

Notes to the Accounts

**12.00 Cash and cash equivalents**  
**EDB**  
 Mutual Trust Bank Limited 100,000,000 100,000,000  
 Union Capital Limited 74,000,000 100,000,000  
 Haji Finance Company Limited 30,000,000 -  
**204,000,000 200,000,000**

**13.00 Share capital**  
**13.01 Authorized capital**  
 500,000,000 ordinary shares of Taka 10 each. **5,000,000,000 5,000,000,000**

**13.02 Issued, subscribed and paid-up capital**  
 325,000,000 ordinary shares of Taka 10 each fully paid. **3,250,000,000 3,250,000,000**

**13.03 Shareholding Position of the Company**

| Share Holders                 | Number of Share    | Percentage     |
|-------------------------------|--------------------|----------------|
| Mutual Trust Bank Limited     | 324,999,000        | 99.998%        |
| Mr. Md. Hashem Chowdhury      | 1,000              |                |
| Mr. Gautam Prasad Das         | 1,000              |                |
| Mr. Syed Rafiqul Hossain      | 1,000              | 0.002%         |
| Mr. Swapnan Kumar Biswas      | 1,000              |                |
| Mr. Abdul Mannan              | 1,000              |                |
| Mr. Md. Nazrul Islam Mazumder | 1,000              |                |
| <b>Total</b>                  | <b>325,000,000</b> | <b>100.00%</b> |

**14.00 Retained earnings**  
 Opening balance 191,816,692 82,071,512  
 Net profit during the year 61,719,685 109,745,180  
 Dividend paid during the year - -  
**253,536,377 191,816,692**

**15.00 Capital reserve for investments with DSE**  
 Shares issued by DSE 48,113,290 54,113,290  
 Less: Membership cost - 6,000,000  
**48,113,290 48,113,290**

**16.00 Accounts Payable**  
 It represents money deposited by client for trading purpose. The details are as follows:  
 Payable to clients (Note 16.01) 276,020,912 351,646,857  
 Payable to (DSE) (Note 16.02) 23,211,122 1,266,218  
 Payable to (DSE)-dealer (Note 16.02) 2,911 232,492  
 Others payable (Note 16.03) 37,203,907 33,557,110  
**336,438,852 386,702,677**

**16.01 Payable to clients**  
 This balance represents the clients' sale proceed of securities and deposit against securities purchase which is currently lying with the Company's bank account.

**16.02 Payable to Dhaka Stock Exchange (DSE)**  
 This balance has been resulted from purchase of securities through Dhaka stock Exchange Limited.

**16.03 Others payable**  
 This balance represents cheques issued to various client but not yet cleared and various suppliers payable.

**17.00 Loan from MTB**  
 This represents amount received from Mutual Trust Bank (MTB) Limited for margin loan paid to customers and other operating purpose for the MTB Securities Limited  
 Opening balance - 200,000,000  
 Less: Cash Paid during the year - 200,000,000  
**- -**

**18.00 Liabilities for expenses**  
 Salary & Allowances 8,019,336 9,000,000  
 Office rent 165,120 293,138  
 Electricity bill 248,130 1,236,846  
 Mobile & T&T bill 48,000 48,000  
 Advertisement 74,986 206,611  
 Audit Fee 69,000 69,000  
 Repair & Maintenance 220,373 249,075  
 Office Maintenance 380,184 391,644  
 Cleaning of Office Premises 199,347 394,572  
 Utility bill 310,196 1,163,254  
 Entertainment 203,084 266,688  
 Security Service Bill 263,457 363,392  
 CDBL Charge 368,864 770,624  
 Software Maintenance 137,700 116,200  
 Marketing & Business Development cost 1,092,455 538,617  
 Provision for foreign trade commission repatriation 4,671,353 1,889,414  
 Others Expenses 407,350 1,339,981  
**16,578,855 18,157,055**

**19.00 Provision for income tax**  
 Opening balance 39,864,523 39,864,523  
 Addition during the year (Note: 19.01) 32,109,036 -  
 Payment during the year - -  
**71,973,559 39,864,523**

**19.01 Addition during the year**  
 Current tax expenses (Note: 35) 32,109,036 -  
**32,109,036 -**

**20.00 Deferred Tax Liability**  
 Deferred tax is calculated on the difference between tax base of asset & liability and carrying amount of asset & liability on the financial statement as per IAS 12 (Income Taxes).  
 Opening balance 4,835,728 4,514,310  
 Deferred tax expenses during the year (Annexure-D) 243,633 321,418  
**5,079,361 4,835,728**

**21.00 Provision for margin loan:**  
 Opening balance 318,463,876 280,920,887  
 Add: Addition during the year (Note: 33) 39,000,000 88,000,000  
 Less: Written off during the year 308,989,716 50,456,211  
**308,474,160 318,463,876**

This provision is made as per BSEC guideline and to reduce the risk of investment.

**22.00 Provision for investment in (Margin Loan & Securities)**  
 Opening balance 29,000,000 17,000,000  
 Addition during the year (Note: 34) 31,000,000 31,000,000  
**60,000,000 48,000,000**

This provision is made as per BSEC guideline and to reduce the risk of investment.

**23.00 Net Assets Value (NAV) per share**  
 Net Assets (23.01) 3,551,649,667 3,489,929,982  
 Number of ordinary shares outstanding 325,000,000 325,000,000  
**10.92 10.74**

**23.01 Net Assets**  
 Total Assets 4,350,194,454 4,286,953,841  
 Less: Liabilities 798,544,787 797,023,859  
**3,551,649,667 3,489,929,982**

**24.00 Brokerage commission**  
 The amount of Taka 160,454,397 is charged on daily turnover during the year as per rate decided by the management of the company.

**25.00 Interest Income**  
 Interest Income Comprises of Interest on margin loan and Interest on bank deposited with various bank.  
 Interest on margin loan 68,733,309 78,300,120  
 Interest on bank deposit with MTB 25,770,703 13,806,191  
 Interest on bank deposit with other bank 16,679,606 35,546,074  
**111,183,618 127,652,385**

**26.00 Income from Investment**  
 Gain/ (loss) on sale of securities -Dealer 19,140,128 25,780,749  
 Gain/ (loss) on sale of Strategic Investment 2,632,322 35,879,317  
 Dividend Income on Strategic Investment 1,474,000 -  
 Dividend Income on investment-Dealer 22,461,072 19,084,580  
**45,807,522 80,744,916**

**27.00 Margin account maintenance**  
 The amount of Taka 714,692 represents service charges on margin account, which were received from the customer during the year.

**28.00 Depository participant**  
 This amount represents BO maintenance, demate charge and CDS charges. The detail is as follows:  
 BO maintenance fees 9,542,700 9,932,575  
 Dematerialization charges 10,785 2,025  
 CDS charges 275,885 497,985  
**9,829,370 10,432,585**

**29.00 Other operating income**  
 Other income represents Cheque return charge & IPO application fee charged on the customer.  
 Other Income 625,029 664,309  
**625,029 664,309**

**30.00 CDBL charges**  
 The amount of Taka 12,309,234 represent BO opening, maintenance, CDS charge and other expenses charged by CDBL.

**31.00 Office & administrative expenses**  
 Salary & Allowances 81,739,725 74,110,832  
 Office rent 26,647,422 25,033,154  
 Insurance expenses 220,448 229,855  
 Electricity bill 1,699,293 2,102,291  
 Postage & telegraph 85,049 98,806  
 Mobile & T&T bill 722,100 648,000  
 Table/Petty stationery 532,439 387,147  
 Computer stationery 359,751 367,852  
 Advertisement -Company's Own 310,511 316,164  
 Directors' fees 554,400 669,300  
 Audit fee 69,000 69,000  
 Depreciation 6,442,730 6,008,513  
 Repair & Maintenance 343,618 463,262  
 Maintenance of office premises 274,084 300,578  
 Car expenses 2,026,456 2,150,735  
 Securities service 3,217,228 1,521,370  
 Office cleaning 2,385,565 2,215,900  
 Utility bill 2,181,637 3,397,610  
 Conveyance 266,833 200,797  
 Entertainment -Refreshment/Party Diner 1,658,198 1,548,358  
 Periodical, Magazine, News paper 45,506 48,539  
 Bank charge & excise duty 217,676 351,286  
 Training expenses 47,299 24,548  
 Travelling expenses 300,475 2,100  
 Software maintenance 200,000 -  
 Business Development Expenses 483,677 418,808  
 Foreign trade commission repatriation 2,781,939 1,659,132  
 Registration charge, fees & renewal 991,677 1,044,069  
 Professional fees 65,500 290,695  
**136,870,238 126,584,431**

Schedule of Property, Plant & Equipment

MTB SECURITIES LIMITED  
 Schedule of Property, Plant & Equipment  
 As at 31 December, 2019

| Particulars                         | Cost                     |                          |                          | Rate               | Depreciation             |                     |                       | Balance as on 31.12.2019 | Written down value as on 31.12.2019 |
|-------------------------------------|--------------------------|--------------------------|--------------------------|--------------------|--------------------------|---------------------|-----------------------|--------------------------|-------------------------------------|
|                                     | Balance as on 01.01.2019 | Addition during the year | Disposal during the year |                    | Balance as on 01.01.2019 | Charge for the year | Disposal for the year |                          |                                     |
| Furniture                           | 1,774,999                | 64,600                   | -                        | 1,839,599          | 10%                      | 716,141             | 1,096,654             | 825,795                  | 1,013,804                           |
| Fixtures & fittings                 | 47,353,198               | -                        | -                        | 47,353,198         | 10%                      | 19,919,198          | 2,816,200             | 22,007,398               | 25,345,800                          |
| Office equipment                    | 30,942,110               | 1,535,824                | 24,000                   | 32,453,934         | 20%                      | 22,629,788          | 1,801,546             | 24,407,334               | 8,046,600                           |
| Premises                            | 46,365,000               | -                        | -                        | 46,365,000         | 5%                       | 12,058,385          | 1,715,330             | 13,773,715               | 32,591,285                          |
| <b>Balance as December 31, 2019</b> | <b>126,435,307</b>       | <b>1,600,424</b>         | <b>24,000</b>            | <b>128,011,731</b> |                          | <b>54,995,512</b>   | <b>6,442,730</b>      | <b>61,814,242</b>        | <b>66,997,489</b>                   |

Statement of Strategic Investment in Securities

MTB Securities Limited  
 Statement of Strategic Investment in Securities  
 As at 31 December, 2019

| Name of the Company            | Quantity | Cost Value        | Market Value      |
|--------------------------------|----------|-------------------|-------------------|
| ACT Limited                    | 16,100   | 4,738,230         | 2,922,150         |
| Apex Tannery Ltd               | 22,500   | 3,116,700         | 2,628,000         |
| BD Steel Re-Rolling Mills Ltd. | 11,000   | 934,450           | 536,800           |
| Delta Life Insurance           | 10,000   | 1,169,100         | 785,000           |
| Dhaka Bank Ltd.                | 73,500   | 1,275,960         | 882,000           |
| ICB                            | 22,000   | 2,705,560         | 1,689,600         |
| Khulna Power Co. Ltd           | 125,000  | 9,032,500         | 5,837,500         |
| Meghna Cement                  | 23,100   | 2,237,235         | 1,464,540         |
| Olympic Industries             | 16,000   | 3,963,680         | 2,640,000         |
| Padma Oil Co. Ltd              | 2,600    | 638,794           | 499,720           |
| SAMORITA                       | 18,375   | 1,290,294         | 1,176,000         |
| Shasha Denims Ltd              | 57,570   | 2,992,605         | 1,426,425         |
| Square Pharma                  | 2,600    | 486,538           | 494,200           |
| Summit Power Ltd.              | 100,000  | 4,246,000         | 3,630,000         |
| Unique Hotel & Resort          | 20,000   | 1,092,400         | 878,000           |
| <b>Total</b>                   |          | <b>39,920,046</b> | <b>27,489,735</b> |

Statement of Investment in Securities

MTB Securities Limited  
 Statement of Investment in Securities  
 As at 31 December, 2019

| Name of the Company               | Share Quantity | Cost Value         | Market Value       |
|-----------------------------------|----------------|--------------------|--------------------|
| Aamra networks limited            | 424,000        | 10,000,000         | 15,942,400         |
| aamra technologies                | 126,000        | 4,479,300          | 2,923,200          |
| ACT Limited                       | 57,500         | 16,839,450         | 10,436,250         |
| Active Fine Chemical              | 600,000        | 22,758,000         | 8,820,000          |
| ADN Telecom Limited               | 18,968         | 569,040            | 569,040            |
| AFC Agro Biotech Ltd              | 167,200        | 5,238,376          | 3,344,000          |
| Alfab Automobiles                 | 35,000         | 1,722,000          | 854,000            |
| Al-Arafah Islami Bank             | 35,000         | 597,100            | 602,000            |
| ALLTEX                            | 280,000        | 5,854,800          | 2,576,000          |
| Aman Cotton Fibrous Limited       | 700,000        | 37,191,000         | 14,770,000         |
| AMCL                              | 500            | 94,470             | 85,100             |
| Apex Tannery Ltd                  | 34,978         | 4,728,676          | 4,085,430          |
| ARAMITCEM                         | 80,000         | 2,151,200          | 1,232,000          |
| Argon Denims Limited              | 89,250         | 2,692,673          | 1,481,550          |
| Asia Pacific Ins. Co              | 354,000        | 12,021,840         | 8,814,600          |
| Bashundhara Paper                 | 140,200        | 15,789,324         | 6,449,200          |
| BBS Cables Ltd.                   | 115,500        | 11,591,580         | 6,791,400          |
| BD Steel Re-Rolling Mills Ltd.    | 420,340        | 34,699,067         | 20,512,592         |
| BEXIMCO Ltd.                      | 20,000         | 519,400            | 276,000            |
| BKAC BANK LIMITED                 | 47,000         | 2,726,000          | 2,683,700          |
| BSRM Steel Limited                | 80,839         | 6,192,267          | 3,168,889          |
| Central Pharma Ltd                | 1,386,000      | 36,715,140         | 12,474,000         |
| CONFIDCEM                         | 30,500         | 4,072,970          | 3,236,050          |
| Coppertech Industries Ltd.        | 4,742          | 45,049             | 111,437            |
| Esquire Kni Composite Ltd.        | 10,445         | 417,800            | 295,594            |
| Far East Knitting                 | 65,500         | 694,300            | 589,500            |
| Fareast Islami Life               | 10,000         | 707,300            | 496,000            |
| First Finance Ltd                 | 100,000        | 2,004,000          | 420,000            |
| Fortune Shoes Limited             | 15,000         | 9,140,850          | 345,000            |
| FLYING FOOD                       | 680,000        | 9,314,357          | 6,564,809          |
| GBB Power Limited                 | 390,000        | 9,110,400          | 5,460,000          |
| Genes Infossys Limited            | 392            | 1,410              | 26,421             |
| GOBALLPEN                         | 4,000          | 307,800            | 286,800            |
| GSP Finance (BD) Ltd              | 300,000        | 7,167,000          | 4,560,000          |
| Heidelberg Cement                 | 80,000         | 28,839,200         | 13,184,000         |
| Hwa Well Textiles BD              | 33,000         | 1,367,520          | 1,069,200          |
| IBNSINA                           | 6,200          | 1,454,644          | 1,378,880          |
| ICB                               | 77,000         | 9,277,730          | 5,913,600          |
| Intraco Refueling                 | 20,000         | 327,200            | 272,000            |
| Islami Bank BD Ltd.               | 127,000        | 2,541,270          | 2,425,700          |
| Jamuna Bank Limited               | 300,000        | 6,168,000          | 5,550,000          |
| Kattali Textile Ltd.              | 895,000        | 15,743,050         | 10,113,500         |
| Meghna Cement                     | 346,500        | 34,303,500         | 21,968,100         |
| Meghna Petroleum Ltd.             | 450,000        | 95,580,000         | 73,710,000         |
| Mercantile Bank Ltd.              | 500,000        | 8,120,000          | 6,600,000          |
| MJL Bangladesh Ltd.               | 250,000        | 27,575,000         | 15,825,000         |
| Nahee Aluminium CPL               | 3,000          | 114,510            | 109,800            |
| National Bank Ltd.                | 75,000         | 629,250            | 607,500            |
| Navana CNG Limited                | 100,000        | 6,240,000          | 3,440,000          |
| New Line Clothing Ltd.            | 3,757          | 1,604              | 55,604             |
| NPOLYMAR                          | 16,000         | 1,155,040          | 690,400            |
| ONE Bank Ltd                      | 20,000         | 208,200            | 206,000            |
| Orion Pharma Limited              | 377,000        | 16,991,390         | 10,141,300         |
| ORIONIFU                          | 750,000        | 48,405,000         | 40,350,000         |
| Padma Oil Co. Ltd                 | 107,000        | 28,969,180         | 20,565,400         |
| PRIME ISLAMI LIFE                 | 71,000         | 4,429,690          | 3,564,200          |
| Pubali Bank Ltd.                  | 120,046        | 4,260,433          | 2,881,104          |
| Quasem Industries Limited         | 300,000        | 17,880,000         | 10,980,000         |
| Queen South Textile               | 220,000        | 9,213,600          | 5,544,000          |
| R. N. Spinning Mills              | 200,000        | 3,386,000          | 780,000            |
| Rangpur Foundry Ltd.              | 7,800          | 1,158,378          | 935,220            |
| Ranmor Steel                      | 50,000         | 2,773,000          | 1,175,000          |
| Ranmor Automobiles                | 3,963          | 21,928             | 235,799            |
| Sea Pearl Beach Resort & Spa Ltd. | 3,730          | 37,300             | 154,049            |
| Shahjibazar Power Co              | 10,200         | 1,013,472          | 714,000            |
| Shasha Denims Limited             | 1,854          | 50,707             | 45,794             |
| Silco Pharmaceuticals Limited     | 3,647          | 30,380             | 110,504            |
| Summit Alliance Port              | 73,840         | 3,437,990          | 1,233,128          |
| Talpu Spinning Mills              | 300,000        | 9,132,000          | 870,000            |
| The ACE Laboratories Ltd.         | 185,000        | 17,832,150         | 11,266,500         |
| THE PREMIER BANK LTD              | 200,660        | 2,574,468          | 2,508,250          |
| Titas Gas T&D Co. Ltd.            | 300,000        | 16,320,000         | 9,900,000          |
| Tosira Industries Ltd.            | 336,803        | 7,571,331          | 4,580,521          |
| Trust Bank Limited                | 102,000        | 3,007,980          | 2,794,800          |
| UNITED FINANCE                    | 190,000        | 4,848,800          | 3,287,000          |
| Western Marine                    | 455,400        | 11,794,860         | 5,100,480          |
| Zahintex Industries               | 120,000        | 1,508,400          | 492,000            |
| <b>Total</b>                      |                | <b>725,723,093</b> | <b>454,281,383</b> |

CALCULATION OF TAX LIABILITY

MTB SECURITIES LIMITED  
 CALCULATION OF TAX LIABILITY

| Calculation of Tax Liability                   | Amount in BDT      | Rate | Amount in BDT        | Amount in BDT     |
|--|--------------------|------|----------------------|-------------------|
| Total Taxable income (As per calculation)      | 117,592,599        |      |                      | 117,592,599       |
| Income from Business                           | 28,709,734         | 35%  |                      | 10,048,407        |
| Other income: (without Dividend)               | 43,075,338         | 35%  |                      | 15,076,368        |
| Income from capital gain (Investment in share) | 21,772,450         | 10%  |                      | 2,177,245         |
| Income from Dividend                           | 24,035,077         | 20%  |                      | 4,807,015         |
| <b>Total income</b>                            | <b>117,592,599</b> |      | <b>Tax liability</b> | <b>32,109,036</b> |

Calculation of Deferred Tax

MTB Securities Ltd.  
 Calculation of Deferred Tax  
 For the year ended 31 December, 2019

| Particulars                                     | 2019        | 2018       |
|---|-------------|------------|
| Net Taxable temporary differences               | 14,512,462  | 13,816,367 |
| Applicable TAX Rate                             | 35.00%      | 35.00%     |
| Deferred TAX (Assets)/Liabilities               | 5,079,362   | 4,835,729  |
| Deferred Tax Expenses is arrived at as follows: |             |            |
| Closing Deferred TAX Liabilities                | 5,079,362   | 4,835,729  |
| Opening Deferred TAX Liabilities                | (4,835,729) |            |