

BRAC EPL Investments Limited
Statement of Financial Position
As at 31 March 2020

	Notes	31 March 2020	31 December 2019
		BDT	BDT
Assets			
Non-current assets			
Property, plant and equipment	5	5,966,495	6,479,779
Intangible assets	6	437,189	516,232
Right of use Asset	7	11,666,790	4,723,270
Investment in associate company	8	-	-
Deferred tax assets	9	286,439,604	286,439,604
		304,510,077	298,158,885
Current assets			
Account receivables	10	15,796,798	15,674,420
Inter-company receivables	11	164,827	136,066
Other receivables		102,738	15,293,703
Investment in quoted securities	12	824,740,986	895,166,869
Advance income tax	13	28,574,992	25,114,710
Loans and advances to customers	14	1,692,129,598	1,693,628,668
Accrued interest and management fees receivable	15	310,656,335	313,879,136
Advances, deposits and prepayments	16	5,362,054	2,351,054
Cash and cash equivalents	17	17,272,132	11,015,740
		2,894,800,461	2,972,260,366
Total assets		3,199,310,539	3,270,419,251
Equity and Liabilities			
Shareholders' equity			
Share capital	18	2,585,000,000	2,585,000,000
Share premium		436,825,951	436,825,951
Retained earnings		(2,365,118,506)	(2,276,111,075)
Shareholders' equity		656,707,445	745,714,876
Non-current liabilities			
Lease Liability		4,048,936	1,709,241
Current liabilities			
Customer deposits	19	71,445,130	84,854,573
Bank overdrafts	20	800,000,000	798,405,356
Short term loan	21	540,000,000	540,000,000
Account payables	22	5,932,885	6,787,284
Other liabilities	23	1,107,956,040	1,085,008,627
Provision for taxation	24	3,603,356	3,453,356
Lease Liability		7,517,941	3,392,023
Inter-company payable	25	2,098,806	1,093,915
		2,538,554,157	2,522,995,134
Total equity and liabilities		3,199,310,538	3,270,419,251

Footnotes:

1. Audit report in page 1 to 3.,
2. These financial statements should be read in conjunction with annexed notes 1 to 36.


Acting Chief Financial Officer


Chief Executive Officer

BRAC EPL Investments Limited
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 31 March 2020

	Notes	March-20 BDT	March-19 BDT
Revenue			
Interest income from margin loan		3,268,588	4,440,934
Interest expenses	26	(37,894,425)	(32,239,325)
Net interest income (A)		(34,625,837)	(27,798,391)
 Fee and commission income	27	18,049,192	5,447,663
Fee and commission expenses	28	(1,349,159)	(2,496,134)
Net fee and commission income (B)		16,700,033	2,951,529
 (Loss)/gain from investment in securities	29	(60,687,506)	43,126,459
Other operating income/(loss)	30	2,110,446	2,939,956
Net (loss)/gain from investment in securities (C)		(58,577,060)	46,066,415
Total operating income/(loss) (A+B+C)		(76,502,864)	21,219,554
 Operating expenses	31	(9,099,238)	(9,864,035)
Depreciation & amortization	5	(592,327)	(568,037)
Depreciation for Right of use assets	7	(2,517,173)	(2,254,376)
Operating profit/(loss) (D)		(88,711,602)	8,533,106
 Finance income			
Financial expenses	32	(95,218)	(292,641)
Net finance income (E)		(95,218)	(292,641)
Share of profit of equity in associate company (F)			1,496,879
Profit/(loss) before provisions (D+E+F+G)		(88,806,820)	9,737,345
 Provision for loans and advances	23.1		-
Provision for account receivables	23.2		-
Loss before tax		(88,806,820)	9,737,345
 Prior year taxes	33	50,611	-
Current year taxes	33	150,000	-
Deferred tax (income)/expense	33	-	-
Tax (income)/expenses			-
Loss after tax		(89,007,431)	9,737,345
Other comprehensive Income			-
Total loss		(89,007,431)	9,737,345

Footnotes:

1. Audit report in page 1 to 3.,
2. These financial statements should be read in conjunction with annexed notes 1 to 36.


Acting Chief Financial Officer


Chief Executive Officer

BRAC EPL Investments Limited
Statement of Cash Flows
For the year ended 31 March 2020

	March-2020	March-2019
	BDT	BDT
A. Operating activities		
Net profit before tax	(88,806,820)	9,737,345
<i>Add: Items not involving in movement of cash:</i>		
Depreciation on property, plant and equipment	513,284	528,935
Amortization of intangible asset	79,043	39,102
Gain on disposal of property, plant and equipment	-	-
Depreciation of Right-of-use assets	2,517,173	2,254,376
Fair value adjustments for fall in values of investment in securities	61,770,027	(32,314,907)
Share of profit of equity in associate company	-	(1,496,879)
	64,879,527	(30,989,374)
Income tax paid	(3,510,892)	(3,270,869)
Operating(loss)/profit before changes in working capital	(27,438,185)	(24,522,899)
Changes in working capital :		
(Increase)/decrease in loan and advances to customers	1,499,070	3,766,925
(Increase)/decrease in accrued interest and mgt. fees receivable	3,222,801	12,634,192
(Increase)/decrease in account receivables	(122,378)	11,729,019
(Increase)/decrease in advance, deposits and prepayments	(3,011,000)	2,810,924
(Increase)/decrease in inter-company receivable	(28,761)	(28,761)
(Increase)/decrease in other receivables	15,190,964	8,976,907
Increase/(decrease) in customer deposits	(13,409,443)	13,665,095
Increase/(decrease) in account payables	(854,399)	(2,389,354)
Increase/(decrease) in inter-company payable	1,004,891	(388,206)
Increase/(decrease) in other liabilities	22,947,413	10,236,573
Increase/(decrease) in lease liability	6,465,612	-
	32,904,770	61,013,314
Net cash (used)/from operating activities (A)	5,466,585	36,490,415
B. Cash flows from Investing activities:		
Acquisition of property, plant and equipment	-	-
Disposal of property, plant and equipment	-	-
Striking off Brac Asset Management	-	17,172,920
Sale/(purchase) of investment securities	8,655,856	10,661,552
Inclusion of Right of Used Asset	(9,460,692)	-
Net cash used in investing activities (B)	(804,836)	27,834,471
C. Cash flows from Financing activities		
Receipt/(repayment) of bank overdraft	1,594,644	(9,295,669)
Receipt/(repayment) of short term loans	-	(40,000,000)
Net cash from/(used) in financing activities (C)	1,594,644	(49,295,669)
Net decrease in cash and cash equivalents (A+B+C)	6,256,393	15,029,218
Cash and cash equivalents at the beginning of the year	11,015,740	14,054,573
Cash and cash equivalents at the end of the year	17,272,132	29,083,790


Acting Chief Financial Officer


Chief Executive Officer

BRAC EPL Investments Limited
Statement of Changes in Equity
For the year ended 31 March 2020

Particulars	Amount in Taka			
	Share capital	Share premium	Retained earnings	Total
Balance as on 1st January 2018	2,585,000,000	436,825,951	(1,689,313,634)	1,332,512,317
Total comprehensive income for the year 2018	-	-	(218,339,130)	(218,339,130)
Balance as on 31 December 2018	2,585,000,000	436,825,951	(1,907,652,764)	1,114,173,187
Total comprehensive income for the year 2019	-	-	(368,458,311)	(368,458,311)
Balance as on 31 December 2019	2,585,000,000	436,825,951	(2,276,111,075)	745,714,876
			(89,007,431)	(89,007,431)
Balance as on 31 March 2020	2,585,000,000	436,825,951	(2,365,118,506)	656,707,445


Acting Chief Financial Officer


Chief Executive Officer

BRAC EPL Investments Limited
Notes to the financial statements
For the year ended 31 March 2020

1.0 Background and legal status

BRAC EPL Investments Limited (hereinafter referred to as "the Company" or BEIL) was incorporated in Bangladesh on 18 April 2000 as a private limited company under the Companies Act 1994 initially in the name of Equity Partners Limited, the name of which was changed to BRAC EPL Investments Limited on 4 October 2009. BRAC Bank Limited acquired 51% of its equity in August 2009 and a further 25% in May 2011. In 30 June 2016 BRAC Bank Limited subscribed 200 million shares further to increase BEIL's paid up capital. BRAC Bank Limited currently holding 99.95% of shares of BEIL's total subscribed shares. On 11 February 2010 a new Merchant Banker Registration Certificate was issued in favour of BRAC EPL Investments Limited which allows the organization to perform the various activities including issue management, underwriting and portfolio management. The company was converted to a public limited company on 4 November 2012. The registered office of the Company is located at Concord Baksh Tower, 8 th floor, Plot 11/A, Road-48, Kamal Atartuk Avenue, Gulshan-2. Dhaka-1212.

1.1 Nature of business

BEIL delivers a whole range of investment banking services including traditional merchant banking activities such as issue management, underwriting and portfolio management. The Company also delivers value-added services such as wealth management, corporate advisory and corporate finance.

2.0 Basis of preparation of financial statements

2.1 Statement of compliance

The financial statements of the Company have been prepared on going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, Securities & Exchange Commission Ordinance-1969, Securities & Exchange Commission Act 1993, Depository (User) Regulation-2003 and other applicable laws and regulations.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for investments in quoted shares which have been measured at "Marked to Market" in accordance with IFRS 9: *Financial Instruments*.

2.3 Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.4 Going concern assumption

The accompanying Financial Statements have been prepared on a going concern assumptions that the company will continue in operation for foreseeable future. Based on management forecast and consideration of capital market trend, the board of directors of BEIL find sufficient grounds for company's continuing operations.

3.0 Summary of significant accounting policies

3.1 Financial assets and liabilities

Recognition

The Company initially recognizes loans and advances and deposits on the date that they are originated. All other financial assets and liabilities are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

Derecognition

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Identification and measurement of impairment

At each financial position date the Company assesses whether there is an objective evidence that financial assets not carried at fair value through profit and loss are impaired. Financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset and that the loss event has an impact on the future cash flows on the asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a borrower and a significant downturn in the active market for a security.

Impairment losses on financial assets are measured as the difference between the carrying amount of the financial asset and the present value of the estimated future cash flows of that asset. Losses are recognized in statement of comprehensive income and reflected as an allowances against loans and advances.

When a subsequent event causes the amount of impairment loss to decrease, the impairment loss is reversed through statement of comprehensive income.

3.2 Recognition of property, plant and equipment (PPE)

The cost of an item of property, plant and equipment is recognized as an assets if and only if is probable that future economic benefits associated with the item will flow to the entity, and the cost of the item can be measured reliably.

Property, plant and equipment have been accounted for at cost less accumulated depreciation. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs of enhancement of an existing assets are recognized as a separate asset, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to statement of comprehensive income during the financial period in which they are incurred.

3.3 Depreciation of property, plant and equipment (PPE)

The company uses straight line method for charging depreciation. Full month depreciation is charged on additions irrespective of date of its acquisition whereas no depreciation is charged in the month of disposal. The rates of depreciation on various classes of property, plant and equipment are as under:

<u>Name of the assets</u>	<u>Rates</u>
Furniture and fixtures	10%-20%
Office floor space	5%
Motor vehicles	20%
Leasehold improvement	15%
IT equipment	25%-
Office equipment	10%-20%
Software	33.33%

3.4 Intangible assets

These represent cost of software and have been stated at cost as reduced by accumulated depreciation. Computer software acquired by the company which have finite useful life are measured at cost less accumulated depreciation. Depreciation is provided on software at the rate of 33.33% using the straight line method.

3.5 Leases

The Company has applied IFRS 16 using the **modified retrospective approach** and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4.

— the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

— the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

— the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:

- the Company has the right to operate the asset; or
- the Company designed the asset in a way that predetermines how and for what purpose it will be used.

This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
 - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
 - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
 - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

i. As a lessee

The Company recognises a right-of-use asset and a lease liability (for its warehouses and factory facilities) at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets and lease liabilities in the statement of financial position (see (B)).

Short-term leases and leases of low-value assets

Currently the Company has no such short-term lease or lease of low value asset. The Company will not recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company will recognise the lease payments associated with these leases as an expense on a straight-line basis over the lease term as applicable.

Under IAS 17

The Company has no finance lease.

In the comparative period, assets held under operating leases were not recognised in the Company's statement of financial position. The Company recognised operating lease expense on a straight-line basis over the term of the lease and recognised liabilities only to the extent that there was a timing difference between actual lease payments and the expense recognised.

ii. As a lessor

There is no such lease for which the Company is a lessor.

B. As a lessee

The Company has lease contracts related to the rental agreement of various branches for which financial statement impact are as follows:

Impact on financial Statements

Lease Right of Used Asset	4,723,266
Lease Liability	5,101,264
Depreciation	9,017,501
Interest Expense	1,009,172

When measuring lease liabilities, The company discounted lease payments using its incremental borrowing rate (11%) at 1 January 2019.

3.6 Investments

The Company holds investment securities which are both actively traded in a quoted market and those which are unquoted.

(a) Fair value through profit or loss

Investments in shares which are actively traded on a quoted market are designated at fair value through statement of comprehensive income. Gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of comprehensive income.

(b) Fair value through other comprehensive income

Investments in shares which are not actively traded on a quoted market are designated as fair value through OCI. Since their fair values cannot be reliably measured, these are held at cost.

3.7 Taxation

The Company current tax has been calculated on the basis of the Finance Act 2019.

3.8 Loans and advances

Loans and advances are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and that the Company does not intend to sell immediately or in the near term.

Loans and advances are initially measured at fair value and subsequently measured at amortized cost.

3.9 Customer deposits

Customer deposits consist of funds provided by customers which have not yet been used to invest in securities. These are initially measured at fair value and subsequently measured at amortized cost.

3.10 Provision

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation.

3.10.1 Income in suspense

Income from loans and advances is moved to suspense account when reasonable doubt is established over its recoverability.

3.11 Revenue recognition

3.11.1 Interest income

Interest income is recognized in the statement of comprehensive income using the effective interest method. Interest is accrued on a daily basis and applied to customer's account every quarter.

Interest income on negative equity accounts is recognised on the basis of expected recovery in the normal course of business.

3.11.2 Fee and commission income

Fees and commission income are recognized at the later of when the corresponding service is provided and when management feel that all necessary procedures in connection with such activity is completed.

3.11.3 Investment in associates

Investment in associates are those entities in which the Company has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Company holds between 25% to 50% of the voting power of another entity.

3.11.4 Dividend income

Dividend income is recognized when the right to receive dividend is established. Usually this is the ex-dividend date for equity securities.

3.11.5 Finance income

Finance income comprises of interest income on fixed deposits and savings accounts. Interest income is recognized as it accrues, using the effective interest method.

4.0 Financial Risk Management

The Company has exposure to the following risks from its use of financial instruments:

- ** Credit risk
- ** Liquidity risk
- ** Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The Board of Directors (BOD) has overall responsibility for the establishment and oversight of the Company's risk management framework.

4.1 Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's loans and advances to customers and investment securities. These loans and advances are backed by the securities held by the customer.

With respect to credit risk arising from the other financial assets of the Company, the maximum exposure is equal to the carrying amounts of the financial assets.

4.2 Settlement Risk

The Company's activities may give rise to risk at the time of settlement of transactions and trades. Settlement risk is the risk of losses due to failure of an entity to honour its obligations to deliver cash, securities or other assets as contractually agreed.

For such transactions the Company only allows the purchase of tradable securities if the customer has adequate cash/purchase power beforehand.

4.3 Liquidity Risk

The Company's approach to manage liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities.

Under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The daily liquidity position is monitored and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by the Board.

4.4 Market Risk

A key market risk for the Company is the volatility in price movements of traded securities. The objectives of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing the return.

The Company is subject to various market risks, including risks from interest and currency exchange rates.

4.4.1 Interest Rate Risk

The Company relies heavily on borrowed funds from the money markets to fund its margin loans. Any hikes in interest rates in the money markets will increase its cost of funds and reduce the interest rate spread that the Company earns on its margin loans.

Interest rate risks are primarily managed through monitoring of interest rate gaps and re-pricing of products in the Management Committee which is the monitoring body for such strategies and is assisted by Treasury on a day-to-day basis.

4.5 Capital Management

The Company's objective when managing capital is to maintain a capital structure that provides a balance between the risk associated with higher level of borrowings and the advantages and security of a sound capital position.

There were no changes in the BOD's approach to capital management during the year. The Company is not subject to any externally-imposed capital requirements.

4.6 General

- i) Amounts appearing in these financial statements have been rounded off to the nearest Bangladesh Taka; and
- ii) Figures related to previous year have been rearranged wherever considered necessary to confirm with current year's presentation.

	31 Mar 2020	31 Dec 2019
	BDT	BDT
5 Property, plant and equipment		
Cost at the beginning of the year	47,283,879	47,538,879
Add: Addition during the year	-	-
Less: Adjustment/disposal during the year	-	255,000
Cost at the close of the year	<u>47,283,879</u>	<u>47,283,879</u>
Accumulated depreciation at the beginning of the year	40,804,099	38,966,629
Add: Depreciation during the year	513,284	2,092,471
Less: Adjustment/disposal during the year	-	255,000
Accumulated depreciation the end of the year	<u>41,317,384</u>	<u>40,804,099</u>
Carrying amount as at 31 December	<u>5,966,495</u>	<u>6,479,779</u>
Details are shown in Annexure-A		
6 Intangible assets		
Cost at the beginning of the year	948,611	469,220
Add: Addition during the year	-	479,391
Less: Adjustment/disposal during the year	-	-
Cost at the close of the year	<u>948,611</u>	<u>948,611</u>
Accumulated depreciation at the beginning of the year	432,379	169,441
Add: Depreciation during the year	79,043	262,938
Less: Adjustment/disposal during the year	-	-
Accumulated depreciation the end of the year	<u>511,422</u>	<u>432,379</u>
Carrying amount as at 31 December	<u>437,189</u>	<u>516,232</u>
Details are shown in Annexure-A		
7 Right-of-use assets		
Cost at the beginning of the year	-	-
Add: Addition during the year	13,740,773	13,740,773
Less: Adjustment/disposal during the year	9,460,692	-
Cost at the close of the year	<u>23,201,465</u>	<u>13,740,773</u>
Accumulated depreciation at the beginning of the year	9,017,503	-
Add: Depreciation during the year	2,517,173	9,017,503
Less: Adjustment/disposal during the year	-	-
Accumulated depreciation the end of the year	<u>11,534,675</u>	<u>9,017,503</u>
Carrying amount as at 31 December	<u>11,666,790</u>	<u>4,723,270</u>
Details are shown in Annexure-A		

	31 Mar 2020	31 Dec 2019
	BDT	BDT
8 Investment in associate company		
BRAC Asset Management Company Limited	-	15,676,040
Profit for the period	-	1,496,879
	-	17,172,920
Striking off Investments in associate	-	17,172,920
Closing Balance	-	-
9 Deferred tax assets	286,439,604	286,439,604
Deferred tax has been recognized in accordance with the provision of IAS 12 based on temporary differences arising due to difference in the carrying amount of the assets or liabilities and their tax base. Related tax income / expense has been recognised in the Profit and Loss account.		
9.1 Deferred tax on temporary differences		
(i) Deductible temporary differences		
Property, plant and equipment		(14,029,403)
(ii) Taxable temporary difference		
Finance lease obligations		
Net taxable temporary differences		(14,029,403)
Deferred tax asset		(5,261,026)
Net taxable temporary differences		(14,029,403)
Tax rate		37.50%
Deferred tax asset as at 31 December		(5,261,026)
Less: opening balance as at 1 January		977,569
Deferred tax expense /(income)		(4,283,458)
9.2 Net Operating loss carry forwards		
Operation income/(loss) before provision		-
Tax rate		37.50%
Deferred tax asset as at 31 December		(281,178,577)
Less: opening balance as at 1 January		-
Deferred tax expense /(income) from operating loss		
Total deferred tax expense /(income)		(4,283,458)
10 Account receivables		
Portfolio Management Department (PMD) (Note-10.1)	797,601	675,223
Structured Finance Department (SFD) (Note-10.2)	14,999,197	14,999,197
	15,796,798	15,674,420

	31 Mar 2020	31 Dec 2019
	BDT	BDT
10.1 Portfolio Management Department (PMD)		
Receivable from brokerage for client trading	797,601	675,223
Receivable from brokerage for own investment	-	-
	797,601	675,223
PMD's receivables consist mainly of net receivables from brokers for daily sale and buy transactions of clients. These are cleared every 3 working days.		
10.2 Structured Finance Department (SFD)		
Debt arrangement fees	12,695,572	12,695,572
Corporate advisory fees	2,303,625	2,303,625
	14,999,197	14,999,197
11 Inter-company receivables		
BRAC EPL Stock Brokerage Limited	164,827	136,066
	164,827	136,066
12 Investment in quoted securities	824,740,986	895,166,869
The company invests in quoted securities, traded on the secondary capital market in Bangladesh. At the reporting date these are recognized at market value on aggregate basis. As per IFRS 9: Financial Instruments, these have been classified as fair value through profit or loss where gains or losses arising from a change in the fair value of such financial assets are recognized in the statement of comprehensive income.		
13 Advance income tax		
Opening balance	25,114,710	18,608,816
Add: paid during the year	3,460,281	6,505,894
	28,574,992	25,114,710
Less: adjusted during the year	-	-
	28,574,992	25,114,710
14 Loans and advances to customers		
Opening balance	1,693,628,668	1,703,219,146
Increase / (decrease) during the year	(1,499,070)	(9,590,478)
	1,692,129,598	1,693,628,668

At reporting date, the aggregate market value of stocks held in customer portfolios amounted to Tk.1,403,349,633 which short of the total margin loans of Tk. 1,693,628,668 resulting in an overall shortfall of Tk. 290,279,035.

	31 Mar 2020	31 Dec 2019
	BDT	BDT
15 Accrued interest and management fees receivable		
Accrued interest receivable	310,030,669	312,770,270
Accrued management fees receivable	625,666	1,108,866
	<u>310,656,335</u>	<u>313,879,136</u>
Accrued interest receivable and accrued portfolio management fee is deducted from client's account on every calendar quarter and adjusted with client's purchase power accordingly.		
16 Advances, deposits and prepayments		
Advances		
Staff loans	27,000	66,000
General suppliers	1,882,842	332,842
	<u>1,909,842</u>	<u>398,842</u>
Deposits		
Regulators	314,500	314,500
Pre- IPO	-	-
	<u>314,500</u>	<u>314,500</u>
Prepayments		
Office rent	3,137,712	1,637,712
	<u>5,362,054</u>	<u>2,351,054</u>
17 Cash and cash equivalents		
Cash in hand	92,554	134,654
Balance with Banks		
BRAC Bank Ltd.	11,890,890	4,041,678
Standard. Chartered Bank	4,305,744	5,989,507
NRB Commercial Bank Limited	515,189	515,189
NRB Bank Limited	747	747
One Bank Limited	371,709	234,216
Standard Bank Limited	-	4,449
Midland Bank	95,300	95,300
	<u>17,272,132</u>	<u>11,015,740</u>
18 Share capital		
18.1 Authorized share capital		
300,000,000 ordinary shares of Taka 10 each	<u>3,000,000,000</u>	<u>3,000,000,000</u>
18.2 Issued, subscribed and paid-up share capital		
258,500,000 ordinary shares of Taka 10 each	<u>2,585,000,000</u>	<u>2,585,000,000</u>

The company's shareholding position as at 31 December was as follows:

Name of shareholders	Nationality/ Incorporated in	No of shares	Face value per share (Taka)			
BRAC Bank Ltd.	Bangladesh	258,358,734	10			
Other individual shareholders	Various	141,266				
		<u>258,500,000</u>				

As per Form-117, BRAC Bank Limited (hereinafter called the "said Transferee") acquired shares from the minority shareholders on 19th November 2017. BRAC Bank Limited currently holding 99.95% of shares of BEIL's total subscribed shares.

	31 Mar 2020	31 Dec 2019
	BDT	BDT
19 Customer deposits		
Opening balance	84,854,573	94,838,032
Change during the year	(13,409,443)	(9,983,459)
	71,445,130	84,854,573

Customer deposits represent invested funds lying in the company's account at the reporting date.

20 Bank overdrafts		
BRAC Bank. Limited	800,000,000	798,405,356
	800,000,000	798,405,356

The terms and conditions of the bank overdraft are as follows:

BRAC Bank Limited

Type of facility	: Overdraft 1- renewal
Facility limit	: BDT 800,000,000 (BDT eight hundred million) only.
Repayment procedures	: From operational cash flow/or own sources of borrower.
Maximum tenor	: On demand
Purpose	: To meet day to day operational activities.
Expiry	: 29 March 2020

21 Short term loan	540,000,000	540,000,000
21.1 Opening balance	540,000,000	470,000,000
Add: received during the year		1,320,590,371
	540,000,000	1,790,590,371
Less: payment during the year		1,250,590,371
Closing balance	540,000,000	540,000,000

21.1.1 Short term Loan from BRAC Bank Limited

Opening balance	470,000,000
Add: received during the year	-
	470,000,000
Less: payment during the year	470,000,000
Closing balance	-

The terms and conditions of the loan taken from BRAC Bank Limited are as follows:

Loan limit	: BDT 700,000,000 (BDT seven hundred million) only.
Repayment procedures	: From operational cash flow/or own sources of borrower.
Maximum tenor	: 180 days (maximum from date of each disbursement)
Purpose	: To meet funding requirement for margin lending.
Expiry	: 29 March 2019

	31 Mar 2020	31 Dec 2019
	BDT	BDT
21.1.2 Short term Loan from IIDFC Limited		
Add: received during the year		1,070,590,371
Less: payment during the year		680,590,371
Closing balance		<u>390,000,000</u>

The terms and conditions of the loan taken from IIDFC Limited are as follows:

Loan limit	: BDT 500,000,000 (BDT five hundred million) only.
Mode of repayment	: Interest will be paid on quaterly basis and principal will be repaid on maturity
Maximum tenor	: 1 Year or Twelve months
Purpose	: To meet Business Operation
Expiry	: 09 October 2020.

21.1.3 Short term Loan from United Finance Limited

Add: received during the year	250,000,000
Less: payment during the year	<u>100,000,000</u>
Closing balance	<u>150,000,000</u>

The terms and conditions of the loan taken from United Finance Limited are as follows:

Loan limit	: BDT 250,000,000 (BDT Twenty five hundred million) only.
Mode of repayment	: Periodic payment basied on credit period
Maximum tenor	: Within 120 days from the date of disbursment with principal and interest
Purpose	: Short term finance revolving loan
Expiry	: 05 May 2020.

22 Account payables

Broker for client trading	231,129	1,350,138
VAT on fee income	4,677,986	4,677,986
Payable for other PMD activities	-	390
Broker for Own Investment	-	-
Tax deducted at source from salaries and allowances	212,430	212,430
Tax deducted at source from suppliers	180,174	105,174
Withholding VAT on office rent	123,095	73,095
Withholding VAT on suppliers' payments	367,858	302,858
Tax deducted at source from office rent	140,213	65,213
	<u>5,932,885</u>	<u>6,787,284</u>

	31 Mar 2020	31 Dec 2019
	BDT	BDT
23 Other liabilities		
Provision for loans and advances (Note 23.1)	1,059,064,609	1,059,064,609
Interest Payable	25,909,085	3,286,240
Sales receivable in transit	1,367,339	3,672,126
Salaries & Other payable	-	-
CDBL charges	35,000	20,000
Office maintenance	7,484,254	5,167,418
Audit fees payable	261,250	198,000
IT expenses	291,386	211,386
Telephone and mobile expenses	23,429	21,099
Rent	55,813	55,813
Security services	(4,546)	(4,546)
Legal. and professional fees	587,724	201,174
Repair and maintenance	-	-
Printing- Postage & Stationery	9,001	9,001
Liability for fixed Assets	-	234,610
Provision for account receivable (Note 23.2)	12,871,697	12,871,697
	1,107,956,040	1,085,008,627
23.1 Provision for loans and advances		
Opening balance	1,059,064,609	1,059,064,609
Provision made during the year		-
Provision released during the year		-
Closing balance	1,059,064,609	1,059,064,609
<p>A provision has been made of BDT 1,059,064,609 which represents 53% of the total shortfall between the aggregate value of the portfolio and the loans extended on these accounts. BSEC circular SEC/CMRRCD/2009-193/196 dated 28 December 2016 requires a 20% provision on such shortfall at 31 December 2016. Circular BSEC/SRI/Policy/3/2020/68 BSEC time extension upto 31 December 2022.</p>		
23.2 Provision for account receivables		
Debt arrangement fee		
Omera petroleum limited		8,493,072
CACO chemicals		1,500,000
Silver composite		575,000
		10,568,072
Corporate advisory fee		
KDDI		578,625
PEB Steel		1,725,000
		2,303,625
Total:	12,871,697	12,871,697
24 Provision for taxation		
Opening balance	3,453,356	2,970,757
Add : provision made during the year	150,000	482,599
	3,603,356	3,453,356
Less: paid/adjusted during the year		-
	3,603,356	3,453,356
25 Inter-company payable		
BRAC Asset Management Company Limited		-
BRAC EPL Stock Brokerage Ltd.	2,098,806	1,093,915
	2,098,806	1,093,915

31 March 2020	31 March 2019
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	31 Mar 2020	31 Dec 2019
	BDT 31 March 2020	BDT 31 March 2019
26 Interest expenses	37,894,425	32,239,325
26.1 Interest expenses for loan		
BRAC Bank Limited	20,989,640	31,953,782
IIDFC	12,614,870	-
United Finance	4,170,833	-
	37,775,344	31,953,782
26.2 Interest expenses on Right of use assets	119,081	285,543
	119,081	285,543
27 Fee and commission income		
Portfolio Management Department (PMD) (note-27.1)	18,049,192	5,447,663
Structured Finance Department (SFD) (note-27.2)	-	-
	18,049,192	5,447,663
27.1 Portfolio Management Department (PMD)		
Settlement fees	2,505,933	4,605,261
Management fees	15,539,059	829,462
BO maintenance fees	600	1,550
Documentation fees	3,600	4,700
Commission income from IPO	-	6,690
	18,049,192	5,447,663
27.2 Structured Finance Department (SFD)		
Debt. arrangement fees	-	-
Corporate advisory fees	-	-
	-	-

	31 Mar 2020	31 Dec 2019
	BDT	BDT
28 Fee and commission expenses		
Brokerage commission cost	1,349,159	2,496,134
	<u>1,349,159</u>	<u>2,496,134</u>
29 (Loss)/Income from investment in securities		
Realized (loss)/ gain during the year	1,082,521	10,811,552
Fair value adjustment at reporting date	(61,770,027)	32,314,907
	<u>(60,687,506)</u>	<u>43,126,459</u>
30 Other operating income/(loss)		
Dividend income	2,110,446	2,939,956
Gain on disposal of property, plant and equipment	-	-
	<u>2,110,446</u>	<u>2,939,956</u>
31 Operating expenses		
Salaries and allowances	6,261,186	6,877,080
Other personnel expenses	-	-
Rental expenses	-	-
Utilities, maintenance and running expenses	1,633,244	1,296,314
CDBL expenses	86,358	175,692
Legal and professional fees	271,275	250,700
Telephone, communication and IT expenses	101,515	376,932
Printing and stationery	114,096	180,567
Travelling and conveyance	46,049	63,900
Vehicle maintenance expenses	270,593	248,905
Entertainment expenses	65,840	88,639
Meeting expenses	73,333	76,668
License and renewal fees	-	-
Audit fees	63,250	63,250
Regulatory fees	112,500	100,000
Insurance	-	65,388
	<u>9,099,238</u>	<u>9,864,035</u>
As per IFRS 16, rental expense amounting TK.2,691,276 have reclassified while recognising right of use assets.		
32 Financial expenses		
Bank charges and commission	95,218	292,641
	<u>95,218</u>	<u>292,641</u>

	31 Mar 2020	31 Dec 2019
	BDT	BDT
33 Tax expenses		
Prior year taxes	50,611	-
Current year taxes	150,000	-
Deferred tax (income)/expense	-	-
	<u>200,611</u>	<u>-</u>

34 Number of employees

During the period 25 permanent employees were in the employment with the company whose earning was Taka 36,000 or more per annum.

35 Related party transactions

During the year, the company carried out a number of transactions with related parties in the normal course of business. In accordance with the provisions of IAS 24 : Related party disclosure, these are detailed below.

Name of party	Nature of transactions	2020	2019
		Taka	Taka
BRAC Bank Limited	Loans and borrowings	800,000,000	798,405,356
BRAC EPL Stock Brokerage Limited	Expenses payable	2,098,806	1,093,915
BRAC EPL Stock Brokerage Limited	Receivable	164,827	136,066
BRAC Asset Management Company Ltd.	Striking off Investments	-	17,172,920
BRAC Asset Management Company Ltd.	Expense payable	-	-
BRAC IT Services Limited	Internet exp payable	-	-

36 Events after the reporting date

No subsequent events were noted for which adjustments or disclosures are required in accordance with IAS 10.

5 Property, plant and equipment- at cost less accumulated depreciation

Annexure-A

Assets	Cost				Rate of depreciation	Depreciation				Amount in Taka	
	Balance on 1 January 2020	Additions during the year	Adjustment during the year	Balance on 31 March 2020		Balance on 1 January 2020	Charged during the Period	Adjustment during the year	Balance on 31 March 2020	Written down value at 31 March 2020	Written down value at 31 December 2019
Furniture & fittings	4,394,050	-	-	4,394,050	10%-20%	4,345,768	1,750	-	4,347,518	46,533	48,283
Office floor space	6,348,797	-	-	6,348,797	5%	3,029,817	76,846	-	3,106,663	3,242,134	3,318,980
Motor vehicles	12,104,340	-	-	12,104,340	20%	8,993,359	433,153	-	9,426,512	2,677,828	3,110,981
Leasehold improvemen	600,940	-	-	600,940	15%	600,940	-	-	600,940	-	-
IT equipment	13,978,271	-	-	13,978,271	25%-33.33%	13,978,271	-	-	13,978,271	-	-
Office equipment	9,857,480	-	-	9,857,480	10%-20%	9,855,944	1,536	-	9,857,480	-	1,536
Mar-20	47,283,879	-	-	47,283,879		40,804,099	513,284	-	41,317,384	5,966,495	6,479,779
2019	47,538,879	-	255,000	47,283,879		38,966,629	2,092,471	255,000	40,804,099	6,479,779	

6 Intangible assets

Assets	Cost				Rate of depreciation 33.33%	Amortization				Written down value at 31 March 2020	Written down value at 31 December 2019
	Balance on 1 January 2020	Additions during the year	Adjustment during the year	Balance on 31 March 2020		Balance on 1 January 2020	Charged during the Period	Adjustment during the year	Balance on 31 March 2020		
Software	948,611	-	-	948,611	33.33%	432,379	79,043	-	511,422	437,189	516,232
2018	469,220	479,391	-	948,611		169,441	262,938	-	432,379	516,232	

7 Right of use assets

Assets	Cost				Method of depreciation	Depreciation				Written down value at 31 March 2020	Written down value at 31 December 2019
	Balance on 1 January 2020	Additions during the year	Adjustment during the year	Balance on 31 March 2020		Balance on 01 January 2019	Charged during the Period	Adjustment during the year	Balance on 31 March 2020		
Office Space (Rent)	13,740,773	9,460,692	-	23,201,465	Straight line	9,017,503	2,517,173	-	11,534,675	11,666,790	-
2019	13,740,773	13,740,773	-	13,740,773		-	9,017,503	-	9,017,503	4,723,270	