles Limited		0.015	
04	Infinity Technology International Limited		0.05	
05	JMI Hospital Requisite Manufacturing Limited		0.5025	
06	ADN Telecom Limited		0.47	
07	Islamic Finance and Investment Limited		0.10	
08	Bangladesh Monospool Paper Manufacturing Co. Ltd.		0.02	
09	Paper Processing and Packaging Limited		0.02	
10	Pearl Paper and Board Mills Limited		0.10	
11	ADN Telecom Limited	Underwriting Commission	0.0798	0.0798

Comparison of revenue streams of previous two financial years:

Particulars	FY 2019-20	FY 2018-19
Manager to the issue fees (Taka in crore)	1.4075	2.5337
Underwriting Commission (Taka in mn)	0.798	0.36



Trustee and Custodian

The Development of Bond Market is a precondition for the smooth progress of the Stock Market. A spontaneous Bond Market can play pivotal role in supplementing the Banking system. It's a buffering instrument between Money Market & Stock Market. Bond, a form of long term debt, which pays interest payment and a return of the initial investment at a pre-determined date.

The Bonds are increasing in popularity because they have some very attractive benefits for investors. Among these enticements are lower regularity requirements and enhance flexibility. Subscribers are not subject to burdensome paper work and an unnecessary cost. They enjoy special tax incentive benefit. In this perspective, ICB Capital Management Limited (ICML) constructed Trustee & Custodian Department.

Present status of Trustee & Custodian

ICML started Trustee & Custodian services in 24 April, 2011 as the Trustee & Custodian of ever-largest open-end Mutual Fund of the country namely "Bangladesh Fund" & now providing services of Trustee of 10 (Ten) bonds and Trustee & Custodian of 5 (Five) Mutual Funds.

A couple of years back stock Market faced great debacle and recession. The last financial year was no exception. Last quarter of that year, Corona Virus concerns rippled through the market. Due to the pandemic caused by Covid-19, a prolonged lock down from 26.03.2020 to 30.05.2020 was declared by the Govt. During the lock down all the business activities including the capital market were closed. For that reason overall income of the company was hampered. But ICML earned a significant amount of Tk. 3.46 crore as trustee fee and Tk. 1.27 crore as custodian fee totaling Tk. 4.73 crore. Last year Ashugonj Power Station Company Limited (APSCL) has launched unsecured Bond amount of Tk. 600.00 crore in which Tk. 100.00 crore is the first publicly traded Bond of power sector wherein ICML is working as the Trustee of that Bond.

List of Completed Bond and continuing

Sl. No.	Name of Issues	Nature of Service	Size of Issue (in crore)	Amount (in crore)
01	Bangladesh Fund an open ended Mutual Fund	Trustee & Custodian	5000.00	Continuing
02	Coupon-bearing Non-Convertible Tier-II Subordinate Debt (Bond) of Standard Bank Limited.	Trustee	200.00	Continuing
03	Non-Convertible Fully Redeemable Floating rate Subordinate Bond of Agrani Bank Limited	Trustee	700.00	Continuing
04	Non-Convertible Coupon Bearing of Ashuganj power station company limited.	Trustee	600.00	Continuing
05	Non-Convertible Fixed rate Subordinated Bond of Investment Corporation of Bangladesh	Trustee	2000.00	Continuing

List of Signed, under process and Approved Bond

Sl. No.	Name of Issues	Nature of Service	Size of Issue (in crore)	Status
01	Non-Convertible Fully Redeemable Floating rate Subordinate Bond of Industrial & Infrastructure Development Finance Company (IIDFC) Limited	Trustee	200.00	Approved
02	Coupon bearing unsecured fully redeemable nonconvertible subordinated bond of GSP Finance Company (Bangladesh) Limited	Trustee	200.00	Approved
03	IFIL Mudaraba Non-convertible Fully Redeemable Subordinated Bond of Islamic Finance and Investment Limited	Trustee	300.00	Approved
04	Generation Next Fashion Fully Redeemable unsecured Bond	Trustee	200.00	Approved
05	Meridian Finance & Investment Limited Coupon Bearing, Non-convertible Bond	Trustee	50.00	Under Process
06	Orion Infrastructure coupon bearing Bond	Trustee	815.00	Under Process
07	EBL AML 1st Unit Fund an open ended Mutual Fund	Trustee & Custodian	30.00	Approved
08	ICB AMCL Shotoborsho Unit Fund	Trustee & Custodian	20.00	Under Process
09	BD Venture 1st Mutual Fund	Trustee & Custodian	10.00	Under Process
10	Joytun 1st Unit Fund	Trustee & Custodian	10.00	Under Process

Income from Trustee services during the FY 2019-20

Sl. No.	Name of Issues	Size of Issue (in crore)	Type of Fees	Amount (in crore)
01	Bangladesh Fund an open end Mutual Fund	5000.00	Trustee Fee	1.34
02	Non-Convertible Coupon Bearing of Ashuganj power station company limited.	600.00	Trustee Fee	0.15
03	Non-Convertible Fully Redeemable Floating rate Subordinate Bond of Agrani Bank Limited	700.00	Trustee Fee	0.35
04	Non-Convertible Fixed rate Subordinated Bond of Investment Corporation of Bangladesh	2000.00	Trustee Fee	1.62
Total=				3.46

Income from Custodial services during the FY 2019-20

Sl. No.	Name of Issues	Size of Issue (in crore)	Type of Fees	Amount (in crore)
01	Bangladesh Fund an open end Mutual Fund	5000.00	Custodian Fee	1.27
Total				1.27

Investors' Scheme

One of the core functions of ICML is managing Investors' Scheme. From inception in the year 2002, ICML initiated this scheme, which draws a great enthusiasm from the wide range of investors. Within a few years ICML experienced rapid growth under the scheme. The features of this scheme made it popular among varied range of investors. The scheme has been contributing in the stock market so as to help build a stronger one through creating a platform for general investors. ICML never stops its efforts for the betterment of the scheme rather has been continuously working to provide better and modern services to its valued clients as committed by it.

In between FY 2002-03 to FY 2009-10, 36756 number of Investors' Accounts were opened in ICML which indicates a high rapid growth during that period. But later share market debacle in the FY2010-11, the situation changed a lot. Continuous unstable condition of the securities market for the last several of years adversely affected investor's confidence. As a result, spontaneous participation of investors in the capital market reduced significantly. In between FY 2011-12 and FY 2019-20, only 5283 number of Investors' Accounts opened in ICML which is 86% less than that of previous 9 years. The market with trending low, investors did not show keen interest in the market. The market also failed to attract potential investors under the prevailing market situation. In one hand, ICML registered fewer new investors. On the other hand, a number of Investors' Accounts were closed every year since 2010-11. However, for last several years, number of closed accounts has been decreased considerably which is apparent from table under comparative statement of operational activities. It indicates that ICML is slowly recovering from its bearish condition.

After the melt-down of the capital market in the year 2010 and later, ICML has been experiencing a down performances under the scheme. A significant portion of margin loan provided to investors has been classified. Out of 27796 active accounts 9911 accounts have been classified as of 30 June, 2020. On the same date margin loan stood at 539.31 crore. Of which total classified loan amounts to 474.91 crore (88.06% of total outstanding margin loan). Interest charged against classified accounts is not accounted for. As a result, once a major income source now turned into a losing product for years due to the downtrend of the market. A brief scenario of margin loan as per provisioning policy is presented below for better understanding:

(Tk. In crore)

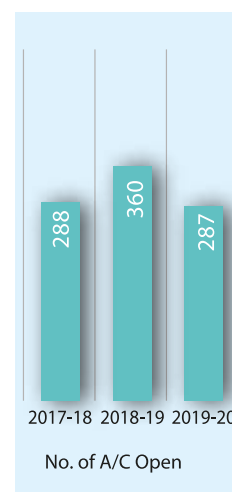
Status of Classification	No. of Accounts	Margin Loan	Interest Charged	PMF Charged	Required Provision
Bad	9302	452.41	91.16	1.08	249.14
Doubtful	263	11.28	4.23	0.12	1.09
Sub-standard	346	11.22	3.82	0.12	0.21
Total Classified (A)	9911	474.91	99.21	1.32	250.44
Good (B)	5184	64.40	10.83	1.33	1.29
Credit (C)	12701	-	0.20	0.83	-
Grand Total (A+B+C)	27796	539.31	110.25	3.47	251.73

Some of the performance parameters and comparative statement of operational activities under Investors' Scheme for the last 3 years are furnished below:

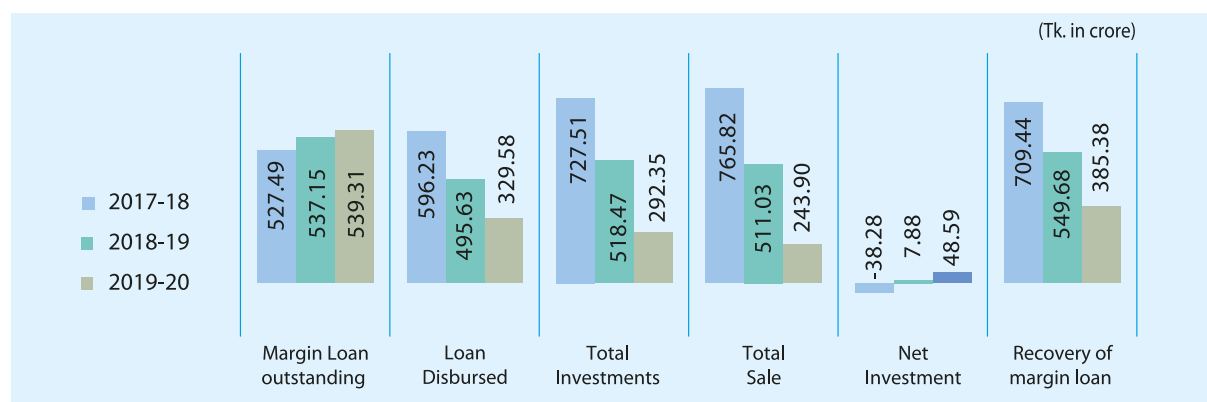
Comparative operational activities of the Investors' Scheme

(Tk. in crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	Cumulative as on 30 June 2020
No. of A/C Open	288	360	287	41899
No. of A/C Close	1313	798	660	14103
No of net Operative A/C	28565	28169	27796	27796
Deposit Received	69.66	53.44	81.03	1925.45
Margin Loan outstanding	527.49	537.15	539.31	--
Loan Disbursed	596.23	495.63	329.58	10258.16
Total Investments	727.51	518.47	292.35	15852.68
Total Sale	765.82	511.03	243.90	15270.81
Net Investment	(38.28)	7.88	48.59	559.13
Recovery of margin loan	709.44	549.68	385.38	10480.19



During the financial year 2019-20, ICML disbursed TK. 329.58 crore as margin loan to its investors. Total outstanding margin loan as on 30th June 2020 stood at TK. 539.31 crore, which was increased by TK. 2.16 crore, 0.40% higher than that of the previous year. Comparative Position of Investors' Scheme is depicted below:



A comparative statement of operational performance under Investors' Scheme of ICML Head Office and Branch offices during FY 2018-19 and FY 2019-20 is depicted below:

(Tk. in crore)

Particulars	Head Office		Branches		Total	
	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
No. of A/C Opened	63	96	297	191	360	287
No. of A/C Closed	234	140	564	520	798	660
Deposit Received	11.25	56.21	42.18	24.82	53.43	81.03
Total Investments	124.19	104.67	394.27	187.68	518.46	292.35
Net Investment	(5.58)	45.50	13.46	3.09	7.88	48.59

Investors' Scheme - *continued*

The following table shows Head office and Branch-wise operation of the Investors' Scheme in the FY 2019-20
(Tk. in crore)

Particulars	HO *(Non-discr)	HO *(Discr)	Ctg.	Rajshahi	Barishal	Khulna	Bogura	Sylhet	Uttara	Gazipur	Total
No. of A/C Opened	96	0	35	33	35	13	32	11	13	19	287
No. of A/C Closed	140	2	136	125	55	64	38	20	72	8	660
Deposit Received	56.21	0	2.31	5.57	3.23	2.51	7.14	1.57	1.30	1.19	81.03
Loan Disbursed	161.43	0.002	11.65	50.84	15.07	10.55	54.82	5.45	13.07	6.7	329.58
Total Investment	104.67	0	13.70	53.26	22.47	12.56	55.39	7.53	13.77	9.00	292.35
Net Investment	45.51	0	(0.49)	(1.39)	1.79	(0.30)	2.15	1.23	(0.52)	0.61	48.59
Margin Loan Recovery	224.05	0.0032	11.42	46.58	16.05	7.77	54.53	6.00	12.00	6.98	385.38
Total Buy	103.71	0	12.58	52.72	22.10	12.23	54.61	7.22	13.64	8.90	287.71
Total Sale	59.17	0.1407	14.18	54.65	20.67	12.86	53.24	6.31	14.30	8.38	243.90

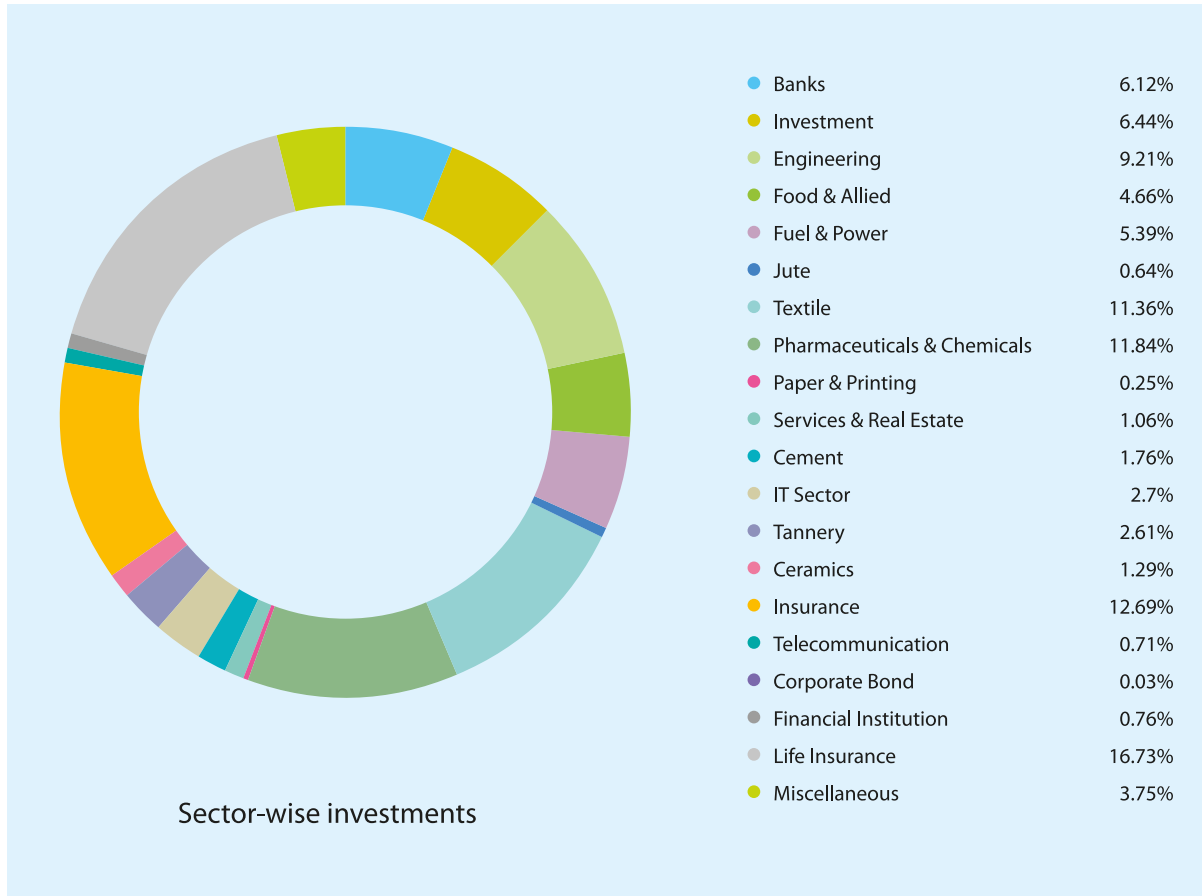
*Non-discr: Non-Discretionary

*Discr: Discretionary

Sector-wise investments at cost under Investors' Scheme

The following table represents the position of sector-wise investments at cost under Investors' Scheme of ICML during the FY 2019-20
(Tk. in crore)

Sectors	Head Office	Branches	Total	Percentage (%)
Banks	3.31	14.57	17.88	6.12
Investment	2.69	16.15	18.84	6.44
Engineering	6.71	20.21	26.92	9.21
Food & Allied	5.44	8.17	13.61	4.66
Fuel & Power	3.45	12.3	15.75	5.39
Jute	0.27	1.60	1.87	0.64
Textile	6.85	26.35	33.2	11.36
Pharmaceuticals & Chemicals	10.04	24.57	34.61	11.84
Paper & Printing	0.04	0.68	0.72	0.25
Services & Real Estate	0.14	2.95	3.09	1.06
Cement	1.88	3.26	5.14	1.76
IT Sector	0.92	6.97	7.89	2.70
Tannery	1.91	5.73	7.64	2.61
Ceramics	0.64	3.13	3.77	1.29
Insurance	6.49	30.61	37.1	12.69
Telecommunication	1.02	1.06	2.08	0.71
Corporate Bond	0.07	0.02	0.09	0.03
Financial Institution	1.85	0.36	2.21	0.76
Life Insurance	48.9	0	48.9	16.73
Miscellaneous	2.05	8.99	11.04	3.75
TOTAL	104.67	187.68	292.35	100.00



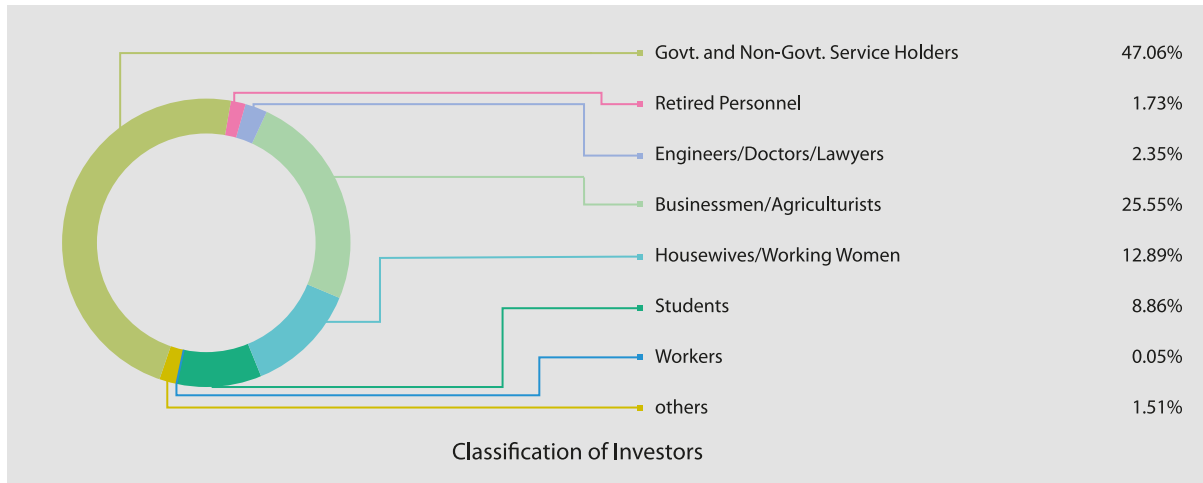
Classification of Investors

Investors' Scheme of ICML encompasses Investors from diversified occupation and echelons of society including salaried government and non-government employees, businessmen, agriculturists, housewives and others. The following table shows the occupation-wise classification of the active accountholders of Head Office and Branches up to FY 2019-20:

Occupation	Total	%
Govt. and Non-Govt. Service Holders	13080	47.06%
Retired Personnel	481	1.73%
Engineers/Doctors/Lawyers	652	2.35%
Businessmen/Agriculturists	7103	25.55%
Housewives/Working Women	3584	12.89%
Students	2462	8.86%
Workers	14	0.05%
others	420	1.51%
Grand Total	27796	100.00%

Investors' Scheme - *continued*

In ICML, Investors of different clusters & income groups like government, non-government to housewives are putting their money to the sundry portfolios. The aforesaid table and graphical presentations give us a vivid pictures in classification of investors. Out of the total investors, government & non-government sector is staking the major portion followed by Businessmen/Agriculturists in the 2nd position. Minimal involvement is found in other occupations. However, the contribution of housewives is very much encouraging.



Ongoing trading of shares for the investors under Investors' Scheme at the head office



Portfolio Management

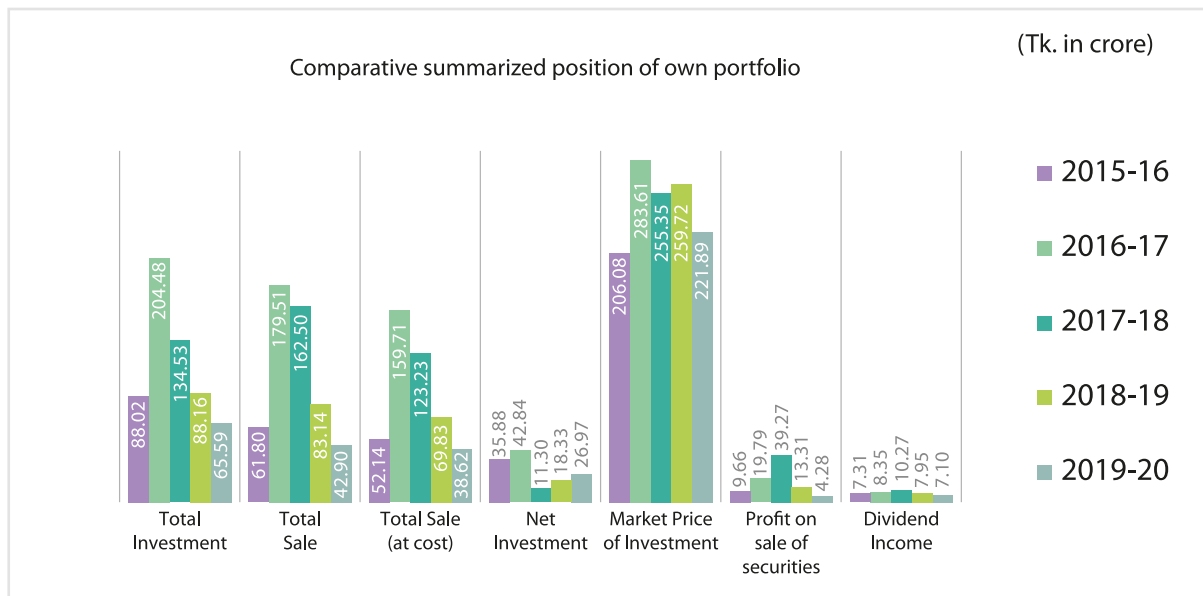
Portfolio Management is one of the main function of ICML. Two departments namely Portfolio Management Department and Securities Analysis Department work together in making investment recommendations. The recommendations are placed before the committee namely Portfolio Management Committee comprising of 05 (Five) members. The CEO is delegated by the Board to approve sale-purchase activities of the portfolio. Securities are chosen with strong fundamentals and good prospects considering the following issues:

- ⊕ Fundamental/Technical analysis of the listed securities;
- ⊕ Systematic procedure to monitor the nature, characteristic and quality of holding of securities of the portfolio;
- ⊕ Analysis of Fiscal/Monetary Policy and Policy of the Government; and
- ⊕ Overall Internal/External economic condition.

Comparative summarized position of own portfolio

(Tk. in crore)

Particulars	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Total Investment	88.02	204.48	134.53	88.16	65.59
Total Sale	61.80	179.51	162.50	83.14	42.90
Total Sale (at cost)	52.14	159.71	123.23	69.83	38.62
Net Investment	35.88	44.77	11.30	18.33	26.97
Market Price of Investment	206.08	283.61	255.35	259.72	212.89
Profit on sale of securities	9.66	19.79	39.27	13.31	4.28
Dividend Income	7.31	8.35	10.27	7.95	7.10



Dividend Earned

The Company earned dividend of Tk. 7.10 crore during the year under review, compared to the dividend of Tk. 7.95 crore in the FY 2018-19.

Capital Gains

The Company earned capital gain of Tk. 4.28 crore during the year under review, compared to the capital gain of Tk. 13.31 crore in the FY 2018-19.



Ongoing meeting of the Portfolio Management Committee

Equity and Entrepreneurship Fund (EEF)/Entrepreneurship Support Fund (ESF)

Equity and Entrepreneurship Fund (EEF) was launched by the Government of the People's Republic of Bangladesh in FY 2000-2001 with a view to encouraging small and medium entrepreneurs to invest in the risky but otherwise promising sectors viz. software industry, food processing and agro based industry. Among other activities, ICML is acting as an Appraisal Bank and provides consultancy services to those who are seeking financial assistance from EEF, thereby it (ICML) is also contributing towards the development of the country through this scheme. A summarized position of ICML appraised projects under EEF scheme is shown below:

Particulars		FY 2018-19	FY 2019-20	Cumulative up to 30 June 2020
(A) Agriculture	No.	1	-	1101
	Amount (in Lac)	0.5	-	1482.00
(B) ICT	No.	-	-	128
	Amount (in Lac)	-	-	182.25

Entrepreneurship Support Fund (ESF):

The Government has introduced another product named Entrepreneurship Support Fund (ESF) for agro-based and ICT sectors under the Equity and Entrepreneurship Fund (EEF) scheme through publishing ESF circular 2018.

As per ESF circular 2018 published by Bangladesh Bank, the ESF would provide eight-year term loans at 2.00 percent simple interest. It has a four-year moratorium period, after which borrowers will have to pay 25 percent principal and interest every year that is 8 semi-annual installments according to the circular. Borrower themselves have to provide 51 percent as equity of the project cost and invest it within one year after sanctioning the loan from the EEF Wing, Investment Corporation of Bangladesh (ICB). They must mortgage the project land against the loans in favour of ICB. ICML as Appraising and Loan Recovery institution has received 216 number of projects profile up to 30 June 2020 from beginning of the scheme among which 214 are Agro and 2 are ICT based projects.

Particulars		FY 2018-19	FY 2019-20	Cumulative up to 30 June 2020
(A) Agriculture	No.	12	202	214
	Amount (in Lac)	12.00	202.00	214.00
(B) ICT	No.	2	2	2
	Amount (in Lac)	2.00	2.00	2.00

Internal Audit and Control

Internal audit is part of the ICML's control of business. It is one of the methods used by management to ensure the orderly and efficient running of the business as a whole and is part of the overall control environment. Day by day ICML has expanded its scale, diversity and complexity of its activities with 08 (eight) branches and 149 (One Hundred forty nine) numbers of human resources.

As a result, it is difficult for management to monitor and control all financial and operational activities effectively. Considering the facts, ICML has established an Internal Audit Department. The department generally considered to be the 'best practice' rather than being required by law. The department comprising qualified, resourced, experienced and independent personnel performs its activities. The head of internal audit has sufficient seniority within the organization. Following types of activities are normally carried out by Internal Audit Department:

The review of management, organizational, operational, financing, accounting, internal control and other business system;

Identifications of areas for improvement in efficiency and performance;

Making recommendations in relation to the improvement of systems and monitoring the performance of systems against targets;

Compliance work involving the review of the compliance with legislation, regulations and code of practices;

Assurance whether company's procedures/ manuals are being followed and internally produced information is reliable;

Carry out Ad Hoc assignments or special investigations, such as internal fraud investigations.

ICML's Internal Audit Department is functioning as a part of good Corporate Governance as per guideline/codes.



Report on Risk Management

To most people, "risk" evokes negative images - driving faster than the speed limit, placing bets on "a long shot," or traveling alone to unfamiliar places. Mention risk in terms of investment, and people might think about losing their life's savings. But in reality, risk comes in many forms, and each can affect how you pursue your financial goals. The key to dealing with risk is learning how to manage it.

Market/Portfolio Risks

Also known as systematic risk, market risk is the likelihood that the value of a security will move in tandem with its overall market. For example, if the stock market is experiencing a decline, the stocks and mutual funds in portfolio may decline as well. Or if bond prices are rising, the value of bonds could likely go up.

The old cliché, "Don't put all your eggs in one basket," is very applicable to the realm of investing. The process of diversification, spreading your money among several different investments and investment classes, is used specifically to help manage market risk in a portfolio. Because they invest in many different securities, mutual funds can be ideal ways to diversify. Selecting more than one mutual fund for your portfolio can further manage risk. Also consider the potential benefits of selecting investments from more than one asset class.

Diversification of a portfolio is one such way to achieve this, as it entails building a portfolio full of disparate securities and different types of investments. By doing this, the risk that one or even a few securities that may underperform is offset by the fact that there are plenty of others in the portfolio with better performance to balance them out. In addition, mixing different types of securities, like some stocks and some bonds, can protect the investors from the risk of single security going through a fall.

ICML applies different strategies to lessen the portfolio risk. To cope with the potential market risks, ICML has employed a congenial investment policy which is considered a guideline and safeguard to minimize losses against margin loan and own portfolio investment. ICML's own portfolio is managed and operated by a seven-member committee who have wide experience and background regarding capital market situations. In addition, ICML has been maintaining sufficient provisions against investment in securities and margin loan to investors.

Reputational Risks

Firms with strong positive reputations attract better people. They are perceived as providing more value, which often allows them to charge a premium. Their customers are more loyal and buy broader ranges of products and

services. Moreover, in an economy where 70% to 80% of market value comes from hard-to-assess intangible assets such as brand equity, intellectual capital and goodwill, organizations are especially vulnerable to anything that damages their reputations.

Effectively managing reputational risk begins with recognizing that reputation is a matter of perception. A company's overall reputation is a function of its reputation among its various stakeholders (investors, customers, suppliers, employees, regulators, non-governmental organizations, the communities in which the firm operates) in specific categories (product quality, corporate governance, employee relations, customer service, intellectual capital, financial performance, handling of environmental and social issues). A strong positive reputation among stakeholders across multiple categories will result in a strong positive reputation for the company as well.

ICML has an outline for managing reputational risk by a multi-disciplinary approach that involves management to build the broader perspective in Client's management team or principals, valid business purpose or economic substance, non-standard terms or terms inconsistent with market norms and actual or potential conflicts of interest. In addition, ICML discloses its financial information with true and fair view. ICML is committed to perform its duties with sincerity, honesty and also with ultimate competence.

Operational Risks

Operational risk is defined as the risk of losses stemming from inadequate or failed internal processes, people and systems or from external events. It includes legal risks but excludes reputational risk and is embedded in all financial products and activities. It is characterized by unconscious execution errors and processing failures. These risks are generally well known and also tend to be well managed.

ICML has a continual cyclic process which includes assessment, decision making and implementation of risk controls that results in acceptance, mitigation, or avoidance of risk. The Board of Directors of the Company provides proper guideline on the overall operations of the company. Activities of the Company are properly audited by the Internal Audit Department. Besides, Subsidiary Affairs Division of the Holding Company and Commercial Audit Authority undertakes regular and special audit on the activities of ICML.

Interest Rate Risks

Interest-rate risk (IRR) is the exposure of an institution's financial condition to adverse movements in interest rates. Excessive levels of IRR can pose a significant threat to an institution's earnings. Accordingly, effective risk management that maintains IRR at prudent levels is essential to the safety and soundness of the institutions.

From inception ICML used to borrow fund from its holding company, ICB. To minimize the interest rate risk, ICML always maintains its liquidity professionally. ICML has converted its loan borrowed from the Holding Company into equity and also contemplated to minimize its borrowing by enhancing its capital through IPO in a favorable condition of the capital market. Besides, at the time of fund crisis ICML keeps the right to re-fix its lending rate.

Credit Risks

Credit risk refers to the probability of loss due to a borrower's failure to make payments on any type of debt. Credit risk management, meanwhile, is the practice of mitigating those losses by understanding the adequacy of both capital and loan loss reserves at any given time. Credit risk is one of the most fundamental types of risk. Lending in capital market in the form of margin loan is considered highly risky than traditional investment activities. Participation of general investors in capital market is increasing day by day. The new investors are hardly aware of the nature of the capital market. Many of them made their investment in risky as well as in weak stocks for quick return.

The first step in effective credit risk management is to gain a complete understanding of overall credit risk by viewing risk at the individual, customer and portfolio levels. While institution strive for an integrated understanding of their risk profiles, much information is often scattered among business units. Without a thorough risk assessment, there is no way of knowing if capital reserves accurately reflect risks or if loan loss reserves adequately cover potential short-term credit losses. The key to reducing loan losses – and ensuring that capital reserves appropriately

reflect the risk profile – is to implement an integrated, quantitative credit risk solution with simple portfolio measures. It should also accommodate a path to more sophisticated credit risk management measures as needs evolve. To encounter this risk, ICML always adopts proper investment policy. It provides professional counseling to the investors regarding investment with margin loan. Executives of investors' department maintain close relationship with the customers and provide them professional counseling about investments. Besides, to minimize the negative impact on the profitability arising from credit risk, ICML maintains adequate provision on margin loan to investors.

Liquidity Risks

Liquidity risk is the risk that a company may be unable to meet short term financial demands. This usually occurs due to the inability to convert a security or hard asset to cash without a loss of capital and/or income in the process. Liquidity risk generally arises when a business or individual with immediate cash needs, holds a valuable asset that it cannot trade or sell at market value due to a lack of buyers, or due to an inefficient market where it is difficult to bring buyers and sellers together.

Liquidity risk has to be managed in addition to market, credit and other risks. Because of its tendency to compound other risks, it is difficult or impossible to isolate liquidity risk. In all but the most simple of circumstances, comprehensive metrics of liquidity risk do not exist. Certain techniques of asset-liability management can be applied to assessing liquidity risk. ICML investments mostly deal with capital market which is extremely volatile in nature. As a result, liquidity problem may arise from market fluctuations. ICML always analyses the properties and empirical behavior of such risk. To ensure efficient service and to uphold the reputation of ICML, fund management is cautiously handled so that ICML may not have to face liquidity crisis.

Information Technology (IT) Risks

IT risk is the potential barrier that a given threat will exploit vulnerabilities of an asset or group of assets and thereby cause harm to the organization. It is measured in terms of a combination of the probability of occurrence of an event and its consequence. IT infuses the operations of an entire institution and therefore associated risk cannot be classified as a process that focuses on a particular area. Understanding the role that technology plays in enabling core business operations establishes the framework for understanding where relevant technology risks lie.

IT risk management can be considered a component of a wider enterprise risk management system. The establishment, maintenance and continuous update of automated systems provide a strong indication that a company is using a systematic approach for the identification, assessment and management of information technology risks. Different methodologies have been proposed to manage IT risks, each of them divided in processes and steps. ICML has an experienced technical team to overcome any type of IT risk. This includes updating computer and networking system, database and information recovery system and fully automated software system. A backup of database of every day's activities of ICML is preserved in different places to be used to run usual operations smoothly in any occurrence of disaster. ICML is in the process of finalizing its ICT Security Policy including Business Community Plan, Disaster Recovery Plan, Back-up/Restore, IT help Desk, etc.

Money Laundering Risk Management

In order to ensure the best practices, both implicit and explicit, and protecting the company and its stakeholders, ICML is committed to comply with all the applicable rules of the Money Laundering Prevention Act, 2012 and Anti-Terrorism Act, 2009 along with amendments made from time to time. ICML follows "Guidelines on Prevention of Money Laundering & Combating Financial of Terrorism" prepared by ICB in line with Anti Money Laundering Law and Bangladesh Bank guidelines. ICML is vigilant to mitigate any risk arising from money laundering and terrorism financing. We will gradually fulfill all requirements imbedded in the concerned guidelines. In this regard, ICML has already introduced KYC (Know Your Customer) profile for its clients. We have also been maintaining communication with ICB and Bangladesh Bank to implement the guideline on prevention of money laundering & combating financial of terrorism successfully.

HRM

Human Resource Management

Plan for Human Capital

Human capital refers to the knowledge and skills of an individual. The term human capital in an organization and business is an important and essential asset who contributes to development and growth, in a similar way as physical assets such as machines and money. The collective attitudes, skills and abilities of people contribute to organizational performance and productivity.

The human capital planning process should be tailored to the overall risk, complexity and corporate structure of the company. While the exact content, extent and depth of the capital planning process may vary, an effective capital planning process includes the following components:

- a) Identifying and evaluating risks;
- b) Setting and assessing capital adequacy goals that relate to risk;
- c) Maintaining a strategy to ensure capital adequacy and contingency planning;
- d) Ensuring integrity in the internal capital planning process and capital adequacy assessments.

Organization runs with the help of individuals who contribute in their own way in its success and productivity. Employees spend maximum part of their day in offices and strive hard to achieve the goals and objectives of the organization. They ought to be motivated from time to time so that they develop a sense of attachment towards their organization and also deliver their best. Knowledge and expertise which employees develop in due course of time to further increase the productivity of organizations refer to human capital.

Human Capital Diversity

At the end of financial year 2019-20, total manpower of ICML stood at 149 in number. Out of 149 employees, the number of officers & staff stood at 73 and 76 respectively whereas 15 officers including the CEO, two ACEOs, one DCEO and one staff were on deputation from ICB. The number of female employees as on 30 June 2020 stood at 26 representing 17.45% of the total workforce. Besides, few employees have been working in the company on casual basis.

Recruitment and Resignation

The process of recruitment and selection of ICML is dynamic and transparent and always focuses on the high potential individuals. To carry out the process of recruitment and selection there are two committees involved namely (i) Securitizing Committee and (ii) Recruitment and Promotion Committee. 10 (Ten) employees were recruited during FY 2019-20 in the services of the company.

Promotion

Promotion of employees motivates to aspire for advancement of opportunities within the company. It also contributes to employee satisfaction and retention. Employee's promotion in our company is to be made by examining all factors necessary to determine the best qualification and potential to fill the position. These

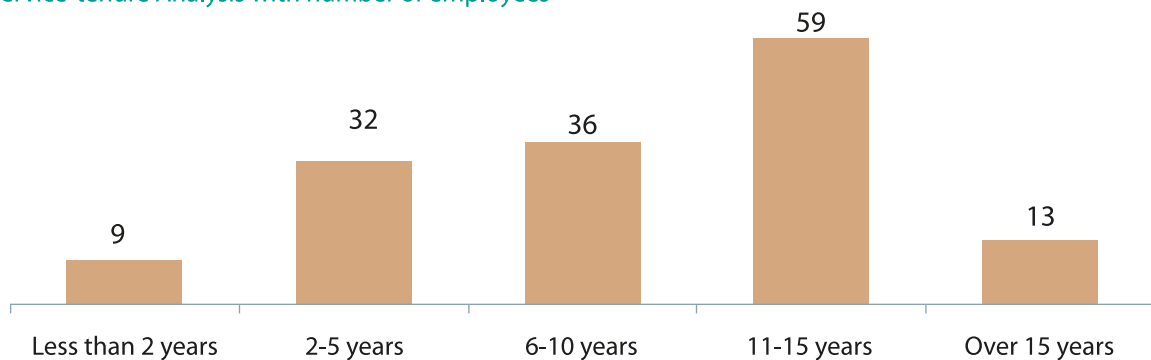
factors may be in clue, but not limited to:

- ⊕ Grow in role-dimension and complexity;
- ⊕ Resource classification;
- ⊕ Individual performance track recreated;
- ⊕ Leadership quality; and
- ⊕ Vintage.

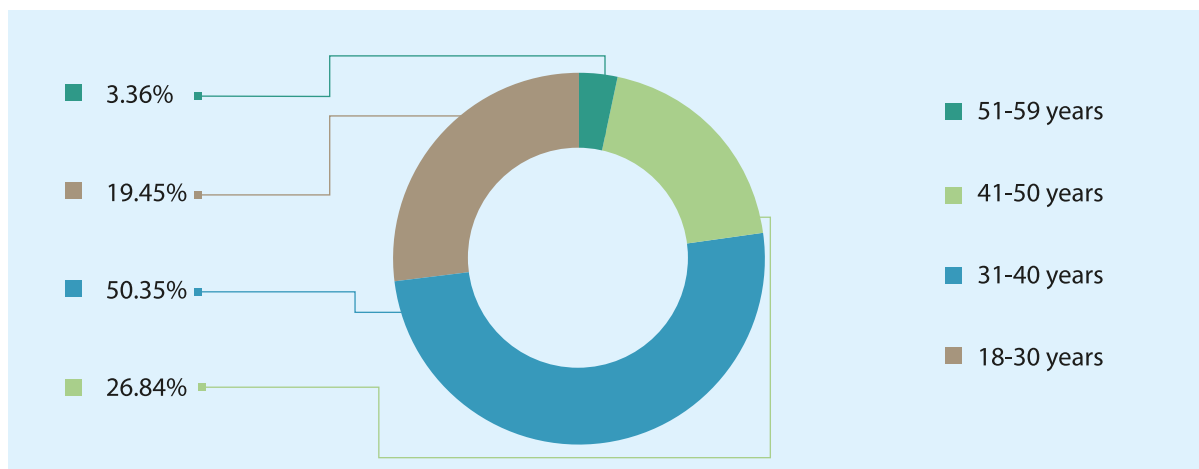
Training and Development

Training policy of our company refers to all employees and aims to ensure that appropriate training is available to enable them to reach a satisfactory performance level in their jobs. As a part of human resource development programs, ICML endeavors to develop the skill, knowledge and professional competence of its manpower by arranging various local training programs. 46 (Forty Six) officers and staffs participated in local training and workshop programs on different subjects during FY 2019-20.

Service-tenure Analysis with number of employees



Employee Age Analysis



One of our goals is to ensure a vibrant working environment. This is in the best interest of all employees and the company as a whole. We are committed to do our part through policy, initiatives and promotion and continue to lead a host of wellness to help our employees in achieving success with their goals.

Human Capital Management Framework

The Capital Management Framework comprises the governance, policies and procedures which set out the requirements for effective management of capital including identification, assessment, monitoring, managing and reporting to relevant committees and the Board. Our Human Capital Management Framework contains the principles for the development of the company and usage of Risk Adjusted Return on Capital to measure and manage the return on capital across our merchant banking activities.

Management Approach towards Human Capital

Our company provides support to its entire employee in ways that embrace the organizational mission of innovation and tradition of excellence. For this, our management is moving forward with a vision of converting human resources into human capital through providing appropriate knowledge, skills, abilities and personal attribution. This company thrives to provide competitive pay and allowance package, contemporary HR policies, learning environment and congenial working atmosphere where employees play the pivotal role behind the success stories and sustainable growth. Recreation Leave with 15 days leave & allowance equals to 1 month's basic pay and Life Insurance Policy have already been implemented. Personal Loan/Temporary Advance facility up to 5 (five) lac has also been introduced at bank rate for the employees. Moreover, time bounding organogram and service rule have already been sent to the Ministry for approval. The congestion in promotion will come to an end after getting these being approved.

ICML has been operating for last 20 years with glory and provided challenging career prospect for young and enthusiastic professionals. In all areas of work, the ICML family upholds the tenets of confidentiality, accountability and trust. Our management treats the employees as an asset rather than an expense item. Every effort should be taken, whether formally or informally, to develop skills and abilities and to provide opportunities for them to maximize their contribution.

Organizational Structure of ICML

Sl. No.	Designation	Approved Post
1	Chief Executive Officer	1
2	Additional Chief Executive Officer	2
3	Deputy Chief Executive Officer/Sr. System Analyst	4
4	Senior Executive Officer	14
5	System Analyst	1
6	Executive Officer	21
7	Programmer	6
8	Senior Officer	49
9	Asstt. Programmer	13
10	Officer	22
11	Librarian	1
12	Security Officer	1
13	Asstt. Officer, Gr-I	15
14	Asstt. Officer, Gr-II (Data Entry Operator)	27
15	Asstt. Officer, Gr-II (Cashier)	14
16	Senior Dispatcher	1
17	Caretaker	1
18	Asstt. Officer, Gr-II (Receptionist)	1
19	Asstt. Officer, Gr-II (Telephone Operator)	1
20	Asstt. Officer, Gr-II (Electrician)	1
21	Asstt. Officer, Gr-II (Photocopy Machine Operator)	1
22	Driver	4
23	Asstt. Caretaker	2
24	Dispatcher	1
25	Office Sohayak (অফিস সহায়ক)	35
26	Plumber	1
Total		240

Practices in Accounting

The Financial Statements are prepared under Historical Cost Conversion as a going concern. Accrual basis of the Accounting is followed to recognize all the income and expenditure. Accounting Standards, Companies Act 1994, Securities and Exchange Rule 1987 and other applicable rules and regulation are also followed.

Compliance report on IAS and IFRS

The Institute of Chartered Accountants of Bangladesh (ICAB) is the sole authority for adoption of International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). While preparing the financial statements, ICML applied the following standards:

Name of IAS/IFRS	IAS/IFRS no.	Status
Presentation of financial statements	1	Applied
Inventories	2	N/A
Statement of cash flows	7	Applied
Accounting policies, changes in accounting estimates and errors	8	Applied
Events after the reporting period	10	N/A
Construction contracts	11	N/A
Income taxes	12	Applied
Property, plant and equipment	16	Applied
Leases	16	N/A
Revenue	18	Applied
Employee benefits	19	Applied
Accounting for government grants and disclosure of Government assistance	20	N/A
The effect of changes in foreign exchange rates	21	N/A
Borrowing costs	23	Applied
Related party disclosures	24	Applied
Accounting and reporting by retirement benefit plans	26	N/A
Consolidate and separate financial statements	27	N/A
Investment in associates and joint ventures	28	N/A
Interests in joint ventures	31	N/A
Financial instruments: presentation	32	Applied
Earnings per share	33	Applied
Interim financial reporting	34	N/A
Impairment of assets	36	N/A
Provisions, contingent liabilities and contingent assets	37	Applied
Intangible assets	38	Applied
Financial instruments: recognition and measurement	9	N/A
Investment property	40	N/A
Agriculture	41	N/A
Share based payment	2	N/A
Business combinations	3	N/A
Non-current assets held for sale and discontinued operations	5	N/A
Exploration for and evaluation of mineral resources	6	N/A
Financial instruments: disclosure	7	Applied
Operating segments	8	N/A

Financial Results

Income Performance

During the FY 2019-20, the Company has earned total income of Tk. 39.65 crore including Tk. 16.14 crore (40.71 % of total income) as interest income followed by Tk. 4.28 crore as profit on sale of securities (10.79 % of total income) and Tk. 4.25 crore as income from fees and commission (10.72% of total income). Besides, the Company also earned income of Tk. 7.10 crore (17.91 % of total income) in the form of dividend, Tk. 4.74 crore (11.95% of total income) from trustee and custodian and Tk. 2.07 crore (5.22% of total income) from EEF & ESF. In addition, the Company earned Tk. 0.89 crore (2.24 % of total income) as other income and 0.18 crore (0.45% of total income) as non-operating income.

Expenditure and Provision

The total operating expenses of Tk. 43.23 crore were incurred including Tk. 25.27 crore (58.45% of total operating expenditure) as interest expenses followed by Tk.13.16 crore (30.44 % of total operating expenditure) as expenses for salaries & allowances, Tk. 0.69 crore (1.60% of total operating expenditure) for rent, tax, electricity & insurance and Tk. 0.16 crore (0.37% of total operating expenditure) for stationary, printing & advertising. Besides, the Company incurred Tk. 1.35 crore (3.12% of total operating expenditure) as other operating expenses which includes traveling and conveyance, entertainment, business development, expenses related with AGM, training expenses, VAT expenses etc. On the other hand, Tk. 0.22 (0.51% of total operating expenditure) crore has been charged as repairs & maintenance during the year.

During the period under review, the company has made provision of Tk. 0.20 crore against margin loan to investors. The provision was made as per margin loans classification and preservation Rules, 2019. The Company has also made provision of Tk. 0.25 crore against investment in own portfolio.

Earnings and Dividend

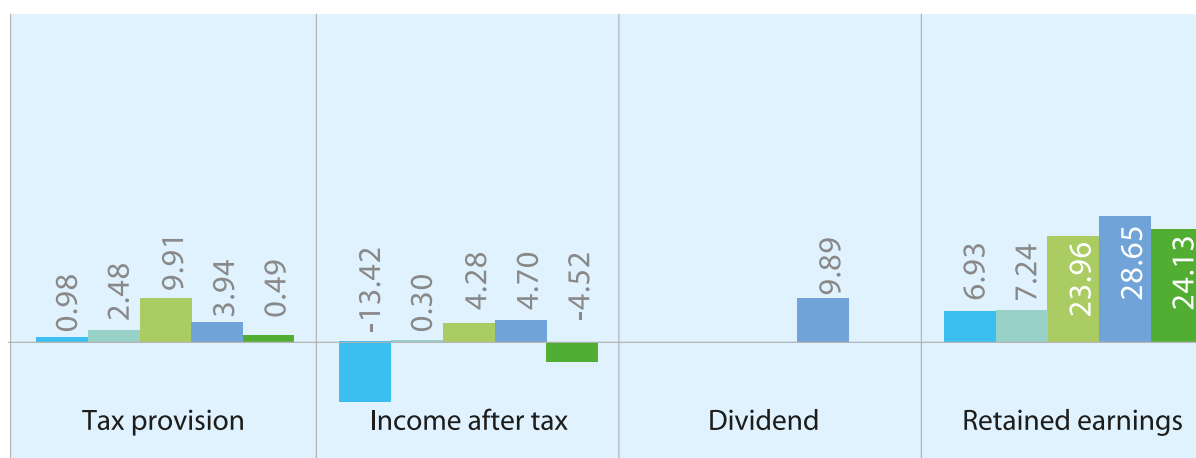
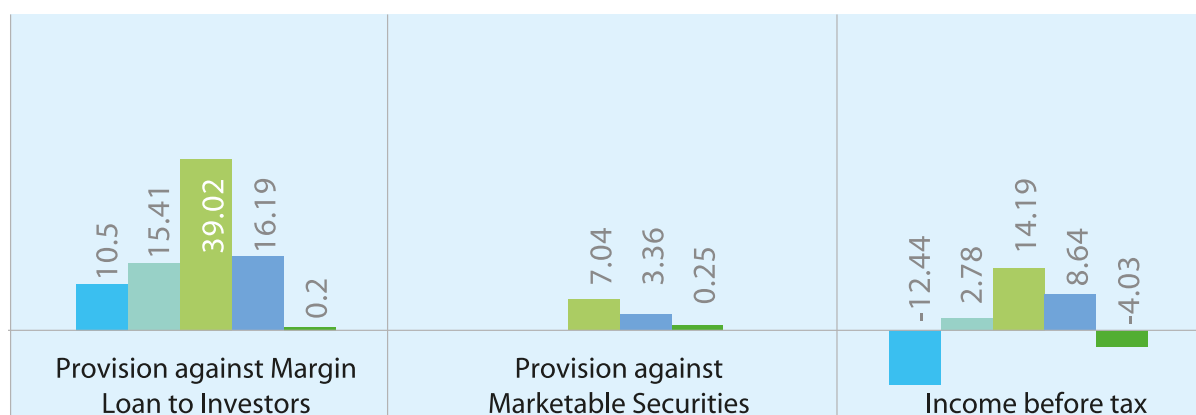
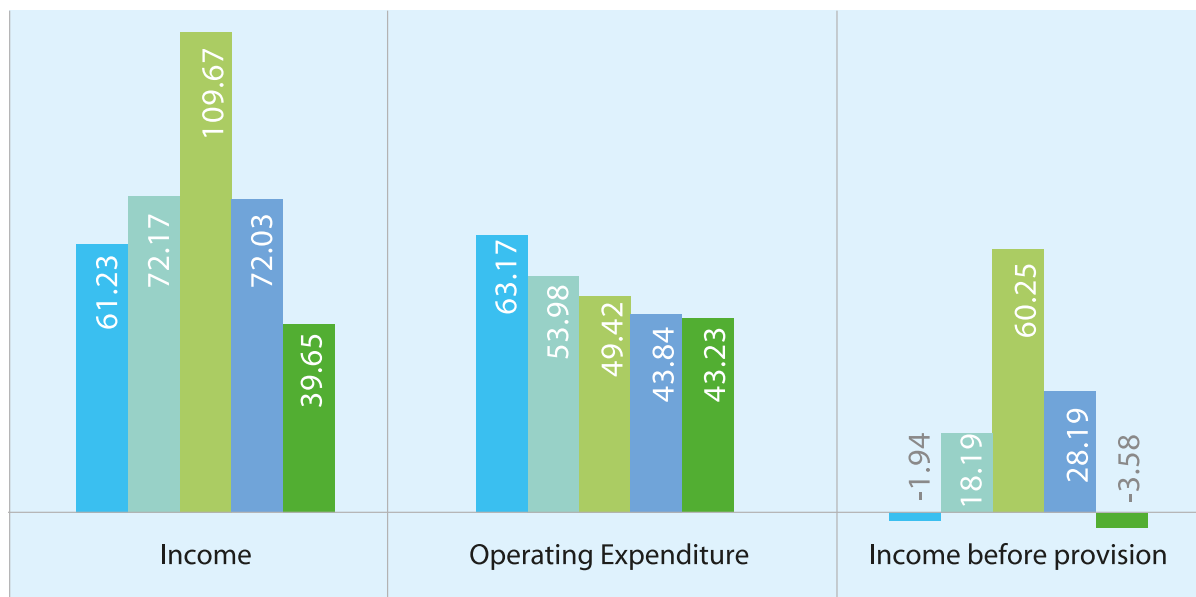
During the period under review, Company's loss before tax stood at Tk. (4.03) crore. After provisioning of Tk. 0.49 crore as income tax for the year, the net loss after tax stood at Tk. (4.52) crore. The Board of Directors recommended no dividend for the FY 2019-20.

Summary of the Financial Results

Particulars	Taka in Crore				
	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Income	61.23	72.17	109.67	72.03	39.65
Operating Expenditure	63.17	53.98	49.42	43.84	43.23
Income before provision	(1.94)	18.19	60.25	28.19	(3.58)
Provision against Margin Loan to Investors	10.5	15.41	39.02	16.19	0.20
Provision against Marketable Securities			7.04	3.36	0.25
Income before tax	(12.44)	2.78	14.19	8.64	(4.03)
Tax provision	0.98	2.48	9.91	3.94	0.49
Income after tax	(13.42)	0.30	4.28	4.70	(4.52)
Dividend	0	0	0	9.89	0
Retained earnings	6.93	7.24	23.96	28.65	24.13

Summary of the Financial Results

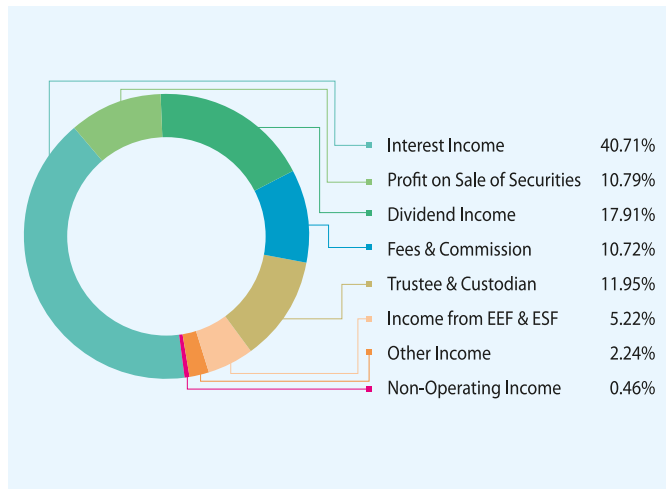
(Taka in Crore)



■ FY 2015-16 ■ FY 2016-17 ■ FY 2017-18 ■ FY 2018-19 ■ FY 2019-20

Income performance at a glance

Particulars	2019-20 (Tk. in crore)	%
Interest Income	16.14	40.71%
Profit on Sale of Securities	4.28	10.79%
Dividend Income	7.10	17.91%
Fees & Commission	4.25	10.72%
Trustee & Custodian	4.74	11.95%
Income from EEF & ESF	2.07	5.22%
Other Income	0.89	2.24%
Non-Operating Income	0.18	0.46%
Total	39.65	100%



Financial Analysis

Some Key Financial Analysis

Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
Net Profit to Total Income (%)	(21.92)	0.42	3.90	6.53	(11.40)
Return on Total Investment (%)	(2.03)	0.05	0.60	*0.65	(0.62)
Return on Equity (%)	(6.83)	0.13	1.15	*1.07	(1.05)
Book Value per Share (Tk.)	14.91	17.42	11.25	*13.23	13.10
Cash/Stock Dividend per Share	-	-	-	3% (Interim)	-
Dividend Payout Ratio (%)	-	-	-	210.55	-
Debt-Equity Ratio	235.81	182.42	91.22	*66.17	69.05

* Restated

Information and Communications Technology Report

The growing competition, arising out of increasing customer expectations and increasing need of risk management has pushed country's capital market to adopt technology more vigorously for survival and growth. Our capital market, today is in the midst of an IT evolution. A combination of regulatory and competitive reasons has led to increasing importance of total capital market automation in the country. Information Technology has basically been used under two different verticals. One is IT infrastructure and controls and other is Application of IT for improving business process and developing customer centric solutions. Information Technology enables sophisticated and product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to lessen geographically distant, to save time and to develop diversified markets.

ICB, the holding company, has been an early adopter of technology with a view to providing safe and convenient merchant banking facilities to its customers, having introduced host of services and facilities for enhancing the customer satisfaction. Being a subsidiary of ICB, ICML has been successfully functional with ICB's automated solution for several years. The following has been the key component in introducing the technology services by ICML for the best interest of its customers and employees:

Existing software and hardware maintenance and development:

- MOMS software maintenance and development;
- HRM and Payroll software;
- General Ledger (GL) management;
- Database server maintenance;
- Bangladesh fund and own portfolio management;
- Hardware maintenance support.

Existing network maintenance and development:

- Branch data connectivity;
- LAN connectivity;
- CDBL operation;
- Internet service;
- Centrally internet bandwidth management.

Existing website maintenance and development:

- icml.com.bd (user login panel);
- Web based client service;
- SMS service to client.

ICML adopts technology as part of ongoing strategic tool to face challenges in the emerging realities of business. It is therefore imperative to work out appropriate IT risk management strategies to secure its most vital information and ensure that related risk management systems and process are strengthened on continual basis to secure both present and future activities. ICML's IT-department has already taken these aspects into consideration. Thus, IT functions are getting strengthened through implementation of a captive backup system. Besides, ICML has been providing awareness on IT-threats to its staff on a continued basis so that both proactive and reactive measures can be initiated, as deemed appropriate to mitigate potential risks associated with this. Highest priority is given to employment of expert and competent manpower to run the system efficiently with time bound approach. During the year, many training programs had been attended by the staffs & officer's in premier institutions to keep themselves abreast with the advancements in IT.

Purchasing the following new web based centralized software:

- ⊕ ERP/ Merchandizing Operation Management System;
- ⊕ Integrated Accounts;
- ⊕ HR & Payroll;
- ⊕ Fixed Asset Management.

New website development:

New website design and development is ongoing by ICML using new technology. It will be more attractive, efficient, secured and reliable. Investors will get more online based services after completion of new website.

Benefits of web based centralized software:

- ⊕ Each and every employee of ICML will be capable to work at a time in new software through intranet and there is no need of server in branches;
- ⊕ Additional software will not be required to run this software as it is web browser enabled;
- ⊕ Faster, efficient and more reliable;
- ⊕ Latest security and technology enabled.

E-nothi:

Government of the People's Republic of Bangladesh and Access to Information (a2i) instructed government / semi-government / autonomous institutions to implement e-document/e-nothi. E-nothi has increased speed, efficiency, transparency and accountability in office works. ICML has completed profile creation and organogram set in the training server of e-nothi. A training in this regard has also been conducted for the employees of ICML. At present, upgradation from training to live server is in process. After completing this process, ICML will be capable to issue official documents through e-nothi live server.

Innovation:

In Bangladesh, citizens have to travel long distances, often multiple times, incur high costs and endure considerable delays and hassle to avail services. Service organization has to spend substantial amounts in administrative and transaction costs because of outdated, paper-based, manual processes.

Moreover, the centralized, hierarchical nature of decision-making means that officers at the mid and field levels do not usually get the opportunity to offer innovative ideas to improve services and their delivery systems. They also lack the tools and resources to experiment with potential solutions. The innovation-based service model is simple yet powerful that revolves around mostly to the following:

- ⊕ Cultivating 'Empathy'
- ⊕ Reducing 'Time, Cost, Visit (TCV)'
- ⊕ Simplifying through 'Service Process Simplification (SPS)'
- ⊕ Establishing delivery platforms enabling 'Services for All'

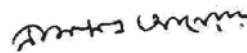
ICML formed an innovation team as per advice of the holding company given from time to time. The team is actively involved in various innovation related activities including training, workshop, seminar, regular meeting with the innovation cell of ICB, etc. In the year 2019-20, ICML has been able to develop service out of innovation including installation of idea box, centralized integrated automated customer service backbone, daily basis monitoring of branch performance through country-wide connectivity and one stop solution for customers. The innovation team of ICML meets on a monthly basis as a part of compliance and always seeks for innovation ideas.

Acknowledgement

The Board acknowledges with deep gratitude the assistance and co-operation received by the Company during the year under review from the shareholders, ICB and its' other two subsidiaries, Bangladesh Securities and Exchange Commission, Ministry of Finance, Dhaka Stock Exchange, Chittagong Stock Exchange, Bangladesh Merchant Bankers Association, different Banks and Financial Institutions. The Board of Directors also thanks them for their active support and co-operation and looks forward to their continued support in the years to come. The Board of Directors places on record its deep appreciation for rendering all out efforts of the employees for enhancing the image of the Company.



Shukla Das
CEO & Director




Nasmin Anwar
Director



Quazi M. Munzur-I-Muqshed
Director



Dr. Md. Humayun Kabir Chowdhury
Director



Prof. Dr. Md. Kismatul Ahsan
Director



Md. Asaduzzaman Khan
Director



Md. Abul Hossain
Chairman

Chief Executive Officer's Declaration to the Board

Dated: 06-09-2020

The Board of Directors
ICB Capital Management Limited
Head Office, Dhaka.

Subject: Chief Executive Officer's Declaration to the Board.

I, the undersigned Chief Executive Officer, do hereby certify for the year ended 30 June, 2020 that:

- i) I have reviewed the financial statements for the year and that to the best of my knowledge and belief, they do not contain any material fact to contain statements that might be misleading;
 - a) These statements do not contain any materially untrue statement or omit any material fact to contain statements that might be misleading;
 - b) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
- ii) There are, to the best of knowledge and belief, no transaction entered into by the Company during the year which is fraudulent, illegal or violation of the Company's code of conduct.



(Shukla Das)
Chief Executive Officer



ATA KHAN & CO.
Chartered Accountants
A PARTNERSHIP FIRM
.....since 1959

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS' OF ICB CAPITAL MANAGEMENT LIMITED

Report on the Audit of the Financial Statements:

Opinion

We have audited the financial statements of **ICB CAPITAL MANAGEMENT LIMITED** which comprise the statement of financial position as at 30 June 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 the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements present fairly, in all material respects, of the financial position of the **ICB CAPITAL MANAGEMENT LIMITED** as at 30 June 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and other applicable rules and regulation.

Base for Opinion

We conducted our audit in accordance with International Standards on Auditing(IASs). 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 of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Bangladesh, 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 audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for the year ended 30 June 2020. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment have been shown at cost price BDT: 3,695,510,007 of which market price was BDT: 2,128,968,550.

While the overall effect on the company's business in the post year relating to the COVID 19 global pandemic still evolving at this point. The company is regularly monitoring the potential future impact on the company's operations.

Going Concern

We are required to report if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of the financial statements. We have nothing to report in these respects.

Other Information

Management is responsible for other information. The other information comprises all of the information in the Annual report other than the financial statements and our auditors' report thereon. The directors are responsible for those other information. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements does not cover these other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read these other information and, in doing so, consider whether these other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to communicate the matter to those charged with governance.

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 International Financial Reporting Standards and other applicable rules and regulations 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.

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.

Auditors' 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.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.

Independent Auditors' Report

- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- 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. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. 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.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, Supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 account as required by law have been kept by the Company so far as it appeared from our examination of those books; and
- (c) the company's financial statements dealt with by the report are in agreement with the books of account.
- (d) the expenditure incurred was for the purpose of company's business for the year.

Dated: Dhaka,
06 September 2020


ATA KHAN & CO.
Chartered Accountants

ICB Capital Management Limited
Statement of Financial Position


AS AT 30 JUNE 2020


Particulars	Notes	Amount in Taka		
		30.06.2020	30.06.2019	01.07.2018
CURRENT ASSETS:			Restated	Restated
Cash in Hand	06	32,313	44,353	95,034
Cash at Bank	06	232,086,496	382,254,709	380,659,576
Term Deposit (FDR)	07	240,835,534	344,232,372	690,000,000
		472,954,343	726,531,434	1,070,754,610
INVESTMENTS:				
Investment in Securities at cost value	08	3,695,510,007	3,438,831,444	3,258,098,584
LOAN & ADVANCE:				
Margin Loans to Investors- Secured	09	5,393,138,242	5,371,553,776	5,274,917,604
FIXED ASSETS:				
Property, Plant & Equipment	10	314,186,722	326,235,396	343,488,941
OTHER ASSETS	11	258,195,383	306,037,368	277,172,953
TOTAL ASSETS		10,133,984,697	10,169,189,418	10,224,432,692
LIABILITIES & CAPITAL:				
LIABILITIES:				
PBKKBST Special Fund	12	231,138,473	456,605,056	784,473,655
Short Term Loan	13	2,750,000,000	2,430,000,000	2,600,000,000
		2,981,138,473	2,886,605,056	3,384,473,655
OTHER LIABILITIES & PROVISIONS	14	2,835,433,620	2,919,955,677	2,425,403,916
TOTAL LIABILITIES		5,816,572,093	5,806,560,733	5,809,877,572
CAPITAL/SHAREHOLDER'S EQUITY:				
Paid-up Capital	15	3,296,475,000	3,296,475,000	3,296,475,000
General Reserve	16	372,000,000	372,000,000	372,000,000
Other Reserves	18	407,605,750	407,605,750	506,500,000
Retained Earnings	19	241,331,854	286,547,935	239,580,120
TOTAL SHAREHOLDER'S EQUITY		4,317,412,604	4,362,628,685	4,414,555,120
TOTAL LIABILITIES & SHAREHOLDERS EQUITY		10,133,984,697	10,169,189,418	10,224,432,692
NAV without Revaluation Reserve for Investment		13.10	13.23	13.39

The annexed notes form an integral parts of these financial statements


Md. Abul Hossain
Chairman


Md. Asaduzzaman Khan
Director


Prof. Dr. Md. Kismatul Ahsan
Director


Shukla Das
CEO

Signed in terms of our separate report of even date annexed

Place: Dhaka
Date: 06 September 2020


ATA KHAN & CO.
Chartered Accountants

ICB Capital Management Limited


Statement of Profit or Loss & Other Comprehensive Income


For the year ended 30 June 2020

Particulars	Notes	Amount in Taka	
		2019-2020	2018-2019
A. Operating Income:			
Interest Income	20	161,449,419	371,291,918
Less: Interest Paid on Borrowings during the year	21	252,742,135	258,223,408
Net Interest Income		(91,292,717)	113,068,509
Dividend Income	22	71,023,212	79,529,132
Profit on Sale of Securities	23	42,819,461	133,092,280
Fees and Commission Income	24	42,463,908	73,167,907
Trustee and Custodian Fees	25	47,360,516	52,483,807
Income from EEF & ESF	26	20,704,717	2,300,000
Other Operating Income	27	8,932,941	5,438,509
Total Operating Income		142,012,038	459,080,145
B. Operating Expenses:			
Salaries and Allowances	28	131,637,346	128,316,466
Rent, Taxes, Insurance, Electricity etc.	29	6,906,286	6,860,155
Legal and Professional Expenses	30	436,161	596,432
Postage, Telephone and Stamp	31	263,478	447,010
Auditors' Fees		30,000	38,000
Stationery, Printing, Advertising etc.	32	1,612,090	2,389,656
Directors' Fees	33	656,000	776,000
Repairs & Maintenance of Assets & Fuel	34	2,242,722	2,662,136
Depreciation of Assets	10	21,030,880	20,475,170
CDBL Expenses/Charge		1,202,973	2,068,795
Other Operating Expenses	35	13,578,803	15,511,159
Total Operating Expenses		179,596,738	180,140,980
C. Operating Profit/(Loss) (A-B)		(37,584,700)	278,939,166
Non-operating Income:			
Rental Income		1,750,728	3,032,328.00
D.Total Non-operating Income		1,750,728	3,032,328
E. Profit/(Loss) before Provision & Tax (C+D)		(35,833,972)	281,971,494
Provision against Margin Loans to Investors	14.04	2,000,000	161,875,133
Provision against Investment in Marketable Securities	14.08	2,500,000	33,665,109
F. Total Provision		4,500,000	195,540,242
G. Profit/(Loss) before Tax (E-F)		(40,333,972)	86,431,252
Provision for Current Tax	14.06	4,741,512.18	39,098,617
Provision for Deferred Tax	14.05	140,596	364,820
H. Total Provision for Tax		4,882,108	39,463,437
I. Profit/(Loss) after Tax (G-H)		(45,216,081)	46,967,815
Basic Earning Per Share	36	(0.14)	0.14
Diluted Earning Per Share	36	(0.14)	0.14

The annexed notes form an integral parts of these financial statements


Md. Abul Hossain
Chairman


Md. Asaduzzaman Khan
Director


Prof. Dr. Md. Kismatul Ahsan
Director


Shukla Das
CEO

Signed in terms of our separate report of even date annexed

Place: Dhaka
Date: 06 September 2020


ATA KHAN & CO.
Chartered Accountants

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Chartered Accountants

ICB Capital Management Limited
Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Amount in Taka				
	Paid-up Share Capital	General Reserve	Other Reserves	Retained Earnings	Total
Balance as at 01 July 2019	3,296,475,000	372,000,000	407,605,750	286,547,935	4,362,628,685
Net Profit/(Loss) after Tax for the year	-	-	-	(45,216,081)	(45,216,081)
Balance as at 30 June 2020	3,296,475,000	372,000,000	407,605,750	241,331,854	4,317,412,604

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2019

Particulars	Amount in Taka				
	Paid-up Share Capital	General Reserve	Other Reserves	Retained Earnings	Total
Balance as at 01 July 2018	3,296,475,000	372,000,000	506,500,000	239,580,120	4,414,555,120
Net Profit/(Loss) after Tax for the year	-	-	-	46,967,815	46,967,815
Transferred from Dividend Equalization Fund to Retained Earnings for Interim Dividend (Cash) @3% for the FY 2018-19	-	-	(98,894,250)	98,894,250	-
Interim Dividend (Cash) @3% for the FY 2018-19	-	-	-	(98,894,250)	(98,894,250)
Balance as at 30 June 2019	3,296,475,000	372,000,000	407,605,750	286,547,935	4,362,628,685



Md. Abul Hossain
Chairman



Md. Asaduzzaman Khan
Director



Prof. Dr. Md. Kismatul Ahsan
Director



Shukla Das
CEO

Place: Dhaka

Date: 06 September 2020


ICB Capital Management Limited
Statement of Cash Flows


AS AT 30 JUNE, 2020

Particulars	Amount in Taka	
	2019-2020	2018-2019
CASH FLOWS FROM OPERATING ACTIVITIES :		
Interest Received	161,449,419	371,291,918
Interest Paid	(227,177,213)	(114,105,845)
Received from Profit on Sale of Securities	42,819,461	133,092,280
Dividend Received	81,352,608	79,268,590
Fees & Commissions Received	42,463,908	73,167,907
Trustee and Custodian Fees	49,508,173	48,167,080
Income from EEF & ESF	20,704,717	2,300,000
Cash Paid to Employees	(131,713,836)	(118,463,327)
Cash Paid to Suppliers	(13,202,624)	(14,894,377)
Cash Received from Other Operating Activities	8,932,941	5,438,509
Cash Received from Non Operating Income	1,750,730	3,673,128
Cash Paid for Other Operating Activities	(14,234,803)	(17,997,159)
Cash Flow before Changes in Operating Assets & Liabilities	22,653,481	450,938,703
Changes in Operating Assets & Liabilities:		
(Increase)/Decrease in Loans & Advances (Margin loan)	(21,584,466)	(96,636,172)
(Increase)/Decrease in other Assets	(40,931,990)	(24,927,946)
(Increase)/Decrease in Short Term Loan	320,000,000	(170,000,000)
(Increase)/Decrease in other Liabilities	56,307,489	8,225,322
	313,791,033	(283,338,796)
Net Cash Used in Operating Activities (a)	336,444,511	167,599,907
CASH FLOWS FROM INVESTING ACTIVITIES :		
Cash inflow from Sale of Securities	386,234,734	698,288,457
Cash Outflow for Purchase of Securities	(655,902,698)	(881,649,781)
Cash inflow from Refund of IPO previous year	12,989,400	2,059,250
Cash inflow from Refund & Adjustment of Underwriting previous year	-	56,9215
Cash Outflow for Purchase of Fixed Asset	(8,982,205)	(3,221,625)
Net Cash Used in Investment Activities (b)	(265,660,768)	(183,954,484)
CASH FLOWS FROM FINANCING ACTIVITIES :		
PBKKBST Loan Repayment	(225,466,583)	(327,868,599)
Dividend Paid in Cash	(98,894,250)	
Net Cash Used in Financing Activities (c)	(324,360,833)	(327,868,599)
NET INCREASE / (DECREASE) IN CASH & CASH EQUIVALENT (a+b+c)	(253,577,091)	(344,223,176)
Cash and Cash Equivalent at Beginning of the year	726,531,434	1,070,754,610
CLOSING CASH & CASH EQUIVALENT END OF THE YEAR	472,954,343	726,531,434
NET OPERATING PER SHARE CASH FLOWS	1.02	0.51


Md. Abul Hossain
Chairman


Md. Asaduzzaman Khan
Director


Prof. Dr. Md. Kismatul Ahsan
Director


Shukla Das
CEO

Place: Dhaka
Date: 06 September 2020

ICB Capital Management Limited

Notes to the Financial Statements

As at & For the year ended 30 June 2020

1.0 Legal Status and Nature of the Company:

ICB Capital Management Limited was registered under the Companies Act 1994 as a Public Company Limited by shares on 5th December, 2000. The Company obtained registration from Bangladesh Securities and Exchange Commission as a merchant bank on 16 October 2001 and commenced its operation from 1 July, 2002. As a part of restructuring program of Investment Corporation of Bangladesh (ICB) under CMDP (Capital Market Development Program) initiated by the Govt. of the People's Republic of Bangladesh and the Asian Development Bank, the ICB Capital Management Ltd. has been created as a subsidiary of ICB to conduct merchant banking activities and play active role in the Capital Market of Bangladesh.

2.0 Registered Office:

The registered office of the Company is located at Green City Edge (5th & 6th Floor), 89, Kakrail, Dhaka-1000.

3.0 Activities of the Company:

The major activities of the Company are portfolio management, margin loan account, issue management, underwriting, Trustee, custodian and other service as required thereof.

4.0 Accounting Policies:

4.1 Statement of Compliance :

The Financial Statements have been prepared under Historical Cost Conversion except Investment in Securities as a Going Concern. Accrual basis of Accounting has been followed to recognize all the income and expenditure. Interest Income from bank accounts is accounted for on cash basis. Accounting Standards, Companies Act 1994, Securities and Exchange Rules 1987 and other applicable rules and regulation have also been followed.

4.2 Property plant and equipment-owned assets:

4.2.1 Recognition and measurement:

Items of fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of asset and bringing to the location and conditioned necessary for it to be capable of operating in the intended manner.

4.2.2 Subsequent expenditure on property, plant and equipment:

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets. All other expenditures are recognized as expense when they are incurred.

4.2.3 Fixed Assets and Depreciation:

Fixed assets are stated at cost less depreciation in accordance with IAS-16 "Property, Plant and Equipment". Depreciation has been charged on Straight Line basis on all assets from the date of acquisition. The rates applied on such assets are as follows:

Category of assets	Rate of depreciation
Building	2.50%
Furniture & Fixture	10%
Interior Decoration	20%
Office Equipment	20%
Air-Conditioner & Refrigerator	20%
Telephone Installation	20%
Motor Vehicles	20%
Computer	20%
Application Software	20%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in the statement of profit or loss other comprehensive income account.

4.3 Investments in Securities:

Investment in securities is recognized at cost price.

4.4 Capital/Shareholders equity:

4.4.1 Authorized Capital

Authorized Capital is the maximum amount of share capital that the company is authorized by its Memorandum and Articles of Association. Authorized Capital of ICB Capital Management Ltd. is Tk. 500.00 core as on June 30, 2020.

4.4.2 Paid Up Capital:

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. Paid up capital is Tk. 3,296,475,000 as on 30 June,2020.

4.5 Employee Benefits:

4.5.1 Provident Fund.

Provident Fund benefits are given to the staff of the company in accordance with the registered Provident Fund Rules. The fund is operated by a Board of Trustees consisting of 5 (five) members of the Company. All permanent employees of the Company may contribute 10% to 100% of their basic salary as subscription to the fund on monthly basis. The Company also contributes at 10% per month to the fund. Contributions made by the Company are charged as expense. Members are eligible to get both own and company's contribution after 5 (five) years of continuous service from the date of their membership.

4.5.2 Gratuity:

Permanent employees are entitled to gratuity equivalent to basic pay of two months as per last basic of the year for each completed year at service. Permanent employees are entitled to gratuity benefit after completion of minimum 3 (three) years of service in the Company. Actuarial valuation is not considered essential since amount payable at the date of statement of financial position is recognized and accounted for as at that date based on actual rate. The amounts so calculated are transferred to the fund and charged as expense of the Company.

4.6 Consolidation of Accounts:

These Accounts have been consolidated at the Head Office based on the Financial Statements received from Chittagong, Rajshahi, Barisal, Khulna, Bogra, Sylhet, Uttara and Gazipur branches.

4.7 Taxation:

4.7.1 Income Tax Provision:

Provision for current income tax has been made @ 37.50% as prescribed in Financial Act 2020 on the accounting profit made by the company after considering some of the taxable and backs of income and disallowances of expenditures.

4.7.2 Deferred Tax:

Deferred tax assets / liabilities are the amounts of income taxes recoverable / payable in future periods in respect of taxable temporary differences. Deferred tax assets / liabilities are recognized for the future tax consequences of timing difference arising between the carrying values of assets, liabilities, income and expenditure and their respective tax bases. Deferred tax is provided using the liability method for all temporary difference arising between the tax base of assets and liabilities and their carrying value for financial reporting purpose.

4.8 Bonus Share:

Bonus shares received from various Companies have been recorded at nil value. On receipt of bonus shares cost price per share is reduced as per existing policy of the Company. The actual gain is recognized on sale of such shares. Bonus share is recognized when received.

4.9 Earnings Per Share:

The Company calculates earning per share (EPS) in accordance with IAS 33 "Earning per Share" which has been shown on the face of Income Statement and the computation of EPS has been shown in the relevant note. It is to be mentioned here that for the FY 2019-2020 Basic and Diluted EPS was Tk.-0.14

4.10 Weighted Average Number of Ordinary Shares Outstanding during the year:

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time weighting factor.

4.11 Basic Earnings Per Share:

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

$$\text{Basic EPS} = \frac{\text{Earning Attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the year 2019-2020}}$$

4.12 Statement of Cash Flow:

Cash Flow Statement has been prepared in accordance with the provisions of paragraph 19 of IAS 7 which provides that "Enterprises are encouraged to Report Cash Flow from Operating Activities using the Direct Method".

4.13 Revenue Recognition:

The accounting policies adopted for the recognition of revenue are as follows:

4.13.1 Interest Income:

Interest on margin loan to investors is recognized as revenue on accrual basis and interest receivable on such loan is merged with original loan on quarterly basis.

4.13.2 Dividend Income:

Dividend income from investment in securities is recognized on the basis of approval of the said dividend in the Annual General Meeting of the relevant Company. Bonus/ Stock received or receivable from various companies is not accounted for as income rather included in the portfolio resulting in reduction of average cost.

4.13.3 Profit/(Loss) on sale of securities:

Profit/(loss) on sale of securities is calculated for based on difference between average cost price and selling price.

4.13.4 Fees and commission income:

Fees and commission income includes:

1. Portfolio management fee which is calculated on quarterly basis on Portfolio Value at market price,
2. Service charge for investor's account which is recognized at the rate of 0.10% on trading of shares.

4.14 Borrowing Cost

All borrowing costs are recognized as expenses in the year in which they are incurred unless capitalization is permitted under International Accounting Standard (IAS)-23 "Borrowing Costs."

4.15 Other liabilities

Other liabilities comprise items such as provision for gratuity, interest suspense, accrued expenses and other obligation etc. Other liabilities are recognized in the financial position according to the internal policy of the Company.

4.16 Uncertainties for use of estimates in preparation of Financial Statements:

Preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that effect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities at the date of the Financial Statement and revenues and expense during the period reported. Actual results could differ from those estimates. Estimates are used for Accounting of certain items such as long term contracts, depreciation and amortization, employees benefit plans, reserves and contingencies.

4.17 Responsibility for preparation and presentation of Financial Statements:

The Board of Directors is responsible for the preparation and presentation of financial Statements under section 183 of the Companies Act 1994 and as per the provision of “the Framework for the preparation and presentation of Financial Statements” issued by the International Accounting Standard Committee (IASC) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

4.18 Event after the balance sheet date:

All material events occurring after the balance sheet date are considered and where necessary, adjusted or disclosed.

4.19 Proposed dividend:

The Board did not recommend any dividend for the FY 2019-2020.

4.20 Provisions against margin Loan to investors:

As per margin loan provisioning policy-2019, specific provisions are made against margin loan at the following rates:

Provision on Unclassified Investment	02%
Provision on Substandard Investment	25%
Provision on Doubtful Investment	50%
Provision on Bad & Loss Investment	100%

Such provision cannot satisfy the conditions of provision of IAS-37. At the end of the year the company has recognized an accumulated general provision of TK.1,704,918,472 in the statement of financial position under other liabilities and Provisions.

4.21 Approval of financial statements:

The Financial Statements for the year ended 30 June 2020 were approved by the Board of Directors held on 03 September 2020.

5.0 General:

- I. Comparative information have been disclosed in respect of year 2019-2020 for all related numerical information of the Financial Statements and also the narrative and descriptive information so as to clarify the current year position in with that of preceding Financial year.
- II. Figures shown in the Financial Statements have been rounded off to the nearest Taka.
- III. Financial Statements of the Company cover one year from 1 July,2019 to 30 June, 2020 Consistently.

ICB Capital Management Limited

NOTES TO THE FINANCIAL STATEMENTS

As at 30 June,2020

Particulars	Amount in Taka	
	2019-2020	2018-2019

06. Cash and Bank Balances:

Cash in Hand	32,313	44,353
Cash at Bank	232,086,496	382,254,709
	232,118,809	382,299,062

07. Term Deposit (FDR) :

Details of term deposit (FDR) as on 30.06.2020 is as follows:

SL. No.	Name of the institution	Int. rate	As on 30.06.2020	As on 30.06.2019
1	Investment Corporation of Bangladesh, TDR No.0011791/1/1676 (3 months auto renewal)	9%		121,035,561
2	Investment Corporation of Bangladesh, TDR No.0011792/1/1677 (3 months auto renewal)	8%	130,537,057	121,035,561
3	Investment Corporation of Bangladesh, TDR No.0011963/1/1844 (3 months auto renewal)	8%	110,298,477	102,161,250
	Total		240,835,534	344,232,372

8.00 Investment in Securities (at Cost Value) :

Opening Balance as on 01.07.2019	3,438,831,444	2,553,589,183
Retrospective Restatement for adoption of new policy (note:38)		704,509,400
Restated opening balance	-	3,258,098,584
Add: Investment made during the year (8.01)	655,902,698	881,649,781
	4,094,734,141	4,139,748,365
Less: Securities sold during the year (at Cost)	386,234,734	698,288,457
Less: Refund of IPO Previous year	12,989,400	2,059,250
Less: Refund & Adjustment of share against underwriting previous year	-	569,215
Closing Balance as on 30.06.2020	3,695,510,007	3,438,831,444

Since share market of Bangladesh is not stable all investment in marketable securities are valued on the basis of cost value.

Particulars	Amount in Taka	
	2019-2020	2018-2019
8.01 Investment made during the year:		
Securities Purchased through Stock Exchange	636,316,378	880,213,326
IPO Share	19,586,320	1,436,455
	655,902,698	881,649,781

9 Margin Loan – Secured		
Net Balance as on 1 July	5,065,023,310	5,002,463,154
Add: Loan disbursed during the year	3,340,335,502	6,071,395,560
Interest accrued during the year	121,613,875	304,329,093
	8,526,972,688	11,378,187,807
Less: Recovery during the year	3,410,406,719	6,313,164,497
Net Balance as at 30 June	5,116,565,969	5,065,023,310
Add: Credit Balance of Margin Loan	276,572,274	306,530,466
Balance as on 30.06.2020	5,393,138,242	5,371,553,776

As per rules, ICML can provide margin loan to the investors @ 1: 0.5 ratio. In some cases ICML allowed margin loan to investors beyond that ratio, because it was determined not only on the basis of fund deposited by the investors but also on the basis of market price and NAV of purchased securities.

10. Property, Plant & Equipment:		
Opening Balance as on 01.07.2019	444,900,437	441,678,812
Add: Addition During the Year	8,982,205	3,221,625
Balance as on 30.06.2020	453,882,642	444,900,437
Less: Depreciation Charged During the Year	21,030,880	20,475,170
Less: Accumulated Depreciation	118,665,041	98,189,871
Written down value as on 30.06.2020	314,186,722	326,235,396

Details are shown in "Annexure"

Particulars	Amount in Taka	
	2019-2020	2018-2019
11. Other Assets :		
Temporary Advance to staff	176,180	237,065
Advance for Interior Elect. & Other Renovation of Building	-	4,655,804
Securities and Other Deposits (11.01)	247,345	247,345
Receivable from ISTCL	233,418	1,668,151
Issue Management Fee Receivable	3,025,000	1,000,000
Trustee and Custodian Fees Receivable	39,276,561	41,424,218
Receivable from ICB	956,285	956,285
Staff expense payable	600	-
Advance Office Rent	2,337,772	3,122,211
Advance Tax (Source Tax) (11.02)	165,328,849	138,940,661
Tax Paid against Sale of Placement Share(Fund) (11.03)	7,326,220	7,326,220
Advance Income Tax Payment Against NBR Claim (11.05)	3,379,558	78,615,123
Other receivable from Narayangonj	126,072	126,072
Dividend Receivable (11.04)	3,081,347	13,410,744
Receivable from ICB Officers Association		100
Advance to Group Insurance Co.	364,773	321,646
Advance to Group Insurance Own	121,554	107,215
ICML Karmachari Kalyan Tahbil		58,608
Advance for Purchase of Software	3,045,000	1,522,500
Personal Loan (11.06)	29,168,849	12,297,400
	258,195,383	306,037,368

11.01 Securities and Other Deposits :

"It represent the amount of security deposits to BTTB and CDBL amounting to Tk. 47,345 and Tk. 2,00,000 respectively."

11.02 Advance Tax (Tax Deducted at Source) :

Opening Balance as on 01.07.2019

Add: Tax Paid/Deducted during the year

138,940,661	114,613,907
26,392,388	24,971,519
165,333,049	139,585,426
Less: Adjustment during the year	4,200
Closing Balance as on 30.06.2020	165,328,849

Less: Adjustment during the year

Closing Balance as on 30.06.2020

11.03 Tax Paid against Sale of Placement Share (Fund):

Opening Balance as on 01.07.2019

Add: Tax paid during the year

Closing Balance as on 30.06.2020

7,326,220	3,304,420
	4,021,800
7,326,220	7,326,220

Particulars	Amount in Taka	
	2019-2020	2018-2019
11.04 Dividend Receivable :		
Opening Balance as on 01.07.2019	13,410,744	13,150,202
Add: Receivable during the year	3,381,787	13,759,305
	16,792,531	26,909,508
Less: Adjustment during the year	13,711,183	13,498,764
Closing Balance as on 30.06.2020	3,081,347	13,410,744

11.05 Advance Income Tax Payment Against NBR Claim:

Add: Paid income tax (Assessment Year 2003-04) as Claim Tax	674,191	674,191
Add: Paid 10% arrear claimed income tax (Assessment Year 2008-09)	16,844,151	16,844,151
Add: Paid 10% arrear claimed income tax (Assessment Year 2009-10)	13,699,530	13,699,530
Add: Paid 10% arrear claimed income tax (Assessment Year 2010-11)	25,030,514	25,030,514
Add: Paid 10% arrear claimed income tax (Assessment Year 2011-12)	8,851,434	8,851,434
Add: Paid 10% arrear claimed income tax (Assessment Year 2012-13)	10,135,745	10,135,745
Add: Paid 10% arrear claimed income tax (Assessment Year 2013-14)	3,379,558	3,379,558
Add: Adjusting tk. 674,191.00 dual payment of AY 2003-04 and adjusting additional tax of AY 2008-09,2009-10,2010-11, 2011-12 & 2012-13, resting tax of tk.1,061,357.00 for the AY 2012-13	1,061,357	-
Less: Tax for tribunal settlement 11.05a	76,296,922	-
	3,379,558	78,615,123

11.05a .Tax for tribunal settlement

Out of tk. 16,844,151.00 tk. 3,688,627.00 is considered as additional income tax for the AY 2008-09 as per Tribunal settlement.	3,688,627	-
Out of tk. 13,699,530.00 tk.1,989,674.00 is considered as additional income tax for the AY 2009-10 as per Tribunal settlement.	1,989,674	-
Out of tk. 25,030,514 tk. 4,711,727 is considered as additional income tax for the AY 2010-11 as per Tribunal settlement.	4,711,727	-
Previous deposited tk.8,851,434.00 & extra tk.34,363,523.00 i,e total tk.43,214,957.00 is considered as additional income tax for the AY 2011-12 as per Tribunal settlement.	43,214,957	-
Previous deposited tk.10,135,745.00 & extra tk.12,556,192.00 i,e total tk.22,691,937.00 is considered as additional income tax for the AY 2012-13 as per Tribunal settlement.	22,691,937	-
	76,296,922	-

This additional amount are to the extent of previously provided provision for respective year.

Particulars	Amount in Taka	
	2019-2020	2018-2019
11.06 Personal Loan :		
Personal Loan - Officer	17,688,114	4,000,000
Personal Loan - Staff	11,480,735	8,297,400
	29,168,849	12,297,400
12. PBKKBST Special Fund :		
Loan from PBKKBST Special Fund (12.01)	231,138,473	456,605,056
	231,138,473	456,605,056
12.01 Loan from PBKKBST :		
Opening Balance as on 01.07.2019	456,605,056	784,473,655
	456,605,056	784,473,655
Less: Repayment during the year	225,466,583	327,868,599
Closing Balance as on 30.06.2020	231,138,473	456,605,056
13. Short Term Loan :		
Opening Balance as on 01.07.2019	2,430,000,000	2,600,000,000
Add: Received during year	320,000,000	-
	2,750,000,000	2,600,000,000
Less: Repayment during the year		170,000,000
Closing Balance as on 30.06.2020	2,750,000,000	2,430,000,000
14. Other Liabilities & Provisions :		
Liabilities for Expenses (14.01)	249,986,964	224,728,378
Other Liabilities (14.02)	725,111,742	751,704,333
Provision for Incentive Bonus (14.03)	8,299,780	16,962,940
Provision against Margin loans to Investors (14.04)	1,704,918,472	1,702,918,472
Deferred Tax Liability (14.05)	5,701,989	5,561,393
Provision for Income Tax (14.06)	12,346,086	91,901,496
Deduction for Group Insurance Own Contribution	12,404	
Deduction from Salary & Allowance	447,970	-
Provision against Investment in Marketable Securities (14.08)	106,616,049	104,116,049
Employee Wealfare Fund (14.07)	21,992,164	22,062,616
Total Liabilities & Provisions	2,835,433,620	2,919,955,677
14.01 Liabilities for Expenses :		
Audit Fees	63,000	63,000
Payable to Holding Company -ICB (Interest on Short Term Loan)	245,465,000	217,162,500
Interest on Loan (PBKKBST) special Fund	2,969,986	5,707,563
TAX Deducted at Sources	65,429	20,772
VAT Deducted at Sources	401,087	243,167
Outstanding Liabilities	1,022,461	1,531,376
	249,986,964	224,728,378

Particulars	Amount in Taka	
	2019-2020	2018-2019
14.02 Other Liabilities :		
Security Deposit Payable (14.02.a)	240,651	2,391,601
Payable to ISTCL	4,769,431	901,981
Dividend Payable to the Shareholders	-	98,894,250
Payable to ISTCL (Buy/Sale Securities)	900	-
CA with ICML Employess Provident Fund	2,477,369	-
TDS Against Salary	50,607	-
Equity Entrepreneurship Fund (14.02.b)	4,700,000	500,000
Payable to ICB Officers Association	3,300	-
Other Suspense Account	24,528	24,518
IPO Application Non-Dis Block	10,575,000	-
Provision for Gratuity	63,687,380	55,548,680
Dividend Suspense Account	414,180	333,530
ICML Karmachari Kallyan Tahbil	53,840	-
Interest Suspense Account	331,147,582	257,989,409
Portfolio Mgt. Fees Unrealized	30,394,705	28,589,903
Credit Balance of Margin Loan	276,572,274	306,530,466
	725,111,742	751,704,333

14.02.a Security Deposit Payable:

Beximco Computers Ltd.	58,049	58,049
Golden Enterprise	40,307	40,307
Gulf International Associates Ltd.	48,524	48,524
Gulf Environ. Tech. Ltd.	2,959	2,959
Technologies Ltd.	5,918	5,918
Rivnat & Ornate Interior Design and Decoration	3,627	3,627
Techno Havac System Ltd.	4,275	4,275
Lead Corporation Ltd.	46,197	46,197
Business Machine Company	4,945	4,945
Security Money from Cashiers of ICML	20,000	20,000
Mega Power Engineering Ltd.	5,850	5,850
Liberty Corporation		2,150,950
	240,651	2,391,601

Particulars	Amount in Taka	
	2019-2020	2018-2019

14.02.b Equity Entrepreneurship Fund :

This amount represents Equity & Entrepreneurship Fund receive from Bangladesh Bank through ICB for onward disbursement to following companies:

Genius Agro Ltd.	500,000	500,000
Ifad Dairy Farms Ltd.	4,200,000	-
	4,700,000	500,000

14.03 Provision for Incentive Bonus/Ex-Gratia:

Incentive Bonus/Ex-Gratia for Officer	6,087,920	11,922,350
Incentive Bonus/Ex-Gratia for Staff	2,211,860	5,040,590
	8,299,780	16,962,940

14.04 Provision against Margin loans to Investors :

Opening Balance as on 01.07.2019	1,702,918,472	1,541,043,340
Add: Provision made during the year (Non-discretionary)	2,000,000	161,875,133
	1,704,918,472	1,702,918,473
Closing Balance as on 30.06.2020	1,704,918,472	1,702,918,472

14.05 Deferred Tax Liabilities :

Opening Balance as on 01.07.2019	5,561,393	5,196,573
Add: Addition during the year	140,596	364,820
	5,701,989	5,561,393
Closing Balance as on 30.06.2020	5,701,989	5,561,393

14.06 Provision for Income Tax:

Opening Balance as on 01.07.2019	91,901,496	94,858,122
Add: Provision made during the year	4,741,512	39,098,617
	96,643,008	133,956,738
Less: Income tax for FY 2017-18 Assesment Year 2018-19 for Final Settlement.	-	4,368,051
Less: Advance Tax paid for 1st Installment	800,000	4,968,790
Less: Advance Tax paid for 2nd Installment	-	718,401
Less: Advance tax paid for 3rd Installment	-	30,000,000
Less: Advance tax paid for 4th Installment	-	2,000,000
Less: Adjustment with tax for tribunal settlement (11.05 a)	76,296,922	-
Closing Balance as on 30.06.2020	12,346,086	91,901,496

14.07 Employees Welfare Fund :

Opening Balance as on 01.07.2019	22,062,616	22,126,790
	22,062,616	22,126,790
Less: Transfer to ICML Employees Kallyan Tahbil	70,452	64,174
Closing Balance as on 30.06.2020	21,992,164	22,062,616

Particulars	Amount in Taka	
	2019-2020	2018-2019
14.08 Provision against Investment in Marketable Securities:		
Opening Balance as on 01.07.2019	104,116,049	70,450,940
Add: Provision made during the year in Marketable Securities	2,500,000	33,665,109
Closing Balance as on 30.06.2020	106,616,049	104,116,049

15. Share Capital :

Authorized Capital:

500,000,000 Ordinary Shares of Tk.10/each

5,000,000,000 **5,000,000,000**

Issued, Subscribed & Paid up Capital

329,647,500 Ordinary Shares of Tk.10/each fully paid

3,296,475,000 **3,296,475,000**

Sl. No.	Name of the shareholders	Value of shares as on 30 June 2020	Value of shares as on 30 June 2019
1	Investment Corporation of Bangladesh	3,296,474,400	3,296,474,400
2	Mr. Md. Asaduzzaman Khan, Executive Director, Credit Rating Information Services Limited (CRISL).	100	100
3	Prof. Dr. Md. Kismatul Ahsan, Chairman, Dept. of Finance, University of Dhaka	100	100
4	Md. Humayan Kabir Chowdhury, PhD, Professor & Chairman, Dept of Marketing, Jagannath University.	100	100
5	Quazi M. Munjur-I-Muqshed, Deputy Secretary/Economic Adviser, Bangladesh Atomic Energy Regulation Authority, Ministry of Science & Technology, Govt. of Peoples Republic of Bangladesh	100	100
6	Ms. Shukla Das, CEO, ICB Capital Management Limited.	100	
7	Mr. Md. Sohel Rahman, CEO (Additional Charge), ICB Capital Management Limited.		100
8	Mr.Md.Taleb Hossain DGM,Nominee of ICB	100	
9	Mr. Md.Ruhul Amin,DGM, Nominee of ICB		100
	Total	3,296,475,000	3,296,475,000

16. General Reserve :

Opening Balance as on 01.07.2019

372,000,000 372,000,000

Closing Balance as on 30.06.2020

372,000,000 **372,000,000**

17 Revaluation Reserve for investment:

Opening Balance as on 01.07.2019

- (704,509,400)

Retrospective restatement for new policy adoption (Note: 38)

- 704509400

Restated opening balance

- -

Add : Addition During the Year

- -

Less : Adjustment during the year

- -

Closing Balance as on 30.06.2020

- -

Particulars	Amount in Taka	
	2019-2020	2018-2019
18. Other Reserves:		
Dividend Equalization Fund (18.01)	407,605,750	407,605,750
Total Other Reserves	407,605,750	407,605,750
18.01 Dividend Equalization Fund :		
Opening Balance as on 01.07.2019	407,605,750	506,500,000
Less: Transferred to Retained Earnings for 3% Interim Dividend to Shareholders		98,894,250
Closing Balance as on 30.06.2020	407,605,750	407,605,750
19. Retained Earnings:		
Opening Balance as on 01.07.2019	286,547,935	239,580,120
Add: Net Profit after tax during the year	(45,216,081)	46,967,815
Add: Transferred from Dividend Equalization Fund for 3% Interim Dividend FY 2018-2019	-	98,894,250
	241,331,854	385,442,185
Less: Retained Earnings transferred for 3% Interim Dividend to Shareholders FY 2018-2019	-	98,894,250
Closing Balance as on 30.06.2020	241,331,854	286,547,935
20. Interest Income:		
Interest on Margin loan to Investors (20.01)	120,319,132	304,329,093
Less : Interest Weaver to Investors	141,879	111,437
Net Interest Income on Margin Loan	120,177,253	304,217,656
Add : Interest on Bank Deposits	18,062,381	18,983,951
Add : Interest on FDR	22,377,437	48,075,102
Add : Interest on Personal Loan-Officer	482,497	-
Add : Interest on Personal Loan-Staff	349,850	15,208
	161,449,419	371,291,918
20.01 Interest on Margin Loan to Investors :		
Interest Income from Non Discretionary Account Holders	120,318,579	303,723,535
Interest Income from Discretionary Account Holders	553	605,558
	120,319,132	304,329,093
21. Interest Paid on Borrowings:		
Interest on Short Term Loan from ICB	245,465,000	227,162,500
Interest on Loan from PBKKBST	7,277,135	31,060,908
	252,742,135	258,223,408

Particulars	Amount in Taka	
	2019-2020	2018-2019
22. Dividend Income	71,023,212	79,529,132
23. Profit on Sale of Securities:		
Sale Proceeds of Shares	429,054,195	831,380,737
Less: Cost of Shares Sold	386,234,734	698,288,457
	42,819,461	133,092,280
	42,819,461	133,092,280
24. Fees and Commission Income :		
Portfolio Management fees (24.01)	22,289,036	37,449,695
Manager to the Issue Fees	14,075,000	25,337,500
Underwriting Commission	798,000	36,000
Service Charge from Investors (24.02)	5,301,872	10,344,712
	42,463,908	73,167,907
24.01 Portfolio Management Fees :		
Portfolio Mgt. fees from Non Discretionary Account Holders	22,200,613	37,236,789
Portfolio Mgt. fees from Discretionary Account Holders	88,423	212,906
	22,289,036	37,449,695
24.02 Service Charge from Investors :		
Service Charges from Investors (Non Discretionary Account Holders)	5,300,460	10,332,991
Service Charges from Investors (Discretionary Account Holders)	1,412	11,721
	5,301,872	10,344,712
25. Trustee and Custodian Fees :		
Trustee Fees	34,677,594	37,398,288
Custodian Fees	12,682,922	15,085,519
	47,360,516	52,483,807
26. Income from EEF & ESF:		
Income from EEF	405,000	900,000
Income from ESF	20,299,717	1,400,000
	20,704,717	2,300,000
26.01 Income from EEF		
EEF Project Examination Fee	300,000	660,000
EEF Project Documentation charges	105,000	240,000
	405,000	900,000

Particulars	Amount in Taka	
	2019-2020	2018-2019
26.02 Income from ESF		
ESF Project Examination Fee	20,299,717	1,400,000
	20,299,717	1,400,000
27. Other Operating Income:		
Documentation Charges for A/C Opening	146,500	176,500
Sale of Account Opening Form	7,020	11,450
Charge for Securities withdrawal	7,602	1,056
Account Closing Charges	335,600	398,600
Account Maintenance Fees	2,846,950	2,889,150
IPO Application Money/Service Charge	46,495	254,590
Other Income	5,542,774	1,707,163
	8,932,941	5,438,509
28. Salaries and Allowance:		
Basic Pay	44,417,149	38,705,657
Medical Allowance	2,688,195	2,463,629
Conveyance & Transport	3,197,672	2,886,844
House Rent Allowance	22,716,790	19,822,221
Provident Fund	3,568,199	3,194,099
Superannuation Fund	3,507,902	2,664,166
Other Staff Expenses	25,969,202	24,641,639
Gratuity Provision	9,090,700	9,883,520
Festival Bonus	8,255,197	7,165,192
Incentive Bonus	8,226,340	16,889,500
	131,637,346	128,316,466
Expenditure under the head of Salary and allowances has been segregated under Note no. 28.01.		
28.01 Chief Executive Officers' (CEO) Salary and Allowance		
Other Officers' Salary and Allowance	3,404,324	2,623,730
Staff Salary and Allowances	90,980,755	86,867,582
	37,252,268	38,825,154
	131,637,346	128,316,466
29. Rent, Taxes, Insurance, Electricity etc.:		
Rent, rates, Taxes, Electricity & Water	6,802,326	6,752,377
Insurance	103,960	107,778
	6,906,286	6,860,155
30. Legal and Professional Expenses :		
Fees to BSEC, BMBA and Others	340,161	304,182
Other Legal and Professional Fees	96,000	292,250
	436,161	596,432

Particulars	Amount in Taka	
	2019-2020	2018-2019
31. Postage, Telephone and Stamps :		
Postage	60,477	106,485
Telephone	183,201	301,504
Stamps	19,800	39,021
	263,478	447,010
32. Stationery, Printing & Advertisement etc. :		
Stationery and Printing	1,240,956	1,484,953
Advertisement and Publicity	371,134	904,703
	1,612,090	2,389,656
33. Directors' Fee :		
Fees for Attending Meeting	656,000	776,000
	656,000	776,000
34. Repairs and Maintenance of Assets :		
Office Premises, Furniture & Fixtures	133,352	208,117
Office Equipment & Computer	729,533	1,163,877
Repair & Maintenance -Generator	12,725	4,050
Repairs & Maintenance of Motor Vehicle	577,343	437,131
Fuel & CNG Bill	789,769	848,962
	2,242,722	2,662,136
35. Other Operating Expenses :		
Traveling and Conveyance	3,053,112	1,104,017
Entertainment Expenses	779,868	1,016,111
Business Development	468,825	2,237,524
Newspapers and Periodicals	127,044	123,979
Bank Charges & Excise Duty	57,199	36,485
Cookeries and Cutleries	19,190	56,508
Security Services Charges	3,255,659	2,620,985
Washing and Cleaning Charges	26,030	23,090
AGM Expenses	499,890	499,695
Excise Duty	266,650	417,300
Computer Software and Website Maintenance	1,047,400	925,067
Satellite TV	20,600	14,100
Chairman's Honorarium	230,237	230,000
Donation & Subscription	129,300	150,000
Legal and CIB Charges	77,743	219,557
Training Exp.	155,248	323,213
Vat Exp.	1,101,603	1,639,392
Milad	-	57,140
Sports and Cultural Programme	399,826	1,401,319
Fees to the Members of Prospectus Evaluation Committee, Tander Evaluation or any evaluation Committee,	312,950	422,100
Recruitment Expenses	73,500	1,011,750
Tax taken Road Permit	21,431	21,431
Subscription Fee of IPO (Own Fund)	14,000	35,000
Service charge to Amin Moh .Property Mgt Service	626,767	280,664
Expense for National Integrity Strategy	-	18,960
Honorium for Member of Board of Trustee	25,000	50,000
Cleaner (Outsourcing)	546,538	269,264
Municipal Tax (Floor Space)	152,540	216,379
Miscellaneous Expenses	90,654	90,131
	13,578,803	15,511,159

Particulars	Amount in Taka	
	2019-2020	2018-2019
36. Earning Per Share:		
Attributable Profit for the year	(45,216,081)	46,967,815
Number of Share	329,647,500	329,647,500
Earning Per Share	(0.14)	0.14
Diluted EPS	(0.14)	0.14

37. Related Party Disclosure:

Parties are considered to be related, if one party has the ability to control the other party, or exercises significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entity in the normal course of business that fall within the definition of related party as per International Accounting Standards No.-24: "Related Party Disclosures".

Details of transactions with related party and balances as at June 30, 2020 were as follows:

Name of the related party	Transaction nature	
Investment Corp. of Bangladesh (Holding Company)	PBKKBST Special Fund	231,138,473
Investment Corp. of Bangladesh (Holding Company)	Short Term Loan	2,750,000,000

38. Disclosure under IAS 8 "Accounting Policies , Change in Accounting Estimates and Errors".

The fact that the company decided to presents its investment at marketable securities at cost price which previously disclose at market value, the surplus or deficit arising from the difference between market value.

Value of the investment marketable securities at market value as on 01.07.2018	2,553,589,183
Retrospective restatement for adjustment of Revaluation reserve for adoption of new policy	704,509,400
Restated Opening Balance as on 01.07.2018	3,258,098,584
Opening balance of revaluation reserve for investment on 01.07.2018	(704,509,400)
Retrospective restatement adjustment for adoption of new policy	704,509,400
Restated Opening Balance as on 01.07.2018	-

For adoption of new policy there is no impact on profit or loss and other comprehensive income.

ICB Capital Management Limited
Schedule of Fixed Assets

As on 30 June , 2020

Annexure

Sl. No.	Category of Fixed Assets	COST			Balance as at 30.06.2020 4=(1+2-3)	DEPRECIATION				Written down value as on 30.06.2020 9=(4-8)	Rate of Depreciation %
		Balance as on 01.07.2019 1	Additions during the year 2	Deletion/sold During the Year 3		Balance as on 01.07.2019 5	Charged during the year 6	Deletion/ Adjustment During the Year 7	Balance as on 30.06.2020 8		
1.	Building	341,640,014	-	-	341,640,014	47,242,141	8,541,000	-	55,783,141	285,856,873	2.50
2.	Furniture and Fixture	12,065,368	424,941	-	12,490,309	5,863,167	1,027,455	-	6,890,622	5,599,688	10
3.	Interior Decoration	30,424,335	5,217,408	-	35,641,743	20,592,106	4,522,800	-	25,114,907	10,526,836	20
4.	Office Equipment	15,687,452	221,590	-	15,909,042	10,722,961	2,675,364	-	13,398,325	2,510,717	20
5.	Air Conditioner & Refrigerator	20,233,213	2,843,375	-	23,076,588	12,714,847	3,430,073	-	16,144,920	6,931,667	20
6.	Telephone Installation	177,235	-	-	177,235	159,865	6,907	-	166,773	10,462	20
7.	Motor Vehicles	8,154,000	-	-	8,154,000	8,154,000	-	-	8,154,000	-	20
8.	Computer Hardware	16,076,740	274,891	-	16,351,631	12,773,874	827,279	-	13,601,153	2,750,478	20
9.	Application Software	442,080	-	-	442,080	442,080	-	-	442,080	-	20
	Total:	444,900,437	8,982,205	-	453,882,642	118,665,041	21,030,880	-	139,695,920	314,186,722	

Photo Archive



Congratulating Professor Shibli Rubayat-UI-Islam on his joining as the Chairman of Bangladesh Securities & Exchange Commission (BSEC)





Congratulating Mr. Md. Zakir Hossain on his joining as the Deputy Managing Director (DMD) of ICB



Congratulating Ms. Shukla Das, General Manager, ICB on her appointment as the CEO of ICML. The Managing Director along with other high officials of ICB was present



Congratulating Ms. Shukla Das, General Manager, ICB on her joining as the CEO of ICML



Issue management signing ceremony with Pearl Paper and Board Mills Limited

Road show for IPO of JMI Hospital Requisite Mfg. Limited



Meeting with Govt owned merchant banks relating to off-loading of shares of SOEs

ইএসএফ প্রকল্প পরিদর্শন প্রতিবেদন প্রণয়ন বিষয়ক প্রশিক্ষণ কর্মশালা



আইসিএমএল-এর কর্মচারীগণের কৃতি সন্তানদের মেধাবৃত্তি প্রদান অনুষ্ঠান





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