

# Annual Report 2021-22



**ICB CAPITAL MANAGEMENT LIMITED**

(A Subsidiary of ICB)

# Annual Report

## 2021-22



On the initiative of Bangladesh Securities and Exchange Commission স্বাধীনতা সুবর্ণজয়ন্তী পুরস্কার-২০২১ was given to acknowledge efficiency of Capital Market Intermediaries in three categories of Stock Brokers and Dealers, Merchant Bankers and Asset Management Companies.

ICB Capital Management Limited has won the 1st prize in the Merchant Banker category. We express our sincere gratitude to all for their support and cooperation. ICML will continue to uphold its outstanding legacy and enduring commitment to serve the nation more in future.



## ICB CAPITAL MANAGEMENT LIMITED

(A Subsidiary of ICB)

# Contents

03-10	Notice of the 22 <sup>nd</sup> AGM	03	Objectives & Functions	09
	Corporate Profile	05	Review and Recommendation on	
	Major Events/Milestone	07	the Annual Accounts	10
	Vision, Mission, Values & Philosophy	08		
11-23	Board of Directors	11	From the Desk of the CEO	19
	Former Chairmen of ICML	15	Senior Executives	22
	Former Chief Executive Officers of ICML	15	Head of Departments & Branch Managers	23
	Message from the Chairman	16		
24-39	Corporate Governance	24	Domestic Economy	32
	World Economic Outlook	28	Capital Market	34
	Global Financial Stability Report	29	Report of the Audit Committee	39
40-52	Financial & Operational Highlights	40	Investors' Scheme	46
	Underwriting & Issue Management	41	Portfolio Management	51
	Trustee & Custodian	44	Equity and Entrepreneurship Fund (EEF)/	52
			Entrepreneurship Support Fund (ESF)	
53-66	Internal Audit and Control	53	Financial Result	61
	Report on Risk Management	54	ICT Report	64
	Human Resource Management	57	Acknowledgement	66
	Practices in Accounting	60		
67-94	CEO's Declaration to the Board	67	Statement of Changes in Equity	74
	Independent Auditors' Report	68	Statement of Cash Flows	75
	Statement of Financial Position	72	Notes to the Financial Statements	76
	Statement of Profit or Loss & Other Comprehensive Income	73		
95-100	Photo Archive	95		

# Notice of the 22<sup>nd</sup> Annual General Meeting

Notice is hereby given that the 22<sup>nd</sup> Annual General Meeting of the Company will be held on **21 October 2022, Friday at 6:30 p.m.** at **Le-Meridien Dhaka, 79/A Commercial Area, Airport Road, Nikunja-2, Khilkhet, Dhaka-1229** for the purpose of transacting the following businesses:

1. To place the minutes of the 21<sup>st</sup> Annual General Meeting held on 30 October 2021 for information;
2. To receive, consider and adopt the Annual Report and the Audited Accounts of the Company for the year ended 30 June 2022;
3. To approve dividend as recommended by the Board;
4. To elect Directors;
5. To appoint Auditors and fix their remuneration; and
6. To discuss any other business with the consent of the Chair.

By order of the Board of Directors,



**Asit Kumar Chakravorty**  
Chief Executive Officer/Secretary

**06 October 2022**  
Dhaka

## Notes:

- 1) The share transfer books of the Company will remain closed from 15 October 2022 to 21 October 2022 (both days inclusive).
- 2) Shareholders entitled to attend and vote at the Annual General Meeting may appoint a Proxy to attend on his/her behalf. In order to be effective, proxy should be duly signed and stamped and the proxy form must be sent at the Company's registered office not later than **FORTY-EIGHT HOURS** before the Meeting.

# 22<sup>nd</sup>

## Annual General Meeting

**21 October 2022**

**DHAKA**

# 21<sup>st</sup> Annual General Meeting

The 21<sup>st</sup> Annual General Meeting of the Shareholders of ICB Capital Management Limited (ICML) was held on 30 October 2021, Saturday at 11:30 a.m. in the Board Room of the Company Head Office at Green City Edge (5<sup>th</sup> & 6<sup>th</sup> floor), 89, Kakrail, Dhaka-1000.



# Corporate Profile

## Registered Name:

ICB Capital Management Limited

## Legal Form:

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

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

SEC License No. : 31/2001

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

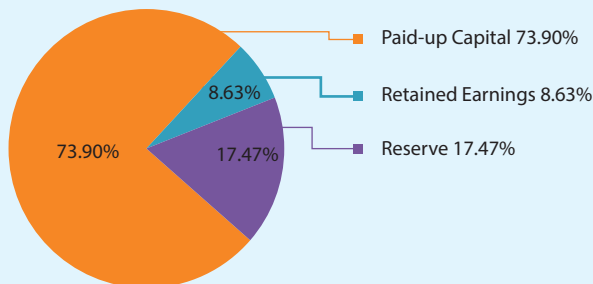
## Registered Office:

Green City Edge (5<sup>th</sup> and 6<sup>th</sup> Floor), 89, Kakrail, Dhaka-1000

Phone: +88-02-8300555 (Auto hunting), Fax: 880-2-8300396

Website: [www.icml.com.bd](http://www.icml.com.bd), [www.icml.gov.bd](http://www.icml.gov.bd), E-mail: [ceo@icml.com.bd](mailto:ceo@icml.com.bd)

## Capital Structure of the Company as on 30 June 2022



<b>Authorized Capital</b>	<b>500.00 Crore</b>
Paid-up Capital	329.65 Crore
Retained Earnings	38.48 Crore
Reserve	77.96 Crore
<b>Total</b>	<b>446.09 Crore</b>

## Branch Offices:

Chattogram Branch :	Ayub Trade Centre (10 <sup>th</sup> Floor), Sheikh Mujib Road, 1269/B Agrabad C/A, Chattogram. manager_ctg@icml.com.bd, 02-33330997, 031-715337
Rajshahi Branch :	Ashirbad Tower (3 <sup>rd</sup> Floor), 32, Gonok Para, Boalia, Rajshahi. manager_raj@icml.com.bd, 47-812225, 02-588860048
Barishal Branch :	Barisal Plaza (2 <sup>nd</sup> Floor), 87-88, Hemayet Uddin Road, Barishal. manager_barisal@icml.com.bd, 0431-2176020
Khulna Branch :	BDBL Bhaban (2 <sup>nd</sup> Floor), 25-26, KDA C/A, Upper Jessore Road, Khulna. manager_khulna@icml.com.bd, 02-477728031, 02-477729919
Bogura Branch :	Afsar Ali Complex (3 <sup>rd</sup> Floor), Borogola, Raza Bazar Road, Bogura. manager_bogra@icml.com.bd, 051-78280
Sylhet Branch :	Ananda Tower Complex (2 <sup>nd</sup> Floor), Dhopa Dighir Uttar Par, Jail Road, Sylhet. manager_sylhet@icml.com.bd, 0821-727448
Uttara Branch :	Plot # 13 (2 <sup>nd</sup> Floor), Road # 14/A, Sector # 4, Uttara, Dhaka-1230. manager_uttara@icml.com.bd, 02-58955679
Gazipur Branch :	Rahmat Tower (2 <sup>nd</sup> Floor), Chandona Chowrasta, Gazipur-1702. manager_gazipur@icml.com.bd, 02-9263732

## Chairman

Mr. Md. Abul Hossain  
Managing Director  
Investment Corporation of Bangladesh

## Chief Executive Officer

Mr. Asit Kumar Chakravorty  
General Manager  
Investment Corporation of Bangladesh

## Auditors



Zoha Zaman Kabir Rashid & Co.  
Plot 6B, Road 32  
Level 7 & 8  
Gulshan 1, Dhaka 1212  
+880-9609-006260, +8801791935555  
e-mail: info@zzkrca.com  
Web: www.zzkrca.com

## Income Tax Adviser



Enayet Muhammed & Associates  
Anowara Monjil, Flat: B-1  
26/2 Purana Paltan  
Contacts: 02-9344662  
E-mail: ema.dhakabd@gmail.com

## Banker



IFIC Bank Ltd.



NCC Bank Ltd.



Mutual Trust Bank Ltd.



Dhaka Bank Ltd.



Community Bank Bangladesh Ltd.

## Major Events/Milestones

2000	Date of Incorporation	05 December 2000
2000	Date of Commencement	05 December 2000
2001	BSEC's Registration Obtained	16 October 2001
2002	Commencement of Business	01 July 2002
2002	Permission of BSEC for Branch Operation	15 July 2002
2003	Started Activities as Lien Bank	2003
2003	Opening of ICML Chattogram Branch	07 May 2003
2005	Opening of ICML Rajshahi Branch	16 June 2005
2006	Opening of ICML Barishal Branch	19 March 2006
2007	Opening of ICML Khulna Branch	18 March 2007
2008	Purchasing Floor Space for Sylhet Branch	29 January 2008
2008	Opening of ICML Bogura Branch	15 May 2008
2008	Opening of ICML Sylhet Branch	22 May 2008
2009	Opening of ICML Uttara Branch	02 February 2009
2011	Started Activities as Trustee & Custodian	24 April 2011
2011	Opening of ICML Gazipur Branch	28 June 2011
2011	Purchasing Floor Space for Proposed Faridpur Branch	05 July 2011
2013	Obtaining Custodian DP License	03 February 2013
2013	Purchasing Floor Space (5th & 6th Floor), 89, Kakrail, Dhaka	16 April 2013
2013	Launching of Discretionary Investment Account	19 June 2013
2015	Started Operational Activities at 89, Kakrail, Dhaka	01 September 2015
2022	Started Activities of Selling Agent of Unit of Open-end Mutual Fund	28 April 2022
2022	Started Activities of Investors' Scheme through Panel Brokers	15 June 2022
2022	Started Digital Payment System for the Investors under Investors' Scheme	14 September 2022



# Vision, Mission, Values & Philosophy

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



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

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



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

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



## Objectives

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

## Functions

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

# Review and Recommendation on the Annual Accounts



Board meeting regarding review and recommendation on the Annual Accounts of the Company during FY 2021-22



Meeting of the Audit Committee for the review and recommendation on the Annual Accounts of the Company during FY 2021-22

## Board of Directors

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



### **Md. Abul Hossain**

Chairman, ICML and  
Managing Director  
Investment Corporation of Bangladesh (ICB)

Md. Abul Hossain joined as Chairman to the Board of ICML on 17 September 2019. He has been serving as the Managing Director of Investment Corporation of Bangladesh since 21 August 2019, the core public sector investment bank of the country. Mr. Hossain has more than 32 years of diversified experience in investment banking, specialized and commercial banking, Islamic banking, Asset management and ICT works. He started his career as a System Analyst/Senior Principal Officer of ICB in 1998 and served in different positions in the same organization. Prior to his joining in ICB, he acted as the Managing Director of Karmasangsthan Bank. He also served as the Managing Director (Additional Charge) and Deputy Managing Director of Bangladesh Krishi Bank.

Currently, he is contributing his professional expertise as a Board member of British American Tobacco Bangladesh Co. Ltd. (BATBC), Unilever Consumer Care Limited (UNILEVERCL), Standard Bank Limited, National Tea Company Limited (NTC), Apex Tannery Limited, United Power Generation & Distribution Company Limited (UPGDCL), Apex Footwear Limited, Heidelberg Cement Bangladesh Limited and Padma Bank Limited. In addition to perform his professional duties, Mr. Hossain is actively involved in different philanthropic activities of various national, social, cultural, religious and volunteer organizations.



**Dr. Md. Humayun Kabir Chowdhury**

Director, ICML and  
Professor, Department of Marketing, Jagannath University

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



**Md. Jahid Hossain**

Director, ICML and  
Deputy Secretary, FID, Ministry of Finance  
Government of Bangladesh

Mr. Md. Jahid Hossain joined ICML on 25 August 2022 as nominated Director from the Financial Institutions Division (FID), Ministry of Finance. He is currently working as the Deputy Secretary at FID. Prior to joining FID he served in different capacities in Ministry of Civil Aviation and Tourism, Ministry of Environment, Forest and Climate Change, Ministry of Commerce, Local Government Division and Finance Division. He served as consultant with UNDP in 2010-2011. After joining Bangladesh Civil Service, he served field administration in various capacities. He graduated in BBA from the School of Management, Khulna University. He did his MSc in Development Studies from the University of Bradford, UK. He also obtained Master of Population Sciences (MPS) from the University of Dhaka. He has been awarded a good number of scholarships in his academic career. He has participated in different Local and International Training Programs, Seminars, Workshops and Dialogues on Law and Administration, Fiscal Economics and Economic Management, Budgeting and Accounting System, Public Procurement, Strengthening Local Government, E-Government and Public Service Transformation etc. He has publication on Public-Private Partnerships Framework in India and Bangladesh for Infrastructure Development at Journal of Global Economy. He visited United Kingdom, Australia, Canada, Switzerland, Germany, Italy, Japan, Singapore, Brazil, Netherland, Malaysia, France, Spain and many other countries.



**Fouzia Haque, FCA**

Director, ICML and  
Partner, FAMES & R, Chartered Accountants

Ms. Fouzia joined ICML on 10 March 2021. She is currently working as a partner of FAMES & R, Chartered Accountants. She obtained M.Com degree in Management from the University of Dhaka. She is one of the widely recognized Accounting Specialist in Bangladesh with over 23 years of experience in the field of Finance, Micro-Finance, Organizational Management and Auditing with leading organizations both as a Professional and Consultant. She started her career with BRAC, world largest NGO, BRAC University. She gained wide experience in preparation and maintenance of accounts, devising and introducing accounting systems, examining and recommending improvements in internal control systems, valuation of businesses, investigation of accounts, budgetary control and financial management system. She is also serving as a Board Member of different renowned organization including Shadharan Bima Corporation and was Independent Director of The ACME Laboratories Limited for last six years. She also served as a Financial Consultant of the World Bank. She is the Council Member of ICAB and Vice-President for the year 2022.



**Md. Amzad Hossain**

Director, ICML and  
Ex-Commissioner, BSEC

Mr. Md. Amzad Hossain holds a Masters' Degree in Management from Rajshahi University. He has also completed Banking Diploma Part-1. He started his career in 1979 as a probationary officer at Janata Bank Ltd. He joined Bangladesh Bank in 1981 as an Assistant Director. During his tenure at Bangladesh Bank, he has held various important position in various department/branches. He retired from Bangladesh Bank in 2011 as Executive Director. Later he served as the commissioner of Bangladesh Securities Exchange Commission (BSEC) from 2011 to 2018. Mr. Md. Amzad Hossain has participated in various trainings and seminars on Capital Market, Financial Market, Investment and Banking at home and abroad. He joined ICML as Board member on 01 April 2022.



**Razi Uddin Ahmed**

Director, ICML and  
General Manager, ICB

Mr. Razi Uddin Ahmed was appointed as a director of ICML on 22 May 2022. Since 1990 he has been serving Investment Corporation of Bangladesh (ICB) for the last 32 years in various important positions. Presently, Mr. Razi is holding the position of General Manager (Admin) in ICB. Mr. Razi Uddin Ahmed obtained B.Sc (Honors) and Masters' Degree in Economics in 1989 from Jahangirnagar University. In his long career, Mr. Razi has worked in important areas like Appraisal Department, Special Fund Management Unit, Merchandising Division, AML/CFT Unit, Internal Control and Compliance Division and ICB Khulna Branch as Branch Manager of ICB. In addition, he has also performed his duty as the Deputy Chief Executive Officer of ICB Asset Management Company Limited. He has participated in various trainings, seminars and workshops in Bangladesh and abroad. Mr. Razi is a life member of Bangladesh Economic Association.



**Asit Kumar Chakravorty**

Chief Executive Officer/Ex-Officio Director

Mr. Asit Kumar Chakravorty holds an M.Sc (Statistics) and an MBA (Banking) degree from Dhaka University. He joined ICB in 1989 as a Senior Officer. During his long service of more than 32 years, he has been working in Internal Control and Compliance Division, Credit Division, Planning and Research Division, EEF Recovery Department, Fund Management Department, Appraisal Department, EEF Department. He has also held the posts of Principal Officer and Senior Principal Officer in various departments in ICML and in the capacity of Deputy Chief Executive Officer as Head of Operations Division of ICML. He has successfully completed Banking Diploma (Part 1 and 2). During his tenure, he has been attributed with special credit from ICB for formulating credit policies and lease financing policies. He has participated in various trainings, seminars and workshops at home and abroad.

## Former Chairmen of ICML



Md. Ziaul Haque Khondker



Md. Humayun Kabir



Md. Fayekuzzaman



Md. Iftikhar-uz-zaman



Kazi Sanaul Hoq

## Former Chief Executive Officers of ICML



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



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



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



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



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



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



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



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



Nasrin Sultana  
(01 Nov 2015–09 Jan 2017)



\* Md. Sohel Rahman  
(31 May 2017–08 May 2020)



Shukla Das  
(09 May 2020–24 August 2021)



\* Gazi Mastafa Haque  
(25 August, 2021 – 30 Oct, 2021)

\*Chief Executive Officer (Additional Charge)

Mr. Nasir Uddin Ahmed, FCMA former CEO and Director of ICML passed away on 24 April 2022. ICML Family is deeply saddened by his death and conveyed heartfelt condolences to his bereaved family. Mr. Nasir made a significant contribution to the development of ICML.



# Message from the Chairman



Bismillahir Rahmanir Rahim  
In the name of the almighty Allah  
Dear Shareholders  
Assalamu Alaikum

I take this opportunity to thank you all for supporting us in our endeavour to establish our company as a leading financial institution in the Bangladesh capital market. I convey my heartfelt congratulations at the 22nd Annual General Meeting of the Company. It is my privilege to present this report of financial and operational performance of the Company during FY 2021-22. In the face of a set of challenges and growing expectations of the clients, we have restructured the strategic initiatives and business practices focusing on enhancing customer experience, operational efficiency and overall development.

Our roots are important to us. As we evolve and grow, we understand that maintaining integrity, commitment to transparency, employee appreciation and delivering imminent service to our clients is the key to our success. With cautious optimism of renaissance and considering our sheer track record and robust brand image, we have been able to fetch profit.

Company was quite active during the year in managing investors' accounts both discretionary and non-discretionary service, issue management, underwriting, portfolio management, trustee and custodian and consultancy services for Equity & Entrepreneurship Fund (EEF) and Pre-Issue Management. The Company provided advisory & issue management services to 10 (ten) companies involving total issue size of Tk.1065.26 crore and underwriting commitment of Tk. 25.20 crore to 04 (four) companies during the FY 2021-22.

Under investors' scheme 26,052 net accounts were operated with a new deposit of Tk. 89.55 crore and investment of Tk.1,020.23 crore during the year under review. The Company invested in securities amounting to Tk. 93.98 crore from both primary and secondary markets in its own portfolio.

The total income of the Company in the year under review stood at Tk. 96.29 crore including capital gains of Tk. 28.66 crore, interest income Tk. 42.42 crore, fees & Commission Tk. 8.27 crore, dividend income of Tk. 11.45 crore and trustee and custodian fee of Tk. 4.46 crore against total income of Tk. 88.87 crore of the previous year. Total operating expenditure amounted to Tk. 20.70 crore in FY 2021-22 resulting in operating profit of Tk. 64.67 crore which was Tk. 45.12 crore in the previous year. Considering non-operating income of Tk. 0.05 crore, net income before provision stood at Tk. 64.52 crore against Tk. 45.16 crore in the previous year.

In contrast, an amount of Tk. 19.00 crore has been provisioned against margin loan. Besides, Tk. 11.81 crore has also been provided for income tax @ 37.50% on the net taxable income. After provision and income tax, the net income stood at Tk. 13.71 crore which was Tk. 7.53 crore in the previous year.

We, at ICML, believe that good and effective approaches are essential to achieve corporate vision and mission of the organization. The Board of ICML comprises personalities who are accomplished, eminent professionals of the highest standard and have proven track records in diverse fields. They have established and maintained a strong ethical environment and established best-in-class practices within the company. During the year under review, the Board was extensively engaged with the management to guide and ensure long-term sustenance of ICML's business strategy, while keeping in mind the interests of the clients and stakeholders. All steps taken under the overall guidance of the Board had ensured that ICML continued in its defined path of evolving as eminent merchant banking service provider. We are also grateful to the Ministry of Finance, Bangladesh Securities & Exchange Commission (BSEC), Bangladesh Bank, Dhaka Stock Exchange Ltd. (DSE), Chittagong Stock Exchange Ltd. (CSE) and other concerned authorities for their support.

We must express our gratefulness to the Board and management of ICB, the holding company whose supports in getting business guideline and fund mobilization were remarkable during the year. Being the only state-owned investment bank, ICB has been playing an extensive role by nurturing and fuelling sustainable development of the capital market. Thus, creating overall positive impact and emerging as a truly nationalized institution. Our robust activities, supported by a widening presence of ICB, an inspired culture of professional teamwork, has put us in a strong position to address the needs of our clients and move towards our vision.

As I look at the growth of ICML over the years since our inception in 2002, I am extremely proud of what we have achieved, and even more excited about our outlook for an equally promising future. Our people have never shied away from hard work or difficult tasks. We continue to believe that our products, services and the value they add to our customers remain the fundamental elements of our continued success.

ICML is a success story that would not be possible without the contribution of our customers and dedicated and hardworking employees who have shared our incredible journey thus far. We look forward to continuing to serve and engage with them as well as other stakeholders in the future. We appreciate the ongoing support received from the holding company and Government at large and pledge to continue in our efforts to exceed expectations.

May Allah bless us,



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

## From the Desk of the CEO



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

I feel privileged to welcome you all to the 22nd Annual General Meeting of ICB Capital Management Limited. I convey my appreciation to all of you for your patronage throughout the financial year. The year under review has been a challenging one. We have continued to apply the lessons learnt earlier and being the subsidiary of ICB, have continued to make ICML fit for the future. Our motto was to remain strong

enough to grasp new opportunities and to manage the risks come along with them. Our strategies were largely focused on our clients and directed to deliver the best results quickly. We have been able to build up a strong client base which is the reason for our success.

ICML provided advisory & issue management services to 10 (ten) companies involving total issue size of Tk.1065.26 crore and underwriting commitment of Tk.25.20 crore to 04 (four) companies for IPO, RPO and Rights Issue during the FY 2021-22. Under investors' scheme, 26,052 net accounts were operated with a new deposit of Tk.89.55 crore and investment of Tk.1,020.23 crore during the year under review. An amount of Tk.93.98 crore was invested in both primary and secondary markets in ICML's own portfolio. ICML offered rebate facilities to the affected investors under বিনিয়োগ হিসাবে সুদ মওকুফ এবং মার্জিন হিসাব সমন্বয়/নিষ্পত্তি নীতিমালা-২০২২ in two phases during the period under review. In both the phases a total no. of 4,905 accountholders took the facility against 9,986 no. of short-listed applications where an amount of interest of Tk. 290.01 crore was waived.

According to the financial statements of the financial year 2021-22, the amount of net profit after tax of ICML stood at Tk. 13.71 crore, the amount of net profit after tax in the same period of the previous financial year was Tk. 7.53 crore, that is, the net profit of the current financial year has increased by 82.16% compared to the same period of the previous financial year. The company earned a total of Tk. 96.29 crore in various sectors during the period under review, which is Tk. 7.42 crore or 8.35% more than the corresponding period of the previous year. In the financial year 2021-22, among the different income sectors, the interest sector of the company has the highest income of Tk. 42.42 crore which is 38.67% more than the previous financial year. Other significant income streams include Tk. 28.66 crore from sale of securities held in own portfolio and Tk. 11.45 crore from dividend income, Tk. 8.27 crore from fee and commission income and Tk. 4.46 crore from trustee and custodian fees. Apart from this, under EEF and ESF, project appraisal fee and documentation charges generated Tk. 0.52 crore other operating income was Tk. 0.46 crore, and non-operating income was Tk. 0.05 crore.

The expenditure in the financial year 2021-22 stood at Tk. 31.77 crore. On the other hand, the total expenditure during the same period of the previous financial year was Tk. 43.70 crore. The total expenditure has decreased by 27.31% compared to the same period of the previous financial year. The amount of interest charged against short-term loans during the period under review was Tk. 11.04 crore, which is Tk. 13.92 crore i.e. 55.78% less than the corresponding period of the previous year. As on 30.06.2022 the balance of short-term loan received from ICB stood at Tk 105.00 crore due to principal repayment of Tk 295.00 crore in the year under review. Interest expense on short-term loans has decreased compared to the same period of the previous fiscal due to the implementation of 8% instead of 9%.

The company's operating profit before provisions and tax stood at Tk. 64.52 crore. After provision against margin loans and marketable securities of Tk. 39.00 crore and tax provision of Tk. 11.81 crore, the net profit after tax stood at Tk. 13.71 crore. As on 30.06.2022, the amount of required provision against margin loan of the company was Tk. 72.91 crore but more than required provision has been kept against margin loan in order to meet any future adversity of the market as well as to keep the financial position of the company strong. The accumulated provision as on 30.06.2022 stood at Tk. 126.24 crore.

In addition to business activities, the company has carried out all national programs and various social activities in the FY 2021-22. On the 47th Martyrdom Anniversary of Father of the Nation Bangabandhu Sheikh Mujibur Rahman, National Mourning Day was observed with due dignity and solemnity. On the occasion of Bangabandhu's birth centenary and golden jubilee of independence, doa-mahfil has been organized at the head office. During the period under review, various incentive activities have been taken and implemented for the employees of the company including annual sports competitions, cultural events and picnics.

ICML was committed to endorse its human capital in order to accomplish viable progression. During FY 2021-22, we imparted training to the employees for improving their skills, apprising their knowledge, competency and confidence level. There was numerous external training program to upskill the workforce. We emphasized on training programs such as Effective Business Communication, Securities Laws, Financial Statement Analysis, Investment Analysis & Securities Valuation, Securities Analysis and Portfolio Management, Budget & Budgetary Analysis and Project Management etc. The ultimate objective of the Company is to equip it with more stability and growth orientation through key parameters such as diversified portfolio, strong customer service, innovative business ideas and corporate governance.

I would like to thank the members of the Board for their valuable supervision and perceptive advice that enabled the management to achieve the strategic objectives and opportunities. We, as an organization are mentored by ICB, the holding company for staying abreast of emerging trends, methods and techniques. From inception, we have created and maintained an environment where close relationships between us and our clients are nurtured. I am extremely proud to act as the CEO of ICML which, despite its goal, still retains its core value. The officers/staff of the Company deserve special appreciation for rendering tireless service to uphold the image of the Company. I hope the Company will sustain the momentum in the times ahead. An important component of this success has been our capacity to improve collaboration, leveraging our investors, operational capability with strong customer relationship management. Our Operations and IT teams are to be congratulated for their efforts.

I believe that company's advancement requires long-term view, a culture of innovative ideas, and above all best in class services. Continuing efforts to sustainability values provide us with an important means of differentiation from others and accelerate our long journey towards more sustainability in the merchant banking landscape.

Thank you all.



**(Asit Kumar Chakravorty)**  
Chief Executive Officer

# Senior Management



**Asit Kumar Chakravorty**  
Chief Executive Officer



**Md. Al Amin Talukder**  
Additional Chief Executive Officer  
Administrative Wing



**Md. Selim Beg**  
Additional Chief Executive Officer  
Operational Wing



**Dipak Kumer Dutta**  
Deputy Chief Executive Officer  
Administration & Finance Division



**Mehmud Hassan Murad**  
Deputy Chief Executive Officer  
Operation & Merchandising Division

## Head of Departments

### Employees of ICB on Deputation

1. **Runa Akther**, Senior Principal Officer  
Portfolio Management Department
2. **Md. Tayabur Rahman**, Senior Principal Officer  
Establishment Department
3. **S. M. Shaiqul Alam**, Senior Principal Officer  
Securities Analysis & Branch Control Department
4. **Mahmuda Aktar**, Senior Principal Officer  
Administration Department

### Employees of ICML

1. **Sharif Mohammad Kibria**, Senior Executive Officer  
Finance & Accounts, Inspection & Compliance  
Departments and AML/CFT Unit
2. **Swapna Roy**, Senior Executive Officer  
Underwriting & Issue Management Department
3. **Abu Haider Md. Shoyeb**, System Analyst  
Computer Department
4. **Abu Noyeem Md. Anuruzzaman**, Executive Officer  
EEF Department
5. **Sasthi Pada Mohanta**, Executive Officer  
Audit Department and Legal Affairs Department
6. **Mohammad Shamim Parves**, Executive Officer  
Investors' Department
7. **Abu Dalim Md. Fazlulla**, Executive Officer  
Trustee & Custodian Department
8. **Ashikur Rahman**, Executive Officer  
Secretary's Department and PRBD Department
9. **Tribarna Chowdhury**, Executive Officer  
Shares Department

## Branch Managers

### Employees of ICB on Deputation

1. **Sakhawat Hossain Akanda**, Senior Principal Officer  
Sylhet Branch
2. **Md. Nazmul Hasan**, Principal Officer  
Bogura Branch

### Employees of ICML

1. **Mohammad Ishaq Bhuiyan**, Senior Executive Officer  
Uttara Branch
2. **Md. Abdul Mannan**, Senior Executive Officer  
Gazipur Branch
3. **Abu Saleh Md. Monjur Morshed**, Executive Officer  
Chattogram Branch
4. **Md. Aminul Islam**, Executive Officer  
Barishal Branch
5. **Md. Nahidul Islam**, Programmer  
Rajshahi Branch
6. **Sachindra Nath Bagchi**, Senior Officer  
Khulna Branch



# Corporate Governance

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

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

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

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

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

- ⊙ Annual General Meeting of the Shareholders
- ⊙ Board of Directors;
- ⊙ Executive Committee;
- ⊙ Audit Committee; and
- ⊙ Management Committees.

## Board of Directors

### a) Composition

ICML has a divergent Board of Directors comprising of 7 (Seven) members. Other than the Chief Executive Officer (CEO), all the Directors are non-executive and independent, two of whom are nominated by ICB, the holding Company and other four are drawn from the public/private sectors covering diversified areas of expertise. The managing Director of ICB is the Chairman of the Board. The Board is the highest authority to manage, represent and supervise, as may be necessary, so as to ensure that the Company fulfils its corporate objectives, while seeking to protect the Company's general interests and create value for the benefit of all the shareholders.

### b) Compliance

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

### c) Functions

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

### Meeting of the Board of Directors

During the FY 2021-22, twelve (12) meetings of the Board of Directors of ICML held at its head office of the Company.

### Executive Committee:

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

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

### Members of the Executive Committee:



Md. Abul Hossain  
Chairman, Board



Md. Jahid Hossain  
Director, Board



Md. Amzad Hossain  
Director, Board



Asit Kumar Chakravorty  
Chief Executive Officer

### Audit Committee

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

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

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

### Members of the Audit Committee



Dr. Md. Humayun Kabir Chowdhury  
Director, Board



Razi Uddin Ahmed  
Director, Board



Fouzia Haque, FCA  
Director, Board

### Shareholders

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

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

### Management Committee

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

# World Economic Outlook

The war in Ukraine has triggered a costly humanitarian crisis that demands a peaceful resolution. Economic damage from the conflict will contribute to a significant slowdown in global growth in 2022. A severe double-digit drop in GDP for Ukraine and a large contraction in Russia are more than likely, along with worldwide spill overs through commodity markets, trade and financial channels. Even as the war reduces growth, it will add to inflation. Fuel and food prices have increased rapidly, with vulnerable populations particularly in low-income countries most affected. Elevated inflation will complicate the trade-offs central banks face between containing price pressures and safeguarding growth. Interest rates are expected to rise as central banks tighten policy, exerting pressure on emerging market and developing economies. Moreover, many countries have limited fiscal policy space to cushion the impact of the war on their economies. The invasion has contributed to economic fragmentation as a significant number of countries sever commercial ties with Russia and risks derailing the post-pandemic recovery. It also threatens the rules-based frameworks that have facilitated greater global economic integration and helped lift millions out of poverty. In addition, the conflict adds to the economic strains wrought by the pandemic. Although many parts of the world appear to be moving past the acute phase of the COVID-19 crisis, deaths remain high, especially among the unvaccinated. Moreover, recent lockdowns in key manufacturing and trade hubs in China will likely compound supply disruptions elsewhere. Global growth is projected to slow from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023. This is 0.8 and 0.2 percentage points lower for 2022 and 2023 than in the January World Economic Outlook Update. Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. Crucially, this forecast assumes that the conflict remains confined to Ukraine, further sanctions on Russia exempt the energy sector (although the impact of European countries' decisions to wean themselves off Russian energy and embargoes announced through March 31, 2022, are factored into the baseline), and the pandemic's health and economic impacts abate over the course of 2022. With a few exceptions, employment and output will typically remain below pre-pandemic trends through 2026. Scarring effects are expected to be much larger in emerging market and developing economies than in advanced economies reflecting more limited policy support and generally slower vaccination with output expected to remain below the pre-pandemic trend throughout the forecast horizon. Unusually high uncertainty surrounds this forecast, and downside risks to the global outlook dominate including from a possible worsening of the war, escalation of sanctions on Russia, a sharper-than-anticipated deceleration in China as a strict zero-COVID strategy is tested by Omicron, and a renewed flare-up of the pandemic should a new, more virulent virus strain emerge. Moreover, the war in Ukraine has increased the probability of wider social tensions because of higher food and energy prices, which would further weigh on the outlook.

Inflation is expected to remain elevated for longer than in the previous forecast, driven by war-induced commodity price increases and broadening price pressures. For 2022, inflation is projected at 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies 1.8 and 2.8 percentage points higher than projected in January. Although a gradual resolution of supply-demand imbalances and a modest pickup in labour supply are expected in the baseline, easing price inflation eventually, uncertainty again surrounds the forecast. Conditions could significantly deteriorate. Worsening supply-demand imbalances including those stemming from the war and further increases in commodity prices could lead to persistently high inflation, rising inflation expectations, and stronger wage growth. If signs emerge that inflation will be high over the medium term, central banks will be forced to react faster than currently anticipated raising interest rates and exposing debt vulnerabilities, particularly in emerging markets. The war in Ukraine has exacerbated two difficult policy trade-offs: between tackling inflation and safeguarding the recovery; and between supporting the vulnerable and rebuilding fiscal buffers.

Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic remain essential. The adverse consequences from the current geopolitical conflict are a reminder of the importance of global cooperation. This extends from addressing the immediate needs of war refugees to the eventual great effort to rebuild Ukraine. As countries contend with higher volatility, spending pressures from humanitarian response needs, and tighter financial market conditions, the likelihood that some countries will become financially constrained increases. Multilateral institutions offer a critical safety net, providing emergency liquidity and preventing crises from spreading. Where liquidity support alone is insufficient, progress toward orderly debt restructuring is essential. On climate, advanced economies must make real progress toward their COP26 climate summit pledges. Emerging market and developing economies must extend their ambition to reduce emissions. And as the pandemic is not yet over, governments must use all tools at their disposal to combat the virus, both by meeting vaccination targets and by ensuring equitable access to tests and treatment.

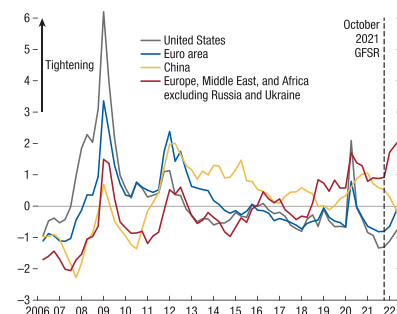
## Global Financial Stability Report

Global financial conditions have tightened notably and downside risks to the economic outlook have increased as a result of the war in Ukraine (Figure 1). The tightening has been particularly pronounced in eastern Europe and Middle East countries with close ties to Russia, reflecting lower equity valuations and higher funding costs. This has occurred just as most of the world was slowly bringing the pandemic under control and the global economy was recovering from COVID-19. Financial stability risks have risen on several fronts, even though so far, no global systemic event affecting financial institutions or markets has materialized. A sudden repricing of risk resulting from an intensification of the war and associated escalation of sanctions may expose, and interact with, some of the vulnerabilities built up during the pandemic, leading to a sharp decline in asset prices.

With the sharp rise in commodity prices anticipated to add to pre-existing inflation pressure, central banks are faced with a challenging trade-off between fighting record-high inflation and safeguarding the post-pandemic recovery at a time of heightened uncertainty about prospects for the global economy (Figure 2). Bringing inflation back down to target and preventing an unmooring of inflation expectations require a delicate act in removing accommodation while preventing a disorderly tightening of financial conditions that could interact with financial vulnerabilities and weigh on growth. Incoming inflation data suggest that more decisive tightening of monetary policy is necessary in many countries. After rising early in the year on concerns about the inflation outlook, advanced economy nominal bond yields have increased further since the invasion, amid heightened volatility of rates (Figure 3). Inflation break-evens (a market-implied proxy for future inflation) have risen significantly on the back of sharply higher commodity prices. Repercussions of the Russian invasion of Ukraine and ensuing sanctions continue to reverberate globally and will test the resilience of the financial system through various potential amplification channels, including direct and indirect exposures of banks and nonbanks; market disruptions in commodity markets and increased counterparty risk; poor market liquidity and funding strains; acceleration of cryptoization in emerging markets; and possible cyber-related events. The war has already had an impact on financial intermediaries, nonfinancial firms, and markets directly or indirectly exposed to Russia and Ukraine. Europe bears a higher risk than other regions due to its proximity, reliance on Russia for energy needs, and the non-negligible exposure of some banks and other financial institutions to Russian financial assets and markets.

Banks' direct exposures to Russia are relatively small except for some non-systemic European banks (Figure 4). Banks' indirect exposures are more difficult to identify and assess because they are less well known

**Figure 1. Financial Conditions in Selected Regions**  
(Standard deviations from the mean)



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

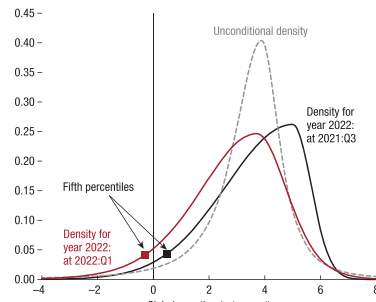
(especially the extent of interconnectedness) as it is difficult to quantify them in the absence of detailed and consistent disclosures by country or by specific activity types. The risk is that indirect exposures could be meaningful and surprise investors once revealed, leading to a sharp rise in counterparty risk and risk premia. Foreign non-bank financial intermediaries (NBFIs) have sizable investments in Russian assets, with US and European investment funds accounting for most of the exposures. As a share of total assets, however, their exposure to Russia is small.

Dedicated emerging market funds have maintained a cautious stance on their exposures to Russian debt since the Crimea occupation in 2014, reducing their share of Russian debt from more than 10 percent before 2014 to just over 4 percent in 2022. Funds benchmarked to global indices have had a much smaller exposure to Russia, with an average 0.2 percent of their assets invested in Russian debt in 2022. Severe disruptions in commodity markets and supply chains across the globe have caused extreme volatility in commodity prices, amplified by pressures in commodity trade finance and derivatives markets (Figure 5). Dealer banks play a crucial role and have significant exposures in these markets, including by providing liquidity and credit to a small group of large energy trading firms that operate globally, are largely unregulated, and are mostly privately owned. Pressures in commodity markets, often magnified by poor liquidity, have led to lower risk appetite and rising counterparty risk concerns, with implications for funding conditions.

Emerging and frontier markets are facing tighter financial conditions and higher risks of capital outflows. Since the war in Ukraine began, emerging market (EM) hard currency yields have increased at a rapid pace, akin to earlier episodes of emerging market stress, before retracing some in mid-March (Figure 6). The number of issuers trading at distressed levels has surged to nearly 25 percent of issuers (Figure 7), surpassing pandemic-peak levels. The deterioration in spreads, combined with the increase in US yields, has pushed financing costs well above their pre-pandemic levels for many borrowers. Markets remain open for issuance at those higher levels of funding costs. Flows in local currency bonds and equities have come under pressure, experiencing the largest weekly redemptions since March 2020. Tighter external financial conditions on the back of US monetary policy normalization and heightened geopolitical uncertainty are likely to increase the downside risks for portfolio flows (Figure 8).

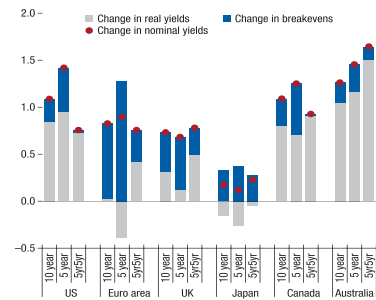
In China, the recent equity sell-off, particularly in the tech sector, and the increase in COVID-19 cases have raised concerns about a growth slowdown, with possible spillovers to emerging markets. Ongoing stress in the battered real estate sector has increased financial stability risks and added to growth pressures. Extraordinary financial support measures may be necessary to ease pandemic-driven balance sheet pressures but would add further to medium-term debt vulnerabilities. The interlinkages between emerging market sovereigns and domestic banks have intensified over the past two years as additional government financing needs to cushion the impact of the pandemic have been mostly met by banks. As a result, bank holdings of domestic sovereign debt surged to

**Figure 2. Near-Term Growth Forecast Densities**  
(Probability density)



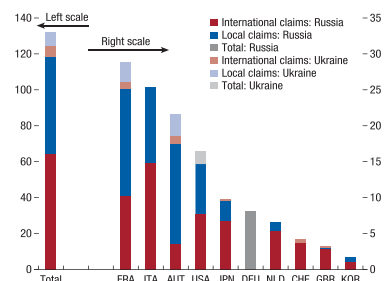
Sources: Bloomberg Finance L.P.; and IMF staff calculations.

**Figure 3. Year-to-Date Change in Yields**  
(Percentage points)



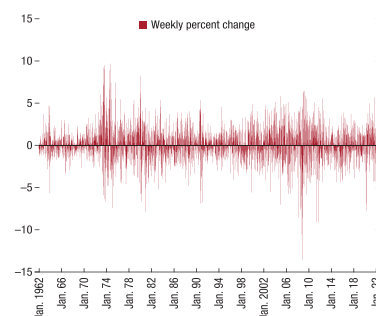
Sources: Bloomberg Finance L.P.; and IMF staff calculations.  
Note: 5yr5yr (5-year, 5-year forward) corresponds to a five-year period that begins five years from the current date.

**Figure 4. Foreign Banks' Gross Claims on Russia and Ukraine**  
(Billions of US dollars)



Sources: Bank for International Settlements Consolidated Banking Statistics; and IMF staff calculations.  
Note: Data labels use International Organization for Standardization (ISO) country codes.

**Figure 5. Commodity Price Changes, 1962–2022**  
(Percent)



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

historic highs in 2021 (Figure 9). Distress in emerging markets could trigger an adverse feedback loop between sovereigns and banks through multiple channels the so-called sovereign-bank nexus potentially reducing bank soundness and lending to the economy. The war in Ukraine has brought to the fore a number of medium-term structural issues policymakers will need to confront in coming years, including the possibility that the geopolitics of energy security may put climate transition at risk; the risk of fragmentation of capital markets and possible implications for the role of the US dollar; the risk of fragmentation in payment systems and the creation of blocs of central bank digital currencies; more widespread use of crypto assets in emerging markets; and more complex and bespoke asset allocations in an effort to preempt the possible imposition of sanctions.

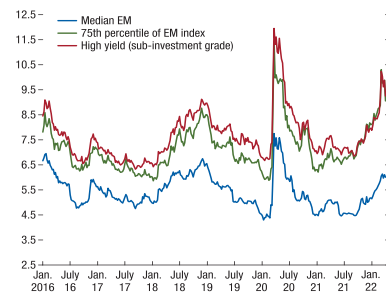
The war has made evident the urgency to cut dependency on carbon-intensive energy and to accelerate the transition to renewables. However, in the face of growing concerns about energy security and access to energy sources, the energy transition strategy may face setbacks for some time. The current energy crisis may alter the speed of phasing out fossil fuel subsidies in emerging market and developing economies, while rising inflation pressure may also lead authorities to resort to subsidies or other forms of fiscal support to households or firms.

Central banks should act decisively to prevent inflation pressure from becoming entrenched and avoid an unmooring of inflation expectations. To avoid unnecessary volatility in financial markets, it is crucial that central banks in advanced economies provide clear guidance about the normalization process while remaining data dependent. Emerging markets remain vulnerable to a disorderly tightening of global financial conditions. Many central banks have already significantly tightened policy. Further rate increases, or policy normalization with respect to other measures taken during the pandemic (such as asset purchases), should continue as warranted according to the country-specific inflation and economic outlook to anchor inflation expectations and preserve policy credibility.

Policymakers should tighten selected macroprudential tools to tackle pockets of elevated vulnerabilities while avoiding a disorderly tightening of financial conditions. Striking a balance between containing the buildup of vulnerabilities and avoiding procyclicality appears important given uncertainties about the economic outlook, the ongoing monetary policy normalization process, and limits on fiscal space in the aftermath of the pandemic. While taking steps to address energy security concerns, policymakers should intensify their efforts to implement the 2021 United Nations Climate Change Conference (COP26) road map to achieve net-zero targets. They should take measures to increase the availability and lower the cost of fossil fuel alternatives and renewables while improving energy efficiency; scale up private finance in the transition to a greener economy; and continue to strengthen the climate finance information architecture.

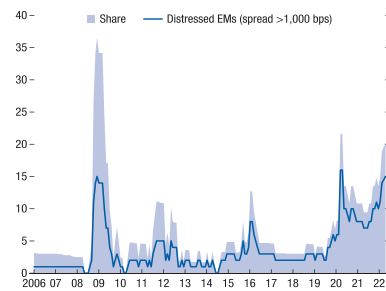
Source: International Monetary Fund (IMF) website  
Asian Development Bank (ADB) website

Figure 6. Emerging Market Hard Currency Yields (Percent)



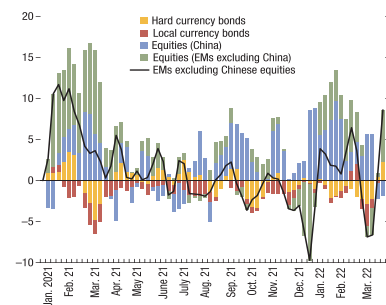
Sources: Bloomberg Finance L.P.; and IMF staff estimates.  
Note: EM = emerging market; HY = high-yield. Yields based on JPMorgan Emerging Market Bond Index.

Figure 7. Distressed Sovereign Hard Currency Issuers (Number of Sovereigns with spreads above 1,000 basis points; share of total)



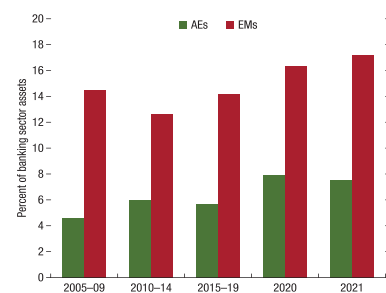
Sources: JPMorgan Chase & Co.; and IMF staff calculations.  
Note: bps = basis points; EMs = emerging markets.

Figure 8. Fund Flows to Emerging Markets (Billions of US dollars, two-week moving sum)



Sources: EPFR; and IMF staff calculations.  
Note: EMs = emerging markets.

Figure 9. Bank-Sovereign Debt Exposure, 2005–21 (Percent)



Sources: IMF, Monetary and Financial Statistics; and IMF staff calculations.  
Note: See Figure 2.1, panel 2 of Chapter 2 for more information. AEs = advanced economies; EMs = emerging markets.



# Domestic Economy

Bangladesh economy was growing consistently high over a decade crossing 7.0 percent milestone in FY 2015-16 and 8.0 percent milestone in FY 2018-19. However, the COVID-19 pandemic reduced the growth rate to 3.45 percent in FY 2019-20. The economy grew by 6.94 percent in FY 2020-21. According to the provisional estimates of BBS, the GDP growth stood at 7.25 percent in FY 2021-22, 0.05 percentage point higher than the target rate and 0.31 percentage point higher than the previous fiscal year. According to provisional estimate of BBS, per capita GDP and per capita national income stood respectively at US\$ 2,723 and US\$ 2,824 in FY 2021-22 compared to US\$ 2,462 and US\$ 2,591 respectively in FY 2020-21. The consumption increased to 78.44 percent of GDP in FY 2021-22 from 74.66 percent in FY 2020-21. The gross investment stood at 31.68 percent of GDP in FY 2021-22, where public investment and private investment accounted for 7.62 percent and 24.06 percent of GDP respectively. Medium-term forecasts for GDP growth rates are 7.5 percent in FY 2022-23, 7.8 percent in FY 2023-24 and 8.0 percent in FY 2024-25.

Inflation in FY 2020-21 stood at 5.56 percent, which is 0.09 percentage point lower than FY 2019-20. Of which food and non-food inflation accounted for 5.73 percent and 5.29 percent respectively. Like all other countries of the world, an upward trend of price level is being observed in Bangladesh as the economic damages created by COVID-19 pandemic which is triggered by war in Ukraine. The per capita GDP increased to Tk. 2,32,828 in FY 2021-22 which was Tk. 2,08,751 in previous fiscal year. On the other hand, per capita national income in FY 2020-21 stood at Tk. 2,41,470 up from Tk. 2,19,738 in the previous fiscal year. In US dollar, per capita GNI and GDP stood at US\$ 2,824 and US\$ 2,723 respectively in FY 2021-22 compared to US\$ 2,591 and US\$ 2,462 respectively in FY 2020-21. The consumption increased to 78.44 percent of GDP in FY 2021-22 from 74.66 percent in FY 2020-21, with a significant contribution of private sector. On the other hand, gross domestic saving decreased to 21.56 percent of GDP in FY 2021-22; which was 25.34 percent in preceding fiscal year. Moreover, national saving also decreased to 25.45 percent in FY 2021-22 from 30.79 percent in FY 2020-21.

According to the revised budget, the total expenditure target for FY 2021-22 has been set at Tk. 5,93,500 crore (14.93% of GDP), which is 10.11 percent higher compared to FY 2020-21. The revised Annual Development Program (ADP) size for FY 2021-22 stood at Tk. 2,07,550 crore (excluding autonomous/agencies/corporations' own funded projects), which is 5.01 percent higher than the previous fiscal year. The government is highly concerned of maintaining the budget deficit within 5 percent of GDP by increasing efficiency in revenue management. However, due to the increase in government expenditure for COVID-19 pandemic, target set at 5.1 percent of current fiscal year. The actual budget deficit for FY 2019-20 and FY 2020-21 stood at 4.7 percent and 4.3 percent of GDP respectively. The total investment rose to 31.68 percent of GDP in FY 2021-22. Of them private sector investment increased to 24.06 percent of GDP compared to 23.70 percent of previous fiscal year. The public sector investment also rises to 7.62 percent of GDP from 7.32 percent compared to the previous fiscal year.

Although global trade has turned around in 2021 after the effects of COVID-19 pandemic, the Russia-Ukraine conflict has been showing significant negative impact on world trade. As a result, food supply chains have been disrupted and Western sanctions on Russia have led to global trade instability. At the same time, the prices of petroleum along with commodity prices are rising, which is also creating inflationary pressures on the economies. Bangladesh saw exports soar more than 34 per cent to \$52.08 billion in the 2021-22 fiscal year. Exports reached \$52,082.66 million, setting a new record with \$4.91 billion in export earnings up by 37.19 per cent over the previous year. The country's overall export earnings exceeded the target of \$43.50 billion. Bangladesh's export income in the 2020-21 was recorded at \$38.76 billion. As always, the growth was largely attributed to the demand for ready-made garments. Bangladesh's earnings from garment export, which make up more than three fourths of the country's annual incomes since the beginning of this decade, surged to \$42.61 billion in the FY 2021-22. Knitwear garment export grew 36.88 per cent year-on-year to \$23.21 billion while woven garment export rose 33.82 per cent to \$19.40 billion. During the cited period, many other traditional export items like frozen foods, home textiles, leather and leather products and footwear also performed well.

During the time, Bangladesh's current account deficit widened to 4.2% of GDP at \$18.70 billion, driven by a surge in commodity imports and a fall in workers' remittances. Bangladesh's \$416 billion economy has been one of the fastest-growing in the world for years, but energy and food prices rising because of the Russia-Ukraine war have inflated its import bill and the current account deficit. A fall in forex reserves to below \$40 billion, enough to cover only about five months of imports, has forced government to seek a loan from the IMF. Foreign exchange reserves declined to \$39.55 billion from \$39.60 billion as remittances from overseas workers fell by more than \$3 billion during the financial year ending in June to \$21.03 billion. A rise in domestic demand coupled with fast recovery in the garment industry boosted Bangladeshi imports for the 12-month period ending on June to \$89.16 billion from about \$60 billion a year earlier while exports touched \$52.08 billion. Bangladesh's current account balance showed a deficit of US\$ 12,834 million due to expansion of trade deficit and a fall of workers' remittances. At the same time, the surplus of capital account balance and financial account balance both increased due to substantial amount of term loans received from the global development partner agencies. dollar.

In response to the effects of the global COVID-19, extreme floods, and natural disasters, GOB has adopted short, medium, and long-term action plans to maintain food security for the people of the country by continuing the expansion in agricultural productivity. To overcome the shock of COVID-19 as well as to revitalize, GOB has provided different supports under incentives packages to its industry sector. Special fund for export-oriented industries, working capital for the affected industries and service sector institutions, working capital to SMEs, credit guarantee skims for SMEs are mentionable programs of the GOB. As a result, industry sector has rebounded.

The government is committed to ensure the basic needs of the people as well as human resource development through economic reform focusing on life and livelihoods to combat the long-term effects of the COVID-19 pandemic. In FY 2021-22, the government has spent about 24.93 percent of the sectors related to human resource development such as education and technology, health and family welfare, women and children, social welfare, youth and sports development, culture, labor and employment etc. In order to build a skilled manpower to meet the challenges of the Fourth Industrial Revolution, maximum emphasis has been laid on technical education. Various reform initiatives, including as financial sector reform, anti-corruption and preventative actions are being adopted and executed in order to promote balanced development and establish good governance. The government is also implementing various programs/projects in order to tackle eventualities emanating from natural disasters. A masterplan for coming 20 years with the objectives of maintaining environmental sustainability and achieving self-sufficiency in forest resource is under preparation.

Bangladesh undoubtedly has accomplished an extraordinary and substantial advancement in poverty mitigation amid last decade, consequence of the devoted endeavors of the government and the appropriate and successful execution of numerous public and private development activities. Several poverty alleviation programs in Bangladesh meant to address poverty alleviation directly or indirectly have been launched by the incumbent government. Apart from these, different government along with non-government institutions, autonomous bodies carried out various activities involving introducing microcredit in order to expedite the government's efforts of poverty reduction. The ubiquitous COVID-19 pandemic had detrimental consequences on economic activities in Bangladesh to some extent while the country was in a position to achieve commendable progress on various economic and social indicators. Nevertheless, with regard to adaption of pragmatic and prudent economic policies anything could hardly hinder the celerity of overall economic development in Bangladesh.

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

# Capital Market

Capital market embodies a country's economic and financial conditions as well as direction. In any financially developed country capital market is one of the major alternatives for long-term financing for accelerating the growth in all sectors of economies, particularly in industry and infrastructure. The capital market as well as the economy of Bangladesh faced a global challenge early in the year of 2020 due to worldwide effect of Covid-19 resulting the downward DSEX index of the Dhaka Stock Exchange Limited and stood at 3,989.09 points at the end of 30 June 2020. After that the capital market of Bangladesh has regained the confidence of its investors through undertaking several reforms activities by the Government of Bangladesh and BSEC although the Covid-19 pandemic crisis continues across the globe. Consequently, the DSEX index reached its highest point about 7,368.00 points at 10 October 2021 which was 84.70% higher than 30 June 2020.

Since the war between Russia and Ukraine began on February 24, 2022, the global economy has entered a new terrain of uncertainty and it happened at a time when the world had just started to recover from the fallout caused by more than two years of the Covid-19 pandemic. The ongoing war has created a new shock for the world. Supply disruptions and financial sanctions pose serious economic challenges. With no signs of reconciliation between Russia and Ukraine, the global economic implications will be much more severe.

Bangladesh is already feeling the heat of the Russia-Ukraine war in many ways. With high oil prices, the chain effect is felt through a hike in the prices of gas, fertilizer and other essentials. In addition to fuel prices, costs of other imported products have also gone up significantly. This will push the production costs up, resulting in higher prices for consumers. These economic changes together with recent Sri Lanka's economic disaster, high inflation in Bangladesh, devaluation of Bangladeshi currency against US Dollar affect the investors' confidence in the capital market of Bangladesh. In consequence of that the downward DSEX index has seen at the end of the FY 2021-22 and the index stood at 6,376.94 points decreasing by 13.45% against the peak index of 7,368.00 points in October 2021. Important capital market indicators for the last five years are given in the following table:

Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
Exchange Turnover (In Crore)	1,59,085.19	1,45,965.54	77,656.26	2,54,697.05	3,18,607.01
Market Capitalization (In Crore)	3,84,734.78	3,99,816.37	3,11,966.98	5,14,282.13	5,17,781.69
Weighted Avg. Market Yield (Times)	3.63	4.02	4.43	3.98	3.88
Weighted Avg. Market PE (Times)	14.97	14.25	10.73	18.50	14.44
Market Cap. To GDP Ratio	17.19	15.76	12.30	18.39	13.02

Besides, the month wise market capitalization to GDP Ratio during the FY 2021-22 are as follows:

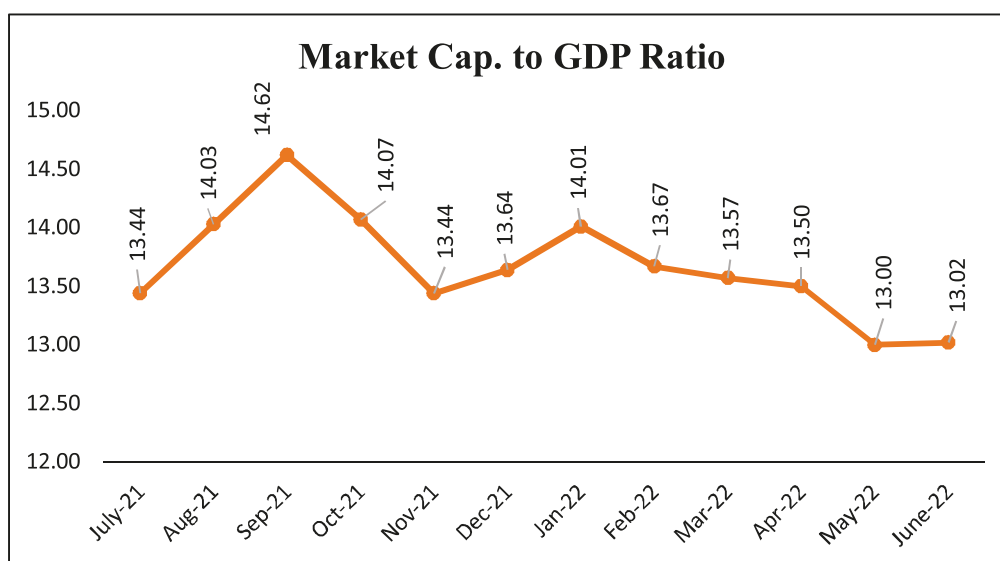


Figure: Month-wise Market Capitalization to GDP Ratio

The Government of Bangladesh, BSEC and other stakeholders in the capital market has taken a number of measures to support and vibrant the capital market as well as to protect the investors' interest. In the proposed budget of FY 2022-23 the government has proposed a cut in the corporate tax rate by 2.5 per cent for listed companies with a condition that all financial transactions will be conducted through banks. The government has offered the tax benefit in an effort to lure more companies to go public with more free-float shares.

Description	Existing 2021-2022	Proposed 2022-2023	*Applicable Tax Rate if Fails to Meet the Conditions
Publicly traded company that issues shares worth more than 10 percent of its paid-up capital through Initial Public Offering (IPO)	22.5%	20%	22.5%
Publicly traded company that issues shares worth 10 percent or less than 10 percent of its paid-up capital through IPO.	22.5%	22.5%	25%
Non-publicly traded company	30%	27.5%	30%
One Person Company (OPC)	25%	22.5%	25%
Publicly traded bank, insurance and financial institution (except merchant bank)	37.5%	37.5%	Condition not applicable
Non-publicly traded bank, insurance and financial institution	40%	40%	Condition not applicable
Merchant bank	37.5%	37.5%	Condition not applicable

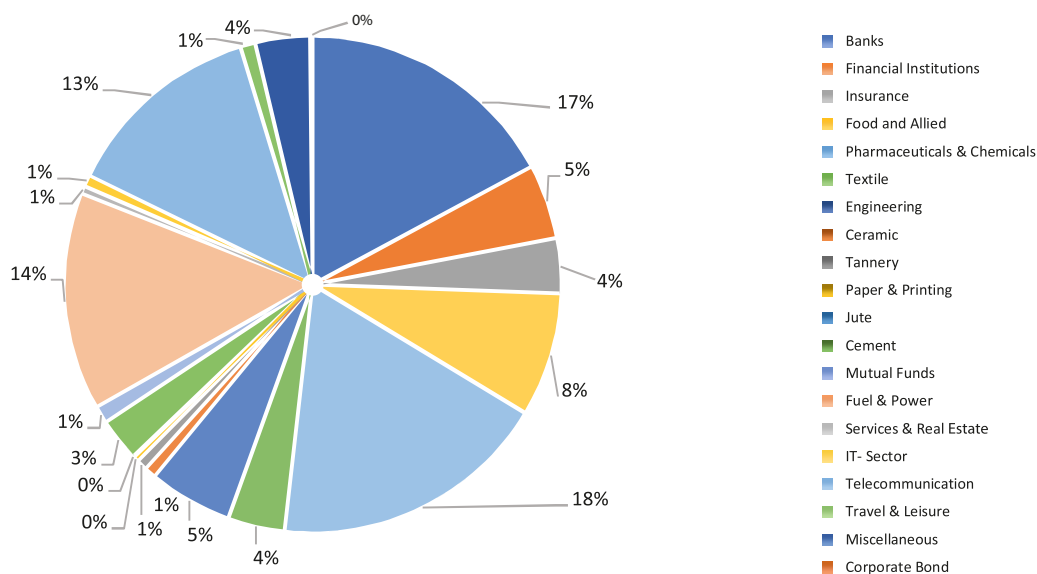
Description	Existing 2021-2022	Proposed 2022-2023	*Applicable Tax Rate if Fails to Meet the Conditions
Company producing all sorts of tobacco items including cigarette, bidi, chewing tobacco and gul	45% + 2.5% (surcharge)	45% + 2.5% (surcharge)	Condition not applicable
Publicly traded mobile operator company	40%	40%	Condition not applicable
Non-publicly traded mobile operator company	45%	45%	Condition not applicable
Association of persons	30%	27.5%	30%
Artificial juridical person and other taxable entity	30%	27.5%	30%
Private university, private medical college, private dental college, private engineering college or private college solely dedicated to imparting education on ICT.	15%	15%	Condition not applicable
<b>*Conditions:</b> All receipts and income must be transacted through bank transfer and all expense and investment over Tk. 12 Lacs must be made through bank transfer.			

The Bangladesh Securities and Exchange Commission (BSEC) in an order set the floor prices for all listed securities, based on five-day average closing prices and the floor prices will remain effective until further instruction to be issued through specific directives. However, the 10 per cent upper circuit limit will remain in place as usual, but the market prices of the listed securities will not be allowed to go below their respective floor prices. The different important information's regarding the capital market during the FY 2021-22 are summarized in the following way:

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

Particulars	DSE		
	30 June 2021	30 June 2022	% Change
Number of Listed Securities (including Mutual Fund, Debenture and Govt. Bond)	609	625	2.63
Total Issued Capital of all listed Securities (In Million)	1,397,346.00	1,521,593.00	8.89
Market Capitalization (in Million)	5,142,821.00	5,177,816.90	0.68
DSEX/ All Share Price Index	6,150.48	6,376.94	3.68

**Sector-wise Percentage of Total Market Capitalization at DSE:**



**Initial Public Issue's during FY 2021-22:**

Sl. No.	Name of the Issues	Subscription date		Issued capital (in mn)	Offer Price (BDT)	Public Offer (in mn)	Subscription (in mn)
		Opening	Closing				
01	South Bangla Agriculture and Commerce Bank Ltd.	05.07.21	12.07.21	7,846.46	10.00	1,000.00	-
02	Sena Kalyan Insurance Company Ltd.	03.10.21	07.10.21	400.00	10.00	160.00	-
03	ACME Pesticides Ltd.	12.10.21	18.10.21	1,350.00	10.00	300.00	-
04	Premier Bank Perpetual Bond	30.12.21	10.01.22	200.00	10.00	289.95	1.45
05	Beximco Green Sukuk Al Istisna's	22.12.21	13.01.22	30,000.00	10.00	4,230.87	0.56
06	Union Insurance Company Ltd.	05.01.22	16.01.22	484.02	10.00	5,294.79	27.35
07	BD Tahi Food and Beverage Ltd.	17.01.22	24.01.22	815.00	10.00	4,363.86	29.09
08	Union Bank Ltd.	18.01.22	26.01.22	9,869.34	10.00	15,476.07	3.62
09	Pubali Bank Perpetual Bond	21.03.22	24.03.22	500.00	10.00	504.40	1.01
10	JMI Hospital Requisite Manufacturing Ltd.	23.03.22	31.03.22	1,252.94	10.00	6,491.32	8.65
11	Meghna Insurance Company Ltd.	01.06.22	08.06.22	400.00	10.00	5,576.12	34.91

## Performance of DSE during the period under review:

Month	DSE Turnover		Ratio of Market Cap. To Turnover	Index (Last Trading Day)		
	Value (Tk. in mn)	Volume (in mn)		DSEX	DSE30	DSES
Jul-21	233,033.87	8,549.80	0.044	6,425.26	2,327.88	1,401.05
Aug-21	451,186.93	14,660.17	0.081	6,869.25	2,453.95	1,490.30
Sep-21	507,063.98	12,009.61	0.087	7,329.04	2,710.53	1,592.10
Oct-21	353,802.47	8,297.28	0.066	7,000.95	2,620.60	1,470.50
Nov-21	266,828.93	7,038.12	0.050	6,703.26	2,516.28	1,405.55
Dec-21	193,650.84	4,815.11	0.036	6,756.66	2,532.58	1,431.12
Jan-22	312,612.18	6,536.86	0.060	6,926.29	2,559.15	1,481.89
Feb-22	220,998.46	4,898.16	0.410	6,739.45	2,482.36	1,453.48
Mar-22	185,428.07	4,720.84	0.034	6,757.84	2,474.01	1,468.11
Apr-22	121,051.29	2,797.84	0.023	6,655.67	2,460.77	1,446.98
May-22	144,645.06	3,741.26	0.028	6,392.86	2,350.25	1,403.53
Jun-22	179,397.80	4,762.25	0.035	6,376.94	2,295.59	1,386.78

## Sector-wise Price Earning (P/E) Ratio:

Sector	June-22	June-21	June-20	June-19	Jun-18	Jun-17	Jun-16
Bank	8.00	9.24	6.67	8.26	8.76	9.10	6.70
Financial Institutions	20.36	23.41	15.86	14.66	14.66	22.67	13.95
Mutual Funds	3.99	14.17	10.50	7.32	7.63	12.97	7.21
Engineering	17.05	42.48	10.09	14.56	16.77	24.04	22.20
Food & Allied	21.10	27.08	17.43	25.08	26.65	24.47	31.91
Fuel & Power	11.70	13.59	9.51	14.72	12.55	12.83	12.60
Jute	63.18	68.51	31.69	305.65	122.06	257.72	67.79
Textile	22.33	23.94	11.72	16.79	17.58	15.03	10.17
Pharmaceuticals	19.54	21.14	15.23	19.10	20.61	17.26	27.17
Paper & printing	48.75	39.24	23.76	17.69	-	38.45	13.55
Service & Real estate	21.26	23.76	12.59	15.42	16.67	32.61	29.92
Cement	16.51	27.01	20.82	28.64	34.57	22.06	26.42
IT	28.38	28.39	19.15	24.37	25.98	34.05	29.74
Tannery	61.53	28.49	12.69	20.31	15.77	20.77	26.34
Ceramic	34.93	59.80	17.69	23.95	26.10	22.49	20.45
Insurance	19.51	31.64	12.23	14.42	11.00	13.20	10.03
Telecommunication	15.62	18.40	9.59	14.59	19.54	21.37	18.25
Travel & Leisure	72.47	50.38	25.46	23.85	27.04	18.02	15.43
Miscellaneous	21.68	46.01	18.92	27.09	16.93	28.88	31.68
<b>Market P/E</b>	<b>14.44</b>	<b>18.50</b>	<b>10.78</b>	<b>14.25</b>	<b>14.97</b>	<b>15.74</b>	<b>14.61</b>

Sources:

1. DSE Monthly Review, June 2022;
2. The Daily Financial Express.

# Report of the Audit Committee

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

## Meetings

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

## Role of the committee

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

## Regulatory compliance

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

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

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

## The committee also reviewed:

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

## Internal Audit

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

## External Audit

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

## Conclusion

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



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



# Financial and Operational Highlights

(Tk. in crore)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
<b>Financial Performance</b>					
01. Total Income	96.29	88.87	39.65	72.03	109.67
02. Net Income	13.71	7.53	(4.52)	4.70	4.28
03. Total Shareholders' Equity	446.08	437.28	433.15	371.00	371.00
04. Total Assets	898.20	1172.29	1014.96	951.99	951.99

## Operational Performance

(Tk. in crore)

Particulars	FY 2021-22	FY 2020-21	FY 2019-20	FY 2018-19	FY 2017-18
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## Issue Management

01. No. of Issue (Agreement Signed)	10	06	08	08	13
02. Issue Size	1065.26	791.00	235.00	1401.10	501.67

## Underwriting

03. No. of Issue	04	04	05	05	05
04. Underwriting Commitment	25.20	26.90	22.80	57.82	48.32

## Trustee & Custodian

05. No. of Issue (Agreement Signed)	04	06	03	04	03
06. Issue Size	1325.00	130.00	80.00	730.00	2900.00

## Investor's Scheme

07. No. of Account Opened	470	901	287	360	288
08. Deposits Received	89.55	72.15	81.03	53.44	69.66
09. Margin Loan Disbursed	690.61	796.62	329.58	495.63	596.23
10. Recovery of Margin Loan	939.94	939.40	385.38	549.68	709.44

## Own Portfolio

11. Total Investment	122.43	93.98	65.59	88.16	134.53
12. Profit on Sale of Marketable Securities	28.66	33.56	4.28	13.31	39.27

# Underwriting & Issue Management

## Preface:

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

## Services of Underwriting and Issue Management Department

ICML provides Issue Management, Underwriting and Advisory services to potential companies intend to raise capital and fund through Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Issue (RI), Capital Raising for listed Companies, Debt Securities (Bond, Sukuk, Debenture), Preference shares, Corporate Advisory, Capital Restructuring, Merger and Acquisition.

## Present status of Issue Management & Underwriting Commitment

Since inception, ICML has assisted fundamentally strong-based companies to float their securities in the capital market & thus establishing itself as a trusted brand to issuers as well as to investors. Despite prevailing challenges in the Capital Market, ICML has been providing issue management services in different forms including IPO (2), Advisory (6), Sukuk (1) and Direct Listing (1) companies and committed to underwriting of shares to 04 (four) companies during the year under review. Details are stated below:

## Commitment for providing Issue Management Services

Sl.	Name of the Company	Type of Issue
1	B-R Powergen Ltd.	Direct Listing
2	B-R Powergen Ltd.	Advisory
3	Investment Corporation of Bangladesh	Sukuk
4	Protective Islami Life Insurance Ltd.	IPO
5	Best Holdings Ltd.	Advisory
6	National Tea Company Ltd.	Advisory
7	Islami Commercial Insurance Co. Ltd.	IPO
8	Hydrocarbon Unit	Advisory
9	Universal Gas & Gas Cylinder Ltd.	Advisory
10	National Feed Mills Ltd.	Advisory

## Underwriting Commitment

Sl.	Name of the Company	Type of Issue
1	Islam Oxygen Ltd.	IPO
2	First Security Islami Bank Ltd.	Right
3	B. Brothers Garments Company Limited	IPO
4	Islami Commercial Insurance Co. Ltd.	IPO

Underwriting & Issue Management - *continued*

Comparative Position of Issue Management and Underwriting Activities in the Last 06 (six) Years

(Tk. in crore)

Particular	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	Cumulative as on 30 June 2022
<b>Issue Management</b>							
No. of Issue:	10	6	8	8	13	9	240
Size of Issue:	1065.26	791.00	235.00	1401.10	501.67	644.59	17,369.79
<b>Underwriting</b>							
No. of Companies:	4	4	5	5	5	6	181
Amount of Underwriting Commitment	25.20	26.90	22.80	57.82	48.32	283.26	3,125.90

Graphical Comparative position of Issue Management and Underwriting Activities:

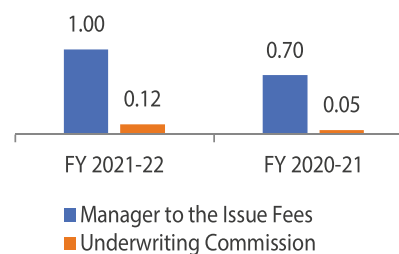


Financial Pulse

The following table shows the revenue streams of the operations in this regard

(Tk. in crore)

Particulars	FY 2021-22	FY 2020-21
Manager to the Issue Fees	1.0005	0.6960
Underwriting Commission	0.1170	0.0487



Underwriting & Issue Management - *continued*

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

(Tk. in crore)

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



Signing Ceremony with Best Holdings Ltd. for Advisory Service.



Signing Ceremony with National Tea Company Ltd. for Advisory Service.



Signing Ceremony with Protective Islami Life Insurance Ltd. for Issue Management Service.



Signing Ceremony with National Feed Mills Ltd. for Advisory Service.



Signing Ceremony with BDV Asset Management Company Ltd. for Trustee & Custodial Service.

## Trustee and Custodian

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

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

### Present Status of Trustee & Custodian:

ICML started Trustee & Custodian services on 24 April 2011 as the Trustee & Custodian of ever-largest open-end Mutual Fund of the country namely "Bangladesh Fund" - the largest open-end Mutual Fund of the Country. ICML is now providing services of Trustee of 12 (Twelve) bonds, Trustee of 06 (Six) Mutual Funds & Custodian of 5 (Five) Mutual Funds. Mentionable that, ICML is no longer providing the Trustee service of Bangladesh Fund as per the decision of the Commission vide letter dated 31 October, 2021.

### List of Projects:

(Tk. in crore)				
Sl. No.	Name of Issues	Nature of Service	Size of Issue	Status
01	Bangladesh Fund an open-ended Mutual Fund	Trustee & Custodian	5000.00	Continuing
02	EBL AML 1 <sup>st</sup> Unit Fund an open-ended Mutual Fund	Trustee & Custodian	30.00	Continuing
03	ICB AMCL Shotoborsho Unit Fund	Trustee & Custodian	20.00	Continuing
04	Joytun 1 <sup>st</sup> Unit Fund	Trustee & Custodian	10.00	Continuing
05	Mercantile Bank Unit Fund	Trustee	50.00	Signed
06	BD Venture 1 <sup>st</sup> Mutual Fund	Trustee & Custodian	25.00	Signed
07	Coupon-bearing Non-Convertible Tier-II Subordinate Debt (Bond) of Standard Bank Limited	Trustee	200.00	Redeemed
08	Non-Convertible Fully Redeemable Floating Rate Subordinate Bond of Agrani Bank Limited	Trustee	700.00	Continuing
09	Non-Convertible Coupon Bearing of Ashuganj power station company limited.	Trustee	600.00	Continuing
10	Non-Convertible Fixed Rate Subordinated Bond of Investment Corporation of Bangladesh	Trustee	2000.00	Continuing
11	IFIL Mudaraba Non-convertible Fully Redeemable Subordinated Bond of Islamic Finance and Investment Limited	Trustee	300.00	Continuing

(Tk. in crore)

Sl. No.	Name of Issues	Nature of Service	Size of Issue	Status
12	Non-Convertible Fully Redeemable Floating Rate Subordinate Bond of Industrial & Infrastructure Development Finance Company (IIDFC) Limited	Trustee	200.00	Approved
13	Coupon bearing unsecured fully redeemable non-convertible subordinated bond of GSP Finance Company (Bangladesh) Limited	Trustee	200.00	Approved
14	Generation Next Fashion Fully Redeemable Unsecured Bond	Trustee	200.00	Approved
15	Meridian Finance & Investment Limited Coupon Bearing, Non-convertible Bond	Trustee	50.00	Signed
16	Orion Infrastructure coupon bearing Bond	Trustee	815.00	Signed
17	Alif Industries Limited Convertible Bond	Trustee	300.00	Signed
18	ICB 1 <sup>st</sup> Mudaraba Sukuk Bond	Trustee	1000.00	Signed

**Income from Trustee services during the FY 2021-22:**

During the FY 2021-22, has ICML earned a significant amount of Tk. 2.564 crore as trustee fees:

(Tk. in crore)

Sl.	Name of Issue	Size of Issue	Amount
01	Bangladesh Fund an open-end Mutual Fund	5000.00	0.77
02	Non-Convertible Coupon Bearing of Ashuganj Power Station Company Limited	600.00	0.15
03	Non-Convertible Fully Redeemable Floating Rate Subordinate Bond of Agrani Bank Limited	700.00	0.25
04	Non-Convertible Fixed Rate Subordinated Bond of Investment Corporation of Bangladesh	2000.00	1.28
05	Islamic Finance & Investment Bond	300.00 (Subscribe 20.00)	0.02
06	EBL 1 <sup>st</sup> Unit Fund	30.00	0.019
07	ICB AMCL Shotoborsho Unit Fund	50.00	0.06
08	Joytun 1 <sup>st</sup> Unit Fund	30.00	0.015
<b>Total</b>			<b>2.564</b>

**Income from Custodial services during the FY 2021-22:**

During the FY 2021-22 ICML earned a significant amount of Tk 1.895 crore as custodian fee:

Sl.	Name of Issue	Size of Issue (Tk. in crore)	Amount (Tk. in crore)
01	Bangladesh Fund an open-end Mutual Fund	5,000.00	1.83
02	EBL 1 <sup>st</sup> Mutual Fund	30.00	0.02
03	ICB AMCL Shotoborsho Unit Fund	50.00	0.036
04	Joytun 1 <sup>st</sup> Unit Fund	30.00	0.009
<b>Total</b>			<b>1.895</b>

## Investors' Scheme

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

ICML opened 36,756 Investors' Accounts in between FY 2002-03 to 2009-10. Due to sharp decline in the FY 2010-11 and consecutive down trend for many years, investors' confidence affected adversely in participation the capital market. Only 5,283 number of Investors' Accounts opened in between FY 2011-12 and FY 2019-2020. Besides, Covid-19 pandemic which started at the outset of 2020 also affected the market badly. Restrictions were imposed on free movement of people and transportation. Economic activities were almost closed on several occasions. All sectors of the economy faced extreme level of challenges. On 30 June 2020, DSEX index after a stiff fall stood at 3,981.52 point. The world is yet to recover from existing pandemic and worsening financial conditions. But capital market of Bangladesh has shown some stable character during the pandemic situation. After pandemic situation, the war between Russia versus Ukraine infused crisis of fuel & power which created high inflation and lower economy growth throughout the world. As a result, the stock market showed mixed performance in the FY 2021-22. During the early stage of this financial year, the main index, DSEX was stood at 6,219.90 points which raised about 15% till October, 2021. After this, DSEX fell about 18% till May of this financial year. Moreover, ICML executed rebate facilities to the negative equity in the last financial year in two phases. In first phase based on cut-off date 31.03.2021, 6,706 no. of accounts were selected for rebate facilities. In which 3,891 no. of account holders took rebate facilities and the company has given interest waived of about Tk. 266.40 crore among those account holders. In the 2nd phase based on cut-off date 31.12.2021, 3,280 no. of accounts were selected for rebate facilities. In which 1,014 no. of accounts holders took rebate facilities and the company has given interest waived of about Tk. 23.61 crore among those account holders.

Though market showed mixed performance, still a significant portion of margin loans provided to investors has been classified. Out of 26,052 active investors' accounts, 6,327 have been classified as on 30 June 2022. On the same date margin loan stood at Tk. 412.38 crore, resulting total classified loan amounts to Tk. 304.59 crore (73.86% of total outstanding margin loan). A brief scenario of margin loan as per provisioning policy is presented below for better understanding:

Status of Classification	No. of Accounts	Margin Loan	Interest Charged	Portfolio Management Fee Charged	Required Provision
Bad	5,374	252.49	60.20	11.60	69.46
Doubtful	700	37.62	8.40	0.27	1.00
Sub-standard	253	14.49	1.88	0.08	0.18
Total Classified (A)	6,327	304.59	70.48	11.95	70.64
Good (B)	5,335	107.79	14.45	1.67	2.16
Credit (C)	14,390	-	5.53	0.08	-
<b>Total (A+B+C)</b>	<b>26,052</b>	<b>412.38</b>	<b>90.46</b>	<b>13.70</b>	<b>72.80</b>

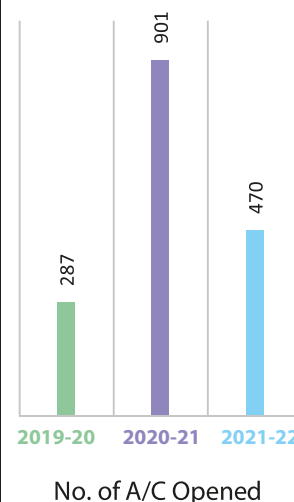
Investors' Scheme - *continued*

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

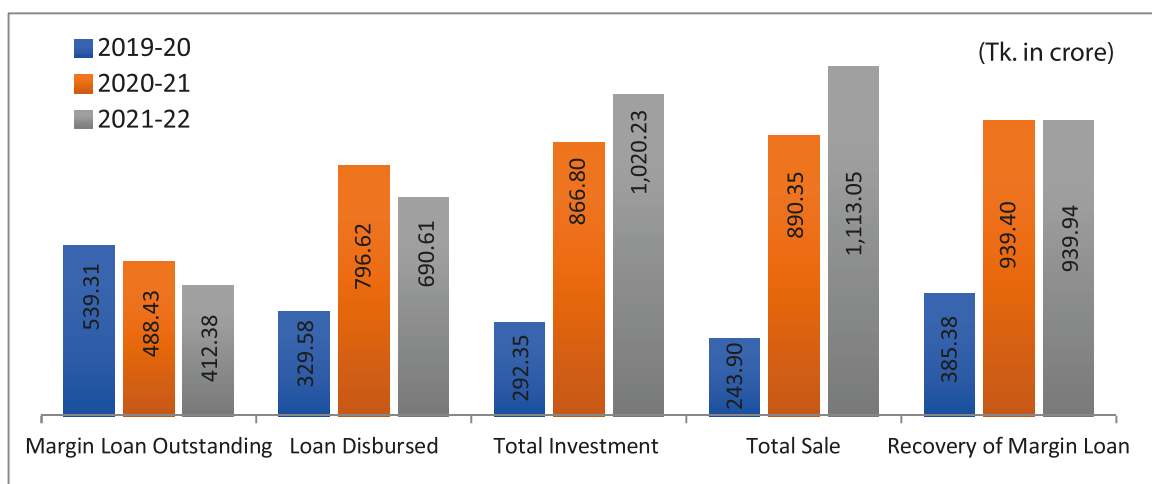
Comparative operational activities of the Investor's Scheme

(Tk. in crore)

Particulars	FY 2019-20	FY 2020-21	FY 2021- 22	Cumulative as on 30 June 2022
No. of A/C Opened	287	901	470	43,270
No. of A/C Closed	660	713	2402	17,218
No of net Operative A/C	27796	27984	26052	26,052
Deposit Received	81.03	72.15	89.55	2,087.15
Margin Loan Outstanding	539.31	488.43	412.38	-
Loan Disbursed	329.58	796.62	690.61	11,745.39
Total Investments	292.35	866.80	1,020.23	17,739.71
Total Sale	243.90	890.35	1,113.05	17,274.21
Net Investment	48.59	(23.34)	(92.82)	442.96
Recovery of Margin Loan	385.38	939.40	939.94	12,359.53



During the FY 2021-22, ICML disbursed on amount of Tk. 690.61 crore as margin loan to its investors. Total outstanding margin loan as on 30 June 2022 stood at Tk. 412.38 crore, which was decreased by Tk. 76.05 crore (15.57%) less than that of the previous year. Comparative Position of Investor's Scheme is depicted below (Graphical presentation):





A comparative statement of operational performance under Investor's Scheme of ICML Head Office and Branch offices during FY 2020-21 and FY 2021-22 is stated below:

(Tk. in crore)

Particulars	Head Office		Branches		Total	
	2020-21	2021-22	2020-21	2021-22	2020-21	2021-22
No. of A/C Opened	168	94	733	376	901	470
No. of A/C Closed	160	498	553	1904	713	2402
Deposit Received	15.94	16.70	56.21	72.85	72.15	89.55
Total Investments	210.58	233.23	656.22	787.00	866.80	1,020.23
Net Investment	(21.85)	(33.19)	(1.49)	(59.63)	(23.34)	(92.82)

The following table shows Head office and Branch-wise operation of the Investor's Scheme in the FY 2021-22:

(Tk. in crore)

Particulars	HO *(Non disc.)	HO *(Discr.)	CTG	RAJ	BARI	KHULNA	BOGURA	SYLHET	UTTARA	GAZIPUR	TOTAL
No. of A/C Opened	94.00	0.00	35.00	60.00	80.00	34.00	79.00	30.00	25.00	33.00	<b>470.00</b>
No. of A/C Closed	498.00	0.00	616.00	388.00	180.00	225.00	108.00	156.00	204.00	27.00	<b>2,402.00</b>
Deposit Received	16.70	0.01	5.84	20.44	14.61	6.34	13.45	3.18	6.23	2.75	<b>89.55</b>
Loan Disbursed	165.55	0.00	61.48	112.83	88.45	55.22	101.42	29.49	40.23	35.94	<b>690.61</b>
Total Investment	233.23	0.00	87.40	200.85	131.52	72.74	151.26	43.23	52.16	47.84	<b>1,020.23</b>
Net Investment	-33.19	0.00	-28.42	-8.65	-6.70	-12.15	-2.85	-1.09	-0.79	1.02	<b>-92.82</b>
Margin Loan Recovery	230.41	0.10	106.41	158.28	106.48	83.46	113.82	40.45	64.25	36.28	<b>939.94</b>
Total Buy	228.45	0.00	85.15	198.04	129.43	70.93	149.40	42.11	50.98	47.44	<b>1,001.93</b>
Total Sale	266.41	0.00	115.82	209.50	138.23	84.89	154.10	44.32	52.96	46.82	<b>1,113.05</b>

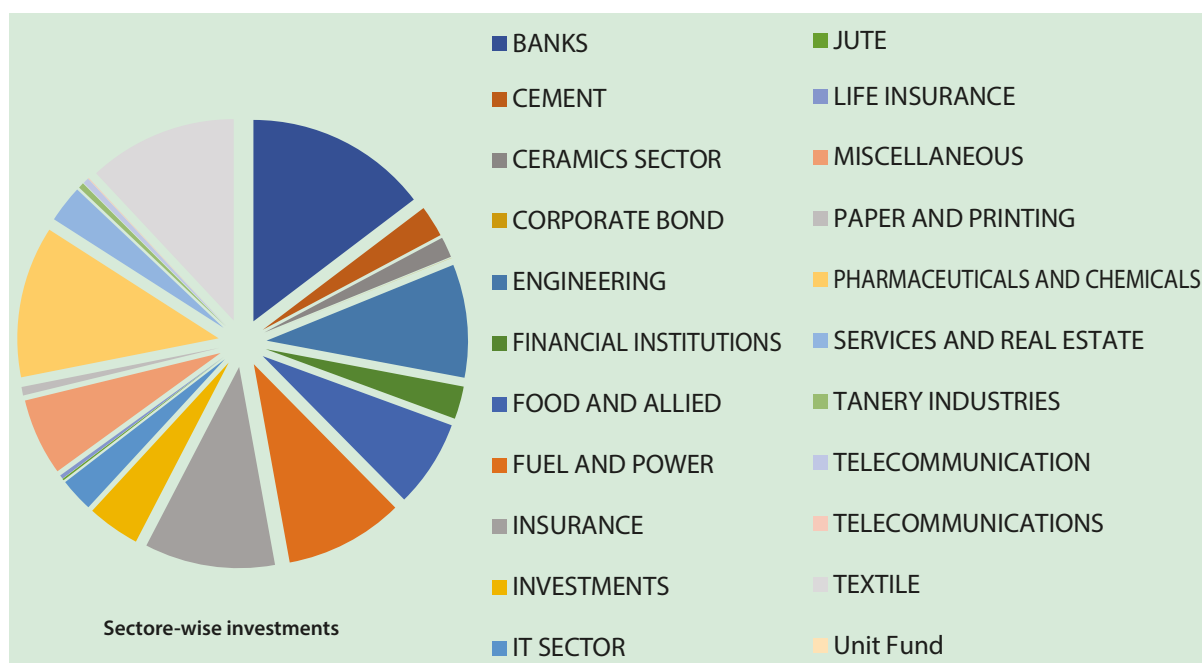
\* Non-Discr: Non-Discretionary

\* Discr: Discretionary

Sector-wise investments at cost under Investors' Scheme

The following table represents the position of sector-wise investments at cost under Investors' Scheme of ICML during the FY 2021-22.

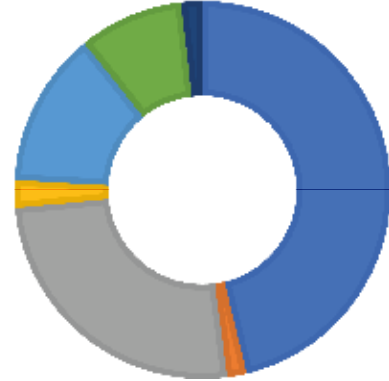
Sector	Head Office	Branches	Total	Percentage (%)
BANKS	28.63	121.05	149.68	14.67
CEMENT	7.65	18.20	25.85	2.53
CERAMICS SECTOR	1.65	15.09	16.74	1.64
CORPORATE BOND	0.23	0.06	0.29	0.03
ENGINEERING	27.23	65.59	92.82	9.10
FINANCIAL INSTITUTIONS	17.13	9.77	26.90	2.64
FOOD AND ALLIED	16.08	55.33	71.41	7.00
FUEL AND POWER	27.54	69.53	97.07	9.51
INSURANCE	17.13	89.85	106.98	10.49
INVESTMENTS	9.70	33.54	43.24	4.24
IT SECTOR	4.61	23.08	27.69	2.71
JUTE	0.29	1.23	1.52	0.15
LIFE INSURANCE	2.52	0.62	3.14	0.31
MISCELLANEOUS	8.08	55.10	63.18	6.19
PAPER AND PRINTING	1.89	5.10	6.99	0.69
PHARMACEUTICALS AND CHEMICALS	29.19	95.05	124.24	12.18
SERVICES AND REAL ESTATE	5.16	25.23	30.39	2.98
TANERY INDUSTRIES	0.67	4.15	4.81	0.47
TELECOMMUNICATION	3.73	1.04	4.77	0.47
TELECOMMUNICATIONS		0.54	0.54	0.05
TEXTILE	24.12	97.82	121.94	11.95
Unit Fund	0.00	0.04	0.04	0.00
<b>TOTAL</b>	<b>233.23</b>	<b>787.00</b>	<b>1020.23</b>	<b>100.00</b>



**Classification of Investors:**

Investor's Scheme of ICML encompasses Investors from diversified occupation and strata of society including salaried government and non-government employees, businessmen and agriculturists, housewives and others. The following table shows the occupation-wise classification of the active accountholders of head office and branches up to FY 2021-22:

Occupation	Total	% (Percentage)
Govt. and Non-Govt. Service	12,044	46.23
Retired Personnel	436	1.67
Engineers/Doctors/Lawyers	643	2.47
Businessmen/Agriculturists	6,661	25.57
Housewives/Working Women	3,459	13.28
Students	2,338	8.97
Others	471	1.81
<b>Grand Total</b>	<b>26,052</b>	<b>100</b>



Classification of Investors:

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

**আইসিবি সিলেট শাখা ও সাবসিডিয়ারি কোম্পানির সম্মানিত  
বিনিয়োগকারীগণের সাথে মতবিনিময় সভা**



# Portfolio Management

Portfolio Management is one of the main functions of ICML. Two department namely Portfolio Management Department and Securities Analysis Department work together in making investment recommendations. The recommendations are placed before the committee namely Portfolio Management Committee comprising of 08 (Eight) members. The CEO is delegated by the Board to approve sale-purchase activities of the portfolio. Securities are chosen with strong fundamentals and good prospects considering the following issues:

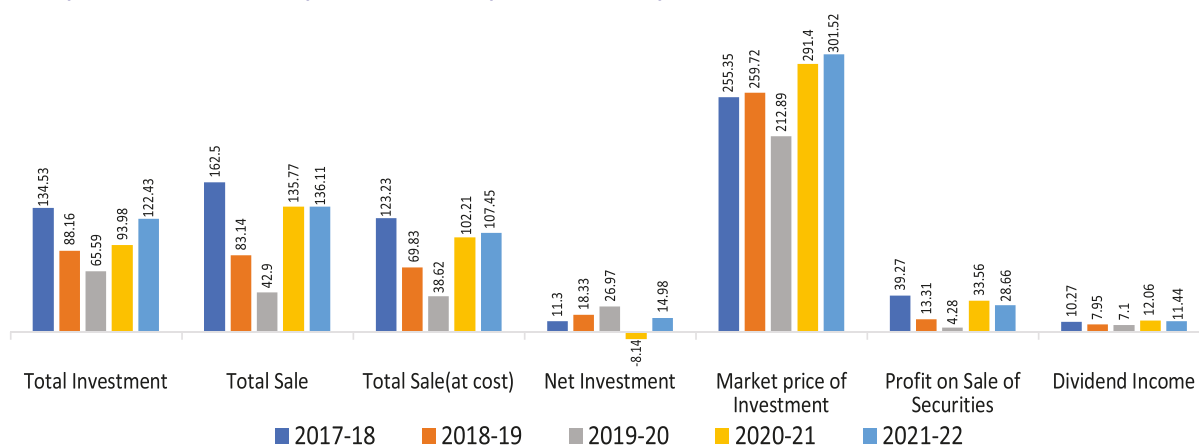
- ⊙ Fundamental/Technical analysis of the listed securities;
- ⊙ Systematic procedure to monitor the nature, characteristics and quality of holding of securities of the portfolio;
- ⊙ Analysis of Fiscal/Monetary Policy and Policy of the Government; and
- ⊙ Overall Internal/External economic condition.

Comparative summarized position of ICML own portfolio

(Tk. in crore)

Particulars	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Investment	134.53	88.16	65.59	93.98	122.43
Total Sale	162.50	83.14	42.90	135.77	136.11
Total Sale (at cost)	123.23	69.83	38.62	102.21	107.45
Net Investment	11.30	18.33	26.97	(8.14)	14.98
Market Price of Investment	255.35	259.72	212.89	291.40	301.52
Profit on Sale of Securities	39.27	13.31	4.28	33.56	28.66
Dividend Income	10.27	7.95	7.10	12.06	11.44

Comparative summarized position of Own portfolio in Graphical View



## Dividend Earned

The Company earned dividend of Tk.11.44 crore during the year under review registering a decrease of 5.14% compared to the dividend of Tk.12.06 crore in the previous FY 2020-21.

## Capital Gain

The Company earned capital gain of Tk. 28.66 crore during the year under review registering a decrease of 14.60% compared to the capital gain of Tk. 33.56 crore in the previous FY 2020-21.

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

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

Particulars		FY 2020-21	FY 2021-22	Cumulative up to 30 June 2022
(A) Agriculture	No.	-	-	1,101
	Amount (in Lac)	4.40	9.00	1,508.70
(B) ICT	No.	-	-	128
	Amount (in Lac)	-	-	183.75

In the FY 2021-22, ICML also earned Tk. 3.25 lac as documentation charges from 23 projects of EEF.

### Entrepreneurship Support Fund (ESF):

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

As per ESF circular-2018 published by Bangladesh Bank, the ESF would provide eight-year term loans at 2.00 percent simple interest. It has a four-year moratorium period. After the said period entrepreneurs will have to pay principal including interest equally in 8 semi-annual installments by next four years. Entrepreneurs have to provide 51.00 percent of the project cost as equity and invest it within one year after sanctioning the loan by the EEF Wing, Investment Corporation of Bangladesh (ICB). They must mortgage the project land in favor of ICB against ESF loan. ICML, as appraising institution, has received total 394 project profiles (including 3 returned projects) up to 30.06.2022. Out of the total received projects, number of agro-based and ICT projects are 391 and 3 respectively. A summarized position of ICML appraised projects under ESF scheme is shown below:

Particulars		FY 2019-20	FY 2020-21	FY 2021-22	Cumulative up to 30 June 2022
(A) Agriculture	No.	202	135	41	391
	Amount (in Lac)	202.00	135.00	41.00	394.80
(B) ICT	No.	-	1	-	3
	Amount (in Lac)	-	1.00	-	3.00

Till now, ICML refunded Tk. 2.70 lac to the sponsors of 3 ESF agro-based projects against received appraisal fee of Tk. 3.00 lac. ICML earned a total appraisal fee of Tk. 394.80 lac including re-appraisal fee of Tk. 3.50 lac from ESF projects till 30.06.2022.

# Internal Audit and Control

Internal audit is part of the ICML's control of business. It is one of the methods used by management to ensure the orderly and efficient running of the business as a whole and is part of the overall control environment. Day by day ICML has expanded its scale, diversity and complexity of its activities with 08 (eight) branches and 144 (One hundred forty-four) numbers of human resources.

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

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

Identifications of areas for improvement in efficiency and performance;

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

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

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

Carry out ad-hoc assignments or special investigations, such as internal fraud investigations.

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

# Report on Risk Management

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

## Market/Portfolio Risks

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

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

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

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

## Reputational Risks

Firms with strong positive reputations attract better people. They are perceived as providing more value, which often allows them to charge a premium. Their customers are more loyal and buy broader ranges of products and services. Moreover, in an economy where 70% to 80% of market value comes from hard-to-assess intangible assets such as brand equity, intellectual capital and goodwill, organizations are especially vulnerable to anything that damages their reputations.

Most companies, however, do an inadequate job of managing their reputations in general and the risks to their reputations in particular. They tend to focus their energies on handling the threats to their reputations that have already surfaced. Such a process helps managers do a better job of assessing existing and potential threats to their companies' reputations and deciding whether to accept a given risk or to take actions to avoid or mitigate it.

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

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

#### Operational Risks

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

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

#### Interest Rate Risks

Interest-rate risk is the exposure of an institution's financial condition to adverse movements in interest rates. Excessive levels of interest-rate risk can pose a significant threat to an institution's earnings. Accordingly, effective risk management that maintains interest-rate risk at prudent levels is essential to the safety and soundness of the institutions. From inception, ICML used to borrow fund from its holding company, ICB. At present, ICML borrows fund from ICB at 8% interest rate. On the other hand, ICML lends to its investors at the rate of 14% interest subject to the approval of its Board. The difference between borrowing and lending rate is nominal i.e.6%. If market indices fall abnormally then investors account would become sick. Then investment in margin loan would be blocked for a long time. On the other hand, when bearish trend prevails in capital market there may arise some excess liquidity.

To minimize the interest rate risk, ICML always maintains its liquidity professionally. ICML has also contemplated to minimize its borrowing by enhancing its capital through IPO in a favourable condition of the capital market. Besides, at the time of fund crisis ICML keeps the right to re-fix its lending rate.

#### Credit Risks

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

The first step in effective credit risk management is to gain a complete understanding of overall credit risk by viewing risk at the individual, customer and portfolio levels. While institution strive for an integrated understanding of their risk profiles, much information is often scattered among business units. Without a thorough risk assessment, there is no way of knowing if capital reserves accurately reflect risks or if loan loss reserves adequately cover potential short-term credit losses. The key to reducing loan losses and ensuring that capital reserves appropriately reflect the risk profile is to implement an integrated, quantitative credit risk solution with simple portfolio measures. It should also accommodate a path to more sophisticated credit risk management measures as needs evolve. To encounter this risk, ICML always adopts proper investment policy.



It provides professional counselling to the investors regarding investment with margin loan. Executives of investment department maintain close relationship with the customers and provide them professional counselling about investments. Besides, to minimize the negative impact on the profitability arising from credit risk, ICML maintains adequate provision on margin loan to investors.

#### Liquidity Risks

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

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

#### Information Technology (IT) Risks

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

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

#### Money Laundering Risk Management

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

# Human Resource Management

## Plan for Human Capital

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

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

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

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

## Human Capital Diversity

At the end of FY 2021-22, total manpower of ICML stood at 144. Out of 144 employees, the number of officers & staff stood at 87 and 57 respectively whereas 14 officers including the CEO, two ACEO, two DCEO were on deputation from ICB. The number of female employees as on 30 June 2022 stood at 24, representing 16.67% of the total workforce. Besides, few employees have been working in the company on casual basis.

## Recruitment and Resignation

The process of recruitment and selection of ICML is dynamic and transparent and always focuses on the high potential individuals. To carry out the process of recruitment and selection there are two committees involved namely (i) Scrutinizing Committee and (ii) Recruitment and Promotion Committee.

## Promotion

Promotion of employees motivates to aspire for advancement of opportunities within the company. It also contributes to employee satisfaction and retention. Employee's promotion in our company is to be made by examining all factors necessary to determine the best qualification and potential to fill the position. These factors may be included, but not limited to:

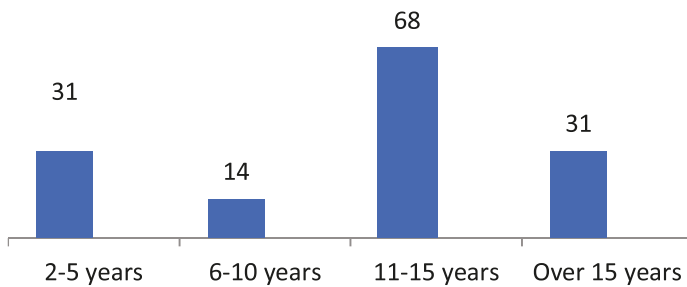
- ⊙ Grow in role-dimension and complexity;
- ⊙ Resource classification;
- ⊙ Individual performance track recreated;
- ⊙ Vintage.
- ⊙ Leadership quality;

## Training and Development

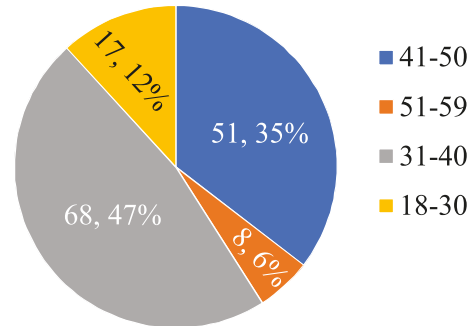
Training policy of our company refers to all employees and aims to ensure that appropriate training is available

to enable them to reach a satisfactory performance level in their jobs. As a part of human resource development programs, ICML endeavours to develop the skill, knowledge and professional competence of its manpower by arranging various local training programs. 33 (Thirty Three) officers and staffs participated in local training and workshop programs on different subjects during FY 2021-22.

**Service-tenure Analysis**



**Employee Age Analysis**



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

**Human Capital Management Framework**

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

**Management Approach towards Human Capital**

Our company provides support to its entire employee in ways that embrace the organizational mission of innovation and tradition of excellence. For this, our management is moving forward with a vision of converting human resources into human capital through providing appropriate knowledge, skills, abilities and personal attribution. This company thrives to provide competitive pay and allowance package, contemporary HR policies, learning environment and congenial working atmosphere where employees play the pivotal role behind the success stories and sustainable growth.

Recreation Leave & Group Insurance Policy has already been implemented. Personal Loan/Temporary Advance facility up to 10 (Ten) lac has been introduced at bank rate for the employees. Moreover, time bounding Organogram and service rule have already been sent to the ministry for approval. The congestion in promotion will come to an end after getting these being approved. ICML has been operating for last 21 years with glory and providing challenging career prospect for young and enthusiastic professionals. In all areas of work, the ICML family upholds the tenets of confidentiality, accountability and trust. Our management treats the employees as an asset rather than an expensive item. Every effort should be taken, whether formally or informally, to develop skills and abilities and to provide opportunities for them to maximize their contribution.

**Organizational Structure of ICML**

<b>Sl. No.</b>	<b>Designations</b>	<b>Approved Post</b>
1	Chief Executive Officer	1
2	Additional Chief Executive Officer	2
3	Deputy Chief Executive Officer/Sr. System Analyst	6
4	Senior Executive Officer	17
5	System Analyst	3
6	Executive Officer	21
7	Programmer	6
8	Senior Officer	49
9	Assistant Programmer	13
10	Officer	30
11	Librarian	1
12	Security Officer	1
13	Assistant Officer Grade -I	14
14	Assistant Officer Grade -II (Data Entry Operator)	19
15	Assistant Officer Grade -II (Cashier)	10
16	Senior Dispatcher	1
17	Caretaker	1
18	Assistant Officer Grade –II (Receptionist)	1
19	Assistant Officer Grade –II (Telephone Operator)	1
20	Electrician	1
21	Photocopy Machine Operator	1
22	Driver	4
23	Asst. Caretaker	2
24	Dispatcher	1
25	Office Sohayak (অফিস সহায়ক)	33
26	Plumber	1
	<b>Total</b>	<b>240</b>

# Practices in Accounting

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

## Compliance Report on BAS and BFRS

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

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

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

# Financial Results

## Income Performance

During the FY 2021-22, the Company has earned a total income of Tk. 96.29 crore including Tk. 42.42 crore (44.06%) of total income as interest income followed by Tk. 28.66 crore as profit on sale of securities (29.76%) of total income and Tk. 8.27 crore as income from fees and commission (8.59%) of total income. Besides, the Company also earned income of Tk. 11.45 crore (11.89%) of total income in the form of dividend, Tk. 4.46 crore (4.63%) of total income from trustee and custodian and Tk. 0.52 crore (0.54%) of total income from EEF & ESF. In addition, the Company earned Tk. 0.46 crore (0.48%) of total income as other income and 0.05 crore (0.05%) of total income as non-operating income.

## Expenditure and Provision

The total expenses of Tk. 31.77 crore were incurred including Tk. 11.07 crore (34.85%) of total expenditure as interest expenses followed by Tk. 15.78 crore (49.69%) of total expenditure as expenses for Salaries & Allowances, Tk. 0.41 crore (1.29%) of total expenditure for rent, tax, electricity & insurance and Tk. 0.26 crore (0.82%) of total expenditure for stationary, printing & advertising. Besides, the Company incurred Tk. 1.63 crore (5.14%) of total expenditure as other operating expenses which includes traveling and conveyance, entertainment, business development, expenses related with AGM, training expenses, VAT expenses etc. On the other hand, Tk. 0.31 crore (0.96%) of total expenditure has been charged as repairs & maintenance during the year.

During the period under review, the company has made provision of Tk. 19.00 crore against margin loan to investors. The provision was made as per margin loans classification and preservation Rules, 2019. The company has also made provision of Tk. 20.00 crore against investment in own portfolio.

## Earnings and Dividend

During the period under review, the Company has earned profit before tax at an amounting Tk. 25.52 crore. After provisioning of Tk. 11.81 crore as income tax for the year, the profit after tax stood at Tk. 13.71 crore. The Board of Directors recommended 1.5% Dividend which was declared as final dividend for the FY 2021-22.

## Summary of the Financial Results

Particulars	(Tk. in crore)				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Income	109.67	72.03	39.65	88.87	96.29
Operating Expenditure	49.42	43.84	43.23	43.70	31.77
Income before Provision	60.25	28.19	(3.58)	45.17	64.52
Provision against Margin Loan to Investor	39.02	16.19	0.20	10.50	19.00
Provision against Marketable Securities	7.04	3.36	0.25	21.50	20.00
Income before Tax	14.19	8.64	(4.03)	13.17	25.52
Tax Provision	9.91	3.94	0.49	5.64	11.81
Income after Tax	4.28	4.70	(4.52)	7.53	13.71
Dividend	-	9.89	-	3.30	4.94
Retained Earnings	23.96	28.65	25.54 (Restated)	29.67	38.48

Financial Results - *continued*

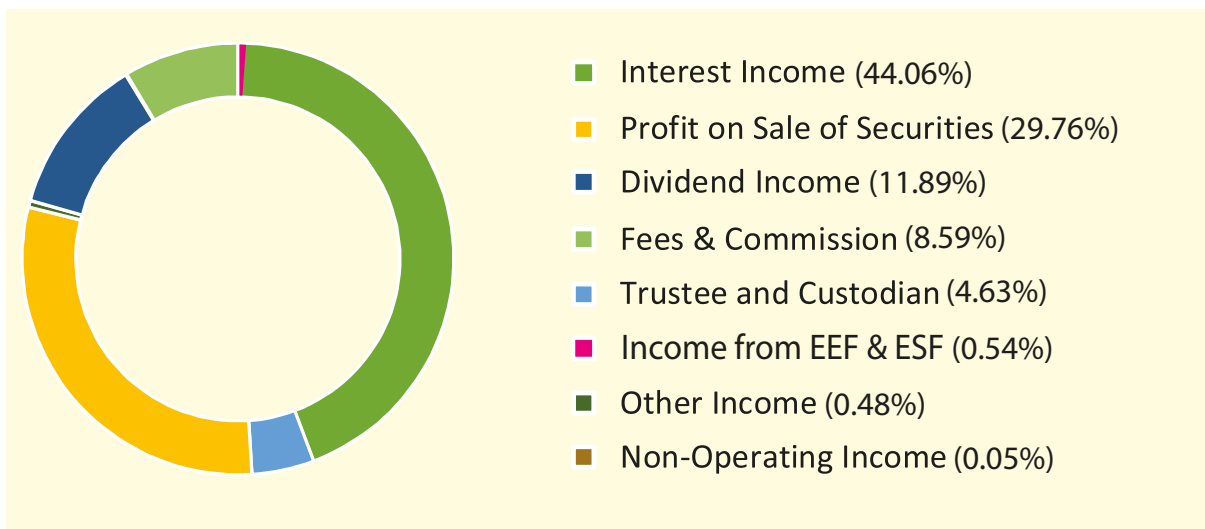
Summary of the Financial Results

(Tk. in crore)



## Income Performance at a glance

Particulars	FY 2021-22	%
Interest Income	42.42	44.06%
Profit on Sale of Securities	28.66	29.76%
Dividend Income	11.45	11.89%
Fees & Commission	8.27	8.59%
Trustee and Custodian	4.46	4.63%
Income from EEF & ESF	0.52	0.54%
Other Income	0.46	0.48%
Non-Operating Income	0.046	0.05%
<b>Total</b>	<b>96.29</b>	<b>100%</b>



## Financial Analysis

## Some Key Financial Ratios

Particulars	(Tk. in crore)				
	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Net Profit to Total Income (%)	3.90	6.53	(11.40)	8.47	14.24
Return on Total Investment (%)	0.60	0.65	(0.62)	0.90	2.49
Return on Equity (%)	1.15	1.07	(1.05)	1.72	3.07
Book Value per share (Tk.)	11.25	13.23	13.10	13.27	13.53
Cash/Stock Dividend per Share	-	3% (Interim)	-	1% (Interim)	1.5% (Interim)
Dividend Payout Ratio (%)	-	210.55	-	43.79	36.06
Debt Equity Ratio	91.22	66.17	69.05	91.47	23.54



# Information and Communications Technology Report

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

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

<p>Existing software and hardware maintenance and development:</p> <ul style="list-style-type: none"><li>• Merchandising Operation Management Software Maintenance and Development;</li><li>• EEF/ESF, Inventory Management, HRM and Payroll Software;</li><li>• General Ledger (GL) Management and Own Portfolio Management;</li><li>• Database Server Maintenance;</li><li>• Bangladesh Fund, EBL AML 1st Unit Fund, ICB AMCL Shotoborsho Unit Fund, Joytun 1st Unit Fund Management Software;</li><li>• Hardware Maintenance Support;</li><li>• Public Issue Management Software;</li></ul>	<p>Existing network maintenance and development:</p> <ul style="list-style-type: none"><li>• Branch data Connectivity;</li><li>• LAN Connectivity;</li><li>• CDBL Operations;</li><li>• Internet services;</li><li>• Centrally Internet Bandwidth Management;</li></ul>	<p>Existing website maintenance and development:</p> <ul style="list-style-type: none"><li>• www.icml.com.bd (user login panel);</li><li>• Web based client services;</li><li>• SMS services to client;</li><li>• www.icml.gov.bd</li><li>• Email services to client.</li></ul>
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ICML adopts technology as part of the ongoing strategic tool to face challenges in the emerging realities of business. It is therefore imperative to work out appropriate IT risk management strategies to secure its most vital information and ensure that related risk management systems and processes are strengthened on a continual basis to secure both present and future activities. ICML's IT-department has already taken these aspects into consideration. Thus, IT functions are getting strengthened through the implementation of a captive backup system. Besides, ICML has been providing awareness of IT threats to its staff on a continued basis so that both proactive and reactive measures can be initiated, as deemed appropriate to mitigate potential risks associated with this. The highest priority is given to the employment of expert and competent manpower to run the system efficiently with time bound approach. During the year, many training programs had been attended by the staff & officer's in premier institutions to keep themselves abreast with the advancements in IT.

**Purchasing the following new web based centralized software:**

- Web-Based Centralized Merchant Banking Operation Management System;
- Integrated Accounts;
- HR & Payroll;
- Fixed Asset Management.

**Online Client Service Portal:**

We have developed an online client service portal. In this portal client can view their portfolio and financial statements, as well as share buy/sell history. ICML also provides SMS and E-mail services for the investors. We also provide DSE Mobile Apps trading facilities to non-margin investors.

**ICML Connect with National Web Portal:**

We had applied to a2i for connecting National Web Portal and we got approval from a2i. After getting approval, ICML purchased www.icml.gov.bd domain from Bangladesh Telecommunication Company Ltd. (BTCL). After purchasing and confirmation of www.icml.gov.bd domain from BTCL, we have completed training for maintenance of www.icml.gov.bd portal. Our IT team has updated necessary informations into www.icml.gov.bd portal and this portal is now live.

**Benefits of Web Based Centralized Software:**

- Each and every employee of ICML will be capable to work at a time in new software through intranet and there is no need of additional server in branches;
- Additional software will not be required to run this software as it is web browser enabled;
- Faster, efficient and more reliable;
- Latest security and technology enabled;
- This software will enhance merchant banking operation and data security centrally. It can also globally host.

**E-nothi:**

Government of the People's Republic of Bangladesh and Aspire to Innovation (a2i) instructed government/semi-government/autonomous institutions to implement e-document/e-nothi. E-nothi has increased speed, efficiency, transparency and accountability in office work. ICML has completed profile creation and organogram set in the server of E-nothi. Training in this regard has also been conducted for the employees of ICML. At present, upgradation from training to live server is completed. Issuing letter through E-nothi (named D-nothi) has some error and that was reported to the Access to Information (a2i). After solving error, ICML are no capable of issuing official documents through e-nothi (D-nothi) live server.

**Innovation:**

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

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

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

ICML formed an innovation team as per advice of the holding company given from time to time. The team is actively involved in various innovation-related activities including training, workshop, seminar, regular meeting with the innovation cell of ICB, etc. In the year fiscal 2021-22, ICML has been able to develop service out of innovation including installation of idea box, centralized integrated automated customer service backbone, daily basis monitoring of branch performance through country-wide connectivity and one-stop solution for customers. The innovation team of ICML meets on a monthly basis as a part of compliance and always seeks innovative ideas.

# Acknowledgement

The Board acknowledges with deep gratitude the assistance and co-operation received by the Company during the year under review from the shareholders, ICB and its' other 2 subsidiaries, Bangladesh Securities & Exchange Commission, Ministry of Finance, Dhaka and Chittagong Stock Exchanges, different banks and financial institutions. The Board of Directors also thanks them for their active help and co-operation and looks forward to their continued support in the years to come. The Board of Directors places on record its deep appreciation for rendering all out efforts of the employees for enhancing the image of the Company.



**Asit Kumar Chakravorty**  
CEO & Director



**Razi Uddin Ahmed**  
Director



**Md. Amzad Hossain**  
Director



**Fouzia Haque, FCA**  
Director



**Md. Jahid Hossain**  
Director



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



**Md. Abul Hossain**  
Chairman

# Chief Executive Officer's Declaration to the Board

Dated: 28 August 2022

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

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

I, the undersigned Chief Executive Officer, do hereby certify for the year ended 30 June 2022 that:

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



**Asit Kumar Chakravorty**  
Chief Executive Officer



জোহা জামান কবির রশীদ এ্যান্ড কোং  
চার্টার্ড একাউন্টেন্টস

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

Independent Auditor's Report  
To  
ICB Capital Management Limited  
Report on the Audit of the Financial Statements

**Opinion**

We have audited the financial statements of ICB Capital Management Limited, which comprise the statement of financial position as at 30 June 2022, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects of the statement of financial position of ICB Capital Management Limited as at 30 June 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**Basis for Opinion**

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

**Key Audit Matters**

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

Risk	Our responses to the risk
<b>a) Investment &amp; provision for augmentation/ diminution in value of investment</b>	
<p>The company has represented investment in marketable ordinary share at Cost value during the financial year 30 June 2022. Related information regarding marketable value of the shares, unrealized loss as at 30 June 2022 has been presented with the related notes to the accounts.</p> <p>The Company has shown its Portfolio at Cost Price in their Accounts as per directive of Bangladesh Bank Circular no. DBI-2(U.B.-7)/2700/2020-1560, dated 10 October 2020. So they are measured at Cost Price in the Financial Statements which is disclosed in the related notes to the accounts.</p> <p>We focused in this area because of the significance of investments in the financial</p>	<p>We tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> <li>We verified the existence of investment in Dealer account of 30 June 2022.</li> <li>Obtained unrealized gain or loss during the period;</li> <li>We tested the calculation of augmentation/ diminution value of Investments;</li> <li>Obtained year-end share holding positions from the Company and through directional testing assessed the completeness of the report;</li> </ul>

Zoha Zaman Kabir Rashid & Co., a partnership firm registered in Bangladesh and a member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.  
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Tax Office: Rupayan Karim Tower, 80, Kakrail, Level # 7, Suite # 7A, Dhaka-1000, Bangladesh  
T: +880 9609-006260, E: info@zzkrca.com, W: www.zzkrca.com

<p>statements, IFRS 9 and IAS 32 for determining the valuation and presentation to be applied by the management of the company.</p> <p>Please refer to note no: 07 &amp; 13.08</p>	<ul style="list-style-type: none"> <li>• Obtained the CDBL report and share portfolio and cross checked against each other to confirm status of financial instruments;</li> <li>• Check presentation &amp; disclosure of investment;</li> </ul> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 32 IFRS 9 and IAS 37.</p>
<b>(b) Other Liabilities and Provisions:</b>	
<p>This account represents the Liabilities for expense Tk. 1,696,764 balance payable to third parties throughout the next fiscal year. Some provisions, such as Other Liabilities, Provision against margin loan to investors, Provision against Investment in Marketable securities accounts for the coverage of a future liability which may arise in the future. The rest are accounted for as accrued liabilities.</p> <p>Note no. 13.00 to the financial statements</p>	<p>We have tested the design and operating effectiveness of controls around the due and provisions recording process. We carried out the following audit procedures:</p> <ul style="list-style-type: none"> <li>• Obtained the provisions ledger and tested for completeness of credits recorded in the register on a sample basis.</li> <li>• Obtained a sample of bill payable recording process and cross check it with ledger.</li> <li>• Obtained a sample of provision computation to assess the adequacy for recognizing the provision and cross checked those against respective ledger balances and in case of discrepancy carried out further investigation.</li> <li>• Obtained and discussed with management about their basis for provision and scrutinize the reasonableness of their provision creation where appropriate.</li> <li>• Reviewed on a sample basis payment calculations owed to regulatory bodies.</li> </ul> <p>Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards.</p>
<b>(C) Revenue Recognition:</b>	
<p>IFRS 15 is a general revenue recognition standard, which states that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.</p> <p>In this regard, Profit on sale of securities and interest income from banks deposits is recognized are income and when the amount is actually received, interest income on margin loan &amp; financial institutions and the rest of other income recognized on accrual basis except otherwise disclosed.</p> <p>See Note No. 18, 20, to 25 to the Profit &amp; Loss Account &amp; Other Comprehensive Income.</p>	<p>We have tested the design and operating effectiveness of key controls focusing on the followings:</p> <ul style="list-style-type: none"> <li>• Profit on sale of securities is recognized as income when the sell of securities is executed. We Checked ICML internal software and ledger.</li> <li>• Interest on margin loans extended to customers was charged to their accounts calculated on the daily product basis up to 30 June 2022.</li> <li>• Interest on deposits with banks is recognized as income when the banks credit the amounts into the Company's bank accounts. We checked the bank statements and the ledger.</li> <li>• Fees and Commission income, Trustee and Custodian fees are calculated on accrual basis. We checked the respective calculation and ledger.</li> </ul>

### **Going Concern**

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

### **Other Information**

Management is responsible for the other information. The other information comprises all of the information other than the financial statements and our auditor's report thereon.

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs, Companies Act 1994 and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our Opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we

conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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


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

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

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

Dhaka,  
August 25, 2022

  
**Harun Ur Rashid, FCA**  
Managing Partner  
Enrolment No.: 312  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants  
DVC: 2209120312AS989387





ICB Capital Management Limited  
Statement of Financial Position

AS AT 30 JUNE 2022

Particulars	Notes	Amount in Taka	
		30.06.2022	30.06.2021
<b>PROPERTY and ASSETS:</b>			
Cash in Hand	06	31,849	125,076
Cash at Bank		337,005,383	2,441,518,500
		<b>337,037,232</b>	<b>2,441,643,576</b>
<b>INVESTMENTS:</b>			
Investment in Securities at cost value	07	<b>3,761,828,973</b>	<b>3,611,991,477</b>
<b>LOAN &amp; ADVANCE:</b>			
Margin Loans to Investors- Secured	08	<b>4,123,833,851</b>	<b>4,884,272,309</b>
<b>FIXED ASSETS:</b>			
Property, Plant & Equipment and Right-to-use-Assets	09	<b>310,143,381</b>	<b>320,537,952</b>
<b>OTHER ASSETS</b>	10	<b>449,123,768</b>	<b>464,470,159</b>
<b>TOTAL ASSETS</b>		<b>8,981,967,209</b>	<b>11,722,915,475</b>
<b>LIABILITIES &amp; CAPITAL:</b>			
<b>LIABILITIES:</b>			
PBKKBST Special Fund	11	-	-
Short Term Loan	12	1,050,000,000	4,000,000,000
		<b>1,050,000,000</b>	<b>4,000,000,000</b>
<b>OTHER LIABILITIES &amp; PROVISIONS</b>	13	<b>3,471,119,380</b>	<b>3,350,114,493</b>
<b>TOTAL LIABILITIES</b>		<b>4,521,119,380</b>	<b>7,350,114,493</b>
<b>CAPITAL/SHAREHOLDER'S EQUITY:</b>			
Paid-up Capital	14	3,296,475,000	3,296,475,000
General Reserve	15	372,000,000	372,000,000
Other Reserves	16	407,605,750	407,605,750
Retained Earnings	17	384,767,079	296,720,232
<b>TOTAL SHAREHOLDER'S EQUITY</b>		<b>4,460,847,829</b>	<b>4,372,800,982</b>
<b>TOTAL LIABILITIES &amp; SHAREHOLDERS EQUITY</b>		<b>8,981,967,209</b>	<b>11,722,915,475</b>
<b>NAV without Revaluation Reserve for Investment</b>		<b>13.53</b>	<b>13.27</b>

The annexed notes form an integral parts of these financial statements

 **Md. Abul Hossain** Chairman  
 **Dr. Md. Humayun Kabir Chowdhury** Director  
 **Ms. Fouzia Haque, FCA** Director  
 **Asit Kumar Chakravorty** Chief Executive Officer

Signed in terms of our separate report of even date annexed

Place: Dhaka  
Date: August 25, 2022

  
**Harun Ur Rashid, FCA**  
 Managing Partner, Enrolment No.:312  
**Zoha Zaman Kabir Rashid & Co.**  
 Chartered Accountants






## ICB Capital Management Limited

## Statement of Profit or Loss &amp; Other Comprehensive Income

For the Year Ended 30 June 2022

Particulars	Notes	Amount in Taka	
		30.06.2022	30.06.2021
<b>A. Operating Income:</b>			
Interest Income	18	424,237,596	305,930,735
Less: Interest Paid on Borrowings	19	110,713,386	249,931,586
<b>Net Interest Income</b>		<b>313,524,210</b>	<b>55,999,150</b>
Dividend Income	20	114,465,728	120,637,914
Profit on Sale of Securities	21	286,631,547	335,674,438
Fees and Commission Income	22	82,693,726	54,986,745
Trustee and Custodian Fees	23	44,609,075	50,912,964
Income from EEF & ESF	24	5,155,000	14,335,000
Other Operating Income	25	4,639,606	5,747,587
<b>Total Operating Income</b>		<b>851,718,892</b>	<b>638,293,797</b>
<b>B. Operating Expenses:</b>			
Salaries and Allowances	26	157,849,437	141,795,590
Rent, Taxes, Insurance, Electricity etc.	27	4,088,254	4,286,134
Legal and Professional Expenses	28	1,012,479	345,004
Postage, Telephone and Stamp	29	457,991	327,768
Auditor's Fees		34,000	34,000
Stationery, Printing, Advertising etc.	30	2,608,275	1,895,174
Director's Fees	31	929,200	688,000
Repairs & Maintenance of Assets & Fuel	32	3,050,256	2,464,207
Depreciation of Assets & Right-to-use-Assets	09	17,241,450	18,043,370
CDBL Expenses/Charge		3,363,786	3,352,155
Other Operating Expenses	33	16,342,656	13,858,739
<b>Total Operating Expenses</b>		<b>206,977,785</b>	<b>187,090,141</b>
<b>C. Operating Profit/(Loss) (A-B)</b>		<b>644,741,107</b>	<b>451,203,656</b>
<b>Non-operating Income:</b>			
Rental Income		469,128	469,128
<b>D.Total Non-operating Income</b>		<b>469,128</b>	<b>469,128</b>
<b>E. Profit/(Loss) before Provision &amp; Tax (C+D)</b>		<b>645,210,235</b>	<b>451,672,784</b>
Provision against Margin Loans to Investors	13.04	190,000,000	105,000,000
Provision against Investment in Marketable Securities	13.08	200,000,000	215,000,000
<b>F. Total Provision</b>		<b>390,000,000</b>	<b>320,000,000</b>
<b>G. Profit/(Loss) before Tax (E-F)</b>		<b>255,210,235</b>	<b>131,672,784</b>
Provision for Current Tax	13.06	115,055,729	59,449,305
Provision for Deferred Tax	13.05	3,036,801	(3,051,220)
<b>H. Total Provision for Tax</b>		<b>118,092,530</b>	<b>56,398,085</b>
<b>I. Profit/(Loss) after Tax (G-H)</b>		<b>137,117,705</b>	<b>75,274,699</b>
<b>Basic Earning Per Share</b>	34	<b>0.42</b>	<b>0.23</b>
<b>Diluted Earning Per Share</b>	34	<b>0.42</b>	<b>0.23</b>


The annexed notes form an integral parts of these financial statements




  
**Md. Abul Hossain**   **Dr. Md. Humayun Kabir Chowdhury**   **Ms. Fouzia Haque, FCA**   **Asit Kumar Chakravorty**  
Chairman   Director   Director   Chief Executive Officer

Signed in terms of our separate report of even date annexed

Place: Dhaka

Date: August 25, 2022

  
**Harun Ur Rashid, FCA**  
Managing Partner, Enrolment No.:312  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants



ICB Capital Management Limited  
**Statement of Changes in Equity**  
FOR THE YEAR ENDED 30 JUNE 2022

Particulars	Paid-up Share Capital	General Reserve	Other Reserves	Amount in Taka	
				Retained Earnings	Total
Balance as at 01 July 2021	3,296,475,000	372,000,000	407,605,750	296,720,232	4,372,800,982
Add/Less: Transferred to Employees welfare fund with adjustment				376,268	376,268
Less: Interim Dividend for the FY 2021-22				(49,447,125)	(49,447,125)
Net Profit/(Loss) after Tax for the year	-	-	-	137,117,705	137,117,705
<b>Balance as at 30 June 2022</b>	<b>3,296,475,000</b>	<b>372,000,000</b>	<b>407,605,750</b>	<b>384,767,079</b>	<b>4,460,847,829</b>

FOR THE YEAR ENDED 30 JUNE 2021

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


  
**Md. Abul Hossain**  
Chairman

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

  
**Fouzia Haque, FCA**  
Director

  
**Asit Kumar Chakravorty**  
Chief Executive Officer

Place: Dhaka  
Date: August 25, 2022

  
**Harun Ur Rashid, FCA**  
Managing Partner, Enrolment No.:312  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants



ICB Capital Management Limited  
**Statement of Cash Flows**  
For the Year Ended 30 June 2022

Particulars	Amount in Taka	
	2021-2022	2020-2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES :</b>		
Interest Received	424,237,596	305,930,735
Interest Paid	(171,900,886)	(437,179,071)
Received from Profit on Sale of Securities considering prior year adjustment	286,629,521	335,674,438
Dividend Received	115,500,332	114,603,189
Fees & Commissions Received	82,693,726	54,986,745
Trustee and Custodian Fees	48,090,802	48,548,104
Income from EEF & ESF	5,155,000	14,335,000
Cash Paid to Employees	(92,953,005)	(127,479,399)
Cash Paid to Suppliers	(15,505,358)	(11,721,552)
Cash Received from Other Operating Activities	4,639,606	5,747,587
Cash Received from Non Operating Income	469,128	469,128
Cash Paid for Other Operating Activities	(17,271,856)	(14,546,739)
<b>Cash Flow before Changes in Operating Assets &amp; Liabilities</b>	<b>669,784,607</b>	<b>289,368,165</b>
<b>Changes in Operating Assets &amp; Liabilities:</b>		
(Increase)/Decrease in Loans & Advances (Margin loan)	760,438,457	508,865,934
(Increase)/Decrease in other Assets	10,830,059	(197,875,191)
(Increase)/Decrease in Short Term Loan	(2,950,000,000)	1,250,000,000
(Increase)/Decrease in other Liabilities	(104,463,929)	319,928,421
	(2,283,195,413)	1,880,919,163
<b>Net Cash Used in Operating Activities (a)</b>	<b>(1,613,410,809)</b>	<b>2,170,287,326</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES :</b>		
Cash inflow from Sale of Securities	1,074,505,475	1,022,107,097
Cash Outflow for Purchase of Securities considering Adjustment	(1,224,340,944)	(939,801,796)
Cash inflow from Refund of IPO previous year	-	1,213,230
Cash Outflow for Purchase of Fixed Asset	(981,302)	(129,020)
<b>Net Cash Used in Investment Activities (b)</b>	<b>(150,816,772)</b>	<b>83,389,510</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES :</b>		
Long term Loan Repayment(PBKKBST Special Fund)	-	(231,138,473)
Adjustment with Margin Loan and Provision for 100% Rebate	(340,378,762)	(20,884,380)
Dividend Paid in Cash	-	(32,964,750)
<b>Net Cash Used in Financing Activities (c)</b>	<b>(340,378,762)</b>	<b>(284,987,603)</b>
<b>NET INCREASE / (DECREASE) IN CASH &amp; CASH EQUIVALENT (a+b+c)</b>	<b>(2,104,606,343)</b>	<b>1,968,689,233</b>
Cash and Cash Equivalent at Beginning of the year	2,441,643,576	472,954,343
<b>CLOSING CASH &amp; CASH EQUIVALENT END OF THE YEAR</b>	<b>337,037,232</b>	<b>2,441,643,576</b>
<b>NET OPERATING PER SHARE CASH FLOWS</b>	<b>(4.89)</b>	<b>6.58</b>

  
**Md. Abul Hossain**  
Chairman

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

  
**Fouzia Haque, FCA**  
Director

  
**Asit Kumar Chakravorty**  
Chief Executive Officer

  
**Harun Ur Rashid, FCA**  
Managing Partner, Enrolment No.:312  
**Zoha Zaman Kabir Rashid & Co.**  
Chartered Accountants

Place: Dhaka  
Date: August 25, 2022



## ICB Capital Management Limited

# Notes to the Financial Statements

As at & for the year ended 30 June 2022

### 1.0 Legal Status and Nature of the Company:

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

### 2.0 Registered Office:

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

### 3.0 Activities of the Company:

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

### 4.0 Accounting Policies:

#### 4.1 Statement of Compliance:

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

#### 4.2 Property plant & equipment-owned assets:

##### 4.2.1 Recognition and measurement:

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

##### 4.2.2 Subsequent expenditure on property, plant and equipment:

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



#### 4.2.3 Fixed Assets and Depreciation:

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

Category of assets	Rate of depreciation
Building	2.5%
Furniture & Fixture	10%
Interior Decoration	20%
Office Equipment	20%
Air-Conditioner & Refrigerator	20%
Telephone Installation	20%
Motor Vehicles	20%
Computer	20%
Application Software	20%

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

#### 4.3 Investments in Securities:

Investment in securities is recognized at cost price.

#### 4.4 Capital/Shareholders equity:

##### 4.4.1 Authorized Capital

Authorized Capital is the maximum amount of share capital that the company is authorized by its Memorandum and Articles of Association. Authorized Capital of ICB Capital Management Ltd. is Tk. 500.00 crore as on June 30, 2022.

##### 4.4.2 Paid Up Capital:

Paid up capital represents total amount of shareholder capital that has been paid in full by the ordinary shareholders. Holders of ordinary share are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meetings. Paid up capital is Tk. 3,296,475,000 as on 30 June, 2022.

#### 4.5 Employee Benefits:

##### 4.5.1 Provident Fund.

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

**4.5.2 Gratuity:**

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

**4.6 Consolidation of Accounts:**

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

**4.7 Taxation:****4.7.1 Income Tax Provision:**

Provision for current income tax has been made @ 37.50% as prescribed in Financial Act 2022 on the accounting profit made by the company after considering some of the taxable and backs of income and disallowances of expenditures.

**4.7.2 Deferred Tax:**

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

**4.8 Bonus Share:**

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

**4.9 Earnings Per Share:**

The Company calculates earning per share (EPS) in accordance with IAS 33 "Earning per Share" which has been shown on the face of Income Statement and the computation of EPS has been shown in the relevant note. The Basic and Diluted Earning Per Share for the FY 2021-2022 is Tk. 0.42.

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

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

**4.11 Basic Earnings Per Share:**

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

$$\text{Basic EPS} = \frac{\text{Earning Attributable to Ordinary Shareholders}}{\text{Weighted average number of shares outstanding during the year 2021-2022}}$$



#### 4.12 Statement of Cash Flow:

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

#### 4.13 Revenue Recognition:

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

##### 4.13.1 Interest Income:

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

##### 4.13.2 Dividend Income:

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

##### 4.13.3 Profit/(Loss) on sale of securities:

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

##### 4.13.4 Fees and commission income:

Fees and commission income includes:

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

#### 4.14 Borrowing Cost

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

#### 4.15 Other liabilities

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

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

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



**4.17 Responsibility for preparation and presentation of Financial Statements:**

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

**4.18 Event after the balance sheet date:**

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

**4.19 Proposed dividend:**

The Board recommend 1.50% interim dividend for the FY 2021-2022.

**4.20 Provisions against margin Loan to investors:**

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

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

Such provision cannot satisfy the conditions of provision of IAS-37. At the end of the year the company has recognized an accumulated general provision of Tk. 1,262,413,228 in the statement of financial position under other liabilities and Provisions.

**4.21 Approval of financial statements:**

The Financial Statements for the year ended 30 June 2022 were approved by the Board of Directors held on August 25, 2022.

**5.0 General:**

- I. Comparative information has been disclosed in respect of year 2021-2022 for all related numerical information of the Financial Statements and also the narrative and descriptive information so as to clarify the current year position in with that of preceding financial year.
- II. Figures shown in the Financial Statements have been rounded off to the nearest Taka.
- III. Financial Statements of the Company cover one year from 1 July 2021 to 30 June consistently.



## ICB Capital Management Limited

# NOTES TO THE FINANCIAL STATEMENTS

As at and for the year ended 30 June 2021

Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>06.</b>	<b>Cash and Bank Balances:</b>		
	Cash in Hand (06.01)	31,849	125,076
	Cash at Bank (06.02)	337,005,383	2,441,518,500
	<b>Balance as at 30 June</b>	<b>337,037,232</b>	<b>2,441,643,576</b>
<b>06.01</b>	<b>Cash in Hand</b>		
	Head Office	16,247	108,388
	Chattogram Branch	133	4,413
	Rajshahi Branch	4,495	357
	Uttara Branch	2,865	1,042
	Gazipur Branch	1,610	2,946
	Sylhet Branch	2,574	1,264
	Barishal Branch	2,004	3,387
	Khulna Branch	845	67
	Bogura Branch	1,077	3,212
	<b>Total Cash in Hand</b>	<b>31,849</b>	<b>125,076</b>
<b>06.02</b>	<b>Cash at Bank</b>		
	IFIC Bank Ltd.	336,062,655	2,441,334,265
	Mutual Trust bank Ltd.	739,253	96,243
	NCC Bank Ltd.	203,476	87,993
	<b>Total Cash at Bank</b>	<b>337,005,383</b>	<b>2,441,518,500</b>
	<b>Total Cash in Hand and Cash at Bank as at 30 June</b>	<b>337,037,232</b>	<b>2,441,643,576</b>
<b>7.00</b>	<b>Investment in Securities (at Cost Value) :</b>		
	<b>Opening Balance</b>	<b>3,611,991,477</b>	<b>3,695,510,007</b>
	Add: Investment made during the year (7.01)	1,224,340,944	939,801,796
		<b>4,836,332,422</b>	<b>4,635,311,803</b>
	Less: Securities sold during the year (at Cost)	1,074,505,475	1,022,107,097
	Less: Refund of IPO application amount	-	1,213,230
	Add/ (Less) : Prior Year Capital gain Adjustment	2,026	-
	<b>Balance as at 30 June</b>	<b>3,761,828,973</b>	<b>3,611,991,477</b>

A marketable security in hand is Tk. 3,761,828,973 at cost value and Fair Market value is Tk. 3,015,266,314. In line with Bangladesh Bank Circular no. DBI-2(U.B.-7)/2700/2020-1560, dated 10 October 2020, the company presented marketable security at cost value.

**Details of Net investment as on 30.06.2022 are shown under "Annexure-B"**



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>7.01</b>	<b>Investment made during the year:</b>		
	Securities Purchased through Stock Exchange	1,207,739,813	936,186,299
	IPO Share	6,601,140	3,615,497
	HFAML Shariah Unit Fund	9,999,992	-
		<b>1,224,340,944</b>	<b>939,801,796</b>
	<b>Details of investment made during the year are shown under "Annexure-G"</b>		
<b>8</b>	<b>Margin Loan - Secured</b>		
	Net Balance as on 1 July	4,388,340,239	5,116,565,969
	Add: Loan disbursement during the year	13,207,754,247	10,437,092,750
	Interest accrued during the year	404,011,218	268,894,196
		<b>18,000,105,704</b>	<b>15,822,552,915</b>
	Less: Recovery during the year	(14,311,202,076)	(11,434,212,676)
	<b>Net Balance as at 30 June</b>	<b>3,688,903,627</b>	<b>4,388,340,239</b>
	Add: Credit Balance of Margin Loan	434,930,224	495,932,069
	<b>Balance as at 30 June</b>	<b>4,123,833,851</b>	<b>4,884,272,309</b>
	As per rules, ICML can provide margin loan to the investors @ 1: 0.5 ratio. In some cases ICML allowed margin loan to investors beyond that ratio, because it was determined not only on the basis of fund deposited by the investors but also on the basis of market price and NAV of Purchase Securities.		
<b>09.</b>	<b>Property, Plant &amp; Equipment:</b>		
	<b>Opening Balance</b>	454,011,662	453,882,642
	Add: Addition During the Year	981,302	129,020
	Balance as on 30 June	<b>454,992,964</b>	<b>454,011,662</b>
	Less: Depreciation Charged During the Year	13,339,083	14,447,715
	Less: Accumulated Depreciation	138,518,918	124,071,204
	<b>Written down value as at 30 June</b>	<b>303,134,962</b>	<b>315,492,742</b>
<b>09.01</b>	<b>Right-of-use-Asset</b>		
	<b>Opening Balance</b>	8,640,866	-
	Add: Addition During the Year	5,865,575	8,640,866
	Balance as on 30 June	<b>14,506,441</b>	<b>8,640,866</b>
	Less: Depreciation Charged During the Year	3,902,367	3,595,655
	Less: Accumulated Depreciation	3,595,655	-
	<b>Written down value as at 30 June</b>	<b>7,008,419</b>	<b>5,045,210</b>
	<b>Total Written down value as at 30 June</b>	<b>310,143,381</b>	<b>320,537,952</b>
<b>10.</b>	<b>Other Assets :</b>		
	Temporary Advance to staff	12,840	1,840
	Securities and Other Deposits (10.01)	247,345	247,345
	Receivable from ISTCL	120,415,450	167,446,793
	Underwriting Commission Receivable	256,250	-
	Share application money	-	6,711,000



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
	Trustee and Custodian Fees Receivable	38,159,695	41,641,422
	Receivable from ICB	956,285	956,285
	Advance against Salary	134,206	-
	Advance Office Rent	2,163,847	1,537,439
	Advance Tax (Source Tax) (10.02)	226,911,944	197,311,493
	Tax Paid against Sale of Placement Share (Fund) (10.03)	7,348,720	7,326,220
	Dividend Receivable (10.04)	8,081,467.55	9,116,072
	Advance Income Tax Payment Against NBR Claim	3,379,558	3,379,558
	Other receivable from Narayangonj	126,072	126,072
	Advance to Group Insurance Co.	393,080	385,899
	Advance to Group Insurance Own	132,451	128,252
	Advance legal and professional fees (Restated)	35,000	35,000
	Advance for Purchase of Software	3,045,000	3,045,000
	Personal Loan (10.05)	37,324,559	25,074,469
		<b>449,123,768</b>	<b>464,470,159</b>

**10.01 Securities and Other Deposits :**

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

**10.02 Advance Tax ( Tax Deducted at Source ) :**

<b>Opening Balance</b>	<b>197,311,493</b>	<b>165,328,849</b>
Add: Tax Paid/Deducted during the year	29,600,451	31,982,644
	<b>226,911,944</b>	<b>197,311,493</b>
Less: Adjustment during the year	-	-
<b>Balance as at 30 June</b>	<b>226,911,944</b>	<b>197,311,493</b>

**10.03 Tax Paid against Sale of Placement Share (Fund):**

<b>Opening Balance</b>	<b>7,326,220</b>	<b>7,326,220</b>
Add: Tax paid during the year	22,500	-
<b>Balance as at 30 June</b>	<b>7,348,720</b>	<b>7,326,220</b>

**10.04 Dividend Receivable :**

<b>Opening Balance</b>	<b>9,116,072</b>	<b>3,081,347</b>
Add: Receivable during the year	10,998,539	16,283,388
	<b>20,114,611</b>	<b>19,364,736</b>
Less: Adjustment during the year	(12,033,144)	(10,248,664)
<b>Balance as at 30 June</b>	<b>8,081,468</b>	<b>9,116,072</b>

Details are Shown in "Annexure-D"

**10.05 Personal Loan :**

Personal Loan - Officer	24,664,111	14,649,709
Personal Loan - Staff	12,660,448	10,424,760
	<b>37,324,559</b>	<b>25,074,469</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>11</b>	<b>PBKKBST Special Fund :</b>		
	<b>Opening Balance</b>	-	<b>231,138,473</b>
		-	<b>231,138,473</b>
	Less: Repayment during the year	-	(231,138,473)
	<b>Balance as at 30 June</b>	-	-
<b>12.</b>	<b>Short Term Loan :</b>		
	<b>Opening Balance</b>	<b>4,000,000,000</b>	<b>2,750,000,000</b>
	Add: Received during the year	-	2,000,000,000
		<b>4,000,000,000</b>	<b>4,750,000,000</b>
	Less: Repayment during the year	(2,950,000,000)	(750,000,000)
	<b>Balance as at 30 June</b>	<b>1,050,000,000</b>	<b>4,000,000,000</b>
<b>13.</b>	<b>Other Liabilities &amp; Provisions :</b>		
	Liabilities for Expenses <b>(13.01)</b>	1,696,764	70,598,702
	Other Liabilities <b>(13.02)</b>	1,099,506,300	1,076,349,399
	Provision for Incentive Bonus <b>(13.03)</b>	20,416,995	15,442,640
	Provision against Margin loans to Investors <b>(13.04)</b>	1,262,413,228	1,412,791,990
	Deferred Tax Liability <b>(13.05)</b>	7,255,497	4,218,696
	Provision for Income Tax <b>(13.06)</b>	132,525,321	71,795,391
	Deduction for Group Insurance Own Contribution	-	12,404
	CDBL Exp. Payable for Bangladesh Fund	-	68,762
	Dividend Payable to share Holders	49,447,125	-
	Employee Welfare Fund <b>(13.07)</b>	-	978,360
	Provision against Investment in Marketable Securities <b>(13.08)</b>	897,858,150	697,858,150
	<b>Total Liabilities &amp; Provisions</b>	<b>3,471,119,380</b>	<b>3,350,114,493</b>
<b>13.01</b>	<b>Liabilities for Expenses :</b>		
	Audit Fees	34,000	34,000
	Payable to Holding Company -ICB <b>(13.01.a)</b>	-	61,187,500
	TAX Deducted at Sources	110,242	6,661,001
	VAT Deducted at Sources	408,487	681,849
	Outstanding Liabilities	1,144,035	2,034,352
		<b>1,696,764</b>	<b>70,598,702</b>
<b>13.01(a)</b>	<b>Payable to Holding Company -ICB :</b>		
	Interest on Short Term Loan	-	61,187,500
	Interest on Loan (PBKKBST) special Fund	-	-
		-	<b>61,187,500</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>13.02</b>	<b>Other Liabilities :</b>		
	Security Deposit Payable (13.02.a)	535,651	240,651
	Payable to ISTCL	113,446,433	102,934,644
	Payable to ISTCL/ Haji Ahmad Brothers (Buy/Sale Securities)	2,947	631
	CA with ICML Emploeyss Provident Fund	699,633	651,851
	TDS Against Salary	22,436	42,346
	Equity Entrepreneurship Fund (13.02.b)	5,300,000	500,000
	Other Suspense Account	24,528	24,528
	IPO Application Refund Payable/ Block	-	6,711,000
	*Provision for Gratuity	83,592,840	73,145,760
	Dividend Suspense Account	2,315,395	355,459
	ICML Karmachari Kallyan Tahbil	362,403	205,153
	Interest Suspense Account	400,994,459	345,361,519
	Portfolio Mgt. Fees Unrealized	50,098,959	45,077,397
	Lease Liability for Office Rent	7,180,392	5,166,392
	Credit Balance of Margin Loan	434,930,224	495,932,069
		<b>1,099,506,300</b>	<b>1,076,349,399</b>

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

### 13.02(a) Security Deposit Payable:

Beximco Computers Ltd.	58,049	58,049
Golden Enterprise	40,307	40,307
Gulf International Associates Ltd.	48,524	48,524
Gulf Environ. Tech. Ltd.	2,959	2,959
Technologies Ltd.	5,918	5,918
Rivnat & Ornate Interior Design and Decoration	3,627	3,627
Techno Havac System Ltd.	4,275	4,275
Lead Corporation Ltd.	46,197	46,197
Business Machine Company	4,945	4,945
Security Money from Cashiers of ICML	20,000	20,000
New Nazma Enterprise	5,000	-
Cygnus Innovation Ltd.	290,000	-
Mega Power Engineering Ltd.	5,850	5,850
	<b>535,651</b>	<b>240,651</b>

### 13.02(b) Equity Entrepreneurship / Equity Support Fund :

This amount represents Equity Entrepreneurship / Equity Support Fund received from Bangladesh Bank through ICB for onward disbursement to following companies:

Genius Agro Ltd.	500,000	500,000
Nazma Krishi Firm Ltd.	4,800,000	-
	<b>5,300,000</b>	<b>500,000</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>13.03</b>	<b>Provision for Incentive Bonus/Ex-Gratia:</b>		
	Incentive Bonus - Officer	15,890,800	10,975,840
	Incentive Bonus - Staff	4,526,195	4,466,800
		<b>20,416,995</b>	<b>15,442,640</b>
<b>13.04</b>	<b>Provision against Margin loans to Investors :</b>		
	<b>Opening Balance</b>	<b>1,412,791,990</b>	<b>1,704,918,472</b>
	Add: Provision made during the year (Non-discretionary)	190,000,000	105,000,000
	Less: Write off against 100% Rebate	(340,378,762)	(20,884,380)
		<b>1,262,413,228</b>	<b>1,789,034,091</b>
	Less: Provision transferred to Investment in Marketable Securities.	-	376,242,101
	<b>Balance as at 30 June</b>	<b>1,262,413,228</b>	<b>1,412,791,990</b>
	The provision against margin loan to investors required during the year is Tk. 729,106,522 however, the entity has maintained a provision of Tk. 1,262,413,223 under " Other Liabilities and Provisions" in the Statement of Financial Position, which suggests that provision has been charged in excess of Tk. 533,306,706 against margin loan to investors as at June 30, 2022. The overprovision acts as a safeguard against the volatile stock market fluctuations and alleviate the investment risk facing the various stakeholder group of the company.		
<b>13.05</b>	<b>Deferred Tax Liabilities :</b>		
	<b>Opening Balance</b>	<b>4,218,696</b>	<b>7,269,916</b>
	Add: Addition during the year	3,036,801	(3,051,220)
	<b>Balance as at 30 June</b>	<b>7,255,497</b>	<b>4,218,696</b>
	Due to adjustment of depreciation on office Premises related to land portion , deferred tax assets /(liabilities) are restated for the preceding years.		
<b>13.06</b>	<b>Provision for Income Tax:</b>		
	<b>Opening Balance</b>	<b>71,795,391</b>	<b>12,346,086</b>
	Add: Provision made during the year	115,055,729	59,449,305
		<b>186,851,120</b>	<b>71,795,391</b>
	Less: Advance Tax paid for the FY 2021-22 (Assessment Year 2022-23)	40,902,052.5	-
	Less: Advance Tax paid for the FY 2020-21 (Assessment Year 2021-22)	12,604,335	-
	Less: Additional income tax for the FY 2013-14 (Assessment Year 2014-15) for Tribunal settlement @5% of total claim.	819,412	-
	<b>Balance as at 30 June</b>	<b>132,525,321</b>	<b>71,795,391</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>13.07</b>	<b>Employees Welfare Fund :</b>		
	<b>Opening Balance</b>	<b>978,360</b>	<b>21,992,164</b>
		<b>978,360</b>	<b>21,992,164</b>
	Add: Addition During the period	112,912	978,359
	Less: Transfer to ICML Employees Kallyan Tahbil with adjustment	(1,091,272)	(21,992,164)
	<b>Closing Balance as on 30.06.2020</b>	<b>-</b>	<b>978,360</b>

**13.08 Provision against Investment in Marketable Securities.**

<b>Opening Balance</b>	<b>697,858,150</b>	<b>106,616,049</b>
Add: Provision made during the year in Marketable Securities	200,000,000	215,000,000
Add: Provision transferred from Margin Loan to Investors.	-	376,242,101
<b>Balance as at 30 June</b>	<b>897,858,150</b>	<b>697,858,150</b>

Investment in Marketable Securities which are being carried at cost in the financial statements, the company has recognized a provision of Tk. 897,858,150 under "other Liabilities and Provision" in the financial statements, which represents an over provision of Tk. 151,295,491, since the required provision to be maintained during the year should be Tk. 746,562,659. The over provision acts as a safeguard against the volatile stock market fluctuations and alleviate the investment risk facing the various stakeholder group of the company.

**14. Share Capital :**

<b>Authorized Capital:</b> 500,000,000 Ordinary Shares of Tk.10/each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
<b>Issued, Subscribed &amp; Paid up Capital</b> 329,647,500 Ordinary Shares of Tk.10/each fully paid	<b>3,296,475,000</b>	<b>3,296,475,000</b>

Sl. No.	Name of the shareholders	Value of shares as on 30 June 2022	Value of shares as on 30 June 2021
1	<b>Investment Corporation of Bangladesh (ICB), Represented By:</b> i) Mr. Md. Abul Hossain Managing Director, ICB ii) Mr. Razi Uddin Ahmed General Manager, ICB	3,296,474,400	3,296,474,400





Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
Sl. No.	Name of the shareholders	Value of shares as on 30 June 2022	Value of shares as on 30 June 2021
2	Mr. Md.Asaduzzaman Khan, Executive Director, Credit Rating Information Services Limited (CRISL).	-	100
3	Mr. Dr. Md. Humayan Kabir Chowdhury, Professor, Dept of Marketing, Jagannath University.	100	100
4	Mr. Md.Shafiul Alam Deputy Secretary/ Deputy Director NGO Affairs Bureau The Prime Minister's Office	100	-
5	Quazi M.Munzur-I-Muqshed, Deputy Secretary/Economic Adviser, Bangladesh Atomic Energy Regulation Authority, Ministry of Science & Technology, Govt. of Peoples Republic of Bangladesh	-	100
6	Ms. Fouzia Haque, FCA Director Partner, FAMES & R, Chartered Accountants	100	100
7	Mr. Md. Amzad Hossain Ex-Commissioner Bangladesh Securities and exchange Commission (BSEC)	100	-
8	Mr. Asit Kumar Chakravorty Chief Executive Officer & Director ICB Capital Management Limited.	100	-
9	Ms. Shukla Das Chief Executive Officer & Director ICB Capital Management Limited.	-	100
10	Ms. Mahmuda Akter, DGM, Nominee of ICB	-	100
11	Mr. Shariqul Anam, DGM, Nominee of ICB	100	-
<b>Total</b>		<b>3,296,475,000</b>	<b>3,296,475,000</b>

**15. General Reserve :**

<b>Opening Balance</b>	372,000,000	372,000,000
<b>Balance as at 30 June</b>	<b>372,000,000</b>	<b>372,000,000</b>

**16 Other Reserves:**

Dividend Equalization Fund (16.01)	407,605,750	407,605,750
<b>Total Other Reserves</b>	<b>407,605,750</b>	<b>407,605,750</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>16.01</b>	<b>Dividend Equalization Fund :</b>		
	Opening Balance	407,605,750	407,605,750
	Balance as at 30 June	<u>407,605,750</u>	<u>407,605,750</u>
<b>17</b>	<b>Retained Earnings:</b>		
	Opening Balance	296,720,232	255,388,642
	Add: Net Profit after tax during the year	137,117,705	75,274,699
		433,837,937	330,663,341
	Less: Transferred to Employees welfare fund with adjustment	376,268	(978,359)
	Less: Retained Earnings transferred for 1.50 % Interim Dividend to Shareholders FY 2021-2022	(49,447,125)	(32,964,750)
	Balance as at 30 June	<u>384,767,079</u>	<u>296,720,232</u>
<b>18</b>	<b>Interest Income:</b>		
	Interest on Margin loan to Investors (18.01)	404,011,218	268,894,196
	Less : Interest Weaver to Investors	-	-
	Net Interest Income on Margin Loan	404,011,218	268,894,196
	Add : Interest on Bank Deposits	19,074,222	27,415,483
	Add : Interest on FDR	-	8,632,067
	Add : Interest on Personal Loan-Officer	785,981	603,764
	Add : Interest on Personal Loan-Staff	366,174	385,225
		<u>424,237,596</u>	<u>305,930,735</u>
<b>18.01</b>	<b>Interest on Margin Loan to Investors :</b>		
	Int. Income from Non-Discretionary Account Holders	403,935,284	268,828,164
	Int. Income from Discretionary Account Holders	75,934	66,032
		<u>404,011,218</u>	<u>268,894,196</u>
<b>19</b>	<b>Interest Paid on Borrowings:</b>		
	Interest on Short Term Loan from ICB	110,351,388	249,562,500
	Interest on Loan from PBKKBST	-	-
	Interest Paid on Lease Liabilities	361,997	369,086
		<u>110,713,386</u>	<u>249,931,586</u>
<b>20</b>	<b>Dividend Income</b>	<u>114,465,728</u>	<u>120,637,914</u>

Detail are Shown in "Annexure-C"



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>21</b>	<b>Profit on Sale of Securities:</b>		
	Sale Proceeds of Shares	1,361,134,996	1,357,781,535
	Less: Cost of Shares Sold	1,074,505,475	1,022,107,097
		<b>286,629,521</b>	<b>335,674,438</b>
	Add/ (Less) Prior Year Adjustment	2,026	-
		<b>286,631,547</b>	<b>335,674,438</b>
	<b>Details are shown in 'Annexure-F'</b>		
<b>22</b>	<b>Fees and Commission Income :</b>		
	Portfolio Management fees ( <b>22.01</b> )	51,637,557	30,181,375
	Manager to the Issue Fees	8,834,783	6,960,000
	Underwriting Commission	1,169,750	486,757
	Service Charge from Investors ( <b>22.02</b> )	21,051,636	17,358,613
		<b>82,693,726</b>	<b>54,986,745</b>
<b>22.01</b>	<b>Portfolio Management Fees :</b>		
	Portfolio Mgt. fees from Non-Discretionary Account Holders	51,563,052	30,138,282
	Portfolio Mgt. fees from Discretionary Account Holders	74,505	43,093
<b>22.02</b>	<b>Service Charge from Investors :</b>		
	Service Charges from Investors (Non-Discretionary Account Holders)	21,051,636	17,356,626
	Service Charges from Investors (Discretionary Account Holders)	-	1,987
		<b>21,051,636</b>	<b>17,358,613</b>
<b>23</b>	<b>Trustee and Custodian Fees :</b>		
	Trustee Fees	25,663,031	35,749,173
	Custodian Fees	18,946,044	15,163,791
		<b>44,609,075</b>	<b>50,912,964</b>
<b>24</b>	<b>Income from EEF &amp; ESF:</b>		
	Income from EEF	1,225,000	485,000
	Income from ESF	3,930,000	13,850,000
		<b>5,155,000</b>	<b>14,335,000</b>
<b>24.01</b>	<b>Income from EEF</b>		
	EEF Project Examination Fee	900,000	440,000
	EEF Project Documentation charges	325,000	45,000
		<b>1,225,000</b>	<b>485,000</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>24.02</b>	<b>Income from ESF</b>		
	ESF Project Examination Fee	3,930,000	13,850,000
		<b>3,930,000</b>	<b>13,850,000</b>
<b>25.</b>	<b>Other Operating Income:</b>		
	Documentation Charges for A/C Opening	230,500	450,500
	Sale of Account Opening Form	14,740	17,160
	Charge for Securities withdrawal	27,303	1,180,471
	Account Closing Charges	1,248,000	369,300
	Account Maintenance Fees	2,777,600	2,788,900
	IPO Application Money/Service Charge	83,445	357,355
	Other Income	258,018	583,901
		<b>4,639,606</b>	<b>5,747,587</b>
<b>26.</b>	<b>Salaries and Allowance:</b>		
	Basic Pay	47,882,744	45,555,854
	Medical Allowance	2,588,710	2,640,726
	Conveyance & Transport	3,203,797	3,138,254
	House Rent Allowance	24,169,536	23,176,084
	Provident Fund	3,911,295	3,795,268
	Superannuation Fund	3,374,867	3,286,127
	Other Staff Expenses	27,921,290	26,926,625
	Gratuity Provision	10,447,080	9,458,380
	Festival Bonus	12,171,079	8,449,071
	Incentive Bonus	22,179,040	15,369,200
		<b>157,849,437</b>	<b>141,795,590</b>
	Expenditure under the head of Salary and allowances has been segregated under <b>Note no. 26.01.</b>		
<b>26.01</b>	<b>Chief Executive Officers' (CEO) Salary and Allowance</b>	3,005,819	3,165,977
	Other Officers' Salary and Allowance	117,780,998	97,146,908
	Staff Salary and Allowances	37,062,620	41,482,705
		<b>157,849,437</b>	<b>141,795,590</b>
<b>27.</b>	<b>Rent, Taxes, Insurance, Electricity etc.:</b>		
	Rent, rates, Taxes, Electricity & Water	4,009,598	4,178,210
	Insurance	78,656	107,924
		<b>4,088,254</b>	<b>4,286,134</b>
<b>28.</b>	<b>Legal and Professional Expenses :</b>		
	Fees to BSEC, BMBA and Others	831,574	237,004
	Other Legal and Professional Fees	180,905	108,000
		<b>1,012,479</b>	<b>345,004</b>



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
<b>29.</b>	<b>Postage, Telephone and Stamps :</b>		
	Postage	229,210	94,155
	Telephone	180,484	187,689
	Stamps	48,297	45,924
		<b>457,991</b>	<b>327,768</b>
<b>30.</b>	<b>Stationery, Printing &amp; Advertisement etc. :</b>		
	Stationery and Printing	2,492,810	1,772,409
	Advertisement and Publicity	115,464	122,765
		<b>2,608,275</b>	<b>1,895,174</b>
<b>31.</b>	<b>Director's Fee :</b>		
	Fees for Attending Meeting	929,200	688,000
		<b>929,200</b>	<b>688,000</b>
<b>32.</b>	<b>Repairs and Maintenance of Assets :</b>		
	Office Premises, Furniture & Fixtures	245,396	242,742
	Office Equipment & Computer	1,020,778	750,964
	Repair & Maintenance -Generator	57,804	18,903
	Repairs & Maintenance of Motor Vehicle	839,444	597,921
	Fuel & CNG Bill	886,834	853,678
		<b>3,050,256</b>	<b>2,464,207</b>
<b>33.</b>	<b>Other Operating Expenses :</b>		
	Traveling and Conveyance	2,265,052	2,280,966
	Entertainment Expenses	1,245,685	870,877
	Corporate Social Responsibility (CSR)	350,000	-
	Business Development	1,153,828	1,117,700
	Newspapers and Periodicals	143,014	115,456
	Bank Charges & Excise Duty	78,372	51,724
	Cookeries and Cutleries	55,261	57,205
	Security Services Charges	3,382,099	3,270,211
	Washing and Cleaning Charges	31,813	20,581
	AGM Expenses	716,040	293,440
	Excise Duty	536,300	424,650
	Computer Software and Website Maintenance	952,826	1,042,357
	Satellite TV	24,000	24,450
	Chairman's Honorarium and Telephone Bill	396,000	279,000
	Donation & Subscription	255,000	120,000
	Legal and CIB Charges	232,438	45,434
	Training Exp.	36,525	193,923
	*VAT Expenses	-	815,271
	Milad	61,249	70,150



Notes No.	Particulars	Amount in Taka	
		2021-2022	2020-2021
	Sports and Cultural Program	1,798,680	1,351,676
	Fees to the Members of Prospectus Evaluation Committee, Tender Evaluation or any evaluation Committee	205,600	175,600
	Recruitment Expenses	436,540	19,000
	Tax token Road Permit	16,930	11,604
	Subscription Fee of IPO (Own Fund)	26,334	24,000
	Service charge to Amin Moh .Property Mgt Service	453,384	453,384
	Expense for National Integrity Strategy/Prize	44,280	-
	Honoraum for Member of Board of Trustee	14,375	30,000
	Cleaner (Outsourcing)	532,704	547,008
	Amercement imposed by BSEC and Others	500,000	-
	National Day Celebrations and Others	98,475	-
	Municipal Tax (Floor Space)	152,540	-
	Miscellaneous Expenses	147,312	153,072
		<b>16,342,656</b>	<b>13,858,739</b>

\*VAT expenses was shown In the FY 2020-21 separately as a single head. From the FY 2021-22 VAT has been included with the related expenses.

#### 34. Earning Per Share:

Attributable Profit for the year	137,117,705	75,274,699
Number of Share	329,647,500	329,647,500
<b>Earning Per Share</b>	<b>0.42</b>	<b>0.23</b>
<b>Diluted EPS</b>	<b>0.42</b>	<b>0.23</b>

#### 35. Related Party Disclosure:

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

Details of transactions with related party and balances as at June 30, 2022 were as follows:

Name of the related party	Transaction nature	
Investment Corp. of Bangladesh (Holding Company)	PBKKBST Special Fund	
Investment Corp. of Bangladesh (Holding Company)	Short Term Loan	1,05,00,00,000.00



**ICB Capital Management Limited**  
**Fixed Asset Schedule**

As on 30 June, 2022

Sl. No.	Category of Fixed Assets	Cost			Depreciation			Rate of Depreciation %		
		Balance as on 1 July, 2021	Additions during the year	Deletion/ sold during the year	Balance as at 30 June, 2022	Charged during the year	Deletion/ adjustment during the year		Balance as at 30 June, 2022	Written Down Value as on 30 June, 2022
		1	2	3	4=(1+2-3)	5	6	7	8	9=(4-8)
1	Land	106,937,306			106,937,306		0		-	106,937,306
2	Building	234,702,708	-	-	234,702,708	46,025,993	5,867,567.71	-	51,893,560.41	182,809,147
3	Furniture and Fixture	12,504,809	99,147	-	12,603,956	7,932,660	937,041.24	-	8,869,701.48	3,734,254
4	Interior Decoration	35,648,743	-	-	35,648,743	28,448,678	2,885,140.72	-	31,333,818.76	4,314,924
5	Office Equipment	15,933,492	11,550	-	15,945,042	14,463,978	736,266.56	-	15,200,244.83	744,797
6	Air Conditioner & Refrigerator	23,076,588	-	-	23,076,588	18,429,246	1,859,244.00	-	20,288,490.37	2,788,097
7	Telephone Installation	194,955	-	-	194,955	174,073	7,913.05	-	181,986.05	12,969
8	Motor Vehicles	8,154,000	-	-	8,154,000	8,154,000	-	-	8,154,000.00	-
9	Computer Hardware	16,416,981	870,605	-	17,287,586	14,448,209	1,045,910.15	-	15,494,119.44	1,793,467
10	Application Software	442,080	-	-	442,080	442,080	-	-	442,080.00	-
<b>Sub Total</b>		<b>454,011,662</b>	<b>981,302</b>	<b>-</b>	<b>454,992,964</b>	<b>138,518,918</b>	<b>13,339,083</b>	<b>-</b>	<b>151,858,001</b>	<b>303,134,960</b>
11	Right-to-use-Assets	8,640,866	5,865,575	-	14,506,441	3,595,655	3,902,367	-	7,498,022.18	7,008,419
	<b>FY 2021-22</b>	<b>462,652,528</b>	<b>6,846,877</b>	<b>-</b>	<b>469,499,405</b>	<b>142,114,573</b>	<b>17,241,450</b>	<b>-</b>	<b>159,356,024</b>	<b>310,143,379</b>

## Photo Archive



Farewell to Mr. Gazi Mastafa Haque, CEO (Additional Charge) by the Board.



Farewell to Mr. Md. Asaduzzaman Khan (Director, ICML) by the Board.



Congratulating Mr. Asit Kumar Chakravorty by the Board and employees on his joining as the Chief Executive Officer of ICML.



Congratulating Mr. Md. Amzad Hossain on his joining as the Director of ICML.



Farewell to Mrs. Nasmin Anwar (General Manager, ICB and Director, ICML) by the Board.





Congratulating Mr. Razi Uddin Ahmed (General Manager, ICB) on his joining as the Nominated Director of ICML.



Congratulating Mr. Md. Jahid Hossain, Deputy Secretary, FID on his joining as the Director of ICML.



Signing Ceremony with Haji Ahmad Brothers Securities Ltd. for Panel Broker.



Signing Ceremony with ICB Asset Management Company Ltd. for Unit Selling Agent of Open-end Mutual Fund.



Annual Performance Agreement (APA) Signing Ceremony for the FY 2022-2023.

# Glimpse of স্বাধীনতা সুবর্ণজয়ন্তী পুরস্কার-২০২১



# Agreement Signing Ceremony with Sonali Bank Ltd. for Digital Payment System Gateway



## গ্রাহক সেবা সপ্তাহ-২০২১



## শুদ্ধাচার পুরস্কার প্রদান



## মেধাবৃত্তি প্রদান



## আন্তর্জাতিক নারী দিবস উদ্‌যাপন



# বার্ষিক ক্রীড়া প্রতিযোগিতা, সাংস্কৃতিক অনুষ্ঠান ও প্রীতিভোজ- ২০২২



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