

BDBL Securities Limited

Auditor's Report and Financial Statements

For the year ended 31 December 2016



Prof. Dr. Rustom Ali Ahmed
Chairman



Md. Abdul Kuddus
Chief Executive Officer

Table of Contents

Sl. No.	Particulars	Page No.
01.	Auditor's Report	222
02.	Statement of Financial Position	223
03.	Statement of Profit or Loss and other Comprehensive Income	224
04.	Statement of Changes in Equity	225
05.	Statement of Cash Flows	226
06.	Notes to the Financial Statements	227
07.	Annexure - A	238
08.	Annexure - B	239
09.	Annexure - C	240

AUDITOR'S REPORT TO THE SHAREHOLDERS OF BDBL Securities Limited

We have audited the accompanying financial statements of BDBL Securities Limited, which comprise the statement of financial position as at 31 December 2016, the related statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management of BDBL Securities Limited is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Financial Reporting Standards (BFRSs), 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above, prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of the financial position of BDBL Securities Limited as at 31 December 2016 and its financial performance and cash flows for the year then ended and comply with the Companies Act, 1994, the Securities and Exchange Rules, 1987 and other applicable laws and regulations.

We also report that:

- (a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- (b) in our opinion, proper books of account as required by law have been kept by the company so far as it appeared from our examination of those books;
- (c) the company's 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; and
- (d) the expenditure incurred was for the purpose of the business of the Company.

Place: Dhaka
Dated: 10 April 2017

Sd/-
K. M. HASAN & CO.
Chartered Accountants

BDBL Securities Limited

Statement of Financial Position

As at 31 December 2016

	<u>Notes</u>	<u>2016</u> <u>Taka</u>	<u>2015</u> <u>Taka</u>
Assets			
Non-Current Assets			
Property, Plant and Equipment	4	5,814,529	7,294,660
Intangible Assets	5	175,000	244,000
Preliminary Expenses	6	-	78,185
Total Non-Current Assets		5,989,529	7,616,845
Deferred Tax Assets	7	329,788	113,012
Current Assets			
Advances, Deposits and Prepayments	8	110,700	75,700
Margin Loan and Other Receivables	9	153,182,089	162,391,631
Investment in Shares	10	515,307,839	521,444,626
Advance Income Tax	11	34,446,413	15,085,824
Cash and Bank Balances	12	123,136,210	37,536,932
Total Current Assets		826,183,251	736,534,713
Total Assets		832,502,568	744,264,570
Equity and Liabilities			
Equity			
Share Capital	13	200,000,000	200,000,000
Special Reserve	14	2,000,000	2,000,000
Retained Earnings	15	61,884,536	57,895,738
Total Equity		263,884,536	259,895,738
Liabilities			
Current Liabilities			
Payable to BDBL	16	15,381,373	8,907,854
Bank Overdraft	17	400,000,000	330,000,000
Accounts Payable	18	47,407,294	59,290,311
Employees provident Fund		188,568	-
Provision for Income Tax	19	37,113,706	34,011,333
Provision against Margin Loan	20	483,378	251,259
Provision for Unrealized Loss in investment in Shares	21	51,825,977	49,490,793
Other Current Liabilities	22	16,217,737	2,417,282
Total Liabilities		568,618,032	484,368,832
Total Equity and Liabilities		832,502,568	744,264,570

The annexed notes from 1 to 38 form an integral part of these financial statements.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 10 April 2017

Sd/-
K. M. HASAN & CO.
Chartered Accountants

BDBL Securities Limited

Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2016

	Notes	2016 Taka	2015 Taka
Operating Income			
Brokerage Commission	23	20,033,579	18,865,421
Interest on Margin Loan		22,162,280	13,897,906
Dividend on Shares		28,984,825	7,276,095
Capital Gain on Investment of Shares		752,931	61,477,840
Other Operating Income	24	1,349,243	9,400,015
Total Operating Income		73,282,858	110,917,277
Operating Expenses			
Salaries and Allowances	25	11,678,954	9,613,141
Rent, Rates, Taxes, Insurance and Lighting	26	3,836,244	3,597,491
Interest on Bank Overdraft		40,014,644	27,190,146
Brokerage Expenses	27	1,890,761	1,675,480
Legal and Professional Fees	28	105,800	88,550
Postage, Stamp and Telecommunication		39,478	131,283
Stationery, Printing and Advertisement	29	651,166	1,326,089
Expenses related with CDBL	30	1,089,430	2,454,173
Directors' Fees and Meeting Expenses	31	518,370	400,450
Audit and Tax Assessment Fees		165,000	103,500
Depreciation on Property, Plant and Equipment		1,759,666	1,829,658
Repair and Maintenance Expenses	32	502,382	427,226
Network Connectivity Charges	33	554,621	560,140
Registration and Renewal Fees		4,126,751	299,000
Amortization on Intangible Assets		69,000	69,000
Amortization on Preliminary Expenses		78,185	78,185
Other Operating Expenses	34	868,271	1,093,359
Total Operating Expenses		67,948,723	50,936,871
Net Operating Profit/ (Loss)		5,334,135	59,980,406
Other Non-Operating Income	35	4,107,562	7,075,481
Profit before Provision		9,441,698	67,055,887
Less: Provision for Margin Loan		232,119	-
Provision for Unrealized Loss in investment in Shares		2,335,184	24,697,371
		2,567,303	24,697,371
Net Profit before Tax		6,874,395	42,358,516
Less: Provision for Taxation			
Current Tax	19	3,102,373	15,917,519
Deferred Tax	36	(216,776)	(140,979)
		2,885,597	15,776,540
Net Profit after Tax		3,988,798	26,581,976
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		3,988,798	26,581,976

The annexed notes from 1 to 38 form an integral part of these financial statements.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Signed in terms of our separate report of even date annexed.

Place: Dhaka
Dated: 10 April 2017

Sd/-
K. M. HASAN & CO.
Chartered Accountants

BDBL Securities Limited
Statement of Changes in Equity
For the year ended 31 December 2016

Amount in Taka

Particulars	Share Capital	Special Reserve	Retained Earnings	Total
Balance as on 01 January 2016	200,000,000	2,000,000	57,895,738	259,895,738
Net profit for the year	-	-	3,988,798	3,988,798
Balance as on 31 December 2016	200,000,000	2,000,000	61,884,536	263,884,536
Balance as on 01 January 2015	200,000,000	2,000,000	31,313,761	233,313,761
Net profit for the year	-	-	26,581,976	26,581,976
Balance as on 31 December 2015	200,000,000	2,000,000	57,895,738	259,895,738

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Place: Dhaka
Dated: 10 April 2017

BDBL Securities Limited Statement of Cash Flows For the year ended 31 December 2016

	2016 Taka	2015 Taka
A. Cash Flows from Operating Activities		
Brokerage Commission Received	20,033,579	18,865,421
Interest Received on Margin Loan	22,162,280	13,897,906
Dividend Received on Shares	28,984,825	7,276,095
Received from Capital Gain on Investment in Shares	752,931	61,477,840
Other Operating Income Received	1,349,243	9,400,015
Other Non-Operating Income Received	4,107,562	7,075,481
Advance Income Tax Paid	(19,360,589)	(5,456,847)
Brokerage Expenses Paid	(1,890,761)	(1,675,480)
Operating Expenses Paid	(64,151,111)	(47,284,548)
Operating Profit before Changes in Operating Assets and Liabilities	(8,012,041)	63,575,883
Increase/Decrease in Operating Assets and Liabilities		
(Increase)/Decrease in Margin Loan and Other Receivables	9,209,542	(76,027,712)
(Increase)/Decrease in Advances, Deposits and Prepayments	(35,000)	34,000
Increase/(Decrease) in Accounts Payable	(11,883,018)	(17,981,440)
Increase/(Decrease) in Other Current Liabilities	20,462,542	(9,765,523)
	17,754,067	(103,740,675)
Net Cash (used in)/ Flow from Operating Activities	9,742,026	(40,164,792)
B. Cash Flows from Investing Activities		
Payments for Purchase of Shares	6,136,787	(186,514,584)
Payments for Purchase of Property, Plant and Equipment	(279,535)	(753,170)
Net Cash used in Investing Activities	5,857,252	(187,267,754)
C. Cash Flows from Financing Activities		
Received from Share Capital	-	-
Received from Bank Overdraft	70,000,000	165,000,000
Net Cash Flow from Financing Activities	70,000,000	165,000,000
Net cash (used in)/surplus for the year (a+b+c)	85,599,278	(62,432,545)
Cash and Bank Balances at the beginning of the year	37,536,932	99,969,477
Cash and Bank Balances at the end of the year	123,136,210	37,536,932

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Place: Dhaka
Dated: 10 April 2017

BDBL Securities Limited

Notes to the Financial Statements

For the year ended 31 December 2016

1. The Company and its Activities

1.1 Legal status and nature of the company

BDBL Securities Limited was incorporated vide Reg. # C-92946/11 dated as on 23 May 2011 as a public company limited by shares under the Companies Act 1994. The company obtained certificate for commencement of business as on 23 May 2011. The commercial operation of the company start as on 01 March 2012.

BDBL Securities Limited (BSL) is a subsidiary company of Bangladesh Development Bank Limited (BDBL) situated at BDBL Bhaban (Level-16), 12 Karwan Bazar, Dhaka-1215. BSL is constituted by acquiring and taking over membership No. 20 of Dhaka Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Rin Sangastha now BDBL) and membership No.78 of Chittagong Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Bank now BDBL).

It is also mention here that the provision of the Exchanges Demutualization Act, 2013 and in accordance with the Bangladesh Security Exchange Commission (BSEC) approved Demutualization Scheme, Dhaka Stock Exchange Limited(DSE) allotted total 7,215,106 Ordinary Shares (Allotment Letter No. 13020) and a Trading Right Entitlement Certificate (TREC No. 020), and Chittagong Stock Exchange Limited (CSE) allotted total 4,287,330 Ordinary Shares (Allotment Letter No. 078) and a Trading Right Entitlement Certificate (Certificate No. 2013078) in favor of the company against the membership of DSE and CSE respectively. Out of the above, DSE transferred 2,886,042 shares and CSE transferred 1,714,932 shares directly credited to BO Account of the company and rest of the shares were credited to the "Demutualization Blocked Account" maintained by DSE and CSE as per provisions of the Exchanges Demutualization Act, 2013.

1.2 Nature of business

The main object of BDBL Securities Limited is to act as a member of stock exchanges, the central depository system (CDS) companies and to carry on the business of broker, jobbers or dealers in stocks, shares, securities, bonds, debentures etc. The Company is also authorized to buy, sell, hold or otherwise acquire or invest the capital of the Company in shares, stocks and fixed income securities.

2. Significant Accounting Policies

2.1 Basis of Presentation of Financial Statements

The financial statements have been prepared on a going concern basis applying accrual basis of accounting except for statement of cash flows in accordance with and in compliance with Bangladesh Financial Reporting Standards (BFRS), the Companies Act 1994, Securities and Exchange Rules 1987, Securities and Exchange Act 1993, conditions and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and other applicable laws and regulations. Statement of Cash Flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

2.2 Basis of Measurement

The financial statements have been prepared based on historical cost convention basis. The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year.

2.3 Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. Provisions and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when - The Company has a legal or constructive obligation as a result of past event.

i. it is probable that an outflow of economic benefit will be required to settle the obligation.

ii. a reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.4 Statement of Cash Flows

Statement of Cash Flows is prepared in accordance with Bangladesh Accounting Standard (BAS) 7: "Statement of Cash Flows" and the cash flows from operating activities are presented under the indirect method as prescribed by the Securities and Exchange Rules, 1987.

2.5 Going Concern

The Company has adequate resources to continue in operation for foreseeable future. For this reasons the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.6 Recognition and measurement of financial assets

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term.

2.7 Revenue Recognition

Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise and in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue Recognition":

a. Brokerage Commission

Brokerage commission is recognized as income when selling or buying order is signed and trade is executed.

b. Interest Income from Margin Loan

Interest income from margin loan is recognized on accrual basis. Such income is calculated on daily margin loan balance of the respective clients. Income is recognized on monthly basis.

c. Dividend income and gain/ (loss) on sale of marketable securities

Dividend income is recognized when the right to receive payment is established whereas profit or loss arising from the sale of securities is accounted for only when shares are sold in the market and profit is realized or loss is incurred.

2.8 Cash and Bank Balances

Cash and Bank Balances include cash in hand and cash at bank which are held and are available for use by the Company without any restriction. There is insignificant risk of change in the value of the above items.

2.9 Property, Plant and Equipment and Depreciation

Property, Plant and Equipment are stated at cost less accumulated depreciation. Depreciation is charged using the straight-line method on the acquisition cost of PPE and such cost is written off over the estimated useful lives of assets, in accordance with BAS 16.

Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful lives of such assets. The rates of depreciation used on a straight-line and reducing balance method are as follows:

<u>Category of assets</u>	<u>Method</u>	<u>Rate</u>
Furniture and Fixtures	Reducing Balance	10%
Office Equipments	Reducing Balance	20%
Computer	Straight Line	20%
Motor Vehicles	Straight Line	20%
Office Decoration	Reducing Balance	10%

Depreciation is charged from the month in which the related assets are put into use. 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 and Other Comprehensive Income.

2.10 Intangible Assets

Intangible assets represent computer software which has been amortized @ 20% following straight line method.

2.11 Preliminary Expenses

Expenses incurred for incorporation of the company i.e. preliminary expenses have been deferred and will be amortized/written off over a period of five years upon commencement of operation of the company.

2.12 Investment in Shares

Investment in quoted shares (or shares held for sale) and unquoted shares are initially recognized at cost plus transaction costs that are directly attributable to the acquisition of the shares. After initial recognition, investment in quoted shares has been revalued at cost at reporting date. Net of unrealized gain and loss has not been recognized in the Statement of Profit or Loss and Other Comprehensive Income.

The financial statements have been presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest integer.

3	General
	The company's reporting period is January to December.
2.17	Reporting Period
	Events after the balance sheet date that provide additional information about the company's position at the balance sheet date are reflected in the financial statements. Events after the balance sheet date that are not adjusting event are disclosed in the notes when material.
2.16	Events after the balance sheet date
	Related parties include the company's directors, key management personnel, associates, companies under common directorship etc. as per BAS 24 "Related Party Disclosures". All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes, as admissible.
2.15	Related Party Disclosures
	As per BAS 24 "Related Party Disclosures", a related party is a person or entity that is related to the entity (i.e. DBL Securities Limited) that is preparing its financial statements. Related party transaction is a transfer of resources, services, or obligations between a reporting entity and a related party, regardless of whether a price is charged as per BAS 24.
2.14	Provision for expenses
	Provision for expenses is recognized when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and reliable estimate of the amount can be made.
2.13.2	Deferred Tax
	Deferred Tax is calculated as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences.
	Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.
2.13.1	Current Tax
	Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.
2.13	Provision for Tax

4. Property, Plant and Equipment
A. Cost

 Opening balance
 Add: Addition during the year
 Closing Balance

2016 Taka	2015 Taka
14,006,741	13,518,571
279,535	488,170
14,286,276	14,006,741

B. Accumulated Depreciation

 Opening balance
 Add: Charged during the year
 Closing Balance

6,712,081	4,882,423
1,759,666	1,829,658
8,471,747	6,712,081

C. Written Down Value (A-B)

5,814,529	7,294,660
------------------	------------------

A schedule of property, plant and equipment is given in "Annexure-A".

5. Intangible Assets
A. Cost

 Opening balance
 Add: Addition during the year
 Closing Balance

345,000	80,000
-	265,000
345,000	345,000

B. Accumulated Amortization

 Opening balance
 Add: Charged during the year
 Closing Balance

101,000	32,000
69,000	69,000
170,000	101,000

C. Written Down Value (A-B)

175,000	244,000
----------------	----------------

A schedule of Intangible Assets is given in "Annexure-B".

6. Preliminary Expenses

 Opening Balance
 Less: Amortization during the year
Closing Balance

78,185	156,370
78,185	78,185
-	78,185

7. Deferred Tax Liability/(Assets)

Deferred tax assets and liabilities have been recognized and measured in accordance with the provisions of 'BAS 12: Income Taxes'. Related deferred tax expense/(income) have been disclosed in Note: 36. Deferred tax assets has been arrived at as under:

Property, Plant and Equipment

 Carrying Amount
 Tax Base
 Deductible Temporary Difference
 Applicable Tax Rate
Deferred Tax Liability/(Asset)

5,989,529	7,538,660
6,931,781	7,861,552
(942,252)	(322,892)
35.0%	35.0%
(329,788)	(113,012)

	2016 Taka	2015 Taka
8. Advances, Deposits and Prepayments		
Opening Balance	75,700	109,700
Add: Addition during the year (Note: 8.1)	5,284,300	1,426,675
	5,360,000	1,536,375
Less: Adjusted during the year	5,249,300	1,460,675
Closing Balance	110,700	75,700
8.1 Addition during the year		
Temporary Advance	5,284,300	1,426,675
Security Deposit	-	-
	5,284,300	1,426,675
9. Margin Loan and Other Receivables		
Margin Loan Receivable	130,631,749	157,114,218
Receivable from DSE	14,334,262	4,953,213
Dividend Receivable	8,216,077	324,200
Interest Receivable on FDR	-	-
	153,182,089	162,391,631
10. Investment in Shares		
Investment in IPO	10,000,000	5,000,000
Investment in Secondary Market (Note: 10.1)	496,627,839	507,764,626
Investment in DSE Shares (Note: 10.2)	2,840,000	2,840,000
Investment in CSE Shares (Note: 10.2)	5,840,000	5,840,000
	515,307,839	521,444,626
10.1 Investment in Secondary Market		
Opening Balance	507,764,626	316,746,042
Add: Investment made during the year	548,585,861	633,216,740
	1,056,350,487	949,962,782
Less: Sale/ Recovery during the year	559,722,648	442,198,156
Closing Balance	496,627,839	507,764,626

A statement of investment in shares is given in "Annexure-C".

10.2 **Investment in DSE Shares**

The Dhaka Stock Exchange Ltd. allotted 7,215,106 number of Ordinary share of Tk. 10 each against the membership held with them as approved scheme of Demutualization under the provision of Exchange Demutualization Act, 2013 as under:

Shares Allotted

40% Ordinary Shares i.e 2,886,042 shares of Tk. 10/- each credited to BO A/C # 1202180045048887 of BDBL Securities Limited.

28,860,420	28,860,420
------------	------------

60% Ordinary Shares i.e 4,329,064 shares of Tk. 10/- each credited to DSE Demutualization Blocked account maintained by DSE .

43,290,640	43,290,640
------------	------------

72,151,060	72,151,060
-------------------	-------------------

Investment in CSE Shares

The Chittagong Stock Exchange Ltd. allotted 4,287,330 number of Ordinary share of Tk. 10 each against the membership held with them as approved scheme of Demutualization under the provision of Exchange Demutualization Act, 2013 as under:

Shares Allotted

40% Ordinary Shares i.e 1,714,932 Shares of Tk. 10/- each credited to BO A/C # 1202180045048887 of BDBL Securities Limited .

17,149,320	17,149,320
------------	------------

60% Ordinary Shares i.e 2,572,398 shares of Tk. 10/- each credited to CSE Demutualization Blocked account maintained by CSE .

25,723,980	25,723,980
------------	------------

42,873,300	42,873,300
-------------------	-------------------

	2016 Taka	2015 Taka
11. Advance Income Tax		
Opening Balance	15,085,824	9,628,977
Add: Addition during the year (Note: 11.1)	19,360,589	5,456,847
Closing Balance	34,446,413	15,085,824
11.1 Addition during the year		
TDS on Brokerage Commission & Dealer Trading-DSE	2,815,008	2,739,408
TDS on Brokerage Commission & Dealer Trading-CSE	287,365	268,980
DCT Circle 304, Zone-14	9,214,524	1,028,324
TDS on Interest Income	436,872	649,838
TDS on Interest Income on FDR	-	70,405
TDS on Dividend	6,606,821	699,892
	19,360,589	5,456,847
12. Cash and Bank Balances		
Cash in Hand	-	-
Cash at Bank (Note: 12.1)	123,136,210	37,536,932
	123,136,210	37,536,932
12.1 Cash at Bank		

<u>Name of Bank</u>	<u>Name of the Branch</u>	<u>Account No.</u>		
Bangladesh Development Bank Ltd.	Kawranbazar Branch	SND A/c # 240000005	3887072	785,407
Bangladesh Development Bank Ltd.		CD A/c # 200001311	-	-
IFIC Bank Ltd. (PIAA)	Stock Exchange Branch	SND A/c # 648920-041	16735710	1,159,109
IFIC Bank Ltd. (Customer)		397347-001 & 041	79469327	30,195,402
IFIC Bank Ltd. (Dealer)		415778-001 & 041	23044101	5,397,014
			123,136,210	37,536,932

13. Share Capital			
Authorized Capital			
5,000,000 Ordinary Shares of Tk.100 each		500,000,000	500,000,000
Issued, Subscribed and Paid-up Capital			
2,000,000 Ordinary Shares of Tk.100 each issued		200,000,000	200,000,000

Share Holding Position of the Company as under:

<u>Sl #</u>	<u>Name of the Shareholders</u>	<u>No. of Shares</u>		
1.	Bangladesh Development Bank Ltd.	1,999,994	199,999,400	199,999,400
2.	Syed Aftear Hossain Pear	1	100	100
3.	Mr. Shahabuddin Ahmed	1	100	100
4.	Mr. Dr. Mujib Uddin Ahmed	1	100	100
5.	Mr. Dr. AKM Nazrul Islam	1	100	100
6.	Mr. Md. Zahurul Islam	1	100	100
7.	Md. Abdul Kuddus	1	100	100
		2,000,000	200,000,000	200,000,000

14. Special Reserve			
Opening Balance		2,000,000	2,000,000
Add: Appropriation made during the year		-	-
Closing Balance		2,000,000	2,000,000

As per decision of the Board of Directors of BDBL Securities Limited, company kept Tk. 2,000,000 as special reserve on lump sum basis for investment in Blue Chip shares since 2013.

	2016 Taka	2015 Taka		
15. Retained Earnings				
Opening Balance	57,895,738	31,313,761		
Add: Profit/(loss) for the year	3,988,798	26,581,976		
Closing Balance	61,884,536	57,895,737		
16. Payable to BDBL				
Opening Balance	8,907,854	4,575,280		
Add: Addition during the year (Note: 16.1)	6,562,680	5,256,140		
	15,470,534	9,831,420		
Less: Adjusted during the year	89,161	923,566		
Closing Balance	15,381,373	8,907,854		
16.1 Addition during the year				
Salary and Allowances	6,562,680	5,256,140		
Furniture and Fixture	-	-		
	6,562,680	5,256,140		
17. Bank Overdraft				
<u>Name of Bank</u>	<u>Name of the Branch</u>	<u>A/c no.</u>		
Bangladesh Development Bank Ltd.	Kawranbazar Branch	0670520000001	400,000,000	330,000,000
The above loan facility is obtained from Bangladesh Development Bank Limited under the following terms:				
Particulars	Sanction Limit	Tenor	Interest Rate	Status
Bank Overdraft	40.00 Crore	1 year	10.50%	Revolving
Securities details:				
i) Corporate guarantee of BDBL Securities Limited.				
18. Accounts Payable				
Payable to Clients	41,665,636	56,042,099		
Payable to CSE	5,066,758	2,573,312		
Payable to CDBL	674,900	674,900		
	47,407,294	59,290,311		
19. Provision for Income Tax				
Opening Balance	34,011,333	18,093,814		
Add: Provision made during the year	3,102,373	15,917,519		
Closing Balance	37,113,706	34,011,333		
20. Provision against Margin Loan				
Opening Balance	251,259	251,259		
Add: Provision made during the year	232,119	-		
Closing Balance	483,378	251,259		

The Company maintained required provision (100%) against Unrealized Loss in Margin Loan account as on 31 December 2016.

21. Provision for Unrealized Loss in investment in Shares

	2016 Taka	2015 Taka
Opening balance	49,490,793	24,793,422
Add: Provision made during the year	2,335,184	24,697,371
	51,825,977	49,490,793
Less: Adjusted during the year	-	-
Closing Balance	51,825,977	49,490,793

As Per Bangladesh Securities and Exchange Commission Circular No. SEC/CMRRCD/2009-193/196 dated 28 December 2016, the company may keep 20% Provision for Unrealized Loss in company's Own Portfolio Account. However, the provision made upto 31 December 2016 by the company stood at 84.73% of total unrealized loss of Tk. 61,166,711 as on 31 December 2016 arrived at as under:

Finance and Leasing	4,050
Engineering	15,729,736
Fuel and Power	90,764
Ceramic	246,661
Tannery	12,719,385
Mutual Fund	537,150
Telecommunication	16,590,464
Pharmaceuticals	2,150,352
Textile	(920,724)
Miscellaneous	14,018,873
Total Unrealized Loss	61,166,711
Provision for Investment (84.73% of Total Unrealised Loss in investment in shares) as on 31 December 2016	51,825,977
	51,825,977

22. Other Current Liabilities

VAT Payable	-	95,978
Source Tax Payable	-	26,987
Security Deposit	17,160.00	17,160
Other Payable	1,000.00	1,000
IPO Application A/c Payable	15,050,000.00	5,000
Accrued Expenses (Note: 22.1)	1,149,576.50	2,271,157
	16,217,737	2,417,252

22.1 Accrued Expenses

Opening Balance	2,271,157	824,085
Add: Addition during the year		
Office Rent	230,787	198,860
Salary and Allowances	-	959,091
CDS Bill	125,000	1,450,098
Advertisement	50,000	330,000
Printing & Stationary	141,500	150,000
Audit and Tax Fees	50,000	103,500
Electricity Bill	45,000	195,000
Water and Sewerage Bill	-	8,000
Telephone Bill	-	28,000
MSA Connectivity bill	10,000	-
Commission & Cont. Charge	51,714	-
Others	165,109	25,000
	3,140,267	4,271,634
Less: Paid/Adjusted during the year	1,990,690	2,000,477
Closing Balance	1,149,577	2,271,157

	2016 Taka	2015 Taka
23. Brokerage Commission		
Income from Dhaka Stock Exchange (DSE)	18,106,650	16,871,256
Income from Chittagong Stock Exchange (CSE)	1,926,929	1,994,165
	20,033,579	18,865,421
24. Other Operating Income		
Account Opening Fees	133,000	924,000
Annual Account Maintenance Fees	777,750	692,300
Documentation Fess	7,200	19,200
CDBL Charges Income	178,216	7,548,185
IPO Commission	-	216,330
IPO Service Charge	251,350	-
Miscellaneous	1,727	-
	1,349,243	9,400,015
25. Salaries and Allowances		
Deputed & Regular Employees	9,362,673	7,494,081
Outsourcing Employees	933,053	921,357
Deputation Expenses	-	267,965
Lunch Subsidy	844,600	889,600
Bonus	538,628	40,138
	11,678,954	9,613,141
26. Rent, Rates, Taxes, Insurance and Lighting		
Rental Expenses	2,681,508	2,386,320
Insurance Expenses-Vehicles	41,958	41,959
Electricity Bill	1,043,418	1,082,242
Water and Sewerage Bill	69,360	86,970
	3,836,244	3,597,491
27. Brokerage Expenses		
Laga Charges	1,889,753	1,675,480
Howla Charges	1,008	-
	1,890,761	1,675,480
28. Legal and Professional Fees		
Professional Fees-Committee and Consultants	105,800	88,550
29. Stationery, Printing and Advertisement		
Printing and Stationery	334,066	757,902
Advertisement	317,100	568,187
	651,166	1,326,089

	2016 <u>Taka</u>	2015 <u>Taka</u>
30. Expenses related with CDBL		
Daily Settlement (Pay In/Pay Out)	887,716	662,779
Corporate Action Charges	19,622	942,538
Transfer/Bonus/Rights/IPO/Split/Demat	44,735	75,241
Account Opening Fees	116,400	748,400
Monthly Connection Fees	20,500	20,500
Bulk Account Transfers	457	4,715
	1,089,430	2,454,173
31. Directors' Fees and Meeting Expenses		
Directors' Fees	276,000	205,850
Meeting Expenses	242,370	194,600
	518,370	400,450
32. Repair and Maintenance Expenses		
Office Maintenance	271,200	239,168
Fuel for Car	165,282	167,708
Car Maintenance	65,900	20,350
	502,382	427,226
33. Network Connectivity Charges		
Internet Bill	98,071	163,865
MSA Connectivity Bill	443,800	382,375
Dish Rent	12,750	13,900
	554,621	560,140
34. Other Operating Expenses		
Bank Charges and Commission (Note: 34.1)	58,558	68,031
Travelling and Conveyance (Note: 34.2)	205,105	306,614
Other Operating Expenses (Note: 34.3)	604,608	718,714
	868,271	1,093,359
34.1 Bank Charges and Commission		
Bank Charges	13,558	38,031
Excise Duty Expenses	45,000	30,000
	58,558	68,031
34.2 Travelling and Conveyance		
Travelling Expenses and Allowances	65,775	162,524
Local Conveyance	139,330	144,090
	205,105	306,614
34.3 Other Operating Expenses		
Office Entertainment	242,273	231,753
Board Entertainment	85,678	136,619
Subscription to DSE Members' Club	18,062	41,778
Stock Broker and Dealer Fees	-	45,000
Driver Uniform	5,750	8,940
Electric & Computer accessories	86,555	186,288
Newspaper	21,640	-
Training	78,000	-
Miscellaneous	66,650	68,336
	604,608	718,714

	2016 Taka	2015 Taka
35. Other Non-Operating Income		
Interest on Investment in FDR	-	585,302
Interest on SND Account	4,107,562	6,490,179
	4,107,562	7,075,481
36. Deferred Tax Expense/ (Income)		
Closing Balance of Deferred Tax (Asset)/Liability	(329,788)	(113,012)
Opening Balance of Deferred Tax (Asset)/Liability	(113,012)	27,967
	(216,776)	(140,979)
37. Related Party Disclosures		

The following amounts are related to Bangladesh Development Bank Limited (BDBL) which is the parent company of BDBL Securities Limited:

<u>Nature of Transactions</u>	<u>Name of Party</u>	<u>Relationship</u>		
<u>Payable to related Party</u>				
Salary and Allowances			15,381,373	8,907,854
Furniture and Fixture			-	-
Preliminary Expenses	BDBL	Parent Company	-	-
Computer Equipment			-	-
Miscellaneous Expenses			-	-
			15,381,373	8,907,854
<u>Received from related Party</u>				
Bank Overdraft	BDBL	Parent Company	400,000,000	330,000,000
<u>Paid to related Party</u>				
Paid against Expenditure	BDBL	Parent Company	-	-
Purchase of Membership			-	-
			-	-

38. Events After Reporting Period

a) The Board of Directors of the Company in its meeting held on 10 April 2017 approved the financial statements of the company for the year ended 31 December 2016 and authorized the same for issue.

b) There is no other significant event that has occurred between the Balance Sheet date and the date when the financial statements were authorized for issue by the Board of Directors.

Sd/-
Director

Sd/-
Director

Sd/-
Chief Executive Officer

Place: Dhaka
Dated: 10 April 2017

BDBL Securities Limited
Schedule of Property, Plant and Equipment
As on 31 December 2016

Annexure-A

Amount in Taka

Particulars	Cost			Balance as on 31.12.2016	Rate %	Depreciation			Written Down Value as on 31.12.2016	
	Balance as on 01.01.2016	Addition during the year	Adjustment/ Disposal during the year			Balance as on 01.01.2016	Charged during the year	Adjustment/ Disposal during the year		Balance as on 31.12.2016
Furniture and Fixtures	2,077,530	-	-	2,077,530	10	439,589	163,794	-	603,383	1,474,147
Office Equipments	1,794,475	163,735	-	1,958,210	20	944,647	179,365	-	1,124,012	834,198
Computers	2,271,591	115,800	-	2,387,391	20	1,525,998	452,777	-	1,978,775	408,616
Motor Vehicles	3,280,000	-	-	3,280,000	20	2,296,000	656,000	-	2,952,000	328,000
Office Decoration	4,583,145	-	-	4,583,145	10	1,505,847	307,730	-	1,813,577	2,769,568
As on 31 December 2016	14,006,741	279,535	-	14,286,276		6,712,081	1,759,666	-	8,471,747	5,814,529
As on 31 December 2015	13,518,571	488,170	-	14,006,741		4,882,423	1,829,658	-	6,712,081	7,294,660

BDBL Securities Limited
Schedule of Intangible Assets
As on 31 December 2016

Annexure-'B'

Amount in Taka

Description	Cost				Rate %	Accumulated Amortization				Net Book Value at 31 December 2016
	As on 01.01.2016	Addition During the Year	Disposals/ Adjustments	As on 31.12.2016		As on 01.01.2016	Charged During the Year	Disposals/ Adjustments	As on 31.12.2016	
Adasoft Software	310,000	-	-	310,000	20%	94,000	62,000	-	156,000	154,000
Salary Software	35,000	-	-	35,000	20%	7,000	7,000	-	14,000	21,000
As on 31 December 2016	345,000	-	-	345,000		101,000	69,000	-	170,000	175,000
As on 31 December 2015	80,000	265,000	-	345,000		32,000	69,000	-	101,000	244,000

BDBL Securities Limited
Statement of Investment in Shares
For the year ended on 31 December 2016

Annexure- "C"

Amount in Taka

SI #	Name of the Companies	Types of Shares	Face Value	Number of Shares	Average Costs	Total Cost	Quoted Rate per share as on 31.12.2016	Total Market Value as on 31.12.2016	Unrealized Gain/(Loss)
Quoted Price:									
Finance and Leasing									
1	GSPFINANCE	A	10	43,200	22.95	991,600	22.90	989,280	(2,320)
2	UTTARAFIN	A	10	11,570	61.45	710,971	61.30	709,241	(1,730)
						1,702,571		1,698,521	(4,050)
Engineering									
1	BD Lamps	A	10	546,242	201.33	109,973,536	174.50	95,319,229	(14,654,307)
2	QSM DRYCELL	A	10	3,524	38.94	137,219	94.20	331,961	194,742
3	BSRMLTD	A	10	41,068	165.95	6,815,103	127.60	5,240,277	(1,574,826)
4	DESHBANDHU	Z	10	280,218	10.71	3,001,918	11.80	3,306,572	304,655
						119,927,775		104,198,039	(15,729,736)
Fuel & Power									
1	DESCO	A	10	12,200	53.74	655,624	46.30	564,860	(90,764)
						655,624		564,860	(90,764)
Ceramic									
1	STANCERAM	A	10	35,073	58.63	2,056,428	51.6	1,809,767	(246,661)
						2,056,428		1,809,767	(246,661)
Tannery									
1	APEXFOOT	A	10	134,869	431.19	58,154,750	330.3	44,547,231	(13,607,520)
2	FORTUNE	A	10	20,124	6.67	134,164	50.8	1,022,299	888,135
						58,288,915		45,569,530	(12,719,385)
Mutual Fund									
1	PF 1st MF	A	10	303,500	7.77	2,358,150	6.00	1,821,000	(537,150)
						2,358,150		1,821,000	(537,150)
Telecommunication									
1	Grameen Phone	A	10	211,887	362.40	76,787,561	284.10	60,197,097	(16,590,464)
						76,787,561		60,197,097	(16,590,464)

Amount in Taka

SI #	Name of the Companies	Types of Shares	Face Value	Number of Shares	Average Costs	Total Cost	Quoted Rate per share as on 31.12.2016	Total Market Value as on 31.12.2016	Unrealized Gain/(Loss)
Pharmaceuticals									
1	IBNSINA	A	10	4305	195.86	843,195	198.50	854,543	11,348
2	LIBRAINFU	A	10	12299	633.26	7,788,492	457.50	5,626,793	(2,161,699)
						8,631,687		6,481,335	(2,150,352)
Textile									
1	ZahinTex	A	10	8,369,692	19.11	159,917,124	18.60	155,676,271	(4,240,853)
2	Saiham Cotton	A	10	2,101,965	14.76	31,017,836	17.20	36,153,798	5,135,962
3	Saihamtex	A	10	275	13.66	3,758	15.90	4,373	614
4	DSSL	A	10	50,000	17.50	875,000	18.00	900,000	25,000
						191,813,718		192,734,442	920,724
Miscellaneous									
1	KBPPWBIL	A	10	1,100	19.10	21,009	21.30	23,430	2,421
2	United Air	Z	10	2,951,175	11.65	34,384,402	6.90	20,363,108	(14,021,294)
						34,405,411		20,386,538	(14,018,873)
Total Investments (20) in Quoted Shares						496,627,839		435,461,128	(61,166,711)

BDBL Investment Services Limited

Auditor's Report and Audited Financial Statements

For the year ended 31 December 2016



Quazi Murshed Hossain Kamal
Chairman



Md. Abdul Awal Chowdhury
Chief Executive Officer

Table of Contents

Sl. No.	Particulars	Page No.
01.	Auditor's Report	243
02.	Statement of Financial Position	244
03.	Statement of Profit or Loss and Other Comprehensive Income	245
04.	Statement of Changes in Equity	246
05.	Statement of Cash Flows	247
06.	Notes to the Financial Statements	248
07.	Annexure - A	257
08.	Annexure - B	258
09.	Annexure - C	259
10.	Annexure - D	260
11.	Annexure - E	261
12.	Annexure - F	261

Auditor's Report To the Shareholders of BDBL Investment Services Limited

We have audited the accompanying financial statements of BDBL Investment Services Limited which comprise the Statement of Financial Position as on 31 December 2016 and the related 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibilities for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards (BFRS) 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing (BSA). Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above give a true and fair view of the financial position of BDBL Investment Services Limited as on 31 December 2016, and of its financial performance and its cash flows for the year then ended in accordance with Bangladesh Financial Reporting Standards (BFRS) and comply with Companies Act 1994, the Securities and Exchange Act 1993, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Report on Other Legal and Regulatory Requirements

We, as required by law, report that the financial statements comply with the Companies Act 1994, the Bangladesh Securities and Exchange Act 1993, Bangladesh the Securities and Exchange Rules 1987, conditions for Registration issued by Bangladesh Securities and Exchange Commission and other applicable laws and regulations.

We further report that-

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of accounts as required by law have been kept by the company so far as it appeared from our examination of those books;
- c) the financial statements dealt with by this report are in agreement with the books of account and returns; and
- d) the expenditure incurred was for the purpose of business of the BDBL Investment Services Limited.

Sd/-

MMH & Co.,
Chartered Accountants
Dhaka, 23 April 2017

BDBL Investment Services Limited

Statement of Financial Position

As at 31 December 2016

	Notes	Amount in BDT	
		31-Dec-16	31-Dec-15
Assets			
Non-current Assets			
Property, Plant & Equipment	4.0	7,537,883	7,449,768
Intangible Assets	5.0	178,614	-
Investment in DSE Shares	6.0	300,000,000	300,000,000
Total Non-current Assets		307,716,497	307,449,768
Current Assets			
Available-for-Sale Financial Assets	7.0	28,738,189	-
Trade Receivables	8.0	3,520,745	-
Interest Income Receivables	9.0	1,793,161	3,085,328
Advance Income Tax	10.0	2,985,380	1,620,333
Advance, Deposits & Prepayments	11.0	2,500	-
Cash & Cash Equivalents	12.0	197,834,257	205,514,439
Total Current Assets		234,874,232	210,220,100
Total Assets		542,590,729	517,669,868
Equity & Liabilities			
Equity & Reserves			
Share Capital	13.0	200,000,000	200,000,000
Reserve against Available-for-Sale Financial Instruments	14.0	255,965,940	254,745,000
Retained Earnings	15.0	13,869,663	5,784,621
Total Equity & Reserves		469,835,603	460,529,621
Liabilities			
Current Liabilities			
Deferred Tax Liabilities	16.0	45,174,930	45,154,714
Trade Payables	17.0	10,763,628	-
Inter-company Payable	18.0	11,982,311	7,522,660
Payable to Others	19.0	1,916,650	607,860
Provision for Income Tax	20.0	2,050,153	2,564,283
Provision for Expenses	21.0	867,455	1,290,731
Total Liabilities		72,755,126	57,140,247
Total Equity & Liabilities		542,590,729	517,669,868

The accompanying notes form an integral part of the Financial Statements.

Sd/-

Company Secretary

Sd/-

Director & CEO

Sd/-

Director

This is the Statement of Financial Position referred to in our separate report of even date.

Dhaka
April 23, 2017

Sd/-

MMH & Co.,
Chartered Accountants

BDBL Investment Services Limited
Statement of Profit or Loss and Other Comprehensive Income
For the Year Ended 31 December 2016

	Notes	Amount in BDT	
		2016	2015
Revenue			
Brokerage Commission		1,877,941	-
Dividend Income		7,215,106	-
Realized Gain on Sale of Shares		1,026,301	-
Others	22.0	23,595	-
		10,142,943	-
Cost of Services	23.0	114,796	-
Gross Profit		10,028,147	-
Other Income	24.0	11,856,081	15,616,068
Administrative Expenses	25.0	11,513,150	7,268,369
Finance Cost		-	-
Profit Before Tax		10,371,078	8,347,699
Income Tax Relating to Profit or Loss	26.0	2,286,036	2,921,695
Profit After Tax		8,085,042	5,426,005
Other Comprehensive Income:			
Investment in DSE Shares		-	299,700,000
Investments in Equity Instruments		2,382,901	-
(Gain)/ Loss reclassified to Profit to Loss		(1,026,301)	-
Income Tax Relating to Components of Other Comprehensive Income	26.0	135,660	44,955,000
Total Comprehensive Income for the Year, Net of Tax		9,305,982	260,171,005
Earnings Per Share (EPS)		0.40	0.27

The accompanying notes form an integral part of the Financial Statements.

Sd/-

 Company Secretary & CEO

Sd/-

 Director

Sd/-

 Director

This is the Statement of Profit or Loss and Other Comprehensive Income referred to in our separate report of even date.

Dhaka
 April 23, 2017

Sd/-

 MMH & Co.,
 Chartered Accountants

BDBL Investment Services Limited

Statement of Changes in Equity

For the year Ended 31 December 2016

	Notes	Share Capital	Retained Earnings	Reserve against Available-for-Sale Financial Assets	Total Equity
		BDT	BDT	BDT	BDT
Balance as at 01 January 2015		200,000,000	906,063	-	200,906,063
Restatement		-	(547,447)	-	(547,447)
Changes in Equity during 2015:					
Total Comprehensive Income in 2015		-	260,171,005		260,171,005
Transferred to Reserve against Available-for-Sale Financial Instruments	15.0		(254,745,000)	254,745,000	-
Balance as at 31 December 2015		200,000,000	5,784,621	254,745,000	460,529,621
Total Comprehensive Income in 2016		-	9,305,982	-	9,305,982
Transferred to Reserve against Available-for-Sale Financial Assets	15.0	-	(1,220,940)	1,220,940	-
Balance as at 31 December 2016		200,000,000	13,869,663	255,965,940	469,835,603

The accompanying notes form an integral part of the Financial Statements.

Sd/-

Company Secretary & CEO

Sd/-

Director

Sd/-

Director

This is the Statement of Changes in Equity referred to in our separate report of even date.

Dhaka
April 23, 2017

Sd/-

MMH & Co.,
Chartered Accountants

BDBL Investment Services Limited

Statement of Cash Flows

For the Year Ended 31 December 2016

Notes	Amount in BDT	
	2016	2015
A. Operating Activities		
Paid for Operating Expenses	(5,701,978)	(3,386,237)
Honorarium Paid to CEO	(1,305,000)	-
Share Bought for Clients' Portfolio	(44,497,869)	-
Paid against IPO Application on behalf of Clients	(1,840,000)	-
B.O. Account Opening Fees	16,800	-
Share Transfer Fees	900	-
Cash Received from Clients for Trading Purpose	34,533,709	-
Proceed from Sale of Clients' Share	26,146,861	-
Cash Received from Other Sources	-	7,998
Bank Charges	(73,648)	(47,160)
Advance Income Tax Paid	(2,985,380)	-
Income Tax Paid	(1,295,277)	(1,950,713)
Net Cash Flows from Operating Activities	2,999,118	(5,376,112)
B. Investing Activities		
Investment in FDR Reclassified to Cash & Cash Equivalents	-	108,121,333
Interest Received from FDR	11,609,221	6,717,034
Interest Received from Savings Bank Account	1,539,027	937,042
Payment against Purchase of Shares	(34,015,187)	-
Dividend Received on DSE Shares	7,215,106	-
Proceed on Sale of Shares from Dealer Account	4,139,153	-
Disposal of Property, Plant & Equipment	-	-
Acquisition of Software	(185,000)	-
Acquisition of Property, Plant & Equipment	(981,620)	(3,083,040)
Net Cash Flows from Investing Activities	(10,679,300)	112,692,370
C. Financing Activities		
Net Cash Flows from Financing Activities	-	-
Net Changes in Cash and Cash Equivalents (A+B+C)	(7,680,181)	107,316,258
Cash and Cash Equivalents at Beginning	205,514,439	98,198,181
Cash and Cash Equivalents at Closing	197,834,258	205,514,439

The accompanying notes form an integral part of the Financial Statements.

Sd/-
Company Secretary & CEO

Sd/-
Director

Sd/-
Director

This is the Statement of Cash Flows referred to in our separate report of even date.

Dhaka
April 23, 2017

Sd/-
MMH & Co.,
Chartered Accountants

BDBL Investment Services Limited

Notes to the Financial Statements

For the Year Ended 31 December 2016

1.0 Legal Status and Background Information

1.1 Legal From

BDBL Investment Services Limited (BISL) is a Public Limited Company and a Subsidiary of Bangladesh Development Bank Limited (BDBL). It was incorporated under the Companies Act, 1994 on 06 August 2014 with a view to act as a member of DSE for stock dealer and stock broker. It is situated at BDBL Bhaban (Level-13), 8 Rajuk Avenue, Dhaka-1000. BISL is constituted by acquiring and taking over membership No. 152 of Dhaka Stock Exchange Ltd. (held by erstwhile Bangladesh Shilpa Bank now Bangladesh Development Bank Limited).

Bangladesh Bank and Dhaka Stock Exchange Ltd. approved the formation of the said company on 11 January 2011 and 27 January 2011 respectively. Subsequently, Board of Directors of BDBL at its 91st Meeting held on 17 June 2013 decided, among others, to form a subsidiary company namely BDBL Investment Services Limited having Authorized and Paid-up Capital of Tk. 50.00 (fifty) core and 20.00 (twenty) core respectively. Later on, BDBL Board approved the Memorandum of Association and Articles of Association of BISL at its 109th meeting held on 03 February 2014. Thereafter, approval for raising paid up capital was accorded by Bangladesh Securities & Exchange Commission on 09 June 2014. After completion of all regulatory requirements, the company was formed on 06 August 2014 under the Registrar of Joint Stock Companies & Firms having registration number of C-117425/14. The Registrar of Joint Stock Companies and Firms has issued Certificate of Incorporation and Certificate for Commencement of Business in favor of BDBL Investment Services Limited dated 06 August 2014. A Vendors Agreement was signed on 11 September 2014 between BDBL and BISL for transfer of membership of DSE Trading Right Entitlement Certificate (TREC) # 152 & Shares (7,215,106 share per 10Tk.). DSE approved conversion of DSE TREC# 152 & Shares in favor of BISL at its 813th Board meeting held on 26 November 2015 and then BSEC issued a Stock Dealer and Stock Broker Registration Certificate in favor of BISL on 19 January 2016. Accordingly, the Company started operation from 13 July 2016.

1.2 Activities of the Company

The principal activities of the company are to act as a TREC Holder of Dhaka Stock Exchanges Limited to carry on the business of Stock Broker and Stock Dealer of securities trading.

1.3 Board of Directors

The management of the Company is vested on a duly constituted Board of Directors elected by the members at the Annual General Meeting dated 03 February 2016 and Extraordinary General Meeting dated 29 August 2016. The current Board comprises of the following individuals:

Name	Designation
Quazi Murshed Hossain Kamal	Chairman
Md. Khalilur Rahman Siddiqui	Director
Mr. Manjur Ahmed, Managing Director of BDBL	Nominee Director
Dr. Mahmuda Akter, Professor, Department of Accounting & Information Systems, University of Dhaka	Director
Mr. Md. Abu Taleb, Professor, Department of Banking & Insurance, University of Dhaka	Director
Dr. Md. Ali Noor, Professor, Dept. of Accounting & Information Systems, Jagannath University	Director
Mr. Mushtaque Ahmed, Director, Board of Directors of BDBL	Director
Md. Abu Hanif Khan, Director, Board of Directors of BDBL	Director
Md. Abdul Awal Chowdhury, Chief Executive Officer	Ex-officio Director

2.0 Significant Accounting Policies

2.1 Basis of Preparation and Presentation of Financial Statements

The financial statements have been prepared on a going concern basis and accrual basis of accounting except for statement of cash flows in accordance with the requirements of Bangladesh Accounting Standards (BAS), Bangladesh Financial Reporting Standards (BFRS), the Companies Act, 1994 and other applicable laws and regulations.

2.2 Use of Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements.

Provisions and accrued expenses are recognized in the financial statements in line with the Bangladesh Accounting Standard (BAS) 37 "Provisions, Contingent Liabilities and Contingent Assets" when

- The Company has a legal or constructive obligation as a result of past event.
- It is probable that an outflow of economic benefit will be required to settle the obligation.
- A reliable estimate can be made for the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

2.3 Going Concern

The Company has adequate resources to continue in operation for foreseeable future. For this reason the directors continue to adopt going concern basis in preparing the financial statements. The current credit facilities and adequate resources of the Company provide sufficient funds to meet the present requirements of its existing businesses and operations.

2.4 Property, Plant & Equipment

Property, Plant & Equipment are stated at cost less accumulated depreciation. Depreciation is charged on diminishing balance method based on estimated useful life of each category of assets at the following annual rates:

Items	Rate (%)
Furniture & Fixtures	10
Office Equipment	20
Computer, Printer & IT Equipment	20
Air Conditioners	20
Interior Decoration	10

Depreciation is charged on the addition of assets from the date when such assets are available for use during the year upto the date of disposal.

2.5 Intangible Asset

Intangible Assets are stated at cost less accumulated amortization. Amortization is charged on diminishing balance method based on estimated useful life of each category of intangible assets at the following annual rate.

Items	Rate (%)
Software	20

Amortization is charged on the addition of intangible assets from the date when such assets are available for use during the year upto the date of disposal.

2.6 Financial Instruments

Financial instruments have been recognized as per BAS 32 "Financial Instruments: Presentation" and BAS 39 "Financial Instruments: Recognition and Measurement" and disclosure has been made in accordance with BFRS 7 "Financial Instruments: Disclosures".

2.7 Cash & Cash Equivalents

Cash and Cash Equivalents comprise cash on hand and cash at bank having maturity of three months or less which are available for use by the company without any restriction.

2.8 Provision for Tax

Current Tax:

Provision for current tax is made in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time.

Deferred Tax

Deferred Tax is calculated as per Bangladesh Accounting Standard (BAS) 12 "Income Taxes". Deferred Tax is recognized on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred Tax liabilities are recognized for all taxable temporary differences. Deferred Tax assets are generally recognized for all deductible temporary differences. Deferred Tax is measured at the tax rate that is expected to be applied to the temporary differences when they reverse based on the laws that have been enacted or substantively enacted by the reporting date.

To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged/reclassified whenever considered necessary to conform to current year's presentation.

2.9	Revenue Recognition	<p>"Revenue is recognized only when it is probable that the economic benefits associated with the transaction will flow to the enterprise the revenue during the year and in accordance with the Bangladesh Accounting Standard (BAS) 18 "Revenue".</p> <p>a. Brokerage Commission</p> <p>b. Dividend Income and Gain/(Loss) on Sale of Marketable Securities</p> <p>Dividend income is recognized when the right to receive payment is established whereas realized gain or loss arising from the sale of securities is accounted for only when shares are sold.</p>
2.10	Earning Per Share	<p>The Company calculates earning per share in accordance with Bangladesh Accounting Standard (BAS) 33 "Earning per Share" which has been shown in the face of Statement of Profit or Loss and Other Comprehensive Income.</p>
2.11	Related party disclosure	<p>As per Bangladesh Accounting Standards (BAS)-24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with related parties.</p>
2.12	Reporting Period	<p>The accounting period of the Company has been determined to be from 01 January to 31 December each year. These financial statements cover the year from 01 January 2016 to 31 December 2016.</p>
2.13	Comparative Information	<p>Comparative information has been disclosed in respect of the previous period for all amounts reported in the Financial Statements, both in the face of Financial Statements and Notes to the Financial Statements.</p>
2.14	Retrospective Adjustment	<p>a. Depreciation on Property, Plant & Equipment was not appropriately accounted for as per BAS 16 "Property, Plant & Equipment" in previous periods. Depreciation should have been charged on assets from the day when assets were available for use. In current year retrospective adjustment were given in order to ensure the appropriate accounting treatment as described above.</p> <p>b. Office Decoration was supplied by BDBL to BISL at cost price which is significantly higher than recoverable value. As such, retrospective adjustment were given too.</p> <p>c. Purchase cost of TRFC membership # 152 & DSE shares from BDBL were included in Preliminary Expenses. The same had been excluded from Preliminary Expenses and presented as Available-for-Sale Financial Assets under Non Current Assets in line with BAS 32 & BAS 39 and restated as marked to market price rather than investments in DSE Shares in previous periods.</p> <p>d. Preliminary expenses had been retrospectively adjusted with opening retained earnings as per BAS 8. In order to reflect the effect of changes in the retained earnings, a statement of financial position as of 01 January 2015 reported as part of the current financial statements (Annexure-G).</p>
2.15	Reclassifications	<p>To facilitate comparison, certain relevant balances pertaining to the previous year has been rearranged/reclassified whenever considered necessary to conform to current year's presentation.</p>

This investments has been restated as available-for-sale financial assets. Previously the purchase cost amounting BDT 300,000 was included with preliminary expenses instead of classifying it as available-for-sale financial assets which was an error. In order to rectify this error the purchase cost amounting BDT 300,000 has been excluded from preliminary expenses and classified as available-for-sale financial assets as per BA5 8 "Accounting Policies, Changes in Accounting Estimates and Errors". This investment is not a derivative and can not be classified as loans and receivables or held-to-maturity investments or financial assets at fair value through profit or loss. This investment has been measured at fair value which is the marked to market value of DSE share and the gain is recognized in Other Comprehensive Income which has been transferred to Reserve against Available for Sales in Other Comprehensive Income. The cumulative gain or loss that was recognized in Reserve against Available for Sales will be recognized in profit or loss when this investment will be sold.

Number of Shares	Settled Value (BDT)	Face Value per Share (BDT)	Face Value Amount (BDT)
2,886,042 nos. ordinary shares of DSE	120,002	10	28,860,420
4,329,064 nos. ordinary shares held in a blocked account maintained with CDBL under the control of BOD of DSE	179,998	10	43,290,640
Total	300,000		72,151,060

As per the provisions of Exchange Demutualization Act, 2013 and in accordance with the BSEC approved demutualization scheme, BDBL Investments Services Limited received following ordinary shares against the TRFC membership # 152:

	31-Dec-16	31-Dec-15
4.0 Property, Plant & Equipment: BDT 7,537,883		
Opening Balance	7,806,566	1,017,913
Add: Purchased during the Year	1,146,927	6,788,652
Less: Adjustment during the Year	-	-
Accumulated Depreciation & Impairment:	8,953,493	7,806,565
Opening Balance	356,797	5,786
Add: Charged during the Year	1,058,813	351,011
Less: Adjustment during the Year	-	-
Closing Balance (Annexure-A)	7,537,883	7,449,768
5.0 Intangible Assets: BDT 178,614		
Opening Balance	-	-
Add: Purchased during the Year (ADA Software)	185,000	-
Less: Adjustment during the Year	-	-
Accumulated Amortization:	185,000	-
Opening Balance	6,386	-
Add: Charged during the Year	6,386	-
Less: Adjustment during the Year	-	-
Closing Balance	178,614	-
6.0 Investment in DSE Shares: BDT 300,000,000		
Investments in DSE Shares: BDT	300,000,000	300,000
Opening Balance	300,000,000	299,700,000
Fair Value Changes (Unrealized Gain)	-	300,000
	300,000,000	300,000,000

The financial statements are expressed in Bangladeshi Taka currency and rounded off to the nearest integer.

3.0 Reporting Currency and Level of Precision

		Amount in BDT	
		31-Dec-16	31-Dec-15
7.0	Available-for-Sale Financial Assets: BDT 28,738,189		
	Investments in Listed Shares (Note: 7.1)	28,738,189	-
		28,738,189	-
7.1	Investments in Listed Shares: BDT 28,738,189		
	Opening Balance	-	-
	Investments made during the Year at Cost	34,015,188	-
	Less: Sale during the Year at Prevailing Market Price	7,659,898	-
	Add: Realized Gain/ (Loss)	1,026,301	-
		27,381,591	-
	Add: Unrealized Gain/ (Loss)	1,356,600	-
	Fair Value (Market Value) at Closing Date	28,738,189	-
		28,738,189	-
	These investments are classified by management as investment available for sale as these are not acquired or hold for trading purpose. Furthermore these can not be classified as Held for Maturity or Loan/Receivable. Therefore, the unrealized gain has been recognized to Other Comprehensive Income and transferred to Reserve against Available-for-Sales Financial Instruments. The cumulative gain or loss that was recognized in Reserve against Available-for-Sales Financial Instruments will be recognized in profit or loss when these investments will be sold. Details of these investments are shown in Annexure-B.		
8.0	Trade Receivables: BDT 3,520,745		
	Receivable from Dhaka Stock Exchange Limited (Note: 8.1)	3,520,745	-
		3,520,745	-
8.1	Receivable from Dhaka Stock Exchange Limited: BDT 3,520,745		
	Opening Balance	-	-
	Addition during the Year	3,520,745	-
		3,520,745	-
	Less: Received during the Year	-	-
		3,520,745	-
		3,520,745	-
	The above balance comprises the amount receivable from Dhaka Stock Exchange Limited on account of share sold from dealer account.		
9.0	Interest Income Receivables: BDT 1,793,161		
	Interest Receivable on FDR (Note: 9.1)	1,793,161	3,004,125
	Interest Receivable on SND Bank Account	-	81,203
		1,793,161	3,085,328
9.1	Interest Receivable on FDR: BDT 1,793,161		
	Opening Balance	3,004,125	3,252,667
	Addition during the Year	1,793,161	3,004,125
		4,797,286	6,256,792
	Received during the Year	3,004,125	3,252,667
		1,793,161	3,004,125
		1,793,161	3,004,125
	<i>Schedule of Accrued Interest Income is given in Annexure-C</i>		
10.0	Advance Income Tax: BDT 2,985,380		
	TDS on Dealer Trading- DSE	20,838	-
	TDS on Customer Trading- DSE	208,462	-
	TDS on Interest on SND Bank Account & FDR (Note: 10.1)	1,313,060	1,620,333
	TDS on Dividend Income	1,443,021	-
		2,985,380	1,620,333
10.1	TDS on Interest on SND Bank Account & FDR: BDT 1,313,060		
	Opening Balance	1,620,333	157,500
	Addition during the Year	1,313,060	1,620,333
		2,933,393	1,777,833
	Less: Adjusted during the Year	1,620,333	157,500
		1,313,060	1,620,333

	Amount in BDT	
	31-Dec-16	31-Dec-15
11.0 Advance, Deposits & Prepayments: BDT 2,500		
Security Deposit to Supplier of Drinking Water	2,500	-
	2,500	-
12.0 Cash & Cash Equivalents: BDT 197,834,257		
Cash in Hand	33,845	23,874
Cash at Bank (Note: 12.1)	197,800,412	205,490,565
	197,834,257	205,514,439
12.1 Cash at Bank: BDT 197,800,412		
BDBL (Principal Branch), SND A/C- 0650240000013	17,758,841	19,719,303
BDBL (Principal Branch), CD A/C- 0650200002209	15,278	963,449
BDBL (Principal Branch), (IPO) CD A/C- 0650200002208	31,792,515	-
Investments in Fixed Deposits having Maturity of Less than Three Months (Note: 12.1.1)	115,274,663	184,800,113
Rupali Bank (Foreign Exchange Corp. Branch), CD A/C- 20003530	-	3,850
Rupali Bank (Foreign Exchange Corp. Branch), CD A/C- 20003531	-	3,850
IFIC Dealer A/C, DSE Branch, SND A/C- 1090075180041	20,445,318	-
IFIC Customer A/C, DSE Branch, SND A/C- 1090075177041	12,513,798	-
	197,800,412	205,490,565

Investments in Fixed Deposits having maturity of less than three months is reported under Cash at Bank.

12.1.1 Investments in Fixed Deposits having Maturity of Less than Three Months: BDT 115,274,663

Opening Balance	184,800,113	171,407,500
Addition during the Year	10,418,184	13,392,613
	195,218,297	184,800,113
Less: Reduction for Encashment	79,943,634	-
	115,274,663	184,800,113

Schedule of investments is given in **Annexure-C**

13.0 Share Capital: BDT 200,000,000

Authorized Capital

50,000,000 Ordinary Shares of BDT 10 each

500,000,000 **500,000,000**

Issued, Subscribed and Paid up Capital

20,000,000 Ordinary Shares of Tk. 10 each fully paid

200,000,000 **200,000,000**

Detail of Shareholding Position of the Company:

Sl#	Name of Shareholders	% of Holdings	No. of shares		
01	Bangladesh Development Bank Limited Represented by:	99.999970%	19,999,994	199,999,940	199,999,940
02	Quazi Murshed Hossain Kamal	0.000005%	1	10	10
03	Md. Khalilur Rahaman Siddiqui	0.000005%	1	10	10
04	Md. Mamun-Al-Rashid*	0.000005%	1	10	10
05	Prof. Dr. Mahmuda Akter	0.000005%	1	10	10
06	Prof. Md. Abu Taleb	0.000005%	1	10	10
07	Prof. Dr. Md. Ali Noor	0.000005%	1	10	10
	Total		20,000,000	200,000,000	200,000,000

* Ministry of Finance has relieved him as Director of BDBL on 02 September 2014

	Amount in BDT	
	31-Dec-16	31-Dec-15
14.0 Reserve against Available-for-Sale Financial Instruments: BDT 255,965,940		
Opening Balance	254,745,000	-
Addition during the Period	2,247,241	254,745,000
	256,992,241	254,745,000
Less: Reclassified to Profit & Loss during the Period	1,026,301	-
	255,965,940	254,745,000
15.0 Retained Earnings: BDT 13,869,663		
Opening Balance	5,784,621	358,616
Add: Profit after Tax	8,085,042	5,426,005
Less: Dividend Paid during the Period	-	-
	13,869,663	5,784,621
Add: Other Comprehensive Income, Net of Tax	1,220,940	254,745,000
Less: Transferred to Available-for-Sale Reserve	1,220,940	254,745,000
Less: Adjustment during the Year	-	-
	13,869,663	5,784,621
16.0 Deferred Tax Liabilities: BDT 45,174,930		
Opening Balance	45,154,714	42,526
Addition during the Period	20,216	45,112,188
	45,174,930	45,154,714

Deferred tax liabilities has derived as follows:

As on 31 December 2016

	Carrying Amount	Tax Base	Taxable/ (Deductible) Temporary Difference
	BDT	BDT	BDT
Property, Plant and Equipment	7,537,883	7,101,836	436,046
Intangible Asset- ADA Software	178,614	166,500	12,114
Entertainment Expenses	(277,992)	(70,602)	(207,390)
Applicable Tax Rate			35%
			84,270
Investment in DSE Shares	300,000,000	300,000	299,700,000
Applicable Tax Rate			15%
			44,955,000
Investment in Listed Shares	28,738,189	27,381,592	1,356,600
			10%
			135,660.03
Total			45,174,930

As on 31 December 2015

	Carrying Amount	Tax Base	Taxable/ (Deductible) Temporary Difference
	BDT	BDT	BDT
Property, Plant and Equipment	7,449,769	6,879,158	570,611
Applicable Tax Rate			35%
			199,714
Investment in DSE Shares	300,000,000	300,000	299,700,000
Applicable Tax Rate			15%
			44,955,000
Total			45,154,714

		Amount in BDT	
		31-Dec-16	31-Dec-15
17.0	Trade Payables: BDT 10,763,628		
	Payable to Dhaka Stock Exchange Limited	1,613,769	-
	Payable to Clients	9,148,342	-
	Payable to Dhaka Stock Exchange Limited (Dealer)	1,516	-
		10,763,628	-
18.0	Inter-company Payable: BDT 11,982,311		
	Payable to BDBL (Details are given in <i>Annexure-D</i>)	11,982,311	7,522,660
		11,982,311	7,522,660
19.0	Payable to Others: BDT 1,916,650		
	Others' Payable (Details are given in <i>Annexure-E</i>)	116,650	607,860
	IPO Application Account	1,800,000	-
		1,916,650	607,860
20.0	Provision for Income Tax: BDT 2,050,153		
	Opening Balance	2,564,283	287,656
	Provision made for the year	2,401,480	2,764,507
		4,965,763	3,052,163
	Less: Adjusted during the year	2,915,610	487,880
		2,050,153	2,564,283
21.0	Provision for Expenses: BDT 867,455		
	Electricity Bills	4,849	1,494
	Water Bill	10,788	7,861
	Tax Assessment Fee KM Hasan	37,500	25,000
	Dish Bill	9,000	7,200
	Telephone Bill	2,000	2,176
	Office Rent	651,000	1,176,000
	CDS Charges Payable to CDBL	97,451	-
	DSE Charges Payable to DSE	4,867	-
	Audit Fees	50,000	71,000
		867,455	1,290,731
	Schedule of Provision for Expenses is given in <i>Annexure-F</i>		
22.0	Others: BDT 23,596		
	IPO Commission	5,895	-
	BO A/C Opening Fees	16,800	-
	Share Transfer Fees	900	-
		23,595	-
23.0	Cost of Services: BDT 114,796		
	Howla Charges	150	-
	Laga Charges (Customer)	104,227	-
	Laga Charges (Dealer)	10,419	-
		114,796	-
24.0	Other Income: BDT 11,856,081		
	Interest on SND Bank Account	1,457,823	937,042
	Interest on FDRs	10,398,258	14,671,028
	Others	-	7,998
		11,856,081	15,616,068

25.0 Administrative Expenses: BDT 11,513,150

	Amount in BDT	
	2016	2015
Salary and Allowances (Note: 25.1)	4,805,235	2,551,854
Office Rent	2,056,950	1,962,450
Bank Charges	73,528	47,160
Repair & Maintenance	98,185	142,217
Honorarium to Directors and Meeting Related Expenses	404,800	228,700
Annual General Meeting Expenses	221,027	-
Printing and Stationery	243,138	263,755
Conveyance	68,760	52,180
Entertainment	73,839	12,813
Postage and Courier	-	400
Utility Expense	81,012	55,459
Audit Fee	50,000	46,000
Lunch Subsidy	206,200	157,400
Board Entertainment	200,153	127,980
Telephone & Mobile Bill	19,766	2,176
Business Development	327,750	357,825
Festival & Incentive Bonus	722,940	344,660
Books, Periodical, & Newspaper	14,170	6,695
Renewal & Registration Fee	135,775	240,501
Expenses for Legal Opinion	-	22,250
Stamp Duty & Revenue Stamp	5,335	5,709
Water Bill	109,677	51,285
VAT	12,521	41,239
Crockery & Cutleries	-	53,100
Dish Bill	12,600	10,800
Closing Entertainment	4,000	8,100
Tax Advisor fee	37,500	25,000
DSE Charges & Fees	29,467	-
CDS Charges & Fees	97,451	-
Membership Fees to Dhaka Stock Exchange Limited	25,000	-
ISP/Connectivity Charges	137,166	-
Miscellaneous	174,006	99,650
Depreciation	1,058,813	351,011
Amortization	6,386	-
	11,513,150	7,268,369

25.1 Salary and Allowances: BDT 4,805,236

Chief Executive Officer	1,290,000	960,000
Company Secretary	1,478,709	795,917
Accounts Officer	230,532	260,952
Principal Officer	493,324	-
Senior Officer	628,551	277,077
Officer	624,057	257,908
Supporting Sub-Staff	60,063	-
	4,805,236	2,551,854

26.0 Income Tax Expense: BDT 2,421,696

Relating to Profit or Loss:		
Current Tax Expense	2,401,480	2,764,507
Deferred Tax Income	(470,117)	(122,854)
Deferred Tax Expense	354,673	280,041
	2,286,036	2,921,695
Relating to Components of Other Comprehensive Income:		
Current Tax Expense	-	-
Deferred Tax Income	-	-
Deferred Tax Expense	135,660	44,955,000
	135,660	44,955,000
Total	2,421,696	47,876,695

Current tax has been calculated by applying the corporate tax rate @ 35% on total income other than dividend income and capital gain on sale of listed shares. Tax rate @ 10% and 15% have been applied on dividend income and capital gain respectively in accordance with the provision of Income Tax Ordinance, 1984 and subsequent amendments made thereto from time to time. Calculation of previous periods' current tax have been made accordingly and the balance of previous periods have been restated.

BDBL Investment Services Limited
Non- Current Asset Schedule
As on 31 December 2016

Annexure - A

Particulars	Cost				Depreciation including Impairment/ Amortization					Written Down Value As on 31 Dec 2016	
	Balance as on 01 Jan 2016	Addition during the period	Disposal/ Adjustment during the year	Reclassification during the year	Balance as on 31 Dec 2016	Rate	Balance as on 01 Jan 2016	Charged during the year	Disposal/ adjustment during the year		Balance as on 31 Dec 2016
	Taka	Taka	Taka	Taka	Taka	%	Taka	Taka	Taka	Taka	Taka
Property, Plant and Equipment											
Furniture & Fixtures	1,789,591	109,113	-	-	1,898,704	10%	73,766	175,968	-	249,734	1,648,969
Office Equipment	516,255	542,282	-	-	1,058,537	20%	30,199	155,675	-	185,875	872,662
Computer, Printer & IT Equipment	199,200	495,533	-	-	694,733	20%	37,047	126,773	-	163,819	530,914
Air Conditioners	918,100	-	-	-	918,100	20%	16,265	180,861	-	197,126	720,974
Interior Decoration	4,383,420	-	-	-	4,383,420	10%	199,520	419,536	-	619,056	3,764,364
Total	7,806,566	1,146,927	-	-	8,953,493	-	356,797	1,058,813	-	1,415,610	7,537,883
Previous Year's Balance	1,017,913	6,788,652	-	-	7,806,565		5,786	351,011	-	356,797	7,449,768

BDBL Investment Services Limited

Statement of Investments in Listed Shares

As on 31 December 2016

Annexure- B

Sl No.	Name of the Companies	Face Value per Share (BDT)	Sector	At Cost Price at Acquisition Date			Sold at Prevailing Market Price			Balance at Cost Price			Balance at Market Price at Measurement Date			Realized Gain/ (Loss) (BDT)	Unrealized Gain/ (Loss) (BDT)
				Bought Quantity	Rate (BDT)	Bought Cost	Sold Quantity	Rate (BDT)	Total Sold (BDT)	Balance (Qty)	Rate (BDT)	Balance (BDT)	Balance (Qty)	Rate (BDT)	Balance (BDT)		
1	Atlas Bangladesh Limited	10	Engineering	24,331	109.25	2,658,229	-	-	-	24,331	109.25	2,658,229	24,331	109.40	2,661,811	-	3,650
2	Bangladesh Building Systems Ltd.	10	Engineering	35,000	42.44	1,485,502	35,000	54.20	1,897,000	-	-	-	-	-	-	411,499	-
3	BSRM Steels Limited	10	Engineering	43,500	93.04	4,047,450	-	-	-	43,500	93.04	4,047,450	43,500	92.79	4,036,508	-	(10,440)
4	CVO Petrochemical Refinery Limited	10	Fuel & Power	45,975	188.13	8,676,737	21,783	212.97	4,639,088	24,192	188.13	4,551,136	24,192	206.70	5,000,486	513,487	449,245
5	First Security Islami Bank Limited	10	Bank	50,000	11.22	561,000	50,000	12.30	615,000	-	-	-	-	-	-	54,000	-
6	Mozaffar Hossain Spinning Mills Ltd.	10	Textile	110,000	14.50	1,594,500	30,000	16.07	482,000	80,000	14.50	1,159,636	80,000	21.20	1,696,000	47,135	536,000
7	Mutual Trust Bank Ltd.	10	Bank	45,000	22.66	1,019,500	-	-	-	45,000	22.66	1,019,500	45,000	23.10	1,039,500	-	19,800
8	One Bank Limited	10	Bank	70,000	14.84	1,039,000	-	-	-	70,000	14.84	1,039,000	70,000	18.30	1,281,000	-	242,200
9	SAIF Powertec Limited	10	Services & Real Estate	88,000	53.21	4,682,800	-	-	-	88,000	53.21	4,682,800	88,000	50.60	4,452,800	-	(229,680)
10	Singer Bangladesh Limited	10	Engineering	27,597	183.61	5,067,121	-	-	-	27,597	183.61	5,067,121	27,597	192.50	5,312,423	-	245,337
11	Square Pharmaceuticals Ltd.	10	Pharmaceuticals & Chemicals	100	266.30	26,630	100	268.10	26,810	-	-	-	-	-	-	180	-
12	Trust Bank Limited	10	Bank	90,000	23.46	2,111,000	-	-	-	90,000	23.46	2,111,000	90,000	23.80	2,142,000	-	30,600
13	Uttara Finance and Investments Limited	10	Financial Institutions	18,200	57.46	1,045,720	-	-	-	18,200	57.46	1,045,720	18,200	61.30	1,115,660	-	69,888
Total						34,015,188			7,659,898			27,381,592			28,738,189	1,026,301	1,356,600

BDBL Investment Services Limited
Statement of Investments in Fixed Deposits
For the year ended 31 December 2016

Annexure-C

Amount in BDT

SL No.	Fixed Deposits Number	Date of Investment /Re-investment	Maturity	Closing balance of FS of 2015	Opening amount for new Fixed Deposits in 2016	Interest credited for encashed Fixed Deposits net of TDS & Bank Charges	Interest credited in 2016 net of TDS & Bank Charges	Total Addition to Fixed Deposits	Encashment of Fixed Deposits	Closing balance as at 31.12.2016 as per statement	Interest Rate	Due for days	Accrued interest in 2016	Closing balance as at 31.12.2016 as per calculation
1	2	3	4	5	6	7	8	9 (6+7+8)	10	11 (6+7+8-10 Or 5+9-10)	12	13	$\frac{14}{\{(11*12/360)*13\}}$	15 (11+14)
Bangladesh Development Bank Limited														
1	0650350005132*	09.09.2016	6 months	108,121,333	-	-	7,153,330	7,153,330	-	115,274,663	5.00%	112	1,793,161	117,067,824
2	0650350005133	09.09.2016	3 months	76,678,780	-	3,264,854	-	3,264,854	79,943,634	-	9.00%	0	-	-
Total TDR Balance				184,800,113	-	3,264,854	7,153,330	10,418,184	79,943,634	115,274,663			1,793,161	117,067,824

* The date of maturity of this Fixed Deposits is 9 March 2017 which is less than three months and will be available for use by BDBL Investment Services Limited without any restriction. Therefore, it has been classified as Cash and Cash Equivalents.

BDBL Investment Services Limited
Schedule of Payable to BDBL
As at 31 December 2016

Annexure-D

(Amount in BDT)

Sl. No.	Items Settled by BDBL on behalf of BISL	Balance as at 01.01.2016	Addition during the year	Paid during the year	Balance as at 31.12.2016
1	Honorarium to CEO	600,774	-	144,000	456,774
2	Salary & Allowances	2,021,261	3,515,235	-	5,536,496
3	Board Meeting Honorarium	70,000	-	-	70,000
4	Meeting Expense	84,216	-	-	84,216
5	Registration Fee	340,925	-	-	340,925
6	Repair & Maintenance	17,630	-	-	17,630
7	Electricity Bills	10,439	77,657	88,096	-
8	Water Bills	18,492	106,750	125,242	-
9	Professional Fees	88,600	-	-	88,600
10	Vendors Agreement Related Expenses	28,250	-	-	28,250
11	Fax Machine	34,000	-	-	34,000
12	Closing Entertainment	8,100	-	-	8,100
13	Lunch Subsidy	168,600	206,200	-	374,800
14	Entertainment Allowance to AGM	-	4,000	-	4,000
15	Incentive Bonus	244,900	354,000	-	598,900
16	Festival Bonus	99,760	368,940	-	468,700
17	Furniture	492,352	-	-	492,352
18	Computer & Equipment	1,184,820	184,207	-	1,369,027
19	Interior Decoration	2,009,541	-	-	2,009,541
Total		7,522,660	4,816,989	357,338	11,982,311

BDBL Investment Services Limited
Schedule of Others' Payable
As at 31 December 2016

Annexure-E

(Amount in BDT)

Sl. No.	Particulars	Balance as at 01.01.2016	Addition during the year	Paid during the year	Balance as at 31.12.2016
1	Payable to Rithin Trade Int. for Stationaries	-	16,150	-	16,150
2	S N Printers- BO From Print	82,110	-	82,110	-
3	Partex Furniture - Cabinet	18,900	-	18,900	-
4	Security Payable to An Expression	259,816	-	259,816	-
5	Vat Payable	194,234	411,816	505,550	100,500
6	AIT Deducted at Source	52,800	217,321	270,121	-
Total		607,860	645,286	1,136,497	116,650

Schedule of Provision for Expenses
As at 31 December 2016

Annexure-F

(Amount in BDT)

Sl. No.	Particulars	Balance as at 01.01.2016	Addition during the year	Paid/ Adjusted during the year	Balance as at 31.12.2016
1	Electricity Bills	1,494	4,849	1,494	4,849
2	Water Bill	7,861	10,788	7,861	10,788
3	Tax Assessment Fee KM Hasan	25,000	37,500	25,000	37,500
4	Dish Bill	7,200	12,600	10,800	9,000
5	Telephone Bill	2,176	19,766	19,942	2,000
6	Office Rent	1,176,000	1,959,300	2,484,300	651,000
7	CDS Charges Payable to CDBL	-	97,451	-	97,451
8	DSE Charges Payable to DSE	-	4,867	-	4,867
9	Audit Fees	71,000	50,000	71,000	50,000
Total		1,290,731	2,197,121	2,620,397	867,455

Dhaka
April 23, 2017

Company Secretary

Sd/-

Director & CEO

Sd/-

Director

Sd/-

is presented here to reflect the said changes.

This is the statement of financial position as of 01 January 2015 referred to in note #2.14 to the financial statements. Since a) the depreciation on Property, Plant & Equipment was not calculated and charged as per BAS 16 "Property, Plant & Equipment" previously, b) Office Decoration was supplied by BDBL to BSL at cost price which is significantly higher than recoverable value, c) Purchase cost of TRFC membership # 152 & DSE shares from BDBL were included in Preliminary Expenses which had been excluded from Preliminary Expenses and presented as Available-for-Sale Financial Assets under Non Current Assets in line with BAS 32 & BAS 39 and d) Preliminary expenses had been retrospectively adjusted with opening retained earning as per BAS 8, therefore, Property, Plant & Equipment, Preliminary Expenses, Retained Earnings, Deferred Tax Liabilities and Provision for Income Tax have been restated. As a result this extra component to the financial statement as of January 1, 2015

Assets		202,920,475		201,608,348		202,920,475	
Non-current Assets	Property, Plant & Equipment	1,012,127	300,000	1,312,127		1,312,127	
	Investments in DSE Shares						
Total Non-current Assets							
Current Assets	Investments in FDRs	171,407,500		171,407,500		171,407,500	
	Interest Receivable on FDR	3,252,667		3,252,667		3,252,667	
	Advance Income Tax	157,500		157,500		157,500	
	Cash & Cash Equivalents	26,790,681		26,790,681		26,790,681	
Total Current Assets		201,608,348		201,608,348		201,608,348	
Total Assets		202,920,475		202,920,475		202,920,475	
Equity & Liabilities	Equity & Reserves						
	Share Capital	200,000,000		200,000,000		200,000,000	
	Retained Earnings	358,616		358,616		358,616	
Total Equity & Reserves		200,358,616		200,358,616		200,358,616	
Liabilities	Current Liabilities						
	Deferred Tax Liabilities	42,526		42,526		42,526	
	Trade Payables	-		-		-	
	Payable to BDBL	1,571,002		1,571,002		1,571,002	
	Payable to Others	126,075		126,075		126,075	
	Provision for Expenses	534,600		534,600		534,600	
	Provision for Income Tax	287,656		287,656		287,656	
Total Liabilities		2,561,859		2,561,859		2,561,859	
Total Funds & Liabilities		202,920,475		202,920,475		202,920,475	

BDBL Investment Services Limited

Statement of Financial Position

As of 01 January 2015

Organizational Network (At the year end of 2016)

Head Office

Bangladesh Development Bank Limited.
BDBL Bhaban
8, Rajuk Avenue, Motijheel, Dhaka-1000
Phone- 02-9555151-59,02-9560014-15
02-9563476
Fax : 02-9562061,02 - 9557622
Website : www.bdbl.com.bd



Zonal Offices

1. Dhaka

BDBL Bhaban
12, Karwan Bazar
Dhaka -1215
Phone: 02- 9144177, 9144172
Fax : 02- 9111274

2. Chittagong

106, Agrabad Commercial Area
Chittagong
Phone : 031-710411, 031- 2520819
031-711022
Fax : 0321-2521202

3. Rajshahi

108/6, Kumarpara
(Dhaka Mahasarak) Rajshahi.
Phone : 0721-772689
Fax : 0721-774701

4. Khulna

25 – 26, KDA Commercial Area
Upper Jessore Road, Khulna.
Phone : 041-720263,
Fax : 041-720262

Branches

1. Principal Branch

BDBL Bhaban (Level- 1)
8, Rajuk Avenue,
Motijheel, Dhaka-1000
Phone : 02-9558326, 9550012
9569908 (BACH)
Fax : 02-9557622

2. Motijheel Branch

49, Motijheel C/A
(Ground Floor),
Dhaka-1000
Phone : 02- 9560169
Fax : 02-7110659

3. Karwan Bazar Branch

BDBL Bhaban
12, Karwan Bazar
Dhaka-1215
Phone : 02- 9144173, 02-9144174
Fax : 02-91111274 (IBD)

4. Mymensingh Branch

19/D, Shaheb Ali Road
Natun Bazar, Mymensingh
Phone : 091-65825
Fax : 091-65825

5. Faridpur Branch

Chamber Building, Mujib
Sarak, Niltuly, Faridpur
Phone : 0631-63267
Fax : 0631-64465

6. Agrabad Branch

106, Agrabad Commercial
Area, Chittagong.
Phone : 031-716178,
2520425, 2514258
Fax : 031-2521202

<p>7. Comilla Branch Samabay Bank Bhaban Kandirpar, Comilla Phone : 081-76191</p>	<p>8. Noakhali Branch 434, Dakkhin Bazar Choumuhuni, Noakhali Phone : 0321-52306 Fax : 0321-51274</p>	<p>9. Sylhet Branch 1375 (Kha), Syeed Complex (1st floor) Ambar Khana, Sylhet Phone : 0821-716627 Fax : 0821-716627</p>
<p>10. Rajshahi Branch 108/6, Kumarpara (Dhaka Mahasarak) Rajshahi Phone : 0721-775802, 772337 Fax : 0721-774701</p>	<p>11. Bogra Branch Khan Plaza (1st Floor) Chalkjadu Road Badurtala, Bogra Phone : 051-66154 Fax : 051-66154</p>	<p>12. Pabna Branch Bhai Bhai Super Market Bhaban (1st floor) Abdul Hamid Road, Pabna Phone : 0731-66160 Fax : 0731-66160</p>
<p>13. Rangpur Branch Sharif Building Station Road, Rangpur Phone : 0521-62487 Fax : 0521-55287</p>	<p>14. Dinajpur Branch Adhunik Abedin Complex (1st floor) Gonesh Tola, Dinajpur Phone : 0531-63972 Fax : 0531-64635</p>	<p>15. Khulna Branch 25-26, KDA Commercial Area Upper Jessore Road, Khulna Phone : 041-720261, 724710</p>
<p>16. Jhenidah Branch 18, Maowlana Bhashani Sarak, Jhenidah Phone : 0451- 62464, 62285</p>	<p>17. Barisal Branch Dr. Sobhan Complex 130 / C, Sadar Road, Barisal Phone : 0431-62261 Fax : 0431-64456</p>	<p>18. Narayangonj Branch 10, S M Maleh Road Tan Bazar, Narayangonj Phone : 02-7643144 Fax : 02-7643904</p>
<p>19. Khatungonj Branch 6, Ramjoy Mahajan Lane, Post Office Goli Asadgonj, Khatungonj Chittagong Phone : 031 - 618546, 618547</p>	<p>20. Elephant Road Branch 299, Elephant Road, Dhaka Phone : 02-9675282 Fax : 02-9677321</p>	<p>21. Ashugonj Branch 117, Station Road Ashugonj, Brahmanbaria Phone: 08528-74009 Fax : 08528-74008</p>
<p>22. Madhobdi Branch J & J Tower Choto Madhobdi, Jalpotti Road Madhobdi, Narsingdi Phone : 02-9446761 Fax : 02-9446762</p>	<p>23. Mokamtola Branch Rashida Market Mokamtola Bazar Shibgonj, Bogra Phone/Mobile : 01755618955</p>	<p>24. Hossainpur Branch Mofiz Mansion School Road Hossainpur Bazar Hossainpur, Kishorgonj Phone : 0942-556346 Fax : 0942-556346</p>

25. Cox's Bazar Branch Ume Barmiz Market Main Road Tekpara, Cox's Bazar Phone : 0341-63753 Fax : 0341-63743	26. Ashulia Branch Three Star Super Market (1st floor) Beron Chaitola, Jamgora Ashulia, Dhaka Phone : 02-7789156 Fax : 02-7789156	27. Mohadevpur Branch Khushi Baniyaloy (2nd floor) Barongail Bazar, Mohadevpur, Shivaloy, Manikgonj. Phone/Mobile: 01766 679679
28. Satoria Branch Belal Complex Shamsunnahar Eye Hospital Satoria- Dorgram Road Satoria Bazar, Satoria , Manikgonj Phone : 02-7725097 Fax : 02-7725049	29. Osmani Nagar Branch DM Tower Doyamir Bazar Osmani Nagar, Balagonj Sylhet. Phone : 0824256101 Fax : 0824256102	30. Nabinagar Branch Vashan Market 701, Salam Road Nabinagar, Brahmanbaria Phone : 0852575602
31. Kazirhat Branch Sarker Plaza Adjacent to Uttara EPZ, Kazirhat Songalshi, Nilphamari Sadar Nilphamari Mobile : 01673612337	32. Moulavi Bazar Branch Rahmania Tower 361, M. Saifur Rahman Road (Central Road) Moulavi Bazar Mobile : 01914736671	33. Kanchpur Branch Sonargaon Mega Complex Kanchpur, Sonagaon Narayangonj Mobile : 01684003017
34. Naogaon Branch R Rahman Super Market 247, Main Road (Batar Mor) Naogaon Phone : 074181418	35. Jessore Branch Nazima Tower 1247-00, M.M. Ali Road Jessore Phone : 042161760	36. Keranigonj Branch Semonti Shopping Complex Bridge Road, Aganagar Keranigonj, Dhaka Mobile : 01911392176
37. Hobigonj Branch A R Plaza 4162-00, Town Hall Road Hobigonj Mobile : 01721470001	38. Jaina Bazar Branch Nois Tower Jaina Bazar Sreepur, Gazipur Mobile : 01930312165	39. Hemayetpur Branch Hazi Bashar Shopping Complex (2nd floor) Bagbari, Hemayetpur Savar, Dhaka Mobile : 01712873185
40. Sreenagar Branch Sikder Plaza Jhumur Cinema Hall Road Sreenagar, Munshigonj Phone : 7627056	41. Tangail Branch Bhasha Saynik Bhaban Main Road, Tangail Phone : 092162221	42. Brahmanbaria Branch 349/2, Lucky Tower (1st floor) East Paikpara, Brahmanbaria Mobile : 01711396936

Zonal Offices and Branches of BDBL





BDBL Bhaban, 12, Karwan Bazar, Dhaka



BDBL

বাংলাদেশ ডেভেলপমেন্ট ব্যাংক লিমিটেড
BANGLADESH DEVELOPMENT BANK LIMITED

(A STATE OWNED SPECIALIZED COMMERCIAL BANK)

8, Rajuk Avenue, Dhaka-1000, Bangladesh
PABX : 9555151-59, 9560014-15
Fax : 88-02-9562061, 9557622
Website : www.bdbl.com.bd
SWIFT Code : BDDBBDDH