

Reliance Finance Limited

Consolidated Balance Sheet As at 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
PROPERTY AND ASSETS			
Cash			
In hand (including foreign currencies)	4.a	116,808	165,920
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	4.a	1,281,631,954	305,667,289
Total cash		1,281,748,762	305,833,209
Balance with other banks and financial institutions			
In Bangladesh	5.a	2,858,607,949	3,567,169,151
Outside Bangladesh		-	-
Total balance with other banks and financial institutions		2,858,607,949	3,567,169,151
Money at call and on short notice	6.a	-	-
Investments			
Government		-	-
Others	7.a	284,452,717	382,723,009
Total investments		284,452,717	382,723,009
Loans, advances and leases			
Loans, advances and leases	8.a	35,802,985,469	39,970,732,364
Bills purchased and discounted		-	-
Total loans, advances and leases		35,802,985,469	39,970,732,364
Fixed assets including premises, furniture and fixtures	9.a	447,262,214	472,943,101
Other assets	10.a	564,124,208	368,260,499
Intangible assets	10.b	482,791,040	504,836,610
Non - business assets		-	-
Total assets		41,721,972,359	45,572,497,944
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.a	2,499,333,261	2,868,610,627
Deposits and other accounts			
Term deposit	12.a	29,716,087,731	34,176,105,950
Scheme deposit		40,818,889	36,250,688
Other deposit		1,004,348	16,546,705
Bills Payable		-	-
Total Deposits and other accounts		29,757,910,968	34,228,903,343
Other liabilities	13.a	5,850,259,293	4,923,953,251
Total liabilities		38,107,503,523	42,021,467,221
Capital/shareholders' equity			
Paid up capital	14.a	2,000,000,000	2,000,000,000
Statutory reserve	15.a	308,375,286	295,906,416
Other reserve	16.a	-	-
Retained earnings	17.a	994,154,566	943,721,267
Revaluation reserve	18.a	111,563,701	111,563,701
Total shareholders' equity		3,414,093,553	3,351,191,384
Non-controlling interest		200,375,283	199,839,339
Total liabilities and shareholders' equity		41,721,972,359	45,572,497,944

Particulars	Notes	2019 Taka	2018 Taka
Consolidated Balance Sheet Continued			
OFF-BALANCE SHEET ITEMS			
Contingencies & other commitments	19.a		
Contingent liabilities			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments			
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-

The annexed notes 1-63 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on **August 26, 2020** and were signed on its behalf by:

Company Secretary	Managing Director	Director
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Signed as per annexed report of even date

Dhaka
August 26, 2020

M A FAZAL & CO.
Chartered Accountants

Reliance Finance Limited
Consolidated Profit and Loss Account
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
Interest income	21.a	4,441,787,540	4,999,322,197
Interest paid/profit shared on deposits and borrowings etc.	22.a	3,322,722,046	4,033,047,007
Net interest income		1,119,065,494	966,275,190
Investment income	23.a	(1,086,174)	2,105,500
Fees, Commission, exchange and brokerage	24.a	22,635,514	32,821,457
Other operating income	25.a	5,095,999	4,263,632
		26,645,339	39,190,588
Total operating income (A)		1,145,710,833	1,005,465,778
Salaries and other employee benefits	26.a.	147,390,369	145,740,863
Rent, taxes, insurance, electricity etc.	27.a.	31,671,196	30,598,367
Legal expenses	28.a.	928,927	387,430
Postage, stamp, telecommunication etc.	29.a.	3,776,636	3,479,980
Stationery, printing, advertisements etc.	30.a.	4,424,446	3,511,087
Managing Director's salary and fees	31.a.	7,700,000	7,700,000
Directors' fees	32.a.	916,000	1,018,800
Auditors' fees	33.a.	368,000	368,000
Depreciation and repair of assets	34.a.	62,156,141	74,630,223
Other expenses	35.a.	18,884,859	19,439,591
Total operating expenses (B)		278,216,574	286,874,340
Profit before provision	20.a	867,494,260	718,591,437
Non operating income-profit/(loss) on sale of fixed assets		(15,548)	1,393,067
Profit before provision & tax (C)		867,509,808	717,198,370
Provision for loans and advances and leases			
General provision	36.a	(115,885,235)	294,673,650
Specific provision		913,620,850	268,387,287
Provision for diminution in value of investment		944,461	13,803,549
Provision for others		-	-
Total provision (D)		798,680,076	576,864,486
Total profit before tax (C-D)		68,829,731	140,333,884
Provision for taxation			
Current	37.a	4,782,708	13,497,942
Deferred		577,814	19,510,640
		5,360,522	33,008,582
Net profit after tax		63,469,209	107,325,302

Particulars	Notes	2019 Taka	2018 Taka
Consolidated Profit and Loss Account Continued			
Attributable to			
Shareholders of the company		62,933,265	104,849,427
Non-controlling interest		535,944	2,475,875
Appropriations			
Statutory reserve		12,468,870	20,454,499
General reserve		-	-
Proposed cash dividend		-	-
Proposed stock dividend		-	-
Retained surplus		51,000,339	86,870,803
		63,469,209	107,325,302
Weighted average no. of outstanding share	38.1	200,000,000	200,000,000
Earnings per share	38.a	0.31	0.52

The annexed notes 1-63 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on **August 26, 2020** and were signed on its behalf by:

Company Secretary

Managing Director

Director

Signed as per annexed report of even date

Dhaka
August 26, 2020

M A FAZAL & CO.
Chartered Accountants

Reliance Finance Limited
Consolidated Cash Flow Statements
For the year ended 31 December 2019

Particulars	2019 Taka	2018 Taka
(A) Cash flow from operating activities		
Interest receipt	4,441,787,540	4,999,322,197
Interest paid on deposits and borrowings	(3,322,722,046)	(4,033,047,007)
Dividend receipt	14,957,110	10,597,399
Income from investment in securities	(16,043,284)	(8,491,899)
Fees & commission receipt	22,635,514	32,821,457
Cash payment to employees	(155,090,369)	(153,440,863)
Cash payment to suppliers	(4,424,446)	(3,511,087)
Income tax paid	(90,844,427)	(359,671,197)
Cash receipt from other operating activities	5,095,999	4,263,632
Cash payment for other operating activities	(118,701,759)	(147,206,885)
Cash generated from operating activities	776,649,833	341,635,747
Changes in operating assets and liabilities		
Purchase/sale of trading securities	98,270,292	(104,276,181)
Loan and lease finance to customers	3,369,066,818	1,543,794,007
Other assets	(195,863,709)	403,511,145
Deposit from other Banks	533,088,910	(1,409,632,459)
Deposit received from customers	(5,004,081,284)	(2,200,753,450)
Other liabilities	1,011,789,947	1,086,387,988
Sub Total	(187,729,026)	(680,968,949)
Net Cash flows from operating activities	588,920,807	(339,333,202)
(B) Cash flows from investing activities		
Proceed from sale of fixed assets	(15,548)	(1,393,067)
Payment for purchase of securities	-	-
Purchase/sale of property, plant & equipment	47,726,457	161,113,927
Net cash flows from investing activities	47,710,909	159,720,860
(c) Cash flows from financing activities		
Increase/(decrease) of borrowings	(369,277,365)	(329,203,598)
Share capital & Share money deposit	-	-
Net cash flows from financing activities	(369,277,365)	(329,203,598)
Net increase/(decrease) in cash & cash equivalents (A+B+C)	267,354,350	(508,815,940)
Cash and cash equivalents at the beginning of the year	3,873,002,361	4,381,818,301
Cash and cash equivalents at the end of the year (D+E)	4,140,356,710	3,873,002,361
Cash and cash equivalents at the end of the year represents		
Cash in hand	116,808	165,920
Balance with Bangladesh Bank and its agent bank	1,281,631,954	305,667,289
Balance with other banks and financial institutions	2,858,607,949	3,567,169,151
Money at call and on short notice	-	-
	4,140,356,710	3,873,002,361

Accompanying notes form part of these financial statements and are to be read in conjunction therewith.

Reliance Finance Limited
Consolidated Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	Paid-up Capital	Share Money Deposited	Statutory Reserve	Other Reserve	Revaluation Reserve	Retained Earnings	Total	Minority Interest	Total Equity
Balance as at 01 January 2018	2,000,000,000	-	275,451,917	-	111,563,701	868,141,431	3,255,157,049	205,832,866	3,460,989,915
Net profit for the year	-	-	20,454,499	-	-	84,394,928	104,849,427	2,475,875	107,325,302
Prior years' adjustment	-	-	-	-	-	(8,815,092)	(8,815,092)	(8,469,402)	(17,284,494)
Addition to revaluation reserve	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-
Shares issued during the year 2018	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2018	2,000,000,000	-	295,906,416	-	111,563,701	943,721,267	3,351,191,384	199,839,339	3,551,030,723
Balance as at 01 January 2019	2,000,000,000	-	295,906,416	-	111,563,701	943,721,267	3,351,191,384	199,839,339	3,551,030,723
Net profit for the year	-	-	12,468,870	-	-	50,464,395	62,933,265	535,944	63,469,209
Addition to revaluation reserve	-	-	-	-	-	-	-	-	-
Prior years' adjustment	-	-	-	-	-	-	-	-	-
Stock dividend	-	-	-	-	-	-	-	-	-
Shares issued during the year 2019	-	-	-	-	-	-	-	-	-
Balance as at 31 December 2019	2,000,000,000	-	308,375,286	-	111,563,701	994,185,662	3,414,124,649	200,375,283	3,614,499,932

Accompanying notes form part of these financial statements and are to be read in conjunction therewith.

Reliance Finance Limited

Balance Sheet As at 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
<u>PROPERTY AND ASSETS</u>			
Cash			
In hand (including foreign currencies)	4.0	43,063	21,057
Balance with Bangladesh Bank and its agent bank (including foreign currencies)		1,281,631,954	305,667,289
Total cash		1,281,675,017	305,688,346
Balance with other banks and financial institutions			
In Bangladesh	5.0	2,766,053,935	3,516,384,449
Outside Bangladesh		-	-
Total balance with other banks and financial institutions		2,766,053,935	3,516,384,449
Money at call and on short notice	6.0	-	-
Investments			
Government		-	-
Others	7.0	89,857,578	152,444,799
Total investments		89,857,578	152,444,799
Loans, advances and leases			
Loans, advances and leases	8.0	33,645,183,860	37,985,067,293
Bills purchased and discounted		-	-
Total loans, advances and leases		33,645,183,860	37,985,067,293
Fixed assets including premises, furniture and fixtures	9.0	431,505,977	453,265,382
Other assets	10.0	1,396,784,443	1,130,866,572
Non - business assets		-	-
Total Assets		39,611,060,809	43,543,716,842
<u>LIABILITIES AND CAPITAL</u>			
Liabilities			
Borrowings from other banks, financial institutions and agents	11.0	2,189,267,565	2,601,667,891
Deposits and other accounts			
Term deposit	12.1	29,718,759,039	34,178,514,244
Scheme deposit	12.2	40,818,889	36,250,688
Other deposit	12.3	1,004,348	16,546,705
Bills Payable		-	-
Total deposits and other accounts		29,760,582,276	34,231,311,636
Other liabilities	13.0	4,251,671,282	3,363,541,977
Total liabilities		36,201,521,123	40,196,521,503
Capital/shareholders' equity			
Paid up capital	14.0	2,000,000,000	2,000,000,000
Statutory reserve	15.0	308,375,286	295,906,416
Other reserve	16.0	-	-
Retained earnings	17.0	989,600,700	939,725,220
Revaluation reserve	18.0	111,563,701	111,563,701
Total shareholders' equity		3,409,539,686	3,347,195,337
Total liabilities and shareholders' equity		39,611,060,809	43,543,716,842

Particulars	Notes	2019 Taka	2018 Taka
Balance Sheet Continued			
OFF-BALANCE SHEET ITEMS			
Contingencies & other commitments	19.0		
Contingent liabilities	19.1		
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
Total contingent liabilities		-	-
Other commitments	19.2		
Documentary credits and short term trade-related transactions		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
Total other commitments		-	-
Total off-balance sheet items including contingent liabilities		-	-

The annexed notes 1-63 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on **August 26, 2020** and were signed on its behalf by:

Company Secretary	Managing Director	Director
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Signed as per annexed report of even date

Dhaka
August 26, 2020

MA FAZAL & CO.
Chartered Accountants

Reliance Finance Limited
Profit and Loss Account
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
Interest income	21.0	4,173,167,277	4,745,068,113
Interest paid on deposits and borrowings etc.	22.0	3,106,785,560	3,855,744,004
Net interest income		1,066,381,717	889,324,109
Investment income	23.0	(9,821,735)	12,686,638
Fees, commission, exchange and brokerage	24.0	-	-
Other operating income	25.0	4,657,814	4,263,632
		(5,163,921)	16,950,270
Total operating income (A)		1,061,217,796	906,274,379
Salaries and other employee benefits	26.0	110,927,871	113,936,237
Rent, taxes, insurance, electricity etc.	27.0	21,063,047	19,971,784
Legal expenses	28.0	928,927	387,430
Postage, stamp, telecommunication etc.	29.0	2,689,024	2,359,736
Stationery, printing, advertisements etc.	30.0	4,095,874	3,169,528
Managing Director's salary and allowances	31.0	7,700,000	7,700,000
Directors' fees	32.0	616,000	748,800
Auditors' fees	33.0	230,000	230,000
Depreciation and repair of assets	34.0	35,037,614	45,241,372
Other expenses	35.0	13,327,200	12,381,870
Total operating expenses (B)		196,615,557	206,126,757
Profit before provision	20.0	864,602,240	700,147,622
Non operating income-profit /(loss) on sale of fixed assets		-	-
Profit before provision & tax (C)		864,602,240	700,147,622
Provision for loans and advances and leases			
General provision on unclassified loans, advances and leases		(205,709,046)	53,174,958
Specific provision on classified loans, advances and leases		1,003,444,601	498,202,888
Provision for diminution in value of investment		944,521	25,486,640
Provision for others		-	-
Total provision (D)	36.0	798,680,076	576,864,486
Total profit before tax (C-D)		65,922,163	123,283,136
Provision for taxation			
Current	13.5	3,000,000	1,500,000
Deferred	13.6	577,814	19,510,640
		3,577,814	21,010,640
Net profit after tax		62,344,349	102,272,496

Particulars	Notes	2019 Taka	2018 Taka
Profit and Loss Account Continued			
Appropriations			
Statutory reserve	15.0	12,468,870	20,454,499
Other reserve		-	-
Proposed cash dividend		-	-
Proposed stock dividend		-	-
Retained surplus	17.0	49,875,479	81,817,996
		62,344,349	102,272,496
Weighted average no. of outstanding share	38.1	200,000,000	200,000,000
Earnings per share	38.0	0.31	0.51

The annexed notes 1-63 form an integral part of these financial statements. These financial statements were approved by the Board of Directors on **August 26, 2020** and were signed on its behalf by:

Company Secretary

Managing Director

Director

Signed as per annexed report of even date

Dhaka
August 26, 2020

M A FAZAL & CO.
Chartered Accountants

Reliance Finance Limited
Cash Flow Statements
For the year ended 31 December 2019

Particulars	Notes	2019 Taka	2018 Taka
Cash flow from operating activities			
Interest receipt	39	4,269,142,094	5,009,389,076
Interest paid on deposits and borrowings	40	(3,124,329,628)	(4,031,992,404)
Dividend receipt		7,399,234	1,409,250
Cash payment to employees		(110,927,871)	(113,936,237)
Cash payment to suppliers		(4,095,874)	(3,169,528)
Income tax paid		(159,329,126)	(16,578,227)
Cash receipt from other operating activities	41	(12,563,155)	15,541,020
Cash payment for other operating activities	42	(59,341,861)	(48,637,283)
Cash generated from operating activities		805,953,813	812,025,667
Changes in operating assets and liabilities			
Purchase/Sale of trading securities		62,587,221	(3,250,467)
Loan and lease finance to customers		3,541,203,357	1,903,445,254
Other assets	43	(61,771,318)	(12,768,216)
Deposit from other Banks		533,351,923	(1,409,437,403)
Deposit received from customers		(5,004,081,284)	(2,200,753,450)
Other liabilities	43	761,303,314	571,162,275
Sub Total		(167,406,787)	(1,151,602,008)
Net cash from operating activities		638,547,026	(339,576,340)
Cash flows from investing activities			
Proceed from sale of fixed assets		-	-
Purchase of property, plant & equipment		(490,545)	(7,840,936)
Net cash from investing activities		(490,545)	(7,840,936)
Cash flows from financing activities			
Increase/(decrease) of borrowings		(412,400,325)	(148,597,606)
Money received from share capital		-	-
Net cash from financing activities		(412,400,325)	(148,597,606)
Net increase/(decrease) in cash & cash Equivalents (A+B+C)		225,656,156	(496,014,882)
Effect of exchange rate changes on cash & cash equivalents		-	-
Cash and cash equivalents at the beginning of the year		3,822,072,796	4,318,087,678
Cash and cash equivalents at the end of the year	44.0	4,047,728,952	3,822,072,796
Cash and cash equivalents at the end of the year represents			
Cash in hand		43,063	21,057
Balance with Bangladesh Bank and its agent bank		1,281,631,954	305,667,289
Balance with other banks and financial institutions		2,766,053,935	3,516,384,449
Money at call and on short notice		-	-
		4,047,728,952	3,822,072,796

Accompanying notes form part of these financial statements and are to be read in conjunction therewith.

Reliance Finance Limited
Statement of Changes in Equity
For the year ended 31 December 2019

Particulars	Paid-up Capital	Share Money Deposit	Statutory Reserve	Other Reserve	Revaluation Reserve	Retained Earnings	Total
Balance as at 01 January 2018	2,000,000,000	-	275,451,918	-	111,563,701	857,907,224	3,244,922,843
Net profit for the year	-	-	20,454,499	-	-	81,817,996	102,272,496
Addition to revaluation reserve during the year	-	-	-	-	-	-	-
Shares issued during the year 2018	-	-	-	-	-	-	-
Balance as at 31 December 2018	2,000,000,000	-	295,906,417	-	111,563,701	939,725,220	3,347,195,338
Balance as at 01 January 2019	2,000,000,000	-	295,906,417	-	111,563,701	939,725,220	3,347,195,338
Net profit for the year	-	-	12,468,870	-	-	49,875,479	62,344,349
Addition to revaluation reserve during the year	-	-	-	-	-	-	-
Shares issued during the year 2019	-	-	-	-	-	-	-
Balance as at 31 December 2019	2,000,000,000	-	308,375,286	-	111,563,701	989,600,700	3,409,539,686

Accompanying notes form part of these financial statements and are to be read in conjunction therewith.

Reliance Finance Limited

**Liquidity Statement
Assets & Liabilities Maturity Analysis
As at 31 December 2019**

(Amount in Taka)

Particulars	Upto 01 Month	01-03 Months	03-12 Months	01-05 Years	More than 05 years	Total
Assets						
Cash and cash equivalents (Note-4)	1,281,675,017	-	-	-	-	1,281,675,017
Balance with other banks and financial institutions (Note-5)	565,056,624	550,249,328	1,650,747,983	-	-	2,766,053,935
Money at call on short notice (Note-6)	-	-	-	-	-	-
Investment in securities (Note-7)	35,943,031	34,145,880	19,768,667	-	-	89,857,578
Loans, advances & leases (Note-8)	134,580,735	925,242,556	13,794,525,383	13,794,525,383	4,996,309,803	33,645,183,860
Fixed assets including premises, furniture and fixtures etc (Note-9)	529,265	1,587,794	6,351,174	29,390,810	135,973,800	431,505,977
Other assets (Note-10)	2,095,177	45,395,494	108,949,187	898,132,397	342,212,188	1,396,784,443
Non-banking assets	-	-	-	-	-	-
Total assets (i)	2,019,879,849	1,556,621,051	15,580,342,394	14,722,048,589	5,474,495,792	39,611,060,809
Liabilities						
Financing (borrowing) from other banks, financial institutions and agents (Note-11)	65,678,027	273,658,446	248,262,942	882,274,829	719,393,322	2,189,267,565
Deposits and other accounts (Note-12)	208,324,076	366,055,162	13,496,424,062	11,606,627,088	4,083,151,888	29,760,582,276
Provision and other liabilities (Note-13)	4,251,671	102,040,111	1,734,681,883	2,164,100,682	246,596,934	4,251,671,282
Total Liabilities (ii)	278,253,774	741,753,718	15,479,368,887	14,653,002,599	5,049,142,144	36,201,521,123
Net Liquidity Gap (i-ii)	1,741,626,074	814,867,333	100,973,507	69,045,990	425,353,647	3,409,539,686

Accompanying notes form part of these financial statements and are to be read in conjunction therewith.

Particulars	2019 Taka	2018 Taka
4. Cash		
In hand:		
Local currency	43,063	21,057
Foreign currencies	-	-
Sub-total	43,063	21,057
Balance with Bangladesh Bank:		
Local currency	1,281,631,954	305,667,289
Foreign currencies	-	-
Sub-total	1,281,631,954	305,667,289
Total	1,281,675,017	305,688,346
4.a Consolidated cash		
Reliance Finance Ltd.	43,063	21,057
Reliance Brokerage Services Ltd.	73,745	144,863
Sub-total	116,808	165,920
Balance with Bangladesh Bank-Reliance Finance Ltd.	1,281,631,954	305,667,289
Total	1,281,748,762	305,833,209

4.1 Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)

Cash Reserve Requirement and Statutory Liquidity Reserve have been calculated and maintained in accordance with Financial Institution Act 1993 and Financial Institution Regulations 1994 and FID circular no. 6 dated 6 November 2003 and FID circular no. 2 dated 10 November 2004.

Cash Reserve Requirement (CRR) has been calculated @ 2.5% (from 1 June 2020, CRR is 1.5%) on Total Term Deposit which is preserved in the current account maintained with Bangladesh Bank. Total Term Deposit means Term or Fixed Deposit, Security Deposit against Lease / Loan and other Term Deposit, received from individuals and institutions (except Banks and Financial Institutions)

Statutory Liquidity Reserve (SLR) has been calculated @ 5% on Total Liabilities, including CRR of 2.5% on Total Term Deposit. SLR is maintained in liquid assets in the form of cash in hand (notes & coins in BDT), balance with Bangladesh Bank and other banks and Financial Institutions, investment at call, unencumbered treasury bill, prize bond, savings certificate and any other assets approved by Bangladesh Bank.

4.1.1 Cash Reserve Requirement (CRR)

2.5% of total term deposits

Required reserve	178,251,066	264,446,056
Actual reserve held (30 days average)	113,150,586	282,026,774
Surplus(deficit)	(65,100,480)	17,580,718

4.1.2 Statutory Liquidity Requirement (SLR)

5% of average liabilities

Required reserve	478,071,874	669,671,461
Actual reserve held (30 days average)	2,765,982,294	3,535,407,652
Surplus/(deficit)	2,287,910,420	2,865,736,191

4.1.3 Held for Cash Reserve Requirement (CRR)

Balance with Bangladesh Bank and its agent bank(s) as per statement	1,281,631,954	305,667,289
	1,281,631,954	305,667,289

Particulars	2019 Taka	2018 Taka
4.1.4 Held for Statutory Liquidity Requirement (SLR)		
Cash in hand	43,063	21,057
Balance with Bangladesh Bank and its agent bank(s)	1,281,631,954	305,667,289
Balance with other banks and financial institutions (note-5)	2,766,053,935	3,516,384,449
	4,047,728,952	3,822,072,796

4.1.5 Cash in hand

Cash in hand represents the amount under imprest system of petty cash to meet petty cash expenses both for head office and branch offices. As per Bangladesh Bank guidelines, NBFIs cannot make any cash transaction except petty cash.

4.1.6 Balance with Bangladesh Bank & its agent bank

Deposit with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). As required by Bangladesh Bank, CRR @ 2.5% is required to maintain with Bangladesh Bank current account on all deposits taken from depositors other than Banks and Financial Institutions. On 31 December 2019 there was a short-fall in CRR.

5. Balance with other Banks and Financial Institutions

This represents balance with various banks and financial institutions in Bangladesh.

Fixed deposit accounts:

Mercantile Bank Ltd.	246,795,778	232,636,270
Phoenix Finance & Investments Ltd.	665,356,250	665,356,250
International Leasing & Financial Service Ltd.	1,689,094,610	2,322,686,526
Peoples Leasing And Financial Services Limited	-	80,000,000
Premier Leasing & Finance Ltd	150,000,000	150,000,000
Total	2,751,246,639	3,450,679,046

Current accounts:

Bank Asia Limited	2,390,341	18,011,864
Jamuna Bank Limited	1,580	12,000
Mercantile Bank Limited	2,939,260	2,445,580
Midland Bank Limited	1,350	40,000
Social Islami Bank Limited	1,027	44,100
Shahajalal Islamic Bank Limited	10,877	167,349
Total	5,344,435	20,720,893

Short term deposit accounts

Dhaka Bank Limited	465,546	8,674,061
First Security Islami Bank Limited	603,647	7,627,805
IFIC Bank Limited	-	738,209
Mercantile Bank Limited	8,176,139	27,188,149
National Bank Limited	-	454,773
Pubali Bank Limited	-	295,247
Union Bank Limited	217,530	6,266
Total	9,462,862	44,984,510
Grand Total	2,766,053,935	3,516,384,449

Fixed deposits are maintained with commercial banks and Non-bank financial institutions for maintaining Statutory Liquidity Reserve as required by Bangladesh Bank. Bangladesh Bank regulations require to maintain Statutory Liquidity Reserve (SLR) @ 5% including the CRR of 2.5% on total liabilities, excluding loans from banks and financial institutions. Reliance Finance Limited maintains this reserve mostly in the form of deposits.

Particulars	2019 Taka	2018 Taka
Maturity wise grouping		
Up to 1 month	565,056,624	39,787,546
More than 1 month but less than 3 months	550,249,328	24,155,246
More than 3 months but less than 1 year	1,650,747,983	3,914,811,760
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
Total	<u>2,766,053,935</u>	<u>3,978,754,551</u>

5.a Consolidated Balance with other Banks and Financial Institutions

This represents balance with various banks and financial institutions in Bangladesh.

Reliance Finance Limited	2,766,053,935	3,516,384,449
Reliance Brokerage Services Limited	92,554,013	50,784,702
	<u>2,858,607,949</u>	<u>3,567,169,151</u>

6 Money at call and short notice

This represents short notice deposit.

Peoples Leasing and Financial Services Ltd.	-	-
	<u>-</u>	<u>-</u>

6.a Consolidated Money at call and short notice

This represents short notice deposit.

Reliance Finance Limited	-	-
Reliance Brokerage Services Limited	-	-
	<u>-</u>	<u>-</u>

Particulars	2019 Taka	2018 Taka
7 Investments		
This represents investments made by the company both in listed and unlisted securities. The investments are made up as under:		
Government securities	-	-
Other investments (note 7.1)	89,857,578	152,444,799
Total	89,857,578	152,444,799
7.a Consolidated investments		
Reliance Finance Limited	89,857,578	152,444,799
Reliance Brokerage Services Limited	194,595,139	230,278,210
Total	284,452,717	382,723,009

7.1 Other investments

Ordinary share	31-Dec-19		Cost	
	No. of Company	Market Value	2019	2018
	Listed securities	21	41,778,462	89,857,578
Unlisted securities	0	-	-	-
Balance at 31 December	21	41,778,462	89,857,578	152,444,799

Listed Securities:

Investments have been recorded at cost and adequate provision for probable future losses as per Bangladesh Bank Circular ref. no. DFIM(C) 1054/01/2013-68, dated 21th January 2013 has been made. Market value of securities has been determined on the basis of the value of securities at the last trading date of the year (Last trading date for 2019 was 30 December).

Name of the company	2019 Market value	2019	2018
		Cost	Cost
BRAC-EPL			
Apex Footwear Limited	1,773,000	3,222,840	3,222,840
Unique Hotel & Resort Limited	3,795,000	10,000,000	10,000,000
RBSL-C-89			
Alif Manufacturing Company Ltd	-	-	6,461,973
Aman Cotton Fibrous Limited	-	-	241,040
BRAC Bank	-	-	2,783,502
Emerald Oil Industries Limited	1,399,216	2,331,196	2,504,344
Familytex BD Ltd	-	-	1,176,203
Indo - Bangla Pharmaceuticals Limited	-	-	2,673
Intraco Refueling Station Limited	-	-	1,267
KDS Accessories Limited	3,181,098	7,450,235	16,333,828
ML Dyeing Ltd	-	-	25,175
Esquire Knit Composite Limited	591,187	940,050	-
National Polymer Industries Limited	-	-	2,867
Orion Pharmaceuticals Limited	2,160,554	4,660,493	4,660,478
Unique Hotel & Resort Limited	790,200	1,073,307	10,917,927
United Airlines	878,850	2,866,136	1,020,244
Usmania Glass Sheet Factory Limited	266,000	1,020,244	3,516,930
RBSL-D-19			
Central Pharmaceuticals Limited	1,044,000	2,715,410	2,715,347
Delta Spinners Limited	4,007,400	9,508,138	9,501,838
Emerald Oil Industries Limited	7,943,068	15,661,262	15,596,265
Fu Wang Foods Limited	3,078,571	5,858,784	17,074,020
Lafarge Surma Cement Ltd	2,822,400	5,716,891	5,716,892
National Polymer Industries Limited	-	-	13,514,369
Quasem Industries Limited	1,278,145	1,806,488	2,803,064
Shahjibazar Power Co. Ltd.	528,360	797,691	958,661
Summit Alliance Port Limited	1,338,287	3,342,156	3,342,156
Summit Power Limited	-	-	3,347,986
Unique Hotel & Resort Limited	-	-	4,116,653
United Airlines	294,000	1,144,355	1,144,354
FSIBL-36			
C & A TEXTILES LIMITED	201,226	1,940,547	1,940,547
Olympic Industries Limited	660,000	1,110,519	1,110,519
Padma Oil Company Limited	3,747,900	6,690,836	6,690,836
	41,778,462	89,857,578	152,444,799

Particulars	2019 Taka	2018 Taka
Unlisted securities		
The unlisted investments are shown at cost because the fair value cannot be measured reliably.		
Unlisted securities	-	-
	-	-
Total	41,778,462	89,857,578
	152,444,799	152,444,799
Sector wise investment in listed securities at cost		
Bank & FIs	-	2,783,502
Insurance companies	-	-
Manufacturing companies and others	89,857,578	149,661,297
Total investment	89,857,578	152,444,799
Maturity wise grouping		
Up to 1 month	35,943,031	59,677,733
More than 1 month but less than 3 months	34,145,880	56,693,846
More than 3 months but less than 1 year	19,768,667	32,822,753
More than 1 year but less than 5 years	-	-
More than 5 years	-	-
Total	89,857,578	149,194,332
8 Loans, advances and leases		
These represent loans, advances and leases financed fully in Bangladesh.		
Lease finance (note 8.1)	188,424,159	222,070,837
Term finance (note 8.2)	29,444,934,080	33,565,901,828
Real estate finance (note 8.3)	3,681,287	7,825,020
Loan against deposits (note 8.4)	487,583,066	577,538,926
Staff loan (note 8.5)	17,288,507	16,437,834
Loan given to RBSL (note 8.10)	3,034,589,610	3,139,589,610
Merchant Banking (other's brokerage houses)	468,683,151	455,703,238
Total	33,645,183,860	37,985,067,293
8.a Consolidated loans, advances and leases		
Reliance Finance Limited	33,645,183,860	37,985,067,293
Reliance Brokerage Services Limited	5,192,391,219	5,125,254,679
	38,837,575,079	43,110,321,972
Less: Inter Company Adjustment	3,034,589,610	3,139,589,610
	35,802,985,469	39,970,732,362
8.1 Lease finance		
Principal outstanding	81,332,593	125,305,811
Accounts receivable	107,091,566	96,765,026
Total	188,424,159	222,070,837
Principal outstanding		
Gross rental receivables	98,346,052	151,906,013
Unearned lease income	(17,013,459)	(26,600,202)
Net investment	81,332,593	125,305,811
8.2 Term finance		
Principal outstanding	22,963,368,937	24,997,015,859
Accounts receivable	6,481,565,142	8,568,885,969
Total	29,444,934,080	33,565,901,828
Term finance includes finance already executed and advance to be executed on later date as per terms of agreement. Such advances carry interest at an agreed rate until the advances are executed.		
Movement of term finance are as under:		
Balance at 1 January	33,565,901,828	37,117,094,397
Investment during the year	1,989,427,470	3,807,466,330
Recovery during the year	(6,110,395,218)	(7,358,658,899)
Balance at 31 December	29,444,934,080	33,565,901,828

Particulars	2019 Taka	2018 Taka
8.3 Real estate finance		
Real estate finance usually made for a period not exceeding 120 months. Details are as under:		
Principal outstanding	3,681,287	7,825,020
Accounts receivable	-	-
Total	3,681,287	7,825,020
Movement of real estate finance are as under:		
Balance at 1 January	7,825,020	5,852,913
Investment during the year	-	4,000,000
Recovery/adjustment during the year	(4,143,733)	(2,027,893)
Balance at 31 December	3,681,287	7,825,020
8.4 Loan against deposits		
This represents outstanding loans given to depositors against term deposits. As per company's policy, Reliance Finance Limited finances to depositors up to 80% of related TDR value. Interest is charged on such loan @ 3% above the interest offered on TDR.		
Movement of loan against term deposit are as under:		
Balance at 1 January	577,538,926	549,645,819
Investment during the year	1,015,621,230	1,071,658,900
Recovery/adjustment during the year	(1,105,577,090)	(1,043,765,793)
Balance at 31 December	487,583,066	577,538,926
Total no. of accounts	282	323
8.5 Staff loan		
Staff loan includes loan provided to the eligible employees as per company's approved policy		
Employees loan against salary	11,048,792	9,087,834
Employees car loan	6,239,715	7,350,000
Balance at 31 December	17,288,507	16,437,834
8.6 Classification wise loans, advances and leases		
	2019	2018
Unclassified :		
Standard	27,574,625,998	29,144,445,202
Special Mention Account	1,329,631,029	5,335,661,427
	28,904,257,026	34,480,106,629
Classified :		
Sub-standard	451,595,179	664,030,855
Doubtful	263,125,760	813,477,164
Bad/loss	4,026,205,895	2,027,452,645
	4,740,926,834	3,504,960,664
Total	33,645,183,860	37,985,067,293
8.7 Geographical location wise loans, advances and leases		
Dhaka Division	33,482,143,996	37,733,347,903
Chittagong Division	163,039,864	251,719,390
Total	33,645,183,860	37,985,067,293

Particulars	2019 Taka	2018 Taka
8.8 Sector wise loans, advances and leases		
As per Bangladesh Bank circular, sector wise loans and advances are as follows:		
Sector		
Trade & Commerce	22,590,121,771	26,437,732,922
Industry:		
Garments & knitwear	1,426,561,222	1,471,274,465
Textile	301,000,385	308,111,384
Food Production & Processing Industry	132,217,452	119,806,792
Iron, Steel & Engineering	1,323,573,285	1,227,928,555
Pharmaceuticals & Chemicals	137,631,773	145,616,990
Cement & Allied Industry	518,477,724	528,929,390
Telecommunication & Information Technology	1,505,401,393	1,663,714,539
Paper, Printing & Packaging	3,669,455	3,814,041
Leather & Leather Goods	425,115,032	444,698,481
Ship Manufacturing Industry	173,832,882	171,908,462
Electronics & Electrical Products	4,518,578	6,590,996
Power, Gas, Water & Sanitary Service	5,059,154	7,637,917
Transport & Aviation	36,082,385	69,893,598
Agriculture	187,387,259	166,366,701
Real estate finance	3,681,287	7,825,020
Others:		
Merchant Banking (Other's Brokerage House)	468,683,151	455,703,238
Reliance Brokerage Services Limited	3,034,589,610	3,139,589,610
Others	1,367,580,063	1,607,924,192
Grand Total	33,645,183,860	37,985,067,293

**8.9 Significant concentration wise loans, advances and leases
Loans, advances and leases to-**

Reliance Brokerage Services Ltd. (Subsidiary)	3,034,589,610	3,139,589,610
Executives/Officers	17,288,507	16,437,834
Customer Groups	1,367,580,063	1,607,924,192
Industrial Investment	6,184,209,266	6,344,117,331
Trade commerce & others	23,041,516,415	26,876,998,326
Total	33,645,183,860	37,985,067,293

8.10 Details of large loans, advances and leases

As per Section 14 (1) (ga) of the Financial Institutions Act 1993 a financial institution can not sanction any loan exceeding 30 percent of its capital (capital plus reserve) without permission from Bangladesh Bank. During the year 2019 Reliance Finance has no such loan except the loan given to its subsidiary. Details are as under:

No. of clients	1	1
Amount of outstanding loans, advances and leases	3,034,589,610	3,139,589,610
Amount of classified loans, advances and leases	-	-
Measures taken for recovery	N/A	N/A

Initially the loan was sanctioned to RBSL in 2010 for an amount of Tk. 200 crore. On February 13, 2011 the loan sanctioned amount was enhanced to Tk. 300 crore. Further on February 12, 2012 the sanctioned amount was enhanced to Tk. 400 crore for a period of 5 years. However, management of REFL has converted the facility from term loan to time loan on 01 February 2017.

Particulars	2019 Taka	2018 Taka
The major terms & conditions of the loan facility are as follows:		
1. Period of the loan shall be 12 months (renewable)		
2. Mode of payment shall be lump sum		
3. REFL shall be in a position to change the rate of interest		
4. Reliance Finance Limited will have the right to ask for any other documents, papers etc., which may be required to execute the loan transaction;		
5. REFL reserves the right to call back the facility extended at any time without assigning any reason whatsoever and or for default in repayments, in that event, the client has to settle all outstanding immediately;		
6. The management of REFL reserves the right to cancel/alter/amend/modify this sanction partly or fully at any time without assigning any reason whatsoever;		
7. Existing terms and conditions of the time loan are subject to change with or without delivering a prior notice to the borrower.		
8. Interests on RBSL loan has been waived during 2019 with the approval of Boards.		

8. 11 Particulars of loans, advances and leases

Particulars	2019	2018
i) Loans considered good in respect of which the company is fully secured	14,861,576,963	14,775,986,893
ii) Loans considered good against which the company holds no other security than the debtors' personal guarantee	18,783,606,897	23,209,080,400
iii) Loans considered good secured by the personal undertakings of one or more parties in addition to the personal guarantee of the debtor	-	-
iv) Loans/leases adversely classified; provision not maintained there-against	-	-
Total	33,645,183,860	37,985,067,293
v) Loans due by directors or officers of the company or any of them either severally or jointly with any other persons	17,288,507	16,437,834
vi) Loans due by companies or firms in which the directors or officers of the company are interested as directors, partners or managing agents or, in case of private companies, as members	3,034,589,610	3,139,589,610
vii) Maximum total amount of advances, including temporary advances made any time during the year to directors or managers or officers of the company or any of them either severally or jointly with any other	1,800,000	1,800,000
viii) Maximum total amount of advances, including temporary advances granted during the year to companies or firms in which the directors of the company are interested as directors, partners or managing agents or, in case of private companies, as members	3,034,589,610	3,139,589,610
ix) Due from banking companies/financial institutions	-	-
x) Classified loan for which interest not charged	4,740,926,834	3,504,960,664
a. Increase/decrease of provision (specific)	-	-
Amount of debts written off	-	-
Amount realized against the debts previously written off	-	-
b. Provision kept against the debt classified as bad/loss at the date of balance sheet	4,026,205,895	2,027,452,645
c. Amount of interest creditable to the interest suspense account	1,215,495,587	992,421,059
xi) Cumulative amount of the written off loans/leases:		
Opening balance	2,908,840,827	2,908,840,827
Amount written off during the year	-	-
Cumulative to date	2,908,840,827	2,908,840,827
The amount of written off loans for which law suit filed	2,908,840,827	2,908,840,827

Particulars	2019 Taka	2018 Taka		
8.12 Particulars of required provision for loans, advances and leases				
Required provision has been made on the overdue as per Bangladesh Bank guidelines. As per guidelines, provisions at the following rate have been made in the accounts depending on the overdue status.				
Investment up to 5 years	Classification Status	Provision (%)		
Up to 2 months	UC	1		
3 to 5 months	SMA	5		
6 to 11 months	SS	20		
12 to 17 months	DF	50		
18 months and above	BL	100		
Investment over 5 years	Classification Status	Provision (%)		
Up to 5 months	UC	1		
6 to 11 months	SMA	5		
12 to 17 months	SS	20		
18 to 23 months	DF	50		
24 months and above	BL	100		
Required provision according to classification status is mentioned below:				
Unclassified - General provision	Prov. Base	Rate	Provision	Provision
Standard	27,574,625,997	1% & 0.25%	316,797,839	190,579,521
Special Mention Account (SMA)	1,277,568,826	5%	63,878,441	246,807,796
	28,852,194,823		380,676,280	437,387,318
Classified - Specific provision				
Sub-standard	144,433,336	20%	28,886,667	43,149,058
Doubtful	207,235,537	50%	103,617,769	3,157,154
Bad/loss	2,302,061,307	100%	2,302,061,307	5,500,322,999
	2,653,730,180		2,434,565,743	5,546,629,211
Required provision for loans, advances and leases (Note 13.1)			2,815,242,023	5,984,016,529
Provision on Share Investment (Note 13.2)			48,079,116	47,134,594
Total Required provision			2,863,321,139	6,031,151,123
Total provision maintained for loans, advances and leases			2,863,321,139	2,064,641,062
Excess /(deficit) provision of loans, advances and leases			-	(3,966,510,061)
8.13 Maturity wise grouping				
Re-payable on Demand			134,580,735	151,940,269
Not more than 3 months			925,242,556	1,044,589,351
Over 3 months but not more than 1 year			13,794,525,383	15,573,877,590
Over 1 year but not more than 5 years			13,794,525,383	15,573,877,590
Over 5 years			4,996,309,803	5,640,782,493
Total			33,645,183,860	37,985,067,293
9 Fixed assets including premises, furniture and fixtures				
Cost:				
Furniture and fixtures			17,749,426	17,670,496
Machineries & Equipments			42,744,471	42,432,856
Software			20,681,658	20,681,658
Vehicles			47,650,664	45,143,102
Office premises			349,510,570	349,410,570
Land			155,999,480	155,999,480
Total cost			634,336,269	631,338,162
Less: Accumulated depreciation and amortization			202,830,292	178,072,780
Written down value at 31 December 2019			431,505,977	453,265,382
Details are shown in Annexure - A.				
9.a Consolidated fixed assets including premises, furniture and fixtures				
Reliance Finance Limited			431,505,977	453,265,382
Reliance Brokerage Services Limited			15,756,237	19,677,719
			447,262,214	472,943,101

Particulars	2019 Taka	2018 Taka
10 Other assets		
Income generating other assets:		
Investment in subsidiary (Note no. 10.1)	535,685,900	535,685,900
Receivable from brokerage houses against sale of shares (Note no. 10.2)	290,090	339,276
Interest receivable on investment in FDR	32,501,759	41,987,582
Interest receivable on investment in Term loan	249,236,500	112,650,966
Advance Income tax (Note no. 13.5)	264,419,801	187,372,959
	1,082,134,050	878,036,683
Non income generating other assets:		
Advance (Note no. 10.3)	4,114,842	7,094,612
Deposits (Note no. 10.4)	-	-
Other receivable (Note no. 10.5)	3,513,416	4,842,121
Receivable from RBSL	307,022,135	240,893,156
	314,650,393	252,829,889
Total	1,396,784,443	1,130,866,572

Management considers all the other assets as good.

10.a Consolidated other assets

Reliance Finance Limited	1,396,784,443	1,130,866,572
Reliance Brokerage Services Limited	12,719,108	16,381,277
	1,409,503,550	1,147,247,848
Less: Inter Company Adjustment	845,379,342	778,987,350
	564,124,208	368,260,499

10.b Intangible assets

Deferred revenue expenses	22,420,122	44,840,243
Membership of stock exchanges	458,500,537	458,500,537
Security Deposits	1,495,830	1,495,830
Total	482,416,489	504,836,610

10.1. Investment in subsidiary

Reliance Finance Limited has one subsidiary on the date of reporting. Consolidated financial statements has been prepared for subsidiary following the requirements of BAS 27.

Investment in share capital	204,000,000	204,000,000
Investment in share money	331,685,900	331,685,900
Total investment in subsidiary:	535,685,900	535,685,900

A brief description of the subsidiary, percentage of shareholding by Reliance Finance Limited, and book value of shares in brief are given below:

Name of the co.	Nature of the business	Type of Shares Held	% of Share Holding	Face value of shares
Reliance Brokerage Services Ltd.	Brokerage House	Ordinary	51%	100

Out of the total of 4,000,000 ordinary shares issued & paid up, Reliance Finance Ltd. holds 2,040,000 ordinary shares of tk. 100 each which is 51% of the total shares of RBSL.

10.2. Receivable from brokerage houses

Reliance Brokerage Services Ltd.	290,090	48,276
BRAC EPL Investments Limited	-	291,000
	290,090	339,276

10.3. Advances

Advance office rent	2,327,695	2,327,695
Advance others	1,787,147	4,766,917
	4,114,842	7,094,612

Particulars	2019 Taka	2018 Taka
10.4. Deposits		
Deposits with BTTB and mobile operator	-	-
	<u>-</u>	<u>-</u>
10.5. Other receivable		
Expense for clients	2,986,523	3,962,558
Receivable against excise duty	526,893	879,563
	<u>3,513,416</u>	<u>4,842,121</u>
11 Borrowing from other Banks, Financial Institutions & Agents		
<u>In Bangladesh</u>		
Secured	-	-
Un secured		
Bank loan (note 11.1)	867,914,971	1,179,931,501
Fund from Bangladesh Bank (note 11.2)	28,886,250	45,834,391
Short term borrowing (note 11.3)	422,466,344	305,901,998
Call loans	140,000,000	170,000,000
Subordinated Bond	730,000,000	900,000,000
	<u>2,189,267,565</u>	<u>2,601,667,891</u>
<u>Outside Bangladesh</u>	-	-
Total	<u>2,189,267,565</u>	<u>2,601,667,891</u>
11.a Consolidated Borrowing from other Banks, Financial Institutions & Agents		
Reliance Finance Limited	2,189,267,565	2,601,667,891
Reliance Brokerage Services Limited	3,344,655,306	3,406,532,346
	<u>5,533,922,871</u>	<u>6,008,200,237</u>
Less: Inter Company Adjustment	3,034,589,610	3,139,589,610
	<u>2,499,333,261</u>	<u>2,868,610,627</u>
11.1 Bank loan		
This represents long term loan taken from different commercial banks, and its movement is as under:		
Balance at 1 January	1,179,931,501	1,379,215,116
Received during the year	-	400,000,000
Repayment during the year	(328,895,426)	(599,283,615)
Balance at 31 December	<u>851,036,075</u>	<u>1,179,931,501</u>
Loans are secured by way of first charge on all fixed and floating assets of the company, ranking pari passu among all the lenders. The period of such loans ranges from three to five years.		
Bank Asia Limited	34,669,983	85,661,415
Jamuna Bank Limited	47,827,000	62,917,557
Mercantile Bank Limited	516,848,580	615,619,309
Mutual Trust Bank Limited	-	50,340,022
Social Islami Bank Ltd.	228,159,334	266,494,833
The UAE-Bangladesh Investment Company Ltd.	40,410,074	66,628,044
Uttara Bank Limited	-	32,270,321
	<u>867,914,971</u>	<u>1,179,931,501</u>
11.2 Fund from Bangladesh Bank		
This fund was reimbursed from Bangladesh Bank under refinancing scheme against financing to small & medium enterprises as well as agricultural projects. The period of loan ranges from one to five years, matching the terms of respective projects. Details are as under:		
Balance at 1 January	45,834,391	51,050,380
Received during the year	-	13,000,000
Repayment during the year	(16,948,141)	(18,215,989)
Balance at 31 December	<u>28,886,250</u>	<u>45,834,391</u>

Particulars	2019 Taka	2018 Taka
Refinance against SME loan from Bangladesh Bank	28,886,250	45,834,391
Refinance against ACSPD loan from Bangladesh Bank	-	-
	28,886,250	45,834,391
11.3 Short-term borrowings		
Short term loans from other Banks and NBFIs:		
Meridian Finance and Investment Ltd.	-	260,000,000
Bangladesh Development Bank Ltd.	54,000,000	-
Mercantile Bank Ltd.	171,466,344	45,901,998
NRB Bank Ltd.	197,000,000	-
	422,466,344	305,901,998
12 Deposit and other accounts		
This Comprises interest bearing deposits from individuals and organizations for period ranging from 6 months to 10 years.		
Term deposits (Note-12.1)	29,718,759,039	34,178,514,244
Scheme deposits - deposit pension scheme (Note-12.2)	40,818,889	36,250,688
Other deposits (Note-12.3)	1,004,348	16,546,705
	29,760,582,276	34,231,311,636
12.a Consolidated deposit and other accounts		
Reliance Finance Limited	29,760,582,276	34,231,311,636
Reliance Brokerage Services Limited	-	-
	29,760,582,276	34,231,311,636
Less: Inter Company Adjustment	2,671,308	2,408,294
	29,757,910,968	34,228,903,342
Deposit types		
Term deposit	29,716,087,731	34,176,105,950
Scheme deposit	40,818,889	36,250,688
Other deposit	1,004,348	16,546,705
	29,757,910,968	34,228,903,342
12.1 Term deposits		
General deposits	4,986,001,899	9,979,109,027
Deposit from other Banks and FIs (Note-12.5)	24,732,757,140	24,199,405,217
	29,718,759,039	34,178,514,244
12.2 Scheme deposits - deposit pension scheme		
General deposits	40,818,889	36,250,688
Deposit from other Banks and FIs	-	-
	40,818,889	36,250,688
12.3 Other deposits		
Lease deposits	-	3,148,133
Loan deposits	1,004,348	12,635,982
Sundry deposits	-	762,590
	1,004,348	16,546,705
12.4 Deposit & other account		
General deposits & others	5,027,825,136	10,031,906,420
Deposit from other Banks and Financial Institutions (Note-12.5)	24,732,757,140	24,199,405,217
	29,760,582,276	34,231,311,636
12.5 Deposit from Other Banks and Financial Institutions		
Agrani Bank Limited	450,000,000	500,000,000
Bangladesh Commerce Bank Ltd	2,500,000,000	1,600,000,000
Bangladesh Development Bank Limited	500,000,000	500,000,000
Bangladesh Infrastructure Finance Fund Limited	162,135,000	160,000,000

Particulars	2019 Taka	2018 Taka
First Security Islami Bank Limited	7,083,700,000	8,013,700,000
International Leasing And Financial Services Ltd	-	812,584,375
Investment Corporation of Bangladesh	590,000,000	650,000,000
Janata bank Ltd.	550,000,000	650,000,000
National Bank Ltd.	150,000,000	150,000,000
NRB Bank Ltd	-	200,000,000
NRB Global Bank Limited	2,887,397,500	2,994,800,000
Peoples Leasing and Financial Services Ltd.	-	80,000,000
Premier Leasing And Investment Limited	150,000,000	150,000,000
Rupali Bank Limited	3,150,000,000	2,150,000,000
Social Islami Bank Ltd.	1,880,000,000	1,620,000,000
Sonali Bank Limited	180,000,000	300,000,000
Union Bank Ltd	3,849,524,640	3,018,320,842
United Commercial Bank Ltd.	650,000,000	650,000,000
	24,732,757,140	24,199,405,217
Movements of deposits are as under:		
Balance at 1 January	34,231,311,636	37,841,502,490
Received/renewed during the year	13,829,857,344	14,340,032,370
Repayment during the year	(18,426,598,732)	(17,950,223,224)
Balance at 31 December	29,634,570,248	34,231,311,636
Maturity wise grouping		
Repayable on demand	-	-
Within 1 month	208,324,076	239,619,181
Over 1 months but not more than 6 months	366,055,162	421,045,133
Over 6 months but not more than 1 year	13,496,424,062	15,523,899,827
Over 1 year but not more than 5 years	11,606,627,088	13,350,211,538
Over 5 years	4,083,151,888	4,696,535,956
Total	29,760,582,276	34,231,311,636
13 Other liabilities		
Provision for loans, advances and leases (note 13.1)	2,815,242,023	2,017,506,468
Provision for diminution in value of investments (note 13.2)	48,079,116	47,134,594
Interest suspense (note 13.4)	1,215,495,587	992,421,059
Provision for income tax (note 13.5)	38,103,292	117,385,576
Deferred tax Liability (13.6)	43,465,273	42,887,459
Financial expenses payable	55,970,014	73,514,080
Payable to brokerage houses (note 13.7)	5,876,323	5,837,094
Excise duty	1,940,116	9,563,256
Withholding tax payable	10,969,566	13,625,980
VAT payable	305,513	640,486
Accrued expenses and other payable (note 13.8)	16,224,458	43,025,924
Total	4,251,671,282	3,363,541,977
13.a Consolidated other liabilities		
Reliance Finance Limited	4,251,671,282	3,363,541,977
Reliance Brokerage Services Limited	1,905,610,146	1,801,304,428
	6,157,281,428	5,164,846,405
Less: Inter Company Adjustment	307,022,135	240,893,156
	5,850,259,293	4,923,953,249
13.1 Provision for loans, advances and leases		
Management, on the basis of analysis of portfolio and guidelines issued by Bangladesh Bank has determined provisions for doubtful losses. The provision is considered adequate to cover the possible future losses.		
General provision on unclassified loans, advances and leases	380,676,280	586,385,326
Specific provision on classified loans, advances and leases	2,434,565,743	1,431,121,142
Provision as on 31 December	2,815,242,023	2,017,506,468

Particulars	2019 Taka	2018 Taka
Movement of general provision on unclassified loans/leases:		
Provision as on 1 January	586,385,326	533,210,369
Add: Provision made/(released) during the year	(205,709,046)	53,174,958
Less: Excess provision transferred to provision reserve	-	-
Provision as on 31 December	380,676,280	586,385,326
 Movement of specific provision on classified loans/leases:		
Provision as on 1 January	1,431,121,142	830,669,126
Less: Fully provided debts written off during the year	-	-
Add: Recoveries of amounts previously written off	-	-
Add: Specific provision made during the year for other accounts	1,003,444,601	498,202,888
Less: Provision no longer required	-	-
Add: Adjustment for write off	-	-
Less: Excess provision transferred to provision reserve	-	-
Add: Provision back from excess kept in the last year	-	102,249,128
Provision as on 31 December	2,434,565,743	1,431,121,142
Total	2,815,242,023	2,017,506,468
 13.2 Provision for diminution in value of investments		
Provision as on 1 January	47,134,594	21,647,954
Add: Provision made during the year (note 13.2.1)	944,521	25,486,640
Provision as on 31 December	48,079,116	47,134,594
 13.2.1 Allocation of provision for diminution in value of investments		
Listed securities	944,521	25,486,640
Unlisted securities	-	-
Total	944,521	25,486,640
 13.3 Provision Excess		
Balance as on 1 January	-	102,249,128
Less: Excess provision transferred to provision on loan/lease	-	102,249,128
Provision as on 31 December	-	-
 13.4 Interest suspense		
Balance as on 1 January	992,421,059	791,054,701
Add: Transferred during the year	273,510,235	420,191,568
Total	1,265,931,294	1,211,246,270
Less:		
Amount of interest suspense recovered	50,435,707	218,825,210
Write off during the year	-	-
Balance as on 31 December	1,215,495,587	992,421,059
 Bangladesh Bank FID circular no. 3 of 2006 requires that interest on loans/leases classified as SMA and above will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities classified as SMA, SS, DF and BL, has been set-aside in this account. Product wise details of interest suspense are given below:		
On lease finance	24,738,290	24,547,321
On term finance	1,190,757,297	967,873,738
On real state	-	-
On housing finance	-	-
On personal finance	-	-
Total	1,215,495,587	992,421,059
 Write-off of loans/leases		

Particulars	2019 Taka	2018 Taka
As per FID Circular no. 03 dated 15 March 2007 of Bangladesh Bank a financial institution should write-off its loans/leases to clean-up its financial statements subject to fulfillment of the following criteria:		
1. Loans/leases classified as Bad and Losses against which 100% provision has been made;		
2. Approval from the Board of Directors is required;		
3. Best endeavors shall be made to recovery the written-off loans/leases. Legal process should be initiated if not started before.		
As per Bangladesh Bank guidelines, Reliance Finance has written-off its loans/leases as under:		
Net outstanding loans/leases written-off	-	-
No. of agreements written-off	-	-
No. of clients written-off	-	-
Interest suspense against written-off loans/leases	-	-
Provision adjusted against written-off loans/leases	-	-
Unapplied Interest & charges written off	-	-
Sundry deposit	-	-
Break up of loans/leases written-off (Cumulative)		
Balance as on 1 January	2,908,840,827	2,908,840,827
Add: Write-off during the year	-	-
Balance as on 31 December	2,908,840,827	2,908,840,827

13.5 Provision for Income tax

Provision for tax comprises provision for current tax and provision for deferred tax as well.

Provision

Balance as at 1st January		117,385,576	346,424,914
Add: Provision made during the year	Note-37	3,000,000	1,500,000
		120,385,576	347,924,914
Settlement of Previous liability		82,282,284	230,539,338
Balance as at 31st December		38,103,292	117,385,576

Advance tax

Balance as at 1st January		187,372,959	401,334,070
Add: Payment made during the year:			
Under section 64 and 74 of ITO 1984 (refund-2016)		40,612,946	3,900,000
Deduction at source (AIT)		36,433,896	45,095,658
		77,046,842	48,995,658
Less: Previous year's adjustment		-	262,956,769
Net balance as at 31st December		264,419,801	187,372,959
		(226,316,509)	(69,987,383)

All income tax assessment completed except AY 2011-12, 2014-15, 2016-17.

13.6 Deferred tax liability

Deferred tax has been calculated based on deductible/taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of Bangladesh Accounting Standard (BAS)12 'Income Taxes'

Deferred tax liability is arrived at as follows:

Particulars	Carrying amount of balance sheet	Tax base	Temporary difference
	Taka	Taka	
Assets			
Fixed assets net of depreciation as on Dec 31, 2019	431,505,977	321,087,287	110,418,689
Total	431,505,977	321,087,287	110,418,689

Particulars	2019 Taka	2018 Taka
Liability		
Gratuity provision	2,646,914	891,407
Total	2,646,914	1,755,507
Assets		
Fixed assets net of depreciation as on Dec 31, 2018	453,265,382	345,045,233
Total	453,265,382	108,220,149
Applicable tax rate		40.00%
Deferred tax liability as on December 31, 2019		43,465,273
Deferred tax liability as on December 31, 2018		42,887,459
Deferred tax expenses accounted for during the year		577,814

13.7 Payable to brokerage houses

This represents payable to various brokerage houses against purchase of shares under own portfolio as well as client portfolio. The transactions under this head are recurring in nature and have been paid in the due date.

FSICIL Securities	5,876,323	5,837,094
	5,876,323	5,837,094

13.8 Accrued expenses and other payable

Provision for gratuity	2,646,914	3,199,527
Staff Provident Fund	8,046,982	287,086
Audit fee payable	230,000	230,000
Provision for others	5,300,562	39,309,311
Balance as on 31 December	16,224,458	43,025,924

14 Share capital

As at 31 December 2019, a total of 200,000,000 (FY 2018: 200,000,000) ordinary shares of Tk.10 each were issued, subscribed and fully paid up. Details are as follows:

Authorized capital

400,000,000 Ordinary shares of Tk. 10 each in 2019	4,000,000,000	4,000,000,000
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Issued, subscribed and paid up capital:

200,000,000 Ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
Total	2,000,000,000	2,000,000,000

14.a Consolidated share capital

Reliance Finance Limited	2,000,000,000	2,000,000,000
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The Board of Directors of REFL in it's 137th meeting held on March 14, 2013 decided to increase authorized capital from Taka 200.00 crore to Taka 400.00 crore. The matter was placed on 8th EGM held on April 08, 2013 for approval of the shareholders. However, Bangladesh Bank vide its letter no. DFIM (C) 1054/22/2012-248, dated 02 April, 2013 gave no objection on this issue .

Pattern of shareholdings

Sponsors/Directors/ Executives	Represented by	No. of Shares Held	No. of Shares Held
Mr. Mohammed Saiful Alam	Self	21,114,780	21,114,780
S. Alam Super Edible Oil Ltd.	Mr. Mohammad Saidur Rahman & Mr.	21,114,780	21,114,780
S. Alam Vegetable Oil Ltd.	Mr. M. Kutub Uddowllah & Alhaj	37,369,940	37,369,940
Chemon Ispat Limited	Mr. A. R. M. Masud FCA & Dr. Momtaz Uddin Ahmed	40,000,000	40,000,000

Particulars		2019	2018
		Taka	Taka
S. Alam Luxury Chair Coach Services	Mr. Abdus Samad & Ms. Halima Begum	21,114,780	21,114,780
Ms. Farzana Parveen	Self	10,738,560	10,738,560
Ms. Shahana Ferdous	Self	16,887,560	16,887,560
Ms. Maimuna Khanam	Self	10,560,680	10,560,680
Ms. Atiqur Nesa	Self	10,549,460	10,549,460
Ms. Marzina Sharmin	Self	10,549,460	10,549,460
Total		200,000,000	200,000,000

Composition of shareholdings

Composition of shareholdings as on 31 December 2019 and 2018 was under:

Group	No. of		No. of Shares		2019	2018
	2019	2018	2019	2018		
Sponsors (Insts.)	4	4	119,599,500	119,599,500	60%	60%
Sponsors (Indivls.)	6	6	80,400,500	80,400,500	40%	40%
General Public (Insts.)	-	-	-	-	0%	0%
General Public (Indivl)	-	-	-	-	0%	0%

14.1 Capital Requirement

Capital Adequacy Ratio (CAR):

As per the Section 4(GHA) of the Financial Institutions Rule, 1994 and subsequently updated vide DFIM Circular No. 5, dated 24 July 2011, the minimum paid-up capital of the Financial Institution (FI) shall be BDT 100 crore; provided that the sum of paid-up capital and reserves shall not be less than the minimum capital required under the Risk-Based Assets of the company, criteria determined by the Bangladesh Bank.

The surplus eligible capital of the company as well as the Group at the close of business on 31 December 2019 were BDT 123.60 crore and BDT 50.52 crore, respectively.

The details are as follows:

		Consolidated		Single	
		2019	2018	2019	2018
Core Capital (Tier-1)/Shareholders' Equity					
Paid-up capital	Note-14	2,000,000,000	2,000,000,000	2,000,000,000	2,000,000,000
Statutory reserves	Note-15	308,375,286	295,906,416	308,375,286	295,906,416
Retained earnings	Note-17	994,154,566	943,721,267	989,600,700	939,725,220
Non-controlling interest		200,375,283	199,839,339	200,375,283	199,839,339
A) Sub-Total		3,502,905,135	3,439,467,022	3,498,351,269	3,435,470,975

Supplementary capital (Tier -II)

General Provision (Unclassified loans up to specified limit + SMA + off Balance Sheet exposure)		698,520,613	607,587,400	642,781,150	550,781,150
Assets Revaluation Reserves up to 50%		55,781,851	55,781,851	55,781,851	55,781,851
Revaluation Reserve for Securities up to 45%		-	-	-	-
Others (Subordinated Bond)		730,000,000	900,000,000	730,000,000	900,000,000
B) Sub-Total		1,484,302,464	1,563,369,251	1,428,563,001	1,506,563,001

Particulars			2019	2018
			Taka	Taka
C) Total eligible capital	4,987,207,598	5,002,836,273	4,926,914,269	4,942,033,976
Total assets + off-balance sheet exp	4,987,207,598	5,002,836,273	4,926,914,269	4,942,033,976
D) Total risk weighted assets	45,777,041,798	49,894,592,001	39,270,885,441	45,350,092,001
E) Required capital on RWA (10%)	4,577,704,180	4,989,459,200	3,927,088,544	4,535,009,200
F) Surplus (C-E)	409,503,419	13,377,072	999,825,725	407,024,776
Capital Adequacy Ratio (%)	10.89%	10.03%	12.55%	10.90%

15 Statutory reserve

Balance as on 1 January			295,906,416	275,451,917
Add: Transferred from profit during the year			12,468,870	20,454,499
Balance as on 31 December			308,375,286	295,906,416

20% of net profit after tax has been transferred to statutory reserve in conformity with the Financial Institution Regulation 1994.

15.a Consolidated statutory reserve

Reliance Finance Limited			308,375,286	295,906,416
Reliance Brokerage Services Limited			-	-
Total			308,375,286	295,906,416

16 Other reserve

The Company has not created any other reserve

16.a Consolidated other reserve.

The Company has not created any other reserve.

17 Retained earnings

Balance as on 1 January			939,725,220	857,907,224
Less: Issuance of bonus shares			-	-
Add: Revaluation reserve transferred			-	-
Add: Profit after tax for the year			49,875,479	81,817,996
Balance as on 31 December			989,600,700	939,725,220

17.a Consolidated retained earnings

Reliance Finance Limited			989,600,700	939,725,220
Reliance Brokerage Services Limited (Note 17.a.a)			4,553,866	3,996,047
Total			994,154,566	943,721,267

17.a.a Retained earnings of subsidiary

Balance as on 1 January			3,996,047	18,703,609
Profit after tax for the year			557,820	2,576,931
Prior year's adjustment			-	(17,284,494)
Balance as on 31 December			4,553,866	3,996,047

18 Revaluation reserve

The above balance is made up as follows :

Opening Balance			111,563,701	111,563,701
Less: Transferred to retained earnings			-	-

Particulars	2019 Taka	2018 Taka
Add: Additon during the year	-	-
Balance as on 31 December	111,563,701	111,563,701
Revaluation reserve (50%)	55,781,851	55,781,851
<p>Revaluation reserve was generated from the valuation of office premises situated in Sara Tower, 11/A Toyenbee Circular Road, Motijheel, Dhaka, World Trade Centre 10-103, Agrabad C/A and GEC branch, Equity Centrium O. R. Nizam Road, Chittagong. The valuation report was submitted by Padma Techno-Consultant & survey Ltd., dated 28 December 2016, certified by M A Fazal & Co. Chartered Accountants.</p>		
18.a Consolidated revaluation reserve		
Reliance Finance Limited	111,563,701	111,563,701
Reliance Brokerage Services Limited	-	-
Balance as on 31 December	111,563,701	111,563,701
19 Contingencies & other commitments		
Contingent liabilities (Note 19.1)	-	-
Other commitments (Note 19.2)	-	-
Total contingencies & other commitments	-	-
19.a Contingencies & other commitments		
Reliance Finance Limited	-	-
Reliance Brokerage Services Limited	-	-
	-	-
19.1 Contingent liabilities		
Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Total contingent liabilities	-	-
19.2 Other commitments		
Documentary credits and short term trade-related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total other commitments	-	-
20 Income statement		
Income		
Interest, discount and similar income (Note 21)	4,173,167,277	4,745,068,113
Dividend income (Note-23)	7,399,234	1,409,250
Commission, exchange and brokerage (Note-24)	-	-
Gains less losses arising from investment securities (Note-23)	(17,220,969)	11,277,388
Other operating income (Note-25)	4,657,814	4,263,632
Total	4,168,003,357	4,762,018,383
Expenses:		

Particulars	2019 Taka	2018 Taka
Interest paid on deposits & borrowing (Note-22)	3,106,785,560	3,855,744,004
Losses on investment (investment in shares)	-	-
Administrative expenses (Note 26 - 32)	148,020,743	148,273,515
Audit Fee (Note-33)	230,000	230,000
Depreciation & repairs on company's assets (Note-34)	35,037,614	45,241,372
Other operating expenses (Note-35)	13,327,200	12,381,870
Total	3,303,401,117	4,061,870,761
Surplus of income over expenditure	864,602,240	700,147,622
20.a Consolidated income statement		
Income		
Interest income	4,441,787,540	4,999,322,197
Investment income	(1,086,174)	2,105,500
Fees, commission, exchange and brokerage	22,635,514	32,821,457
Other operating income	5,095,999	4,263,632
Total	4,468,432,879	5,038,512,785
Expenses:		
Interest paid/profit shared on deposits and borrowings etc.	3,322,722,046	4,033,047,007
Salaries and other employee benefits	147,390,369	145,740,863
Rent, taxes, insurance, electricity etc.	31,671,196	30,598,367
Legal expenses	928,927	387,430
Postage, stamp, telecommunication etc.	3,776,636	3,479,980
Stationery, printing, advertisements etc.	4,424,446	3,511,087
Managing Director's salary and fees	7,700,000	7,700,000
Directors' fees	916,000	1,018,800
Auditors' fees	368,000	368,000
Depreciation and repair of assets	62,156,141	74,630,223
Other expenses	18,884,859	19,439,591
Total	3,600,938,620	4,319,921,348
Surplus of income over expenditure	867,494,260	718,591,437

Particulars	2019 Taka	2018 Taka
21 Interest Income		
Interest income on lease finance	9,414,080	22,229,123
Interest income on term finance	3,782,663,357	4,241,340,184
Interest on housing finance	6,247,494	1,395,547
Interest on FDR	353,188,023	456,769,133
Interest on STD & STL accounts	21,654,323	23,334,126
Total	4,173,167,277	4,745,068,113
21.a Consolidated interest income		
Reliance Finance Limited	4,173,167,277	4,745,068,113
Reliance Brokerage Services Limited	268,620,263	254,254,084
Total	4,441,787,540	4,999,322,197
Inter Company Adjustment	-	-
Total	4,441,787,540	4,999,322,197
22 Interest paid on deposits, borrowings, etc.		
Interest paid on deposits	3,003,965,930	3,593,103,361
Interest expenses on term loan	53,690,074	179,254,573
Interest expenses on SOD loan	11,115,846	13,562,513
Interest expenses on call loan	37,371,147	68,954,025
Interest expenses on re - financing loan	642,563	869,532
Total	3,106,785,560	3,855,744,004
22.a Consolidated interest paid on deposits, borrowings, etc.		
Reliance Finance Limited	3,106,785,560	3,855,744,004
Reliance Brokerage Services Limited	215,936,485	177,303,004
Total	3,322,722,046	4,033,047,007
Adjustment for dealing with subsidiary	-	-
Total	3,322,722,046	4,033,047,007
23 Income from investment		
Capital gain on sale of securities (note 23.1)	(17,220,969)	11,277,388
Dividend income	7,399,234	1,409,250
Total	(9,821,735)	12,686,638
23.a Consolidated income from investment		
Reliance Finance Limited	(9,821,735)	12,686,638
Reliance Brokerage Services Limited	8,735,561	(10,581,138)
Total	(1,086,174)	2,105,500
23.1. Capital gain on sale of securities		
Gain on sales of shares	(17,220,969)	11,277,388
Loss on sales of shares	-	-
Net gain from sale of securities	(17,220,969)	11,277,388
24 Fees, commissions, exchange and brokerage		
Commission on letter of guarantee	-	-
Total	-	-
24.a Consolidated fees, commissions, exchange and brokerage		
Reliance Finance Limited	-	-
Reliance Brokerage Services Limited	22,635,514	32,821,457
Total	22,635,514	32,821,457
Inter Company Adjustment	-	-
Total	22,635,514	32,821,457

Particulars	2019 Taka	2018 Taka
25 Other operating income		
Income from generator	216,000	216,000
Transfer fees	167,593	142,659
Processing fees	2,564,920	2,428,774
Legal & documentation charges	1,030,530	969,216
Other income	678,771	506,983
Total	4,657,814	4,263,632
25.a Consolidated other operating income		
Reliance Finance Limited	4,657,814	4,263,632
Reliance Brokerage Services Limited	438,185	-
Total	5,095,999	4,263,632
26 Salaries and other employee benefits		
Basic salaries	66,545,723	66,381,071
Allowances	41,243,588	35,412,065
Incentive bonus	-	9,000,000
Company's contribution to provident fund	3,138,560	3,143,101
Gratuity	-	-
Total	110,927,871	113,936,237
26.a Consolidated salaries and other employee benefits		
Reliance Finance Limited	110,927,871	113,936,237
Reliance Brokerage Services Limited	36,462,498	31,804,626
Total	147,390,369	145,740,863
<p>(a) Salaries and allowances include contribution to approved Provident Fund, amounting to Tk. 3,143,101 (b) The PF fund is managed separately by a board of trustee and management believes that company's contribution to these funds are adequate.</p>		
27 Rent, taxes, insurance, electricity etc.		
Office rent	15,469,044	14,405,234
Electricity bill	2,639,673	3,341,243
Office Utilities	126,331	14,359
Insurance	2,827,999	2,210,948
Total	21,063,047	19,971,784
27.a Consolidated rent, taxes, insurance, electricity etc.		
Reliance Finance Limited	21,063,047	19,971,784
Reliance Brokerage Services Limited	10,608,149	10,626,583
Total	31,671,196	30,598,367
28 Legal expenses		
Legal fees & charges	635,100	22,653
Professional fees & charges	293,827	364,777
Total	928,927	387,430
28.a Consolidated legal expenses		
Reliance Finance Limited	928,927	387,430
Reliance Brokerage Services Limited	-	-
Total	928,927	387,430
29 Postage, stamp, telecommunication etc.		
Postage, telephone, telex, fax, and e-mail	2,689,024	2,359,736
Total	2,689,024	2,359,736

Particulars	2019 Taka	2018 Taka
29.a Consolidated postage, stamp, telecommunication etc.		
Reliance Finance Limited	2,689,024	2,359,736
Reliance Brokerage Services Limited	1,087,612	1,120,244
Total	3,776,636	3,479,980
30 Stationery, printing, advertisements etc.		
Stationery-tonar & cartridge	327,504	121,630
Stationery expenses	1,450,809	1,045,595
Printing expenses	1,441,811	1,535,049
Advertisement and publicity	875,750	467,254
Total	4,095,874	3,169,528
30.a Consolidated stationery, printing, advertisements etc.		
Reliance Finance Limited	4,095,874	3,169,528
Reliance Brokerage Services Limited	328,572	341,559
Total	4,424,446	3,511,087
31 Managing director's salary and allowances		
Basic salary	4,200,000	4,200,000
Allowances	2,500,000	2,500,000
Incentive bonus	1,000,000	1,000,000
Total	7,700,000	7,700,000
31.a Consolidated managing director's salary and allowances		
Reliance Finance Limited	7,700,000	7,700,000
Reliance Brokerage Services Limited	-	-
Total	7,700,000	7,700,000
32 Directors' fees		
The Company pays fees to its directors for attending the Board meetings and its Committee meetings as permitted by the Bangladesh Bank. As per Bangladesh Bank Circular, a Director may be paid fees for attending Board or its Committee meetings which shall not exceed Tk. 8,000 for attending each meeting. Details are as under:		
Directors' fees	616,000	748,800
Meeting expenses	-	-
Total	616,000	748,800
32.a Consolidated directors' fees		
Reliance Finance Limited	616,000	748,800
Reliance Brokerage Services Limited	300,000	270,000
Total	916,000	1,018,800
33 Auditors fee		
Auditors' fee	230,000	230,000
Total	230,000	230,000
33.a Consolidated auditors fee		
Reliance Finance Limited	230,000	230,000
Reliance Brokerage Services Limited	138,000	138,000
Total	368,000	368,000

Particulars	2019 Taka	2018 Taka
34 Depreciation and repair of assets		
Depreciation of fixed assets	27,645,264	36,247,378
Amortization of intangible assets	3,027,050	4,136,332
Repairs and maintenance	4,365,300	4,857,663
Total	35,037,614	45,241,372
34.a Consolidated depreciation and repair of assets		
Reliance Finance Limited	35,037,614	45,241,372
Reliance Brokerage Services Limited	27,118,527	29,388,850
Total	62,156,141	74,630,223
35 Other expenses		
Petrol, oil, lubricants, CNG & others	2,284,212	3,563,571
Entertainment	3,941,333	2,739,478
Traveling and conveyance	2,377,455	2,689,981
Training expenses	53,000	140,025
AGM expenses (Note no. 35.1)	666,900	744,148
Subscription, papers & periodicals	50,503	60,727
Bank charges	2,671,714	1,362,598
Custody charge	12,870	152,100
Leasing association fee	320,230	200,000
CSR	47,000	-
Business Development expense	480,222	463,259
Miscellaneous expenses	421,761	265,983
Total	13,327,200	12,381,870
35.a Consolidated other expenses		
Reliance Finance Limited	13,327,200	12,381,870
Reliance Brokerage Services Limited	5,557,659	7,057,721
Total	18,884,859	19,439,591
Inter Company Adjustment	-	-
Total	18,884,859	19,439,591
35.1 AGM expenses		
Entertainment	304,900	396,148
Printing of annual report	362,000	348,000
	666,900	744,148
36 Provision against loans, advances and leases		
Provision on unclassified loans & advances (Note-13.1)	(205,709,046)	53,174,958
Provision on classified loan & leases (Note-13.1)	1,003,444,601	498,202,888
Provisions on investment in shares (Note-13.2)	944,521	25,486,640
Provision on others (Note- 13.8)	-	-
	798,680,076	576,864,486
36.a Consolidated provision against loans, advances and leases		
Reliance Finance Limited	798,680,076	576,864,486
Reliance Brokerage Services Limited	-	-
Total	798,680,076	576,864,486
37 Income Tax expenses		
Current	3,000,000	1,500,000
Deferred	577,814	19,510,640
Total	3,577,814	21,010,640

Particulars	2019 Taka	2018 Taka
37.a Consolidated tax expenses		
Reliance Finance Limited	3,000,000	1,500,000
Reliance Brokerage Services Limited	1,782,708	11,997,942
Total	4,782,708	13,497,942

37.1 Current Tax

Provision for current tax has been made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provisions of Income Tax Ordinance, 1984 and amendments made thereto. The current tax rate for the company is 40.00% on taxable income. Full provision has been made for disputed tax against which appeal has been made and decision is pending.

37.2 Deferred Tax

Deferred tax is provided using the balance sheet method for all temporary differences arising between the tax base of assets and liabilities and their carrying values for financial reporting purposes as per Bangladesh Accounting Standard 12 "Income Taxes"

37.3 Average effective tax rate

The average effective tax rate is calculated below as per Bangladesh Accounting Standard 12 "Income Tax"

Tax expenses	3,000,000	1,500,000
Accounting Profit before tax	65,922,163	123,283,136
Average effective tax rate	4.55%	1.22%

The Government through Finance ACT 2014 imposed tax on capital gain from sale of listed companies shares @10 percent effective from 1st July 2014, which has been considered duly.

38 Earnings per share

Earnings Per Share (EPS) is calculated in accordance with Bangladesh Accounting Standard 33: Earnings Per Share, which has been shown on the face of Profit and Loss Account.

Basic earnings per share

The calculation of basic earnings per share at 31 December 2019 was based on the profit attributable to ordinary shareholders and a weighted average number of ordinary shares outstanding for the year ended 31 December 2019 which is as under:

Profits attributable to ordinary shareholders		
Net profit for the year	62,344,349	102,272,496
Weighted average number of ordinary shares		
Ordinary shares at 1 January	200,000,000	200,000,000
Bonus shares issued	-	-
Weighted average number of ordinary shares (Note no.38.1)	200,000,000	200,000,000
Restated weighted average number of ordinary shares	-	-
Earnings per share	0.31	0.51

38.a Consolidated earning per share

0.31

0.52

38.1. Weighted average number of ordinary shares

Particulars	Total Shares	
Ordinary shares at 1 January	200,000,000	200,000,000
Bonus share issued	-	-
New Share issued during the year	-	-

Particulars	2019 Taka	2018 Taka
Weighted average number of shares outstanding	200,000,000	200,000,000
Diluted earnings per share		
The dilutive effect relates to the average number of potential ordinary share held under option of convertibility. There was no such dilutive potential ordinary share during the year 2018 and hence no diluted earnings per share is required to be calculated.		
39 Interest receipt		
Interest, discount and similar income (Note 21)	4,173,167,277	4,745,068,113
Add: opening interest receivable	154,638,548	217,593,153
Less: closing interest receivable	281,738,259	154,638,548
Add: closing interest suspense account	1,215,495,587	992,421,059
Less: opening interest suspense account	992,421,059	791,054,701
	4,269,142,094	5,009,389,076
40 Interest paid on deposit & borrowing		
Interest paid on deposits & borrowing (Note 22)	3,106,785,560	3,855,744,004
Add: opening interest payable on deposit & borrowings	73,514,082	249,762,481
Less: closing interest payable on deposit & borrowings	55,970,014	73,514,082
	3,124,329,628	4,031,992,404
41 Cash receipt from other operating activities		
Income from investment in shares	(17,220,969)	11,277,388
Other operating income (except gain/(loss) on sales of fixed assets)	4,657,814	4,263,632
	(12,563,155)	15,541,020
42 Cash payment for other operating activities		
Electricity & lighting etc.	2,639,673	3,341,243
Legal expenses	928,927	387,430
Postage, stamp, telegram & telephone	2,689,024	2,359,736
Directors' salary, fee & meeting expenses	8,316,000	8,448,800
Auditors' fees	230,000	230,000
Repair, maintenance of company assets	4,365,300	4,857,663
Other expenses with OB adjustment of FA	40,172,937	29,012,411
	59,341,861	48,637,283
43 Cash increase/decrease in other assets:		
Receivable from brokerage houses	290,090	339,276
Advances (Note#10.3)	4,114,842	7,094,612
Other receivable (Note#10.5)	3,513,416	4,842,121
Receivable from RBSL	307,022,135	240,893,156
Investment in RBSL	535,685,900	535,685,900
Deposits with other organization (Note#10.4)	-	-
Total	850,626,383	788,855,065
Cash (increase)/ decrease in other assets	(61,771,318)	(12,768,216)
Cash increase / (decrease) in other liabilities:		
Provision for loans, advances and leases (note 13.1)	2,815,242,023	2,017,506,468
Provision for diminution in value of investments (note 13.2)	48,079,116	47,134,594
Provision reserve for loans, advances and leases (note 13.3)	-	-
Payable to brokerage houses (note 13.7)	5,876,323	5,837,094
Excise duty	1,940,116	9,563,256
Withholding tax payable	10,969,566	13,625,980
VAT payable	305,513	640,486
Accrued expenses and other payable (note 13.8)	16,224,458	43,025,924
Total	2,898,637,116	2,137,333,802
Cash increase / (decrease) in other liabilities	761,303,314	571,162,275

Particulars	2019 Taka	2018 Taka
44 Cash and cash equivalents		
Cash in hand	43,063	21,057
Balance with BB & Sonali Bank Ltd (as agent of Bangladesh Bank)	1,281,631,954	305,667,289
Balance with other Banks & Financial Institutions	2,766,053,935	3,516,384,449
Money at call and on short notice	-	-
	<u>4,047,728,952</u>	<u>3,822,072,796</u>

45 Related party transactions

Reliance Finance Limited in normal course of business carried out a number of transactions with other entities that fall within the definition of related party contained in International Accounting Standard 24: Related Party Disclosures. The Company extends loans/leases to related parties including its directors and related companies. At 31 December 2019, related party loans/leases was Tk. 3,034.59 million. These related party loans/leases were made at the competitive terms including interest rates and collateral requirements, as those offered to other customers of similar credentials. During 2019, there were no loans/leases to related parties that were charged off. Moreover, at 31 December 2019, there were no loans/leases to related parties that were non-performing.

Reliance Finance also takes deposits from its related parties. The rates on deposits offered to them also similar to those offered to other depositors. Total on-balance sheet exposure with the related parties as at 31 December 2019 was as under:

Name of the related party	Relationship	Nature of transaction	2019	2018
Reliance Brokerage Services Ltd.	Subsidiary	Term finance	3,034,589,610	3,139,589,610
		Sales proceeds of membership	307,022,135	240,893,156
		FDR investment with REFL	(2,671,308)	(2,408,294)
		Sales proceeds of share	290,090	48,276
Total			<u>3,339,230,527</u>	<u>3,378,122,748</u>

46 Directors and the entities in which they have interest

Sl. No	Name of the Directors	Designation	Entities where they have interest
1	Mr. Mohammed Saiful Alam	Chairman	First Security Islami Bank Limited First Security Islami Capital & Investment Ltd. S. S. Power I Limited (amalgamated with SS Power II Ltd) Norinco Engineering Limited Reliance Brokerage Services Ltd. Ekushey Television Limited Karnaphuli Prakritik Gas Limited S. Alam Steels Limited S. Alam Cement Limited S. Alam Hatchery Limited S. Alam Luxury Chair Coach Services Limited S. Alam Cold Rolled Steels Limited S. Alam Bag Manufacturing Mills Limited S. Alam Brothers Limited S. Alam Trading Company (Pvt) Limited S. Alam Soyaseed Extraction Plant Limited S. Alam Refined Sugar Industries Limited S. Alam Tank Terminal Limited S. Alam Properties Limited Portman Cements Limited S. Alam Power Generation Limited Sonali Cargo Logistics (Pvt.) Limited Fatehabad Farm Limited Rangdhanu Media Limited Pavilion International Limited Crest holdings Limited Virgin Assets Limited Noor Islamic Holdings Limited Disney Business Solutions Limited Northern General Insurance Company Limited Al-Arafah Islami Bank Limited S. Alam Vegetable Oil Limited S. Alam Super Edible Oil Limited Padma Islami Life Insurance Limited S. Alam & Co.
2	Mr. Abdus Samad	Director	Al-Arafah Islami Bank Ltd. S. Alam Power Plant Limited Karnaphuli Prakritik Gas Limited Marine Empire Limited S. Alam Steels Limited S. Alam Cement Limited S. Alam Hatchery Limited S. Alam Luxury Chair Coach Services Ltd. S. Alam Cold Rolled Steels Limited S. Alam Soyaseed Extraction Plant Limited S. Alam Brothers Limited S. Alam Tank Terminal Limited S. Alam Properties Limited Portman Cements Limited S. Alam Power Generation Limited Sonali Cargo Logistics (Pvt.) Limited Fatehabad Farm Limited Ekushey Television Limited Northern General Insurance Co. Limited AIBL Capital Market Services Limited S. S. Power I Limited (Amalgamated with SS Power II Ltd) Norinco Engineering Limited S. Alam Vegetable Oil Limited S. Alam Super Edible Oil Limited Samad Trading Agency
3	Alhaj Mortoza Siddique Chowdhury	Director	Marsa Fishing Ltd. Marsa Holdings Ltd Park View Hospital Limited Mortaza Assets Ltd. First Security Islami Capital & Investment Ltd. Northern General Insurance Co. Ltd Union Bank Limited Marsa Trading
4	Mr. Md. Nazmul Hoque	Director	Nil
5	Mr. Md. Mustafizur Rahman FCA	Director	Rahman Mostafa Alam & Co., Chartered Accountants Reliance Brokerage Services Limited
6	Dr. A. M. Sarwar Uddin Choowdhury PhD	Director	Nil
7	Mr. Mohammad Nurul Islam	Director	Nil
8	Mr. Syed Abdullah Mohammed Saleh	Director	Nil
9	Mr. A. R. M. Masud FCA	Director	Nil

47 Particulars of the directors/shareholders

Sl. No.	Name of the Shareholder/shareholding company	Name of the director/ shareholder	Address	% of shares as at 31 December, 2019
1	Mr. Mohammed Saiful Alam	Mr. Mohammed Saiful Alam	S. Alam Bhaban, 2119, Asadgonj, Chittagong.	10.56%
2	Ms. Farzana parveen	Ms. Farzana parveen	592/B Mehdibagh, Chittagong.	5.37%
3	S. Alam Luxury Chair Coach Services Ltd.	Mr. Abdus samad	96, French Road, Nayabazar, Dhaka. 350, West High Level Road (Top Hill), Lalkhan Bazar, Chittagong.	10.56%
4	S. Alam Vegetable Oil Ltd.	Mr. Md. Nazmul Haque	House # 09, Road # 05 Nasirabad Housing Society, Chittagong	10.00%
5	Noor Islamic Holdings Limited	Mr. Mohammad Nurul Islam	Flat # A1, House # 02, Road # 14D, Sector# 04, Uttara, dhaka	10.00%
6	Blythe Limited	Prof. Dr. A. M. SarwarUddin Chowdhury PhD	Professor, Dept. of Applied Chemistry & Chemical Engineering, Faculty of	8.69%
7	S. Alam Super Edible Oil Ltd.	Mr. Md. Mustafizur Rahman FCA	Park Aviliya-Apartment - E-5, House # 7B, Road # 86, Gulshan-2, Dhaka-1212	10.56%
8	Chemon Ispat Limited	Mr. A. R. M. Masud, FCA	Apartment # A-3, 1/4 Block-C, Lalmatia, Dhaka-1207	10.00%
		Mr. Syed Abdullah mohammed Saleh	Flat # D01, House # 63, Road # 12A, Dhanmondi R/A, Dhaka-1209	
9	Ms. Maimuna Khanam	Ms. Maimuna Khanam	House # 07, Road # 02, Khulshi, Chittagong	5.28%
10	Ms. Shahana Ferdous	Ms. Shahana Ferdous	840/981, North Agrabad, Muhuripara,	8.44%
11	Ms. Atiqur Nesa	Ms. Atiqur Nesa	22/23 Ashiana Building, Christian Cemetery Road, Bashar Market, Bibirhat, Chittagong.	5.28%
12	Ms. Marzina Sharmin	Ms. Marzina Sharmin	House # 51, Road # 4, Hillview Residential Area, O. R. Nizam Road, Chittagong	5.28%
Total				100.00%

48 Disclosures on the Board Audit Committee

Composition of Audit Committee

The Audit Committee consists of the following directors of the Board:

Name	Status with the Company	Educational Qualification
Mr. Md. Mustafizur Rahman FCA	Director	B. Com and Fellow of ICAB
Mr. A R M Masud FCA	Director	M. Com from University of Dhaka, Bangladesh and Fellow of ICAB
Mr. Syed Abdullah mohammad Saleh	Director	M.A. in Economics from Dhaka University
Mr. Md. Nazmul Hoque	Director	B.Com (Honors) Accounting

Audit Committee meetings held during the year

SL	Meeting no.	Meeting date
1	42 no. Audit Committee meeting	12-Nov-19
2	41 no. Audit Committee meeting	29-Aug-19
3	40 no. Audit Committee meeting	28-Mar-19

The Committee discussed the following issues during the year

- a) Reviewed the financial statements for the year ended December 31, 2019
- b) Reviewed and discussed the management letter by the external auditor M A FAZAL & CO. for the year ended December 31, 2019 on the annual audit on financial statements of Reliance Finance Limited
- c) Recommendation to the Board for appointment of auditors and fixation of their remuneration
- d) Reviewed the Audit Committee Report for the year ended on December 31, 2019
- e) Reviewed the tax status of the company
- f) Reviewed the quarterly and half-yearly financial statements
- g) Reviewed and discussed the inspection report of Bangladesh Bank and management's reply thereon
- h) Reviewed the systems of internal control and its reporting procedure
- i) Reviewed the Internal Audit Report

49 Legal proceedings

The Company is not currently a defendant or a plaintiff in any material lawsuits or arbitration. From time to time, however, the Company is involved as a plaintiff in some actions taken against the default clients in the ordinary course of business for non-payment of rentals/installments. We believe that the ultimate dispositions of those matters will be favorable and will have no material adverse effect on business, financial conditions or results of operations.

50 Board meetings and number of directors

During the year 2019 a total of 05 (Five) Board Meetings were held. As on 31 December 2019, there were 09 members in the Board, having no Independent Director. As per FID circular no. 09 dated 11 September 2002, a non-bank financial institution shall have maximum 11 (Eleven) Directors in the Board. The Managing Director is an ex-officio Director having no voting right.

51 Number of employees

A total number of 217 employees, including 42 support staff and 58 contractual employees were employed in Reliance Finance Limited as of 31 December 2019 (In 2018, 209 employees including 41 support staff and 60 contractual employees). All the employees Individually received salary of Tk. 180,000 and above per annum during the year 2019.

52 Reporting currency and level of precision

The figures in the financial statements represent Bangladesh currency (Taka), which has been rounded off to the nearest Taka.

53 Impact of inflation and changing prices

Financial Institutions are affected differently by inflation than those of industrial ventures. While industrial and manufacturing companies generally have significant investments in inventories and fixed assets, financial institutions ordinarily do not have such investment. As a result, financial institutions are generally in a better position than industrial ventures to respond to inflationary trends by monitoring the spread between interest cost and interest income yields through adjustments of maturities and interest rates of assets and liabilities.

Financial Statements presented herein have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards as adopted by the Institute of Chartered Accountants of Bangladesh (ICAB), which required the measurement of the financial position and operating results in terms of historical costs. However, in some cases, particular IAS/IFRS specifically suggests to measure some assets/liabilities at fair value. Such as, IAS 39 suggests to measure investment in tradable securities at its fair value by crediting shareholders' equity.

54 Events after the reporting period

Considering the present market situation, management of REFL has changed its interest rates on loan and deposits in the alignment of industry.

The loan provided to Reliance Brokerage Services Limited has been renewed for further 1 year from 01 February 2019.

In addition to its existing 4 branches at Dhaka and Chittagong, Reliance Finance wants to open 4 new branches, at Dhaka, Moulovibazar, Sylhet, Comilla within recent years. In this regard it has got Bangladesh Bank approval on 2nd March 2020

55 Foreign currency exposure profile

There were no foreign currency monetary assets or liabilities that would give rise to gains or losses in the profit and loss

account.

56 Comparative figures

Comparative information has been disclosed in respect of the year 2019 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the year 2018 have been restated and rearranged whenever considered necessary to ensure comparability with the current period.

57 Financial highlights

Key financial highlights of the company are annexed as **Annexure-B**.

58 Geographical area of operation

Reliance Finance Limited has Head office with main branch at Motijheel and 4 branches at Uttara & Dhanmandi in Dhaka and Agrabad & GEC in Chittagong. Reliance Finance wants to open 4 new branches, at Gulshan, Moulovibazar, Sylhet, Comilla within recent years.

59 Restriction on payment of cash dividend

As per DFIM circular 09 dated 4 November 2009 of Bangladesh Bank a non-bank financial institution can not declare cash dividend if its capital is below the required level. As on 31 December 2019, the paid up capital of Reliance Finance Limited was BDT 200 crore.

60 Changes in and disagreement with auditors

There were no changes and disagreement with the auditors on accounting and financial disclosures.

61 Departure from IAS 1

According to DFIM Circular no. 11 dated 23 December 2009 there is no scope to use the name or include Statement of Financial Position and Other Comprehensive Income. As such the company does not use the captioned and also not prepare the same.

62 Departure from IAS 39

The requirement of DFIM Circular no. 11 dated 23 December 2009 contradict with the requirement of IAS 39. As per IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year end is to be taken to profit and loss account or revaluation reserve respectively. Reliance Finance Limited followed the guidelines of Bangladesh Bank Circular under which investment in both quoted and unquoted shares were recognized at cost and required provision has been made for the losses arising from diminution in value of investment.

63 Approval of the financial statements

These financial statements were authorized for issue by the Board of Directors of the Company on **26 August 2020**

RELIANCE FINANCE LIMITED

Schedule of Fixed Assets
As on 31 December 2019

ANNEXURE-A

Particulars	C O S T				Rate of Dep.	D E P R E C I A T I O N				Written Down Value at 31 December 2019
	Balance at 1 January 2019	Additions during the year	Disposal/ Transfer during the year	Balance at 31 December 2019		Balance as on 1 January 2019	Transfer/ Adjustment during the year	Charge for the year- 2019	Balance at 31 Dcember 2019	
A. At Cost:										
Furniture & Fixture	17,670,496	78,930	-	17,749,426	10%	12,062,309	-	1,232,508	13,294,817	4,454,609
Machineries & Equipments	42,432,856	311,615	-	42,744,471	20%	37,612,546	-	4,113,359	41,725,905	1,018,566
Software	20,681,658	-	-	20,681,658	20%	15,275,834	-	3,027,050	18,302,884	2,378,774
Motor Vehicles	49,810,664	-	2,160,000	47,650,664	20%	38,358,665	2,160,000	4,720,333	40,918,998	6,731,666
Office Premises	252,222,157	100,000	-	252,322,157	5%	59,527,069	-	12,719,643	72,246,712	180,075,445
Land*	155,999,480	-	-	155,999,480	0%	-	-	-	-	155,999,480
Sub-Total	538,817,311	490,545	2,160,000	537,147,856		162,836,422	2,160,000	25,812,893	186,489,315	350,658,541
B. Revaluation surplus:										
Office Premises	97,188,413	-	-	97,188,413	5%	11,481,556	-	4,859,421	16,340,977	80,847,436
Sub-Total	97,188,413	-	-	97,188,413		11,481,556	-	4,859,421	16,340,977	80,847,436
Total (A+B)	636,005,724	490,545	2,160,000	634,336,269		174,317,978	2,160,000	30,672,314	202,830,292	431,505,977
Total 2018	623,497,226	7,840,936	-	631,338,162		137,689,071	-	40,383,709	178,072,780	453,265,382

*Note: A piece of land measuring 5.45 katha has been purchased in 2017 located at Tejgaon Industrial Area, Sub-Registry Office: Tejgaon, Mouza: Tejgaon I/A, JL NO. 278 (CS & SA), CS Khatian-211, SA Khatian-1433, Mutation Khatian 2749 & 2140.

Revaluation reserve was generated from the valuation of office premises situated in Sara Tower, 11/A Toyenbee Circular Road, Motijheel, Dhaka and World Trade Centre 10-103, Agrabad C/A and GEC branch, Equity Centrium O. R. Nizam Road, Chittagong. The valuation report was submitted by Padma Techno-Consultant & survey Ltd., dated 28 December 2016, certified by M A Fazal & Co. Chartered Accountants.

FINANCIAL HIGHLIGHTS AS REQUIRED BY BANGLADESH BANK

SL #	PARTICULARS	Mode	2019	2018
1	Paid up Capital	Taka	2,000,000,000	2,000,000,000
2	Total Capital	Taka	3,409,539,686	3,347,195,337
3	Capital Surplus	Taka	999,825,725	407,024,776
4	Total Assets	Taka	39,611,060,809	43,543,716,842
5	Total Deposit	Taka	29,760,582,276	34,231,311,636
6	Total Loans, Advances & Leases	Taka	33,645,183,860	37,985,067,293
7	Total Contingent Liabilities and Commitment	Taka	-	-
8	Loans to Deposit Ratio (total loans/total deposits)	%	113.05%	110.97%
9	% of Classified loans against total loans	%	9.45%	9.23%
10	Profit after Tax and Provision	Taka	62,344,349	102,272,496
11	Classified Loans, Advances & Leases	Taka	3,179,469,875	3,504,960,664
12	Provisions kept against classified Loans, Advances & Leases	Taka	2,434,565,743	5,546,629,211
13	Provisions surplus/(depicit) against classified Loans, Advances & Leases	Taka	-	-
14	Cost of Fund	%	10.26%	10.43%
15	Interest Earning Assets	Taka	37,809,927,714	41,980,851,577
16	Non-Interest Earning Assets	Taka	1,801,133,095	1,562,865,265
17	Return on Investment in Share	%	-10.93%	8.32%
18	Return on Assets (ROA)	%	0.15%	0.23%
19	Income from Investment	Taka	(9,821,735)	12,686,638
20	Earning Per Share	Taka	0.31	0.51
21	Credit rating		Long Term: A Short Term: ST-2	Long Term: A Short Term: ST-2
22	Capital Adequacy Ratio		Single-12.55% Consolidated-10.89%	Single-10.90% Consolidated-10.03%

Reliance Brokerage Services Ltd.
WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Statement of Financial Position

as at 31 December 2019

Amounts in Taka

Particulars	Notes	At 31 Dec 2019	At 31 Dec 2018
Non-Current Assets			
Property, plant and equipment	3	15,756,237	19,209,530
Intangible assets	4	374,551	468,189
Other non-current assets	5	482,416,489	504,836,610
		498,547,277	524,514,329
Current Assets			
Advances, deposits and prepayments	6	7,324,022	10,845,515
Accounts and other receivable	7	2,723,778	3,127,467
Margin loan	8	5,192,391,219	5,125,254,679
Investments	9	197,266,447	232,686,504
Cash and bank balances	10	92,627,758	50,929,565
		5,492,333,224	5,422,843,731
Total Assets		5,990,880,502	5,947,358,060
Equity and Liabilities			
Equity			
Share capital	11	400,000,000	400,000,000
Share money deposit	12	331,685,900	331,685,900
Retained earnings	13	8,929,150	7,835,386
		740,615,050	739,521,286
Non-Current Liabilities			
Term loan from Reliance Finance Ltd	14	3,034,589,610	3,139,589,610
Other term loan	15	310,065,696	266,942,736
		3,344,655,306	3,406,532,346
Current Liabilities			
Short term loan	16	1,223,621,409	1,210,173,677
Accounts and other payable	17	349,096,203	298,823,551
Provisions	18	332,892,535	292,307,200
		1,905,610,146	1,801,304,428
Total Equity and Liabilities		5,990,880,502	5,947,358,060

The accompanying notes form an integral part of these financial statements.

Company Secretary

Managing Director & CEO

Director

Dated, Dhaka
August 13, 2020

M A FAZAL & CO.
Chartered Accountants

Reliance Brokerage Services Ltd.
WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Statement of Comprehensive Income
for the year ended 31 December 2019

Particulars	Notes	Amounts in Taka	
		31 Dec 2019	31 Dec 2018
Revenue			
Interest income	19	268,620,263	254,254,084
<u>Less</u> : Interest expense on borrowed fund	20	215,936,485	177,303,004
Net interest income		52,683,777	76,951,081
Brokerage commission	21	22,635,514	32,095,837
Capital gain/(loss) on investment in securities	22	8,735,561	(10,581,138)
Other operating income	23	438,185	725,619
		31,809,260	22,240,318
Total operating income		84,493,037	99,191,399
<u>Less</u> : Operating expenses	24	81,601,017	80,747,583
Operating profit		2,892,020	18,443,816
Provision on margin loan	18.2	-	-
Non-operating income/(loss) from sale of fixed assets		(15,548)	1,393,067
Fair value adjustments for fall in values of investment in securities	18.3	-	-
Profit before income tax		2,876,472	17,050,749
<u>Less</u> : Income tax expense	25	1,782,708	11,997,942
Net profit/(Loss) after tax		1,093,764	5,052,806
Other comprehensive income		-	-
Total comprehensive income for the year		1,093,764	5,052,807

The accompanying notes form an integral part of these financial statements.

Company Secretary

Managing Director & CEO

Director

Dated, Dhaka
August 13, 2020

M A FAZAL & CO.
Chartered Accountants

Reliance Brokerage Services Ltd.

WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Statement of Cash Flows for the year ended 31 December 2019

	Amounts in Taka	
	At 31 Dec 2019	At 31 Dec 2018
Cash flows from operating activities		
Brokerage Income	22,635,514	32,095,837
Fees and commission income	438,185	725,619
Operating expenses	(55,530,250)	(57,206,551)
Income from investment in securities	8,735,561	(10,581,138)
Interest income from margin loan	268,589,167	254,254,084
Interest expense	(215,936,485)	(177,303,004)
Advance income tax	(7,143,299)	(10,471,344)
Advances, deposits and prepayments	208,997	81,251,732
Operating assets	(67,823,649)	(257,936,121)
Accounts Payable	63,628,979	17,443,056
Operating liabilities	33,278,661	48,525,165
Other Payables	1,229,781	2,865,555
Net cash from / (used in) operating activities	52,311,160	(76,337,109)
Cash flows from investing activities		
Acquisition of property, plant and equipment	(367,715)	(69,377)
Disposal of property, plant and equipment	264,000	5,215,152
Investment in fixed deposit	(263,014)	(195,055)
Investment in shares	35,683,071	(101,025,714)
Net cash from / (used in) investing activities	35,316,342	(96,074,994)
Cash flows from financing activities		
Share capital	-	-
Share money deposit	-	-
Loan from Reliance Finance Ltd	(102,500,000)	(100,000,000)
Other term loan	56,570,692	259,611,044
Net cash from financing activities	(45,929,308)	159,611,044
Net increase/(decrease) in cash during period	41,698,194	(12,801,059)
Cash and cash equivalents at the beginning of the year	50,929,566	63,730,624
Cash and cash equivalents at end of the period	92,627,758	50,929,566
Cash and cash equivalents:		
Cash in hand	73,745	144,863
Bank balance	92,554,013	50,784,702
	92,627,758	50,929,565

The accompanying notes form an integral part of these financial statements.

Dated, Dhaka
August 13, 2020

Reliance Brokerage Services Ltd.

WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Statement of Changes in Equity
for the year ended 31 December 2019

Particulars	Share capital	Share money deposits	Retained earnings	Amounts in Taka
				Total
Balance at 01 January 2018	400,000,000	331,685,900	20,067,073	751,752,973
Net profit / (loss) for the year	-	-	5,052,807	5,052,807
Share money deposit	-	-	-	-
Prior year's adjustment	-	-	(17,284,494)	(17,284,494)
Balance at 31 December 2018	400,000,000	331,685,900	7,835,385	739,521,285
Balance at 01 January 2019	400,000,000	331,685,900	7,835,385	739,521,285
Net profit / (loss) for the year	-	-	1,093,764	1,093,764
Prior year's adjustment	-	-	-	-
Share money deposit	-	-	-	-
Issue of shares	-	-	-	-
Balance at 31 December 2019	400,000,000	331,685,900	8,929,149	740,615,049

The accompanying notes form an integral part of these financial statements.

Company Secretary

Managing Director & CEO

Director

Dated, Dhaka
August 13, 2020

M A FAZAL & CO.
Chartered Accountants

Reliance Brokerage Services Ltd.
WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Notes to Financial Statements
For the year ended 31 December 2019

1. The company and its activities

Reliance Brokerage Services Ltd (the Company), a subsidiary of Reliance Finance Limited was incorporated as a private limited company in Bangladesh on 07 April 2010 under the Companies Act 1994 bearing certificate of incorporate no. C-83790/10 having its Head Office at WW Tower (Level 14), 68 Motijheel Commercial Area, Dhaka 1000.

The main objectives of the Company for which it was established are to carry on the business of securities management and brokerage services. The Company has started its business on 29 September 2010.

2. Significant accounting policies

2.1 Basis of presentation of financial statements

The financial statements of the Company are prepared on a going concern basis under historical cost convention in accordance with generally accepted accounting principles. Wherever appropriate, such principles are explained in succeeding notes.

2.2 Components of financial statements

Following are the components of these financial statements:

- (i) Statement of Financial Position (Balance Sheet)
- (ii) Statement of Comprehensive Income (Income and Expenditure Statement)
- (iii) Statement of Changes in Equity
- (iv) Statement of Cash Flows, and
- (v) Accounting policies and explanatory notes

2.3 Property, plant and equipment (Fixed assets) and depreciation

These are stated at cost less accumulated depreciation. Cost represents cost of acquisition and includes purchase price and other directly attributable cost of bringing the assets to working conditions for its intended use. Depreciation is calculated on the cost of fixed assets in order to write off such amounts over the estimated useful life of such assets. The rates of depreciation used on a reducing method are as follows:

<u>Category of Asset</u>	<u>Rate of Depreciation</u>
Furniture and fixtures	10%
Office equipment	20%
Office renovation	20%
Motor vehicles	20%
Computer software	20%

Full year's depreciation has been charged on the assets acquired during the year and no depreciation is charged in the year of disposal.

2.4 Statement of cash flows

Statement of Cash Flows is prepared principally in accordance with IAS-7 "Cash Flow Statement" and the cash flows from operating activities have been presented under direct method as required by the Securities and Exchange Rules 1987.

2.5 Interest income from margin loan

Interest income from margin loan is recognised on accrual basis. Such income is calculated on daily margin loan balance of the respective parties. Income is recognised on quarterly basis.

2.6 Interest expense

Interest expense is recognised on accrual basis.

2.7 Amortisation of deferred revenue expense

Deferred revenue expense is amortised using straight-line method over a period of (eight) 8 years commencing from 2013.

2.8 Related party transaction

Related party transaction is a transfer of resources, services or obligation between related parties and here the related party transactions are the loan taken from Reliance Finance Limited and FDR with Reliance Finance Limited and the brokerage transactions done by the company for Reliance Finance Limited as its client within the financial period.

2.9 Provision on margin loan

No Provision made on margin loan loss has been made at 20% on unrealised loss of margin loans as on 31 December 2013 as per BSEC's directive no: SEC/CMRRCD/2009-193/155 dated 09 December 2013.

2.10 Interest has been stop on zero market value of shares and negative equity

Interest has been stopped on zero market value of shares for 109 clients from 1st January 2016 to on wards with the reference of minutes of 35th Board Meeting dated April 23, 2017. During the year, Out of 109, 43 codes of client's equity have been written off which relating with the decision of reducing Tk. 10 Crore of principle amount of Reliance Finance Ltd. time loan with the reference of minutes of 45th Board Meeting dated June 22, 2020.

Interest of negative of equity for 129 clients have been stopped up to 31st Dec 2019 with the reference of minutes of 45th Board Meeting dated June 22, 2020.

Amounts in Taka			
Sl. No.	Particulars	At 31 Dec 2019	At 31 Dec 2018
3.	Property, plant and equipment		
	Opening balance	85,286,896	90,432,671
	Add: Additions	367,715	69,377
	Less: Sale/Disposal during the year	264,000	5,215,152
	Closing balance (A)	<u>85,390,612</u>	<u>85,286,896</u>
	Depreciation :		
	Opening balance	66,077,366	65,073,502
	Add: Charged for the year	3,786,460	4,489,949
	Less: Adjustment during the year	229,452	3,486,085
	Closing balance (B)	<u>69,634,374</u>	<u>66,077,366</u>
	Written down value (A-B)	<u>15,756,237</u>	<u>19,209,530</u>
	Details are in <u>Annex -I</u>		
4.	Intangible assets		
	Opening balance	2,455,050	2,455,050
	Add: Additions	-	-
	Closing balance (A)	<u>2,455,050</u>	<u>2,455,050</u>
	Depreciation :		
	Opening balance	1,986,861	1,869,814
	Add: Charged for the year	93,638	117,047
	Closing balance (B)	<u>2,080,499</u>	<u>1,986,861</u>
	Written down value (A-B)	<u>374,551</u>	<u>468,189</u>
	Details are in <u>Annex I.</u>		
5.	Other assets		
	Deferred revenue expenses (Note-5.1)	22,420,122	44,840,243
	Membership of stock exchange (Note-5.2)	458,500,537	458,500,537
	Security Deposits	1,495,830	1,495,830
		<u>482,416,489</u>	<u>504,836,610</u>
5.1	Deferred revenue expenses		
	Interest on loan (purchase of membership of DSE and CSE)	123,473,705	123,473,705
	Business promotion expenses	23,600,000	23,600,000
	Commission on corporate guarantee	7,166,667	7,166,667
	Start-up expenses	25,120,597	25,120,597
	Total balance (A)	<u>179,360,969</u>	<u>179,360,969</u>
	Amortisation:		
	Opening Balance	134,520,726	112,100,605
	Add: Addition	22,420,121	22,420,121
	Closing Balance (B)	<u>156,940,847</u>	<u>134,520,726</u>
	Written down value (A-B)	<u>22,420,122</u>	<u>44,840,243</u>
5.2	Membership of stock exchange		
	Dhaka Stock Exchange Ltd	299,653,037	299,653,037
	Chittagong Stock Exchange Ltd	158,847,500	158,847,500
		<u>458,500,537</u>	<u>458,500,537</u>

Amounts in Taka

Sl. No.	Particulars	At 31 Dec 2019	At 31 Dec 2018
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**Reliance Brokerage Services Ltd has received the following shares from DSE and CSE against the membership under demutualization scheme of the stock exchanges:

Stock Exchange	Type of Shares	Face value	No of Shares	No of Shares
Dhaka Stock Exchange Limited	Floated (53%)	10	2,886,042	2,886,042
	Blocked (47%)	10	2,525,287	2,525,287
			5,411,329	5,411,329
Chittagong Stock Exchange Limited	Floated (40%)	10	1,714,932	1,714,932
	Blocked (60%)	10	2,572,398	2,572,398
			4,287,330	4,287,330

Valuation of membership has been shown at cost in the financial statements. The Board of Directors of DSE in 907th meeting held in September 4, 2018 Disbursement 25% of DSE shares to strategic investors Shenzhen Stock Exchange (SZSE) & Shanghai Stock Exchange (SSE). Total RBSL Share was 72,15,106 DSE Sold 18,03,777 shares from Block Account at Tk 3,78,79,317/- which cost was 9,98,84,346/- as per accounts. So Loss of Tk. 6,20,05,029/- realised for the year 2018 in the Accounts Notes: 22.

5.3 Security Deposits

Advane Office Rent (C&F Tower) Agrabad	439,200	439,200
Advance for Nikunja Tower Office Space	850,000	850,000
Central Depository Bangladesh Ltd (CDBL)	100,000	100,000
BTCL	43,130	43,130
Deposit to BBTS	35,000	35,000
Security deposits with CSE	25,000	25,000
Deposit to Sadharon Bima Corp	3,500	3,500
	1,495,830	1,495,830

6 Advances, Deposits & Prepayments

Advance to Asadgonj Br.	45,723	106,671
Advance agt salary to employee Service Staff	115,000	200,000
Advance agt Expense	20,000	67,500
Advance corporate income tax (Note-6.1a)	7,143,299	10,471,344
	7,324,022	10,845,515

6.1a Advance corporate income tax

Opening balance	10,471,344	130,631,859
Add: Paid during the year (note 6.1a.1)	7,143,299	10,471,344
Less: Adjustment up to the year 2017	(10,471,344)	(130,631,859)
Closing balance	7,143,299	10,471,344

6.1a.1 Paid during the year

Corporate income Tax paid as per return	-	-
Advanced income tax on:		

Sl. No.	Particulars	Amounts in Taka	
		At 31 Dec 2019	At 31 Dec 2018
	Interest income	618,204	429,394
	Dividend income	1,503,464	3,382,371
	Tax Deduction on Dealer Account	38,392	177,146
	Traded securities (note 6.1a.1a)	4,983,238	6,482,433
		7,143,299	10,471,344

6.1a.1a) Traded securities

The above amount represents income tax withheld from the transactions of traded securities @ 0.05% which is the final tax liability of the Company under section 82C of the IT Ordinance 1984.

6.2 Deposits

Central Depository Bangladesh Ltd (CDBL)	100,000	100,000
T & T	43,130	43,130
Deposit to BBTS	35,000	35,000
Security deposits with CSE	25,000	25,000
Deposit to Sadharon Bima Corp	3,500	3,500
	206,630	206,630

7. Accounts and other receivable

Receivable from DSE, CSE and merchant bank (Note-7.1)	1,713,090	958,059
Other receivable (Note-7.2)	1,010,688	2,169,409
	2,723,778	3,127,467

7.1 Receivable from DSE, CSE and merchant bank

Dhaka Stock Exchange Ltd	1,210,151	526,461
Chittagong Stock Exchange Ltd	262,743	88,850
Jamuna Capital and Investment Ltd	240,196	342,748
First Security services Ltd	-	-
	1,713,090	958,059

7.2 Other receivable

Loan to employees	1,010,688	2,169,409
Accrued interest from FDR	-	-
	1,010,688	2,169,409

8. Margin loan

Margin loan Receivable

Opening Balance	5,125,254,679	4,865,603,432
Add: Disbursed / (Ralised) during the year	67,136,540	259,651,247
Closing Balance	5,192,391,219	5,125,254,679

Sl. No.	Particulars	Amounts in Taka		
		At 31 Dec 2019	At 31 Dec 2018	
9. Investments				
	Investment in shares (note-9.1)	194,595,139	230,278,210	
	Investment in FDR (note-9.1)	2,671,308	2,408,294	
		197,266,447	232,686,504	
9.1 Investment in shares				
	Investment in quoted securities	151,595,139	187,278,210	
	Investment in Non quoted Securities (Annex 2)	43,000,000	43,000,000	
		194,595,139	230,278,210	
9.1a Details of investment in quoted securities as of 31 December 2018 are as under :				
		Cost Price	Market Price	Provision required
		(a)	(b)	(c=b-a)
		151,595,139	78,789,541	(72,805,598)
TOTAL		151,595,139	78,789,541	(72,805,598)
9.2 Investment in FDR				
	FDR with Reliance Finance Limited	2,671,308	2,408,294	
		2,671,308	2,408,294	

Amounts in Taka

Sl. No.	Particulars	Account no.	At 31 Dec 2019	At 31 Dec 2018
10.	Cash and bank balance			
	Cash in hand		73,745	144,863
	Bank balances with			
	MTBL	00200320002115	457,191	448,665
	MTBL	00200320002124	146,480	144,772
	NRB Global Bank	0111100165781	157,943	204,778
	ONE Bank Ltd	0015025015004	57,201,988	27,001,480
	ONE Bank Ltd	0015025015012	4,076,159	4,407,224
	ONE Bank Ltd	0010025015029	-	6,465,023
	ONE Bank Ltd	0015025015039	-	312,836
	ONE Bank Ltd	0015025015047	15,175	81,138
	ONE Bank Ltd	0010025015053	16,178,857	180,548
	ONE Bank Ltd	0010025015088	18,796	28,101
	ONE Bank Ltd	0010025015061	-	63,068
	ONE Bank Ltd	0013000001335	20,685	1,140,983
	Bank Asia Ltd	00336000988	14,280,740	10,255,668
	BCB	53200058	-	50,419
			92,554,013	50,784,702
11.	Share capital		92,627,758	50,929,565
	11.1 Authorised			
	20,000,000 ordinary shares of Taka 100 each		2,000,000,000	2,000,000,000
	11.2 Issued, subscribed and paid-up capital			
	4,000,000 ordinary shares of Taka 100 each fully paid-up		400,000,000	400,000,000
	Shareholding position of the Company as of 31 December 2019 are as under:			
	Name of shareholder	Number of shares	% of holding	Total
	Reliance Finance Limited	2,040,000	51.00%	204,000,000
	Mr. Mohammed Saiful Alam	1,321,037	33.03%	132,103,700
	Ms. Farzana Parveen	601,463	15.04%	60,146,300
	Mr. Shahidul Alam	37,400	0.9350%	3,740,000
	Mr. Abu Zafar Md. Salek	100	0.0025%	10,000
		4,000,000	100%	400,000,000
12	Share money deposit			
	Opening balances		331,685,900	331,685,900
	Add: Transferred during the year		-	-
			331,685,900	331,685,900
	Less: Transferred to current account		-	-
			331,685,900	331,685,900
	We have applied to BSEC for the First time as on 10th November 2015 which was refused by BSEC on 29th March 2016. BSEC finally rejected this in the year 2017 from which has being carry forward for last few years in the Financial Statements. As per the guideline of Financial Reporting Council (FRC), Ref no. 146/FRC/SS/2020/251 dated 11-02-2020, the amount of Share Money Deposit should be transferred to equity within 6 months. And before transferring, the amount should be shown as "Potential Share" in the financial statements and need to be considered while calculating EPS.			
13	Retained earnings			
	Opening balance		7,835,386	20,067,073
	Add: Net profit /(loss) for the year		1,093,764	5,052,806
	Less: Prior year's adjustment (note 13.1)		-	(17,284,494)
	Closing balance		8,929,150	7,835,386

Amounts in Taka

Sl. No.	Particulars	At 31 Dec 2019	At 31 Dec 2018
13.1	Prior year's adjustment		
	Reliance Brokerage Services Limited was decided to wave 50% of the interest charged to listed affected small investors of the company during the year 2011. This amount has adjusted with retained earning as prior year's adjustments.		
14.	Term loan from Reliance Finance Limited		
	Opening balance	3,139,589,610	3,239,589,610
	Add: Loan received during the year	-	-
		3,139,589,610	3,239,589,610
	Less : Adjustment/Paid during the year	105,000,000	100,000,000
	Closing balance	3,034,589,610	3,139,589,610
	Branch wise allocation:		
	Head Office	2,383,003,195	2,488,003,195
	Chittagong branch	651,586,415	651,586,415
		3,034,589,610	3,139,589,610
	This represents amount of loan taken from Reliance Finance Ltd, one of the shareholders - company of Reliance Brokerage Service Ltd and no interest has been charged on this loan during the year-2019.		
15.	Other term loan		
	Fareast Finance and Investment Ltd. (note 15.1)	217,600,050	174,477,090
	FAS Finance and Investment Ltd. (note 15.2)	92,465,646	92,465,646
		310,065,696	266,942,736
15.1	Fareast Finance and Investment Ltd.		
	Opening balance	199,015,915	171,308,642
	Less: Adjustment for reschedulement	-	1,528,486
		199,015,915	169,780,156
	Add: Interest convert into loan	43,122,960	33,152,335
		242,138,875	202,932,491
	Less: Paid during the year	2,800,661	3,916,576
		239,338,214	199,015,915
	Non Current portion of Term loan	217,600,050	174,477,090
	Current portion of Term loan	21,738,164	24,538,825
		239,338,214	199,015,915
15.2	FAS Finance and Investment Ltd.		
	Opening balance	92,465,646	396,196,727
	Transfer from short term loan	-	-
		92,465,646	396,196,727
	Add: Interest convert into loan	-	-
		92,465,646	396,196,727
	Less: Paid during the year	-	303,731,081
		92,465,646	92,465,646
	Non Current portion of Term loan	92,465,646	92,465,646
	Current portion of Term loan	-	-
		92,465,646	396,196,727
16.	Short Term loan		
	Fareast Finance and Investment Ltd.	21,738,164	24,538,825
	FAS Finance and Investment Ltd.	-	-
	Phoenix Finance and Investment Ltd. (note 16.1)	650,000,000	650,000,000
	Investment Corporation of Bangladesh (note 16.2)	55,266,911	135,634,852
	NRB Global Bank Ltd. (note 16.3)	496,616,333	400,000,000
		1,223,621,409	1,210,173,677

Sl. No.	Particulars	Amounts in Taka	
		At 31 Dec 2019	At 31 Dec 2018
16.1	Phoenix Finance and Investment Ltd.		
	Opening balance	650,000,000	650,000,000
	Add: Loan received during the year	-	-
	Closing balance	650,000,000	650,000,000
	Interest rate is 13.50% and repayment stipulated to be made by quarterly interest payment and the principle will be repaid within 1 year.		
16.2	Investment Corporation of Bangladesh		
	Opening balance	135,634,852	-
	Add: Loan received during the year	-	213,062,799
	Less: Loan paid during the period	80,367,941	77,427,947
	Closing balance	55,266,911	135,634,852
16.3	NRB Global Bank Ltd.		
	Opening balance	400,000,000	-
	Add: Loan received during the year	215,716,333	400,000,000
	Less: Loan paid during the period	119,100,000	-
	Closing balance	496,616,333	400,000,000
17.	Accounts and other payable		
	Payable to Reliance Finance Limited (note-17.1)	307,022,135	240,893,156
	Payable to Clients (note-17.2)	25,407,744	39,227,414
	Payable to CSE and DSE (note-17.3)	866,090	4,132,529
	Liabilities for other finance (note-17.4)	15,800,234	14,570,453
		349,096,203	298,823,551
17.1	Payable to Reliance Finance Limited		
	Opening balance	240,893,156	223,450,100
	Add: Received during the year	66,128,979	767,443,056
		307,022,135	990,893,156
	Less: Paid during the year	-	750,000,000
	Transfer to share capital	-	-
	Closing balance	307,022,135	240,893,156
17.2	Payable to Clients		
	Head Office	17,909,661	26,589,715
	Agrabad, Chittagong	6,136,244	10,169,438
	Asadganj, Chittagong	1,361,839	2,468,260
		25,407,744	39,227,414
17.3	Payable to CSE and DSE		
	Dhaka Stock Exchange Ltd	390,443	1,924,977
	Chittagong Stock Exchange Ltd	155,113	-
	First Security Islami Capital and Investment Ltd	-	-
	Jamuna Capital and Investment Ltd	320,535	2,207,552
	First Security Services Ltd	-	-
		866,090	4,132,529

This represents clients' uninvested amount which is being held for buy of marketable securities or refund to the clients as per their instructions. Total payable amount tk. 25,407,744 which include Tk. 2,90,090.88 uninvested fund of Reliance Finance Ltd.

Sl. No.	Particulars	Amounts in Taka	
		At 31 Dec 2019	At 31 Dec 2018
17.4	Liabilities for other finance		
	Employees' Provident Fund	11,452,388	11,037,147
	Gratuity fund	3,941,150	3,254,050
	Tax deducted at source	117,072	137,889
	VAT deducted at source	104,124	116,067
	Accounts Payable (Others)	185,500	25,300
		15,800,234	14,570,453

RBSL has been deducting 10% of Employee's salary as provident fund for last few years on the basis of RBSL Employee's Service Rules-2016, Clause No. 5.1.1. RBSL do not have the approval of provident fund from NBR and separate bank account for the amount of Tk. 1,14,52,388 of Employees Provident Fund which has been shown as Liabilities for Other Finance (Ref: Note No. 17.4). Note that provident fund approval from NBR is under process.

18. Provisions

Provision for expenses (note-18.1)	201,904,399	151,539,630
Provision on margin loan (note-18.2)	59,694,512	59,694,512
Provision for diminution in value of investment (note-18.3)	31,952,687	31,952,687
Provision for corporate income tax (note-18.4)	39,340,937	49,120,371
	332,892,535	292,307,200

18.1 Provision for expenses

Interest on loan (note-18.1a)	201,478,429	151,219,199
CDBL charges	232,704	170,431
Audit fee	150,000	150,000
Office rent (Dhanmondi)	43,266	-
	201,904,399	151,539,630

18.1a Interest on loan

Opening balance	151,219,199	120,080,805
Add: Interest during the year	182,211,444	167,047,448
	333,430,642	287,128,254
Less: Adjustment during the year	131,952,213	135,909,055
Closing balance	201,478,429	151,219,199

18.2 Provision on margin loan

Opening balance	59,694,512	59,694,512
Add: Provision made during the year	-	-
Closing balance	59,694,512	59,694,512

18.3 Provision for diminution in value of investment

Opening balance	31,952,687	31,952,687
Add: Provision made during year	-	-
Closing balance	31,952,687	31,952,687

No need to be made further provision on unrealised loss for the year 2019. This represents 20% provision on unrealised loss on dealer account, as prescribed by Bangladesh Security and Exchange Commission vide its directive no. BSEC/CMRRCD/2009-193/203 dated 28 December 2017 and BSER/SRI/3/2020/68 dated January 2020.

18.4 Provision for corporate income tax:

Opening balance	49,120,371	167,754,288
Add: Provision made during the year	1,782,708	11,997,942
	50,903,080	179,752,230
Less: Adjustment up to the year 2018	11,562,143	130,631,859
Closing balance	39,340,937	49,120,371

Sl. No.	Particulars	Amounts in Taka	
		At 31 Dec 2019	At 31 Dec 2018
19.	Interests income		
	Interest income from margin loan (Positive Equity)	13,104,062	18,569,146
	Interest income from margin loan (Negative Equity)	251,564,617	231,245,804
	Interest income on bank deposits (note-19.1)	3,951,584	4,439,134
		268,620,263	254,254,084
19.1	Interest income on bank deposits		
	Interest from STD account	3,730,260	4,217,811
	Interest from FDR	221,324	221,324
		3,951,584	4,439,134
20	Interest expense on borrowed fund		
	Interest on Time loan (REFL)	33,725,042	10,255,556
	Interest on Term loan (NRB Global Bank)	47,664,150	30,091,248
	Interest on Term loan (Fareast FIL)	40,808,648	32,084,366
	Interest on term loan (Phoenix FIL)	88,903,717	92,644,458
	Interest on term loan (ICB)	4,834,929	7,274,917
	Interest on term loan (FAS FIN)	-	4,952,459
		215,936,485	177,303,004
21	Brokerage commission		
	Dhaka Stock Exchange Ltd	22,989,612	33,706,528
	Chittagong Stock Exchange Ltd	3,288,223	2,871,905
		26,277,835	36,578,433
	Direct cost (note-21.1)	(3,642,321)	(4,482,596)
	Net brokerage commission	22,635,514	32,095,837
21.1	Direct cost		
	Laga charges	1,940,175	2,978,339
	Hawla charges	-	4,512
	Commission and Contact Charge CSE	341,720	
	Sales Associate Commission	1,058,282	
	CDBL charges, net (note 21.1a)	302,144	1,499,745
		3,642,321	4,482,596
21.1a	CDBL charges, net		
	CDBL bills	2,671,414	2,919,470
	Less: Service charge from clients for CDBL	2,369,270	1,419,725
		302,144	1,499,745
22	Capital gain/(loss) on investment in securities		
	Gain/(loss) from net sale proceeds of 25% DSE shares	-	(62,005,029)
	Dividend Income	7,557,876	9,188,149
	Gain/(loss) from sale of shares	1,177,685	42,235,742
		8,735,561	(10,581,138)
23	Other operating income		
	Sale of BO account opening forms	61,200	261,600
	Interest Income from Staff Loan	293,907	307,094
	IPO Income	61,540	103,675

Sl. No.	Particulars	Amounts in Taka	
		At 31 Dec 2019	At 31 Dec 2018
	BO maintenance income	21,537	53,250
		438,185	725,619
24	Operating expenses		
	Rent, taxes, insurance, electricity, etc (note 24.1)	10,608,149	10,626,583
	Salary and allowances (note 24.2)	36,462,498	31,804,626
	Depreciation and amortisation (note 24.3)	26,300,219	27,027,117
	Stationery, printing, advertisements, etc (note 24.4)	328,572	341,559
	Postage, stamp, telecommunication, etc (note 24.5)	1,087,612	1,120,244
	Repair and maintenance (note 24.6)	818,309	2,361,733
	Entertainment	588,605	282,548
	Travelling and conveyance	39,179	271,144
	Directors' fees	300,000	270,000
	RJSC Expenses	143,758	133,283
	Professional expense	179,200	161,500
	Audit fee	138,000	138,000
	Other expenses (note 24.7)	4,606,917	6,209,246
		81,601,017	80,747,583
24.1	Rent, taxes, insurance, electricity, etc		
	Rent, rates and taxes	9,377,887	9,377,885
	Electricity and lighting, water, gas, etc	972,492	978,422
	Insurance	257,771	270,277
		10,608,149	10,626,583
24.2	Salaries and allowances		
	Basic salary	17,190,869	17,157,786
	Bonus	2,963,801	2,894,720
	Company's contribution to provident fund	851,779	-
	Company's contribution to Gratuity	1,263,550	-
	Other allowances	14,192,500	11,752,120
		36,462,498	31,804,626
24.3	Depreciation and amortisation		
	Furniture and fixtures	76,189	84,655
	Office equipment	457,034	338,749
	Office renovation	380,879	476,099
	Motor vehicles	2,872,357	3,590,447
	Computer software	93,638	117,047
		3,880,098	4,606,996
	Amortisation on deferred revenue expense	22,420,121	22,420,121
		26,300,219	27,027,117
24.4	Stationery, printing, advertisements, etc		
	Printing and stationery	328,572	312,159
	Advertisement and publicity	-	29,400
		328,572	341,559
24.5	Postage, stamps, telecommunication, etc		
	Data Communication & Internet	987,250	1,001,100
	Telephone and fax	88,418	96,774
	Postage and courier	11,944	22,370
		1,087,612	1,120,244
24.6	Repair and maintenance		
	Vehicles	236,302	669,434

Amounts in Taka			
Sl. No.	Particulars	At 31 Dec 2019	At 31 Dec 2018
	Petrol, oil, lubricants, CNG and others	430,851	228,038
	Office Premises	151,156	1,464,261
		818,309	2,361,733
24.7	Other operating expenses		
	Business development and promotion	414,000	3,356,457
	Service charge	562,452	601,950
	Computer accessories	109,261	117,748
	Picnic expense	-	361,348
	Training expenses	-	15,970
	Registration renewal fees	681,633	406,266
	Donation, gift and tips	180,667	677,544
	Authorised Representative fees	-	1,500
	Cleaning service-outsourcing	133,180	98,210
	Gardening expenses	36,960	51,200
	Bank charges and excise duty	137,326	246,252
	Newspapers and periodicals	19,216	21,560
	Documentation fees	-	49,800
	IPO Bidding Process Fee	-	3,000
	Uniform	47,620	49,268
	Commission and contact charge	2,060,000	-
	Investor protection fund	15,143	10,343
	Miscellaneous	209,460	140,830
		4,606,917	6,209,246
25	Income tax expense		
	Income tax expense:		
	For current year	1,782,708	11,997,942
	For previous year	-	-
		1,782,708	11,997,942
26	Others		
26.1	These notes form an integral part of the annexed financial statements and accordingly are to be read in conjunction therewith.		
26.2	Figures in these notes and annexed financial statements have been rounded off to the nearest Taka.		
26.3	Previous year's figures have been regrouped and/or rearranged wherever considered necessary for the purpose of current period's presentation.		

Reliance Brokerage Services Ltd.

WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Details of Property, Plant and Equipment

as at 31 December 2019

Particulars	COST				Rate (%)	DEPRECIATION				Annex I
	At 01 Jan 2019	Addition during the Year	Sale/disposal during the year	At 31 Dec 2019		At 01 Jan 2019	Charge for the Period	Adjustment during the period	At 31 Dec 2019	Written down value at 31 Dec 2019
Furniture and fixtures	1,841,099	-	-	1,841,099	10%	1,079,208	76,189	-	1,155,397	685,702
Office equipment	11,710,919	367,715	264,000	11,814,635	20%	9,529,464	457,034	229,452	9,757,046	2,057,588
Office renovation	9,156,298	-	-	9,156,298	20%	7,251,901	380,879	-	7,632,780	1,523,518
Motor vehicle	62,578,580	-	-	62,578,580	20%	48,216,793	2,872,357	-	51,089,151	11,489,429
Balance at 31 December 2019	85,286,896	367,715	264,000	85,390,612		66,077,366	3,786,460	229,452	69,634,374	15,756,237
Balance at 31 December 2018	90,432,671	69,377	5,215,152	85,286,896		65,073,502	4,489,949	3,486,085	66,077,366	19,209,530

Detail of intangible assets at 31 December 2019

Particulars	COST				Rate (%)	DEPRECIATION				Written down value at 31 Dec 2019
	At 01 Jan 2019	Addition during the Year	Sale/disposal during the year	At 31 Dec 2019		At 01 Jan 2019	Charge for the period	Adjustment during the period	At 31 Dec 2019	
Computer software	2,455,050	-	-	2,455,050	20%	1,986,861	93,638	-	2,080,499	374,551
Balance at 31 December 2019	2,455,050	-	-	2,455,050		1,986,861	93,638	-	2,080,499	374,551
Balance at 31 December 2018	2,455,050	-	-	2,455,050		1,869,814	117,047	-	1,986,861	468,189

Reliance Brokerage Services Ltd.

WW Tower, Level-14, 68, Motijheel, C/A, Dhaka-1000.

Schedule of Investment in Non Quoted Securities

As at 31 December 2019

Annex - II

Sl. No.	Particulars	Amount in Taka	
		2019	2018
1	Investment in BD Thai Food Beverage Ltd.	15,000,000	15,000,000
2	Investment in Royal Denim	12,000,000	12,000,000
3	Investment in Kattali Textile	15,000,000	15,000,000
4	Bangladesh Fund	1,000,000	1,000,000
Total		43,000,000	43,000,000