



**ANNUAL  
REPORT  
2020-21**



**ICB CAPITAL MANAGEMENT LIMITED**

(A Subsidiary of ICB)



# Annual Report

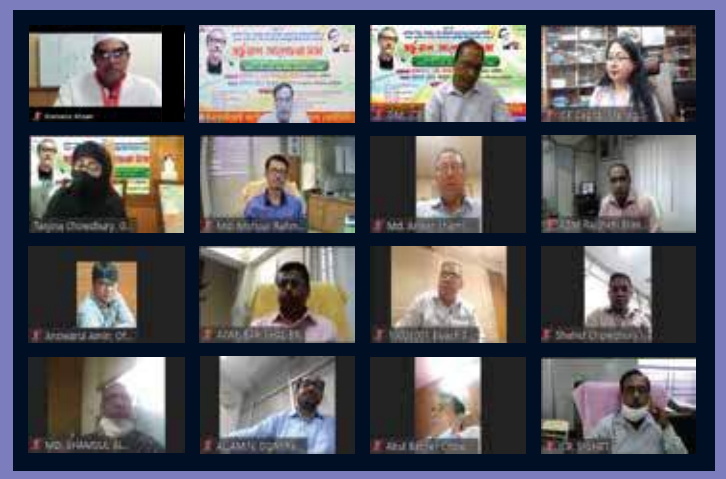
## 2020-21

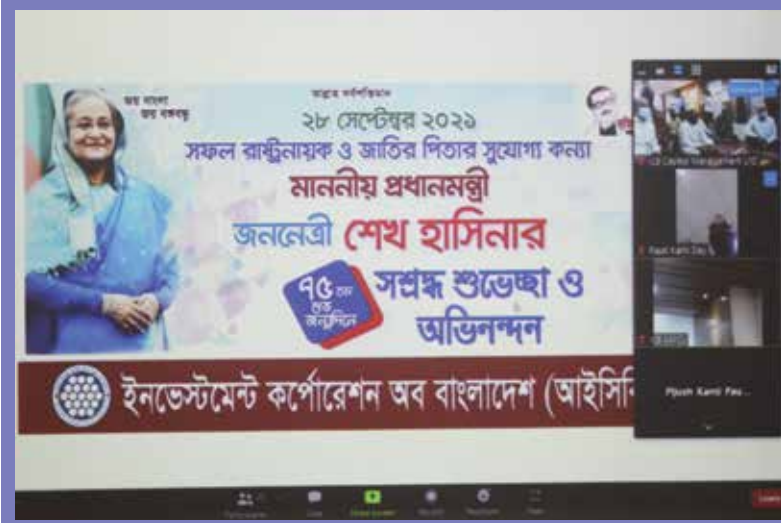


**ICB CAPITAL MANAGEMENT LIMITED**

(A Subsidiary of ICB)

ICML participated in the virtual meeting and Milad Mahfil hosted by ICB marking the martyrdom anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman and Independence Day





ICML participated in the virtual Milad Mahfil hosted by ICB marking the 75<sup>th</sup> Birthday of honorable Prime Minister Shiekh Hasina

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Tribute to the martyrs on the Independence Day of Bangladesh (26 March, 2021)

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## Notice of the 21<sup>st</sup> Annual General Meeting

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of the Company will be held on **30 October 2021, Saturday at 11:30 am** in the Board Room of the Company's Head Office at Green City Edge (5<sup>th</sup> & 6<sup>th</sup> Floor), 89, Kakrail, Dhaka-1000 or through online by Zoom Cloud Meetings for the purpose of transacting the following businesses:

1. To place the minutes of the 20<sup>th</sup> Annual General Meeting held on 29 October 2020 for information;
2. To receive, consider and adopt the Annual Report and the Audited Accounts of the Company for the year ended 30 June 2021;
3. To approve dividend as recommended by the Board;
4. To elect Directors ;
5. To appoint Auditors and fix their remuneration; and
6. To discuss any other business with the consent of the Chair.

By order of the Board of Directors,



**Gazi Mastafa Haque**

Chief Executive Officer (Additional Charge)/Secretary

**14 October, 2021**  
Dhaka

### Notes:

- 1) The share transfer books of the Company will remain closed from 24 October, 2021 to 30 October, 2021 (both days inclusive).
- 2) Shareholders 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.

# 21<sup>st</sup>

## Annual General Meeting

**30 October, 2021**

HEAD OFFICE

# 20<sup>th</sup> Annual General Meeting

The 20<sup>th</sup> Annual General Meeting of the Shareholders of ICB Capital Management Limited (ICML) was held on 29 October 2020, Thursday, at 4:00 pm through online by Zoom Cloud Meetings.



# 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 the registration was obtained from the Bangladesh Securities and Exchange Commission (BSEC) 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

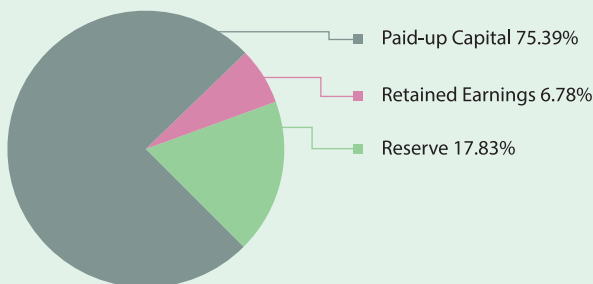
SEC License No. : 31/2001

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

## Registered Office:

Green City Edge (5<sup>th</sup> and 6<sup>th</sup> 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 2021



<b>Authorized Capital</b>	<b>500.00 Crore</b>
Paid-up Capital	329.65 Crore
Retained Earnings	29.67 Crore
Reserve	77.96 Crore
<b>Total</b>	<b>437.28 Crore</b>



## Branch Offices:

Chattogram Branch:	Ayub Trade Centre (10 <sup>th</sup> Floor), Sheikh Mujib Road, 1269/B Agrabad C/A, Chattogram manager_ctg@icml.com.bd, 02-33330997, 031-715337
Rajshahi Branch :	Dr. Gaffar Plaza (2 <sup>nd</sup> Floor), Main Road, Shaheb Bazar, Rajshahi manager_raj@icml.com.bd, 0247-812225, 02-588860048
Barishal Branch :	Barishal Plaza (2 <sup>nd</sup> Floor), 87-88, Hemayet Uddin Road, Barishal manager_barisal@icml.com.bd, 0431-2176020
Khulna Branch :	BDBL Bhaban (2 <sup>nd</sup> Floor), 25-26, KDA C/A, Upper Jessore Road, Khulna manager_khulna@icml.com.bd, 02-477728034, 02-477729919
Bogura Branch :	Afsar Ali Complex (3 <sup>rd</sup> Floor), Borogola, Raza Bazar Road, Bogura manager_bogra@icml.com.bd, 051-78280
Sylhet Branch :	Ananda Tower Complex (2 <sup>nd</sup> Floor), Dhopa Dighir Uttar Par, Jail Road, Sylhet manager_sylhet@icml.com.bd, 0821-727448
Uttara Branch :	Plot # 13 (2 <sup>nd</sup> Floor), Road-14/A, Sector-4, Uttara, Dhaka-1230 manager_uttara@icml.com.bd, 02-58955679
Gazipur Branch :	Rahmat Tower (2 <sup>nd</sup> 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 (Additional Charge)/Secretary

Gazi Mastafa Haque  
Deputy General Manager  
Investment Corporation of Bangladesh

## Auditors



Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants  
Rupayan Karim Tower  
Level# 7, Suite# 7A, 80, Kakrail, Dhaka-1000  
Phone: +880 2 22229732, +880 2 22229725  
e-mail: info@zzkrca.com  
web: www.zzkrca.com

## Income Tax Adviser



**Enayet Muhammed & Associates**  
(Tax, Company Law & Financial Consultants)

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 <sup>th</sup> & 6 <sup>th</sup> Floor) 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

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

## our mission

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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

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- 🌐 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

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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

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- 🌐 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

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- 🌐 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 the People's Republic of Bangladesh.
- 🌐 Acting as Trustee and Custodian.
- 🌐 Acting as Arranger.
- 🌐 Dealing in other matters related to capital market operation.

## Review and Recommendation on the Annual Accounts



Board meeting regarding review and recommendation on the Annual Accounts of the Company during FY 2020-21



Meeting of the Audit Committee for the review and recommendation on the Annual Accounts of the Company ended on 30 June 2021

## Board of Directors

As a Subsidiary of ICB, the forerunner in investment banking, we are accountable to the people whom 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 serving as 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 31 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), Unilever Consumer Care Limited (UNILEVERCL), Standard Bank Limited, National Tea Company Limited (NTC), Apex Tannery Limited, United Power Generation & Distribution Company Limited (UPGDCL), Apex Footwear Limited, Heidelberg Cement Bangladesh Limited and Padma Bank Limited. In addition to perform his professional duties, 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 as Managing Director, 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, FEPA, 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.



**Dr. Md. Humayun Kabir Chowdhury**  
Director

Professor, Department of Marketing, Jagannath University

Dr. Md. Humayun Kabir Chowdhury is currently a Professor 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 in Bangladesh House Building Finance Corporation.

*\* Mr. Md. Asaduzzaman Khan completed his tenure as a Board Member on 08 September 2021 as per Govt. circular*



**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 Limited and Golden Son Ltd.



**Mohammed Shafiu Alam**

Director

Deputy Secretary

Government of Bangladesh

Mr. Mohammed Shafiu Alam joined ICML on 23 August 2021 as nominated Director from the Financial Institution Division (FID), Ministry of Finance, Government of Bangladesh. He is currently working in the (i) Administration and Welfare (ii) Training, (iii) Parliament, Information & Coordination and (iv) Commercial Banks Section of FID. Prior to joining the FID, he served as the Additional Deputy Commissioner (ADC) and Upazila Nibrahi Officer (UNO) of various Districts and Upazilas. He has participated in different Training Programs, Seminars and Workshops on Public Administration, Law & Justice, Land Management, Result-Based Management, Human Resources Management, Banking and Financial Activities at home and abroad.





### Fouzia Haque, FCA

Director

Partner

FAMES & R, Chartered Accountants

Ms. Fouzia joined ICML on 10 March 2021. She is currently working as a partner of FAMES & R, Chartered Accountants. She obtained M. Com degree in Management from the University of Dhaka. She is one of the widely recognized Accounting Specialist in Bangladesh with over 23 years of experience in the field of Finance, Micro-Finance, Organizational Management and Auditing with leading organization both as a Professional and Consultant. She started her career with BRAC, world largest NGO, BRAC University. She gained wide experience in preparation and maintenance of accounts, devising and introducing accounting systems, examining and recommending improvements in internal control systems, valuation of businesses, investigation of accounts, budgetary control and financial management system. She is also serving as Board Member of different renowned organization including Shadaran Bima Corporation and was Independent Director of The ACME Laboratories Limited for last six years. She also served as Financial Consultant of the World Bank.



### Gazi Mastafa Haque

CEO (Additional Charge)/Secretary

Director

He joined ICB in 1988 as Senior Officer. He has been working in Project Financing, EEF, Project Loan, Audit, Internal Control & Compliance, many other vital division/departments and branches of ICB for the last 33 years. He also worked successfully for 13 years in Audit and Internal Control & Compliance Division of ICB. He also shouldered the responsibility of Additional Chief Executive Officer of ICML. He has achieved outstanding appreciation for his diligent service in ICB and its subsidiaries. He has participated in different training courses on various subjects at home and abroad. He joined ICML as the CEO as well as the Ex-Officio Director on 25 August 2021.

## 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)



Shukla Das  
(09 May 2020–24 August 2021)

\* Chief Executive Officer (Additional Charge)

## Message from the Chairman



Bismillahir Rahmanir Rahim  
In the name of the Almighty Allah  
Dear Shareholders  
Assalamualikum

I extend you all a very warm welcome to the 21<sup>st</sup> Annual General Meeting of ICML and express my heartfelt compassion in this very difficult and unsettling COVID-19 pandemic situation. Insha Allah, we will emerge out of this crisis in stronger, more resilient and wiser way. Before I deliberate on various aspects of my address, let me take this opportunity to pay my sincere gratitude to each and every one working at the frontline combating the pandemic in order to make the world safer and more convenient for all of us. The year has been one of the

most difficult years in our living memory. The impacts have been significant and will continue to reverberate around the world for a considerable period. It is clear that the COVID virus will be with us for an extended period.

Over the last 21 years of our operations, it has been a priority for ICML to stand by our customers as a trustworthy and supportive partner, helping them reach their financial goal. ICML continues to be perceived as an approachable, caring, efficient and empathetic institution by our valued customers. FY 2020-21 was a year that confronted the world with health, social and economic challenges that we could hardly have imagined.

During the year, our government's initial focus was addressing the 2<sup>nd</sup> shock of the pandemic and subsequently acknowledging the reality of living with COVID as well as formulation and implementation of a long-term strategy. In the above backdrop, we are confident and optimistic that ICML will rise to the challenges and continue to position and reposition ourselves on the sustainable turf of growth and prosper. The government came up with proactive and bold set of policy measures to help people, the industry and the economy. These measures were aimed at supporting a lot of businesses rather than a few large ones alone. A special budget was allocated to support the economy aimed at helping a lot of segments of the population, including those at the bottom of the pyramid.

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

During the FY 2020-21, the Company has earned a total income of Tk. 88.87 crore including Tk. 30.59 crore (34.42 % of total income) as interest income followed by Tk. 33.57 crore as profit on sale of securities (37.77% of total income) and Tk. 5.50 crore as income from fees and commission (6.19% of total income). Besides, the Company also earned income of Tk. 12.06 crore (13.57 % of total income) in the form of dividend, Tk. 5.09 crore (5.73% of total income) from trustee and custodian and Tk. 1.43 crore (1.61% of total income) from EEF & ESF. In addition, the Company earned Tk. 0.57 crore (0.65 % of total income) as other income and 0.05 crore (0.06% of total income) as non-operating income. The total operating expenses of Tk. 81.34 crore were incurred.

ICML earned an operating profit of Tk. 45.12 crore in FY 2020-21 whereas last year's operating loss was Tk. 3.49 crore. This significant change made in operating profit was mainly due to remarkable earning under the head of interest income from margin loan and profit on sale of securities. ICML earned interest income of Tk. 26.89 crore from margin loan during the period under review which is 123.75% higher than the immediate preceding year due to providing rebate facility to the valuable investors. The company offered rebate facilities to the negative equity accounts in last quarter of the financial year. Under the rebate facilities total 6812 no. of accounts were listed. A total of 2795 listed account holders took the opportunity where Tk. 131.22 crore was waived to those account holders. Out of total waived amount, Tk. 119.98 crore and Tk. 11.24 crore were waived from interest and provision respectively. ICML recovered Tk. 22.20 crore through sell of securities from rebate accounts and received Tk. 1.08 crore as down payment. ICML witnessed a positive change in the waived accounts. In the post rebate scenario and due to rising capital market, 330 no. of waived accounts have become converted into positive.

As on 30 June 2021, the DSEX index stood at 6150.48 point whereas the DSEX index was 3989.09 point on 30 June 2020 which denotes 54.18% higher index than the previous year. This higher index point resulting an increase of profit on sale of securities from own portfolio which is 683.93% higher than the previous year. The erosion of own portfolio stood at Tk. 69.79 crore as on 30 June 2021 whereas it was Tk. 156.65 crore in the preceding financial year. It is another important indicator to restore the hopes of the investors in the capital market.

During the period under review, ICML has earned an amount of net profit of Tk. 7.53 crore whereas it was Tk. (4.41) crore in the FY 2019-20 registering an increase of 273.37% growth in the FY 2020-21. The Board of Directors recommended 1% Interim Dividend for the FY 2020-21. It is worth mentioning that the company has achieved 100% of the targets in all 12 performance indicators mentioned in Annual Performance Agreement (APA) with the holding company for the FY 2020-21.

The prospects of capital market in Bangladesh in the coming years are rising and glaring. With all the initiatives taken by all regulators and participation 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 the capital market will be more operative and robust in the days to come.

I wish to place on record the valuable co-operation made by the directors of the Board. ICML has been receiving excellent support and valuable advices from the Board, the regulators and the holding company at large. Our customers and shareholders have reposed their unstinted faith in us. On behalf of the Board and on my personal behalf, I would like to thank all the stakeholders and look forward to their continued patronage, advice and support.

I believe that the valuable suggestions of the Directors in the Board, dedication of the management, cooperation from our business partners, continued hard work of the employees and above all support and assistance of the holding company has enabled ICML to successfully overcome all challenges of the year under review. We are grateful to the Ministry of Finance, Bangladesh Securities & Exchange Commission (BSEC), Bangladesh Bank, Dhaka Stock Exchange Ltd. (DSE) and Chittagong Stock Exchange Ltd. (CSE) for their support.

The Board of Directors have always emphasized on maximizing company's value through formulating policies and guidelines towards ensuring sustainable profitability, minimizing risks, establishing good governance and employee benefits. As the Chairman, I hope all the participants will actively continue to play their due role in the years to come.

On behalf of the entire board, I give my heartfelt thanks to all the executives of ICML for their outstanding leadership and all of the employees for carrying forth company's outstanding legacy and enduring commitment to serving more in future.

I would request all of you to stay safe.

May Allah bless us,  
Thanking You,



**(Md. Abu Hossain)**  
Chairman of the Board

## From the Desk of the CEO



Bismillahir Rahmanir Rahim  
In the name of the Almighty Allah  
Dear Shareholders  
Assalamualikum

It is such an honor for me to get the opportunity to thank you all. On behalf of ICML, I extend a warm welcome to all. It gives me immense pleasure to deliver a few words on the operational and financial performance of the company during the year under review.

FY 2020-21 has been a challenging year for the entire world as we saw the 2<sup>nd</sup> wave of the COVID-19 pandemic, which grew into a 2<sup>nd</sup> shock impacting industries, economies and countries around the world.

Amid the challenging business landscape, ICML remained steadfast in executing strategies safely, sustaining operational efficiencies and ensuring financial discipline across all our operations.

ICML continued to demonstrate great resilience, as reflected in our operational and financial performance for the year. Our financial performance in the year under review is a testament to our concerted efforts, as ICML recorded a net profit of Tk. 7.53 crore, a 270.65% increase against the previous year.

During the 2<sup>nd</sup> wave of the global pandemic which were full of uncertainty, we were well prepared to adapt to the crisis and implement rapid adjustments. Throughout the year, the company has taken extensive measures to ensure the health and safety of all our employees and customers. The company took proactive measures to secure workspace.

With solid foundations of our vision, mission and values, ICML has adapted quickly to the new reality. The company showed tenacity and versatility in adopting the new standards of health and safety, and demonstrated its capabilities with great accomplishments. Despite the limitations, ICML has managed to maintain the growth momentum to propel us forward in the coming years. The future holds much promise for ICML and we are confident in continuing to deliver value for our shareholders while bringing the company to greater heights.

ICML provided issue management services to 06 (six) companies involving total issue size of Tk. 791.00 crore and underwriting commitment of Tk. 26.90 crore to 4 (four) companies for IPO during the FY 2020-21.

Under investors' scheme 27,984 net accounts were operated with a new deposit of Tk. 72.15 crore and investment of Tk. 866.80 crore during the year under review. ICML provided rebate facilities to the affected investors under বিনিয়োগ হিসাবে সুদ মওকুফ এবং মার্জিন হিসাব সমন্বয়/নিষ্পত্তি নীতিমালা-২০২১. As on 30.06.2021, 2258 applications have been received for interest waiver and 537 accounts with assets deficit of more than 70% have been received for adjustment/settlement facility. The interest waiver facility has already been implemented following the due process to 2258 applications for interest waiver. As such, the amount of down payment deposited by the investment account holder is Tk. 0.87 crore and the amount of interest waived is Tk. 87.48 crore. On the other hand, out of 537 accounts applied for the adjustment/ settlement facility, Tk. 0.21 crore as down payment and Tk. 22.20 crore as sale amount of the portfolio of the said accounts were received. The Company also invested in securities amounting to Tk. 94.07 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. 88.87 crore including profit on sale of securities of Tk. 33.57 crore, interest income Tk. 30.59 crore, fees & Commission Tk. 5.50 crore, dividend income of Tk. 12.06 crore and trustee and custodian fee of Tk. 5.09 crore against total income of Tk. 39.65 crore of the previous year. Total expenditure amounted to Tk. 43.70 crore in FY 2020-21 resulting profit before provision of Tk. 45.17 crore. In contrast, an amount of Tk. 10.50 crore has been provisioned against margin loan. Besides, Tk. 5.64 crore has also been provided for income tax @ 37.50% on the net taxable income. After provision against marketable securities of own portfolio of Tk. 21.50 crore, the net profit stood at Tk. 7.53 crore.

In addition to business activities, the company has carried out all national programs and various social activities in the FY 2020-21. On the 45<sup>th</sup> Martyrdom Anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, National Mourning Day was observed with due dignity and solemnity. On the occasion of Bangabandhu's birth centenary and golden jubilee of independence, doa mahfil has been organized at the head office. Masks have been distributed among pedestrians, including publicity campaigns, to raise awareness about the Covid-19 pandemic. During the period under review, various incentive activities have been taken and implemented for the employees of the company including

annual sports competitions, cultural events and picnics. In addition, masks and homeopathic medicines have been distributed among the employees in two phases to prevent Covid-19 infection.

It is evident that aptitude construction is a vital issue to guarantee prime involvement in company's progress dependent on professional capabilities and ethics of the employees as well as transparency in the operational plans, strategies and accessibility of modern arrangement. Improvement of working environment, effective remuneration and incentive system have been instigated according to the profitability and performance standard to the employees.

The ultimate objective of the Company is to equip it with more stability and growth orientation through key parameters such as diversified portfolio, Strong Customer Service, innovative business ideas, corporate governance and Stringent Management Policy. We proposed new corporate initiatives aimed at increasing the efficiency/capacity at Corporate and delivery levels, resulting in thrust to core business.

I wish to place on record the valuable contributions made by the directors of the Board specially our chairman. ICML has been receiving excellent support and valuable guidance from the holding company. Our customers and shareholders have reposed their unstinted faith in us. But for the tireless efforts of our committed workforce, these accomplishments would not have been possible. I would like to thank all the stakeholders and look forward to their continued patronage, guidance and support.

With best regards,



**Gazi Mastafa Haque**

Chief Executive Officer (Additional Charge)



## Senior Executives



**Gazi Mastafa Haque**  
Chief Executive Officer (Additional Charge)



**Md. Sydul Islam**  
Additional Chief Executive Officer



**Md. Mosharraf Hossain**  
Deputy Chief Executive Officer



**Dipak Kumar Datta**  
Deputy Chief Executive Officer

## Head of Departments



**Sharif Mohammad Kibria**  
Senior Executive Officer  
Finance & Accounts  
Department



**Swapna Roy**  
Senior Executive Officer  
Underwriting & Issue Management  
Department



**Runa Akther**  
Senior Principal Officer  
Portfolio Management Department



**Md. Tayabur Rahman**  
Senior Principal Officer  
Securities Analysis Department



**S. M. Shaiquul Alam**  
Senior Principal Officer  
Establishment Department



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



**Sasthi Pada Mohanta**  
Executive Officer  
Audit & Legal Affairs  
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



**S. M. Rakib Forazy**  
Principal Officer  
EEF Department



**Nirmal Basak**  
Senior Officer  
Inspection & Compliance  
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



**Abu Haider Md. Shoyeb**  
System Analyst  
Rajshahi Branch



**Md. Sirazul Islam**  
Executive Officer  
Sylhet 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 2020-21, 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



\*Md. Asaduzzaman Khan  
Director, Board



Mohammed Shafiqul Alam  
Director, Board



Gazi Mastafa Haque  
Chief Executive Officer  
(Additional Charge)

*\* Mr. Md. Asaduzzaman Khan completed his tenure as a Board Member on 08 September 2021 as per Govt. circular*

### 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



Dr. Md. Humayun Kabir Chowdhury  
Director, Board



Nasmin Anwar  
Director, Board



Fouzia Haque, FCA  
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

One year into the COVID-19 pandemic, the accumulating human toll continues to raise concerns, even as growing vaccine coverage lifts sentiment. High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented in living memory in its speed and synchronized nature. But it could have been a lot worse. Although difficult to pin down precisely, IMF staff estimates suggest that the contraction could have been three times as large if not for extraordinary policy support. Much remains to be done to beat back the pandemic and avoid divergence in income per capita across economies and persistent increases in inequality within countries.

**Improved outlook:** After an estimated contraction of 3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is 1.1 percentage points smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. The projections for 2021 and 2022 are 0.8 percentage point and 0.2 percentage point stronger than in the October 2020 WEO, reflecting additional fiscal support in a few large economies and the anticipated vaccine-powered recovery in the second half of the year. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labor force growth in advanced economies and some emerging market economies. Thanks to unprecedented policy response, the COVID-19 recession is likely to leave smaller scars than the 2008 global financial crisis. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

**Divergent impacts:** Output losses have been particularly large for countries that rely on tourism and commodity exports and for those with limited policy space to respond. Many of these countries entered the crisis in a precarious fiscal situation and with less capacity to mount major health care policy responses or support livelihoods. The projected recovery follows a severe contraction that has had particularly adverse employment and earnings impacts on certain groups. Youth, women, workers with relatively lower educational attainment, and the informally employed have generally been hit hardest. Income inequality is likely to increase significantly because of the pandemic. Close to 95 million more people are estimated to have fallen below the threshold of extreme poverty in 2020 compared with pre-pandemic projections. Moreover, learning losses have been more severe in low-income and developing countries, which have found it harder to cope with school closures, and especially for girls and students from low-income households. Unequal setbacks to schooling could further amplify income inequality.

High uncertainty surrounds the global outlook. Future developments will depend on the path of the health crisis, including whether the new COVID-19 strains prove susceptible to vaccines or they prolong the pandemic; the effectiveness of policy actions to limit persistent economic damage (scarring); the evolution of financial conditions and commodity prices; and the adjustment capacity of the economy. The ebb and flow of these drivers and their interaction with country-specific characteristics will determine the pace of the recovery and the extent of medium-term scarring across countries. In many aspects, this crisis is unique. In certain countries, policy support and lack of spending opportunities have led to large increases in savings that could be unleashed very quickly should uncertainty dissipate. At the same time, it is unclear how much of these savings will be spent, given the deterioration of many firms' and households' balance sheets (particularly among those with a high propensity to consume out of income) and the expiration of loan repayment moratoria. In sum, risks are assessed as balanced in the short term, but tilted to the upside later on. Considering the large uncertainty surrounding the outlook, policymakers should prioritize policies that would be prudent, regardless of the state of the world that prevails—for instance, strengthening social protection with wider eligibility for unemployment insurance to cover the self-employed and informally employed ensuring adequate resources for health care, early childhood development programs, education, and vocational training; and investing in green infrastructure to hasten the transition to lower carbon dependence. Moreover, they should be prepared to flexibly adjust policy support, for example, by shifting from lifelines to reallocation as the pandemic evolves, and linked to improvements in activity, while they safeguard social spending and avoid locking in inefficient spending outlays. It is important to anchor short-term support in credible medium-term frameworks. Where elevated debt levels limit scope for action, effort should also be directed at

creating space through increased revenue collection (fewer breaks, better coverage of registries, and switching to well-designed value-added taxes), greater tax progressivity, and by reducing wasteful subsidies.

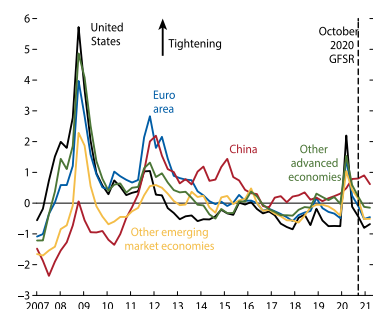
**Policy priorities:** The factors shaping the appropriate stance of policy vary by country, especially progress toward normalization. Hence, countries will need to tailor their policy responses to the stage of the pandemic, strength of the recovery, and structural characteristics of the economy. Once vaccination becomes widespread and spare capacity in health care systems is generally restored to pre-COVID-19 levels, restrictions can begin to be lifted. While the pandemic continues, policies should first focus on escaping the crisis, prioritizing health care spending, providing well-targeted fiscal support, and maintaining accommodative monetary policy while monitoring financial stability risks. Then, as the recovery progresses, policymakers will need to limit long-term economic scarring with an eye toward boosting productive capacity (for example, public investment) and increasing incentives for an efficient allocation of productive resources. It is a delicate balance, especially given the prevailing uncertainty. Therefore, when support is eventually scaled back, it should be done in ways that avoid sudden cliffs (for instance, gradually reducing the government's share of wages covered under furlough and short-time work programs while increasing hiring subsidies to enable reallocation as needed). All the while, long-term challenges—boosting productivity, improving policy frameworks, and addressing climate change—cannot be ignored. Differential recovery speeds across countries may give rise to divergent policy stances, particularly if advanced economies benefit sooner than others from wide vaccine coverage. Clear forward guidance and communication from advanced economy central banks is particularly crucial, and not just for calibrating the appropriate domestic monetary accommodation. It also vitally bears on external financial conditions in emerging markets and the impact that divergent policy stances have on capital flows. Strong international cooperation is vital for achieving these objectives and ensuring that emerging market economies and low-income developing countries continue to narrow the gap between their living standards and those of high-income countries. On the health care front, this means ensuring adequate worldwide vaccine production and universal distribution at affordable prices—including through sufficient funding for the COVAX facility—so that all countries can quickly and decisively beat back the pandemic. The international community also needs to work together to ensure that financially constrained economies have adequate access to international liquidity so that they can continue needed health care, other social, and infrastructure spending required for development and convergence to higher levels of income per capita. Countries should also work closely to redouble climate change mitigation efforts. Moreover, strong cooperation is needed to resolve economic issues underlying trade and technology tensions (as well as gaps in the rules-based multilateral trading system). Building on recent advances in international tax policy, efforts should continue to focus on limiting cross-border profit shifting, tax avoidance, and tax evasion.

## Global Financial Stability Report

### Global Financial Stability Report: Preempting a Legacy of Vulnerabilities

Extraordinary policy measures have eased financial conditions and supported the economy, helping to contain financial stability risks. But actions taken during the pandemic may have unintended consequences such as stretched valuations and rising financial vulnerabilities. The recovery is expected to be asynchronous and divergent between advanced and emerging market economies. Given large external financing needs, emerging markets face daunting challenges, especially if a persistent rise in US rates brings about a repricing of risk and tighter financial conditions. The corporate sector in many countries is emerging from the pandemic over-indebted, with notable differences depending on firm size and sector. Concerns about the credit quality of hard-hit borrowers and the profitability outlook are likely to weigh on the risk appetite of banks during the recovery. There is a pressing need to act to avoid a legacy of vulnerabilities. Policymakers should take early action and tighten selected macro prudential policy tools while avoiding a broad tightening of financial conditions. They should also support balance sheet repair to foster a sustainable and inclusive recovery.

Figure 1. Financial Conditions Indices (Standard deviations from mean)



Source: IMF staff calculations.  
Note: GFSR = Global Financial Stability Report.



World Economic Outlook - *continued*

Thanks to massive policy support, the global financial system has been resilient during the COVID-19 pandemic and financial conditions have eased significantly (Figure1). This has helped maintain the flow of credit to households and firms, facilitated the recovery, and kept financial risks at bay. The improved economic outlook has clearly reduced the range of adverse outcomes, but notable downside risks to future GDP growth remain.

Two overarching themes are emerging. First, unprecedented policy support may have unintended consequences: excessive risk taking in markets is contributing to stretched valuations, and rising financial vulnerabilities may become structural legacy problems if not addressed. Equity markets have rallied aggressively since the third quarter of 2020 on expectations of a rapid economic recovery and continued policy backstops, and they are now trading at levels meaningfully higher than those suggested by models based on fundamentals (Figure2). While earnings expectations have improved, historically low real risk-free rates (despite most recent increases) have provided material support so far to valuations. In the corporate bond market, spreads have remained very tight.

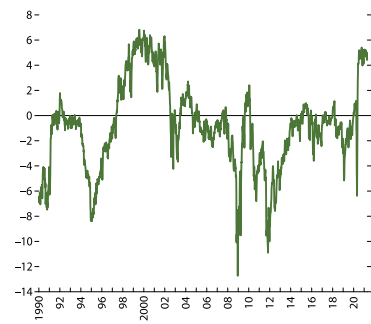
Long-term interest rates have increased significantly, especially in the United States, reflecting in part greater investor confidence in the outlook (Figure3). While a gradual rise in rates on the back of improving fundamentals may be welcome, a rapid and persistent increase, especially in real rates, may result in a repricing of risk in markets and a sudden tightening in financial conditions. Such a tightening could interact with elevated financial vulnerabilities, with repercussions for confidence and endangering macro-financial stability, especially in emerging markets.

Second, the recovery is expected to be asynchronous and divergent across economies. There is a risk that financial conditions in emerging market economies may tighten markedly, especially if policymakers in advanced economies take steps toward policy normalization. A less favorable financial environment may result in large portfolio outflows and pose a significant challenge to some emerging and frontier market economies, given the large financing needs they face this year. IMF staff analysis points to a continued improvement in the outlook for portfolio flows, primarily reflecting easier global financial conditions (Figure4). Nevertheless, countries with weaker fundamentals or limited access to COVID-19 vaccines are vulnerable. The sovereign-bank nexus has worsened in emerging markets as domestic banks have absorbed the bulk of increases in domestic debt (Figure5). For many frontier market economies, market access remains impaired.

China has recovered more rapidly than other countries, but at the cost of a further buildup in vulnerabilities, particularly risky corporate debt. Financial conditions may become less favorable amid expectations for policy tightening and new measures to impose discipline on banks, local governments, and property developers, as well as rising uncertainty about implicit guarantees. Funding conditions for capital instruments have tightened for weaker, smaller banks (Figure6). National authorities face a delicate but urgent challenge in unwinding implicit guarantees a task that must be handled delicately given the potential for disorderly repricing.

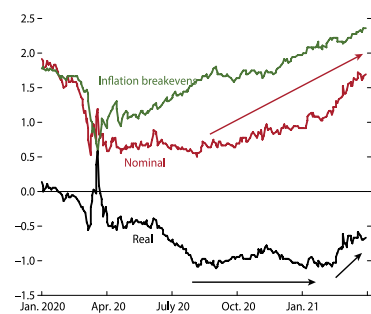
The global corporate sector has been hit hard by the pandemic. Extraordinary policy support has helped mitigate its impact. Large firms with market access have taken advantage of favorable conditions to issue debt and cope with liquidity pressures (Figure7 and 8). But the buildup in corporate leverage

Figure 2. US Equity Market Misalignment (Deviation from fair value per unit of risk)



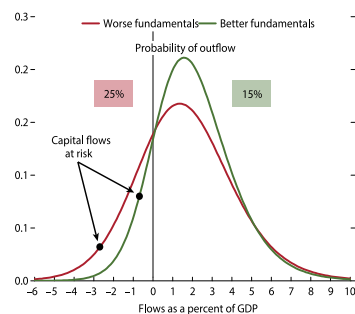
Source: IMF staff calculations.

Figure 3. US 10-Year Nominal and Real Rates (Percent)



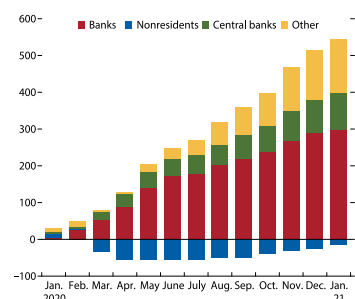
Sources: Bloomberg Finance L.P., and IMF staff calculations. Note: Inflation breakevens are measures of expected inflation from inflation-linked bonds.

Figure 4. Portfolio Flows at Risk for Countries with Better vs. Worse Fundamentals (Probability density function)



Source: IMF staff calculations.

Figure 5. Change in Domestic Sovereign Bond Holdings of Emerging Markets (Billions of US dollars, cumulative change)



Sources: Haver Analytics; national sources; and IMF staff calculations. Note: Based on a sample of 11 major emerging markets. Domestic bonds are primarily denominated in local currency. Figures are converted to US dollars at end-of-month exchange rates.

resulting from easy financial conditions poses a dilemma for policymakers, as the short-term boost to economic activity must be weighed against an increase in vulnerabilities and downside risks to growth down the road.

A more granular firm-level assessment finds that there are notable differences in performance across sectors and firm sizes. IMF staff analysis suggests that liquidity stress is high at small firms in most sectors and across countries, while solvency stress is high at small firms but also notable at mid-sized and even large firms in the most affected sectors (Figure9).

The crisis has hit the commercial real estate sector hard. Commercial property transactions and prices slumped in 2020 (Figure10). Part of the adverse impact on the retail, office, and hotel segments could be structural, as some activities increasingly take place virtually or are relocating outside of large cities. In the event of a structural decline in demand, commercial real estate fair values could drop sharply: a permanent increase in the vacancy rate by 5 percentage points is estimated to result, on average, in a drop in fair values by about 15 percent after five years (Figure11). Since the pandemic, price misalignments appear to have increased. This development, if it persists, could pose downside risks to growth.

Banks came into the pandemic with high capital and liquidity buffers, thanks to regulatory reforms implemented after the 2007–08 financial crisis, and they have been resilient so far. But the extent to which they will continue to provide credit through the recovery is an open question. While growth of loans, particularly to businesses, has slowed in some countries, loan demand is expected to firm up once the recovery gains strength, especially where it has been weakest. But loan officers in most countries do not anticipate a loosening in lending standards (Figure12). The phasing out of support policies could have a significant impact on some banks, likely weighing on their appetite for lending. Moreover, for most banks, uncertainties about credit losses and weak prospects for profitability are likely to discourage significant reduction in capital buffers to support the recovery. Such constraints may be particularly worrisome for firms with limited financing options that are more dependent on bank credit. Authorities should continue to encourage banks to use buffers, where prudent, to support the recovery.

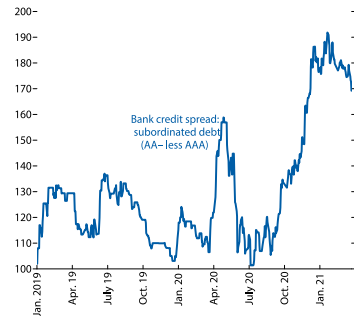
Ongoing policy support remains essential until a sustainable and inclusive recovery takes hold to maintain the flow of credit to the economy and prevent the pandemic from posing a threat to the global financial system. Monetary policy will need to remain accommodative until mandated policy objectives are achieved. Policymakers should act swiftly to prevent financial vulnerabilities from becoming entrenched and turning into legacy problems.

Taking into consideration possible lags between the activation and impact of macroprudential tools, policymakers should take early action.

They should tighten selected macroprudential policy tools to tackle pockets of elevated vulnerability while avoiding a broad tightening of financial conditions. If such tools are not available (such as in some segments of the nonbank financial intermediation sector), policymakers should swiftly develop them. Given the challenges to designing and operationalizing macroprudential tools within existing frameworks, policymakers should also consider building buffers elsewhere to protect the financial system.

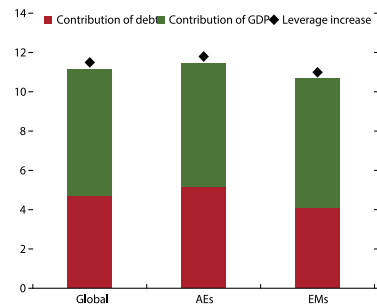
In emerging and frontier market economies, countries with market access should take advantage of favorable financing conditions to improve the

Figure 6. Chinese Banks: Debt Spreads (Basis points, subordinated debt)



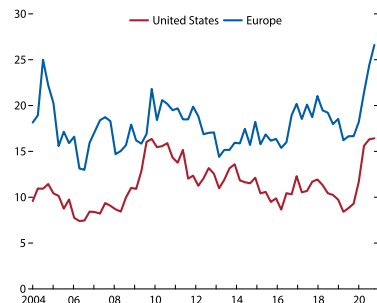
Sources: Bloomberg Finance L.P.; ChinaBond; and IMF staff calculations.

Figure 7. Nonfinancial Corporate Debt Change (Percentage points of GDP, 2019:Q4 to 2020:Q3)



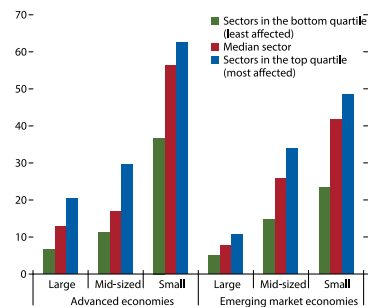
Sources: Institute of International Finance (IIF); and IMF staff calculations. Note: AEs = advanced economies; EMs = emerging markets.

Figure 8. Median US and European High-Yield Issuer Cash (Percent of debt)



Sources: Morgan Stanley; and IMF staff.

Figure 9. Solvency Stress Indicators (Share of debt at firms with elevated solvency stress in percent total debt at all firms in respective segments)



Sources: S&P Capital IQ; and IMF staff. Note: Large, mid-sized, and small firms are defined by total assets

composition of their debt structure. Countries with limited market access will likely need additional assistance from the international community. Other countries facing significant difficulties with debt burdens could benefit from deeper restructuring. The Group of Twenty (G20) Common Framework for Debt Treatments can help address debt vulnerabilities. Rebuilding buffers, where possible, should be a key priority to prepare for any sudden price adjustments and reversal of capital flows. Repairing corporate balance sheets should be a priority to enable a sustainable and inclusive recovery. Direct and firm-specific targeted policy support may be needed for viable firms whose market access is limited and that are facing temporary liquidity or solvency risks. Given very limited fiscal resources in some jurisdictions, policymakers should also expedite reforms to enhance resolution frameworks, including the development of distressed debt and nonperforming loan markets.

Once the extent of structural changes in the commercial real estate sector becomes clearer, targeted macroprudential policy tools (such as limits on the loan-to-value or debt-service-coverage ratios) should be deployed to reduce downside risks to growth. The optimal timing of such policy measures should depend on the economy-specific pace of the recovery and the degree of financial vulnerabilities in the commercial real estate sector. Broadening the macroprudential toolkit to cover nonbank financial institutions active in some commercial real estate funding markets will also be crucial.

In the financial sector, regulatory guidance on provisioning for expected losses to avoid excessive procyclicality remains pertinent, but such provisioning should be subject to supervisory scrutiny. Restrictions on capital distributions should be maintained or be relaxed only progressively in countries overcoming the pandemic, subject to supervisory stress tests to ensure that banks remain well capitalized.

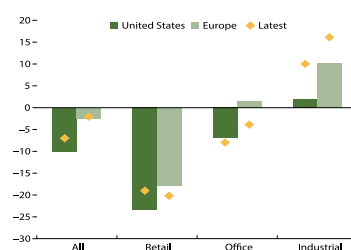
## Fiscal Monitor

### Tailoring Fiscal Responses

The race to vaccinate against COVID-19 continues, but the pace of inoculations is widely different across countries, with access unavailable for many. Global vaccination is urgently needed. Global inoculation would pay for itself with stronger employment and economic activity, leading to increased tax revenues and sizable savings in fiscal support. Until the pandemic is brought under control globally, fiscal policy must remain flexible and supportive of health care systems, households, viable firms, and the economic recovery. The need and scope for support varies across economies, depending on the effect of the pandemic and the ability to access low-cost borrowing. Many governments in advanced economies are implementing sizable spending and revenue measures in 2021 (6 percent of GDP, on average). Support in emerging market economies and especially in low-income developing countries has been smaller and front-loaded, with a large share of measures expiring.

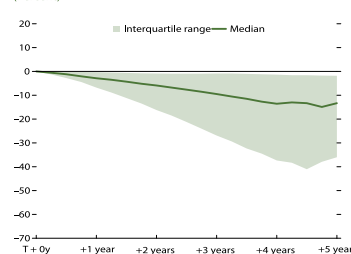
Fiscal support has prevented more severe economic contractions and larger job losses. Meanwhile, such support, along with drops in revenues, has raised government deficits and debt to unprecedented levels across all country income groups. Average overall deficits as a share of GDP in 2020 reached 11.7 percent for advanced economies, 9.8 percent for emerging market economies, and 5.5 percent for low-income developing countries. Countries' ability to scale up spending has diverged. The rise in deficits in advanced economies and several emerging market economies resulted from roughly equal increases in spending and declines in revenues, whereas in many emerging market economies and most low-income developing countries, it stemmed primarily from the collapse in revenues caused by the economic downturn. Fiscal deficits in 2021 are projected to shrink in most countries as pandemic-related support expires or winds down, revenues recover somewhat, and the number of unemployment claims declines.

Figure 10. Commercial Real Estate Prices (Percent, 2020:Q2 and latest, year over year)



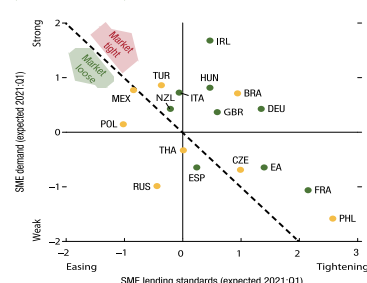
Source: Green Street Advisors. Note: Latest data available are for January 2021 in Europe and February 2021 in the United States.

Figure 11. Response of Commercial Real Estate Prices across Economies to a Permanent Shock to the Vacancy Rate (Percent)



Sources: Haver Analytics; MSCI Real Estate; and IMF staff calculations. Note: denotes quarter of shock.

Figure 12. Small and Medium Firm Lending Standards and Loan Demand Expected (Standard deviations)



Average public debt worldwide reached an unprecedented 97 percent of GDP in 2020 and is projected to stabilize at around 99 percent of GDP in 2021. Despite higher debt, average interest payments are generally lower in advanced economies and many emerging markets, given the trend decline in market interest rates. In pursuit of their mandates, central banks have lowered policy rates and purchased government bonds, thereby facilitating the fiscal responses to the pandemic. For low-income countries, however, financing large deficits continues to be challenging, given limited market access and little scope to raise revenue in the near term. These countries need assistance through grants, concessional financing, or, in some cases, debt restructuring. Over the medium term, fiscal deficits are projected to shrink in all income groups as recoveries increase pace and fiscal adjustments resume. As a result, the debt-to-GDP ratios in most countries are projected to stabilize or decline, although public debt will continue to increase in a few countries because of factors such as aging and development needs.

Uncertainty concerning the fiscal outlook is unusually high. On the upside, faster-than-expected vaccinations could expedite an end to the pandemic, boosting revenue collections and reducing the need for additional fiscal support. On the downside, a more protracted economic downturn, an abrupt tightening of financing conditions amid high debt, a surge in bankruptcies, volatility in commodity prices, or rising social discontent could inhibit the recovery. In general, the longer the pandemic lasts, the larger the challenge for the public finances.

Against this backdrop, fiscal policy priorities include continuing support as needed while vaccinations proceed and the recovery strengthens; promptly implementing the announced fiscal measures with upgraded project execution capacities and procurement procedures; pursuing a green, digital, and inclusive transformation of the economy; tackling long-standing weaknesses in public finances once the recovery is firmly in place; developing medium-term fiscal strategies to manage fiscal and financing risks; and renewing efforts to achieve the Sustainable Development Goals. To meet these priorities:

- Global cooperation must be scaled up to contain the pandemic, especially accelerated vaccination at affordable cost in all countries. In an upside scenario in which the pandemic is controlled sooner in all countries, stronger economic growth would yield more than \$1 trillion in additional tax revenues in advanced economies, cumulatively, by 2025, and save trillions more in fiscal support measures. Vaccination will, thus, more than pay for itself, providing excellent value for public money invested in ramping up global vaccine production and distribution.
- The targeting of measures must be improved and tailored to countries' administrative capacity so that fiscal support can be maintained for the duration of the crisis considering an uncertain and uneven recovery. Given the low-interest environment, a synchronized green public investment push by countries with fiscal space can foster global growth.
- Policymakers need to balance the risks from large and growing public and private debt with the risks from premature withdrawal of fiscal support, which could slow the recovery. Credible medium-term fiscal frameworks are critical for attaining such balance, setting a path for rebuilding fiscal buffers at a pace contingent on the recovery. This effort could be supported by improving the design of fiscal rules or recalibrating their limits to ensure a credible path of adjustments or legislation such as "pre-approving" future tax reforms. Improving fiscal transparency and governance practices can help economies reap the full benefits of fiscal support.
- To help meet pandemic-related financing needs, policymakers could consider a temporary COVID-19 recovery contribution, levied on high incomes or wealth. To accumulate the resources needed to improve access to basic services, enhance safety nets, and reinvigorate efforts to achieve the Sustainable Development Goals, domestic and international tax reforms are necessary, especially as the recovery gains momentum.

## A Fair Shot

The COVID-19 pandemic has exacerbated preexisting inequalities and poverty and has demonstrated the importance of social safety nets. It has also laid bare inequalities in access to basic services—health care, quality education, and digital infrastructure—which, in turn, may cause income gaps to persist generation after generation. In the months ahead, universal access to vaccines and progress in vaccination will be decisive. For the recovery period

and beyond, policies will need to aim at giving everyone a fair shot at lifetime opportunities by reducing gaps in access to quality public services. For most countries, this will require mobilizing additional revenues and improving the delivery of services while fostering inclusive growth.

This chapter documents how large preexisting inequalities have worsened the effect of the COVID-19 pandemic, while the crisis, in turn, has escalated those inequalities. For example, countries with better access to health care have had lower mortality rates, considering the age of the population and the number of cases. Countries with higher relative poverty have had more reported infections, especially where urbanization is more extensive. Some effects on labor markets will be long lasting, as will be the impact on education. The unprecedented scale of school closures has resulted in education losses equivalent to about one-quarter of the school year in advanced economies and one-half in emerging market and developing economies. The largest losses have accrued to children from poorer and less-educated families. Moreover, in 2021, net school enrollment rates in emerging market and developing economies could drop by 1 percentage point (or about 6 million children dropping out of school). Children who drop out of school will experience major learning losses.

Policy responses should recognize that various aspects of inequality (income, wealth, opportunity) are mutually reinforcing and create a vicious circle. Interventions thus need to combine pre-distributive policies (which affect incomes before taxes and transfers) and redistributive policies (which reduce market income inequality, mostly through transfers and to a lesser extent through taxes, especially in advanced economies). Policy responses should thus include the following:

- Investing more and investing better in education, health, and early childhood development. Additional spending on education, for example, can reduce the enrollment gap between children from poor and rich households. Inefficiencies should also be tackled. In emerging markets and low-income developing countries, the difference between a country's spending efficiency and that of best performers ranges from 8 percent to 11 percent for health care and 25 percent to 50 percent for education.
- Strengthening social safety nets by expanding coverage of the most vulnerable households, and increasing adequacy of benefits. Beyond making more resources available, these objectives can also be attained by reallocating spending to the most effective programs and by improving identification of and delivery to beneficiaries.
- Mustering the necessary revenues. Advanced economies can increase progressivity of income taxation and increase reliance on inheritance/gift taxes and property taxation. COVID-19 recovery contributions and "excess" corporate profits taxes could be considered. Wealth taxes can also be considered if the previous measures are not enough. Emerging market and developing economies should focus on strengthening tax capacity to finance more social spending.
- Acting in a transparent manner. For most countries, these reforms would be best anchored in a medium-term fiscal framework as early as possible. Strengthening public financial management and improving transparency and accountability, not least for COVID-19 response measures, will reinforce trust in government.
- Supporting lower-income countries that face especially daunting challenges. Meeting the Sustainable Development Goals—a broad measure of the access to basic services—by 2030 would require \$3 trillion for 121 emerging market economies and low-income developing countries (2.6 percent of 2030 world GDP). Support from the international community is needed to aid reform efforts, with the immediate priority being affordable access to vaccines.

The COVID-19 pandemic has focused attention on governments and their ability to respond to the crisis. Popular support for better public services, already significant before the pandemic, has likely risen. Cross-country surveys administered before the pandemic suggest that respondents in advanced and emerging market economies have long expressed favor for more tax-financed spending on education, health care, and old-age care, and more progressive taxation. A recent survey suggests that, if a household member becomes ill with COVID-19 or loses employment, the probability of favoring progressive taxation rises by 15 percentage points. Meeting the rising demand for basic public services and more inclusive policies is crucial for policymakers to strengthen public trust and support social cohesion.

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

## Domestic Economy

Halfway through FY 2020-2021, the Bangladesh economy is still reeling from the adverse consequences of the ongoing COVID-19 pandemic as manifested by key macroeconomic and sectoral performance indicators. Although, in terms of GDP, Bangladesh was an outlier as one of the very few countries which posted positive growth rates in 2020, there are reasons for concern as one examines the underlying factors that informed economic performance as the country moves towards the end of FY 2020-2021. The key question here is whether the economy has been able to overcome the initial stress, make a turnaround and is set on the course for rebound and recovery.

The global economy has been gravely affected by the COVID-19 pandemic. Nearly a year later after the pandemic had first made its presence known, the global economy is perhaps showing some signs of economic recovery. Global economic output is projected to increase by 4 percent in 2021 even though the growth rate is 5 percent below pre-pandemic estimates. However, the recovery is expected to be uneven across the world as some economies will regain output faster than others depending on the extent of the loss and their capacity to recover. Developed countries (3.1 percent) are expected to experience a slower pace of recovery compared to developing countries (5.7 percent). This has significant implications for many economies including Bangladesh. The growth outcomes in China, the European Union and the United States directly affect the South Asian countries through impacts on export demand, remittances and access to foreign financing.

GDP Growth rate over the years (%)



In the FY 2020-2021, the government has projected a growth rate of 7.4 percent. This is very promising and, if achieved, Bangladesh will be an outlier in terms of the pace of recovery of economy, which will be much faster than other countries. However, official estimates of GDP provided by the government of Bangladesh (GoB) have created debates in Bangladesh due to its disjuncture with fundamental macroeconomic variables including private sector credit, revenue mobilization, import payments for capital machineries, energy consumption, export receipts, and employment generation (CPD, 2020). In fact, the GDP estimates for FY 2019-2020 have also come under scrutiny mainly due to the significant discrepancy between the GoB numbers and the estimates provided by a number of international organizations including the World Bank and International Monetary Fund (IMF). Indeed, the provisional growth figures may as well be revised when the final numbers come out.

The other issue is even if this growth is achieved, all sectors may not be able to recover in the same way. Globally, the possibility of a K-shaped recovery is being discussed widely. This implies that stimulus packages and liquidity support will help large industries and public organizations recover at a faster pace while the small and medium enterprises (SMEs) will lag behind. Bangladesh is likely to follow a similar shape as smaller firms, people belonging to the low-income category and the poor in general have been affected disproportionately and have not received adequate government support.

Given that SMEs are important sources of employment, the slow recovery of this sector could lead to further rise in inequality. This could jeopardize the sustainability of the recovery. Therefore, policymakers need to chart out the recovery path in a manner that does not leave out the weaker but critically important sectors of the economy. However, in the absence of quarterly and disaggregated data on GDP and employment, it is not possible to diagnose economic performance and predict future outcomes in a pragmatic manner. In Bangladesh, quarterly GDP data are not prepared and the publication of the quarterly Labor Force Survey has been suspended for quite some time. Therefore, how the COVID-19 pandemic has affected the economy and how the economy would recover from the pandemic have to be analyzed on the basis of macroeconomic variables and proxy indicators. In this backdrop, CPD has made an attempt to assess current growth trajectory of the economy based on an analysis of performance, trends, levels and pace of growth of key macroeconomic and sectoral indicators.

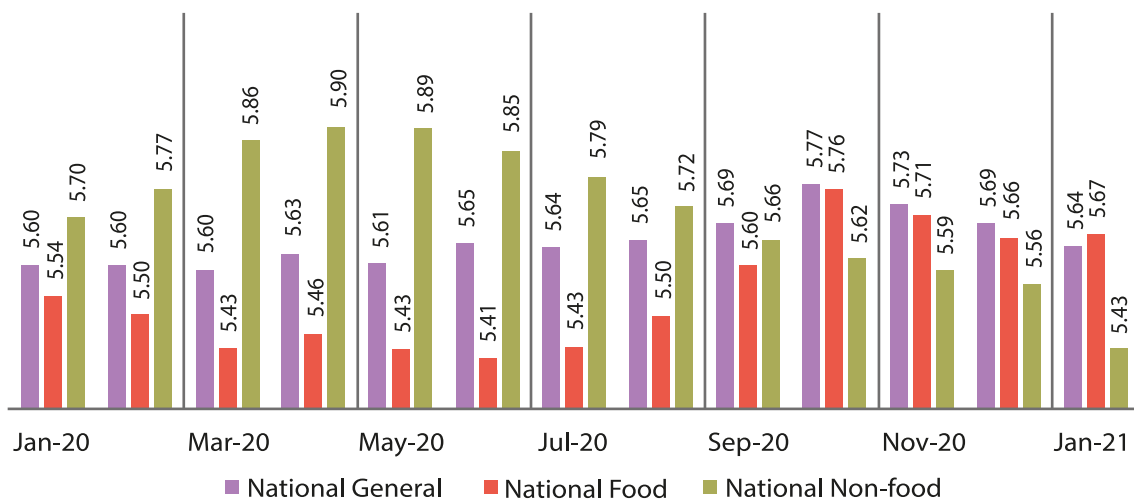
Economic performance of Bangladesh ought to be assessed from the vantage point of an extraordinary year when a once in a lifetime global crisis of our time had unfolded in the form of the COVID-19 pandemic. To note, even before the outbreak the Bangladesh economy was facing significant challenges in a number of areas including domestic resource mobilization, governance in the banking sector and export earnings. Macroeconomic challenges were further exacerbated by the pandemic and were accentuated by multiple natural disasters that struck Bangladesh in 2020 (e.g. cyclone and floods). The impact of COVID-19 was particularly evident during the last quarter of 2020 (April-June) when the economic activities were severely disrupted in the backdrop of the 'general holidays' (i.e. lockdown) declared by the government. Indeed, 2020 ended with a fall in economic growth, a large shortfall in revenue mobilization, disruption in the pace of the implementation of public investment projects, escalation of budget deficit and bank borrowing, slowdown of private sector credit growth and sharp fall in trade. All major economic correlates experienced major departures from their respective annual targets as far as 2020 economic performance was concerned.

During the period, total revenue mobilization rose by 8.0 percent compared to the corresponding period of the previous year. However, this was underwritten by the phenomenal growth of 38.8 percent from collection on revenue from interest, fees and tolls and others (IFT and others). NBR tax collection increased by 3.4 percent during the July-October period of FY 2020-2021 over the comparable period of FY 2019-2020, thus requiring a growth of 76 percent during the remainder of the fiscal year. The growth in revenue mobilization during the aforementioned period was primarily driven by a better collection of VAT (17.3 percent). However, income tax collection exhibited a negative (-) 10.1 percent growth during the FY 2020-2021. This can perhaps be attributed to the various tax exemptions provided in view of the pandemic.

FY 2020-2021 started with an inflation rate (moving average) of 5.64 percent, which reached its highest level at 5.77 percent in October 2020 but managed to come down to the initial level of 5.64 percent by

January 2021. Food inflation has been exhibiting a generally increasing trend while non-food inflation has been coming down. The fiscal year started with a comparatively high non-food inflation rate of 5.79 percent, which by January stood at 5.43 percent. Curiously, an increase can be observed in the inflation rate for medical care and health expenses, which started with 7.47 percent in July 2020 and stood at 8.72 percent in January 2021. However, the highlight of the inflationary trend since the outbreak of the pandemic was the instability seen in the prices of several essential items, including rice, onion, potato, sugar, edible oil, vegetables etc. The official food inflation data do not reflect the anxiety of low-income people of the country who are struggling to keep their purchasing power intact in the backdrop of rise of prices of the essentials.

#### Inflation Rate (12 Months Moving Average, %)



The overall balance of payments registered a buoyant surplus of about USD 6.2 billion during the first six months providing a big boost to foreign exchange reserves. This also helped maintain a stable exchange rate of BDT against the USD. The trade deficit narrowed further riding on reduced import payments. Import payments for the first six months fell by 6.8 percent, faster than that of the export earnings, despite a whopping 50.4 percent growth in payments against food grain imports.

The government response to the COVID-19 pandemic was primarily driven by monetary (or 'hybrid') policy instruments, i.e., cheaper credits under the stimulus packages along with monetary easing. However, private sector credit growth as of December 2020 fell to 8.4 percent as against monetary policy target of 11.5 percent. This is pointer towards the depressed investment scenario in view of the pandemic. Indeed, capital goods import has also decreased by 16.7 percent while the import of capital machinery experienced a decline of 29.2 percent. Net FDI inflow also registered a negative growth of (-) 22 percent during the period. Hence, it may be inferred that, while the economy, to some extent, may have turned around in terms of using its existing capacities; private investment may need more time to recover. In the meantime, the monetary system is flooded with excess liquidity and low interest rates for both deposit and lending in the backdrop of depressed demand for new investment.



## Domestic Economy - *continued*

Bangladesh's external sector performance in the backdrop of the COVID pandemic transmits a diverse range of signals as regards to turnaround, rebound and recovery of the economy. Strengthened balance of payments position augurs well for the economy, from the point of view of maintaining healthy reserves, ensuring exchange rate stability, robust import payment ability and comfortable debt servicing capacity. On the other hand, these also underpin disquieting developments in the economy. Export growth has remained negative over the first seven months of FY 2020-2021; actual earnings will remain far off the target. Indeed, it may take some years for the exports to get back to the pre-COVID level. Balance of trade shows robust improvement only because the pace of fall in import payments have exceeded that of export earnings. True, current account balance position has improved significantly because of the robust growth of remittances. However, the high remittance flows seen in recent past are unlikely to continue over the coming months (high growth on such high growth is unlikely to sustain). Imports, both of intermediate imports, including those by export-oriented enterprises and capital goods, including capital machineries, have experienced a significant dip, indicating sluggish domestic demand for production and new investment. There is, thus, a need for sustained efforts at maintaining robust flows of remittance, raising export competitiveness and export earnings and stimulating domestic demand and investment for the external sector performance to contribute towards sustainable recovery of the Bangladesh economy.

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

## Stock Market

The impact of various macroeconomics aspects on the financial sector this year is unlike anything we have seen before while the whole world went into a standstill due to the COVID-19 pandemic bearing huge economic downturn. Almost all sectors saw negative growth. The economy of the world including Bangladesh was shattered by the pandemic. But our capital market was able to tackle the challenges throughout some reform activities taken by BSEC. For this, investors believed and returned to the market. Capital market in the FY 2020-21 was overallly bullish. BSEC applied floor price in last year to stop the downturn of market but withdrawn it when the market was in upturn this years.

In the outgoing year, the DSEX index stood at 6150.48 points on 30 June, 2021, while the the market started with 3986.73 points. During the year the top and bottom of DSEX were 6150.48 and 3981.52 points respectively. The daily average turnover was TK.10.31 billion on the premier bourse in the last financial year increase 168.49 percent than that of the previous year. DSE30 stood at 2208.38 point on 30 June 2021.

In the bullish mood, the capital market increase market capitalization of Tk. 2023.15 billion throughout the year. As on 30 June 2021 market capitalization stood at Tk. 5142.82 billion against TK. 3119.67 billion on 30 June, 2020. Size of the market as on 30 June 2021 is 18.39% of GDP of Bangladesh. Price Earning (P/E) Ratio of the market stood at 18.50 at the end of the year against 10.78 of the previous year. In the following sections important statistical data during the period under review is given at a glance.

Sector-wise Price Earning (P/E) Ratio was as follows:

### Weighted Average P/E Ratio

Sector	Jun-21	Jun-20	Jun-19	Jun-18	Jun-17	Jun-16
Bank	9.24	6.67	8.26	8.76	9.10	6.70
Financial Institutions	23.41	15.86	14.66	14.66	22.67	13.95
Mutual Funds	14.17	10.50	7.32	7.63	12.97	7.21
Engineering	42.48	10.09	14.56	16.77	24.04	22.20
Food & Allied	27.08	17.43	25.08	26.65	24.47	31.91
Fuel & Power	13.59	9.51	14.72	12.55	12.83	12.60
Jute	68.51	31.69	305.65	122.06	257.72	67.79
Textile	23.94	11.72	16.79	17.58	15.03	10.17
Pharmaceuticals	21.14	15.23	19.10	20.61	17.26	27.17
Paper & Printing	39.24	23.76	17.69	-	38.45	13.55
Service & Real Estate	23.76	12.59	15.42	16.67	32.61	29.92
Cement	27.01	20.82	28.64	34.57	22.06	26.42
IT	28.39	19.15	24.37	25.98	34.05	29.74
Tannery	28.49	12.69	20.31	15.77	20.77	26.34
Ceramic	59.80	17.69	23.95	26.10	22.49	20.45
Insurance	31.64	12.23	14.42	11.00	13.20	10.03
Telecommunication	18.40	9.59	14.59	19.54	21.37	18.25
Travel & Leisure	50.38	25.46	23.85	27.04	18.02	15.43
Miscellaneous	46.01	18.92	27.09	16.93	28.88	31.68
Market P/E	18.50	10.78	14.25	14.97	15.74	14.61

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 (Tk. in mn)	Value (in mn)		DSEX	DSE30	DSES
Jul-20	60,013.67	1,882.16	0.018	4,214.43	1,420.64	976.50
Aug-20	186,178.05	6,702.55	0.050	4,879.15	1,699.55	1,132.85
Sep-20	222,578.12	8,174.86	0.056	4,963.29	1,696.00	1,120.39
Oct-20	170,397.86	6,752.78	0.044	4,846.10	1,680.13	1,098.80
Nov-20	174,073.66	7,161.72	0.045	4,866.84	1,687.40	1,113.98
Dec-20	215,880.19	7,482.53	0.048	5,402.07	1,963.96	1,242.11
Jan-21	339,587.58	10,621.88	0.071	5,649.86	2,160.39	1,265.37
Feb-21	144,490.43	3,378.87	0.031	5,404.80	2,056.83	1,222.84
Mar-21	144,804.09	3,744.90	0.03	5,278.16	1,994.40	1,204.18
Apr-21	143,772.65	3,706.52	0.031	5,479.62	2,110.91	1,249.82
May-21	310,104.37	10,422.39	0.062	5,990.99	2,205.82	1,286.20
Jun-21	435,089.78	13,542.18	0.085	6,150.48	2,208.38	1,314.76

Particulars of Initial Public Issue during FY 2020-21

Sl.	Name of the Issues	Subscription date		Issued capital (in mn)	Offer Price	Public Offer (in mn)	Subscription (in mn)
		Opening	Closing				
01	Walton Hi-Tech Industries Limited	09.08.2020	16.08.2020	3029.28	10.00	1000.00	4358.88
02	Associated Oxygen Limited	10.09.2020	16.09.2020	950.00	10.00	150.00	4719.23
03	Dominage Steel Building Systems Limited	19.10.2020	25.10.2020	950.00	10.00	300.00	5812.60
04	Crystal Insurance Company Limited	10.11.2020	16.11.2020	400.00	10.00	160.00	4674.31
05	Robi Axiata Limited	17.11.2020	23.11.2020	52379.33	10.00	3877.42	22289.30
06	Energypac Power Generation Limited	07.12.2020	13.12.2020	1901.63	10.00	1500.00	2054.42
07	Mir Akhter Hossain Limited	24.12.2020	30.12.2020	1207.72	10.00	1250.00	2106.75
08	Taufica Foods and Industries Limited	02.02.2021	10.02.2021	850.00	10.00	300.00	7359.69
09	E-Generation Limited	14.02.2021	23.02.2021	750.00	10.00	150.00	6114.36
10	Lub-rref (Bangladesh) Limited	01.03.2021	09.03.2021	1452.43	10.00	452.43	7527.42
11	NRB Commercial Bank Limited	10.03.2021	22.03.2021	7025.17	10.00	1200.00	10474.67
12	Index Agro Industries Limited	28.03.2021	07.04.2021	472.54	10.00	82.54	6267.13
13	Desh General Insurance Company Limited	16.03.2021	29.03.2021	400.00	10.00	160.00	6376.93
14	Sonali Life Insurance Company Limited	23.06.2021	30.06.2021	475.00	10.00	190.00	6924.78

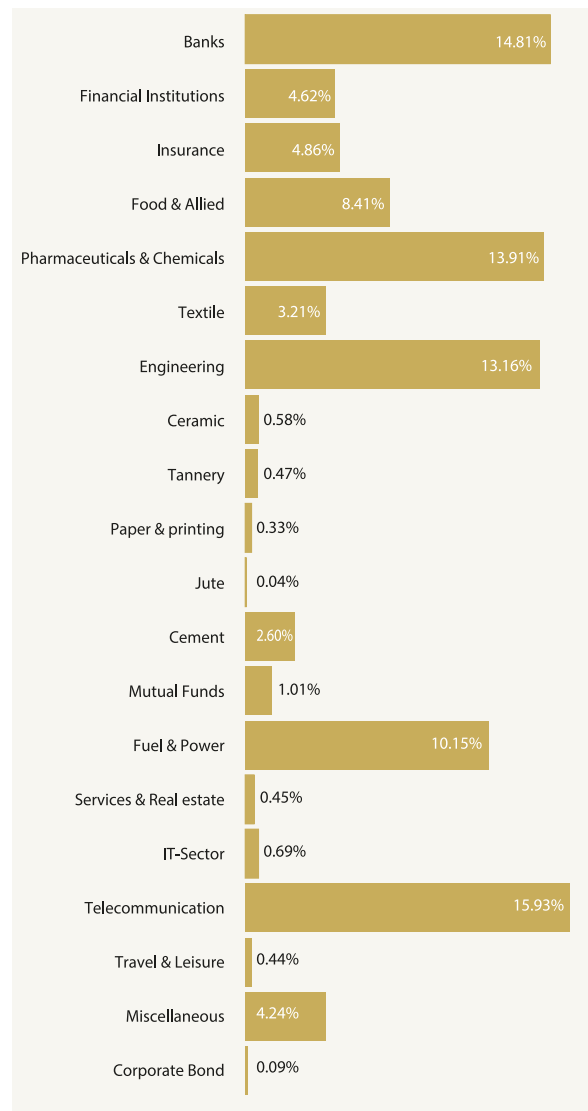
(As per listing date with DSE)

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

Particulars	DSE		
	As on 30 June 2020	As on 30 June 2021	Change %
Number of Listed Securities (including Mutual Fund, Debenture and Govt. Bond)	589	609	3.40
Total Issued Capital of all listed Securities (In Million)	1,299,814.00	1,397,346.00	7.50
Market Capitalization (in Million)	3,119,670.00	5,142,821.00	64.85
DSEX / All Share Price Index	3989.09	6,150.48	54.18

Percentage of Total Market Capitalization in different Sector at DSE in 2021

Name of the Sector	Percentage (%)
Banks	14.81
Financial Institutions	4.62
Insurance	4.86
Food & Allied	8.41
Pharmaceuticals & Chemicals	13.91
Textile	3.21
Engineering	13.16
Ceramic	0.58
Tannery	0.47
Paper & Printing	0.33
Jute	0.04
Cement	2.60
Mutual Funds	1.01
Fuel & Power	10.15
Services & Real Estate	0.45
IT-Sector	0.69
Telecommunication	15.93
Travel & Leisure	0.44
Miscellaneous	4.24
Corporate Bond	0.09
<b>Total</b>	<b>100.00</b>



Source: DSE Review



## 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.



Dr. Md. Humayun Kabir Chowdhury  
Director, Board  
Chairman, Audit Committee

# Financial and Operational Highlights

## Financial Performance

(Tk. in crore)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
01. Total Income	88.87	39.65	72.03	109.67	72.17
02. Net Income	7.53	(4.52)	4.70	4.28	0.30
03. Total Shareholders' Equity	437.28	*433.15	436.26	371.00	229.70
04. Total Assets	1172.29	*1014.96	1016.92	951.99	932.23

\* Restated

## Operational Performance

(Tk. in crore)

Particulars	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18	FY 2016-17
-------------	------------	------------	------------	------------	------------

### Issue Management

01. No. of Issues (agreement signed)	06	08	08	13	09
02. Issue size	791.00	235.00	1401.10	501.67	644.59

### Underwriting

03. No. of Issues	04	05	05	05	06
04. Underwriting Commitment	26.90	22.80	57.82	48.32	283.26

### Trustee & Custodian

05. No. of Issues (agreement signed)	06	03	04	03	01
06. Issue size	130.00	80.00	730.00	2900.00	600.00

### Investors' Scheme

07. No. of Account Opened	901	287	360	288	387
08. Deposits Received	72.15	81.03	53.44	69.66	86.43
09. Margin Loan Disbursed	796.62	329.58	495.63	596.23	1087.89
10. Recovery of Margin Loan	939.40	385.38	549.68	709.44	1180.89

### Own Portfolio

11. Total Investment	94.07	65.59	88.16	134.53	204.48
12. Profit on Sale of Marketable Securities	33.56	4.28	13.31	39.27	19.79

# Underwriting & Issue Management

## Preface:

ICML has established itself as an unparalleled 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 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.

## Services of Underwriting and Issue Management Department:

ICML provides Issue Management, Underwriting and Advisory 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 and also Corporate Advisory, Capital Restructuring, Merger & Acquisition.

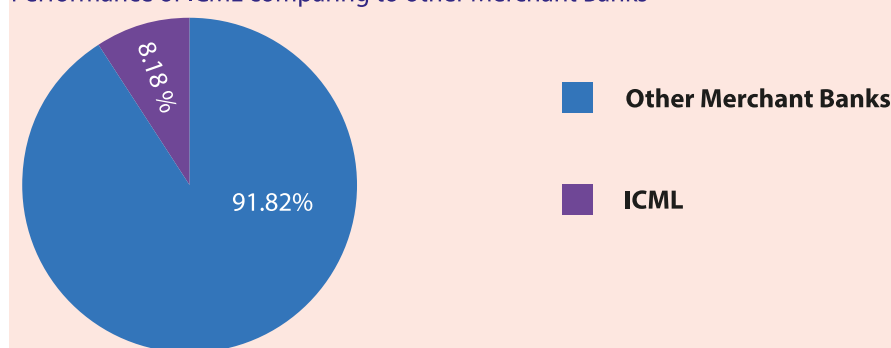
## Focus on present industry performance:

Bangladesh Securities & Exchange Commission (BSEC) has approved 13 (Thirteen) Initial Public Offering amounting Tk. 1454.79 crore during FY 2020-21. Out of this, ICML acted as the Issue Manager of 2 (two) renowned companies namely The South Bangla Agriculture & Commerce Bank Limited and Sonali Life Insurance Company Limited with an issue size of Tk. 100.00 crore and Tk. 19.00 crore respectively which is an excellent achievement in a very challenging situation of the primary market as well as secondary market depicting its leading position in the market.

## Summary of Performance comparing to other Merchant Banks during FY 2020-21

Particulars	ICML		Other Merchant Banks		Total Issue 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	119.00	11	1335.79	1454.79	8.18%

## Performance of ICML comparing to other Merchant Banks



## Adversity and offset mechanism of ICML:

Now-a-days the main adversity in managing the issue management services is the regular changes in the regulation to act as the Issue Manager and moreover conservativeness in the valuation. However, ICML has managed to offset the adversities to a greater extent by using its brand value bringing prospective companies through IPOs, strong liaison with regulatory authorities, reputation regarding compliance with relevant regulations and continuous team effort.



Underwriting & Issue Management - *continued*

**Present status of Issue Management & Underwriting Commitment**

Since inception, ICML has assisted 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. Despite prevailing challenges in the capital market, ICML has provided issue management services in different forms including Capital Raising and IPO of 06 (six) companies and committed to underwriting of shares to 04 (four) companies during the year under review. Details are stated below:

**Commitment for providing Issue Management Services**

Sl.	Name of the Company	Type of Issue
1	Bangladesh Submarine Cable Company Ltd.	Capital Raising
2	South Bangla Agriculture & Commercial Bank Ltd.	IPO
3	GAS Transmission Company Ltd.	IPO
4	GAS Transmission Company Ltd.	Advisory Services
5	Meridian Finance Ltd.	Bond
6	JMI Hospital Requisite Mfg. Ltd.	Advisory Services

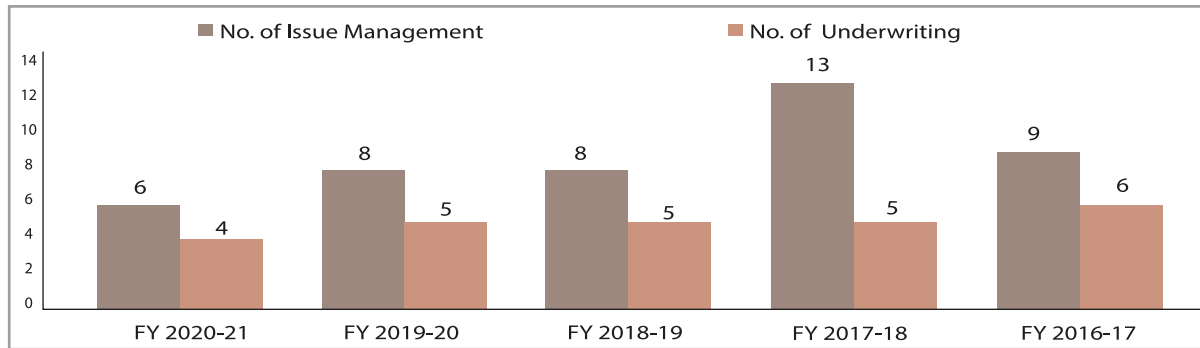
**Underwriting Commitment**

Sl.	Name of the Company	Type of Issue
1	South Bangla Agriculture & Commerce Bank Ltd.	IPO
2	Sena Kalyan Insurance Company Ltd.	IPO
3	Midland Bank Ltd.	IPO
4	Eshana Non-Woven Fabrics (Ind.) Limited	IPO

**Year wise Comparative Position of Issue Management and Underwriting activities in the last 05 (five) years**

Particulars	2020-21	2019-20	2018-19	2017-18	2016-17	Cumulative as on 30-06-21
<b>Issue Management</b>						
No. of Issue:	6	8	8	13	9	230
Size of Issue (Taka in crore):	791.00	235.00	1401.10	501.67	644.59	16,304.53
<b>Underwriting</b>						
No. of Companies:	4	5	5	5	6	177
Underwriting Commitment (Taka in crore)	26.90	22.80	57.82	48.32	283.26	3,100.70

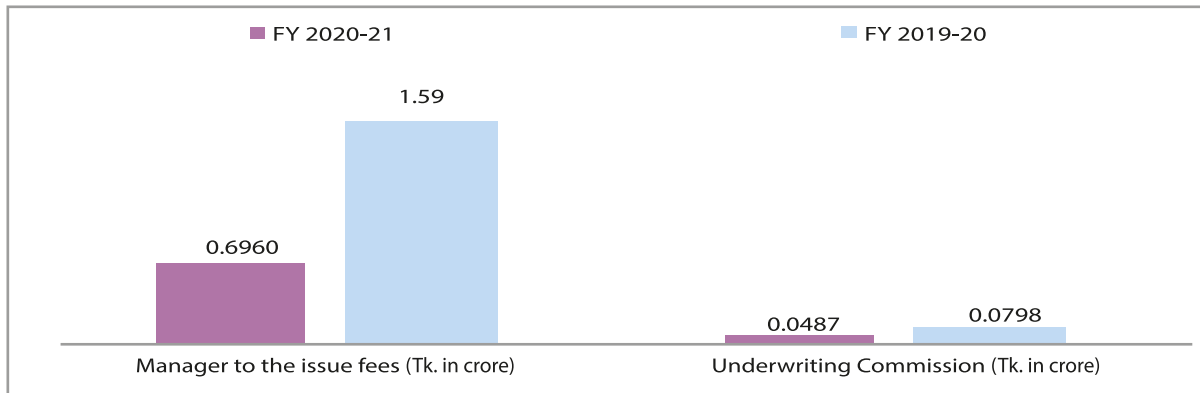
## Comparative Graphical position of Issue Management and Underwriting Activities



## Financial Pulse

The following table shows the revenue streams in this regard

Particulars	(Tk. in crore)	
	FY 2020-21	FY 2019-20
Manager to the issue fees	0.6960	1.59
Underwriting Commission	0.0487	0.0798



Last five years achievement of ICML through listing the securities of different renowned companies in the capital market

SL	Name of the Company	Issue Size (Tk. in crore)
1	The ACME Laboratories Limited	409.60
2	Doreen Power Generations and Systems Limited	58.00
3	BBS Cables Limited	20.00
4	Aman Cotton Fibrous Limited	80.00
5	Ashuganj Power Station Company Limited (Bond)	100.00
6	ADN Telecom Limited	57.00
7	South Bangla Agriculture & Commercial Bank Ltd.	100.00
8	Sonali Life Insurance Company Limited	19.00

## 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. 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, 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-ended Mutual Fund of the country namely "Bangladesh Fund". At present, ICML is providing services of Trustee of 10 (Ten) bonds, Trustee of 06 (Six) Mutual Funds & Custodian of 5 (Five) Mutual Funds.

### List of Projects

Sl. No.	Name of Issues	Nature of Service	Size of Issue (Tk. in crore)	Status
01	Bangladesh Fund (an open ended Mutual Fund)	Trustee & Custodian	5000.00	Continuing
02	EBL AML 1st Unit Fund (an open ended Mutual Fund)	Trustee & Custodian	30.00	Continuing
03	ICB AMCL Shotoborsho Unit Fund (an open ended Mutual Fund)	Trustee & Custodian	20.00	Continuing
04	Joytun 1st Unit Fund (an open ended Mutual Fund)	Trustee & Custodian	10.00	Continuing
05	Mercantile Bank Unit Fund (an open ended Mutual Fund)	Trustee	50.00	Signed
06	BD Venture 1st Mutual Fund (an open ended Mutual Fund)	Trustee & Custodian	10.00	Signed
07	Coupon-bearing Non-Convertible Tier-II Subordinate Debt (Bond) of Standard Bank Limited.	Trustee	200.00	Continuing
08	Non-Convertible Fully Redeemable Floating rate Subordinate Bond of Agrani Bank Limited	Trustee	700.00	Continuing
09	Non-Convertible Coupon Bearing of Ashuganj power station company limited.	Trustee	600.00	Continuing
10	Non-Convertible Fixed rate Subordinated Bond of Investment Corporation of Bangladesh	Trustee	2000.00	Continuing
11	Non-Convertible Fully Redeemable Floating rate Subordinate Bond of Industrial & Infrastructure Development Finance Company (IIDFC) Limited	Trustee	200.00	Approved
12	Coupon bearing unsecured fully redeemable nonconvertible subordinated bond of GSP Finance Company (Bangladesh) Limited	Trustee	200.00	Approved
13	Mudaraba Non-convertible Fully Redeemable Subordinated Bond of Islamic Finance and Investment Limited	Trustee	300.00	Approved
14	Fully Redeemable unsecured bond Generation Next Fashion Ltd.	Trustee	200.00	Approved
15	Coupon Bearing, Non-convertible Bond Meridian Finance & Investment Limited	Trustee	50.00	Signed
16	Coupon bearing bond of Orion Infrastructure Ltd.	Trustee	815.00	Signed

**Income from Trustee services during the FY 2020-21**

During the FY 2020-21 ICML earned a significant amount of Tk. 3.57 crore as trustee fee.

Sl. No.	Name of Issues	Size of Issue (Tk. in crore)	Type of Fees	Amount (Tk. in crore)
01	Bangladesh Fund	5000.00	Trustee Fee	1.48
02	Ashuganj Power Station Company Limited	600.00	Trustee Fee	0.15
03	Agrani Bank Limited	700.00	Trustee Fee	0.32
04	Investment Corporation of Bangladesh	2000.00	Trustee Fee	1.60
05	Islamic Finance & Investment Ltd.	300.00 (Subscribe 20.00)	Trustee Fee	0.01
06	EBL AML 1 <sup>st</sup> Unit Fund	30.00	Trustee Fee	0.0155
			<b>Total=</b>	<b>3.57</b>

**Income from Custodial services during the FY 2020-21**

During the FY 2020-21 ICML earned a significant amount of Tk. 1.52 crore as custodian fee.

Sl. No.	Name of Issues	Size of Issue (Tk. in crore)	Type of Fees	Amount (Tk. in crore)
01	Bangladesh Fund	5000.00	Custodian Fee	1.51
02	EBL AML 1 <sup>st</sup> Unit Fund	30.00	Custodian Fee	0.015
			<b>Total =</b>	<b>1.525</b>



Meeting of the Trustee Committee of Shotoborsho Unit Fund



Meeting of the Trustee Committee of Bangladesh Fund



Meeting of the Trustee Committee of Agrani Bank Limited

## Investors' Scheme

Managing Investors' Scheme is one of the core functions of ICML. From inception, the said scheme draws a great enthusiasm from the wide range of investors. ICML experienced rapid growth under the scheme in a short period. The features of this scheme made it popular among varied range of investors.

ICML opened 36756 Investors' Accounts in between FY 2002-03 to FY 2009-10. Due to sharp down trend in the FY 2010-11 and consecutive slide for many years, investors' confidence affected adversely with participation of investors in the capital market reduced significantly. Only 5283 number of Investors' Accounts opened in between FY 2011-12 and FY 2019-20. Covid-19 pandemic which started at the outset of 2020 also affected the market badly. Restrictions were imposed on free movement of people and transportation. Economic activities were almost closed on several occasions. All sectors of the economy faced extreme level of challenges. On 30 June 2020, DSEX index after a stiff fall stood at 3981.52 point. The world is yet to recover from existing pandemic and worsening financial conditions. But capital market of Bangladesh has shown a different character under the pandemic situation. In the FY 2020-21 the market bounced back unexpectedly. At the end of the year DSE main index stands at 6150.48 point. It rose by 2168.96 point or 54.48% than that of the last year. During the year ICML registered 901 fresh accounts. The company offered rebate facilities to the negative equity accounts in the last quarter of the financial year. Under the rebate facilities total 6812 number of accounts were listed. A total of 2795 listed account holders took the opportunity where TK. 131.22 crore was waived to those account holders. Out of the total waived amount, TK.119.98 crore and TK.11.24 crore were waived from interest and provision respectively. ICML also recovered TK. 22.20 crore through sale of securities from rebate accounts.

Though market is recovering, still a significant portion of margin loan provided to investors is classified. Out of 27984 active investors' accounts, 8089 accounts have been classified as of 30 June 2021. On the same date margin loan stood at TK. 488.43 crore. Of which total classified loan amounts to TK. 384.24 crore (78.67% of total outstanding margin loan). A brief scenario of margin loan as per provisioning policy is presented below for better understanding:

(Tk. in crore)

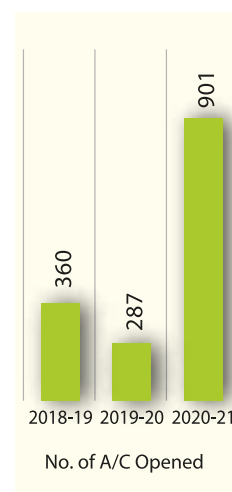
Status of Classification	No. of Accounts	Margin Loan	Interest Charged	PMF Charged	Required Provision
Bad	5505	235.30	71.82	0.82	93.97
Doubtful	2542	147.77	33.06	0.62	3.54
Sub-standard	42	1.17	0.15	0.01	0.02
<b>Total Classified (A)</b>	<b>8089</b>	<b>384.24</b>	<b>105.03</b>	<b>1.45</b>	<b>97.53</b>
Good (B)	5257	104.19	14.11	1.19	2.08
Credit (C)	14638	-	2.58	1.50	-
<b>Total (A+B+C)</b>	<b>27984</b>	<b>488.43</b>	<b>121.72</b>	<b>4.14</b>	<b>99.61</b>

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

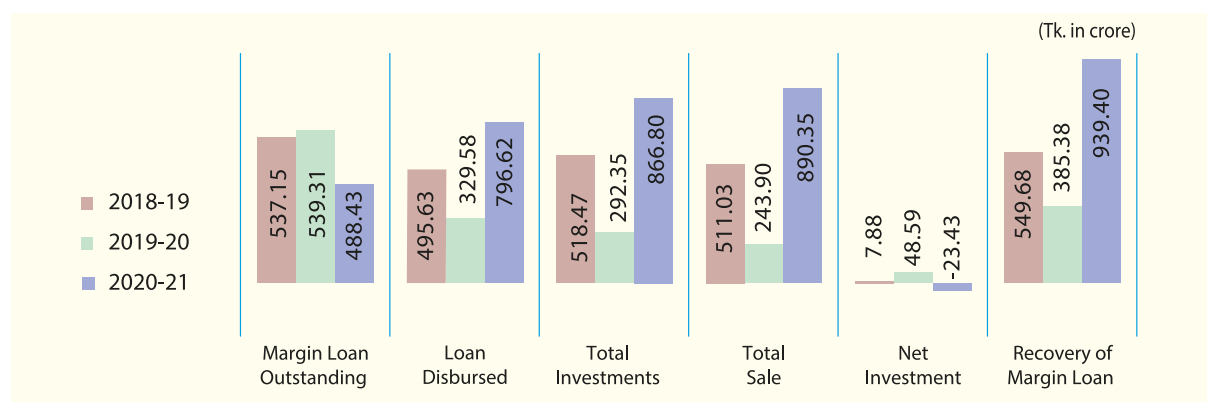
#### Comparative operational activities of the Investors' Scheme

(Tk. in crore)

Particulars	FY 2018-19	FY 2019-20	FY 2020-21	Cumulative as on 30 June 2021
No. of A/C Opened	360	287	901	42800
No. of A/C Closed	798	660	713	14816
No. of net Operative A/C	28169	27796	27984	27984
Deposit Received	53.44	81.03	72.15	1997.60
Margin Loan Outstanding	537.15	539.31	488.43	--
Loan Disbursed	495.63	329.58	796.62	11054.78
Total Investments	518.47	292.35	866.80	16719.48
Total Sale	511.03	243.90	890.35	16161.16
Net Investment	7.88	48.59	(23.43)	535.70
Recovery of Margin Loan	549.68	385.38	939.40	11419.59



During the financial year 2020-21, ICML disbursed TK. 796.62 crore as margin loan to its investors. Total outstanding margin loan as on 30 June 2021 stood at TK. 488.43 crore, which was decreased by TK. 50.88 crore (9.43% less) 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 2019-20 and FY 2020-21 is depicted below:

(Tk. in crore)

Particulars	Head Office		Branches		Total	
	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21	FY 2019-20	FY 2020-21
No. of A/C Opened	96	168	191	733	287	901
No. of A/C Closed	140	160	520	553	660	713
Deposit Received	56.21	15.94	24.82	56.21	81.03	72.15
Total Investments	104.67	210.58	187.68	656.22	292.35	866.80
Net Investment	45.50	(21.85)	3.09	(1.49)	48.59	(23.34)

Investors' Scheme - *continued*

The following table shows Head office and Branch-wise operation of the Investors' Scheme in the FY 2020-21  
(Tk. in crore)

Particulars	HO *(Non-discr)	HO *(Discr)	Ctg.	Rajshahi	Barishal	Khulna	Bogura	Sylhet	Uttara	Gazipur	Total
No. of A/C Opened	168	0	112	115	178	49	98	38	106	37	901
No. of A/C Closed	160	0	163	90	71	105	65	17	33	8	713
Deposit Received	15.84	0	6.63	13.42	8.90	4.65	12.62	3.66	3.73	2.69	72.15
Loan Disbursed	302.77	0	44.52	120.84	69.86	45.42	138.06	23.64	29.63	21.88	796.62
Total Investment	210.58	0	68.28	160.84	96.00	52.08	169.63	39.89	37.18	32.33	866.80
Net Investment	(21.85)	0	(1.59)	(3.76)	1.30	(4.84)	2.70	2.06	0.66	1.96	(23.34)
Margin Loan Recovery	389.00	.0044	62.27	126.62	82.02	48.16	145.81	27.16	35.46	22.88	939.40
Total Buy	202.08	0	58.63	154.06	91.79	48.93	164.27	37.62	35.55	31.62	824.55
Total Sale	232.42	.1980	69.87	164.60	94.70	56.92	166.92	37.82	36.52	30.37	890.35

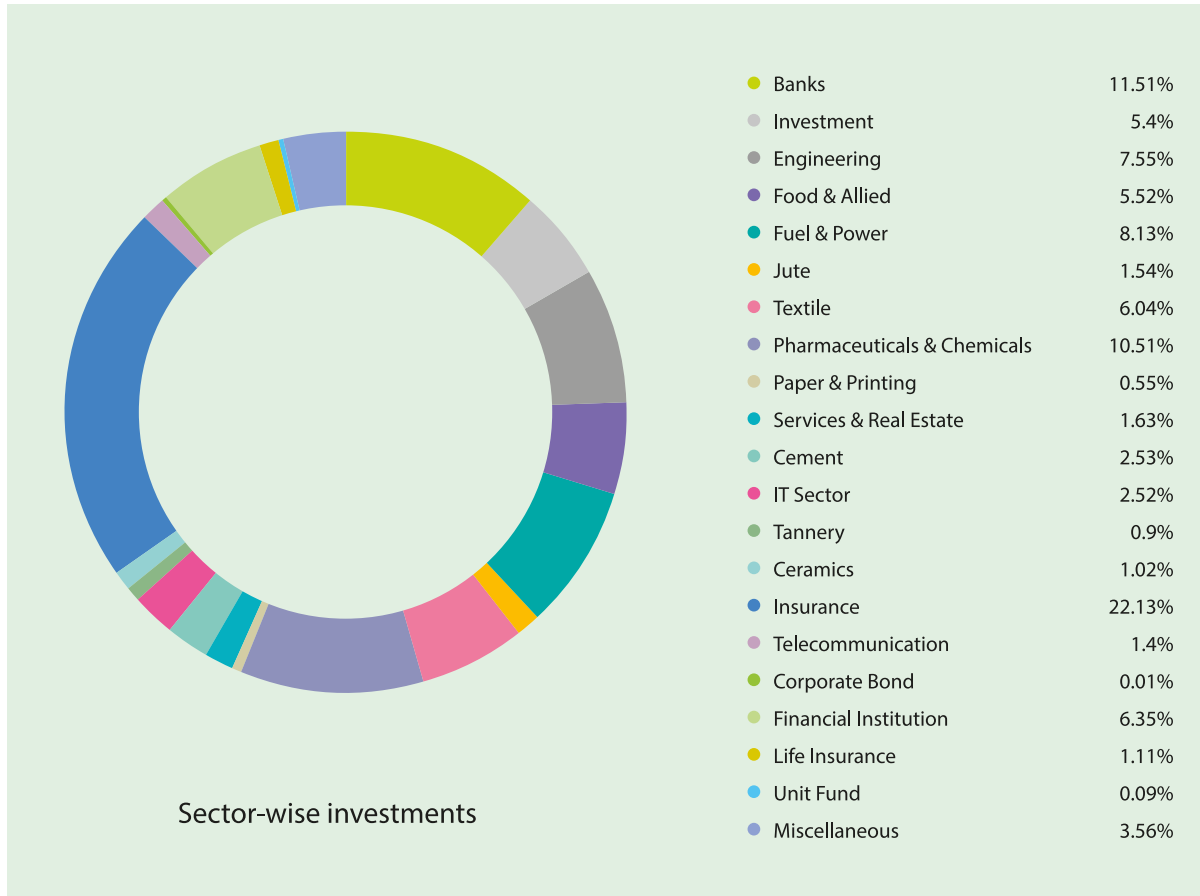
\*Non-discr: Non-Discretionary

\*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 2020-21  
(Tk. in crore)

Sectors	Head Office	Branches	Total	Percentage (%)
Banks	24.85	78.39	103.24	11.51
Investment	15.03	32.16	47.19	5.4
Engineering	23.85	45.25	69.10	7.55
Food & Allied	13.25	35.15	48.40	5.52
Fuel & Power	25.35	46.15	71.50	8.13
Jute	2.52	10.85	13.37	1.54
Textile	12.90	39.44	52.34	6.04
Pharmaceuticals & Chemicals	22.75	68.75	91.50	10.51
Paper & Printing	0.85	3.95	4.80	0.55
Services & Real Estate	2.45	12.98	15.43	1.63
Cement	6.08	16.25	22.33	2.53
IT Sector	2.10	23.56	25.66	2.52
Tannery	3.75	4.08	7.83	0.9
Ceramics	2.10	6.74	8.84	1.02
Insurance	41.50	154.15	195.65	22.13
Telecommunication	8.35	3.85	12.20	1.4
Corporate Bond	0.05	00.00	0.05	0.01
Financial Institution	23.68	35.15	58.83	6.35
Life Insurance	5.75	3.98	9.73	1.11
Unit Fund	0.65	0.12	0.77	0.09
Miscellaneous	9.18	25.10	34.28	3.56
<b>TOTAL</b>	<b>246.99</b>	<b>646.05</b>	<b>893.04</b>	<b>100.00</b>



### Classification of Investors

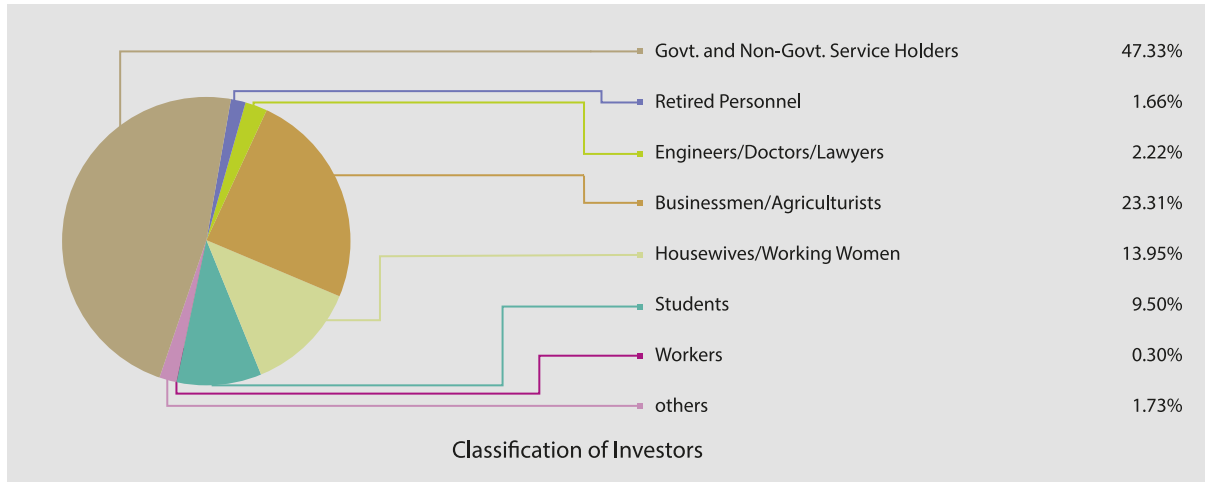
Investors' Scheme of ICML encompasses Investors from diversified occupation and echelons of society including salaried government and non-government employees, businessmen and agriculturists, housewives and other. The following table shows the occupation-wise classification of the active accountholders of head office and branches up to FY 2020-21:

Occupation	Total	%
Govt. and Non Govt. Service holders	13246	47.33
Retired Personnel	465	1.66
Engineers/Doctors/Lawyers	621	2.22
Businessmen/Agriculturists	6521	23.31
Housewives/Working Women	3903	13.95
Students	2658	9.50
Workers	85	0.30
others	485	1.73
<b>Grand Total</b>	<b>27984</b>	<b>100.00</b>



Investors' Scheme - *continued*

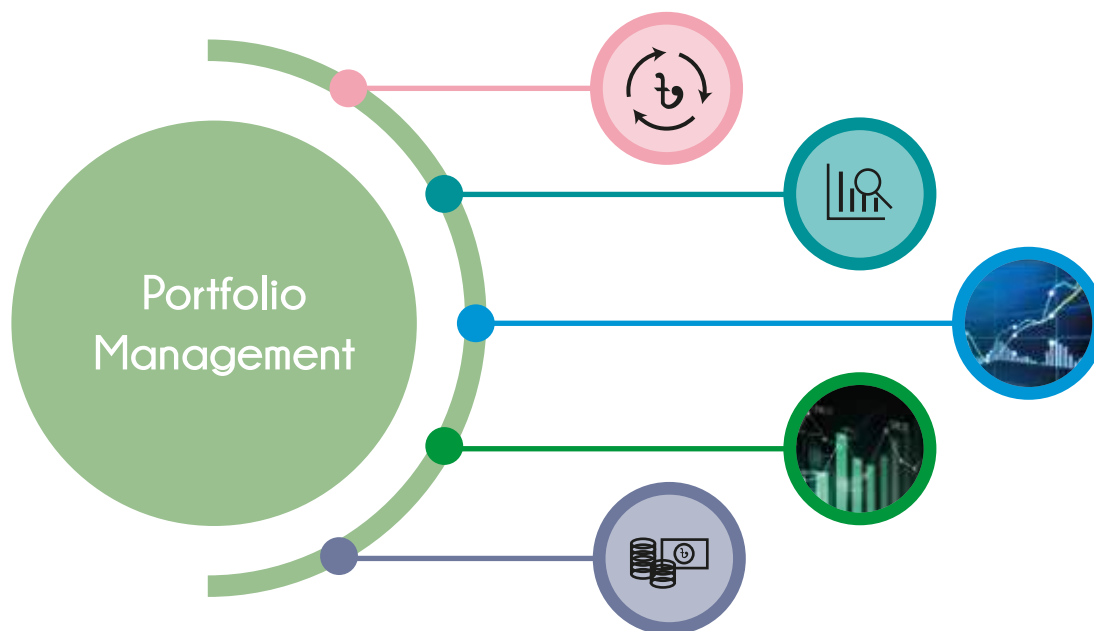
Out of the total investors, government & non-government sector is staking the major portion followed by Businessmen/Agriculturists in the 2<sup>nd</sup> position. Minimal involvement is found in other occupations. However, the contribution of housewives is very much encouraging.



Delivering Mask & Hand Sanitizer to Investors



Receiving application from the investors under rebate facility of Investors' Scheme at the head office



## Portfolio Management

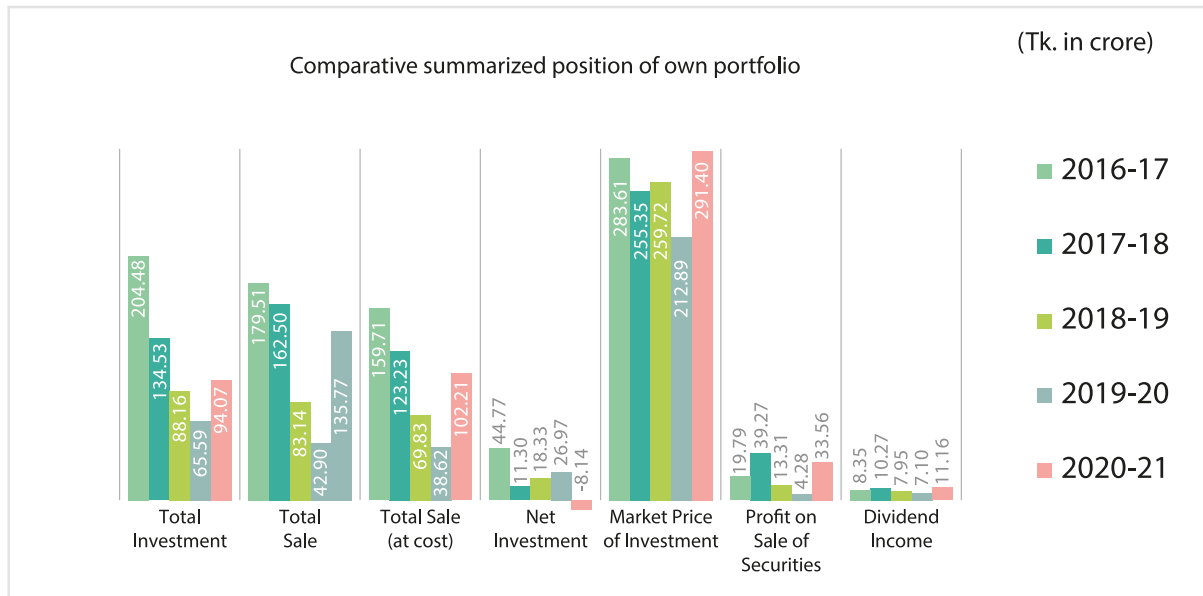
Portfolio Management is one of the main function of ICML. Two departments namely Portfolio Management Department and Securities Analysis Department work together in making investment recommendations. The recommendations are placed before the committee namely Portfolio Management Committee comprising of 07 (Seven) 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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Investment	204.48	134.53	88.16	65.59	94.07
Total Sale	179.51	162.50	83.14	42.90	135.77
Total Sale (at cost)	159.71	123.23	69.83	38.62	102.21
Net Investment	44.77	11.30	18.33	26.97	(8.14)
Market Price of Investment	283.61	255.35	259.72	212.89	291.40
Profit on Sale of Securities	19.79	39.27	13.31	4.28	33.56
Dividend Income	8.35	10.27	7.95	7.10	11.16



#### Dividend Earned

The Company earned dividend of Tk. 11.16 crore during the year under review, compared to the dividend of Tk. 7.10 crore in the previous FY 2019-20.

#### Capital Gain

The Company earned capital gain of Tk. 33.56 crore during the year under review, compared to the capital gain of Tk. 4.28 crore in the previous FY 2019-20.



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 2019-20	FY 2020-21	Cumulative up to 30 June 2021
(A) Agriculture	No.	-	-	1101
	Amount (in Lac)	-	-	1482.00
(B) ICT	No.	-	-	128
	Amount (in Lac)	-	-	182.25

In the FY 2020-2021 ICML earned Tk. 4.85 Lac against Project Examination fee and documentation charges from 7 projects of EEF.

### 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 circulars 2018.

As per ESF circular 2018 published by Bangladesh Bank, the ESF would provide eight-year term loans at 2 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 favor of ICB. ICML as appraising and Loan recovery institution has received 352 Nos. of project profiles up to 30.06.2021 from beginning of the scheme among which 349 are Agro and 3 are ICT based projects.

Particulars		FY 2018-19	FY 2019-20	FY 2020-21	Cumulative up to 30 June 2021
(A) Agriculture	No.	12	202	135	349
	Amount (in Lac)	12.00	202	135.00	349.00
(B) ICT	No.	2	-	1	3
	Amount (in Lac)	2.00	-	1.00	3.00

Besides, in the FY 2020-21, ICML earned Tk. 3.5 Lac (0.50 Lac from each project) against Re-appraisal Fee from 7 projects and refunded Tk. 1.00 Lac to 1 project of ESF.

## 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;

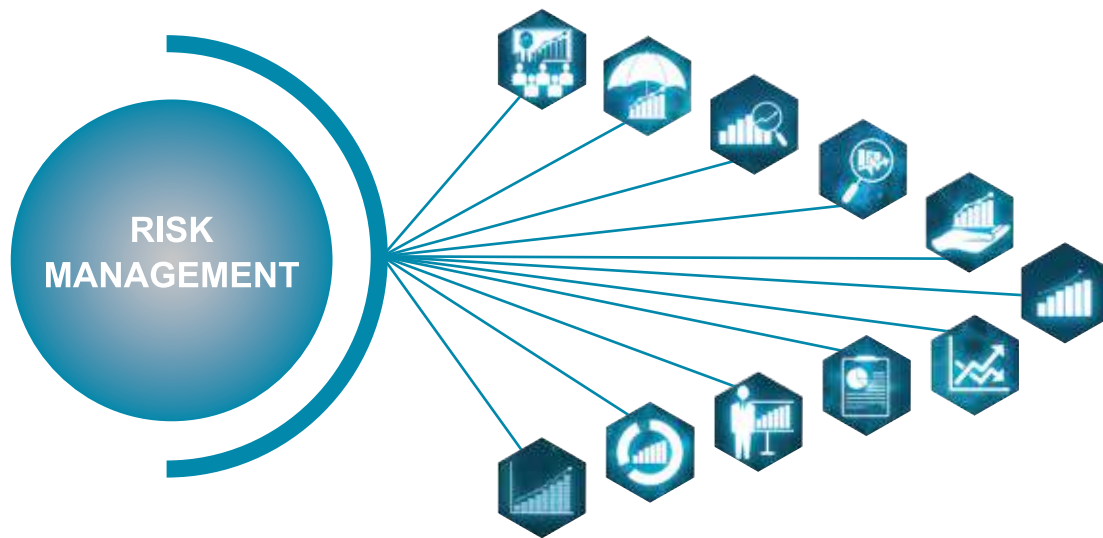
Making recommendations in relation to the improvement of systems and monitoring the performance of systems against targets;

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

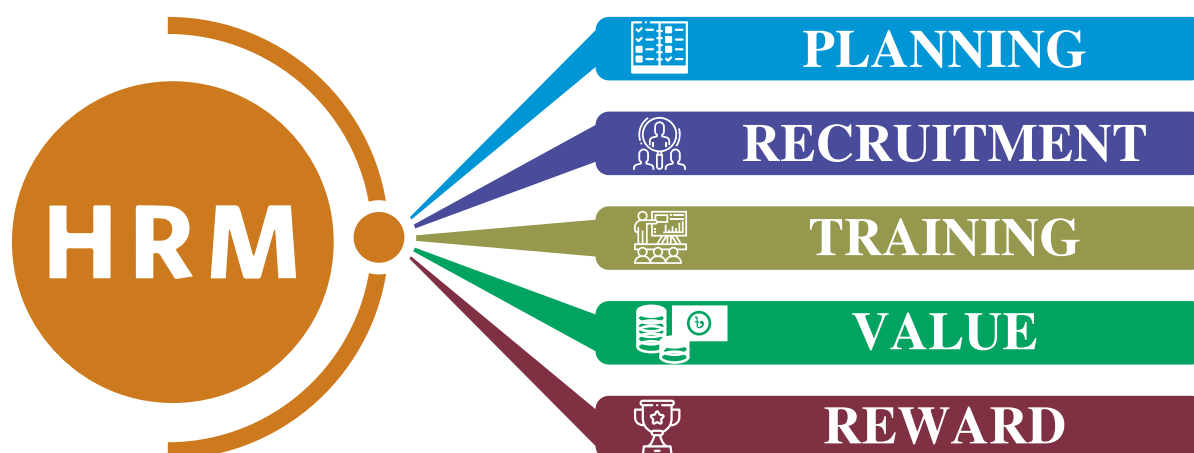
IT risk is the potential barrier that a given threat will exploit vulnerabilities of an asset or group of assets and thereby cause harm to the organization. It is measured in terms of a combination of the probability of occurrence of an event and its consequence. IT infuses the operations of an entire 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.





## 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; and
- 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 2020-21, total manpower of ICML stood at 147. Out of 147 employees, the number of officers & staff stood at 72 and 75 respectively whereas 15 officers including the CEO, two ACEOs, two DCEOs and one staff were on deputation from ICB. The number of female employees as on 30 June 2021 stood at 26, representing 17.69% 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) Scrutinizing Committee and (ii) Recruitment and Promotion Committee.

### Promotion

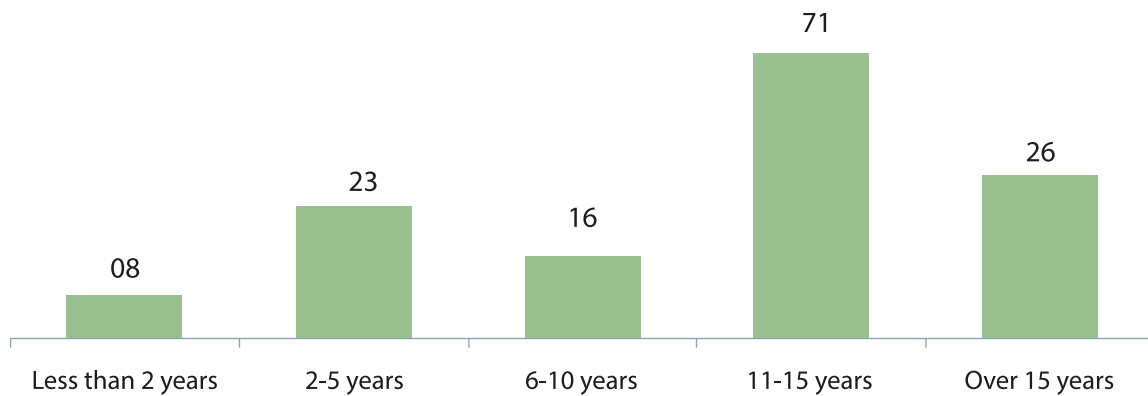
Promotion of employees motivates to aspire for advancement of opportunities within the company. It also contributes to employee satisfaction and retention. Employee's promotion in our company is to be made by examining all factors necessary to determine the best qualification and potential to fill the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

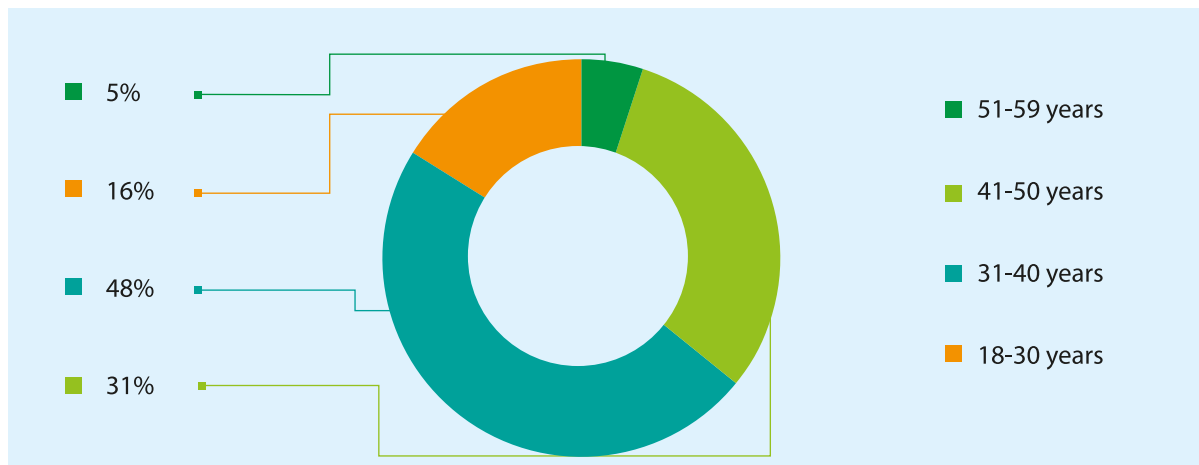
### Training and Development

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. 39 (Thirty Nine) officers and staffs participated in local training and workshop programs on different subjects during FY 2020-21.

### Service-tenure Analysis



### 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 & Life Insurance Policy have already been implemented. Personal Loan/Temporary Advance facility up to 5 (five) lac has 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 21 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.

In conclusion, 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
<b>Total</b>		<b>240</b>

## 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:

Sl. No.	IAS No.	IAS Title	Compliance Status
1	1	Presentation of Financial Statements	Complied
2	2	Inventories	Not Applicable
3	7	Statement of Cash Flows	Complied
4	8	Accounting Policies, Changes in Accounting Estimates and Errors	Complied
5	10	Events after the Reporting Period	Complied
6	11	Construction Contracts	Replaced by IFRS 15
7	12	Income Taxes	Complied
8	16	Property, Plant & Equipment	Complied
9	17	Leases	Replaced by IFRS 16
10	18	Revenue	Replaced by IFRS 15
11	19	Employee Benefits	Complied
12	20	Accounting for Government Grants and Discloser of Government Assistance	Not Applicable
13	21	The Effects of Changes in Foreign Exchanges Rates	Not Applicable
14	23	Borrowing Costs	Complied
15	24	Related Party Disclosures	Complied
16	26	Accounting and Reporting by Retirement Benefit Plans	Complied
17	27	Consolidated and Separate Financial Statements	Complied
18	28	Investment in Associates	Not Applicable
19	31	Interest in Joint Venture	Not Applicable
20	32	Financial Instruments: Presentation	Complied
21	33	Earnings per Share	Complied
22	34	Interim Financial Reporting	Complied
23	36	Impairment of Assets	Not Applicable
24	37	Provisions, Contingent Liabilities and Contingent Assets	Complied
25	38	Intangible Assets	Complied
26	39	Financial Instruments: Recognition and Measurement	Complied
27	40	Investment Property	Not Applicable
28	41	Agriculture	Not Applicable

Sl. No.	IFRS No.	IFRS Title	Compliance Status
1	1	First-time Adoption of International Financial Reporting Standards	Not Applicable
2	2	Share-based Payment	Not Applicable
3	3	Business Combinations	Complied
4	4	Insurance Contracts	Not Applicable
5	5	Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
6	6	Exploration for and Evaluation of Mineral	Not Applicable
7	7	Financial Instruments: Disclosures	Complied
8	8	Operating Segments	Complied
9	9	Financial Instruments	Complied
10	10	Consolidated Financial Statements	Complied
11	11	Joint Arrangements	Not Applicable
12	12	Disclosure of Interests in Other Entities	Not Applicable
13	13	Fair Value Measurement	Not Complied
14	14	Regulatory Deferral Accounts	Not Applicable
15	15	Revenue from Contracts with Customers	Not Applicable
16	16	Leases	Complied

# Financial Results

## Income Performance

During the FY 2020-21, the Company has earned total income of Tk. 88.87 crore including Tk. 30.59 crore (34.42 % of total income) as interest income followed by Tk. 33.57 crore as profit on sale of securities (37.77% of total income) and Tk. 5.50 crore as income from fees and commission (6.19% of total income). Besides, the Company also earned income of Tk. 12.06 crore (13.57 % of total income) in the form of dividend, Tk. 5.09 crore (5.73% of total income) from trustee and custodian and Tk. 1.43 crore (1.61% of total income) from EEF & ESF. In addition, the Company earned Tk. 0.57 crore (0.65 % of total income) as other income and 0.05 crore (0.06% of total income) as non-operating income.

## Expenditure and Provision

The total expenses of Tk. 81.34 crore were incurred including Tk. 24.99 crore (30.73% of total expenditure) as interest expenses followed by Tk. 14.18 crore (17.43% of total expenditure) as expenses for salaries & allowances, Tk. 42.86 crore (0.53% of total expenditure) for rent, tax, electricity & insurance and Tk. 0.19 crore (0.23% of total expenditure) for stationary, printing & advertising. Besides, the Company incurred Tk. 1.39 crore (1.70% of total 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. 0.25 crore (0.30% of total expenditure) has been charged as repairs & maintenance during the year.

During the period under review, the company has made provision of Tk. 10.50 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. 21.50 crore against investment in own portfolio.

## Earnings and Dividend

During the period under review, Company's earned Profit before tax stood at Tk. 13.17 crore. After provisioning of Tk. 5.64 crore as income tax for the year, the net Profit after tax stood at Tk. 7.53 crore. The Board of Directors recommended 1% Interim Dividend which was declared as final dividend for the FY 2020-21.

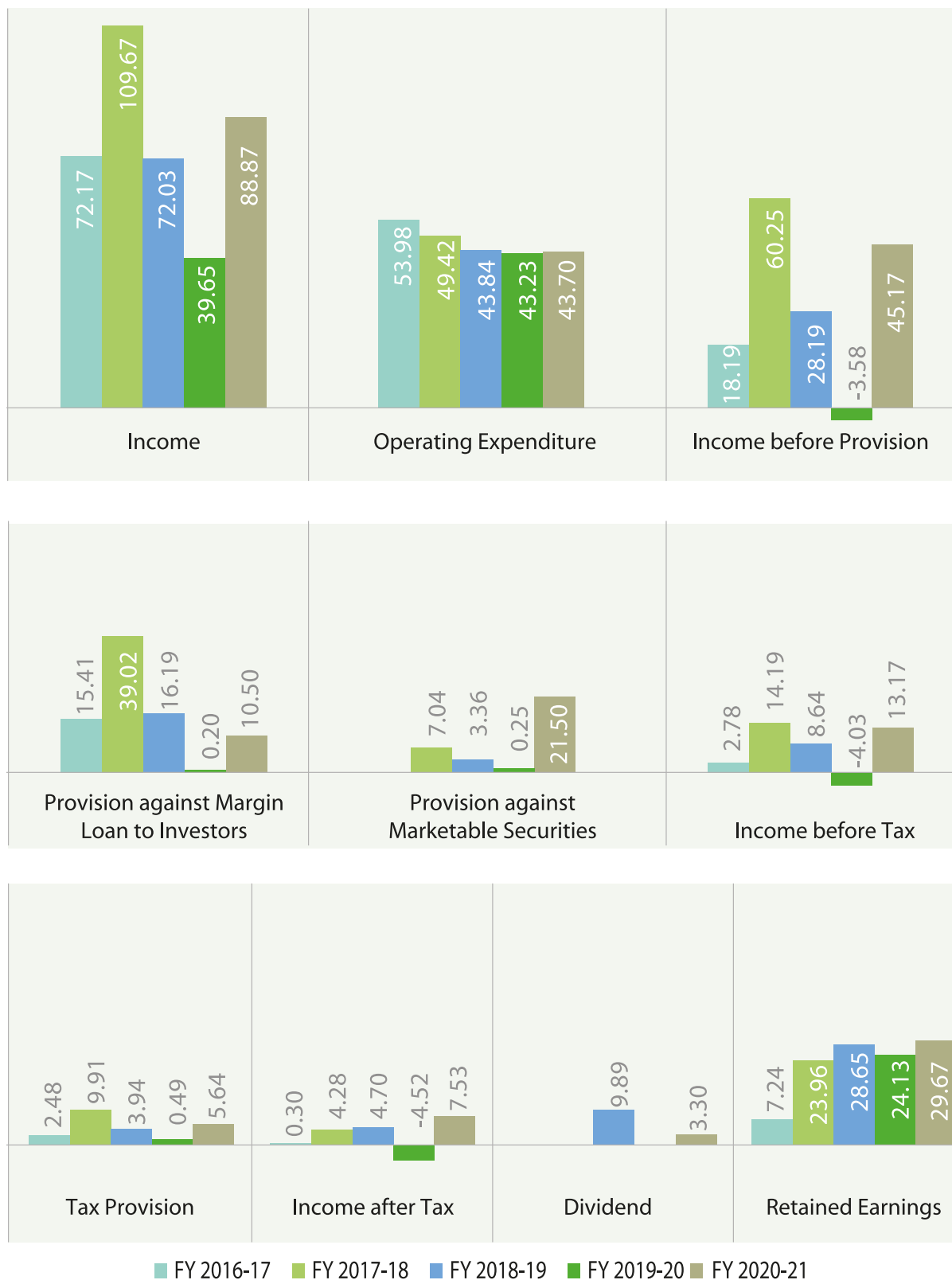
## Summary of the Financial Results

(Taka in Crore)

Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Income	72.17	109.67	72.03	39.65	88.87
Operating Expenditure	53.98	49.42	43.84	43.23	43.70
Income before Provision	18.19	60.25	28.19	(3.58)	45.17
Provision against Margin Loan to Investors	15.41	39.02	16.19	0.20	10.50
Provision against Marketable Securities	-	7.04	3.36	0.25	21.50
Income before Tax	2.78	14.19	8.64	(4.03)	13.17
Tax Provision	2.48	9.91	3.94	0.49	5.64
Income after Tax	0.30	4.28	4.70	(4.52)	7.53
Dividend	0	0	9.89	0	3.30
Retained Earnings	7.24	23.96	28.65	24.13	29.67

## Summary of the Financial Results

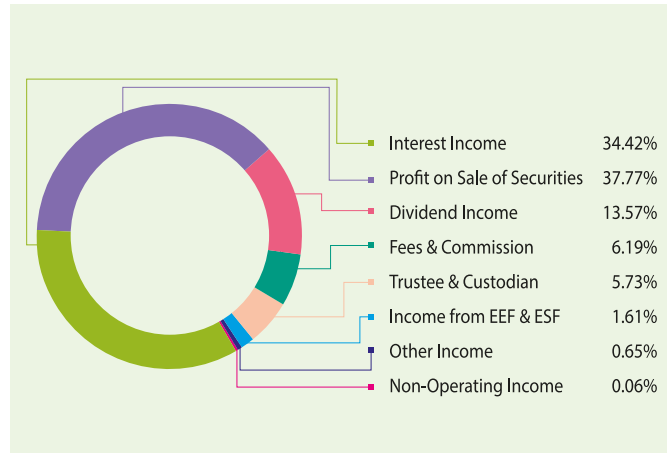
(Taka in Crore)



## Income performance at a glance

(Tk. in Crore)

Particulars	FY 2020-21	%
Interest Income	30.59	34.42%
Profit on Sale of Securities	33.57	37.77%
Dividend Income	12.06	13.57%
Fees & Commission	5.50	6.19%
Trustee & Custodian	5.09	5.73%
Income from EEF & ESF	1.43	1.61%
Other Income	0.58	0.65%
Non-Operating Income	0.06	0.06%
<b>Total</b>	<b>88.88</b>	<b>100%</b>



## Financial Analysis

Some Key Financial Analysis

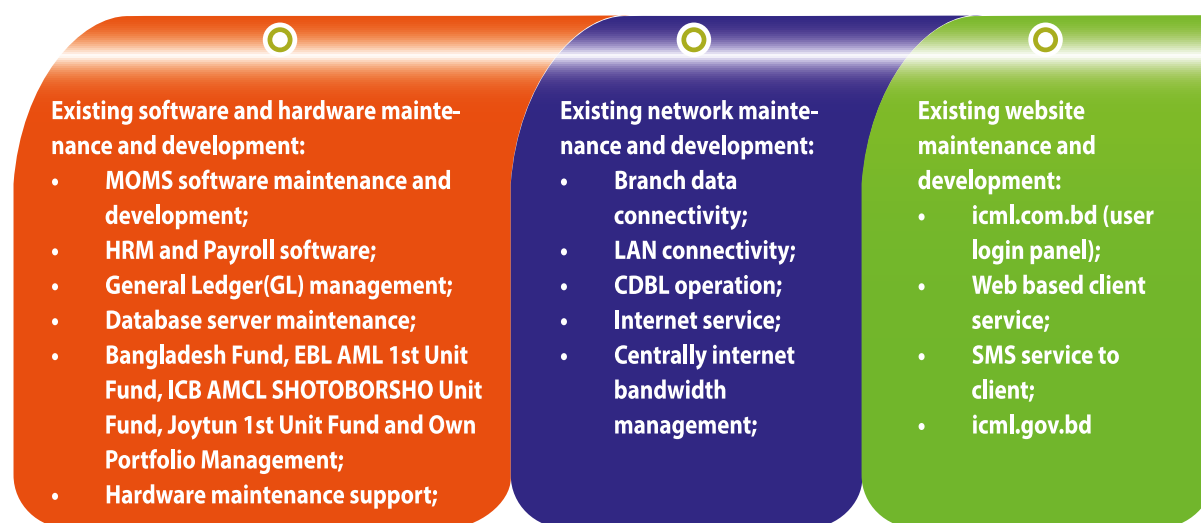
Particulars	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Net Profit to Total Income (%)	0.42	3.90	6.53	(11.40)	8.47
Return on Total Investment (%)	0.05	0.60	0.65	(0.62)	0.90
Return on Equity (%)	0.13	1.15	1.07	(1.05)	1.72
Book Value per Share (Tk.)	17.42	11.25	13.23	13.10	13.27
Cash/Stock Dividend per Share	-	-	3% (Interim)	-	1% (Interim)
Dividend Payout Ratio (%)	-	-	210.55	-	43.79
Debt-Equity Ratio	182.42	91.22	66.17	69.05	91.47



# 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:



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.

#### Online client service portal:

ICML has developed an online client service portal by which client can view their portfolio and financial statements as well as share transaction history. ICML also provides DSE mobile trading facilities to the investors having non-margin accounts.

#### ICML connected with National Web portal:

ICML is now connected with National Web portal by the domain [www.icml.gov.bd](http://www.icml.gov.bd). Necessary training for maintenance of [www.icml.gov.bd](http://www.icml.gov.bd) portal has also been provided to the IT team. The portal [www.icml.gov.bd](http://www.icml.gov.bd) is now live.

#### 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;
- This software will enhance merchant banking operation and data security centrally. It can also globally host.

#### 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 server of E-nothi. Training in this regard has also been conducted for the employees of ICML. At present, upgradation from training to live server is completed. Issuing letter through e-nothi has some error that was reported to the Access to Information (a2i). ICML will be capable of issuing official documents through e-nothi live server as soon as the error is solved by a2i.

#### 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 2020-21, 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 Ltd., Chittagong Stock Exchange Ltd., 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.



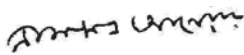
**Gazi Mastafa Haque**  
CEO & Director



**Fouzia Haque, FCA**  
Director



**Mohammed Shafiu Alam**  
Director



**Nasmin Anwar**  
Director



**Dr. Md. Humayun Kabir Chowdhury**  
Director



**Md. Asaduzzaman Khan**  
Director



**Md. Abul Hossain**  
Chairman

# Chief Executive Officer's Declaration to the Board

Dated: 25 August 2021

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, 2021 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.



**Gazi Mastafa Haque**  
Chief Executive Officer (Additional Charge)



জোহা জামান কবির রশীদ এ্যান্ড কোং  
চার্টার্ড একাউন্টেন্টস

**Zoha Zaman Kabir Rashid & Co.**  
*Chartered Accountants*

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 2021, and 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 statement of financial position of ICB Capital Management Limited as at 30 June 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

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

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters are addressed in the context of our 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.

Risk	Our responses to the risk
<b>a) Investment &amp; provision for augmentation/ diminution in value of investment</b>	
<p>The company has represented investment in marketable ordinary share at Cost value during the financial year 30 June 2021. Related information regarding marketable value of the shares, unrealized loss as at 30 June 2021 has presented with the related notes to the accounts.</p> <p>The Company Shown his Portfolio at Cost Price in their Accounts as per direction of Bangladesh Bank Circular no. DBI-2(U.B.-7)/2700/2020-1560, dated 10 October 2020. So they are calculated the accounts at Cost Price which is disclosed to the related notes to the accounts.</p> <p>We focused in this area because of the significance of investments in the financial statements, IAS 37 for</p>	<p>We tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> <li>We verified the existence of investment in Dealer account of 30 June 2021.</li> <li>Obtained unrealized gain or loss during the period;</li> <li>We tested the calculation of augmentation/ diminution value of Investments;</li> <li>Obtained year-end share holding positions from the Company and through directional testing assessed the completeness of the report;</li> </ul>

Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.

Rupayan Karim Tower, Level # 7, Suite # 7A, 80, Kakrail, Dhaka-1000, Bangladesh Phone: +880 2 22229732, +880 2 22229725, Fax: 880 2 831 3128, E-mail: info@zzkrca.com, Web: www.zzkrca.com

<p>determining the valuation and presentation to be applied by the management of the company.</p> <p>Please refer to note no: 08 &amp; 14.08</p>	<ul style="list-style-type: none"> <li>• Obtained the CDBL report and share portfolio and cross checked against each other to confirm status of financial instruments;</li> <li>• Check presentation &amp; disclosure of investment;</li> </ul> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 37.</p>
<p><b>(b) Other Liabilities and Provisions:</b></p>	
<p>This account represents the Liabilities for expense Tk. 3,350,114,493 balance payable to third parties throughout the next fiscal year. Some provisions, such as Other Liabilities, Provision against margin loan to investors, Provision against Investment in Marketable securities and other Liabilities and Provisions have lent to the Company. The rest are accounted for as accrued liabilities.</p> <p>Note no. 14.00 to the financial statements</p>	<p>We have tested the design and operating effectiveness of controls around the due and provisions recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained the provisions ledger and tested for completeness of credits recorded in the register on a sample basis.</li> <li>• Obtained a sample of bill payable recording process and cross check it with ledger.</li> <li>• Obtained a sample of provision create process and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for provision and challenged their provision creation where appropriate.</li> <li>• Reviewed on a sample basis payment calculations owed to regulatory bodies.</li> </ul> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<p><b>(C) Revenue Recognition:</b></p>	
<p>IAS - 18 is a general revenue recognition standard, which states that revenue should be measured at the fair value of the consideration received or receivable. This is usually the amount of cash or cash equivalents received or receivable and recognized when it is probable that economic benefits will flow to the entity.</p> <p>In this regard, Profit on sale of securities and interest income from banks deposits is recognized are income and when the amount is actually received, interest income on margin loan &amp; financial institutions and the rest of other income recognized on accrual basis except otherwise disclosed.</p> <p>See Note No. 19, 21 to 26 to the Profit &amp; Loss Account &amp; Other Comprehensive Income.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> <li>• Profit on sale of securities is recognized as income when the sell of securities is executed. We Checked ICML internal software and ledger.</li> <li>• Interest on margin loans extended to customers was charged to their accounts calculated on the daily product basis up to 30 June 2021.</li> <li>• Interest on deposits with banks is recognized as income when the banks credit the amounts into the Company's bank accounts. We checked the bank statements and the ledger.</li> </ul>

	<ul style="list-style-type: none"><li>• Fees and Commission income, Trustee and Custodian fees are calculated on accrual basis. We checked the respective calculation and ledger.</li></ul>
--	---

### 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 the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Companies Act 1994 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.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our

Opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, 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 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 the 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.

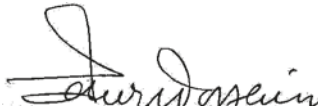
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation 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 Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) we have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) the statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account;
- d) the expenditure incurred and payments made were for the purpose of the Company Business;
- e) the information and explanation required by us have been received and found satisfactory.

Dhaka,  
August 24, 2021

  
**Zakir Hossain FCA ACA (ICAEW) CSM**  
Partner, Enrolment 983 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants





ICB Capital Management Limited  
Statement of Financial Position

AS AT 30 JUNE 2021


Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020 (Restated)
<b>PROPERTY and ASSETS:</b>			
Cash in Hand	06	125,076	32,313
Cash at Bank		2,441,518,500	232,086,496
Term Deposit (FDR)	07	-	240,835,534
		<b>2,441,643,576</b>	<b>472,954,343</b>
<b>INVESTMENTS:</b>			
Investment in Securities at cost value	08	<b>3,611,991,477</b>	<b>3,695,510,007</b>
<b>LOAN &amp; ADVANCE:</b>			
Margin Loans to Investors- Secured	09	<b>4,884,272,309</b>	<b>5,393,138,242</b>
<b>FIXED ASSETS:</b>			
Property, Plant & Equipment	10	<b>315,492,742</b>	<b>329,811,437</b>
Right-to-use-Assets	10.01	<b>5,045,210</b>	
<b>OTHER ASSETS</b>			
	11	<b>464,470,159</b>	<b>258,195,383</b>
<b>TOTAL ASSETS</b>		<b>11,722,915,475</b>	<b>10,149,609,412</b>
<b>LIABILITIES &amp; CAPITAL:</b>			
<b>LIABILITIES:</b>			
PBKKBST Special Fund	12	-	231,138,473
Short Term Loan	13	4,000,000,000	2,750,000,000
		<b>4,000,000,000</b>	<b>2,981,138,473</b>
<b>OTHER LIABILITIES &amp; PROVISIONS</b>			
	14	<b>3,350,114,493</b>	<b>2,837,001,547</b>
<b>TOTAL LIABILITIES</b>		<b>7,350,114,493</b>	<b>5,818,140,020</b>
<b>CAPITAL/SHAREHOLDER'S EQUITY:</b>			
Paid-up Capital	15	3,296,475,000	3,296,475,000
General Reserve	16	372,000,000	372,000,000
Other Reserves	17	407,605,750	407,605,750
Retained Earnings	18	296,720,232	255,388,642
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>4,372,800,982</b>	<b>4,331,469,392</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>		<b>11,722,915,475</b>	<b>10,149,609,412</b>
<b>NAV without Revaluation Reserve for Investment</b>		<b>13.27</b>	<b>13.14</b>

The annexed notes form an integral parts of these financial statements

  
Md. Abul Hossain  
Chairman

  
Dr. Md. Humayun Kabir Chowdhury  
Director

  
Fouzia Haque, FCA  
Director

  
Shukla Das  
Chief Executive Officer

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Date: August 24, 2021

  
Zohar Zaman Kabir Rashid, CSM  
Partner, Enrolment 983 (ICAB)  
Zoha Zaman Kabir Rashid & Co.  
Chartered Accountants



ICB Capital Management Limited

Statement of Profit or Loss & Other Comprehensive Income

For the Period Ended 30 June 2021

Particulars	Notes	Amount in Taka	
		30.06.2021	30.06.2020 (Restated)
<b>A. Operating Income:</b>			
Interest Income	19	305,930,735	161,449,419
Less: Interest Paid on Borrowings	20	249,931,586	252,742,135
<b>Net Interest Income</b>		<b>55,999,150</b>	<b>(91,292,717)</b>
Dividend Income	21	120,637,914	71,023,212
Profit on Sale of Securities	22	335,674,438	42,819,461
Fees and Commission Income	23	54,986,745	42,463,908
Trustee and Custodian Fees	24	50,912,964	47,360,516
Income from EEF & ESF	25	14,335,000	20,704,717
Other Operating Income	26	5,747,587	8,932,941
<b>Total Operating Income</b>		<b>638,293,797</b>	<b>142,012,038</b>
<b>B. Operating Expenses:</b>			
Salaries and Allowances	27	141,795,590	131,637,346
Rent, Taxes, Insurance, Electricity etc.	28	4,286,134	6,906,286
Legal and Professional Expenses	29	345,004	436,161
Postage, Telephone and Stamp	30	327,768	263,478
Auditors' Fees		34,000	30,000
Stationery, Printing, Advertising etc.	31	1,895,174	1,612,090
Directors' Fees	32	688,000	656,000
Repairs & Maintenance of Assets & Fuel	33	2,464,207	2,242,722
Depreciation of Assets	10	14,447,715	18,357,447
Right-to-use-Assets	10.01	3,595,655	--
CDBL Expenses/Charge		3,352,155	1,202,973
Other Operating Expenses	34	13,858,739	13,578,803
<b>Total Operating Expenses</b>		<b>187,090,141</b>	<b>176,923,305</b>
<b>C. Operating Profit/(Loss) (A-B)</b>		<b>451,203,656</b>	<b>(34,911,268)</b>
<b>Non-operating Income:</b>			
Rental Income		469,128	1,750,728
<b>D. Total Non-operating Income</b>		<b>469,128</b>	<b>1,750,728</b>
<b>E. Profit/(Loss) before Provision &amp; Tax (C+D)</b>		<b>451,672,784</b>	<b>(33,160,540)</b>
Provision against Margin Loans to Investors	14.04	105,000,000	2,000,000
Provision against Investment in Marketable Securities	14.08	215,000,000	2,500,000
<b>F. Total Provision</b>		<b>320,000,000</b>	<b>4,500,000</b>
<b>G. Profit/(Loss) before Tax (E-F)</b>		<b>131,672,784</b>	<b>(37,660,540)</b>
Provision for Current Tax	14.06	59,449,305	4,741,512
Provision for Deferred Tax	14.05	(3,051,220)	1,708,523
<b>H. Total Provision for Tax</b>		<b>56,398,085</b>	<b>6,450,035</b>
<b>I. Profit/(Loss) after Tax (G-H)</b>		<b>75,274,699</b>	<b>(44,110,575)</b>
<b>Basic Earning Per Share</b>	<b>35</b>	<b>0.23</b>	<b>(0.13)</b>
<b>Diluted Earning Per Share</b>	<b>35</b>	<b>0.23</b>	<b>(0.13)</b>

The annexed notes form an integral parts of these financial statements

  
**Md. Abul Hossain**  
Chairman

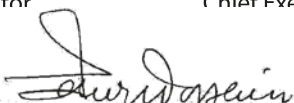
  
**Dr. Md. Humayun Kabir Chowdhury**  
Director

  
**Fouzia Haque, FCA**  
Director

  
**Shukla Das**  
Chief Executive Officer

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Date: August 24, 2021

  
**Zakir Hossain, FCA, FCP, CSM**  
Partner, Enrolment 983 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants



**ICB Capital Management Limited**  
**Statement of Changes in Equity**  
FOR THE YEAR ENDED 30 JUNE 2021

Particulars	Paid-up Share Capital	General Reserve	Other Reserves	Amount in Taka	
				Retained Earnings	Total
Balance as at 01 July 2020	3,296,475,000	372,000,000	407,605,750	255,388,642	4,331,469,392
Less: Transferred to Employees welfare fund				(978,359)	(978,359)
Less: Interim Dividend for the FY 2020-21				(32,964,750)	(32,964,750)
Net Profit/(Loss) after Tax for the year	-	-	-	75,274,699	75,274,699
<b>Balance as at 30 June 2021</b>	<b>3,296,475,000</b>	<b>372,000,000</b>	<b>407,605,750</b>	<b>296,720,232</b>	<b>4,372,800,982</b>

FOR THE YEAR ENDED 30 JUNE 2020

Particulars	Paid-up Share Capital	General Reserve	Other Reserves	Amount in Taka	
				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
Depreciation Adjustment up-to FY 2018-19	-	-	-	12,951,282	12,951,282
Net Profit/(Loss) after Tax for the year	-	-	-	(44,110,575)	(44,110,575)
<b>Balance as at 30 June 2020</b>	<b>3,296,475,000</b>	<b>372,000,000</b>	<b>407,605,750</b>	<b>255,388,642</b>	<b>4,331,469,392</b>


  
**Md. Abul Hossain**  
Chairman

  
**Dr. Md. Humayun Kabir Chowdhury**  
Director

  
**Fouzia Haque, FCA**  
Director

  
**Shukla Das**  
Chief Executive Officer

Place: Dhaka  
Date: August 24, 2021

  
**Zaki**  
Partner, Enrolment 983 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants



## ICB Capital Management Limited Statement of Cash Flows

AS AT 30 JUNE 2021

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Interest Received	305,930,735	161,449,419
Interest Paid	(437,179,071)	(227,177,213)
Received from Profit on Sale of Securities	335,674,438	42,819,461
Dividend Received	114,603,189	81,352,608
Fees & Commissions Received	54,986,745	42,463,908
Trustee and Custodian Fees	48,548,104	49,508,173
Income from EEF & ESF	14,335,000	20,704,717
Cash Paid to Employees	(127,479,399)	(131,713,836)
Cash Paid to Suppliers	(11,721,552)	(13,202,624)
Cash Received from Other Operating Activities	5,747,587	8,932,941
Cash Received from Non Operating Income	469,128	1,750,730
Cash Paid for Other Operating Activities	(14,546,739)	(14,234,803)
<b>Cash Flow before Changes in Operating Assets &amp; Liabilities</b>	<b>289,368,165</b>	<b>22,653,481</b>
<b>Changes in Operating Assets &amp; Liabilities:</b>		
(Increase)/Decrease in Loans & Advances (Margin loan)	508,865,934	(21,584,466)
(Increase)/Decrease in other Assets	(197,875,191)	(40,931,990)
(Increase)/Decrease in Short Term Loan	1,250,000,000	320,000,000
(Increase)/Decrease in other Liabilities	319,928,421	56,307,489
	<b>1,880,919,163</b>	<b>313,791,033</b>
<b>Net Cash Used in Operating Activities (a)</b>	<b>2,170,287,326</b>	<b>336,444,511</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Cash inflow from Sale of Securities	1,022,107,097	386,234,734
Cash Outflow for Purchase of Securities	(939,801,797)	(655,902,698)
Cash inflow from Refund of IPO previous year	1,213,230	12,989,400
Cash Outflow for Purchase of Fixed Asset	(129,020)	(8,982,205)
<b>Net Cash Used in Investment Activities (b)</b>	<b>83,389,510</b>	<b>(265,660,768)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Long term Loan Repayment(PBKKBST Special Fund)	(231,138,473)	(225,466,583)
Adjustment with Margin Loan and Provision for 100% Rebate	(20,884,380)	-
Dividend Paid in Cash	(32,964,750)	(98,894,250)
<b>Net Cash Used in Financing Activities (c)</b>	<b>(284,987,603)</b>	<b>(324,360,833)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENT (a+b+c)</b>	<b>1,968,689,233</b>	<b>(253,577,091)</b>
Cash and Cash Equivalent at Beginning of the year	472,954,344	726,531,434
<b>CLOSING CASH &amp; CASH EQUIVALENT END OF THE YEAR</b>	<b>2,441,643,576</b>	<b>472,954,344</b>

### NET OPERATING PER SHARE CASH FLOWS

6.58

1.02

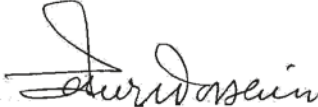
  
**Md. Abul Hossain**  
Chairman

  
**Dr. Md. Humayun Kabir Chowdhury**  
Director

  
**Fouzia Haque, FCA**  
Dir

  
**Shukla Das**  
utive Officer

Place: Dhaka  
Date: August 24, 2021

  
**Zakir**  
Partner, Enrolment 983 (ICAB)  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants



## ICB Capital Management Limited

# Notes to the Financial Statements

As at and For the year ended 30 June 2021

### 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	2.5%
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 crore as on June 30, 2021.

##### 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,2021.

#### 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 Chattogram, Rajshahi, Barishal, Khulna, Bogura, 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 2020-2021 Basic and Diluted EPS was Tk. 0.23

**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.

$$\text{Basic EPS} = \frac{\text{Earning Attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the year 2020-2021}}$$



#### 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 recommend 1% cash dividend for the FY 2020-2021.

**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.1,412,791,990 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 2021 were approved by the Board of Directors held on 24 August 2021.

**5.0 General:**

- I. Comparative information have been disclosed in respect of year 2020-2021 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,2020 to 30 June, 2021 Consistently.



## ICB Capital Management Limited

# NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>06. Cash and Bank Balances:</b>		
Cash in Hand (06.01)	125,076	32,313
Cash at Bank (06.02)	2,441,518,500	232,086,496
<b>Balance as at 30 June</b>	<b>2,441,643,576</b>	<b>232,118,809</b>
<b>06.01 Cash in Hand</b>		
Head Office	108,388	17,487
Chattogram Branch	4,413	1,242
Rajshahi Branch	357	1,310
Uttara Branch	1,042	1,963
Gazipur Branch	2,946	2,971
Sylhet Branch	1,264	5
Barishal Branch	3,387	4,412
Khulna Branch	67	1,338
Bogura Branch	3,212	1,585
<b>Total Cash in Hand</b>	<b>125,076</b>	<b>32,313</b>
<b>06.02 Cash in Bank</b>		
IFIC Bank Ltd.	2,441,334,265	231,526,348
Mutual Trust Bank Ltd.	96,243	4,247
NCC Bank Ltd.	87,993	555,901
<b>Total Cash in Bank</b>	<b>2,441,518,500</b>	<b>232,086,496</b>
<b>Total Cash in Hand and Bank</b>	<b>2,441,643,576</b>	<b>232,118,809</b>

### 07.00 Term Deposit (FDR) :

Details of term deposit (FDR) as on 30.06.2021 is as follows:

SL. No.	Name of the institution	Int. rate	As on 30.06.2021	As on 30.06.2020
1	Investment Corporation of Bangladesh TDR No.0011792/1/1677 (3 months auto renewal)	8%	-	130,537,057
2	Investment Corporation of Bangladesh TDR No.0011963/1/1844 (3 months auto renewal)	8%	-	110,298,477
	<b>Total</b>		-	<b>240,835,534</b>

**Total Cash in Hand, Bank and FDR as at 30 June**

**2,441,643,576**

**472,954,343**



Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>08.00 Investment in Securities (at Cost Value) :</b>		
<b>Opening Balance</b>	<b>3,695,510,007</b>	<b>3,438,831,444</b>
Add: Investment made during the year (8.01)	939,801,796	655,902,698
	<b>4,635,311,803</b>	<b>4,094,734,141</b>
Less: Securities sold during the year (at Cost)	1,022,107,097	386,234,734
Less: Refund of IPO application amount	1,213,230	12,989,400
<b>Balance as at 30 June</b>	<b>3,611,991,477</b>	<b>3,695,510,007</b>

A marketable security in hand is Tk. 3,611,991,477 at cost value and Fair Market value is Tk. 2,914,133,327. In line with Bangladesh Bank Circular no. DBI-2(U.B.-7)/2700/2020-1560, dated 10 October 2020, the company presented marketable security at cost value.

**08.01 Investment made during the year:**

Securities Purchased through Stock Exchange	936,186,299	636,316,378
IPO Share	3,615,497	19,586,320
	<b>939,801,796</b>	<b>655,902,698</b>

**09.00 Margin Loan – Secured**

Net Balance as on 1 July	5,116,565,969	5,065,023,310
Add: Loan disbursement during the year	10,437,092,750	3,340,335,502
Interest accrued during the year	268,894,196	121,613,875
	<b>15,822,552,915</b>	<b>8,526,972,688</b>
Less: Recovery during the year	11,434,212,676	3,410,406,719
<b>Net Balance as at 30 June</b>	<b>4,388,340,239</b>	<b>5,116,565,969</b>
Add: Credit Balance of Margin Loan	495,932,069	276,572,274
<b>Balance as at 30 June</b>	<b>4,884,272,309</b>	<b>5,393,138,242</b>

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.

**10.00 Property, Plant & Equipment:**

<b>Opening Balance</b>	453,882,642	444,900,437
Add: Addition During the Year	129,020	8,982,205
Balance as on 30 June	<b>454,011,662</b>	<b>453,882,642</b>
Less: Depreciation Charged During the Year	14,447,715	18,357,447
Less: Accumulated Depreciation	124,071,204	118,665,041
Less: Adjustment for Overcharged Depreciation	-	12,951,282
<b>Written down value as at 30 June</b>	<b>315,492,742</b>	<b>329,811,437</b>



Particulars	Amount in Taka	
	2020-2021	2019-2020
10.01 Right-of-use-Asset		
<b>Opening Balance</b>	-	-
Add: Addition During the Year	8,640,866	-
Balance as on 30 June	<b>8,640,866</b>	-
Less: Depreciation Charged During the Year	3,595,655	-
Less: Accumulated Depreciation	-	-
Less: Adjustment for Overcharged Depreciation	-	-
<b>Written down value as at 30 June</b>	<b>5,045,210</b>	-
<b>Total Written down value as at 30 June</b>	<b>320,537,952</b>	<b>329,811,437</b>

## 11.00 Other Assets :

Temporary Advance to staff (Restated)	1,840	141,180
Securities and Other Deposits (11.01)	247,345	247,345
Receivable from ISTCL	167,446,793	233,418
Issue Management Fee Receivable	-	3,025,000
Share application money	6,711,000	-
Trustee and Custodian Fees Receivable	41,641,422	39,276,561
Receivable from ICB	956,285	956,285
Staff expense payable	-	600
Advance Office Rent	1,537,439	2,337,772
Advance Tax (Source Tax) (11.02)	197,311,493	165,328,849
Tax Paid against Sale of Placement Share(Fund)(11.03)	7,326,220	7,326,220
Dividend Receivable (11.04)	9,116,072	3,081,347
Advance Income Tax Payment Against NBR Claim(11.05)	3,379,558	3,379,558
Other receivable from Narayangonj	126,072	126,072
Advance to Group Insurance Co.	385,899	364,773
Advance to Group Insurance Own	128,252	121,554
Advance legal and professional fees (Restated)	35,000	35,000
Advance for Purchase of Software	3,045,000	3,045,000
Personal Loan (11.06)	25,074,469	29,168,849
	<b>464,470,159</b>	<b>258,195,383</b>

## 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) :

<b>Opening Balance</b>	<b>165,328,849</b>	<b>138,940,661</b>
Add: Tax Paid/Deducted during the year	31,982,644	26,392,388
	<b>197,311,493</b>	<b>165,333,049</b>
Less: Adjustment during the year	-	4,200
<b>Balance as at 30 June</b>	<b>197,311,493</b>	<b>165,328,849</b>



Particulars	Amount in Taka	
	2020-2021	2019-2020
11.03 Tax Paid against Sale of Placement Share (Fund):		
<b>Opening Balance</b>	<b>7,326,220</b>	<b>7,326,220</b>
Add: Tax paid during the year	-	-
<b>Balance as at 30 June</b>	<b>7,326,220</b>	<b>7,326,220</b>
11.04 Dividend Receivable :		
<b>Opening Balance</b>	<b>3,081,347</b>	<b>13,410,744</b>
Add: Receivable during the year	16,283,388	3,381,787
	<b>19,364,736</b>	<b>16,792,531</b>
Less: Adjustment during the year	10,248,664	13,711,183
<b>Balance as at 30 June</b>	<b>9,116,072</b>	<b>3,081,347</b>
11.05 Advance Income Tax Payment Against NBR		
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.6,74,191.00 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.10,61,357.00 for the AY 2012-13	1,061,357	1,061,357
Less: Tax for tribunal settlement 11.05a	76,296,922	76,296,922
	<b>3,379,558</b>	<b>3,379,558</b>
11.05a Tax for tribunal settlement		
Out of tk.1,68,44,151.00 tk. 36,88,627.00 is considered as additional income tax for the AY 2008-09 as per Tribunal settlement.	3,688,627	3,688,627
Out of tk. 1,36,99,530.00 tk. 19,89,674.00 is considered as additional income tax for the AY 2009-10 as per Tribunal settlement.	1,989,674	1,989,674



Particulars	Amount in Taka	
	2020-2021	2019-2020
Out of tk. 25030514 tk.47,11,727.00 is considered as additional income tax for the AY 2010-11 as per Tribunal settlement.	4,711,727	4,711,727
Previous deposited tk. 88,51,434.00 & extra tk. 3,43,63,523.00 i.e total tk. 4,32,14,957.00 is considered as additional income tax for the AY 2011-12 as per Tribunal settlement.	43,214,957	43,214,957
Previous deposited tk.10135745.00 & extra tk.12556192.00 i.e total tk.22691937.00 is considered as additional income tax for the AY 2012-13 as per Tribunal settlement.	22,691,937	22,691,937
	<b>76,296,922</b>	<b>76,296,922</b>
<b>11.06 Personal Loan :</b>		
Personal Loan - Officer	14,649,709	17,688,114
Personal Loan - Staff	10,424,760	11,480,735
	<b>25,074,469</b>	<b>29,168,849</b>
<b>12.00 PBKKBST Special Fund :</b>		
Loan from PBKKBST Special Fund (12.01)	-	231,138,473
	<b>-</b>	<b>231,138,473</b>
<b>12.01 Loan from PBKKBST :</b>		
<b>Opening Balance</b>	<b>231,138,473</b>	<b>456,605,056</b>
	<b>231,138,473</b>	<b>456,605,056</b>
Less: Repayment during the year	231,138,473	225,466,583
<b>Balance as at 30 June</b>	<b>-</b>	<b>231,138,473</b>
<b>13.00 Short Term Loan :</b>		
<b>Opening Balance</b>	<b>2,750,000,000</b>	<b>2,430,000,000</b>
Add: Received during year	2,000,000,000	320,000,000
	<b>4,750,000,000</b>	<b>2,750,000,000</b>
Less: Repayment during the year	750,000,000	-
<b>Balance as at 30 June</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>
<b>14.00 Other Liabilities &amp; Provisions :</b>		
Liabilities for Expenses (14.01)	70,598,702	249,986,964
Other Liabilities (14.02)	1,076,349,399	725,111,742
Provision for Incentive Bonus (14.03)	15,442,640	8,299,780
Provision against Margin loans to Investors (14.04)	1,412,791,990	1,704,918,472
Deferred Tax Liability (14.05)	4,218,696	7,269,916
Provision for Income Tax (14.06)	71,795,391	12,346,086
Deduction for Group Insurance Own Contribution	12,404	12,404
CDBL Exp. Payable for Bangladesh Fund	68,762	-
Deduction from Salary & Allowance	-	447,970
Employee Wealfare Fund (14.07)	978,359	21,992,164
Provision against Investment in Marketable Securities (14.08)	697,858,150	106,616,049
<b>Total Liabilities &amp; Provisions</b>	<b>3,350,114,493</b>	<b>2,837,001,547</b>



Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>14.01 Liabilities for Expenses :</b>		
Audit Fees	34,000	63,000
Payable to Holding Company -ICB (14.01.a)	61,187,500	248,434,986
TAX Deducted at Sources	6,661,001	65,429
VAT Deducted at Sources	681,849	401,087
Outstanding Liabilities	2,034,352	1,022,461
	<b>70,598,702</b>	<b>249,986,964</b>
<b>14.01(a) Payable to Holding Company -ICB :</b>		
Interest on Short Term Loan	61,187,500	245,465,000
Interest on Loan (PBKKBST) special Fund	-	2,969,986
	<b>61,187,500</b>	<b>248,434,986</b>
<b>14.02 Other Liabilities :</b>		
Security Deposit Payable (14.02.a)	240,651	240,651
Payable to ISTCL	102,934,644	4,769,431
Payable to ISTCL (Buy/Sale Securities)	631	900
CA with ICML Employess Provident Fund	651,851	2,477,369
TDS Against Salary	42,346	50,607
Equity Entrepreneurship Fund (14.02.b)	500,000	4,700,000
Payable to ICB Officers Association	-	3,300
Other Suspense Account	24,528	24,528
IPO Application Refund Payable/ Block	6,711,000	10,575,000
*Provision for Gratuity	73,145,760	63,687,380
Dividend Suspense Account	355,459	414,180
ICML Karmachari Kallyan Tahbil	205,153	53,840
Interest Suspense Account	345,361,519	331,147,582
Portfolio Mgt. Fees Unrealized	45,077,397	30,394,705
Lease Liability for Office Rent	5,166,392	-
Credit Balance of Margin Loan	495,932,069	276,572,274
	<b>1,076,349,399</b>	<b>725,111,742</b>

\*Noted that as per requirement of NBR the Gratuity Fund's of the Company being approved by NBR. The Company has initiated to needful action for approval that's under process now.

**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



Particulars	Amount in Taka	
	2020-2021	2019-2020
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
	<b>240,651</b>	<b>240,651</b>

**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
	<b>500,000</b>	<b>4,700,000</b>
<b>14.03 Provision for Incentive Bonus/Ex-Gratia:</b>		
Incentive Bonus/Ex-Gratia for Officer	10,975,840	6,087,920
Incentive Bonus/Ex-Gratia for Staff	4,466,800	2,211,860
	<b>15,442,640</b>	<b>8,299,780</b>
<b>14.04 Provision against Margin loans to Investors :</b>		
<b>Opening Balance</b>	<b>1,704,918,472</b>	<b>1,702,918,472</b>
Add: Provision made during the year (Non-discretionary)	105,000,000	2,000,000
Less: Write off against 100% Rebate	20,884,380	
	<b>1,789,034,091</b>	<b>1,704,918,472</b>
Less: Provision transferred to Investment in Marketable Securities.	376,242,101	-
<b>Balance as at 30 June</b>	<b>1,412,791,990</b>	<b>1,704,918,472</b>
<b>14.05 Deferred Tax Liabilities :</b>		
<b>Opening Balance</b>	<b>7,269,916</b>	<b>5,561,393</b>
Add: Addition during the year	(3,051,220)	1,708,523
<b>Balance as at 30 June</b>	<b>4,218,696</b>	<b>7,269,916</b>

Due to adjustment of depreciation on office Premises related to land portion , deferred tax assets /(liabilities) are restated for the preceding years.

**14.06 Provision for Income Tax:**

<b>Opening Balance</b>	<b>12,346,086</b>	<b>91,901,496</b>
Add: Provision made during the year	59,449,305	4,741,512
	<b>71,795,391</b>	<b>96,643,008</b>
Less: Advance Tax paid for 1st Installment	-	8000000
Less: Out of tk.16844151.00 tk.3688627.00 is considered as additional income tax for the AY 2008-09 as per Tribunal settlement.	-	3,688,627





Particulars	Amount in Taka	
	2020-2021	2019-2020
Less: Out of tk. 13699530.00 tk.1989674.00 is considered as additional income tax for the AY 2009-10 as per Tribunal settlement.	-	1,989,674
Less: Out of tk.25030514 tk.4711727 is considered as additional income tax for the AY 2010-11 as per Tribunal settlement.	-	4,711,727
Less: Previous deposited tk.8851434.00 & extra tk.34363523.00 i,e total tk.43214957.00 is considered as additional income tax for the AY 2011-12 as per Tribunal settlement.	-	43,214,957
Less: Previous deposited tk.10135745.00 & extra tk.12556192.00 i,e total tk.22691937.00 is considered as additional income tax for the AY 2012-13 as per Tribunal settlement.	-	22,691,937
<b>Balance as at 30 June</b>	<b>71,795,391</b>	<b>12,346,086</b>

14.07 **Employees Welfare Fund :****Opening Balance**

Add: Addition During the period

Less: Transfer to ICML Employees Kallyan Tahbil

**Closing Balance as on 30 June**

<b>21,992,164</b>	<b>22,062,616</b>
21,992,164	22,062,616
978,359	-
21,992,164	70,452
<b>978,360</b>	<b>21,992,164</b>

14.08 **Provision against Investment in Marketable Securities:****Opening Balance**

Add: Provision made during the year in Marketable Securities

Add: Provision transferred from Margin Loan to Investors.

**Balance as at 30 June**

<b>106,616,049</b>	<b>104,116,049</b>
215,000,000	2,500,000
376,242,101	-
<b>697,858,150</b>	<b>106,616,049</b>

The Provision against margin loan to investors required during the year is Tk. 996,138,488, however, the entity made Tk. 1,412,791,990. The excess provision made against Margin loan to Investors. In case of provision against Investment in securities required during the year Tk. 697,858,150, however, the entity made only Tk. 321,616,049. The shortfall of provision regarding investment in securities Tk. 376,242,101 transferred from provision against Margin Loan.

15.00 **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**



Particulars		Amount in Taka	
		2020-2021	2019-2020
Sl. No.	Name of the shareholders	Value of shares as on 30 June 2021	Value of shares as on 30 June 2020
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
4	Md. Humayan Kabir Chowdhury, PhD, Professor & Chairman, Dept of Marketing, Jagannath University.	100	100
5	Quazi M. Munzur-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	100
7	Ms. Fouzia Haque, FCA	100	-
8	Mr. Md. Taleb Hossain, DGM, Nominee of ICB	-	100
9	Ms. Mahmuda Akter, DGM, Nominee of ICB	100	
	<b>Total</b>	<b>3,296,475,000</b>	<b>3,296,475,000</b>

## 16.00 General Reserve :

**Opening Balance**

372,000,000

372,000,000

**Balance as at 30 June****372,000,000****372,000,000**

## 17.00 Other Reserves:

Dividend Equalization Fund (17.01)

407,605,750

407,605,750

**Total Other Reserves****407,605,750****407,605,750**

## 17.01 Dividend Equalization Fund :

**Opening Balance**

407,605,750

407,605,750

**Balance as at 30 June****407,605,750****407,605,750**

## 18.00 Retained Earnings:

**Opening Balance****255,388,642****286,547,935**

Add: Net Profit after tax during the year

75,274,699

(44,110,575)

330,663,341

242,437,360

Less: Transferred to Employees welfare fund

978,359

-

Less: Retained Earnings transferred for 1% Interim Dividend to Shareholders FY 2020-2021

32,964,750

-

Add: Adjustment of Overcharged Depreciation

-

12,951,282

**Balance as at 30 June****296,720,232****255,388,642**



Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>19.00 Interest Income:</b>		
Interest on Margin loan to Investors (19.01)	268,894,196	120,319,132
Less : Interest Weaver to Investors	-	141,879
<b>Net Interest Income on Margin Loan</b>	<b>268,894,196</b>	<b>120,177,253</b>
Add : Interest on Bank Deposits	27,415,483	18,062,381
Add : Interest on FDR	8,632,067	22,377,437
Add : Interest on Personal Loan-Officer	603,764	482,497
Add : Interest on Personal Loan-Staff	385,225	349,850
	<b>305,930,735</b>	<b>161,449,419</b>
<b>19.01 Interest on Margin Loan to Investors :</b>		
Int. Income from Non Discretionary Account Holders	268,828,164	120,318,579
Int. Income from Discretionary Account Holders	66,032	553
	<b>268,894,196</b>	<b>120,319,132</b>
<b>20.00 Interest Paid on Borrowings:</b>		
Interest on Short Term Loan from ICB	249,562,500	245,465,000
Interest on Loan from PBKKBST	-	7,277,135
Interest Paid on Lease Liabilities	369,086	-
	<b>249,931,586</b>	<b>252,742,135</b>
<b>21.00 Dividend Income</b>	<b>120,637,914</b>	<b>71,023,212</b>
<b>22.00 Profit on Sale of Securities:</b>		
Sale Proceeds of Shares	1,357,781,535	429,054,195
Less: Cost of Shares Sold	1,022,107,097	386,234,734
	<b>335,674,438</b>	<b>42,819,461</b>
	<b>335,674,438</b>	<b>42,819,461</b>
<b>23.00 Fees and Commission Income :</b>		
Portfolio Management fees (23.01)	30,181,375	22,289,036
Manager to the Issue Fees	6,960,000	14,075,000
Underwriting Commission	486,757	798,000
Service Charge from Investors (23.02)	17,358,613	5,301,872
	<b>54,986,745</b>	<b>42,463,908</b>
<b>23.01 Portfolio Management Fees :</b>		
Portfolio Mgt. fees from Non Discretionary Account Holders	30,138,282	22,200,613
Portfolio Mgt. fees from Discretionary Account Holders	43,093	88,423
	<b>30,181,375</b>	<b>22,289,036</b>



Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>23.02 Service Charge from Investors :</b>		
Service Charges from Investors (Non Discretionary Account Holders)	17,356,626	5,300,460
Service Charges from Investors (Discretionary Account Holders)	1,987	1,412
	<b>17,358,613</b>	<b>5,301,872</b>
<b>24.00 Trustee and Custodian Fees :</b>		
Trustee Fees	35,749,173	34,677,594
Custodian Fees	15,163,791	12,682,922
	<b>50,912,964</b>	<b>47,360,516</b>
<b>25.00 Income from EEF &amp; ESF:</b>		
Income from EEF	485,000	405,000
Income from ESF	13,850,000	20,299,717
	<b>14,335,000</b>	<b>20,704,717</b>
<b>25.01 Income from EEF</b>		
EEF Project Examination Fee	440,000	300,000
EEF Project Documentation charges	45,000	105,000
	<b>485,000</b>	<b>405,000</b>
<b>25.02 Income from ESF</b>		
ESF Project Examination Fee	13,850,000	20,299,717
	<b>13,850,000</b>	<b>20,299,717</b>
<b>26.00 Other Operating Income:</b>		
Documentation Charges for A/C Opening	450,500	146,500
Sale of Account Opening Form	17,160	7,020
Charge for Securities withdrawal	1,180,471	7,602
Account Closing Charges	369,300	335,600
Account Maintenance Fees	2,788,900	2,846,950
IPO Application Money/Service Charge	357,355	46,495
Other Income	583,901	5,542,774
	<b>5,747,587</b>	<b>8,932,941</b>
<b>27.00 Salaries and Allowance:</b>		
Basic Pay	45,555,854	44,417,149
Medical Allowance	2,640,726	2,688,195
Conveyance & Transport	3,138,254	3,197,672
House Rent Allowance	23,176,084	22,716,790
Provident Fund	3,795,268	3,568,199
Superannuation Fund	3,286,127	3,507,902
Other Staff Expenses	26,926,625	25,969,202
Gratuity Provision	9,458,380	9,090,700
Festival Bonus	8,449,071	8,255,197
Incentive Bonus	15,369,200	8,226,340
	<b>141,795,590</b>	<b>131,637,346</b>

Expenditure under the head of Salary and allowances has been segregated under Note no. 27.01.



Particulars	Amount in Taka	
	2020-2021	2019-2020
27.01 Chief Executive Officers' (CEO) Salary and Allowance	3,165,977	3,404,324
Other Officers' Salary and Allowance	95,774,928	90,980,755
Staff Salary and Allowances	40,933,535	37,252,268
	<b>139,874,440</b>	<b>131,637,346</b>
28.00 Rent, Taxes, Insurance, Electricity etc.:		
Rent, rates, Taxes, Electricity & Water	4,178,210	6,802,326
Insurance	107,924	103,960
	<b>4,286,134</b>	<b>6,906,286</b>
29.00 Legal and Professional Expenses :		
Fees to BSEC, BMBA and Others	237,004	340,161
Other Legal and Professional Fees	108,000	96,000
	<b>345,004</b>	<b>436,161</b>
30.00 Postage, Telephone and Stamps :		
Postage	94,155	60,477
Telephone	187,689	183,201
Stamps	45,924	19,800
	<b>327,768</b>	<b>263,478</b>
31.00 Stationery, Printing & Advertisement etc. :		
Stationery and Printing	1,772,409	1,240,956
Advertisement and Publicity	122,765	371,134
	<b>1,895,174</b>	<b>1,612,090</b>
32.00 Directors' Fee :		
Fees for Attending Meeting	688,000	656,000
	<b>688,000</b>	<b>656,000</b>
33.00 Repairs and Maintenance of Assets :		
Office Premises, Furniture & Fixtures	242,742	133,352
Office Equipment & Computer	750,964	729,533
Repair & Maintenance -Generator	18,903	12,725
Repairs & Maintenance of Motor Vehicle	597,921	577,343
Fuel & CNG Bill	853,678	789,769
	<b>2,464,207</b>	<b>2,242,722</b>



Particulars	Amount in Taka	
	2020-2021	2019-2020
<b>34.00 Other Operating Expenses :</b>		
Traveling and Conveyance	2,280,966	3,053,112
Entertainment Expenses	870,877	779,868
Business Development	1,117,700	468,825
Newspapers and Periodicals	115,456	127,044
Bank Charges & Excise Duty	51,724	57,199
Cookeries and Cutleries	57,205	19,190
Security Services Charges	3,270,211	3,255,659
Washing and Cleaning Charges	20,581	26,030
AGM Expenses	293,440	499,890
Excise Duty	424,650	266,650
Computer Software and Website Maintenance	1,042,357	1,047,400
Satellite TV	24,450	20,600
Chairman's Honorarium and Telephone Bill	279,000	230,237
Donation & Subscription	120,000	129,300
Legal and CIB Charges	45,434	77,743
Training Exp.	193,923	155,248
Vat Exp.	815,271	1,101,603
Milad	70,150	-
Sports and Cultural Programme	1,351,676	399,826
Fees to the Members of Prospectus Evaluation Committee, Tander Evaluation or any evaluation Committee,	175,600	312,950
Recruitment Expenses	19,000	73,500
Tax taken Road Permit	11,604	21,431
Subscription Fee of IPO (Own Fund)	24,000	14,000
Service charge to Amin Moh .Property Mgt Service	453,384	626,767
Expense for National Integrity Strategy	-	-
Honorium for Member of Board of Trustee	30,000	25,000
Cleaner (Outsourcing)	547,008	546,538
Municipal Tax (Floor Space)	-	152,540
Miscellaneous Expenses	153,072	90,654
	<b>13,858,739</b>	<b>13,578,803</b>

**35.00 Earning Per Share:**

Attributable Profit for the year	75,274,699	(44,110,575)
Number of Share	329,647,500	329,647,500
<b>Earning Per Share</b>	<b>0.23</b>	<b>(0.13)</b>
<b>Diluted EPS</b>	<b>0.23</b>	<b>(0.13)</b>



Particulars	Amount in Taka	
	2020-2021	2019-2020

**36.00 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, 2021 were as follows:

Name of the related party	Transaction nature	
Investment Corp. of Bangladesh (Holding Company)	PBKKBST Special Fund	
Investment Corp. of Bangladesh (Holding Company)	Short Term Loan	4,00,00,00,000.00

**37.00 Disclosure under IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".**

Regarding Office Premises, the related land value of Tk.106,937,306.15 was included in the total value of Tk. 326,775,967 on which the depreciation on 2.50% was charged upto the year 2019-20. Now the land value is separately segregated and depreciation charged in earlier years duly adjusted as the land portion has no depreciation as well.

The impact is as follows :

Re- calculate excess depreciation of Land Cost up to 30.06.2019	12,951,282
For this adjustment with retained earning and accumulated depreciation FY 2018-19	<u>12,951,282</u>

**For Correction of error there is impact on Profit or loss and other comprehensive income.**

Opening balance of Retained Earnings as on 01.07.2019	<u>286,547,935</u>
Add : Re-calculate amount of depreciation Charge on Land Cost up to 30.06.2019	12,951,282
Add : Restated Profit on 30.06.2020	(44,110,575)
	-
<b>Restated balance on retained earning as on 01.07.2020</b>	<u>255,388,642</u>
Previous Net Profit /(Loss) after Tax as on 30.06.2020	(45,216,081)
<b>Restated Net Profit /(Loss) after Tax as on 30.06.2020</b>	(44,110,575)
Previous earning per share (EPS) as on 30.06.2020	(0.14)
<b>Restated earning per share (EPS) as on 30.06.2020</b>	(0.13)



**ICB Capital Management Limited**  
**Schedule of Fixed Assets**

As on 30 June, 2021

Annexure

Sl. No.	Category of Fixed Assets	COST				Balance as at 30.06.2021	DEPRECIATION				Written down value as on 30.06.2021	Rate of Depreciation %
		Balance as on 01.07.2020	Additions during the year	Deletion/sold During the Year	Deletion/sold During the Year		Balance as on 01.07.2020	Charged during the year	Deletion/Adjustment During the Year	Balance as on 30.06.2021		
		1	2	3	4=(1+2-3)	5	6	7	8	9=(4-8)	10	
1	Land	106,937,306			106,937,306				-	106,937,306		
2	Building	234,702,708	-	-	234,702,708	40,158,425	5,867,567.70	-	46,025,993	188,676,714	2.50	
3	Furniture and Fixture	12,490,309	14,500	-	12,504,809	6,890,621	1,042,039.09	-	7,932,660	4,572,148	10	
4	Interior Decoration	35,641,743	7,000	-	35,648,743	25,114,907	3,333,771.18	-	28,448,678	7,200,064	20	
5	Office Equipment	15,909,042	24,450	-	15,933,492	13,398,325	1,065,653.13	-	14,463,978	1,469,514	20	
6	Air Conditioner & Refrigerator	23,076,588	-	-	23,076,588	16,144,920	2,284,326.00	-	18,429,246	4,647,341	20	
7	Telephone Installation	177,235	17,720	-	194,955	166,773	7,299.85	-	174,073	20,882	20	
8	Motor Vehicles	8,154,000	-	-	8,154,000	8,154,000	-	-	8,154,000	-	20	
9	Computer Hardware	16,351,631	65,350	-	16,416,981	13,601,153	847,056.32	-	14,448,209	1,968,772	20	
10	Application Software	442,080	-	-	442,080	442,080	-	-	442,080	-	20	
11	Right-to-use-Assets	-	8,640,866	-	8,640,866	-	3,595,655	-	3,595,655	5,045,211		
	<b>FY 2020-21</b>	<b>453,882,642</b>	<b>8,769,886</b>	<b>-</b>	<b>462,652,528</b>	<b>124,071,204</b>	<b>18,043,368</b>	<b>-</b>	<b>142,114,573</b>	<b>320,537,953</b>		
	FY 2019-20	444,900,437	8,982,205		453,882,642	118,665,040	21,030,880	15,624,715	124,071,205	329,811,436		



## Photo Archive



Congratulating Prof. Dr. Md. Kismatul Ahsan on his joining as the Chairman of ICB

Congratulating Mr. Mohammed Shafiu Alam, Deputy Secretary, FID on his joining as the Director at ICML



Congratulating Mr. Gazi Mastafa Haque, DGM, ICB on his joining as the CEO (Additional Charge) at ICML



Signing Ceremony with Joytun Asset Management Limited

Signing Ceremony with Gas Transmission Company Limited (GTCL)



Annual Performance Agreement (APA) signing ceremony for the FY 2021-22

# Farewell to Ms. Shukla Das (General Manager, ICB and CEO, ICML) by ICB, ICB AMCL and ICML



# বার্ষিক ক্রীড়া প্রতিযোগিতা, সাংস্কৃতিক অনুষ্ঠান ও প্রীতিভোজ-২০২১



# Prize giving ceremony for the Annual Sports of ICML, 2021





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