

# Annual Report | 2013

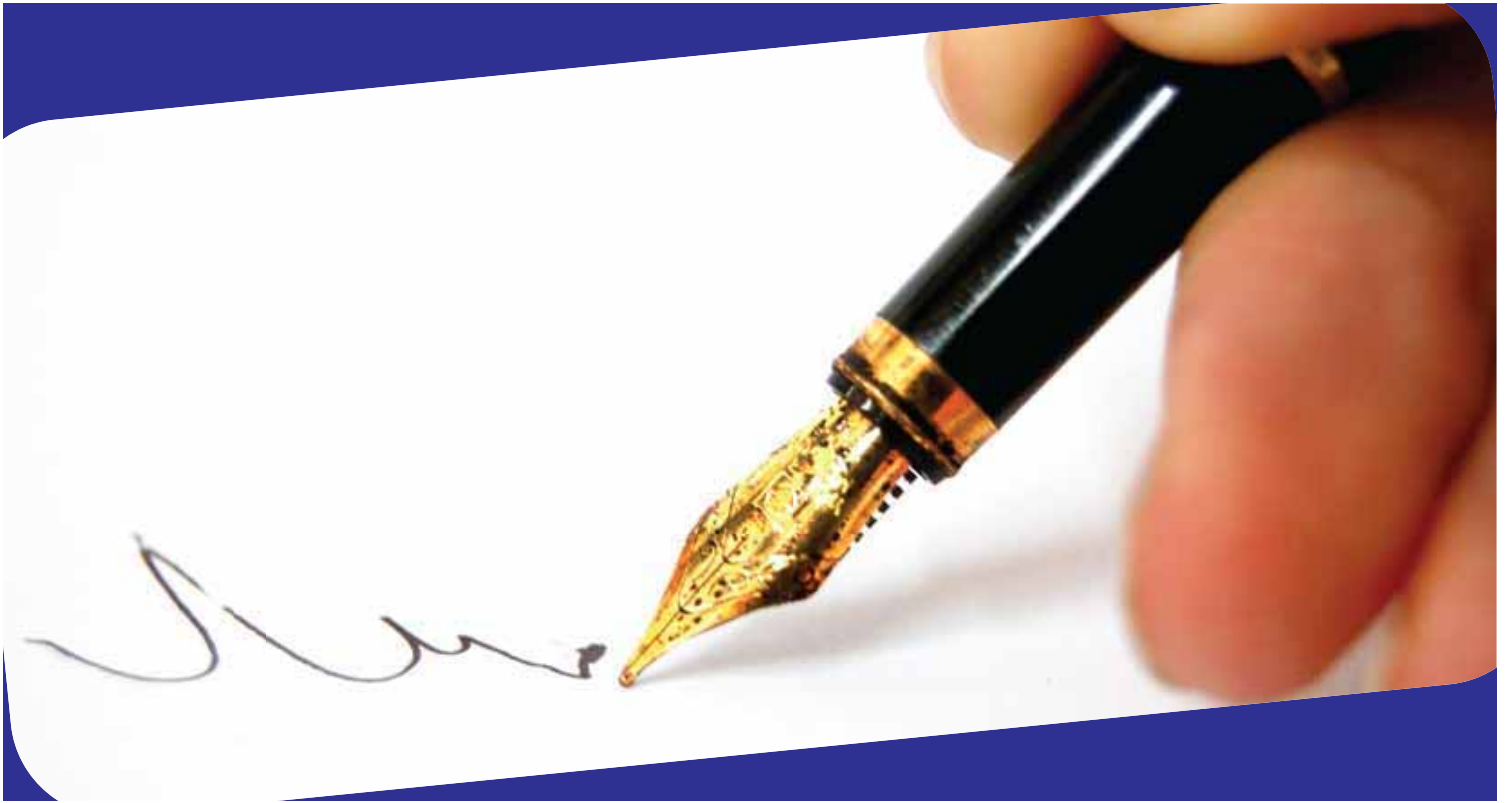


**FAS Finance &  
Investment  
Limited**

## Contents

Letter of Transmittal	01
Notice of the 17th Annual General Meeting	02
FAS's Vision, Mission and Strategic Objectives	03
FAS's Core Values	04
FAS's Code of Conduct and Ethics	05
FAS at a Glance	06
FAS's Products and Services	07
Corporate Information	08
History - Key Milestones	09
Board of Directors & Its Committees	10
Committees of the Management	11-12
Management and Executives	13
Chairman's Message	14
CEO & Managing Director's Review	15
Financial Highlights as Required by Bangladesh Bank	16
Board of Directors Report	17-34
Audit Committee Report	35
Corporate Governance Statement	36-38
Compliance Report on Bangladesh Bank's Guideline	39-41
Auditor's Report	42
<b>Financial Statements – FAS with Subsidiary :</b>	
Consolidated Balance Sheet	43-44
Consolidated Profit and Loss Account	45
Consolidated Cash Flow Statement	46
Consolidated Statement of Changes in Equity	47
<b>Financial Statements - FAS Finance &amp; Investment Limited :</b>	
Balance Sheet	48-49
Profit and Loss Account	50
Cash Flow Statement	51

Statement of Changes in Equity	52
Liquidity Statement	53
Notes to the Financial Statements	54-102
<b>FAS Capital Management Limited :</b>	
Auditor's Report	103
Balance Sheet	104-105
Profit and Loss Account	106
Cash Flow Statement	107
Statement of Changes in Equity	108
Notes to the Financial Statements	109-122
<b>Proxy Form</b>	



## Letter of Transmittal

All Shareholders,  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission  
Registrar of Joint Stock Companies & Firms  
Dhaka Stock Exchange Ltd.  
Chittagong Stock Exchange Ltd.

### **ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2013**

#### **Dear Sir (s):**

We are pleased to enclose a copy of the Annual Report together with the Audited Financial Statements including consolidated and separate balance sheet as at December 31, 2013 and income statements, cash flow statements and changes in equity statements for the year ended December 31, 2013 along with notes thereon of FAS Finance & Investment Limited and its subsidiary (**FAS Capital Management Limited**) for your kind information and record.

Yours sincerely,

**Fardose Jahan ACS**  
Company Secretary

Dated: May 07, 2014







## Notice of 17<sup>th</sup> annual general meeting

Notice is hereby given to all the Members of FAS Finance & Investment Limited (FAS) that the 17<sup>th</sup> Annual General Meeting of the Company will be held on Saturday, May 24, 2014 at 09.30 a.m. at Hotel Abakash, 83-88 Mohakhali C/A, Dhaka 1212, for transacting the following business:

- Agenda -1 :** To receive, consider and adopt the Financial Statements of the Company for the year ended 31 December, 2013 and the Report of the Directors and the Auditors thereon.
- Agenda -2 :** To declare Cash Dividend for the year ended 31 December, 2013.
- Agenda -3 :** To elect Directors.
- Agenda -4 :** To appoint Statutory Auditors for the year 2014 and to fix their remuneration.

Dated: May 07, 2014

By order of the Board

**Fardose Jahan ACS**  
Company Secretary

### Notes:

1. Shareholders whose names appear on the Members/Depository Register on the Record Date i.e. April 22, 2014 shall be eligible to attend the 17<sup>th</sup> AGM of the Company and to receive the Dividend.
2. The Board of Directors recommended cash dividend @ 5.20% for the year 2013;
3. A Shareholder wishing to appoint a Proxy must deposit the Proxy Form, duly Stamped at the Company's Registered Office by 10:30 am of May 22, 2014.
4. Only Shareholders or their validly appointed proxies will be allowed to have access to the registration process to attend the meeting.
5. Admission into the auditorium will be allowed strictly on submission of the attendance slip sent with the Notice.
6. The Annual Report is available in the Company's website at [www.fasbd.com](http://www.fasbd.com)

☆ **As per directive of Bangladesh Securities and Exchange Commission (BSEC), no food or gift will be arranged at the AGM**



## Our Vision

Become a market leader by providing innovative, integrated financial services and to create best value to our Shareholders.

## Our mission

Develop the company into an ideal and unique financial institution by providing with excellent financial products and customer services to all our customers- corporate and individual not excluding the high paced pro-active participant of Corporate Social Responsibility.

## Overall Strategic Objectives

Be one of the market leaders of the industry.

Achieve excellence in customer service next to none and superior to all competitors be a high quality distributor of financial products and services.

Provide customized financial services to specific clients in both leasing and merchant banking services to build the company as multi-product non bank financial institution for different segment of the market Maximize profitability and sustain steady growth Maximize benefit and satisfaction of the customer Maximize the welfare of the society through employment, training, grant etc.

Reflecting our social responsibility.



## Core Value

### **For our Customers**

To provide the most courteous and efficient service in every aspect of its business.

To be innovative in the development of new products and Services

### **For our Employees**

By promoting their well-being through attractive remuneration and fringe benefits.

By promoting good staff morale through proper staff training and development and provision of opportunities for career development

### **For our Shareholders**

By forging ahead and consolidating its position as a stable and progressive financial institution.

By generating profits and fair return on their investment.

### **For our Community**

By assuming our role as a socially responsible corporate citizen in a tangible manner.

By adhering closely to national policies and objectives thereby contributing towards the progress of the nation.

By upholding ethical values and best practices constantly seeking to improve performance by aligning our goals with stakeholders' expectations.

# Code of conduct & Professional Ethics

Individuals acting in a professional capacity take on an additional burden of ethical responsibility. For example, professional associations have codes of ethics that prescribe required behavior within the context of a professional practice such as medicine, law, accounting or engineering. These written codes provide rules of conduct and standards of behavior based on the principles of Professional Ethics, which include:

## **Objectivity and Independence**

The principle of our objectivity imposes the obligation to be impartial, intellectually honest and free of conflicts of interest. Independence precludes relationships that may appear to impair a member's objectivity in rendering attestation services. Our members often serve multiple interests in many different capacities and must demonstrate their objectivity in varying circumstances. Members in public practice render attest, tax, and management advisory services. Other members prepare financial statements in the employment of others, perform internal auditing services, and serve in financial and management capacities in industry, education and government. They also educate and train those who aspire to admission into the profession. Regardless of service or capacity, our members are protecting the integrity of their work, maintain objectivity and avoid any subordination of their judgment.

## **Due diligence / Duty of care**

Our members also have a continuing responsibility to cooperate with each other to improve the art of accounting, maintain the public's confidence and carry out the profession's special responsibilities for self-governance. The collective efforts of all members are required to maintain and enhance the traditions of the profession.

## **Integrity/ Confidentiality**

To maintain and broaden public confidence, members of our Company performs all professional responsibilities with the highest sense of integrity.

## **The Public Interest**

The members of our company have accepted the obligation to act in a way that will serve the public interest, honor the public trust and demonstrate commitment to professionalism.

## **Scope and Nature of Services**

Members of our Company in public practice are observing the Principles of the Code of Professional Conduct in determining the scope and nature of services to be provided.

## FAS at a Glance

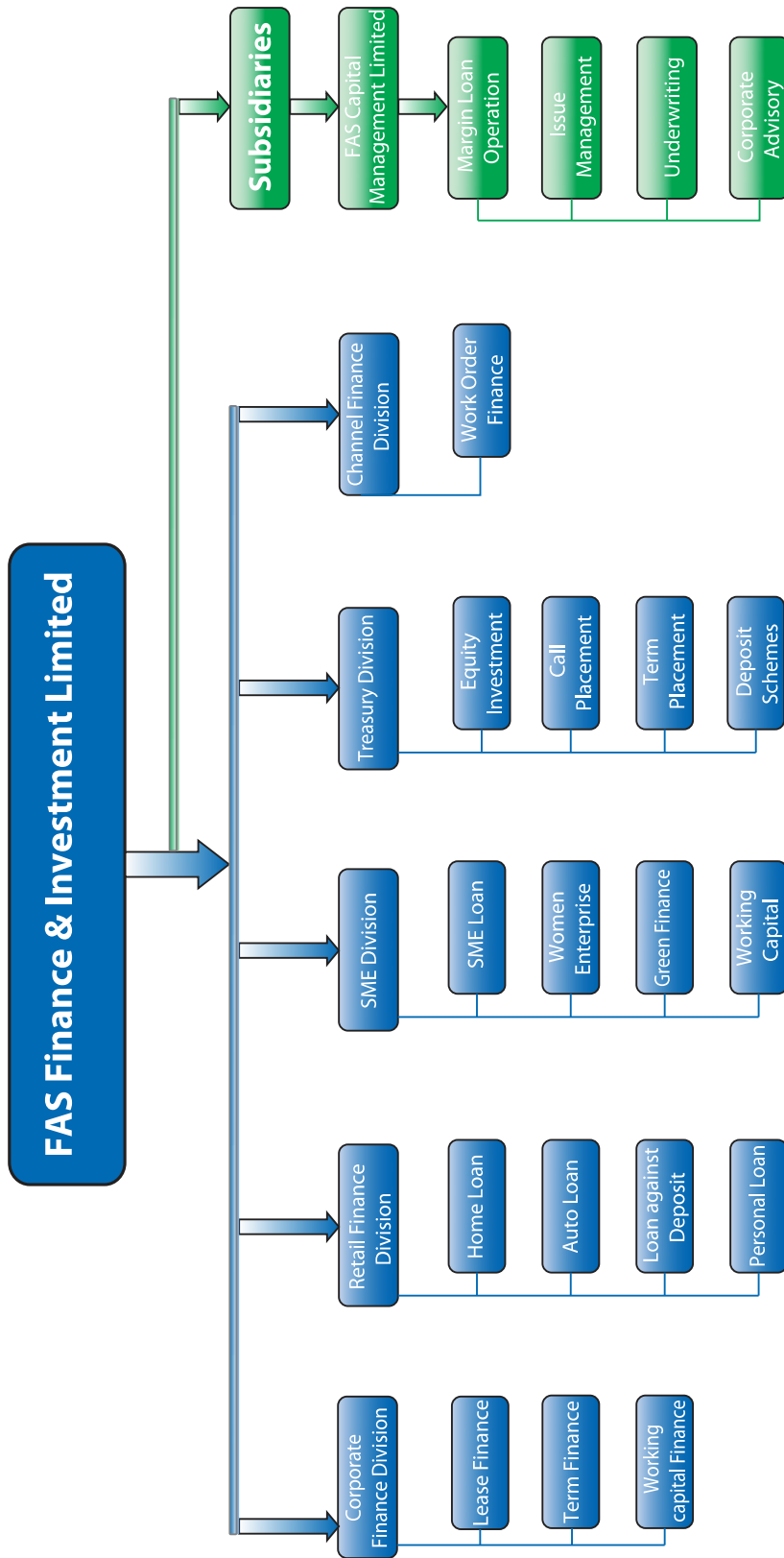
FAS Finance & investment Limited (FAS) was incorporated on 4<sup>th</sup> March 1997 sponsored by a group of Renowned & dedicated Bangladeshi industrialists and businessmen. Primarily, FAS received license from Bangladesh Securities & Exchange Commission (BSEC) to act as a Merchant Banker. Subsequently it obtained license on 17<sup>th</sup> September 2001 from Bangladesh Bank as a Non-Banking Financial Institution (NBFI). The authorize capital of the company is Tk. 2100 million and the paid up capital of the company is Tk. 111.75 Million.

### **Subsidiary:**

FAS Capital Management Limited (FCML)

FCML, a subsidiary of FAS Finance & Investment Limited obtained license from BSEC on May 16, 2012 as full – fledged Merchant Banker. The main business of the Company are portfolio Management, issue management, underwriting of securities and advisory service.

## Financial Products and Services of FAS are :



## Corporate Information

<b>Registered Name of the Company</b>	FAS Finance & Investment Limited
<b>Company Registration Number</b>	C-32457 (1558)
<b>Bangladesh Bank License Number</b>	FID(L)/27(1)/2007
<b>Legal Form</b>	Public Limited Company, listed with Dhaka Stock Exchange and Chittagong Stock Exchange having incorporated in Bangladesh on 4 <sup>th</sup> March, 1997 under Companies Act of 1994
<b>Corporate Head Office</b>	Suvastu Imam Square (4 <sup>th</sup> Floor) 65, Gulshan Avenue, Gulshan-1 Dhaka-1212 PABX: 9860273, 9860594, 8825949 Phone: 04474500058, Fax: 88-02-9860594
<b>Company Email</b>	info@fasbd.com
<b>Company Website</b>	www.fasbd.com/fill
<b>Narsingdi Branch</b>	Index Plaza (Mezzanine Floor) Bowakur Station Road Narsingdi Phone: 0628-51657-8, Fax: 0628-51659, E-mail: triermnsk@fasbd.com
<b>Chittagong Branch</b>	M.M Tower (Extension building - 6 <sup>th</sup> Floor), 1105 CDA Avenue, East Nasirabad, Chittagong. Phone : 880-31-2552872-3 044-34495097, Fax : 880-31-2552874, E-mail: triermnsk@fasbd.com
<b>Sylhet Branch</b>	City Centre Shopping Complex (8 <sup>th</sup> Floor), Zinda Bazar, Sylhet. Phone:2831622-4 04494444200-1 Fax : 2831625, E-mail triermnsk@fasbd.com
<b>Accounting Year End December</b>	31
<b>No. of Employee</b>	58
<b>Auditors</b>	MABS & J Partners, Chartered Accountants, Park Plaza (Suite N-9) 31, Kamal Ataturk Avenue, Road # 17, Banani C/A, Dhaka-1213.
<b>Legal Advisor</b>	i) Md. Khalilur Rahman (Nasir), M.A, MBA & LL.B Advocate, Supreme Court of Bangladesh ii) Mr. Mostaque Kamal, Advocate BA-LL.B, Supreme Court of Bangladesh
<b>TIN No.</b>	003-201-4669
<b>VAT Registration No.</b>	5101098077
<b>Trade License No.</b>	0921401
<b>Company Secretary</b>	Fardose Jahan ACS
<b>Principal Bankers</b>	Woori Bank , Dhaka Uttara Bank Ltd. Midland Bank Limited
<b>Major Stock Broker</b>	Khwaja Equity Services Limited, Stock & Bond Limited
<b>Memberships</b>	Bangladesh Leasing & Finance Companies Association Bangladesh Association of Publicly Listed Companies

## History - Key Milestones

Incorporation of the Company	4 <sup>th</sup> March, 1997
Licensed as Merchant Bank	22 <sup>nd</sup> January 1998
Converted into a Public Limited Company	18 <sup>th</sup> August, 2001
Licensed as Non-Banking Financial Institute	17 <sup>th</sup> September, 2001
Licensed for Principal Branch	27 <sup>th</sup> September, 2001
First Lease Agreement Signed	27 <sup>th</sup> December, 2001
Commencement of public deposit mobilization	27 <sup>th</sup> December, 2001
First Credit Line Agreement Signed	11 <sup>th</sup> September, 2002
Commencement of home loan	11 <sup>th</sup> June, 2003
Chittagong Branch	14 <sup>th</sup> February, 2007
Credit Rating by CRAB	3 <sup>rd</sup> May, 2007
Licensed for Narsingdi Branch	18 <sup>th</sup> July, 2007
<b>Initial Public Offering:</b>	
Prospectus Date	31 <sup>st</sup> July, 2007
Subscriptions Open	28 <sup>th</sup> October, 2007
Subscriptions Close	1 <sup>st</sup> November, 2007
Publication of Prospectus	2 <sup>nd</sup> August, 2007
Allotment of IPO Share	5 <sup>th</sup> December, 2007
Listing with DSE & CSE	9 <sup>th</sup> January, 2008
First trading of shares in DSE & CSE	16 <sup>th</sup> January, 2008
Licensed for Sylhet Branch	9 <sup>th</sup> July, 2008
<b>First Time issuance of Right Share:</b>	
Subscription opens	18 <sup>th</sup> March, 2013
Subscription Closes	4 <sup>th</sup> April, 2013
Allotment of Rights Shares	24 <sup>th</sup> April, 2013



# The Board And Its Committees

## Board of Directors

### Chairman

Mr. Abdul Matlub Ahmad

### Vice Chairman

Mr. Mohammad A. Hafiz

### Directors

Mr. Abdul Marib Ahmad  
Mr. Md. Mustafa  
Mr. Md. Siddiqur Rahman  
Mr. Md. Zahangir Alam  
Mr. Uzzal Kumar Nandi  
Mr. Anjan Kumer Roy  
Mr. Md. Mesbahul Haque  
Mr. Mustafa Aminur Rashid, Independent Director  
Mr. Satya Gopal Podder, Independent Director

## Audit Committee

### Chairman

Mr. Mustafa Aminur Rashid

### Members

Mr. Satya Gopal Podder  
Mr. Md. Zahangir Alam  
Mr. Uzzal Kumar Nandi  
Mr. Anjan Kumer Roy

## Executive Committee

### Chairman

Mr. Mohammad A. Hafiz

### Members

Mr. Md. Siddiqur Rahman  
Mr. Md. Mustafa  
Mr. Md. Zahangir Alam  
Mr. Uzzal Kumar Nandi

## Company Secretary

Fardose Jahan ACS

## Management Committee:

### Management Committee: (MANCOM)

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Md. Nazrul Islam, AMD	Member
3. Mr. Dipak Kumar Chakraborty, AMD	Member
4. Mr. Abdul Halim, EVP	Member
5. Mr. Md. Abdul Maleque, SVP	Member
6. Mr. Md. Maniruzzaman Akan, CFO	Member
7. Ms. Fardose Jahan, Company Secretary	Member

### Credit Risk Management Committee:

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Md. Nazrul Islam, AMD	Member
3. Mr. Dipak Kumar Chakraborty, AMD	Member
4. Mr. Md. Abdul Maleque, SVP	Member
5. Mr. Neaz Ahmmed Faruqi, PO	Member

### Assets Liability Management Committee:

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Abdul Halim, EVP	Member
3. Mr. Md. Maniruzzaman Akan, CFO	Member
4. Mr. Muhammad Motiur Rahman, PO	Member
5. Mr. Neaz Ahmmed Faruqi, PO	Member
6. Mr. Dipak Saha, PO	Member

### Internal Control & Compliance Committee: (ICC)

1. Mr. Md. Nazrul Islam, AMD	Chairman
2. Mr. Dipak Kumar Chakraborty, AMD	Member
3. Mr. Md. Abdul Maleque, SVP	Member
4. Mr. Md. Maniruzzaman Akan, CFO	Member
5. Mrs. Mahru Tanzina Hoque, Sr. Officer	Member

### Information Technology development Committee (IT):

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Abdul Halim, EVP	Member
3. Mr. Mohammad Shaharuzzaman, Sr. Officer	Member
4. Mr. Abdulla Al Kafi, Sr. Officer	Member
5. Mr. Saidur Rahman, Officer	Member

#### Central Compliance Unit:

1. Mr. Abdul Halim, EVP	CAMLCO
2. Mr. Md. Maniruzzaman Akan, CFO	Member
3. Mr. Muhammad Motiur Rahman, PO	Member

#### Basel-II Committee:

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Md. Nazrul Islam, AMD	Member
3. Mr. Md. Abdul Maleque, SVP	Member
4. Mr. Md. Maniruzzaman Akan, CFO	Member
5. Mr. Dipak Saha, PO	Member
6. Mr. Abdulla Al Kafi, Sr. Officer	Member

#### Human Resource Committee:

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Abdul Halim, EVP	Member
3. Mr. Md. Abdul Maleque, SVP	Member
4. Ms. Fardose Jahan, Company Secretary	Member

#### Management Information Committee: (MIS)

1. Mr. Md. Mofiz Uddin Chowdhury, Managing Director	Chairman
2. Mr. Abdul Halim, EVP	Member
3. Mr. Md. Maniruzzaman Akan, CFO	Member
4. Mr. Abdulla Al Kafi, Sr. Officer	Member

## Management & Executives

### Management Team

Managing Director & Chief Executive Officer -	<b>Mr. Md. Mofiz Uddin Chowdhury</b>
Assistant Managing Director -	<b>Mr. Md. Nazrul Islam</b>
Assistant Managing Director-	<b>Mr. Dipak Kumar Chakraborty</b>
Executive Vice President -	<b>Mr. Abdul Halim</b>
Senior Vice President & Internal Control & Compliance -	<b>Mr. Md. Abdul Maleque</b>
Vice President & Chief Financial Officer -	<b>Mr. Md. Maniruzzaman Akan</b>
Company Secretary –	<b>Fardose Jahan ACS</b>

# Chairman's Message



**Abdul Matlub Ahmad**  
Chairman

## Chairman's Message

Distinguished Shareholders, Respected Members of the Board and our dedicated Team of Management and Staff Assalamu Alaikum, It is a great honour and privilege for me to welcome you all to the 17th Annual General Meeting of your Company. I take this opportunity to express my sincere gratitude and heartfelt thanks for your continual trust and support. On behalf of the Board of Directors, I have the pleasure to present the Annual Report of FAS Finance & Investment Limited for the year 2013.

It was a great challenge for us to maintain non-performing loan (NPL) ratio below 10% in this volatile scenario you all have seen. With the hard effort, and devotion of our employees finally we had been able to manage it. Our ultimate target is to keep the NPL as less than 5%. We believe excellence in customer service, performance based evaluation, diligence and mutual respect. We conduct our business in a socially responsible and ethically sound manner. This enables us to develop ourselves through innovating strategies, expanding partnership and maximizing value to the shareholders. However, as a going to be housing finance premier we feel the necessity of increased support from government and regulators to increase our contribution to this important sector. However we thanks to the Central Bank to allow us to take deposits for three months.

FAS Finance & Investment Limited also focusing on lending to SME and Agriculture sector in line with the various refinances facilities and initiatives taken by Government. During 2013, our strategy was focused on marketing the Company's product to wider range of customers and providing working capital and term loan to different manufacturers, traders and service providers including backward and forward linkage industry that fall into SME arena. It is worth noting that FAS is not only providing credit but also took initiatives to develop the entrepreneurial skills of SME sector. FAS have given much emphasis on the housing sector so as to increase home ownership in the urban areas of the country. The Company strives continually to ensure quality service to the clients by ascertaining their needs and providing effective and innovative solutions. Deposit of our Company increased to Tk 1,251.58 million having 227.11% growth, Loans & Advances increased to Tk.3,480.60 million having 59.24% growth. It's our pleasure to let you know that the total amount of Company's assets reached at Tk.4,712.31 million , which is 58.35% higher than the previous year.

The Board of Directors of the Company is pleased to recommend dividend 5.20% in Cash for the year 2013.

We care for the inner qualities of our employees rather than credentials they carry at the time to enter to the company. We assist in their self development; cope with working environment to ensure both their work and personal life. FAS believe that, humans are the greatest capital on which the Company's performance and productivity are based. Thus our focus always remains on fostering talent, potentials, and providing long-term career growth.

On behalf of our Board of Directors and our partner banks, I would like to thank the Regulatory Authorities, specialty the Bangladesh Bank and the Bangladesh Securities and Exchange Commission, Ministry of Finance, Professional Bodies, Clients, Stockholders, Media and Well-wisher for their direction and continuous support. Special thanks to our External Auditors to help us by giving advice on different relative perspectives. We are also grateful to the shareholder for their support and confidence upon us which spontaneously encourage our continuous improvement for achieving highest level of excellence. We always emphasize that our shareholders be remained properly informed about company matters and can guide the Company towards success. All price sensitive information and other company matters are available in the Company's web site. Please visit [www.fasbd.com](http://www.fasbd.com) for any public information of our company. Finally, on behalf of the Board of Directors I must thank the management for their continuous efforts and appreciating the role of every employee for up-liftment of the Company.

I look forward to see you all next year and wish you success in all endeavors.

Warm regards,

Sincerely,



**(Abdul Matlub Ahmad)**  
Chairman



## চেয়ারম্যান মহোদয়ের বক্তব্য

সম্মানিত শেয়ার হোল্ডারবৃন্দ, সম্মানিত পরিচালনা পর্ষদ, ব্যবস্থাপনায় নিয়োজিত নিবেদিতপ্রান কর্মকর্তা ও কর্মচারীবৃন্দ, অতিথিবৃন্দ, ভদ্র মহিলা ও ভদ্রমহোদয়গণ-

আসসালামু আলাইকুম।

আমি অত্যন্ত আনন্দের সাথে এফএএস ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর পরিচালনা পর্ষদের পক্ষ থেকে কোম্পানীর ১৭তম বার্ষিক সাধারণ সভা, ২০১৪-এ আপনাদের স্বাগত জানাচ্ছি। আপনাদের সকলের অটুট আস্থা কোম্পানীর প্রতি আপনাদের অব্যাহত সমর্থন এবং সহযোগিতার জন্য আমি আপনাদের প্রতি কৃতজ্ঞতা এবং আন্তরিক ধন্যবাদ জ্ঞাপন করছি। আপনাদের বিশ্বাস এবং আস্থা কোম্পানীর আগামী দিনগুলোর বিভিন্ন ক্ষেত্রে বৃহত্তর সাফল্য বয়ে আনবে।


আমি আনন্দের সাথে পরিচালনা পর্ষদের পক্ষ হতে ২০১৩ সালের বার্ষিক প্রতিবেদন উপস্থাপন করছি। আপনারা জানেন পরিবর্তনশীল দৃশ্যপটে শ্রেণীকৃত ঋণ (এনপিএল) এর অনুপাত ১০% এর নিচে কমিয়ে রাখাটাই একটা বিশাল চ্যালেঞ্জ ছিল আমাদের জন্য। আমাদের কর্মীদের কাজের প্রতি একান্ত্রতা ও নিষ্ঠা অবশেষে এই ব্যাপারে আমাদেরকে অনেক সাহায্য করেছে। যদিও আমাদের চূড়ান্ত লক্ষ্য শ্রেণীকৃত ঋণ এর অনুপাত ৫% এর নিচে নামিয়ে আনা। উন্নত গ্রাহক সেবা, কর্মদক্ষতা ভিত্তিক মূল্যায়ন, অধ্যবসায় ও পারস্পরিক সম্পর্কে আমরা বিশ্বাস করি। আমরা সামাজিক ও নীতিগত দায়বদ্ধতা থেকে ব্যবসা পরিচালনা করছি যা আমাদের বিকশিত এবং সক্ষম করবে নতুন কৌশল উদ্ভাবন, অংশীদারিত্ব বিস্তৃতি এবং সর্বোপরি শেয়ারহোল্ডারদের আস্থাশীল রাখার মাধ্যমে। যাই হোক, প্রথম শ্রেণীর ফাইন্যান্সিং প্রতিষ্ঠান হিসেবে হাউজিং সেক্টরে অধিকতর ফাইন্যান্স করার ক্ষেত্রে আমরা সরকার ও নিয়ন্ত্রক সংস্থার পৃষ্ঠপোষকতা অনুভব করছি। আমরা কেন্দ্রীয় ব্যাংককে ধন্যবাদ জানাচ্ছি তিন মাস মেয়াদী আমানত গ্রহণ করার অনুমতি দেয়ার জন্য।

এফএএস ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড সরকার কর্তৃক গৃহীত উদ্যোগের সঙ্গে সংগতি রেখে এসএমই ও কৃষিখাতে ঋণ প্রদানের উপর মনোযোগ নিবদ্ধ করেছে। ২০১৩ সালে আমাদের মূল লক্ষ্য ছিল গ্রাহকদের বৃহত্তর পরিসরে কোম্পানীর পন্য বাজারজাত করা এবং ছোট-মাঝারি ব্যবসা/ শিল্পে অর্থায়ন করা। এফএএস শুধু মাত্র ঋণ প্রদানই করে না উপরন্তু ছোট-মাঝারি শিল্প উদ্যোক্তাদেরকে দক্ষ করার লক্ষ্যে সহায়তা প্রদান করে। এফএএস এখন দেশের শহরাঞ্চলে বাড়ির মালিকানা বৃদ্ধির উপর যথেষ্ট গুরুত্ব প্রদান করে চলেছে। কোম্পানী তাদের চাহিদা মোতাবেক কার্যকর এবং উদ্ভাবনী সমাধান প্রদানের মাধ্যমে গ্রাহক সেবা নিশ্চিত করার লক্ষ্যে ক্রমাগত পরিশ্রম করে যাচ্ছে। আমাদের কোম্পানীর আমানত আগের বছরের তুলনায় বৃদ্ধি পেয়েছে ১২৫১.৫৮ মিলিয়ন যার প্রবৃদ্ধির হার ২২৭.১১% এবং ঋণ বৃদ্ধি পেয়েছে ৩৪৮০.৬০ মিলিয়নে যার প্রবৃদ্ধির হার ৫৮.৩৫% বেশী। আমাদের কোম্পানীর পরিচালনা পর্ষদ ২০১৩ সালের জন্য নগদ লভ্যাংশ ৫.২০% সুপারিশ করেছে।

আমরা কোম্পানীর কর্মীদের অন্য পরিচিতির চেয়েও অভ্যন্তরীণ/ আন্তরিক গুনাবলীকে বিশেষ গুরুত্ব দিয়ে থাকি। আমরা তাদের স্ব উন্নয়নে, তাদের কাজের পরিবেশ এবং ব্যক্তিগত জীবন উভয় নিশ্চিত করার লক্ষ্যে সহায়তা প্রদান করি। এফএএস বিশ্বাস করে মানুষ সর্বোৎকৃষ্ট পুঁজি যা একটি কোম্পানীর উৎপাদনশীলতা এবং সৃষ্টিভাবে কার্য সম্পাদনের ক্ষেত্রে গুরুত্বপূর্ণ ভূমিকা রাখে। সুতরাং আমাদের মূল অভিপ্রায় থাকে কর্মীদের প্রতিভা ও সম্ভাবনাকে মূল্যায়ন করা এবং তাদেরকে দীর্ঘমেয়াদী কর্মজীবনে সহায়তা করা। পরিশেষে কোম্পানীর পরিচালক পর্ষদ এবং আমাদের অংশীদার ব্যাংকদের পক্ষ থেকে আমি নিয়ন্ত্রক সংস্থা বিশেষ করে বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, অর্থমন্ত্রনালয়, পেশাদার সংস্থা, গ্রাহকবৃন্দ, শেয়ারহোল্ডারগণ, মিডিয়া ও আমাদের সকল হিতকর্মীদের জানাই অসংখ্য ধন্যবাদ তাদের নিরবচ্ছিন্ন সমর্থনের জন্য।

বিশেষভাবে ধন্যবাদ জানাচ্ছি আমাদের বিধিবদ্ধ অডিটরগনকে বিভিন্ন পরিশ্রমিক্তে তাদের মূল্যবান পরামর্শের জন্য। আমরা শেয়ারহোল্ডারগণের প্রতিও কৃতজ্ঞতা প্রকাশ করছি তাদের সমর্থন ও কোম্পানীর উপর দৃঢ় আস্থা রাখার জন্য যা আমাদেরকে উৎসাহিত করেছে মূল লক্ষ্য অর্জনের প্রতি। আমরা সবসময় গুরুত্ব দিয়ে থাকি যাতে করে শেয়ারহোল্ডারগণ কোম্পানীর সকল বিষয় সম্পর্কে সঠিকভাবে অবগত থাকে। কোম্পানীর সমস্ত মূল্যসংবেদনশীল তথ্য এবং অন্যান্য বিষয় আমাদের ওয়েব সাইটে সহজলভ্য। যে কোন তথ্যের জন্য [www.fasbd.com](http://www.fasbd.com) এ আপনারা চোখ রাখতে পারেন। অবশেষে পরিচালনা পর্ষদের পক্ষ থেকে আমি কোম্পানীর ব্যবস্থাপনার সাথে জড়িত সকল কর্মীদের ধন্যবাদ জানাই তাদের ক্রমাগত প্রচেষ্টা এবং কোম্পানীর উন্নয়নে ভূমিকা রাখার জন্য।

সামনের বছর আপনাদের সকলকে দেখার ইচ্ছা পোষণ করে এবং আপনাদের সাফল্য কামনা করে আমি আমার বক্তব্য এখানেই শেষ করছি।

  
আব্দুল মাতলুব আহমাদ  
চেয়ারম্যান

# CEO & Managing Directors Review



**Md. Mofiz Uddin Chowdhury**  
Managing Director & CEO





## CEO & Managing Directors Review

The year 2013 has been one of the most challenging years for the country's economy. However, against all odds, Bangladesh has been able to attain a GDP growth of 6.03% in FY13. On the other hand, investment climate suffered during the second half of FY13 due to series of political unrest and consequent disruptions to the supply chain. Despite the challenging environment, at home and abroad, FAS Finance & Investment Limited responded positively and were able to achieve satisfactory financial results, to the benefit of the Company, its customers and shareholders also.

### **To maintain and foster future growth, Company will navigate for followings:**

1. Emphasis on core risk management.
2. Compliance of laws/ rules/ instructions of the regularity authorities.
3. Uphold the client relationship and serve the customer with the right spirit; Bring down the cost to income ratio at industry average.
4. Maintain NPL at 5%
5. Intensify the growth in SME Business
6. Explore and grow in agro business
7. Continue to focus on IT development for efficient service to a large customer base
8. Continuous focus on strong corporate governance;
9. Engage more meaningfully and vigorously in CSR activities in specific areas like education, welfare of the distressed and poor.
10. Focus on upholding the interest of shareholders.

Small and Medium Enterprises have historically made significant contribution in economic advancement of different countries. Due to its manifold significance in economic development, economies around the world have taken SME financing very seriously. SME's have been well recognized for its role in employment generation, income distribution, enhancement of purchasing power and living standard of the people as well as eradication of poverty. In line with the Company's intention to contribute to the poverty eradication and economic development, FAS has been sincerely putting its efforts to amplify its SME related activities.

Throughout the world environmental safety and greener economy has become globally acclaimed concern. Bangladesh Bank has taken rigorous steps to encourage green banking in Bangladesh through the issuance of guidelines on green banking and Environmental Risk Management (ERM). FAS have already formulated its Green Banking Policy and get it approved from its Board of Directors. The Board of Directors of FAS has approved budget for "Green Finance" and "SME".

You will agree that against all the unfavorable conditions, our Company has successfully completed another year. Our total income, good asset quality and prudent liquidity management speak of our strong sensitivity to market risk, prudent decision making and management capacity. We remain committed to creating value for all our shareholders and customers. A well defined, value creating strategy is a must for any business to achieve sustained growth and this must take into consideration the company's immediate and long term growth objectives. With over 11 years of operation as a financing Company we have achieved many milestones, successfully expanded our business and created significant shareholders' value, yet sustainable growth and profitability has been a major challenge in today's changing business environment. This is why we have given special emphasis on improving cost efficiency, resource optimization and Research & Development capabilities. To achieve sustained growth over the next five years and beyond, the Company has prepared a road map for making business strategies actionable. We will further invest in upgrading the existing facilities and expanding capacity which will translate into potentially higher growth.

I thank FAS Finance staff members for their dedicated and committed team work. My note of gratitude goes to our distinguished Chairman and honorable Members of the Board of Directors for their guidance, encouragement and empowerment of the Management. I also thank all stockholders, valued customers, lenders, depositors and regulators, Bangladesh Bank, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd. , Chittagong Stock Exchange Ltd. , National Board of Revenue, for their support and cooperation.

May Allah bless us all



**Md. Mofiz Uddin Chowdhury**  
Managing Director & CEO



## ব্যবস্থাপনা পরিচালকের বক্তব্য

২০১৩ সালটি দেশের অর্থনীতির জন্য একটি প্রতিকূল বছর ছিল, তবে সব প্রতিকূলতা মোকাবেলা করে বাংলাদেশের অর্থনীতি এ বছরে ৬.০৩% পর্যন্ত জিডিপি প্রবৃদ্ধি অর্জন করতে সক্ষম হয়েছে। অন্যদিকে বিরাজমান রাজনৈতিক অস্থিরতা, অর্থনৈতিক মন্দা এবং যোগাযোগের বিঘ্নতার কারণে বিনিয়োগ ও ব্যবসা বাণিজ্য যথেষ্ট বাধাগ্রস্ত হয়েছে। অভ্যন্তরীণ ও আন্তর্জাতিক উভয় অঙ্গনে যথেষ্ট প্রতিযোগিতামূলক পরিবেশ থাকা সত্ত্বেও এফএএস ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড ইতিবাচক পদক্ষেপ গ্রহণের মাধ্যমে কোম্পানীর গ্রাহক ও শেয়ারহোল্ডারদের জন্য সন্তোষজনক আর্থিক ফলাফল অর্জন করতে সক্ষম হয়।

ভবিষ্যৎ প্রবৃদ্ধি ও অগ্রগতি বজায় রাখার জন্য কোম্পানী নিম্নোক্ত বিষয়গুলোর উপর যথেষ্ট গুরুত্বারোপ করেছেঃ

১. ঝুঁকি ব্যবস্থাপনার উপর জোর প্রদান
২. নিয়ন্ত্রনকারী কর্তৃপক্ষের আইন/বিধি/নির্দেশনাবলী অনুসরণ
৩. গ্রাহকদের সঙ্গে সুসম্পর্ক বজায় রাখা, উন্নত সেবা প্রদান করা
৪. নন-পারফর্মিং লোন ৫% এ বজায় রাখা
৫. এসএমই ব্যবসা খাতে ঋণ প্রদান বৃদ্ধি জোরদার করা
৬. কৃষি খাতে অর্থায়ন জোরদার করা
৭. গ্রাহকদের সেবামান অক্ষুণ্ন রাখার জন্য আইটি উন্নয়নে দৃষ্টিপাত করা
৮. কর্পোরেট শাসন ব্যবস্থা আরো জোরদার করা
৯. শিক্ষা, সমাজ কল্যাণ এবং দুর্দশাগ্রস্ত ও দরিদ্র সমাজের জনগণের কল্যাণে সিএসআর কার্যক্রম জোরদার করা
১০. শেয়ারহোল্ডারদের স্বার্থ রক্ষা করা

ক্ষুদ্র ও মাঝারি শিল্প দেশের অর্থনৈতিক অগ্রগতিতে উল্লেখযোগ্য অবদান রাখে। অর্থনৈতিক উন্নয়নে নানাবিধ তাৎপর্যের জন্য সারাবিশ্বে এসএমই ঋণ গুরুত্বপূর্ণ ভূমিকা পালন করেছে। প্রজন্মের কর্মসংস্থান, আয় বন্টন, মানুষের ক্রয়ক্ষমতা বৃদ্ধিকরন ও দারিদ্র বিমোচন এর জন্য এসএমই এখন সকলের কাছে সুপরিচিত/স্বীকৃতি লাভ করেছে। কাজেই দারিদ্র দূরীকরন ও অর্থনৈতিক উন্নয়নে অবদানের উদ্দেশ্যে এফএএস ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড আন্তরিকভাবে এসএমই সংক্রান্ত কার্যক্রম বিস্তৃত করার লক্ষ্যে প্রচেষ্টা চালিয়ে যাচ্ছে।

বিশ্বের সর্বত্র পরিবেশগত নিরাপত্তা ও গ্রীন ব্যাংকিং বিশ্বব্যাপী ব্যাপক আশ্রয় সৃষ্টি করেছে। বাংলাদেশ ব্যাংক ইতিমধ্যে গ্রীন ব্যাংকিং ও পরিবেশগত ঝুঁকি ব্যবস্থাপনার (ইআরএম) উপর নির্দেশিকা প্রদানের মাধ্যমে গ্রীন ব্যাংকিং কার্যক্রমে উৎসাহিত করতে বলিষ্ঠ পদক্ষেপ গ্রহণ করেছে। গ্রীন ব্যাংকিং ও এসএমই খাতে ঋণ প্রদান বৃদ্ধির লক্ষ্যে আমাদের কোম্পানীর পর্ষদ কর্তৃক একটি বাজেট অনুমোদিত হয়েছে।

এফএএস সিএসআর এর কার্যক্রম হিসাবে এ বছর রানা প্রাজা দুর্ঘটনায় আক্রান্ত মানুষকে আর্থিক সহায়তা প্রদান করেছে এবং বর্তমানে একই ধারা অব্যাহত আছে এবং থাকবে। এছাড়াও শীতাত্ত মানুসদের মধ্যে কমল বিতরণ করা হয়েছে। আমরা আমাদের শেয়ারহোল্ডারদের স্বার্থ রক্ষা এবং গ্রাহক সেবামান বৃদ্ধিতে প্রতিশ্রুতি বদ্ধ। প্রবৃদ্ধি অর্জন এবং দীর্ঘমেয়াদী তথা টেকসই উন্নয়নের জন্য একটি সুনির্দিষ্ট মান তৈরীর কৌশল প্রয়োজন। একটি ফাইন্যান্সিয়াল প্রতিষ্ঠান হিসাবে দীর্ঘ ১১ বছরে কোম্পানী অনেক ধারাবাহিকতার ধাপ অতিক্রমের মাধ্যমে অর্জন এর পাশাপাশি ব্যবসা সম্প্রসারণ ও শেয়ারহোল্ডারদের স্বার্থ রক্ষায় গুরুত্বপূর্ণ ভূমিকা পালন করে আসছে যা আজকের পরিবর্তিত ব্যবসা ক্ষেত্রে টিকে থাকার জন্য একটা বড় চ্যালেঞ্জও ছিল। এই কারণে আমরা বিশেষ জোর প্রদান করেছি কোম্পানীর ব্যয় নির্ধারণ, সম্পদের সুষম বিন্যাস, মার্কেট গবেষণা ও উন্নয়নের উপর। আগামী ৫ বছর আরো বেশী প্রবৃদ্ধি অর্জনের জন্য কোম্পানী একটি সুনির্দিষ্ট রোড ম্যাপ প্রস্তুত করেছে।

পরিশেষে, আমি কোম্পানীর সকল কর্মীদের ধন্যবাদ জানাই তাদের কাজের প্রতি উৎসর্গীকৃত মনোভাব এবং অঙ্গীকারবদ্ধ হয়ে একত্রে কাজ করার স্পৃহার জন্য। বিশেষভাবে ধন্যবাদ জানাই কোম্পানীর চেয়ারম্যান এবং পরিচালকদের সমর্থন, নির্দেশনা ও অনুপ্রেরনার জন্য। আমি আরো ধন্যবাদ জানাতে চাই কোম্পানীর সকল শেয়ারহোল্ডার, গ্রাহক, আমানতকারী এবং নিয়ন্ত্রক সংস্থা যেমন বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, এনবিআর ইত্যাদি এর পূর্ণ সহযোগিতার জন্য। সর্বশেষে কোম্পানীর বহিঃ নিরীক্ষকগণকে তাদের মূল্যবান পরামর্শ ও নির্দেশনার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জানাচ্ছি।

আল্লাহু আমাদের সকলের সহায় হোন।



মোঃ মফিজ উদ্দিন চৌধুরী  
ব্যবস্থাপনা পরিচালক

Board Meeting Held by Directors



Committee Meeting Held by Directors



## Highlights

of the

year

2013

Participated at SME Mela organized by Bangladesh Bank



Blankets donation to cold affected people





**Memories  
of  
Previous  
AGM**



## Projects Financed by FAS



**Projects Funded by FAS Finance & Investment Ltd. in Shipping, Real Estate, Agriculture, Printing & Pharmaceutical.**

## Financial Highlights As Required By Bangladesh Bank

As on December 31, 2013

Sl. No.	Particulars	Amount in Taka		
		31-Dec-2013	31-Dec-2012	Change in %
1	Paid up capital	1,117,500,530	542,475,990	106.00
2	Total capital	1,475,382,343	882,769,514	67.13
3	Capital surplus/deficit	475,382,343	(117,230,487)	505.51
4	Total assets	4,712,317,250	2,975,741,216	58.36
5	Total deposits	1,251,582,317	382,612,797	227.11
6	Total loans, advances and leases	3,480,609,348	2,185,712,131	59.24
7	Total contingent liabilities and commitments	120,700,000	22,500,000	436.44
8	Credit deposit ratio	278.10%	571.26%	(51.32)
9	Percentage of classified loans, advances and leases	9.88%	8.91%	10.86
10	Profit after tax and provision	18,902,365	1,810,306	944.15
11	Classified loans, advances and leases during the year	343,864,468	194,778,519	76.54
12	Provisions kept against classified loans	74,470,987	40,295,524	84.81
13	Provision surplus/deficit	458,095	2,107,066	(78.26)
14	Cost of fund	16.93%	18.19%	(6.93)
15	Interest earning assets	4,083,003,777	2,357,279,980	73.21
16	Non-interest earning assets	629,313,473	618,461,236	1.75
17	Return on investment (ROI)	0.63%	0.08%	677.29
18	Return on asset (ROA)	0.49%	0.06%	719.56
19	Incomes from investment	2,094,779	(22,110,344)	109.47
20	Earning per share	0.18	0.02	944.15
21	Net income per share	0.18	0.02	944.15
22	Price earning ration (Times)	80.93	1,553.86	(94.79)

# Board Of Directors' Report

Bismillahir Rahmanir Rahim

**Dear Shareholders,**

Assaalmu Alaikum Wa Rahmatullah

On behalf of the Board of Directors and Management, I welcome you all to the 17th Annual General Meeting (AGM) of FAS Finance & Investment Limited. We have the pleasure to place herewith the Directors' Report and the Auditors' Report together with the Audited Financial Statements of the Company for the year ended December 31, 2013 for your valued consideration, approval and adoption in terms of provisions of Section 184 of the Companies Act 1994, Rule 12 (and the schedule there under) of the Securities and Exchange Rules 1987, SEC Notification dated 7th August, 2012 and IAS-1 (International Accounting Standards-1) codes as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

## Highlights on Financial Performance in 2013 :

The Company's before and after tax profit for the year 2013 were taka 52.86 million and taka 24.71 million compared to taka 38.31 million and taka 22.80 million respectively in the previous year.

## The Financial Results are summarized below:

Particulars	2013	2012
Operating income	225.25	131.83
Operating expenses	92.03	79.78
Profit before tax	52.86	38.31
Provision for taxation	28.15	15.51
Profit after tax	24.71	22.80
Retain Earning Balance	84.81	92.33
Earnings Per Share	0.24	0.22

## Product wise Performance :

The principal activities of the Company are:

- Mid to long term financing in the form of lease, term loan and home loan.
- Working capital finance in the form of credit sale financing against accounts receivable, short term revolving loan and work order financing.
- Investment products in the form of deposits.

There was no significant change in the nature of these activities during the year 2013.

## Lease Finance:

The main financial activity of FAS is lease finance. The company offers full payout financial lease of financing machinery, equipment and vehicles. FAS provide services to customers of different segments include growing companies, blue-chip companies and SMEs. Though as prudent business model the company has diversified. The investment under lease finance of the company stands at TK. 362.17 million at the end of 2013.

## House Finance & Term Finance :

The core product of FAS in house finance. house finance is available for commercial, industrial, SME sectors, period ranging from 12 to 60 months depending on the business nature and need. The company's investment under house finance & term finance stands at Tk. 803.85 & 1218.77 Million at the end of 2013.

## Merchant Banking :

During the year 2013 Merchant Bank wing FAS Capital & Management Limited focused on providing portfolio Management services to our valued clients and underwriting services as well. The number of customers went beyond 2013 portfolio size reached about TK. 157 Crore and average daily trade volume was TK. 0.50 Crore, with an authorized capital TK. 100 crore and paid up capital of TK. 25 crore. MBW made net operating profit of TK. 1.57 Core. FAS capital Management Limited also created its own investment portfolio valued at TK. 6.59 Crore in 2013 with a view to strengthening its position in the capital market. We redefined capital market investment strategy in line with modern investment techniques to create a diversified investment portfolio and minimize risk.

### Portfolio Management:

FAS is providing services all over the country keeping in mind the responsibilities to the society in which it works. FAS has portfolio management services having margin loan facilities in its product line. The transaction of portfolio accounts is made at the discretion of the customers.

### Portfolio credit :

FAS provides margin loan facilities to its portfolio customers for purchase of shares and securities. The amount of portfolio loan outstanding as on December 2013 was TK. 1,340 Million as against TK. 1,168 million in 2012 , Which recorded a growth of Percent. The above amount represents the aggregate investor's portfolio loan extended to different portfolio customers for purchasing shares listed in the stock exchanges against their deposit. Loans are fully secured by way of lien on shares purchased under margin loan account.

### Investment in share and Securities:

Our Company has been delivering this service very efficiently and skillfully over the preceding year and this year was no exception. FAS maintains its won portfolio for investment in listed companies shares and securities. These are fully diversified with different sectors of securities. The risk of investment being minimized through diversification and investing mostly in fundamentally strong securities.

### Contribution to National Economy :

As a financial institute, FAS contributes to the economic prosperity by providing financial products and services. FAS contribute to the national exchequer in the form of income tax & VAT . During the year the company has deposited amount to the Govt exchequer as corporate tax of the company. moreover, the company also collected and deposited to the Govt exchequer as withholding tax and vat is given below.

Particulars	2013	2012
Income Tax paid on company's income	16.38	66.82
Tax collected at source on behalf of Government	6.91	6.25
Value Added Tax (VAT)	5.00	1.31
<b>Total</b>	<b><u>28.29</u></b>	<b><u>74.38</u></b>

### Corporate and Financial Reporting Framework :

The Members of the Board, in accordance with the Securities & Exchange Commission's Notification no. **SEC/CMRRCD/2006-158/Admin/44** dated August 7, 2012; confirm compliance with the financial reporting framework for the following:

- The Financial Statements prepared by the Management of FAS, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the issuer company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any Departure there from has been adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- There are no significant doubts upon the issuer company's ability to continue as a going concern.

### Key operating and financial data of at least last preceding 5 (five) years:

Key operating and financial data for last five years as per Notification No. **SEC /CMRRCD /2006 158/129/Admin/44 dated 07 August 2013** is shown in **Annexure 3** at page 24. Financial Highlights as required by Bangladesh Bank is also given in **page no16**.



#### **Shareholding Pattern :**

Shareholding patterns of the Company as at the end of the year 2013 is shown in **Annexure 2** of this report.

#### **Board Meetings And Attendance of The Directors :**

During the year ended on December 31, 2013 at total of Twenty Three (23) Board Meetings were held and attendance by the Directors are summarized in **Annexure 1** of this report.

#### **Directors' Appointment & Re-appointment :**

As per Article 104 & 105 of the Article of Association of the Company, the following Directors will retire in the 17th Annual General Meeting and being eligible offered themselves for re-appointment :

1. Mr. Abdul Marib Ahmad
2. Mr. Md. Siddiqur Rahman
3. Mr. Mohammad A. Hafiz (representing Nikita & Co. Ltd.)
4. Mr. Md. Mustafa (representing Nikita & Co. Ltd.)

During the Reporting Period the Board also appointed Mr. Arun Kumer Kundu (representing Reptiles Farm Ltd.)

#### **Deposit Mobilization :**

FAS mobilizes term deposits from corporate and individuals through its wide range of deposit schemes with different maturity options, monthly/quarterly/ half-yearly/yearly income options, double/triple money options, monthly saving options etc. The deposits base of the Company continued to register a steady growth and stood at Tk. 1251.58 million as on 31 December 2013 compared to Tk. 382.61 million of the previous year, registering growth of percent. The growth was made due to high standard products and services along with competitive interest rate offered to customers.

#### **Utilization of Proceeds from Rights Issues :**

During the year, the Company had issued 5,42,47,599 shares to the existing shareholders at par value (BDT 10 each share) totaling of BDT 54,24,75,990 offered on the basis of 1 right share for 1 existing share. The proceeds of the same was utilized in the manner disclosed in the Rights Offer Documents.

#### **Going Concern :**

The financial statements of the Company have been prepared on a going concern basis, which Contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Board of Directors of FAS has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the Company's ability to continue as a going concern, including review of budget and future outcome of inherent uncertainties in existence. Based on the different indications, Directors feel it appropriate to adopt going concern assumptions and no material uncertainty exists in preparing the financial statements.

#### **Recovery :**

According to Bangladesh Bank categorization for nonperforming loan / industry practice of loan Classification for FIs, NPL in the same period stood at Taka. 34,38,64,468 which is merely 9.88% of the Total outstanding loans. FAS maintain required provision against loans and any other accounts that are considered by Management as doubtful of recovery.

#### **Proposed Dividend :**

The Board proposed Cash dividend @ 5.20% for the year 2013.

#### **Appointment of External Auditor :**

MABS & J Partners, Chartered Accountants, carried out the audit of the Company for the FY2013. Being eligible, they have offered their services for the year 2014 also. In this connection, the Board of Directors endorses recommendation of the Audit Committee for appointment of MABS & J Partners, Chartered Accountants as the auditors of the company for the year 2014.

#### **Status Of Compliance :**

In accordance with the Securities & Exchange Commission's Notification no. **SEC/CMRRCD/2006-1581 Admin/134/44 dated August 7, 2012**, the Directors are required to confirm compliance of certain conditions. The notification was issued for ensuring good governance practices in the listed companies. A statement on the compliance of the BSEC's conditions is given in this report in **Annexure -5**.

## Human Resources :

The backbone of any successful company is the human resources, and without a talented group of people, the company is doomed for failure. HR is one of the most important functions in our business. That's because we need people to run our business and the staff are the most important aspect of any company, and it's true that these are the people who represent our company in different business areas. So this area is handled efficiently. The human resources of our Company involves a number of key tasks, all of which affect the well being of our workforce and it is essential to handle these properly. One key area for a lot of employees is pay. Being paid the correct amount, on time, does a lot to keep employees happy.

The main goals/responsibilities of our Company is:

To retain low employee turnover rate by inspiring people to work for the company  
To attract new employees  
To contribute to employee development

FAS is committed to maintaining a healthy and fair work environment, free from discrimination based on gender, age, race, national origin, religion, marital status, or any other basis not prohibited by law. In short, the aim is to maintain the place of work and surrounding conditions in a manner that permits employees to work to the highest effectiveness and to their full potentials.

At FAS, effective internal communications and free flow of ideas, open door policy, fairness, commitment, teamwork and highest standards of professional excellence and integrity are always appreciated. Since its human resources gives FAS a clear competitive edge, FAS always aspires of hiring the best of the people with diverse backgrounds. Thus the focus always remains on fostering talent, unleashing potential and providing long-term career growth. Career development at FAS is solely based on merit, performance and productivity. It's a demand of evolving business environment that the human resources of the company requires training for every changing process, customer preferences, numerous new technology applications, compliance and regulatory requirements. FAS conducted several training programs in various functional areas as per individual employee's requirement during the year. Employees also attended training programs on different personal and functional development programs for increasing their levels of skills and competencies

## Information Technology :

In the world of globalization, Information system is such where data are collected, classified and put into process interpreting the result thereon in order to provide an integrated series of information for further communicating and analyzing. In a progressively more spirited worldwide atmosphere, Information System plays the role as 'enabler and facilitator', which endows with tactical values to the officialdom and considerable step up to the excellence of administration. 'An Information System is a particular type of work system that uses information technology to detain, put on the air, store, retrieve, manipulate or display information, thereby partisan one or more other work structure. In totting up to taking sides assessment making, co-ordination and control, information systems may also help managers and workers investigate problems, envisage complex subjects and generate new merchandise or services.

The customers can view the accounts; get account statements, transfer funds and purchase drafts by just punching on few keys. The upgradeability and flexibility of internet technology after unprecedented opportunities for the financial sector to reach out to its customers. Technology continues to be both a motivator and facilitator of change in the financial services industry. The structure of the industry has changed significantly in recent years as financial service providers have taken advantage of opportunities created by technology and invested heavily on advanced Information Communication Technology (ICT). This is also true for FAS The Company is driving to upgrade its IT platform regularly and making required investment to bring about changes in technological infrastructures to bring efficiency to its operation and have more satisfied customers. As you may be aware the Company has its own software to combine and integrate all the operations of the Company and to have efficient use of the information.

## Significant improvement from the last year's operating result :

Operating profit for the year 2012-2013 has been increased i.e. 141.11%. We want to disclose the underlying reasons for the better understanding of the stakeholders of the Company, which are as follows:

- \* Enhancement of capital.
- \* Cost of fund comparatively decreased than last year.
- \* High growth of disbursement.



### **The System Of Internal Control :**

The Board of Directors assures the Shareholders that the Company has a forceful risk management process to ensure that the system of internal control is sound in design and has been effectively implemented and monitored. The Company takes reasonable steps to identify material risks that may hamper business results and systematically reviews these risks in light of the changing internal and external environment in order to assess that the controls in place are adequate to address these risks.

### **Plan For Utilization Of Undistributed Profit :**

The undistributed profit will be utilized to invest in financing assets and meet contingencies under section 100 of the Schedule 1 of the Companies Act 1994.

### **Corporate Governance Compliance Report :**

Pursuant to the clause 7(ii) of the SEC Notification No. SEC/CMRRCD/2006-158/134/admin 144 dated August 7, 2012 we attach the Company's compliance status as **Annexure -5**

### **Certification on compliance of Corporate Governance :**

Certificate from professional accountant on compliance with the conditions as per clause 7(i) of Corporate Governance guidelines is shown in **Annexure -6**.

### **Other Regulatory Disclosures :**

\* The Company is aware of its various risks and concerns, mainly from the policy and regulatory parts, and is prepared to meet those by systematic control. Financial risk management has been disclosed under note of the Financial Statements as per BFRS.

\* All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Trans-action". Details of related party and transactions have been disclosed under note of the financial statements as per BFRS. During the year, the Company has paid a total amount of Tk. 8,85,000 as Board meeting attendance fees.

\* All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained.

\* The key operating and financial data for the last five years have been disclosed in the Directors' Report.

\* The Company has declared final dividend for the year 2013.

\* During 2013, a total of 23 (Twenty Three) Board meetings were held, which met the regulatory requirements in this respect.

\* The attendance records of the Directors are shown in this report.

\* Shareholding patterns of the Company as on 31 December 2013 are shown in this report in **Annexure -2**.

\* The Directors' profiles have been included in the Annual Report as per BSEC Guidelines in **Annexure -4**.

### **Acknowledgement**

The Board of Directors expresses heart-felt appreciation & gratitude to the valued clients, lenders, depositors, bankers & business associates for their support & cooperation. Board also expresses its gratitude to Bangladesh Bank, Bangladesh Securities & Exchange Commission, Dhaka Stock Exchange Ltd. , Chittagong Stock Exchange Ltd. , National Board of Revenue, Registrar Joint Stock Companies & Firms and other regulatory bodies for their assistance and guidance. Our sincere appreciation goes to the employees of the Company for their loyalty, efforts and dedication. I would take the opportunity to thank all my colleagues of the Board who have extended all sorts of cooperation to make the year 2013 another year of success for the Company. Finally, the Board of Directors thanks the respected shareholders for their confidence on the Board & Management and assures them that the process of strengthening and development of the Company will continue in coming days to optimize the wealth of the stakeholders.

On behalf of the Board of Directors,



**Abdul Matlub Ahmad**  
Chairman

## ANNEXURE – I

### Meeting attended by the Directors during-2013;

SL. No.	Name of Director	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting		Remarks
		Held	Attended	Held	Attended	Held	Attended	
1	Mr. Abdul Matlub Ahmad	23	21	-	-	-	-	Continuing
2	Mr. Abdul Marib Ahmad	23	2	-	-	-	-	Continuing
3	Mr. Mohammad A.Hafiz (Nominated by Nikita & Co. Ltd.)	23	2	9	1	-	-	Appointed on 2/12/2013
4	Mr. Md. Mustafa (Nominated by Nikita & Co. Ltd.)	23	1	9	1	-	-	Appointed on 2/12/2013
5	Mr. Md. Siddiqur Rahman	23	3	9	1	-	-	Appointed on 28/10/2013
6	Mr. Md. Zahangir Alam (Nominated by P & L International Ltd.)	23	2	9	1	4	2	Appointed on 2/12/2013
7	Mr. Uzzal Kumar Nandi (Nominated by P & L International Ltd.)	23	2	9	1	4	2	Appointed on 28/10/2013
8	Mr. Anjan Kumer Roy (Nominated by Reptiles Farm Ltd.)	23	1	-	-	4	2	Appointed on 2/12/2013
9	Mr. Md. Mesbahul Haque (Nominated by Reptiles Farm Ltd.)	23	1	-	-	-	-	Appointed on 2/12/2013
10	Mr. Mustafa Aminur Rashid (Nominated by Reptiles Farm Ltd.)	23	22	-	-	4	4	Continuing
11	Mr. Satya Gopal Podder	23	23	-	-	4	4	Continuing

\* Leave of absence granted in all cases of non-attendance.

## ANNEXURE – II

### Pattern of Shareholding as on 31st December, 2013

Name of the Shareholders	Status	Shares Held	% of holding
<b>i. Parent/Subsidiary/Associated Companies and other related parties.</b>	-	-	-
<b>ii. Directors &amp; Sponsors :</b>			
Mr. Abdul Matlub Ahmad	Chairman	26,66,160	2.39
Mr. Abdul Marib Ahmad	Director	27,96,260	2.50
Mr. Mohammad A.Hafiz (Nominated by Nikita & Co. Ltd.)	Vice Chairman	14,302,837	12.80
Mr. Md. Mustafa (Nominated by Nikita & Co. Ltd.)	Director		
Mr. Md. Siddiqur Rahman	Director	52,45,500	4.69
Mr. Md. Zahangir Alam (Nominated by P&L International Ltd.)	Director	60,00,000	5.37
Mr. Uzzal Kumar Nandi (Nominated by P&L International Ltd.)	Director		
Mr. Anjan Kumer Roy (Nominated by Reptiles Farm Ltd.)	Director	87,54,500	7.83
Mr. Md. Mesbahul Haque (Nominated by Reptiles Farm Ltd.)	Director		
Mr. Mustafa Aminur Rashid	Independent Director	-	-
Mr. Satya Gopal Podder	Independent Director	-	-
Mrs. Selima Ahmad	Sponsor	22,82,899	2.04
Ms. Syeda Shahnaz Ahmad	Sponsor	31,46,623	2.82
Mr. Syed Monoar Ali	Sponsor	31,46,623	2.82
Nitol Motors Limited	Sponsor	13,886,250	12.43
Bangladesh National Car Ltd.	Sponsor	19,82,882	1.77
Mr. Nasim Ali Khan	Sponsor	16,19,136	1.45
Mr. Serajul Islam	Sponsor	242,870	0.22
Mr. Mahmudul Hoque Shamim	Sponsor	270,719	0.24
Mr. Enamul Hoque Monju	Sponsor	242,870	0.22
Mr. Assaduzaman Chaudhury	Sponsor	161,919	0.14
<b>iii. Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their Spouses and Minor Children 's:</b>			
Mr. Md. Mofiz Uddin Chawdhury	Chief Executive Officer	-	-
Mr. Md. Maniruzzaman Akan	Chief Financial Officer	-	-
Mr. Md. Abdul Maleque	Head of Internal Audit	-	-
Ms. Fardose Jahan	Company Secretary	-	-
<b>iv. Executives:</b>			
Mr. Abdul Halim	Head of HR	-	-

## ANNE XURE – III

### Key Operating and Financial Data

Operating Result		2013	2012	2011	2010	2009
Operational income	BDT in Million	196.35	81.44	212.48	217.42	149.81
Operational expenses	BDT in Million	78.84	64.61	66.16	43.45	25.08
Financial expenses	BDT in Million	266.13	206.62	199.25	99.88	69.40
Profit before tax	BDT in Million	45.99	9.71	110.33	84.70	124.65
Provision for tax	BDT in Million	27.09	7.90	48.76	5.55	39.05
Profit after tax	BDT in Million	18.90	1.81	61.57	79.15	85.60

Balance Sheet						
Total investment portfolio	BDT in Million	3,822.89	2,342.93	2,009.94	2,101.87	1,173.05
Total assets	BDT in Million	4,712.32	2,975.74	2,621.18	2,910.42	1,611.93
Financial liabilities	BDT in Million	2,691.01	1,612.46	1,248.68	1,579.22	809.84
Tern Dipozit	BDT in Million	1,251.58	382.61	312.89	516.82	222.29
Total liabilities	BDT in Million	3,135.22	1,960.02	1,607.27	1,958.09	1,058.63
Shareholders' equity	BDT in Million	1,577.10	1,015.72	1,013.91	952.34	559.29
Share outstanding	BDT in Million	111.75	54.25	51.66	44.93	39.07

Financial Ratio						
Debt equity ratio	In Times	1.99	1.93	1.59	2.06	1.88
Return of equity	%	1.46%	0.18%	6.07%	8.31%	15.31%
Financial expense coverage	In Times	1.17	1.05	1.55	1.85	2.80
Provision for doubtful asset to total investment	BDT in Million	123.25	85.94	115.71	135.95	46.68
Net assets value per share (NAV)	Per Share	14.11	18.72	19.62	21.2	14.32
Earning per share (Adjusted)	Per Share	0.18	0.02	1.14	1.53	1.91
Cash dividend (Per Share)	%	5.20%	-	-	-	-
Stock dividend (Bonus Share)	%	-	6%	5%	15%	15%

\* 5.20% Cash dividend proposed by Board.

## ANNE XURE – IV

# Brief Profile of the Director

### 01. Abdul Matlub Ahmad

Chairman

Abdul Matlub Ahmad is a leading business personality, an industrialist and an entrepreneur with a vision to build Bangladesh as a developed nation. He was born in Dhaka in 1952 and graduated with B.A.(Hons.) and M.A. in Economics from Oxford University. He is the Chariman of Nitol-Niloy Group of companies, one of the prime conglomerates of the country. He established the flagship company Nitol Motors Ltd. which is the main driving force of the group.

Mr. Matlub Ahmad is the president of India-Bangladesh Chamber of Commerce & Industries, Founder President of Bangladesh Automobiles Assemblers & Manufactures Association. He is the past president of Bangladesh-Malaysia Chamber of Commerce & Industries; ex-director of Federation of Chamber of Commerce and Industries.

He founded the Bangladesh Cement manufacturers association and also Bangladesh Korea Chamber of Commerce and Industry. He has led many business delegations abroad and had great success in helping members of the delegation to join hands with foreign partners. As Nitol-Niloy Group Chairman Matlub Ahmad has built pulp and paper mills industries, Cement mill, Automobile factory, Motor Cycle Assembly Plant, Nitol Insurance Company and FAS Finance and Investment Limited. New Industrial complex for Indian and foreign joint ventures are now being established in Kishoregonj and Chattak.

### 02. Mr. Mohammad A. Hafiz

Vice-Chairman

Nominated by Nikita & Company Limited

Mr. Hafiz is the member of the Board since December, 2013. He is the Director nominated by Nikita & Company Limited and has been serving as Vice- Chairman of the Board Since then. He is also the member of the Executive Committee of the Board.

Mr. Hafiz is a distinguished business personality of the country; he is the Chairman of AAA Finance & Investment Ltd. He is a 6th batch MBA from IBA, Dhaka University. Mr. Hafiz is the immediate past President of Bangladesh Merchant Bankers' Association (BMBA). He carries vast experience in the field of Merchant banking and is widely known in the investment banking circles. He worked in different industrial organizations in top management level since four decades. Mr. Hafiz is involved in the capital market and working actively in organizing portfolio fund, investment counseling and secondary and primary market functions. Mr. Hafiz is experienced in Portfolio fund and Investment management. He is also Director of Stock & Bond Limited a sister concern of AAA and a full fledged member of the Dhaka Stock Exchange Limited. He is a Past President of Rotary Club of Banani Dhaka, Life Member of Banani Society & Banani Club Limited. He is also Co- Chairman of standing committee on Capital Market of FBCCI. He is widely travelled person across the globe on business trips.

### 03. Mr. Md. Mustafa

Director

Nominated by Nikita & Company Limited

Mr. Mustafa is the member of the Board since December, 2013. He is the Director nominated by Nikita & Company Limited and has been serving as Director of the Board Since then. He is also the member of the Executive Committee of the Board. Mr. Md. Mustafa is a Masters in Accounting from Dhaka University. Mr. Mustafa joined in Bangladesh General Insurance Co. Ltd. in 1987 and worked as Deputy General Manager (share and investment Department).

Mr. Mustafa is well versed in the operation of capital market and experienced in the field of share and security management, Investment advisory services and fund management.

He is also Managing Director of Stock & Bond Limited a sister concern of AAA Finance and Investment Limited and a full fledged member of the Dhaka Stock Exchange Limited.

He has travelled various countries for business purpose.

### 04. Mr. Abdul Marib Ahmad

Director

Abdul Marib Ahmad One of the very young & potential Shareholder Director of FAS Finance and investment Limited. Mr. Abdul Marib Ahmad was born on 24th July, 1986. He completed his graduation. He is also the Directors & Sponsor of Bangladesh National Car Ltd. N-reach Net (Pvt.) Ltd. NITS Service (Pvt.) Ltd. His innovative ideas & views playing an important role in the development of business & trade of the country.

### 05. Mr. Md. Siddiqur Rahman

Director

Mr. Md. Siddiqur Rahman is one of the Shareholder Directors of FAS Finance and Investment Limited. He is also one of the members of the Executive Committee of the Company. Simultaneously, he is the Chairman of Simtex Bangladesh Limited (Export Oriented Industry) and the Managing Director of Simtex Industries Limited (Bangladeshi Largest Sewing Thread Manufacturer).



Mr. Rahman has a brilliant academic career and secured many scholarships in public level examinations. Mr. Rahman completed his Masters in Business Administration and Advance Certificate in Business Administration (ACBA) from The Institute of Business Administration (IBA) under the University of Dhaka. He is also an FCS i.e, a Fellow member of The Institute of Chartered Secretaries of Bangladesh (ICSB). Besides, Mr. Rahman holds a Post- Graduation Diploma in Financial Management and has wide experience in different private and public limited companies as well as non-Banking Financial Institutions before he started his business career in the year 2001.

Mr. Rahman is a dynamic businessman with more than 13 years of business experience. After a long and wide range job experience, Mr. Rahman established his first business venture Simtex Bangladesh Limited in a very small scale in the year 2001. Since then by the dint of his dynamic leadership and excellent entrepreneurship, he expanded his business ventures both vertically and horizontally.

He is a donor Member of Uttara Club Limited and All Community Club Limited. He is also a life member of Gulshan Health Club, Dhanmondi Club Limited and Army Golf Club.

He visited many countries of the world for study and business purpose including UK, USA, Canada, Germany, Australia, Belgium, France, Italy, China, Malaysia, Thailand, UAE and many more.

Mr. Rahman is happily married and is blessed with three sons.

## **06. Mr. Md. Zahangir Alam**

Director

Nominated by P & L International Limited

Mr. Md. Zahangir Alam is the member of the Board since December, 2013 of FAS Finance and Investment Limited. He is the Director nominated by P & L International Limited; he is also the member of the Board of Executive Committee as well as the Audit Committee of the Company.

Mr. Alam did his M. Com. in Accounting from the University of Dhaka, he is also a fellow of the Institute of Chartered Secretaries of Bangladesh, he started his career as Chief Accountant and served many reputed companies, he also served as Company Secretary in a public Limited Company.

He started his business career as the chairman of Simtex Industries Limited and later on entered in the RMG sector as an owner and Managing Director of Design & Source Ltd, Z A Sourcing (Buying House), Z A Apparels Ltd. and Z A Sweaters Ltd. Mr. Alam is now among the leading garments manufacturer and exporter in Bangladesh . He owns five garments manufacturing units with a marketing office in Hongkong.

He is in the verge of setting a state of the art Washing Plant which is environment friendly. As a businessman he is involved with business activities and holds position in good number of business entities in the area of garments and garments accessories and finance.

Mr. Alam has traveled various countries including Saudi Arabia, U.A.E, UK, Canada, Germany, South Africa, Brazil, Sri Lanka, Malaysia, Hong Kong, Taiwan, Maccau, China, Brunie, Myanmar, India, Pakistan, Nepal, Belgium and many others for business purposes.

He enthusiastically takes part and contributes to various social activities as well. Mr. Alam gets a pleasant personality. He is married and blessed with one son and one daughter.

## **07. Mr. Uzzal Kumar Nandi**

Director

Nominated by P & L International Limited

Mr. Nandi is the member of the Board of FAS since December, 2013. He is the Director nominated by P & L International Limited. He is also the member of the Board of Executive Committee and Audit Committee of the Company.

Mr. Nandi is a Chartered Accountant and professional qualified with CT1- Financial Mathematics, under the Institute and Faculty of Actuaries, UK, he obtained both BBA & MBA (Major in Accounting) from Department of Accounting & Information Systems, under the Faculty of Business Studies under University of Dhaka.

Presently he is the proprietor of Uzzal Nandi & Co. Chartered Accountants. Previously he was the Chief Executive Officer of Golden Life Insurance Limited from September 2010 to 2013 and Chief Financial Officer and Company Secretary of Industrial and Infrastructure Development Finance Company Limited from 2008 to 2010 respectively.

He conducted a number of research works regarding Analysis of Financial Statements with IAS, Analysis of performance of Banks and Financial Institution of Bangladesh , Analytical Report on quality costing applied in service industries and Application of goal programming on pricing on mobile phone sets under different Associates professors' of Dhaka University.



## 08. Mr. Anjan Kumer Roy

Director

Nominated by Reptiles Farm Limited

Mr. Roy is a member of the Board since December, 2013. He is the Director nominated by Reptiles Farms Limited and also a member of the Audit Committee of the Board.

Mr. Roy is an Associate member of Institute of Chartered Accountants of Bangladesh (ICAB) from 2010 and now he is working as a Partner of "ARUN & ANJAN, Chartered Accountants" of which he is a co-founder. Mr. Roy obtained his MBA (major in AIS) from Dept. of Accounting & Information Systems (AIS), Faculty of Business Studies, University of Dhaka. He also completed his BBA (Hons.) with distinction of 'Dean Honors List' from the same university.

Previously he served Dhaka Bank Limited as Senior Assistant Vice President & In-charge of Risk Management Division and The City Bank Ltd. as Associate Branch Operations Manager. He attended a number of seminars, workshops and trainings, relating to the key areas of banking and risk management in banking sector including risk & capital adequacy for banking sector, Basel-II implementation, Stress Testing for Financial Institution, QIS for Basel-III implementation in Bangladesh, environmental risk management, green banking etc.

He is a Life Member of 'Dhaka University Accounting Alumni' from 2006. He enthusiastically takes part and contributes to various social activities as well.

## 09. Mr. Mesbahul Haque.

Director

Nominated by Reptiles Farm Limited

Mr. Haque is the member of the Board since December, 2013. He is the Director nominated by Reptiles Farm Limited. Mr. Haque, Bachelor of Pharmacy from the University of Dhaka and Masters of Business Administration. He served 40 years in various key positions in Pharmaceutical Business both multinational and national companies. He has extensive experience in chemical and insecticide business.

## 10. Mr. Mustafa Aminur Rashid

Independent Director

Joined the FAS Finance and Investment Limited as an Independent Director on 31st January, 2012. Mr. Mustafa Aminur Rashid honors graduate in English Language & Literature from Dhaka University. He is an MBA (Pr.) from the Institute of Public & Business Administration of Karachi University in 1961. He joined the Habib Bank Ltd. in Karachi, Pakistan in 1961. He is a carrier Banker who served in Senior Executive positions of Habib Bank Ltd. as well as successor Agrani bank, a leading nationalized Bank of the country. He served as Managing Director of Agrani Bank and retired from in 1996, he worked in World Bank, and Washington D.C. Worked as a Member of the Development Committee of Chittagong University.

## 11. Mr. Satya Gopal Podder

Independent Director

Joined the FAS Finance and Investment Limited as an Independent Director on 4th April, 2012. Mr. Satya Gopal Podder is a Bachelor in Science of Dhaka University & obtained Diploma from the Institute of International Business Management from USA. He started his banking carrier in 1967 as a Probationary Officer in Muslim Commercial Bank Ltd. Dhaka. After Liberation he served in Nationalized Bank in various capacities. He retired as Deputy Managing Director from The City Bank Ltd. in January 2002. He was also Nominated Director of The City Bank Ltd. in the Board of Directors of Industrial Development Leasing Company Ltd. Bangladesh (IDLCLB). He was Senior Consultant of Dutch Bangla Bank Ltd. from 2002 to 2005.

## 12. Mr. Md. Mofiz Uddin Chowdhury

Managing Director & CEO

Mr. Md. Mofiz Uddin Chowdhury joined FAS Finance and Investment Limited as Managing Director & CEO in 21st July, 2011. Before that he joined Bangladesh Bank as Assistant Director in 1976 and he served in Policy framing, Supervision & Inspection of Banks & Non- Bank Financial Institutions, Human Resources Department, Accounts and Budgeting Department, Foreign Exchange Policy Department.

During his service in Bangladesh Bank he has played a vital role as General Manager of Bangladesh Bank, Chittagong Office. He has 34 years experience in Banking & Financial Institutions. During his banking career he attended numerous training and workshops on Project Management and Human Management USA in 1994, Payment System in Singapore 1999, Monetary Operations in Singapore 2002, Reserve Management in Australia & Newzealand & Financial Regulators Forum in Islamic Finance Malaysia in 2007. He obtained his Masters Degree in International Relation from Dhaka University in 1974. He retired from Bangladesh Bank as Executive Director in 2011.

## ANNEXURE - V

### Status of compliance with the conditions imposed by

BSEC's Notification on Corporate Governance

(Report under Condition No. 7.00)

Condition No.	Title	Compliance Status	Remarks
1.0	<b>BOARD OF DIRECTORS:</b>		
1.1	Board's Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty)	Complied	FAS Board is comprised of 11 Directors
<b>1.2</b>	<b>INDEPENDENT DIRECTORS:</b>		
1.2 (i)	Independent Director: At least 1/5th	Complied	There are two Independent Directors in the FAS's Board, namely: Mr. Mustafa Aminur Rashid and Mr. Satya Gopal Podder.
1.2 (ii)	For the purpose of this clause "Independent Director" means	-	The Independent Directors have declared their compliances.
1.2 (ii) a.	Independent directors do not hold any share or hold less than one percent (1%) shares.	Complied	Do
1.2 (ii) b.	Independent directors do not connected with the company's sponsor or director or shareholder who holds 1% or more shares.	Complied	Do
1.2 (ii) c.	Independent directors do not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated company.	Complied	Do
1.2 (ii) d.	Independent directors are not the members, directors or officers of any stock exchange.	Complied	Do
1.2 (ii) e.	Independent directors are not the members, directors or officers of any stock exchange or an intermediary of the capital market.	Complied	Do
1.2 (ii) f.	Independent directors are/were not the partners or executives during preceding 3 (three) years of any statutory audit firm.	Complied	Do
1.2 (ii) g.	They are not the Independent directors in more than 3 (three) listed companies.	Complied	Do
1.2 (ii) h.	They are not convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a non bank financial institution (NBFI)	Complied	Do
1.2 (ii) i.	They are not been convicted for a criminal offence involving moral turpitude	Complied	Do
1.2 (iii)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	Complied	Two Independent Directors Mr. Mustafa Aminur Rashid & Mr. Satya Gopal Podder have been appointed in Board meeting as on 31/01/2012 & 03/04/2012 respectively and has been approved in the 15th AGM, 2011.
1.2 (iv)	The post of independent directors cannot remain vacant for more than 90 days	Complied	There has been no vacancy in the position of Independent Directors

Condition No.	Title	Compliance Status	Remarks
1.2 (v)	The board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.	Complied	The company has laid down a detailed code of conduct and every Director has signed a confirmation as to its compliance.
1.2 (vi)	The tenure of office of an independent directors shall be for a period of 3 (three) years which may be extended for 1 (one) term only.	Complied	The Independent Directors (IDs) are in their first term of office.
<b>1.3 QUALIFICATION OF INDEPENDENT DIRECTOR (ID)</b>			
1.3 (i)	Independent Director shall be knowledgeable individual with integrity.	Complied	The qualification and background of IDs justify their abilities as such.
1.3 (ii)	The independent director must have at least 12 (twelve) years of corporate management/professional experience.	Complied	Existing Independent Directors are bureaucrat with more than 12 years of experience.
1.3 (iii)	In special cases the above qualifications may be relaxed by the commission.	-	Not Applicable
1.4	Positions of the Chairman of the Board and the Chief Executive Officer shall be filled by different individuals.	Complied	Chairman of the Board and CEO are different individuals. The roles and responsibilities of the Chairman of the Board and the CEO are approved in Board meeting.
<b>1.5 THE DIRECTORS' REPORT TO SHAREHOLDERS</b>			
1.5 (i)	Industry outlook and possible future developments in the industry.	Complied	The Directors' report complies with the guideline.
1.5 (ii)	Segment-wise or product-wise performance.	Complied	The Directors' report complies with the guideline.
1.5 (iii)	Risks and concerns	Complied	Discussed at Directors report.
1.5 (iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin.	-	Not Applicable
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	Complied	Discussed under the notes to the Financial Statements.
1.5 (vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report.	Complied	Discussed under the notes to the Financial Statements.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and / or through any others instruments.	Complied	Discussed at Directors report.
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing etc.	-	Not Applicable
1.5 (ix)	If significant variance occurs between Quarterly Financial Performance and Annual Financial Statements the Management shall explain about the variance on their Annual Report.	Complied	Discussed at Directors report.
1.5 (x)	Remuneration to directors including independent directors.	Complied	Discussed at Directors report.
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the results of its operations, cash flows and changes in equity.	Complied	Discussed at Directors report.

Condition No.	Title	Compliance Status	Remarks
1.5 (xii)	Proper books of account of the issuer company have been maintained.	Complied	Do
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	Complied	The Independent Directors (IDs) are in their first term of office.
1.5 (xiv)	International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	Complied	Do
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	Complied	Stated under section 'The System of Internal Control' in the Directors Report.
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	Complied	Stated under section 'Going Concern' in the Directors Report.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	Complied	Stated under the Directors Report.
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	Complied	Stated in <b>Annexure-3</b> at Directors report.
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.	-	Dividend declared. The Directors' report complies with the guideline.
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	Complied	Stated in <b>Annexure -1</b> of the Directors report which comply with the guideline.
<b>1.5 (xxi)</b>	<b>THE PATTERN OF SHAREHOLDING SHALL BE REPORTED TO DISCLOSE THE AGGREGATE NUMBER OF SHARES (ALONG WITH NAME WISE DETAILS WHERE STATED BELOW) HELD BY:</b>		
1.5 (xxi) a.	Parent/Subsidiary/Associated Companies and other related parties	Complied	Stated under the Directors Report in <b>Annexure-2</b>
1.5 (xxi) b.	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children.	Complied	Do
1.5 (xxi) c.	Executives	Complied	Do
1.5 (xxi) d.	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	Complied	Do
<b>1.5 (xxii)</b>	<b>IN CASE OF APPOINTMENT/RE-APPOINTMENT OF A DIRECTOR THE COMPANY SHALL DISCLOSE THE FOLLOWING INFORMATION TO THE SHAREHOLDERS:</b>		
1.5 (xxii) a.	A brief resume of the Director;	Complied	Stated in <b>Annexure-4</b> of the Directors' report which comply with the guideline.

Condition No.	Title	Compliance Status	Remarks
1.5 (xxii)b.	Nature of his/her expertise in specific functional areas;	Complied	Do
1.5 (xxii) c.	Names of companies in which the person also holds the directorship and the membership of committees of the board.	Complied	Do
<b>CHIEF FINANCIAL OFFICER, HEAD OF INTERNAL AUDIT &amp; COMPANY SECRETARY</b>			
2.1	Appointment of CFO, Head of Internal Audit and Company Secretary and defining of their respective roles, responsibilities and duties	Complied	The Company has appointed CFO, CS and Head of Internal Audit. There are clearly defined roles, responsibilities and duties which have been approved by Board.
2.2	Attendance of CFO and the Company Secretary at Board of Directors meeting.	Complied	In Practice
<b>3.</b>	<b>AUDIT COMMITTEE:</b>		
3. (i)	Audit Committee shall be the sub-committee of the Board of Directors.	Complied	There are clearly defined an Audit Committee as a sub-committee of the Board which have been approved by Board.
3. (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	Complied	In Practice
3. (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	Complied	In Practice. The TOR is available.
<b>3.1</b>	<b>CONSTITUTION OF THE AUDIT COMMITTEE:</b>		
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	Complied	The Audit Committee is composed of 5 (Five) members.
3.1 (ii)	Constitution of Audit Committee with Board Members including one Independent Director.	Complied	In Practice
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management.	Complied	The Board reviewed and considered that all the existing members of the Audit Committee are "financially literate" and they have "related financial management experience" as per SEC notification.
3.1 (iv)	Filling of Casual Vacancy in Committee	Complied	The Board appointed AC member in due time and they work as per the TOR
3.1 (v)	The company secretary shall act as the secretary of the Committee	Complied	In Practice
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	Complied	In Practice
<b>3.2</b>	<b>CHAIRMAN OF THE AUDIT COMMITTEE</b>		
3.2 (i)	Chairman of the Audit Committee shall be an Independent Director.	Complied	Mr. Mustafa Aminur Rashid has been appointed as Independent Director, who is also Chairman of AC.
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM).	Complied	In Practice
<b>3.3</b>	<b>ROLE OF AUDIT COMMITTEE</b>		
3.3 (i)	Oversee the financial reporting process.	Complied	In Practice

Condition No.	Title	Compliance Status	Remarks
3.3 (ii)	Monitor choice of accounting policies and principles.	Complied	In Practice
3.3 (iii)	Monitor Internal Control Risk management process.	Complied	In Practice
3.3 (iv)	Oversee hiring and performance of external auditors.	Complied	In Practice
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	Complied	In Practice
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	Complied	In Practice
3.3 (vii)	Review the adequacy of internal audit function.	Complied	In Practice
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	Complied	In Practice
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	Complied	In Practice
3.3 (x)	When money is raised through Initial Public Offering (IPO)/ Repeat Public Offering (RPO)/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results.	Complied	In Practice
<b>3.4</b>	<b>REPORTING OF THE AUDIT COMMITTEE</b>		
3.4.1	Reporting to the Board of Directors		
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	Complied	Audit Committee informs Board periodically through its minutes.
3.4.1 (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any;		
3.4.1 (ii) a.	Report on conflicts of interests;	Complied	There was no such case in the year.
3.4.1 (ii) b.	Suspected or presumed fraud or irregularity or material defect in the internal control system;	Complied	Do
3.4.1 (ii) c.	Suspected infringement of laws, including securities related laws, rules and regulations;	Complied	Do
3.4.1 (ii) d.	Any other matter which shall be disclosed to the Board of Directors immediately.	Complied	Do
3.4.2	Reporting to the Authorities.	Complied	Do
3.5	Reporting to the Shareholders and General Investors	Complied	The Audit Committee report is disclosed in the Annual Report and signed by the Chairman of the AC in Page No. 35
<b>4.</b>	<b>EXTERNAL/STATUTORY AUDITORS:</b>		
4. (i)	Appraisal or valuation services or fairness opinions.	Complied	In Practice
4. (ii)	Financial information systems design and implementation.	Complied	In Practice



Condition No.	Title	Compliance Status	Remarks
4. (iii)	Book-keeping or other services related to the accounting records or financial statements.	Complied	In Practice
4. (iv)	Broker-dealer services.	Complied	In Practice
4. (v)	Actuarial services.	Complied	In Practice
4. (vi)	Internal audit services.	Complied	In Practice
4. (vii)	Any other service that the Audit Committee determines.	Complied	In Practice
4. (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	Complied	The Audit firm does not hold any shares in the Company.
<b>5.</b>	<b>SUBSIDIARY COMPANY</b>		
5. (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	Complied	FAS have a subsidiary Company.
5. (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	Complied	The Independent director of FAS Mr. Mustafa Aminur Rashid is nominated to the Board of the subsidiary company.
5. (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	Complied	In Practice
5. (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	Complied	In Practice
5. (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	Complied	In Practice
<b>6.</b>	<b>DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):</b>		
6. (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	Complied	In Practice
6. (i) a.	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	Complied	Do
6. (i) b.	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	Complied	Do
6. (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	Complied	Do
<b>7.</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>		
7. (i)	The company shall obtain a certificate from a Professional Accountant / Secretary (Chartered Accountant /Cost & Management Accountant /Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis	Complied	Required certification has been obtained from M/S. Shahadat Rashid & Co, Chartered Accountant for the year 2013 which is published as <b>Annexure-6</b> of Directors' Report.
7. (ii)	The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	Complied	Status of Compliance is published with the Directors' Report as required.



ANNE XURE – VI

## Shahadat Rashid & Co.

Chartered Accountants

67, Dilkusha C/A, (5th Floor), Dhaka, Bangladesh  
Telephone Off : 9587531, Mobile : 01715-001622, 01199835485

Partner

**Md. Shahadat Hossain** FCA

**Md. Abdur Rashid** FCA

### **Certificate on compliance of conditions of corporate Governance Guidelines of Bangladesh Securities and Exchange Commission to the Shareholders of FAS Finance & Investment Limited**

We have examined the Statement of Compliance of Corporate Governance Guidelines by **FAS Finance & Investment Limited** for the year ended 31 December 2013, as set by Bangladesh Securities and Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134/Admin/44 dated 7 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013 issued under section 2CC of the Securities and Exchange Ordinance, 1969.

The compliance of conditions of Corporate Governance Guidelines is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as Stipulated in the above-mentioned Notification.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company

Dhaka, 16 April 2014

  
**SHAHADAT RASHID & CO**  
Chartered Accountants



# AUDIT COMMITTEE REPORT

## For the Year 2013

The Audit Committee of the Board of Directors of the Company Formed in accordance with Bangladesh Banks's DFIM Circular No-13

**The Audit Committee consists of the following persons :**

All the members of the Audit Committee are Non-executive Directors. During the year the Audit Committee comprised of the following Directors of the Board:

SL No.	Name of the Members	Position of the Committee	Position of the Board
1	Mr. Mustafa Aminur Rashid	Chairman	Independent Director
2	Mr. Satya Gopal Podder	Member	Independent Director
3	Mr. Md. Zahangir Alam	Member	Director
4	Mr. Uzzal Kumar Nandi	Member	Director
5	Mr. Anjan Kumer Roy	Member	Director
6	MS. Fardose Jahan	Member Secretary	Company Secretary

**Audit Committee meetings held during the year:**

Sl. No	Meeting no.	Meeting date
1	13 no. Audit committee meeting	14-Feb-13
2	14 no. Audit committee meeting	04-June-13
3	15 no. Audit committee meeting	14-Dec-13
4	16 no. Audit committee meeting	31-Dec-13

**The scope of Audit Committee was defined as under:**

- Review and recommend to the Board to approve the quarterly, half-yearly and annual financial Statements prepared for statutory purpose;
- Monitor and oversee choice of accounting policies and principles, internal control risk Management process, auditing matter, hiring and performance of external auditors;
- Review statement of significant related party transactions submitted by the management.
- Carry on a supervision role to safeguard the systems of governance and independence of Statutory auditors; and
- Review and consider the report of internal auditors and statutory auditors' observations on Internal Control.

**Activities carried out during the year:**

- a. The Committee had overseen, reviewed and approved the procedure and task of the internal audit, financial report preparation and the external audit reports.
- b. Reviewed and discussed the inspection report of Bangladesh Bank and management's reply thereon.
- c. The Committee reviewed the integrity of the quarterly and annual financial statement and recommended to the Board for consideration.
- d. Reviewed the Management effort to recover the Classified Investment and Overdue Investment from defaulting borrowers within the shortest possible time.
- e. Reviewed the Management pragmatic steps to arrest further Classification of Investment to keep the percentage of non-per forming Investments at the lowest level.
- f. Reviewed the loan cases against which legal action have been taken
- g. Reviewed various reports of Internal Control & Compliance Department on operation, financial Procedures and branch activities;

**External audit**

MABS & J Partners, Chartered Accountant a renowned audit firm in Bangladesh and independent member of NEXIA International Limited, acted as the external auditors to the company throughout the year. The external auditors are not engaged by the company on any material non-audit work such as:

- Appraisal or valuation services or fairness opinions;
- Financial information systems design and implementation;
- Book-keeping or other services related to the accounting records or financial statement; and
- Internal audit services;

**Acknowledgement**

The Board Audit Committee would like to express their thanks to the Members of the Board of Audit Committee, Management, Auditors and all employees for their dedication and efforts during the year 2013.

On behalf of the Audit Committee

  
**Mustafa Aminur Rashid**  
 Chairman  
 Audit Committee

# REPORT ON CORPORATE GOVERNANCE

Corporate governance is the set of processes, customs, policies, laws and institutions affecting the Way Corporation is directed. Corporate governance also includes the relationship among the many stakeholders involved and the goals for which the corporation is governed. The principal stakeholders are the shareholders, management and the board of directors. Other stakeholders include employees, customers, creditors (e.g. banks, bond holders) suppliers, regulators and community at a large. FAS Finance & Investment Limited is exercising the system of structuring, operating and controlling with a view to achieve long term strategic goals to satisfy shareholders, creditors, employees, customers and suppliers and complying with the legal and regulatory requirements apart from meeting environmental and local community needs. We believe in honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect and commitment to the organization. 'FAS' always preserve the rights of the shareholders & effectively communicate with easily understandable and arrange accessible information to the shareholders and encourage participation in general meetings.

Corporate Governance guidelines issued by the SEC notification no **SEC/CMRRCD/2006 158/134/Admin/44 dated 07 August 2012** and as well as all compliance requirements of Bangladesh Bank **DFID Circular No. 07 Dated September 20, 2007** has been complied to ensure the best practice of corporate Governance in the Company. There is a global consensus about the objective of "Good Corporate Governance maximizing long-term shareholders value."

## Corporate Governance at FAS :

FAS's corporate governance policies recognize the importance of the transparency to all its constituents; including employees, customers, investors, and the regulatory authorities demonstrating that the shareholders are the ultimate beneficiaries of the Company's economic activities. In addition to the primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, the management provides detailed reports on performance to the Board on quarterly basis. The Board of Directors also functions through various committees such as the Audit Committee and the Executive Committee. In addition to the primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance.

## Moral code & Compliance :

FAS's corporate governance thinking included not only regulatory and legal requirements, but also other practices aimed at a high level of business ethics, effective administration and enhancement of value for all shareholders. We are performing ethically and efficiently to generate long-term value and wealth for all its stakeholders. The Corporate Governance principle of the Company ensures that the Board remains informed, independent and involved in the Company. The Board every so often reviews the compliance of all applicable laws and gives appropriate directions, wherever necessary.

## Board of Directors :

The basic responsibilities of the Board is to provide effective governance over the company's affairs exercising its reasonable business judgments on behalf of the Company. The Company's business is conducted by its employees under the direction of the Managing Director and the overall supervision of the Board. The Board members have collective experience in diverse fields like finance, banking, insurance, economics, corporate laws and administration.

According to the **BSEC's notification dated 07 August 2012 on Corporate Governance**, the Board of a listed Company shall be comprised of 5 to 20 members whereas; Bangladesh Bank vide its **FID Circular No. 09, dated September 11, 2002** directed the Non-Bank Financial Institutions to limit their Board members to 9-11. To comply with both the guidelines, the Board of FAS Comprised of Twelve [12] members of which eleven [11] are Non-Executive Directors and an Executive Director. The Managing Director is the only Executive Director on the Board. The goal has been to form a Board, which is cohesive and has the expertise for quick and informed decision making.

## Role of the Board :

As the brain of the Company, the Board discharges their duties & responsibilities under the law effectively and efficiently and ensures the highest possible standard of ethics and upholds best interest of the stakeholders where the company conducted its operation. The Directors are appointed in the AGM by the shareholders. Any casual vacancy if arises, is filled up by the Board subject to the condition of Articles of Association of the Company and the Companies Act. The Board of Directors committed to achieve greater financial performances and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices. The Board duly complies with the guidelines issued by Bangladesh Bank regarding the responsibility and liability of the Board, its Chairman and Chief Executive/Managing Director, vide **DFIM Circular No. 07 dated September 25, 2007**.

**Role of the Chairman :**

The Chairman serves as the linkage between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meetings. He provides direction to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

**Chairman and Managing Director/CEO of the Company are different person :**

The position of the Chairman and Chief Executive Officer of the Company are filled by the different individuals. The Chairman is elected by the Directors, among them as per Articles of Association of the Company. The respective roles and responsibilities of the Chairman and Managing Director are clearly defined by the Board of Directors.

**Role of the Managing Director & CEO :**

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and executing the Company's operating plan that is necessary to achieve the Company's objectives. He has the overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company.

**Retirement and Re-election of Directors :**

The Directors are appointed by the shareholders in the Annual General Meeting (AGM) and casual vacancies, if any, are filled up by the Board in accordance with the stipulations of the Companies Act, 1994, Articles of the Company and the SEC rules. One-third members of the Board (those directors being the longest period in office) retire from office every year at the Annual General meeting as per provision in Articles of Association but they remain eligible for re-election.

**Independent Director :**

The independent director is appointed as per requirement of the BSEC vide notification no. **SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012** by the Board of Directors.

**Nomination of the Independent Director in the Subsidiary :**

In accordance with the Corporate Governance Notification the Board has made nomination of Independent Director in the subsidiary.

**Role of the Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit :**

Company secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit has been appointed and their respective roles, responsibilities and duties are clearly defined as per BSEC guidelines. The CFO and Company Secretary attend the meetings of Directors except in such part of the meeting which involves consideration of an agenda relating to the CFO and the Company Secretary. Company Secretary is responsible for advising the Board through the Chairman on all governance matters. He is also responsible for ensuring proper information flow with the Board and its Committees and between the management and the non-executive directors. He is also acting as conduit between the regulators/stakeholders and the Company. The head of Internal Control and Compliance is responsible for reporting to the Board Audit Committee regarding deviations from accounting and internal control system. He is also leading the internal audit team of the Company.

**Meeting Attendance & Directors Remuneration :**

The Board members get only fees for attending Board/Committee meetings and they are not allowed other remuneration or incentive. According, to the ceiling fixed by the Bangladesh Bank the Directors get an amount of Tk. 5,000 per meeting.

**Board Meetings :**

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed three months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. During the year under review 23 (Twenty Three) meetings of the Board were held.

**Board Committees :**

There are two committees constituted by the Board Members to assist the Board in discharging its responsibilities as per BSEC and Bangladesh Bank guideline.- the Audit Committee and the Executive Committee. The Board at the time of constitution of each committee fixes the terms of reference for each committee and also delegates power from time to time. The minutes of the meetings of all the committees are circulated to the Board for its information.

#### **Audit Committee & its role :**

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations besides recommending appointment/removal of statutory auditors and fixing their remuneration. Audit Committee is constituted by the Board as an independent body with the independent director as its Chairman. The terms of reference of the Audit Committee clearly lays down its authority, responsibility and specific duties . A separate report on the activities of the Audit Committee is attached in page no. 35 of this report.

#### **Executive Committee & its role :**

Executive Committee comprises of five members and is headed by a Director. The Role of the Executive Committee is structured by the Board. The Board has delegate required authority to the Executive Committee to approve proposal of loans and advances and take various necessary decision.

#### **Management Committee :**

The Committee comprises of the management of the Company including Managing Director to achieve the organizational objective. In fulfilling its principal responsibility for day-to-day management of the Company, the Management Committee is required to implement Board approved policies and effective controls, within the strategy and objectives set by the Board.

#### **Internal Control and Compliance :**

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board of Audit Committee which looks after compliance with the organizational policies by different departments. FAS made relevant mandatory disclosure in its financial statements under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports statements regularly, which are required to submit to the regulator as well as the other stakeholders of the Company.

#### **Related Party Transactions :**

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes to the Financial Statements.

#### **Subsidiary Company :**

FAS Capital Management Ltd. (FCML) is a subsidiary of FAS Finance & Investment Limited. FCML is non-listed company doing business as merchant bank. According to Corporate Governance Notification Mr. Mustafa Aminur Rashid have been appointed as Independent Directors on the Board of FCML. The minutes of the meetings of the Board of Directors of subsidiary company are placed before the meeting of Board of Directors of the Company and the attention of the directors is drawn to all significant transactions and arrangements entered into by subsidiary companies.

#### **Auditor's Certificate on Corporate Governance :**

The Auditors' certificate on compliance of Corporate Governance Notification can be found in page 34 of this Annual Report.

#### **General Information for the Shareholders**

The Company's financial results and official news release are also displayed on the Company's web site and on the websites of the Dhaka Stock Exchange and Chittagong Stock Exchange and the news required to publish in the daily newspaper are also published accordingly.

Information of forthcoming i.e. Seventeenth (17th) Annual General Meeting:

Date : May 24, 2014, Time 09.30 AM Venue : Hotel Abakash, Bangladesh Parjatan Corporation, 83-88 Mohakhali C/A, Dhaka-1212.

Financial Reporting Calendar	: 31st December, 2013
Record date	: April 22, 2014
Proposed dividend	: Cash @ 5.20%
Dividend Payment dates	: The final dividend if declared by the shareholders at the Annual General Meeting shall be paid on or before June 24, 2014 i.e. within 30 days
Listing on Stock Exchanges	: from the date of declaration. (i) Dhaka Stock Exchange Ltd. (ii) Chittagong Stock Exchange Ltd. ISIN Number for CDBL - BD0146FAS009



# COMPLIANCE REPORT ON

## BANGLADESH BANK'S GUIDELINES ON CORPORATE GOVERNANCE

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the **DFIM circular no.7 dated 25 September** taken appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

Condition No.	Title	Compliance Status
01.	Responsibilities and Authorities of Board of Directors The responsibilities of the Board of Directors are mainly related to evaluation and developing strategy. Those are as-	Complied
<b>A. Work-planning and Strategic Management:</b>		
i	The Board shall determine the vision/mission of the Company. Board shall also determine the strategy and work-planning for enhancement of institutional efficiency and other policy matters on annual basis. The Board shall make necessary amendments on the strategy on quarterly basis.	Complied Refer to the Directors Report on pages 17 - 21 of this Annual Report.
ii	The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM).	Complied
iii	The Board shall determine Key Performance Indicators for chief executive along with other top level executives and re-assess on half-yearly basis.	Complied
<b>B. Formation of Sub-committee:</b>		
	For making timely decision, executive committee can be formed. No alternative director shall be included in this committee.	Complied Refer to 'Board and its committee' on page 10 of this Annual Report
<b>C. Financial Management:</b>		
i	Annual budget and statutory financial reports shall be authorized by the Board of Directors	Complied
ii	The Board shall review company's statement of income and expenses, statement of loan/lease, liquidity requirement, capital adequacy, adequacy of provision, action taken for legal cases and recovery of default loan.	Complied Refer to Directors' Report of this Annual Report.
iii	The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board.	Complied
iv	Bank account of the Company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007).	Complied
<b>D. Loan/Lease/Investment Management:</b>		
i	The policies, strategies, procedures etc. in respect of appraisal of loan/lease/ investment proposal, sanction, disbursement, recovery, rescheduling, and write-off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/ lease/ investment and such delegate should desirably be made among the CEO and other top management of the company.	Complied

ii	No Director shall interfere directly or indirectly in the process of loan approval.	Complied
iii	Core Risk Management Guidelines shall be approved by the Board of Directors of the Company.	Complied
<b>E. Risk Management:</b> Approval shall be taken from Board of Directors for syndicate loan/lease/ investment and large loan, lease or investment.		Complied
<b>F. Internal Control &amp; Compliance:</b> Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/lease/investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.		Complied Refer to Report on the Audit Committee on page 35 of this Annual Report.
<b>G. Human Resources Management (HRM):</b> Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman or the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the positions MD, DMD and GM or equivalent.		Complied Refer to the Directors' Report of this Annual Report.
<b>H. Appointment of Managing Director and Increase of Salaries &amp; Allowances:</b> Board of Directors shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director		Complied
<b>I. Benefit to Chairman:</b> Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the company subject to the approval of the Board.		Complied

## 02. Responsibilities and Duties of Chairman:

i	Chairman shall not personally possess the jurisdiction to apply policy making or executive or authority. He shall not participate in or interfere into the administrative or operational and routine affairs of the Company.	Complied
ii	The minutes of the Board meetings shall be signed by the Chairman	Complied

## 03. Responsibilities of Managing Director or Chief Executive:

Officer of the company or whatsoever be called, shall work under the following area		
i	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied
ii	Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities.	Complied
iii	All recruitment/promotion/training/promotion/ training of AMD & EVP shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company.	Complied



iv	Managing Director may re-schedule job responsibilities of employees.	Complied
v	Managing Director may take disciplinary actions against the employees.	Complied
vi	Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/ statements as set out in DFIM circular no.2 dated 06 January 2009 if so authorized	Complied

**AUDITORS' REPORT TO THE SHAREHOLDERS  
OF  
FAS FINANCE & INVESTMENT LIMITED**

We have audited the accompanying financial statements of **FAS FINANCE & INVESTMENT LIMITED** and its Subsidiary as well as the Financial Statements of FAS Finance & Investment Limited which comprise the Consolidated and the separate Balance Sheet as at 31 December 2013, Profit and Loss Account, Cash Flow Statement, Statement of Changes in Shareholders' Equity and Liquidity Statement for the year ended 31 December 2013 and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the Rules and Regulations Issued by Bangladesh Bank, the Bangladesh Securities and Exchange Rules 1987, the Companies Act 1994 and other Applicable Laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

Except for the effect on Financial Statements of the matters discussed in note **6.a.i**. In our opinion, the financial statements along with notes thereon of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of state of the company's affairs as at 31 December 2013, and of the results of its operations and Cash Flows for the year then ended and comply with the Financial Institutions Act 1993, the Rules and Regulations Issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, and other Applicable Laws and regulations.

We also report that:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's statement of Balance Sheet and Profit and Loss Account dealt with by the report are in agreement with the books of account;
- d) The Financial Statements have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the Accounting Rules and Regulations issued by the Bangladesh Bank to the extent applicable to the company;
- e) The Financial Position of the company as at 31 December 2013 and the profit for the year then ended have been properly reflected in the Financial Statements of the company, and these Financial Statements have been prepared in accordance with the Generally Accepted Accounting Principles;
- f) The expenditure incurred and payments made were for the purposes of the company's business;
- g) Except for matter disclosed in note **6.a.i** adequate provisions have been made for loans and advances, investments and other assets which are, in our opinion, doubtful of recovery;
- h) The company has complied with the relevant laws pertaining to reserves and maintenance of liquid assets;
- i) The information and explanations required by us has been received and found satisfactory;
- j) As far as it was revealed from our test checks, the existing rules and regulations for loan/advance and lease sanctioning and disbursements as well as classification, provisioning and suspension of interest have been followed properly;
- k) Adequate capital of the company, as required by law, has been maintained during the year under audit;
- l) It appeared from our test checks that the internal control system was satisfactory and adequate to prevent probable fraud and forgeries;
- m) 80 Percent of the risk weighted assets have been reviewed spending over 1,350 person hours.

**Dated: Dhaka : 07 April 2014**


  
**MABS & J Partners**  
**Chartered Accountants**  
(Formerly Saha Mazumder & Co.)

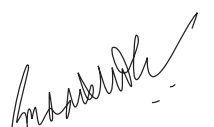
**FAS Finance & Investment Limited**  
**Consolidated Balance Sheet**  
As at December 31, 2013

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	2 (a)	<b>12,970,074</b>	<b>4,745,690</b>
In hand (including foreign currencies)		21,880	26,707
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)		12,948,194	4,718,983
<b>Balance with other banks and financial institutions</b>	3 (a)	<b>247,403,540</b>	<b>9,968,217</b>
In Bangladesh		247,403,540	9,968,217
Outside Bangladesh		-	-
<b>Money at call and on short notice</b>	4 (a)	<b>-</b>	<b>-</b>
<b>Investments</b>	5 (a)	<b>161,186,659</b>	<b>120,340,144</b>
Government		-	-
Others		161,186,659	120,340,144
<b>Loans, advances and leases</b>		<b>3,725,026,438</b>	<b>2,287,586,268</b>
Loans, cash credits, overdrafts, and leases etc.	6 (a)	3,725,026,438	2,287,586,268
Bills purchased and discounted	7 (a)	-	-
<b>Fixed assets including premises, furniture and fixtures Annexure-1 (a)</b>	8 (a)	<b>331,459,137</b>	<b>341,461,998</b>
<b>Other assets</b>	9 (a)	<b>266,697,942</b>	<b>240,281,688</b>
<b>Non-Financial Institution's assets</b>	10 (a)	<b>44,665,893</b>	<b>53,271,231</b>
<b>Total Assets</b>		<b>4,789,409,683</b>	<b>3,057,655,236</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions, and agents</b>	11 (a)	<b>1,451,883,323</b>	<b>1,256,055,903</b>
<b>Deposits and other accounts</b>	12 (a)	<b>1,251,582,317</b>	<b>382,612,797</b>
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	1,251,582,317	382,612,797
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Others liabilities</b>	13 (a)	<b>537,144,110</b>	<b>432,183,987</b>
<b>Total Liabilities</b>		<b>3,240,609,750</b>	<b>2,070,852,687</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up capital	14	1,117,500,530	542,475,990
Statutory reserve	15	83,004,413	79,223,940
Other reserve	16	315,000	315,000
Revaluation reserve	17	260,983,058	270,278,763
Retained earnings	18 (a)	84,811,990	92,331,343
<b>Minority interest</b>		<b>2,184,942</b>	<b>2,177,513</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>4,789,409,683</b>	<b>3,057,655,236</b>
<b>Net asset value per share</b>		<b>13.84</b>	<b>18.15</b>

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
<b>Other commitments</b>		<b>120,700,000</b>	<b>22,500,000</b>
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	19 (a)	120,700,000	22,500,000
<b>Total</b>		<b>120,700,000</b>	<b>22,500,000</b>
<b>Other memorandum items</b>		<b>1,574,777,425</b>	<b>1,784,663,680</b>
	20 (a)		

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

  
Abdul Matlub Ahmad  
Chairman

  
Mustafa Aminur Rashid  
Director

  
Md. Mofiz Uddin Chowdhury  
Managing Director & CEO

  
Md. Maniruzzaman Akan  
Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS:

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


  
MABS & J Partners  
Chartered Accountants

Dhaka, Dated : 07 April 2014

**FAS Finance & Investment Limited**  
**Consolidated Profit and Loss Account**  
**For the Year Ended 31 December 2013**

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>OPERATING INCOME</b>			
Interest income	22 (a)	447,060,268	300,317,797
Less: Interest paid on deposits and borrowings, etc.	23 (a)	268,537,065	207,141,300
<b>Net interest income</b>		<b>178,523,203</b>	<b>93,176,497</b>
Investment income	24 (a)	11,914,425	(1,903,914)
Commission, exchange and brokerage	25 (a)	85,800	333,963
Other operating income	26 (a)	34,726,155	40,232,801
		<b>46,726,380</b>	<b>38,662,850</b>
<b>Total operating income (a)</b>		<b>225,249,583</b>	<b>131,839,347</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27 (a)	36,126,294	26,021,419
Rent, taxes, insurance, electricity, etc.	28 (a)	5,628,979	3,517,897
Legal expenses	29 (a)	2,314,032	1,408,334
Postage, stamps, telecommunication, etc.	30 (a)	1,920,539	1,346,881
Stationery, printings, advertisements, etc.	31 (a)	7,474,500	2,454,064
Chief executive's salary & fees		3,660,000	3,940,000
Directors' fees	32 (a)	840,000	935,000
Auditors' fees	33 (a)	120,000	134,125
Charge on loan losses		-	-
Depreciation and repairs of FI's assets	34 (a)	16,425,781	30,313,056
Other expenses	35 (a)	17,517,044	9,711,149
<b>Total operating expenses (b)</b>		<b>92,027,169</b>	<b>79,781,925</b>
<b>Profit before provision (c=a-b)</b>		<b>133,222,414</b>	<b>52,057,422</b>
Provision against loans, advances and leases	36 (a)	66,052,396	29,007,522
Provision for diminution in value of investments	37 (a)	14,302,571	(15,260,561)
Other provisions		-	-
<b>Total provision (d)</b>		<b>80,354,967</b>	<b>13,746,961</b>
<b>Profit before taxation (c-d)</b>		<b>52,867,447</b>	<b>38,310,461</b>
<b>Provision for taxation</b>	38 (a)	<b>28,152,698</b>	<b>15,506,597</b>
Current tax		27,806,234	15,208,520
Deferred tax		346,464	298,077
<b>Net profit after taxation</b>		<b>24,714,749</b>	<b>22,803,864</b>
<b>Attributable:</b>		<b>24,714,749</b>	<b>22,803,864</b>
Shareholders of the company		24,645,000	22,174,057
Minority interest		69,749	629,807
<b>Appropriation</b>		<b>3,780,473</b>	<b>362,061</b>
Statutory reserve	15	3,780,473	362,061
General reserve		-	-
Dividend, etc.		-	-
<b>Retained surplus</b>		<b>20,864,527</b>	<b>21,811,996</b>
<b>Weighted average earnings per share-EPS (Adjusted)</b>	40(a)	<b>0.24</b>	<b>0.22</b>

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

  
 Abdul Matlub Ahmad  
 Chairman

  
 Mustafa Aminur Rashid  
 Director

  
 Md. Mofiz Uddin Chowdhury  
 Managing Director & CEO

  
 Md. Maniruzzaman Akan  
 Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS :  
 This is the Statement of Comprehensive Income referred to in our report of even date.


Dhaka, Dated : 07 April 2014

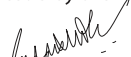
  
 MABS & J Partners  
 Chartered Accountants


**FAS Finance & Investment Limited**  
**Consolidated Cash Flow Statement**  
For the Year Ended 31 December 2013

Particulars	Amount in Taka As at	
	31-Dec-2013	31-Dec-2012
<b>Cash flows from operating activities</b>		
Interest receipts	415,768,418	291,182,458
Interest payments	(213,367,869)	(172,287,227)
Dividend receipts	1,047,249	2,009,850
Fee and commission receipts	1,208,923	4,628,048
Recoveries on loans previously written off	-	2,000,000
Payments to employees	(42,048,363)	(33,829,529)
Payments to suppliers	-	-
Income taxes paid	(17,899,384)	(67,198,809)
Receipts from other operating activities	45,314,751	15,837,550
payment for other operating activities	(32,347,806)	(22,729,526)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>157,675,919</b>	<b>19,612,815</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Statutory deposit	-	-
Purchase/sale of trading securities	-	-
Loans, advances and leases to FI's	-	-
Loans, advances and leases to customers	(1,452,752,473)	(507,619,304)
Other assets	10,082,044	975,192
Deposit from other FI's	600,000,000	(50,000,000)
Deposit from customers	263,448,543	118,977,735
Other liabilities to customer	5,671,305	(584,556)
Trading liabilities (short-term borrowing)	(251,940,056)	29,451,855
Other liabilities	(2,998,065)	(17,149,965)
	<b>(828,488,702)</b>	<b>(425,949,043)</b>
<b>Net cash from/(used in) operating activities (a)</b>	<b>(670,812,783)</b>	<b>(406,336,228)</b>
<b>Cash flows from investing activities</b>		
Purchase/sale of government securities	-	-
Purchase/sale of trading securities, shares, bonds, etc.	(39,387,154)	122,781,797
Purchase/sale of property, plant and equipment	(5,418,465)	(315,850)
Purchase/sale of Subsidiaries	-	-
Net cash used in investing activities (b)	<b>(44,805,619)</b>	<b>122,465,947</b>
<b>Cash flows from financing activities</b>		
Increase/(decrease) of long-term borrowings	418,795,891	262,627,636
Receipts from issue of Right Share	542,475,990	-
Dividend paid	6,228	2,507
<b>Net cash flow from financing activities (c)</b>	<b>961,278,109</b>	<b>262,630,143</b>
<b>Net increase/(decrease) in cash (a+b+c)</b>	<b>245,659,707</b>	<b>(21,240,138)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		
Cash and cash equivalents at beginning of the year	14,713,907	35,954,045
<b>Cash and cash equivalents at end of the year*</b>	<b>260,373,614</b>	<b>14,713,907</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand and balance with Bangladesh Bank	12,970,074	4,745,690
Balance with other banks	247,403,540	9,968,217
Money at call and short notice	-	-
Treasury bills	-	-
Prize bond	-	-
	<b>260,373,614</b>	<b>14,713,907</b>

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by:

  
Abdul Matlub Ahmad  
Chairman

  
Mustafa Aminur Rashid  
Director

  
Md. Mofiz Uddin Chowdhury  
Managing Director & CEO

  
Md. Maniruzzaman Akan  
Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS:  
This is the Statement of Cash Flows referred to in our report of even date.


  
MABS & J Partners  
Chartered Accountants


Dhaka, Dated : 07 April 2014


**FAS Finance & Investment Limited**  
**Consolidated Statement of Changes in Shareholders' Equity**  
**For the Year Ended 31 December 2013**

Particulars	Amount in Taka					
	Paid-up capital	Statutory reserve	Revaluation reserve	Other reserve	Retained earnings	Total
Balance as at 01 January 2013	542,475,990	79,223,940	270,278,763	315,000	92,331,343	984,625,036
Tax paid for Assessment Year: 2011-2012	-	-	-	-	(5,131,035)	(5,131,035)
<b>Restated Balance</b>	<b>542,475,990</b>	<b>79,223,940</b>	<b>270,278,763</b>	<b>315,000</b>	<b>87,200,308</b>	<b>979,494,001</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	24,645,000	24,645,000
Transfer to statutory reserve	-	3,780,473	-	-	(3,780,473)	-
Stock Dividend-2012	32,548,550	-	-	-	(32,548,550)	-
Transfer of depreciation charged to profit & loss account	-	-	(9,295,705)	-	9,295,705	-
Issue of Right Share	542,475,990	-	-	-	-	542,475,990
<b>Balance as at 31 December 2013</b>	<b>1,117,500,530</b>	<b>83,004,413</b>	<b>260,983,058</b>	<b>315,000</b>	<b>84,811,990</b>	<b>1,546,614,991</b>
<b>Balance as at 31 December 2012</b>	<b>542,475,990</b>	<b>79,223,940</b>	<b>270,278,763</b>	<b>315,000</b>	<b>92,331,343</b>	<b>984,625,036</b>

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

  
 Abdul Matlub Ahmad  
 Chairman


  
 Mustafa Aminur Rashid  
 Director

  
 Md. Mofiz Uddin Chowdhury  
 Managing Director & CEO

  
 Md. Maniruzzaman Akan  
 Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

  
 MABS & J Partners  
 Chartered Accountants

**Dhaka, Dated : 07 April 2014**



## FAS Finance & Investment Limited


### Balance Sheet

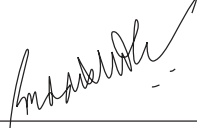
As at December 31, 2013

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>PROPERTY AND ASSETS</b>			
<b>Cash</b>	2	<b>12,962,496</b>	<b>4,742,490</b>
In hand (including foreign currencies)	2.1	14,302	23,507
Balance with Bangladesh Bank and its agent bank(s) (including foreign currencies)	2.2	12,948,194	4,718,983
<b>Balance with other banks and financial institutions</b>	3	<b>247,146,954</b>	<b>9,604,740</b>
In Bangladesh	3.1	247,146,954	9,604,740
Outside Bangladesh		-	-
<b>Money at call and on short notice</b>	4	-	-
<b>Investments</b>	5	<b>95,284,979</b>	<b>60,220,619</b>
Government	5.1	-	-
Others	5.2	95,284,979	60,220,619
<b>Loans, advances and leases</b>		<b>3,480,609,348</b>	<b>2,185,712,131</b>
Loans, cash credits, overdrafts, and leases etc.	6	3,480,609,348	2,185,712,131
Bills purchased and discounted	7	-	-
<b>Fixed assets including premises, furniture and fixtures (Annexure-1)</b>	8	<b>326,002,515</b>	<b>336,141,173</b>
<b>Other assets</b>	9	<b>505,645,065</b>	<b>326,048,832</b>
<b>Non-Financial Institution's assets</b>	10	<b>44,665,893</b>	<b>53,271,231</b>
<b>Total Asset</b>		<b>4,712,317,250</b>	<b>2,975,741,216</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions, and agents</b>	11	<b>1,439,427,676</b>	<b>1,229,847,461</b>
<b>Deposits and other accounts</b>	12	<b>1,251,582,317</b>	<b>382,612,797</b>
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	1,251,582,317	382,612,797
Bearer certificates of deposit		-	-
Other deposits		-	-
<b>Others liabilities</b>	13	<b>444,207,207</b>	<b>347,559,263</b>
<b>Total Liabilities</b>		<b>3,135,217,200</b>	<b>1,960,019,521</b>
<b>Capital/Shareholders' Equity</b>		<b>1,577,100,050</b>	<b>1,015,721,695</b>
Paid-up capital	14	1,117,500,530	542,475,990
Statutory reserve	15	83,004,413	79,223,940
Other reserve	16	315,000	315,000
Revaluation reserve	17	260,983,058	270,278,763
Retained earnings	18	115,297,049	123,428,002
<b>Total Liabilities and Shareholders' Equity</b>		<b>4,712,317,250</b>	<b>2,975,741,216</b>
<b>Net asset value per share</b>		<b>14.11</b>	<b>18.72</b>

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>OFF-BALANCE SHEET ITEMS</b>			
<b>Contingent Liabilities</b>			
Acceptances and endorsements		-	-
Letters of guarantee		-	-
Irrevocable letters of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<b>120,700,000</b>	<b>22,500,000</b>
<b>Other commitments</b>			
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	19	120,700,000	22,500,000
		<b>120,700,000</b>	<b>22,500,000</b>
<b>Total</b>		<b>120,700,000</b>	<b>22,500,000</b>
<b>Other memorandum items</b>	20	-	-

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

  
Abdul Matlub Ahmad  
Chairman

  
Mustafa Aminur Rashid  
Director

  
Md. Mofiz Uddin Chowdhury  
Managing Director & CEO

  
Md. Maniruzzaman Akan  
Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS:

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


  
MABS & J Partners  
Chartered Accountants

**Dhaka, Dated: 07 April 2014**

**FAS Finance & Investment Limited**  
**Profit and Loss Account**  
**For the Year Ended 31 December 2013**

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>OPERATING INCOME</b>			
Interest income	22	436,918,502	285,874,708
Less: Interest paid on deposits and borrowings, etc.	23	266,132,584	206,615,364
<b>Net interest income</b>		<b>170,785,918</b>	<b>79,259,344</b>
Investment income	24	2,094,779	(22,110,344)
Commission, exchange and brokerage	25	-	-
Other operating income	26	23,467,154	24,287,423
		<b>25,561,933</b>	<b>2,177,079</b>
<b>Total operating income (a)</b>		<b>196,347,851</b>	<b>81,436,423</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	27	26,836,911	15,818,468
Rent, taxes, insurance, electricity, etc.	28	5,206,700	2,924,363
Legal expenses	29	2,276,282	1,403,334
Postage, stamps, telecommunication, etc.	30	1,501,049	867,514
Stationery, printings, advertisements, etc.	31	7,356,040	2,285,176
Chief executive's salary & fees		3,660,000	3,940,000
Directors' fees	32	840,000	935,000
Auditors' fees	33	90,000	88,000
Charge on loan losses		-	-
Depreciation and repairs of FI's assets	34	15,152,164	28,927,909
Other expenses	35	15,919,515	7,419,434
<b>Total operating expenses (b)</b>		<b>78,838,661</b>	<b>64,609,198</b>
<b>Profit before provision (c=a-b)</b>		<b>117,509,190</b>	<b>16,827,225</b>
Provision against loans, advances and leases	36	66,052,396	17,327,336
Provision for diminution in value of investments	37	5,469,254	(10,211,334)
Other provisions		-	-
<b>Total provision (d)</b>		<b>71,521,650</b>	<b>7,116,002</b>
<b>Profit before taxation (c-d)</b>		<b>45,987,540</b>	<b>9,711,223</b>
<b>Provision for taxation</b>		<b>27,085,175</b>	<b>7,900,917</b>
Current tax	13.2	26,738,711	7,207,173
Deferred tax	13.3	346,464	693,744
<b>Net profit after taxation</b>		<b>18,902,365</b>	<b>1,810,306</b>
Appropriations		<b>3,780,473</b>	<b>362,061</b>
Statutory reserve	15	3,780,473	362,061
General reserve		-	-
Dividend, etc.		-	-
Retained surplus		<b>15,121,892</b>	<b>1,448,245</b>
<b>Weighted average earnings per share-EPS (Adjusted)</b>	40	<b>0.18</b>	<b>0.02</b>

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07.04.2014 and signed on its behalf by:

  
Abdul Matlub Ahmad  
Chairman

  
Mustafa Aminur Rashid  
Director

  
Md. Mofiz Uddin Chowdhury  
Managing Director & CEO

  
Md. Maniruzzaman Akan  
Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Comprehensive Income referred to in our report of even date.

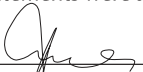
Dhaka, Dated: 07 April 2014

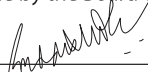
  
MABS & J Partners  
Chartered Accountants

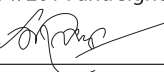
**FAS Finance & Investment Limited**  
**Cash Flow Statement**  
**For the Year Ended 31 December 2013**

Particulars	Amount in Taka As at	
	31-Dec-2013	31-Dec-2012
<b>Cash flows from operating activities</b>		
Interest receipts	405,626,652	99,859,624
Interest payments	(210,963,388)	(171,761,291)
Dividend receipts	191,670	925,070
Fee and commission receipts	-	-
Recoveries on loans previously written off	-	2,000,000
Payments to employees	(32,149,110)	(23,288,897)
Payments to suppliers	-	-
Income taxes paid	(16,384,800)	(66,825,546)
Receipts from other operating activities	25,124,183	(19,233,478)
payment for other operating activities	(29,332,827)	(18,735,729)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>142,112,380</b>	<b>(197,060,247)</b>
<b>Increase/decrease in operating assets and liabilities</b>		
Statutory deposit	-	-
Purchase/sale of trading securities	-	-
Loans, advances and leases to FI's	-	-
Loans, advances and leases to customers	(1,306,964,422)	(254,638,616)
Other assets	8,355,625	2,996,968
Deposit from other FI's	600,000,000	(50,000,000)
Deposit from customers	263,448,543	118,977,735
Other liabilities to customer	5,171,305	(84,556)
Trading liabilities (short-term borrowing)	(238,187,261)	3,243,413
Other liabilities	20,162	(339,797)
	<b>(668,156,048)</b>	<b>(179,844,853)</b>
<b>Net cash from/(used in) operating activities (a)</b>	<b>(526,043,668)</b>	<b>(376,905,100)</b>
<b>Cash flows from investing activities</b>		
Purchase/Sale of government securities	-	-
Purchase/Sale of trading securities, shares, bonds, etc.	(35,083,856)	95,882,468
Purchase/Sale of property, plant and equipment	(4,388,365)	86,720
Purchase/Sale of Subsidiaries	(150,000,000)	-
<b>Net cash used in investing activities (b)</b>	<b>(189,472,221)</b>	<b>95,969,188</b>
<b>Cash flows from financing activities</b>		
Increase/(decrease) of long-term borrowings	418,795,891	262,627,636
Receipts from issue of Right Share	542,475,990	-
Dividend paid	6,228	2,507
<b>Net cash flow from financing activities (c)</b>	<b>961,278,109</b>	<b>262,630,143</b>
<b>Net increase/(decrease) in cash (a+b+c)</b>	<b>245,762,220</b>	<b>(18,305,769)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		
<b>Cash and cash equivalents at beginning of the year</b>	<b>14,347,230</b>	<b>32,652,999</b>
<b>Cash and cash equivalents at end of the year</b>	<b>260,109,450</b>	<b>14,347,230</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand and balance with Bangladesh Bank	12,962,496	4,742,490
Balance with other banks	247,146,954	9,604,740
Money at call and short notice	-	-
Treasury bills	-	-
Prize bond	-	-
	<b>260,109,450</b>	<b>14,347,230</b>

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

  
Abdul Matlub Ahmad  
Chairman

  
Mustafa Aminur Rashid  
Director

  
Md. Mofiz Uddin Chowdhury  
Managing Director & CEO

  
Md. Maniruzzaman Akan  
Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS:  
This is the Statement of Cash Flows referred to in our report of even date.

  
MABS & J Partners  
Chartered Accountants


Dhaka, Dated : 07 April 2014


**FAS Finance & Investment Limited**  
**Statement of Changes in Shareholders' Equity**  
**For the Year Ended 31 December 2013**

Particulars	Amount in Taka					
	Paid-up Capital	Statutory Reserve	Revaluation Reserve	Other Reserve	Retained Earnings	Total
Balance as at 01 January 2013	542,475,990	79,223,940	270,278,763	315,000	123,428,002	1,015,721,695
Effects of changes in accounting policy	-	-	-	-	-	-
<b>Restated Balance</b>	<b>542,475,990</b>	<b>79,223,940</b>	<b>270,278,763</b>	<b>315,000</b>	<b>123,428,002</b>	<b>1,015,721,695</b>
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in the Profit and Loss Account	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	18,902,365	18,902,365
Stock Dividend-2012	32,548,550	3,780,473	-	-	(3,780,473)	-
Transfer of depreciation charged to profit & loss account	-	-	(9,295,705)	-	(32,548,550)	-
Issue of Right Share	542,475,990	-	-	-	9,295,705	542,475,990
<b>Balance as at 31 December 2013</b>	<b>1,117,500,530</b>	<b>83,004,413</b>	<b>260,983,058</b>	<b>315,000</b>	<b>115,297,049</b>	<b>1,577,100,050</b>
<b>Balance as at 31 December 2012</b>	<b>542,475,990</b>	<b>79,223,940</b>	<b>270,278,763</b>	<b>315,000</b>	<b>123,428,002</b>	<b>1,015,721,695</b>

The accounting policies and other notes from 01 to 43 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

  
 Abdul Matlub Ahmad  
 Chairman


  
 Mustafa Aminur Rashid  
 Director

  
 Md. Mofiz Uddin Chowdhury  
 Managing Director & CEO

  
 Md. Maniruzzaman Akan  
 Chief Financial Officer

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

  
 MABS & J Partners  
 Chartered Accountants

**Dhaka, Dated: 07 April 2014**

**FAS Finance & Investment Limited**  
**Liquidity Statement**  
**(Asset and Liability Maturity Analysis)**  
**As at 31 December, 2013**

Particulars	Amount in Taka					
	Up to 1 month	1-3 months	3-12 months	1-5 years	More than 5 years	Total
<b>Assets</b>						
Cash in hand (including balance with Bangladesh Bank)	12,962,496	-	-	-	-	12,962,496
Balance with other banks and financial institution	1,351,471	85,795,483	160,000,000	-	-	247,146,954
Money at call and on short notice	-	-	-	-	-	-
Investments	337,479	11,195,715	13,504,971	70,246,814	-	95,284,979
Loan, advances and leases	60,566,162	131,073,839	1,385,181,254	1,378,824,186	524,963,907	3,480,609,348
Fixed assets including premises, furniture and fixture	-	-	-	-	326,002,515	326,002,515
Other assets	157,609	17,258,767	41,766,869	199,461,820	247,000,000	505,645,065
Non-Financial Institution's assets	-	-	-	44,665,893	-	44,665,893
<b>Total assets</b>	<b>75,375,217</b>	<b>245,323,804</b>	<b>1,600,453,094</b>	<b>1,693,198,713</b>	<b>1,097,966,422</b>	<b>4,712,317,250</b>
<b>Liabilities</b>						
Borrowings from Bangladesh Bank, other banks, financial institutions and agents	5,195,162	108,375,349	330,349,507	959,457,718	36,049,940	1,439,427,676
Deposits and other accounts	2,205,176	123,082,038	1,058,376,232	67,918,871	-	1,251,582,317
Provision and other liabilities	8,137,590	6,906,589	78,635,300	350,527,728	-	444,207,207
<b>Total liabilities</b>	<b>15,537,928</b>	<b>238,363,976</b>	<b>1,467,361,039</b>	<b>1,377,904,317</b>	<b>36,049,940</b>	<b>3,135,217,200</b>
<b>Net liquidity excess/(shortage)</b>	<b>59,837,289</b>	<b>6,959,828</b>	<b>133,092,055</b>	<b>315,294,396</b>	<b>1,061,916,482</b>	<b>1,577,100,050</b>

## FAS FINANCE & INVESTMENT LIMITED

### Notes to the financial statements For the year ended 31 December 2013

#### 1.00 Legal status and Nature of the Company

FAS Finance & Investment Limited (formerly named as Fidelity Assets & Securities Company Limited) is a Non-Banking Financial Institution (NBFI) formed under the Financial Institutions Act, 1993. The Company was also registered as a Merchant Bank with the Bangladesh Securities and Exchange Commission on 22 January 1998. FAS Finance & Investment Limited was incorporated as a Private Limited Company on 04 March 1997 under the Companies Act, 1994 and was converted into Public Limited Company on 18 August 2001. It started lease financing operation after obtaining license from Bangladesh Bank on 17 September 2001. FFIL obtained license for principal branch vide Bangladesh Bank letter dated September 26, 2001 and 1st lease agreement & commencement of public deposit mobilization commenced on December 27, 2001. FFIL obtained license for Chittagong, Narsingdi and Sylhet branches under section 4(1) of the Financial Institution Act, 1993 on 14 February 2007, 18 July 2007 and 09 July 2008 respectively. The Company is listed with both Dhaka and Chittagong Stock Exchanges (09 January 2008). It launched its first trading of shares in Dhaka and Chittagong Stock Exchange on 16 January 2008.

The Head Office of FAS Finance & Investment Limited (FFIL) is situated at Suvastu Imam Square (4th floor), 65 Gulshan Avenue, Gulshan, Dhaka-1212.

#### Subsidiary Company

FAS Finance & Investment Ltd. (Former Fidelity Assets & Securities Co. Ltd.) started its activity as a Merchant Bank in 1997. In the year 2010 BSEC (letter No. SEC/Reg/MD- Policy/Part-VI/2008/286 Dated 26 July 2010) instructed to form a separate subsidiary company for Merchant Banking alone with in 30th September, 2010. Accordingly the management formed a separate subsidiary Merchant Banking Company named as FAS Capital Management Ltd (FCML). Due to formulation of a new Merchant Banking Company FAS Finance and Investment Ltd. transferred the entire investment portfolio amounting Tk.97.20 crore to FAS Capital Management Ltd. The FAS Capital Management Ltd. applied on 26.09.10 to BSEC in order to transfer the Merchant Banking license in favor of the newly formed subsidiary company and got the license from BSEC on 16 May 2012.

The company acquired 98.80% shares of "FAS Capital Management Limited" (formerly Fidelity Assets & Securities Company Limited) (24,700,000 shares of Tk.10 each). The subsidiary is a private limited company, incorporated with the Registrar of Joint Stock Companies vide registration no. C-87541/10 dated 13th October 2010 under the companies Act, 1994.

#### 1.01 Financial Activities

##### (a) Lease financing

FFIL provide lease finance under simple terms and conditions for acquisition of capital machineries for industrial undertakings, industrial equipments, office equipments, medical equipments and construction equipments etc.

##### (b) Transport financing

FFIL have a significant presence in Commercial Transport Sector. We provide various trade & commercial entities to procure vehicles to operate commercially. Also we provide corporate financing to the reputed Dealer or Distributor of the commercial vehicle to their operators. Besides this corporate clients may also apply to acquire vehicles for official purpose under the scheme.

##### (c) Term financing

FFIL provides loan to the customers within the period of series from one year to five years in the manufacturing industries. The Company also extends financing in the processing industries of the agricultural products depending on the nature of a product, profitability of the project and socioeconomic factors. The range of finance can be between one year to five years or more (negotiable).

##### (d) Project financing

FFIL offers financing of long term infrastructure and industrial projects based upon a complex financial structure under its project financing scheme where the projects seem to be financially sound. FFIL contributes as sponsor or syndicate member of the projects.

##### (e) House financing (Real Estate Finance)

The clients are indulged in FFIL regardless of their professions and occupations. FFIL provide competitive interest rate in construction of house both land owner & developer, purchase of flat & renovation of existing house/flat. At present, the Company is providing loan facility to the client for a maximum period of fifteen years as decided by management. FFIL also provide financing for the construction of a project.





**(f) Small and Medium Enterprise (SME) refinancing**

FFIL provide refinance in the SME sectors after compliance with the terms and conditions of the Company. It also encourages women entrepreneurs by providing loan facilities under this scheme as per the rules and regulations given by Bangladesh Bank as per ACSPD circular no. 08, dated 26 May 2008.

**(i) Small enterprise**

Small enterprise does not include ideally any Public Limited Company and which do not fulfill the following criteria such as;

**For service and business concerns**

Total fixed assets excluding land and building is within Tk. 50,000 to 5,000,000 and employed personnel are not more than 25.

**For manufacturing concern**

Total fixed assets excluding land and building is within Tk. 50,000 to 15,000,000 and employed personnel are not more than 50.

**(ii) Medium enterprise**

Medium enterprise does not include ideally any Public Limited Company and which do not fulfill the following criteria such as;

**For service and business concerns**

Total fixed assets excluding land and building is within Tk. 5,000,000 to 100,000,000 and Employed personnel are not more than 50.

**For manufacturing concerns**

Total fixed assets excluding land and building is within Tk. 15,000,000 to 200,000,000 and employed personnel are not more than 150.

**(g) Working capital financing**

Working capital gives investors an idea of the companies underlying operational efficiency. Upon measuring the company's efficiency & its short-term financial needs FFIL provides working capital to some selective business enterprise to meet-up their both short & long term liabilities. By availing this finance from FFIL the borrower company is able to pay off their short & long term liability which keeps the business running smoothly.

**(h) Factoring**

FFIL is offering to purchase accounts receivable (i.e. invoice) at discount under its purchasing option of financial assets.

**(i) Deposit mobilization**

FFIL provide attractive interest rate among firms, companies, financial institutions and individual clients.

**1.02 Significant accountings policies and basis of preparation of financial statements**

**1.02.1 Statement of compliance**

The financial statements have been prepared on the basis of going concern concept under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with Bangladesh Financial Reporting Standards (BFRSs).

**1.02.2 Basis of consolidation**

The Consolidated Financial Statements include the Financial Statements of FAS Finance and Investment Ltd and its Subsidiary, FAS Capital Management Ltd. made up to end of the reporting year. The consolidated Financial Statements have been prepared in accordance with Bangladesh Accounting Standard 27: Consolidated Financial Statements and Accounting for Investment in Subsidiaries. The Consolidated Financial Statements are prepared to a common reporting year ended 31 December 2013.

**1.02.3 Compliance with local laws**

The financial statements have been prepared in compliance with the requirements of the Companies Act 1994, the Financial Institution Act 1993, Guidelines from Bangladesh Bank, the Bangladesh Securities and Exchange Ordinance 1969, the Bangladesh Securities and Exchange Rules 1987, the Listing Regulations of Dhaka and Chittagong Stock Exchange and other relevant local laws and regulations as applicable for its operation.

**1.02.4 Materiality of financial statements**

Each material item as considered by management significant has been presented separately in the financial statements wherever applicable.

#### **1.02.5 Statement of Cash Flows**

Statement of Cash Flows is prepared principally in accordance with BAS-7 "Statement of Cash Flows" and the cash flow from the operating activities have been presented under direct method as prescribed by the Bangladesh Securities and Exchange Rules, 1987 and the considering the provisions of Paragraph 18(b) of BAS which prescribed that Enterprise of changes encourage to report Statement of Cash Flows from operating activities using the direct method.

#### **1.02.6 Statement of Changes in Equity**

Statement of Changes in Equity is prepared principally in accordance with BAS-1 "Presentation of Financial Statements" and under the guidelines of Bangladesh Bank's DFIM Circular No. 11 dated December 23, 2009.

#### **1.02.7 Liquidity statements**

The liquidity statement of assets and liabilities as on the reporting date has been prepared on the following basis:

- a) Cash in hand (including balance with Bangladesh Bank)
- b) Balance with other banks and financial institutions
- c) Money at call and on short notice
- d) Investments
- e) Loan, advances and leases
- f) Fixed assets including premises, furniture and fixture
- g) Other assets
- h) Non-banking assets
- i) Borrowings from Bangladesh Bank, other banks, financial institutions and agents
- j) Deposits and other accounts
- k) Provision and other liabilities

#### **1.02.8 Basis of measurement**

The financial statements have been prepared on the historical cost basis.

#### **1.02.9 Use of estimates**

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimate and assumption that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **1.02.10 Current maturity**

Current maturity of long term debts, lease receivables, term financing and house financing has been shown in the financial statements.

#### **1.02.11 Reporting period**

These financial statements cover for the period year from 01 January 2013 to 31 December 2013.

#### **1.02.12 Director of the Company**

At the end of the year under audit, there were eleven Directors in the Board of Directors of the Company excluding the Managing Director. The Managing Director is the Chief Executive and Ex-officio Director of the Company.

#### **1.02.13 Comparative information**

Comparative information has been disclosed in respect of the year 2012 for all numerical information in the financial statements for understanding of current year financial statements.

#### **1.02.14 Presentational and reporting currency**

The presentation of financial statements has been made in accordance with the DFIM Circular No. 11 dated 23 December 2009 of Bangladesh Bank. These financial statements have been prepared in Bangladesh Taka (BDT) which is the Company's functional currency. All financial information presented in Taka has been rounded off to the nearest Taka. The financial statements are stated in Taka unless or otherwise signified.

#### **1.03 Assets and basis of their valuations:**

##### **1.03.1 Fixed assets**

Fixed assets are capitalized at cost of acquisition and subsequently stated at cost/ valuation less accumulated depreciation in compliance with the Benchmark treatment of BAS-16 "Property, Plant and Equipment". The cost of acquisition of assets comprises purchase price and any direct attributable cost of bringing the assets within the operating condition for its intended use inclusive of inward freight, duties and non-refundable taxes; if any.

##### **1.03.2 Subsequent cost of fixed assets**

The cost of replacing a part of an item of fixed assets is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the company and its cost can be measured reliably. Maintenance expenses of the fixed assets are recognized in the profit and loss account as incurred.

An item of fixed asset is derecognized on its disposal. The gain/loss arising from de-recognition of an asset is determined as the difference between the net disposal proceeds, if any the carrying amount of the item.

### 1.03.3 Depreciation on fixed assets

Fixed assets are depreciated based on diminishing balance method at different rates varying from 5% to 20% per annum.

Addition to fixed assets are depreciated for the full year irrespective of date of acquisition of assets at the applicable rates while no depreciation is charged on any items in the year of its disposal.

**Rates of depreciation applied are shown below:**

Sl. No.	Category of assets	Rate of depreciation
1	Office buildings	5%
2	Furniture and fixtures	10%
3	Office decoration	10%
4	Office equipment	15%
5	Motor vehicles	20%
6	Electrical installation	15%
7	Computer	15%
8	Telephone line & PABX system	15%
9	Software	15%

### 1.03.4 Investment

Investment is carried in Financial Statement at cost. Provision is made for diminishing in value of investment.

### 1.03.5 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and cash at bank, that are readily convertible to known amount of cash and that are subject to an insignificant risk of change in value.

### 1.03.6 Off balance sheet exposures

Under general operating transactions, liabilities against acceptance and endorsements, Letters of guarantee, Irrevocable letters of credit, Bills for collection and other obligations have been given and claims exist there against, have been shown as off balance sheet items.

## 1.04 Share capital

### 1.04.1 Authorized Share capital

Authorized Capital is the maximum amount of Share Capital that the Company is authorized by its Memorandum and Article of Association to issue to shareholders.

### 1.04.2 Paid up Capital

Paid up capital represents total amount of shareholders' capital that has been paid in fully by the ordinary shareholders. Holders of Ordinary shares are entitled to receive dividends as declared from time to time and are entitled to vote at shareholders meeting.

## 1.05 Revenue recognition

The revenue during the year is recognized as follows complying with all the conditions of revenue recognition as provided in BAS-18.

### (a) Accounting for lease financing

Leased equipments under the possession of lessee are accounted for as receivable of the Company. The interest portion accrued is recognized as revenue as per BAS-17.

### (b) Accounting for term financing

Term finance operation consists of long term, short term and working capital financing, for which books of account are maintained based on accrual method of accounting. Interest earnings from term financing are recognized as operational revenue periodically.

### (c) Accounting for house financing

The interest income from house finance is recognized when interest accrued.

### (d) Accounting for overdue interest

The overdue interest on lease, term & house finance is recognized when interest is received.

#### **(e) Other operational income**

Other operational income is recognized whenever these are received. Such income comprises of the following components of the FFIL;

- i) Appraisal and documentation fees;
- ii) Service charges;
- iii) Processing fees;
- iv) Miscellaneous.

#### **(f) Dividend income from shares**

Dividend income from shares is recognized during the year in which they are declared and ascertained.

### **1.06 Revaluation reserve**

Revaluation reserve arises from the revaluation of property, plant and equipment, when the market price of property, plant and equipment increased significantly from the carrying value. When an asset's carrying amount is increased as a result of revaluation, the increase amount should be credited directly to equity under the heading of revaluation surplus/reserve as per BAS-16 "Property, Plant and Equipment". The Company revalued its land and building during the year 2010 and there arises revaluation surplus of Tk. 313,888,244. The revaluation was done by G.K. Adjusters Ltd.

### **1.07 Liabilities and Provisions and basis of their valuation**

#### **1.07.1 Borrowings from other banks, financial institutions and agents**

Bank and financial institution borrowings include interest bearing borrowings, which are brought to account at gross value of the outstanding as on 31 December 2013.

#### **1.07.2 Provision for taxation**

Provision for current income tax has been made @ 42.50% as prescribed in the Finance Act, 2013 of the accounting profit made by the Company after considering some of the add backs to income and disallowances of expenditure as per income tax laws in compliance with BAS-12 "Income Taxes". Assessments of previous all year have been completed but pending for some legal issues in different stages. In assessment year: 1998-1999 to 2003-2004 applied for tax clearance certificate. Assessment year: 2004-2005, 2005-2006 & 2008-2009 under appeal stage. Assessment year: 2006-2007, 2007-2008, 2009-2010 & 2010-2011 under appeal at high court. Finally assessment year: 2011-2012 at Tribunal stage and assessment year: 2012-2013 & 2013-2014 are at appeal stage.

#### **1.07.3 Deferred taxation**

Deferred tax is recognized on temporary (taxable and deductible) differences between the carrying amount of assets and liabilities in the balance sheet and the amount attributed to such assets and liabilities for tax purposes. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the balance sheet date. The impact on the account of changes in the deferred tax assets and liabilities is recognized in the profit and loss account as per BAS-12 "Income Taxes" at the year end. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

#### **1.07.4 Minority Interest:**

Minority interest is the equity in a subsidiary not attributable, directly or indirectly, to parent.

As per BAS-27 'Consolidated and Separate Financial Statements' Company presents Minority Interest separately in Financial Statements.

#### **1.07.5 Provision on lease, house loan and term finance**

Provision has been made at an estimated rate on outstanding exposures based on lease receivables and other financing(s) against aging of receivables as per FID circular no. 08, dated 03 August 2002 and subsequent to the time it is revised in FID circular no. 03, dated 03 May 2006 and in FID circular no. 06, dated 20 August 2006 and DFIM circular no. 03, dated 29 April 2013 of Bangladesh Bank. The provision is considered adequate to meet probable losses. These have been shown under other liabilities in the balance sheet with corresponding effect given in the revenue account over the years. The FID circular's terms and conditions are stated as under;

(i) Leases and term financing running overdue for 6 months and above have been treated as substandard, doubtful and bad & loss depending on non-payment status of rentals or installments;

(ii) Investments and interests which include overdue rentals and installments have not been taken into income and shall remain suspended till recovery; and

(iii) Basis of classification and rate of percentages for provision thereon.

#### Lease or Loan up to 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-2 rentals/installments (up to 2 months) for SME	Standard	0.25%
1-2 rentals/installments (up to 2 months) other than SME	Standard	1%
3-5 rentals/installments (up to 5 months)	SMA	5%
6-11 rentals/installments (6 to 11 months)	Sub-standard	20%
12-17 rentals/installments (12 to 17 months)	Doubtful	50%
18 and above rentals/installments (18 months and above)	Bad and loss	100%

#### Lease or Loan above 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-5 rentals/installments (up to 5 months) for SME	Standards	0.25%
1-5 rentals/installments (up to 5 months) other than SME	Standards	1%
6-11 rentals/installments (up to 11 months)	SMA	5%
12-17 rentals/installments (12 to 17 months)	Sub-standard	20%
18-23 rentals/installments (18 to 23 months)	Doubtful	50%
24 and above rentals/installments (24 months and above)	Bad and loss	100%

#### House Loan up to 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-8 rentals/installments (up to 8 months) for SME	Standards	0.25%
1-8 rentals/installments (up to 8 months) other than SME	Standards	1%
9-11 rentals/installments (up to 11 months)	SMA	5%
12-17 rentals/installments (12 to 17 months)	Sub-standard	20%
18-23 rentals/installments (18 to 23 months)	Doubtful	50%
24 and above rentals/installments (24 months and above)	Bad and loss	100%

#### House Loan above 5 years

Limit of overdue rentals & installments	Classification	Provision of percentage
1-8 rentals/installments (up to 8 months) for SME	Standards	0.25%
1-8 rentals/installments (up to 8 months) other than SME	Standards	1%
9-17 rentals/installments (up to 17 months)	SMA	5%
18-23 rentals/installments (18 to 23 months)	Sub-standard	20%
24-35 rentals/installments (24 to 35 months)	Doubtful	50%
36 and above rentals/installments (36 months and above)	Bad and loss	100%

#### 1.07.6 Provision for diminution in value of investment in shares and bonds

Provision has been made for diminution in value of investment in shares and bonds.

#### 1.07.7 Interest suspense account

Income outstanding over ninety days is not recognized as revenue rather it is recognized as interest suspense account as per FID circular no. 08, dated 03, August 2002 and FID circular no. 03, dated 03 May 2006 of Bangladesh Bank. Suspended interest is recognized as revenue when it is received.

#### 1.07.8 Liabilities and provisions

All material liabilities and provisions have been included in the financial statements

- (i) When the company has a present obligation, legal or constructive result of a past event;
- (ii) When it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- (iii) When a reliable estimate can be made of the amount of the obligation.

## 1.08 Risk management

Risk is defined as the possibility of losses, financial or otherwise. Risk management of the Company covers core risk areas of Companies credit risk, liquidity risk, market risk that includes foreign exchange risk, interest rate risk and equity risk, operational risk and reputation risk arising from operational inefficiencies. The prime objective of the risk management is that the Company evaluates and takes well calculative business risks and thereby safeguarding the Company's capital, its financial resources and profitability from various business risks through its own measures and through implementing Bangladesh Bank's guidelines and following some of the best practices as under:

### Credit risk

It arises mainly from lending, trade finance, leasing and treasury businesses. This can be described as potential loss arising from the failure of a counter party to perform as per contractual agreement with the Company. The failure may result from unwillingness of the counter party or decline in his / her financial condition. Therefore, the Company's credit risk management activities have been designed to address all these issues.

The Company has segregated duties of the officers / executives involved in credit related activities. Separate Corporate / SME / Retail divisions have been formed at Head Office which is entrusted with the duties of maintaining effective relationship with customers, marketing of credit products, exploring new business opportunities etc. Moreover, credit approval, administration, monitoring and recovery functions have been segregated. For this purpose, three separate units have been formed within the Credit Risk Management (CRM) Division. These are (a) Credit Risk Management Unit (b) Credit Administration Unit and (c) Credit Monitoring and Recovery Unit. Credit Risk Management Unit is entrusted with the duties of maintaining asset quality, assessing risk in lending, sanctioning credit, formulating policy / strategy for lending operation, etc.

A thorough risk assessment is done before sanction of any credit facility at risk management units. The risk assessment includes borrower risk analysis, financial analysis, industry analysis, historical performance of the customer, security of the credit facility etc. The assessment process starts at the relationship level and ends at Credit Risk Management Unit when it is approved / declined by the competent authority.

### Liquidity risk

The object of liquidity risk management is to ensure that all foreseeable funding commitments and deposit withdrawals can be met when due. To this end, the Company is maintaining a diversified and stable funding base comprising of core retail and corporate deposits and institutional balance. Management of liquidity and funding is carried out by Accounts Department under the leadership of the Chief Financial Officer (CFO) as per approved policy guidelines.

### Market risk

The exposure of market risk of the Company is restricted to interest rate risk and equity risk.

### Interest rate risk

Interest rate risk may arise either from trading portfolio and non-trading portfolio. The trading portfolio of the Company consists of Government treasury bills and bonds of different maturities. Interest rate risk arises from mismatches between the future yield of an asset and their funding cost.

### Portfolio risk

Portfolio risk arises from movement in market value of equities held.

### Operational risk

Operational risk may arise from error and fraud due to lack of internal control and compliance. Management through Internal Control and Compliance Division controls operational procedure of the Company. Internal Control and Compliance Division undertakes year call and special audit of the Company for review of the operation and compliance of statutory requirements. The Audit Committee of the Board subsequently reviews the reports of the Internal Control and Compliance Division.

### Implementation of BASEL -II

To comply with International Best Practice and to make the Company's Capital more risk-sensitive as well as to build the Financial Industry more shock absorbent and stable, Bangladesh Bank provide revised regulatory capital framework " Risk Based Capital Adequacy for Company's which is effected from January 2012.

- a. Standardized Approach for calculating Risk weighted Assets (RWA) against Credit Risk;
- b. Standardized (Rule Based) Approach for calculating Risk weighted Assets (RWA) against Market Risk;
- c. Basic Indicator Approach for calculating Risk weighted Assets (RWA) against Operational Risk;



Under the Standard Approach of the Risk Based Capital Adequacy Framework (BASEL-II) credit rating is to be determined on the basis of risk profile assessed by the External Credit Assessment Institutions (ECAIs).

As per CDMD guideline, Financial Institutions should maintain a Capital Adequacy Ratio (CAR) of minimum 10% of Risk Weighted Assets (RWA).

#### **Internal Capital Adequacy Assessment Process (ICAAP)**

Internal Capital Adequacy Assessment Process (ICAAP) represents the Company's own assessment of its internal capital requirements. The Company's approach to calculating its own internal capital requirement has been to take the minimum capital required for credit risk, market risk and operational risk under Pillar-I as the starting point, assess whether this is sufficient to cover those risks and then identify other risks (Pillar-II) and assess prudent level of capital to meet them.

The assessment is undertaken using time series of data and Bangladesh Bank's guidelines on Risk Based Capital Adequacy for Company to assess the likelihood of occurrence and potential impact. Purposes of Internal Capital Adequacy Assessment Process are to:

##### **i) inform the Board of Directors about**

assessing risks

initiatives to mitigate identified risks

capital requirement to support the operations in light of identified risks.

##### **ii) comply with Bangladesh Bank's requirement.**

#### **1.09 Statutory reserve**

This represents 20% of net profit after tax which is set aside in compliance with clause 6 of the Financial Institution Regulations, 1994.

#### **1.10 Employees benefits**

There were two benefit schemes for FFIL employees, provident fund and gratuity fund. Both of these benefit plans are operated in compliance with BAS-19 "Employees Benefits" and stated as under;

##### **1.10.1 (i) Provident fund**

The Company operates a contributory provident fund scheme for its employees, which is recognized by the National Board of Revenue under Clause 2(1) of the First Schedule Part B of the Income tax Ordinance, 1984 of (XXXVI) effective from 31 August 2008. Both the company and employees are contributing to the fund.

##### **1.10.2 (ii) Gratuity fund**

The Company extends gratuity benefits to its employees, which is recognized by the National Board of Revenue (NBR) under clause 2(1) of the First Schedule Part-B of the Income tax Ordinance, 1984 of (XXXVI) effective from 25 November 2008. The gratuity is paid on the basis of the last two basic pay and is payable at the rate of two month's basic pay for every completed year of service.

#### **1.11 Earnings per share (BAS -33)**

##### **Basic earnings per share**

Basic earnings per share have been calculated in accordance with BAS 33 "Earnings per Share" which has been shown on the face of the profit and loss account. This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year.

In computing the basic earnings per share during the year January 1, 2013 to December 31, 2013, the total number of shares including the said bonus shares has been considered as the weighted average no. of shares outstanding during the year January 1, 2013 to December 31, 2013 as per BAS 33 "Earnings per Share".

#### **1.12 Related party disclosure (BAS -24)**

The Company transacts with related parties. Parties are considered to be related if one party has the ability to control the other or exercise significant influence in making the financial and operating decisions.

#### **1.13 Impairment of assets**

The carrying amount of non-financial assets is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated and impairment losses are recognized in profit or loss.

#### **1.14 Cash Reserve Requirements and Statutory Liquidity Requirements**

The Company maintains cash reserve requirements and statutory liquidity reserve with the Bangladesh Bank current account as per FID circular no. 06, dated 06 November 2003 and subsequent in FID circular no. 02, dated 10 November 2004 for statutory cash reserve requirements. The Company meets the terms of CRR and SLR in a satisfactory way in accordance with Section-19 of the Financial Institutions Act 1993 and Clause-05 of the Financial Institution Regulations 1994.



**1.15 Foreign currency transaction (BAS-21)**

Translation in foreign currencies are translated in Bangladesh Taka and recorded at the ruling exchange rates applicable on the date of transaction and in accordance with BAS-21 "The Effects of Changes in Foreign Exchange Rates"

**1.16 Events after the reporting period (BAS -10)**

As per BAS -10 "**Events after the reporting period**" Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue. Two types of events can be identified:

- (a) those that provide evidence of conditions that existed at the end of the reporting period (adjusting events after the reporting period); and
- (b) those that is indicative of conditions that arose after the reporting period (no adjusting events after the reporting period).

There were no materials events have occurred after the reporting period which could affect the values stated in the financial statements.

**1.17 General**

- a. These financial statements are presented in Taka, which is the Company's functional currency. Figures appearing in these financial statements have been rounded off to the nearest Taka.
- b. Figures of previous year have been rearranged whenever necessary to conform to current year presentation.

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>2</b>	<b>Cash: Tk. 12,962,496</b>		
	The break up of the above amount is as under :		
	Cash in hand (including foreign currency)	2.1 14,302	23,507
	Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)	2.2 12,948,194	4,718,983
		<b>12,962,496</b>	<b>4,742,490</b>
<b>2.1</b>	<b>Cash in hand (including foreign currency): Tk. 14,302</b>		
	The break up of the above amount is as under :		
	Local currency	14,302	23,507
	Foreign currency	-	-
		<b>14,302</b>	<b>23,507</b>
<b>2.2</b>	<b>Balance with Bangladesh Bank and its agent bank(s) : Tk. 12,948,194</b>		
	The break up of the above amount is as under :		
	Balance with Bangladesh Bank		
	Local currency	12,948,194	4,718,983
	Foreign currency	-	-
		<b>12,948,194</b>	<b>4,718,983</b>
	<b>Agent Bank of Bangladesh Bank</b>	-	-
		<b>12,948,194</b>	<b>4,718,983</b>
<b>2.3</b>	<b>Statutory deposits</b>		
<b>2.3.1</b>	<b>Cash reserve requirement (CRR) and statutory liquidity reserve (SLR)</b>		
	Cash reserve requirement (CRR) and statutory liquidity reserve (SLR) were calculated and maintained in accordance with the Financial Institutions Act 1993; section 19 and FID circular number 06/2003, 2.5% of total term deposit excluding different financial institutions' deposit kept with Bangladesh Bank as CRR and as for SLR 5% of total outside liability except financial institutions' liability, should be kept as cash and with Bangladesh Bank as well as with other FI's. Both the reserves are maintained by the company in excess of the statutory requirements, as shown below:		
<b>(a)</b>	<b>Cash reserve requirement (CRR): Tk. 17,831,143</b>		
	The break up of the above amount is as under :		
	Required reserve	9,989,422	3,082,816
	Actual reserve maintained	17,831,143	7,154,345
	<b>Surplus</b>	<b>7,841,721</b>	<b>4,071,529</b>
<b>(b)</b>	<b>Statutory liquidity reserve (SLR): Tk. 259,920,782</b>		
	The break up of the above amount is as under :		
	Required reserve (Including CRR)	25,215,226	10,288,818
	Actual reserve maintained (Including CRR)	259,920,782	12,729,171
	<b>Surplus</b>	<b>234,705,556</b>	<b>2,440,353</b>
	Total required reserve	25,215,226	10,288,818
	Total actual reserve maintained	259,920,782	12,729,171
	<b>Surplus</b>	<b>234,705,556</b>	<b>2,440,353</b>
<b>2 (a)</b>	<b>Consolidated Cash: Tk. 12,970,074</b>		
	The break up of the above amount is as under :		
	<b>i. Cash in hand (including foreign currency)</b>		
	FAS Finance & Investment Limited	2.1 14,302	23,507
	FAS Capital Management Limited	7,578	3,200
		<b>21,880</b>	<b>26,707</b>
	<b>ii. Balance with Bangladesh Bank and its agent bank(s) (including foreign currency)</b>		
	FAS Finance & Investment Limited	2.2 12,948,194	4,718,983
	FAS Capital Management Limited	-	-
		<b>12,948,194</b>	<b>4,718,983</b>
		<b>12,970,074</b>	<b>4,745,690</b>

### 3 Balance with other banks and financial institutions: Tk. 247,146,954

The break up of the above amount is as under :

In Bangladesh	3.1	247,146,954	9,604,740
Outside Bangladesh		-	-

#### 3.1 In Bangladesh: Tk. 247,146,954

The break up of the above amount is as under :

##### Current deposits

Bank Asia Ltd., Scotia Branch, Dhaka	CD-00733002967	-	6,679
Dhaka Bank Ltd., Karwan Bazar Branch, Dhaka	CD-020710000008561	2,221	-
Dutch-Bangla Bank Ltd., Gulshan Branch , Dhaka	CD-1161100006323	1,025	2,175
EXIM Bank Ltd., Gulshan Branch, Dhaka	CD-00711100035678	-	58
HSBC, Dhaka Branch, Dhaka	CD-001-212992-011	5,66	
Islami Bank Bangladesh Ltd., Foreign Ex. Cor. Br., Dhaka	AWCA-1090100819116	96,457	97,267
Islami Bank Bangladesh Ltd., Foreign Ex. Cor.Br., Dhaka	AWCA-1090100870618	2,778	3,295
Jamuna Bank Ltd., Mohakhali Branch, Dhaka	CD-0001-0210002904	-	18,121
Janata Bank Ltd., Corporate Branch, Dhaka	CD-001018416	4,533	5,682
Mercantile Bank Ltd., Main Branch, Dhaka	CD-010111100086641	17,868	83,837
Pubali Bank Ltd., Mohakhali Branch , Dhaka	CD-3677901015917	137,790	2,587
Social Islami Bank Ltd., Principal Branch, Dhaka	CD-0021330035421	-	5,658
Southeast Bank Ltd., Gulshan Branch, Dhaka	CD-001011100012031	-	474
Southeast Bank Ltd., Gulshan Branch, Dhaka	CD-001011100017141	7,853	-
Standard Bank Ltd., Gulshan Branch, Dhaka	CD-00933010415	7,125	8,275
State Bank of India, Gulshan Branch , Dhaka	CD-05420232420001	3,425	32,386
Uttara Bank Ltd., Corporate Branch, Dhaka	CD-154512200212029	1,054,589	-
Woori Bank Ltd., Dhaka Branch, Dhaka	CDA-923915855	10,141	2,096,875

**1,351,471**

**2,369,035**

##### Short term deposits

Bank Asia Ltd., Scotia Branch, Dhaka	SND-00736000673	-	2,061
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	STD-1161200000974	4,865,584	853,741
Dutch Bangla Bank Ltd., CDA Avenue Branch, CTG	SND-1291200000707	5,904	6,306
EXIM Bank Ltd., Gulshan Branch, Dhaka	SND-00713100065009	24,606	17,120
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100001512	335,260	1,176,365
First Security Islami Bank Ltd., Ring Road Br., Dhaka	SND-013313100000056	101,827	913,747
First Security Islami Bank Ltd., Dilkusha Branch, Dhaka	SND-010113100002301	6,727	7,706
HSBC, Dhaka Branch, Dhaka	STD-001212992-067	3,164	3,120
ICB Islamic Bank Limited , Gulshan Branch, Dhaka	STD-2002500050251	-	20,035
Midland Bank Ltd., Dilkusha Corporate Branch, Dhaka	SND-0001-1090000296	16,946,594	-
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320001041	121,697	-
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	SND-0022-0320000131	514,057	255,148
Mutual Trust Bank Ltd., CDA Avenue Branch, CTG	SND-0009-0320000889	547,880	144,309
Mutual Trust Bank Ltd., Sylhet Branch , Sylhet	SND-0023-0320000578	50,221	78,189
NCC Bank Ltd., Bashundhara Branch, Dhaka	SND-0096-0325000017	2,440	-
NCC Bank Ltd., Gulshan Branch, Dhaka	SND-0012-0325000802	56,502	-
NRB Commercial Bank Ltd., Principal Branch, Dhaka	SND-010136000000012	40,669	-
Prime Bank Ltd., Mohakhali Branch, Dhaka	SND-11031020003975	-	66,111
Pubali Bank Ltd., Narsingdi Branch, Narsingdi	SND-0722102000518	134,582	119,592
Shahjalal Islami Bank Ltd., Mohakhali Brach, Dhaka	SND-403813100000009	41,307	99,335
Standard Chartered Bank, Gulshan Branch, Dhaka	SND-02-5547253-01	-	2,089
Trust Bank Ltd., Principal Branch ,Dhaka	SND-0002-0320000779	-	23,815
Uttara Bank Ltd., Corporate Branch, Dhaka	SND-154514100041132	17,757	676,546
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000195	1,978,705	770,370

**25,795,483**

**5,235,705**

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>Savings deposits</b>		-	-
<b>Fixed deposits</b>			
Bangladesh Finance and Investment Company Limited		100,000,000	-
Reliance Finance Limited		120,000,000	2,000,000
		<b>220,000,000</b>	<b>2,000,000</b>
		<b>247,146,954</b>	<b>9,604,740</b>
<b>3.1.a Account-wise/grouping of balance with other Banks and Financial institutions: Tk. 247,146,954</b>			
The break up of the above amount is as under :			
Current deposits		1,351,471	2,369,035
Short-term deposits		25,795,483	5,235,705
Savings deposits		-	-
Fixed deposits		220,000,000	2,000,000
		<b>247,146,954</b>	<b>9,604,740</b>
<b>3.1.b Maturity grouping of balance with other banks: Tk. 247,146,954</b>			
The break up of the above amount is as under :			
Repayable-on demand		1,351,471	2,369,035
-up to 3 months		85,795,483	7,235,705
-over 3 months but within 1 year		160,000,000	-
-over 1 year but within 5 years		-	-
-over 5 years		-	-
		<b>247,146,954</b>	<b>9,604,740</b>
<b>3 (a) Consolidated balance with other banks and financial institutions: Tk. 247,403,540</b>			
The break up of the above amount is as under :			
<b>i. In Bangladesh:</b>			
FAS Finance & Investment Limited	3.1	247,146,954	9,604,740
FAS Capital Management Limited	3 (a)i	256,586	363,477
		<b>247,403,540</b>	<b>9,968,217</b>
<b>ii. Outside Bangladesh:</b>			
FAS Finance & Investment Limited		-	-
FAS Capital Management Limited		-	-
		-	-
		<b>247,403,540</b>	<b>9,968,217</b>
<b>3 (a)i Bank balance of FAS Capital Management Limited: Tk. 256,586</b>			
The break up of the above amount is as under :			
Dutch Bangla Bank Ltd., Gulshan Branch, Dhaka	STD-116.120.1505	130,539	25,560
Mutual Trust Bank Ltd., Gulshan Branch, Dhaka	STD-0022-0320000793	66,436	3,240
Prime Bank Ltd., Mohakhali Branch, Dhaka	STD-11031050015284	1,508	3,225
Prime Bank Ltd., Gulshan Branch, Dhaka	STD-11831060023968	1,457	2,610
Standard Chartered Bank, Gulshan Branch, Dhaka	SND-02-1111079-01	-	313,560
The City Bank Ltd., Gulshan Branch, Dhaka	STD-3101221156001	50,158	8,578
State Bank India	CD-05420271520201	47	-
Woori Bank Ltd., Dhaka Branch, Dhaka	NDA-923000208	6,441	6,704
<b>Total</b>		<b>256,586</b>	<b>363,477</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>4 Money at call and on short notice: Tk. Nil</b>			
The break up of the above amount is as under :			
With banks		-	-
With financial institutions		-	-
		-	-
<b>4 (a) Consolidated money at call and on short notice: Tk. Nil</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	4	-	-
FAS Capital Management Limited		-	-
		-	-
		<b>95,284,979</b>	<b>60,220,619</b>
<b>5 Investments: Tk. 95,284,979</b>			
<b>5.1 In Government securities: Tk. Nil</b>			
The break up of the above amount is as under :			
Treasury bills		-	-
National investment bonds		-	-
Bangladesh bank bills		-	-
Government notes/bonds		-	-
Prize bonds		-	-
Others		-	-
		-	-
<b>5.2 Other investments: Tk. 95,284,979</b>			
The break up of the above amount is as under :			
Preference shares		-	-
Ordinary shares (Quoted and Unquoted)	5.2.a	95,284,979	60,220,619
Debentures		-	-
Bonds		-	-
Zero Coupon Bond		-	-
Other investments		-	-
Gold, etc.		-	-
		<b>95,284,979</b>	<b>60,220,619</b>
		<b>95,284,979</b>	<b>60,220,619</b>
<b>5.2.a Ordinary shares (Quoted and Unquoted) : Tk. 95,284,979</b>			
The break up of the above amount is as under :			
<b>Quoted</b>			
Aftab Automobiles Ltd.		449,738	156,332
Asia Pacific Insurance Ltd.		-	8,810
Bangladesh General Insurance Company Ltd.		-	16,989
Bay Leasing & Investment Ltd.		-	102,608
Bangladesh Finance & Investment Ltd.		-	28,845
Bangladesh Welding Electrodes Ltd.		13	65,967
CMC Kamal Textile Ltd.		2	29
Daffodil Computers Ltd.		4,766	144,425
Delta Brac Housing Finance Corporation Ltd.		2,281,554	2,281,554
Delta Life Insurance Company Ltd.		208,678	-
Dhaka Bank Ltd.		-	37
Dhaka Electric Supply Company Ltd.		1,696,641	-
Envoy Textiles Ltd.		975,855	-
Export Import Bank of Bangladesh Ltd.		1,055,751	257,589
Fareast Islami Life Insurance Company Ltd.		-	33,912

	Amount in Taka	
	31-Dec-2013	31-Dec-2012
First Security Islami Bank Ltd.	83,402	172,706
Fu-Wang Foods Ltd.	-	229
Generation Next Fashion	1,293,636	-
Green Delta Mutual Fund	240,195	-
Lafarge Surma Cement Ltd.	321,550	-
Malek Spinning Mills Ltd.	600,990	72,252
Meghna Life Insurance Company Ltd.	5,226,751	4,224,817
M.I. Cement Factory Ltd.	25	25
Mercantile Bank Ltd.	492,249	-
National Bank Ltd.	7,604,847	490,653
National Credit & Commerce Bank Ltd.	-	1,095
National Housing Finance & Investment Ltd.	66,330	-
Niloy Cement Industries Ltd.	67,847	67,847
Nitol Insurance Company Ltd.	27,997,093	15,234,028
Northern General Insurance Company Ltd.	-	70,833
One Bank Ltd.	154,569	2,035
Padma Oil Company Ltd.	-	14,678
Paragon Leather Ltd.	890	890
Peoples Leasing & Financial Services Ltd.	447,705	44,284
Premier Leasing International Ltd.	-	7,882
Prime Finance & Investment Ltd.	-	13,337
Premier Bank Ltd.	64,320	-
Prime Islami Life Insurance Company Ltd.	1,202,520	614,151
Progressive Life insurance Company Ltd.	1,993,882	1,993,882
RAK Ceramics (Bangladesh) Ltd.	-	42,279
Reliance One	1,396,950	-
Rupali Life Insurance Company Ltd.	7,009,528	7,009,601
Saiham Textile Mills Ltd.	211,151	26,916
Sandhaani Life Insurance Company Ltd.	11,559,153	11,559,153
Shahjalal Islami Bank Ltd.	-	11,147
Social Islami Bank Ltd.	126,329	-
Sonargaon Textile Ltd.	-	10,653
Standard Bank Ltd.	518,982	-
Standard Insurance Ltd.	20,097	81,644
The City Bank Ltd.	-	12,204
Titas Gas	1,699,706	-
United Airways (Bangladesh) Ltd.	1,119,570	4,161
Unique Hotel & Resorts Ltd.	1,791,714	-
Union Capital Ltd.	-	24,325
United Commercial Bank Ltd.	-	15,815
	<b>79,984,979</b>	<b>44,920,619</b>
(A schedule of investments in share is given in annexure-2)		
<b>Unquoted</b>		
Shahjibazar Power Company Ltd.	<b>15,300,000</b>	<b>15,300,000</b>
	<b>95,284,979</b>	<b>60,220,619</b>
<b>5.3 Maturity grouping: Tk. 95,284,979</b>		
The break up of the above amount is as under :		
Repayable-on demand	-	-
-up to 3 months	11,533,194	44,920,619
-over 3 months but within 1 year	13,504,971	-
-over 1 year but within 5 years	70,246,814	15,300,000
-over 5 years	-	-
	<b>95,284,979</b>	<b>60,220,619</b>

			Amount in Taka	
			31-Dec-2013	31-Dec-2012
<b>5 (a) Consolidated Investments: Tk. 161,186,659</b>				
The break up of the above amount is as under :				
<b>i. In Government securities</b>				
FAS Finance & Investment Limited			-	-
FAS Capital Management Limited			-	-
			-	-
<b>ii. Other Investments</b>				
FAS Finance & Investment Limited	5.2		95,284,979	60,220,619
FAS Capital Management Limited	5 (a)i		65,901,680	60,119,525
			<b>161,186,659</b>	<b>120,340,144</b>
			<b>161,186,659</b>	<b>120,340,144</b>
<b>5 (a) i Ordinary shares (Quoted and Unquoted) of FAS Capital Management Limited: Tk. 65,901,680</b>				
The break up of the above amount is as under :				
<b>Quoted</b>				
Bangladesh Shipping Corporation			598,399	-
Beacon Pharmaceuticals Ltd.			598,478	-
Fareast Islami Life Insurance Company Ltd.			808,369	588,557
GBB Power Ltd.			1,086,908	-
Generation Next Fashions Ltd.			1,478,858	88,440
Grameen One: Scheme Two			5,547,751	2,963,243
H.R Textile Ltd.			233,160	-
Islamic Finance and Investment Ltd.			-	1,024,080
IFIL Islamic Mutual Fund-1			3,258,914	1,809,000
Keya Cosmetics Ltd.			7,128,165	4,683,099
Lafarge Surma Cement Ltd.			543,725	543,726
Mutual Trust Bank Ltd.			2,864,451	2,710,686
Nitol Insurance Company Ltd.			11,671,417	-
Paramount Insurance Company Ltd.			1,334,371	1,206,962
PHP First Mutual Fund			2,193,890	1,696,691
Popular Life First Mutual Fund			1,939,248	1,778,850
R.N Spinning Mills Ltd.			-	8,673,960
Saiham Cotton Mills Ltd.			2,129,634	6,359,164
Saiham Textile Mills Ltd.			-	8,783,064
Southeast Bank 1st Mutual Fund			242,205	-
Summit Purbachal Power Company Ltd.			1,715,736	-
Titas Gas			3,672,763	1,500,968
United Airways (BD) Ltd.			1,555,238	409,035
			<b>50,601,680</b>	<b>44,819,525</b>
<b>Unquoted</b>				
Shahjibazar Power Company Ltd.			<b>15,300,000</b>	<b>15,300,000</b>
			<b>65,901,680</b>	<b>60,119,525</b>
<b>6 Loans, advances and leases: Tk. 3,480,609,348</b>			<b>3,480,609,348</b>	<b>2,185,712,131</b>
<b>6.1 Maturity wise grouping's: Tk. 3,480,609,348</b>				
The break up of the above amount is as under :				
Repayable-on demand			-	-
-not more than 3 months			191,640,001	395,020,018
-more than 3 months but not more than 1 year			1,385,181,254	802,277,553
-more than 1 year but not more than 5 years			1,378,824,186	824,220,732
-more than 5 years			524,963,907	164,193,828
			<b>3,480,609,348</b>	<b>2,185,712,131</b>



**6.2 Loans, cash credits, overdrafts, and leases etc: Tk. 3,480,609,348**

The break up of the above amount is as under :

**In Bangladesh**

Loans-General

Cash credits

Overdrafts

Leases

**Outside Bangladesh****6.3 Loans, advances & leases on the Basis of Significant: Tk. 3,480,609,348**

The break up of the above amount is as under :

Advance to allied concerns of Directors

Advance to chief executive officer, other executives and staffs

Advances to industries

Advance to customer groups

**6.4 Industry-wise loans, advances and leases: Tk. 3,480,609,348**

The break up of the above amount is as under :

Agriculture

Chemicals & pharmaceuticals

Electronics & electrical

Food & beverage

Garments & accessories

Glass & ceramics

Home loan

Housing companies

Information technology

Iron, steel & engineering

Paper, printing & packaging

Plastics industries

Power, gas, water and sanitary service

Transport financing

Others

**6.5 Geographical Location-wise (Division): Tk. 3,480,609,348**

The break up of the above amount is as under :

**In Bangladesh**

Dhaka

Chittagong

Sylhet

Amount in Taka	
31-Dec-2013	31-Dec-2012
3,118,440,341	1,824,035,294
-	-
-	-
362,169,007	361,676,837
<b>3,480,609,348</b>	<b>2,185,712,131</b>
-	-
<b>3,480,609,348</b>	<b>2,185,712,131</b>
19,263,911	24,199,500
489,183	780,792
2,856,096,050	1,859,847,987
604,760,204	300,883,852
<b>3,480,609,348</b>	<b>2,185,712,131</b>
1,996,431	2,378,356
-	2,899,967
43,378,079	12,380,876
89,270,620	102,716,849
66,850,647	76,495,430
4,946,121	5,241,145
400,642,523	120,241,381
675,644,581	198,141,482
1,455,526	1,583,195
428,568	441,224
13,403,254	21,299,421
4,794,888	6,888,680
6,472,497	1,973,642
468,729,518	409,632,604
1,702,596,095	1,223,397,879
<b>3,480,609,348</b>	<b>2,185,712,131</b>
3,407,300,156	2,119,835,313
62,679,125	55,035,565
10,630,067	10,841,253
<b>3,480,609,348</b>	<b>2,185,712,131</b>

**6.6 Classification of loans, advances and leases: Tk. 3,480,609,348**

The break up of the above amount is as under :

**Unclassified**

Standard

Special mention account

**Total unclassified loans, advances and leases****Classified**

Sub-standard

Doubtful

Bad/Losses

**Total classified loans, advances and leases**

Amount in Taka	
31-Dec-2013	31-Dec-2012
3,077,675,990	1,745,954,439
59,068,890	244,979,173
<b>3,136,744,880</b>	<b>1,990,933,612</b>
26,090,120	53,315,360
191,803,763	48,642,658
125,970,585	92,820,501
<b>343,864,468</b>	<b>194,778,519</b>
<b>3,480,609,348</b>	<b>2,185,712,131</b>
2,650,065,158	1,700,080,871
784,992,361	55,693,859
45,551,829	429,937,401
-	-
<b>3,480,609,348</b>	<b>2,185,712,131</b>
489,183	780,792
19,263,911	24,199,500
876,374	1,001,618
24,199,500	28,956,574
-	-
13,659,234	(36,025,236)
41,542,064	44,869,209
-	20,000,000
39,974,023	26,314,789
9,995,651	8,041,351
96,459,314	71,590,105
41,542,064	44,869,209
138,001,378	96,459,314
138,001,378	96,459,314

**6.7 Particulars of loans, advances and leases: Tk. 3,480,609,348**

The break up of the above amount is as under :

- i) Loans considered good in respect of which the FI's is fully secured
  - ii) Loans considered good against which the FI's holds no security other than the debtors' personal guarantee
  - iii) Loans considered good and secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors
  - iv) Loans adversely classified but provision not maintained there against
  - v) Loans due by directors or officers of the FI's or any of them either separately or jointly with any other persons
  - vi) Loans due from companies or firms in which the directors of the FI's are interested as Directors, partners or Managing agents or, in case of private companies, as members
  - vii) Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the FI's or any of them either separately or jointly with any other persons
  - viii) Maximum total amount of advances including temporary advances granted during the year to the companies or firms in which the Directors of the FI's are interested as Directors, partners or managing agents or, in the case of private companies, as members
  - ix) Due from other FI's
  - x) Amount of classified loans on which interest has not been charged:
    - a) Increase/decrease of provision (specific)
    - b) Amount of loan written off
    - c) Amount realized against loan previously written off
    - d) Provision kept against loans classified as bad/loss on the date preparing the balance sheet
    - e) Interest creditable to interest suspense account
  - xi) Written off loan
    - Opening Balance
    - During the year
    - Cumulative to date (as per Bangladesh Bank guidelines)
- The amount of written off loans for which lawsuits have been filed for its recovery

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>6 (a) Consolidated loans, cash credits, overdrafts, and leases etc: Tk. 3,725,026,438</b>			
The break up of the above amount is as under :			
<b>i. In Bangladesh</b>			
FAS Finance & Investment Limited	6.2	3,480,609,348	2,185,712,131
FAS Capital Management Limited	6.a.i	1,340,237,900	1,168,018,647
		<b>4,820,847,248</b>	<b>3,353,730,778</b>
Less: Loan to FAS Capital Management Limited		(1,095,820,810)	(1,066,144,510)
		<b>3,725,026,438</b>	<b>2,287,586,268</b>
<b>ii. Outside Bangladesh</b>			
FAS Finance & Investment Limited		-	-
FAS Capital Management Limited		-	-
		-	-
		<b>3,725,026,438</b>	<b>2,287,586,268</b>

**6.a.i** Due to unusual/unexpected fall in the share market, the market value of collateral securities as on 31 December 2013 fell value the receivable amount by Tk. 524,070,397 against which the company made provision for Tk. 71,641,066 which is equivalent to 13.66% of the net unrealized loss of outstanding margin loan to client. However, as per Bangladesh Securities and Exchange Commission (Merchant Banker & Portfolio Manager) ordinance 1996 the company may keep provision 1% on the outstanding of the total loan.

**7 Bills purchased and discounted: Tk. Nil**

The break up of the above amount is as under :

In Bangladesh  
Outside Bangladesh

-	-
-	-
-	-

**7.1 Maturity grouping: Tk. Nil**

The break up of the above amount is as under :

-payable within 1 month  
-over 1 month but less than 3 months  
-over 3 months but less than 6 months  
-6 months or more

-	-
-	-
-	-
-	-

**7 (a) Consolidated bills purchased and discounted: Tk. Nil**

The break up of the above amount is as under :

FAS Finance & Investment Limited

7

FAS Capital Management Limited

-	-
-	-
-	-

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>8</b>	<b>Fixed assets including premises, furniture and fixtures : Tk. 326,002,515</b>		
	The break up of the above amount is as under :		
	<b>Cost</b>		
	Land	86,527,860	86,527,860
	Office building	288,681,678	288,681,678
	Furniture & fixture	5,419,274	4,559,171
	Office decoration	5,294,959	3,866,820
	Office equipment	5,072,131	4,865,811
	Motor vehicles	12,484,489	12,496,489
	Electrical installation	1,727,942	1,581,987
	Computer	3,357,076	2,497,228
	Telephone line & PABX system	427,623	427,623
	Software	50,000	50,000
		<b>409,043,032</b>	<b>405,554,667</b>
	<b>Less: Accumulated depreciation</b>		
	Office building	66,541,127	54,849,519
	Furniture & fixture	1,876,124	1,482,440
	Office decoration	1,661,440	1,257,716
	Office equipment	2,644,980	2,216,659
	Motor vehicles	7,448,162	7,213,880
	Electrical installation	881,906	732,606
	Computer	1,735,926	1,449,840
	Telephone line & PABX system	231,558	196,959
	Software	19,294	13,875
		<b>83,040,517</b>	<b>69,413,494</b>
	<b>Written down value at the end of the year (Annexure-1)</b>	<b>326,002,515</b>	<b>336,141,173</b>
<b>8 (a)</b>	<b>Consolidated fixed assets including premises, furniture and fixtures: Tk. 331,459,137</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	8	326,002,515
	FAS Capital Management Limited		336,141,173
			5,456,622
			5,320,825
	<b>Written down value at the end of the year (Annexure-1 (a))</b>		<b>331,459,137</b>
			<b>341,461,998</b>
<b>9</b>	<b>Others assets: Tk. 505,645,065</b>		
	The break up of the above amount is as under :		
	<b>Income generating</b>		
	i) Investment in Shares of subsidiary companies		
	-In Bangladesh	9.1	247,000,000
	-Outside Bangladesh		97,000,000
			-
			<b>247,000,000</b>
			<b>97,000,000</b>
	<b>Non-income generating</b>		
	ii) Stationery, stamps, printing, materials, etc.		237,381
	iii) Advance rent and advertisement		1,030,906
	iv) Interest accrued on investment but not collected, commission & brokerage receivable on shares and debenture and income receivable		19,068,657
	v) Security deposit		503,300
	vi) Preliminary, formation and organization expenses, renovation/ development and prepaid expenses		29,017,699
	vii) Branch adjustment (net reconciled)		-
	viii) Suspense account		-
	ix) Silver		-
	x) Advance corporate income tax	9.2	204,885,594
	xi) Accounts receivable		2,469,488
	xii) Deferred tax asset	13.3	1,358,286
	xiii) others		73,754
			3,573,394
			<b>258,645,065</b>
			<b>229,048,832</b>
			<b>505,645,065</b>
			<b>326,048,832</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>9.1</b>	<b>Investment in Shares of subsidiary companies: Tk. 247,000,000</b>		
	The break up of the above amount is as under :		
	In Bangladesh	9.1.a 247,000,000	97,000,000
	Outside Bangladesh	-	-
		<b>247,000,000</b>	<b>97,000,000</b>
<b>9.1.a</b>	<b>Investment in Shares of subsidiary companies-In Bangladesh: Tk. 247,000,000</b>		
	The break up of the above amount is as under :		
	FAS Capital Management Limited	247,000,000	97,000,000
		<b>247,000,000</b>	<b>97,000,000</b>
	Out of the total of 25,000,000 ordinary shares issued and paid up, FAS Finance & Investment Limited holds 24,700,000 ordinary shares of Tk. 10 each.		
<b>9.2</b>	<b>Advance corporate income tax: Tk. 204,885,594</b>		
	The break up of the above amount is as under :		
	Advance income tax on bank interest	8,043,388	7,084,955
	Advance income tax on dividend	1,207,464	1,181,949
	Advance income tax (LTU)	189,756,830	174,456,830
	Advance income tax on motor vehicle	69,352	39,000
	Advance income tax on share placement	5,620,000	5,620,000
	Advance income tax (source Tax)	151,509	81,009
	Advance income tax on underwriting commission	37,051	37,051
		<b>204,885,594</b>	<b>188,500,794</b>
<b>9.2 (a)</b>	<b>Consolidated advance corporate income tax: Tk. 207,301,728</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	9.2 204,885,594	188,500,794
	FAS Capital Management Limited	2,416,134	6,194,618
		<b>207,301,728</b>	<b>194,695,412</b>
<b>9 (a)</b>	<b>Consolidated others assets: Tk. 266,697,942</b>		
	The break up of the above amount is as under :		
	<b>i. Income generating</b>		
	FAS Finance & Investment Limited	9 247,000,000	97,000,000
	FAS Capital Management Limited	-	-
		<b>247,000,000</b>	<b>97,000,000</b>
	Less: Investment in subsidiary companies (FAS Capital Management Limited)	(247,000,000)	(97,000,000)
		-	-
	<b>ii. Non-income generating</b>		
	FAS Finance & Investment Limited	9 258,645,065	229,048,832
	FAS Capital Management Limited	8,233,242	11,894,994
		<b>266,878,307</b>	<b>240,943,826</b>
	Less: Inter company transaction	(180,365)	(662,138)
		<b>266,697,942</b>	<b>240,281,688</b>
		<b>266,697,942</b>	<b>240,281,688</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>10</b>	<b>Non-Financial Institution's assets: Tk. 44,665,893</b>		
	The break up of the above amount is as under :		
	Land & Building	44,665,893	53,271,231
		<b>44,665,893</b>	<b>53,271,231</b>
	This represents the asset which has been acquired by the company in satisfaction of the claimed amount towards Rhine Builders Limited and the holding year of the asset will be maximum 5 (five) years in accordance with the decision of the company management.		
<b>10 (a)</b>	<b>Consolidated Non-Financial Institution's assets: Tk. 44,665,893</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited 10	44,665,893	53,271,231
	FAS Capital Management Limited	-	-
		<b>44,665,893</b>	<b>53,271,231</b>
<b>11</b>	<b>Borrowings from other banks, financial institutions and agents: Tk. 1,439,427,676</b>		
	The break up of the above amount is as under :		
	In Bangladesh 11.1	1,439,427,676	1,229,847,461
	Outside Bangladesh	-	-
		<b>1,439,427,676</b>	<b>1,229,847,461</b>
<b>11.1</b>	<b>In Bangladesh: Tk. 1,439,427,676</b>		
	The break up of the above amount is as under :		
	SME Refinancing Loan	109,287,973	94,331,599
	Dhaka Bank Limited	684,426	-
	Mercantile Bank Limited	2,014,268	88,347,800
	Midland Bank Limited	48,636,632	-
	Mutual Trust Bank Limited	348,552,056	407,955,850
	NCC Bank Limited	87,326,461	-
	NRB Commercial Bank Limited	86,796,570	-
	Pubali Bank Limited	241,339,826	158,129,235
	Shahjalal Islami Bank Limited	72,930,931	-
	State Bank of India	-	151,151,954
	Uttara Bank Limited	441,858,533	329,931,023
		<b>1,439,427,676</b>	<b>1,229,847,461</b>
<b>11.2</b>	<b>Security against Borrowings from other banks, financial institutions and agents: Tk. 1,439,427,676</b>		
	The break up of the above amount is as under :		
	Secured	1,330,139,703	1,135,515,862
	Unsecured	109,287,973	94,331,599
		<b>1,439,427,676</b>	<b>1,229,847,461</b>
<b>11.3</b>	<b>Maturity grouping's: Tk. 1439,427,676</b>		
	The break up of the above amount is as under :		
	Repayable-on demand	-	-
	-up to 3 months	113,570,511	122,305,979
	-over 3 months but within 1 year	330,349,507	572,158,936
	-over 1 year but within 5 years	959,457,718	535,382,546
	-over 5 years	36,049,940	-
		<b>1,439,427,676</b>	<b>1,229,847,461</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>11 (a)</b>	<b>Consolidated borrowings from other banks, financial institutions and agents: Tk. 1,451,883,323</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	11	1,439,427,676
	FAS Capital Management Limited		1,108,276,457
			<b>2,547,704,133</b>
	Less: Loan from FAS Finance & Investment Limited		(1,095,820,810)
			<b>1,451,883,323</b>
<b>12</b>	<b>Deposits and other accounts: Tk. 1,251,582,317</b>		
	The break up of the above amount is as under :		
	Current deposits and other accounts		-
	Bills payable		-
	Savings bank deposits		-
	Fixed deposits	12.1	1,251,582,317
	Bearer certificates of deposit		-
	Others deposits		-
			<b>1,251,582,317</b>
<b>12.1</b>	<b>Fixed deposits: Tk. 1,251,582,317</b>		
	The break up of the above amount is as under :		
	Deposit from FI's-inside Bangladesh		850,000,000
	Other than FI's-inside Bangladesh		401,582,317
			<b>1,251,582,317</b>
<b>12.1.a</b>	<b>Maturity analysis of Fixed Deposits: Tk. 1,251,582,317</b>		
	The break up of the above amount is as under :		
	<b>Deposit from FI's-inside Bangladesh</b>		
	Repayable-on demand		-
	-within 1 month		-
	-over 1 month but within 6 months		650,000,000
	-over 6 months but within 1 year		200,000,000
	-over 1 year but within 5 years		-
	-over 5 years but within 10 years		-
			<b>850,000,000</b>
	<b>Other than FI's-inside Bangladesh</b>		
	Repayable-on demand		-
	-within 1 month		2,205,176
	-over 1 month but within 6 months		69,051,930
	-over 6 months but within 1 year		262,406,340
	-over 1 year but within 5 years		67,918,871
	-over 5 years but within 10 years		-
			<b>401,582,317</b>
			<b>1,251,582,317</b>
			<b>382,612,797</b>



		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>12 (a) Consolidated deposits and other accounts: Tk. 1,251,582,317</b>			
The break up of the above amount is as under :			
<b>FAS Finance &amp; Investment Limited</b>			
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits	12.1	1,251,582,317	382,612,797
Bearer certificates of deposit		-	-
Others deposits		-	-
		<b>1,251,582,317</b>	<b>382,612,797</b>
<b>FAS Capital Management Limited</b>			
Current deposits and other accounts		-	-
Bills payable		-	-
Savings bank deposits		-	-
Fixed deposits		-	-
Bearer certificates of deposit		-	-
Others deposits		-	-
		<b>1,251,582,317</b>	<b>382,612,797</b>
<b>13 Others liabilities: Tk. 444,207,207</b>			
The break up of the above amount is as under :			
Accumulated provision against loans, advances and leases	13.1	103,244,809	71,401,870
Provision for current tax	13.2	196,833,306	170,094,595
Deferred tax liabilities	13.3	2,438,525	1,275,850
Interest suspense account	13.4	53,435,863	47,090,198
Accounts payable		199,232	184,910
Accrued expenses		231,629	518,796
Provision for gratuity	13.5	-	1,275,470
Provision against investments	13.6	20,006,217	14,536,963
Provident fund	13.7	-	-
Leases advance		14,959,376	7,675,466
Advance installment		5,757,139	5,414,567
Unclaimed dividend		250,788	244,560
Salary tax		33,671	-
Interest payable		38,657,861	18,002,517
Tax deduction at source		413,685	44,609
Vat payable		607,963	206,572
Sundry deposit		7,137,143	9,592,320
		<b>444,207,207</b>	<b>347,559,263</b>
<b>13.1 Accumulated provision for loans, advances and leases: Tk. 103,244,809</b>			
The break up of the above amount is as under :			
<b>Provision for classified loans, advances and leases</b>			
Opening balance		40,295,524	66,354,480
Fully provided debts written off during the year	(-)	(34,209,457)	(36,888,011)
Recovery of amounts previously written off	(+)	-	-
Specific provision made for the year	(+)	68,384,920	10,829,055
Recoveries and provision no longer required	(-)	-	-
Net charge to profit and loss statement	(+)	-	-
<b>Total Provision for classified loans, advances and leases</b>		<b>74,470,987</b>	<b>40,295,524</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>Provision for unclassified loans, advances and leases</b>			
Opening balance		31,106,346	24,608,065
Provision for the year		(2,332,524)	6,498,281
Adjustment during the year		-	-
<b>Total provision for unclassified loans, advances and leases</b>		<b>28,773,822</b>	<b>31,106,346</b>
<b>Total provision against loans, advances and leases</b>		<b>103,244,809</b>	<b>71,401,870</b>
<b>Provision for</b>	<b>Required</b>	<b>Maintained</b>	<b>Excess/(Shortage)</b>
Classified loans, advances & leases	74,470,987	74,470,987	-
Un-classified loans, advances & leases	28,315,727	28,773,822	458,095
	<b>102,786,714</b>	<b>103,244,809</b>	<b>458,095</b>

**13.1 (a) Consolidated provision against loans, advances and leases: Tk. 174,885,875**

The break up of the above amount is as under :

FAS Finance & Investment Limited	13.1	103,244,809	71,401,870
FAS Capital Management Limited		71,641,066	71,641,066
		<b>174,885,875</b>	<b>143,042,936</b>

**13.2 Provision for current tax: Tk. 196,833,306**

The break up of the above amount is as under :

Opening balance		170,094,595	162,887,422
Add: Provision made during the year		26,738,711	7,207,173
Less: Adjustment during the year		-	-
		<b>196,833,306</b>	<b>170,094,595</b>

Income tax provision has been made as per Income Tax Ordinance 1984 and as amended for the time being.

**13.2 (a) Consolidated provision for current tax: Tk. 206,884,029**

The break up of the above amount is as under :

FAS Finance & Investment Limited	13.2	196,833,306	170,094,595
FAS Capital Management Limited		10,050,723	9,082,913
		<b>206,884,029</b>	<b>179,177,508</b>

**13.3 Deferred tax**

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 at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
<b>Assets:</b>			
Fixed assets net off depreciation as on December 31, 2013			
(Excluding Revaluation Reserve)	62,856,257	57,118,550	(5,737,707)
<b>Total:</b>	<b>62,856,257</b>	<b>57,118,550</b>	<b>(5,737,707)</b>
<b>Applicable tax rate</b>			<b>42.50%</b>
Deferred tax liability as on December 31, 2013			<b>(2,438,525)</b>
Deferred tax liability as on December 31, 2012			<b>(1,275,850)</b>
<b>Deferred tax expenses accounted for during the year</b>			<b>(1,162,675)</b>

**Deferred tax asset is arrived at as follows:**

Particulars	Carrying amount at balance sheet	Tax base	(Taxable)/deductible temporary difference
	Taka	Taka	Taka
<b>Liabilities:</b>			
Employee gratuity as on December 31, 2013	3,195,967	-	3,195,967
<b>Total:</b>	<b>3,195,967</b>	-	<b>3,195,967</b>
Applicable tax rate for employees' gratuity			42.50%
Deferred tax asset as on December 31, 2013			1,358,286
Deferred tax asset as on December 31, 2012			542,075
<b>Deferred tax income accounted for during the year</b>			<b>816,211</b>
<b>Net deferred tax expense</b>			<b>(346,464)</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>13.3 (a) Consolidated deferred tax liabilities: Tk. 2,438,525</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	13.3	2,438,525	1,275,850
FAS Capital Management Limited		-	-
		<b>2,438,525</b>	<b>1,275,850</b>
<b>13.4 Interest suspense account: Tk. 53,435,863</b>			
The break up of the above amount is as under :			
Opening balance		47,090,198	37,488,123
Transfer during the year	+	31,679,595	47,040,678
Recovery during the year	(-)	(18,001,323)	(29,457,405)
Written off during the year	(-)	(7,332,607)	(7,981,198)
		<b>53,435,863</b>	<b>47,090,198</b>
<b>13.5 Provision for gratuity: Tk. Nil</b>			
The break up of the above amount is as under :			
Opening balance		1,275,470	1,879,673
Add: Provision made during year		3,195,967	1,391,659
Add: Transferred from FASCML		-	754,910
Less: Adjustment during the year		(4,471,437)	(2,750,772)
		<b>-</b>	<b>1,275,470</b>
<b>13.6 Provision against investments: Tk. 20,006,217</b>			
The break up of the above amount is as under :			
Opening balance		14,536,963	24,748,297
Add: Provision made during the year		5,469,254	-
Less: Adjustment during the year		-	(10,211,334)
		<b>20,006,217</b>	<b>14,536,963</b>
<b>13.6 (a) Consolidated provision against investments: Tk. 28,839,534</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	13.6	20,006,217	14,536,963
FAS Capital Management Limited		8,833,317	-
		<b>28,839,534</b>	<b>14,536,963</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>13.7 Provident fund: Tk. Nil</b>			
The break up of the above amount is as under :			
Opening balance		-	-
Add: Provision made during the year		1,630,400	1,276,567
Less: Adjustment during the year		(1,630,400)	(1,276,567)
		-	-
<b>13 (a) Consolidated other liabilities: Tk. 537,144,110</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	13	444,207,207	347,559,263
FAS Capital Management Limited		93,117,268	85,286,862
		<b>537,324,475</b>	<b>432,846,125</b>
Less: Inter company transaction		(180,365)	(662,138)
		<b>537,144,110</b>	<b>432,183,987</b>
<b>14 Share Capital: Tk. 1,117,500,530</b>			
		<b>1,117,500,530</b>	<b>542,475,990</b>
<b>14.1 Authorized Capital: Tk. 2,100,000,000</b>			
210,000,000 ordinary shares of Taka 10 each		<b>2,100,000,000</b>	<b>2,100,000,000</b>
<b>14.2 Issued, subscribed and paid-up Capital: Tk. 1,117,500,530</b>			
The break up of the above amount is as under :			
39,065,700 ordinary shares of Taka 10 each issued for cash		390,657,000	390,657,000
5,859,850 bonus shares of Taka 10 each issued for dividend for 2009		58,598,500	58,598,500
6,738,830 bonus shares of Taka 10 each issued for dividend for 2010		67,388,300	67,388,300
2,583,219 bonus shares of Taka 10 each issued for dividend for 2011		25,832,190	25,832,190
3,254,855 bonus shares of Taka 10 each issued for dividend for 2012		32,548,550	-
54,247,599 right shares of Taka 10 each issued		542,475,990	-
		<b>1,117,500,530</b>	<b>542,475,990</b>

**14.3 Percentage of shareholding**

Particulars	%		Amount in Taka	
	31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
Bangladeshi sponsors	59.73	64.00	667,480,480	347,186,760
Foreign sponsors	-	-	-	-
Financial institutions/Others	2.26	1.09	25,212,010	5,895,406
Employees	-	-	-	-
General public	38.01	34.91	424,808,040	189,393,824
	<b>100</b>	<b>100</b>	<b>1,117,500,530</b>	<b>542,475,990</b>

**14.4 Classification of Shareholders by holding**

Holding	Number of holders		% of total holding	
	31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
up to 500 Shares	4,436	2,125	0.57%	2.01%
501 to 5,000 Shares	4,602	3,195	7.45%	8.12%
5,001 to 10,000 Shares	633	240	4.23%	3.07%
10,001 to 20,000 Shares	324	109	4.01%	2.67%
20,001 to 30,000 Shares	107	45	2.35%	2.00%
30,001 to 40,000 Shares	47	17	1.46%	1.07%
40,001 to 50,000 Shares	38	12	1.61%	0.97%
50,001 to 100,000 Shares	48	29	3.14%	3.68%
100,001 to 1000,000 Shares	60	36	12.77%	14.11%
Over 1,000,000 Shares	15	10	62.41%	62.30%
	<b>10,310</b>	<b>5,818</b>	<b>100.00%</b>	<b>100.00%</b>

No. of Shares		Value of Shares	
31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
632,734	1,091,062	6,327,340	10,910,620
8,325,665	4,403,193	83,256,650	44,031,930
4,727,789	1,666,160	47,277,890	16,661,600
4,476,173	1,450,257	44,761,730	14,502,570
2,627,656	1,086,135	26,276,560	10,861,350
1,636,656	580,939	16,366,560	5,809,390
1,793,836	526,205	17,938,360	5,262,050
3,512,855	1,996,116	35,128,550	19,961,160
14,274,218	7,653,013	142,742,180	76,530,130
69,742,471	33,794,519	697,424,710	337,945,190
<b>111,750,053</b>	<b>54,247,599</b>	<b>1,117,500,530</b>	<b>542,475,990</b>

**14.05 Name of the Directors, sponsors shareholders and their shareholding (including holdings of general public) as on 31 December 2013**

Sl. No.	Name	Position	Total Nos. of Shares	Value of Shares	% of Shareholding
1	Mr. Abdul Matlub Ahmad	Chairman	2,666,160	26,661,600	2.39%
2	Mr. Abdul Marib Ahmad	Director	2,796,260	27,962,600	2.50%
3	Mr. Mohammad A. Hafiz	Nominated Director- Nikita & Company Ltd.	14,302,837	143,028,370	12.80%
4	Mr. Md. Mustafa				
5	Mr. Md. Siddiqur Rahman	Director	5,245,500	52,455,000	4.69%
6	Mr. Uzzal Kumar	NandiNominated Director P & L International Ltd.	6,000,000	60,000,000	5.37%
7	Mr. Md. Zahangir Alam				
8	Mr. Anjan Kumer Roy	Nominated Director -Reptiles Farm Ltd.	8,754,500	87,545,000	7.83%
9	Mr. Mesbahul Haque				
10	Mrs. Selima Ahmad	Sponsor	2,282,899	22,828,990	2.04%
11	Nitol Motors Ltd.	Sponsor	13,886,250	138,862,500	12.43%
12	Mrs. Syeda Shahnaz Ahmad	Sponsor	3,146,623	31,466,230	2.82%
13	Mr. Syed Monoar Ali	Sponsor	3,146,623	31,466,230	2.82%
14	Bangladesh National Car Ltd.	Sponsor	1,982,882	19,828,820	1.77%
15	Mr. Nasim Ali Khan	Sponsor	1,619,136	16,191,360	1.45%
16	Mr. Serajul Islam	Sponsor	242,870	2,428,700	0.22%
17	Mr. Mahmudul Haque Shamim	Sponsor	270,719	2,707,190	0.24%
18	Mr. Enamul Haque	Sponsor	242,870	2,428,700	0.22%
19	Mr. Asaduzzaman Chaudhury	Sponsor	161,919	1,619,190	0.14%
20	General public	Shareholder	45,002,005	450,020,050	40.27%
	<b>Total</b>		<b>111,750,053</b>	<b>1,117,500,530</b>	<b>100.00%</b>

**14.06 Capital adequacy ratio (CAR) As per BASEL-II**

- a. In terms of Bangladesh Bank DFIM circular no. 05 dated 24 July 2011, required paid up capital of the Company at 31 December 2012 should be of Taka 1,000,000,000 against which the paid up capital of the company as at 31.12.13 was Tk. 1,117,500,530.

**Consolidated - Capital adequacy ratio :**

- b. In terms of Bangladesh Bank DFIM circular no. 14 dated 28 December 2011, required capital of the Company on consolidated basis at the close of business on 31 December 2013 is TK. 1,000,000,000 as against available core capital of Tk. 1,287,816,875 and supplementary capital of Tk. 159,265,351 making a total of Tk. 1,447,082,226 thereby showing surplus capital/equity of Tk. 447,082,226 at that date. Details are shown below:

	Amount in Taka As at
	31-Dec-2013
<b>14.06.01 Core capital (Tier-I): Tk. 1,287,816,875</b>	
The break up of the above amount is as under :	
Paid-up capital	1,117,500,530
Statutory reserve	83,004,413
Non-repayable Share premium account	-
General reserve	315,000
Retained earnings	84,811,990
Minority Interest in Subsidiaries	2,184,942
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
<b>Total</b>	<b>1,287,816,875</b>
<b>Deductions from Tier-I (Core Capital)</b>	
Book value of Goodwill and Value of any contingent assets which are shown as assets	-
Shortfall in provisions required against classified assets irrespective of any relaxation allowed	-
Shortfall in provision required against investment in shares	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
Any investment exceeding the approved limit	-
Investment in subsidiaries which are not consolidated	-
Increase in equity capital resulting from a securitization exposure	-
Others if any	-
<b>Total</b>	<b>-</b>
<b>Total Eligible Tier-1 Capital</b>	<b>1,287,816,875</b>
<b>14.06.02 Supplementary capital (Tier II): Tk. 159,265,351</b>	
The break up of the above amount is as under :	
General provision on unclassified loans and advances	28,773,822
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	130,491,529
Revaluation loss on investment - held to maturity (HTM)( Up to 50% of the revaluation loss)	-
<b>Sub total</b>	<b>159,265,351</b>
Applicable Deductions if any	-
<b>Total Eligible Tier-2 Capital</b>	<b>159,265,351</b>
<b>(A) Total Eligible Capital ( Tier-1 + Tier-2)</b>	<b>1,447,082,226</b>
<b>Total assets including off- balance Sheet items</b>	<b>4,909,293,472</b>
<b>Total risk -weighted assets(RWA)</b>	<b>4,447,267,103</b>
<b>(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)</b>	<b>1,000,000,000</b>
<b>(C) Surplus / (Shortfall) (A-B)</b>	<b>447,082,226</b>
<b>Capital adequacy ratio</b>	<b>32.54%</b>

	<b>Amount in Taka As at</b>
	<b>31-Dec-2013</b>
<b>Risk weighted assets (RWA): Tk. 5,002,231,294</b>	
<b>A. Credit Risk</b>	
On-Balance sheet	4,447,267,103
Off-Balance sheet	-
	<b>4,447,267,103</b>
<b>B. Market Risk</b>	<b>264,889,400</b>
<b>C. Operational Risk</b>	<b>290,074,791</b>
<b>Total RWA (A+B+C)</b>	<b>5,002,231,294</b>
<b>A. Credit Risk</b>	
<b>On-Balance sheet</b>	
Exposure type	
a) Cash and Cash Equivalents	-
b) Claims on Bangladesh Government and Bangladesh Bank	-
c) Claims on other Sovereigns & Central bank's	-
d) Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
e) Claims on Multilateral Development Banks (MDBs):	-
i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
ii) Other MDBs	-
f) Claims on Public Sector Entities (other than Government) in Bangladesh (Membership in Stock Exchange)	-
g) Claims on Banks/NBFI	-
i) Maturity over 3 months	110,000,000
ii) Maturity less than 3 months	5,480,708
h) Claims on Corporate (excluding equity exposure)	783,659,255
i) Claims under Credit Risk Mitigation	-
j) Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	520,863,804
k) Consumer investment (Loan)	-
l) Claims fully secured by residential property	173,947,500
m) Claims fully secured by commercial real estate	165,130,704
n) Past Due Claims (Risk weights are to be assigned net of specific provision):	-
The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:	-
Where specific provisions are less than 20 percent of the outstanding amount of the past due claim.	238,213,923
Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	86,758,782
Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	7,435,043
Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	36,774,413
Investments and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is not less than 20% of outstanding amount	5,018,246
o) Investments in Capital Market Exposures	1,876,765,721
p) Investments in venture capital	-
q) Unlisted equity investments and regulatory capital instruments issued by other FIS ( other those deducted from capital ) held in the banking book	-
r) Investments in premises, plant and equipment and all other fixed assets	331,459,137



	Amount in Taka As at
	31-Dec-2013
s) Claims on all fixed assets under operating lease	-
t) All other assets	-
i) Claims on Gob & BB ( advance income tax , reimbursement of patirakha/shanchy patra	-
ii) Staff Loan / Investment	97,837
iii) Cash items in process of collection	-
iv) other assets	105,662,030
<b>Risk weighted assets (RWA)</b>	<b>4,447,267,103</b>
<b>Off-Balance Sheet</b>	
Exposures types	
a) Claims on Bangladesh Government and Bangladesh Bank (Outward/Inward Bill Lodged)	-
b) Claims on other Sovereigns & Central bank's	-
c) Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
d) Claims on Multilateral Development Banks (MDBs):	-
i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
ii) Other MDBs	-
e) Claims on Public Sector Entities (other than Government) in Bangladesh	-
f) Claims on NBFIs	-
i) Maturity over 3 months	-
ii) Maturity less than 3 months	-
g) Claims on Corporate (excluding equity exposure)	-
h) Against retail portfolio & Small Enterprise (excluding consumer investment)	-
i) Consumer Investment	-
j) All other assets	-
<b>Risk weighted assets (RWA)</b>	<b>-</b>
<b>Total Risk weighted assets (RWA)</b>	<b>4,447,267,103</b>

## B. Market Risk

	Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
A Interest Rate Related Instruments	-	-	-
B Equities	13,244,470	13,244,470	26,488,940
C Foreign Exchange Position	-	-	-
<b>Total(A+B+C)</b>	<b>13,244,470</b>	<b>13,244,470</b>	<b>26,488,940</b>
<b>Risk weighted assets (RWA)</b>	<b>132,444,700</b>	<b>132,444,700</b>	<b>264,889,400</b>

## C. Operational Risk

Gross income	580,149,581
Average gross income	193,383,194
Capital charge for operational risk (15% of Average gross income)	29,007,479
<b>Risk Weighted Assets</b>	<b>290,074,791</b>

**(Solo)- Capital adequacy ratio:**

In terms of Bangladesh Bank DFIM circular no. 14 dated 28 December 2011, required capital of the Company on solo basis at the close of business on 31 December 2013 is Tk. 1,000,000,000 as against available core capital of Tk. 1,316,116,992 and supplementary capital of Tk. 159,265,351 making a total of Tk. 1,475,382,343 thereby showing surplus capital/equity of Tk. 475,382,343 at that date. Details are shown below:

	Amount in Taka As at
	31-Dec-2013
<b>Core capital (Tier I)</b>	
Paid-up capital	1,117,500,530
Statutory reserve	83,004,413
Non-repayable Share premium account	-
General reserve	315,000
Retained earnings	115,297,049
Minority Interest in Subsidiaries	-
Non-Cumulative irredeemable Preferences shares	-
Dividend Equalization account	-
Other (if any item approved by BB)	-
<b>Total</b>	<b>1,316,116,992</b>
Deductions from Tier-1 (Core Capital)	
Book value of Goodwill and Value of any contingent assets which are shown as assets	-
Shortfall in provisions required against classified assets irrespective of any relaxation allowed	-
Shortfall in provision required against investment in shares	-
Remaining deficit on account of revaluation of investment in securities after netting off from any other surplus on the securities	-
Any investment exceeding the approved limited	-
Investment in subsidiaries which are not consolidated	-
Increase in equity capital resulting from a securitization exposure	-
Others if any	-
<b>Total</b>	<b>-</b>
<b>Total Eligible Tier-1 Capital</b>	<b>1,316,116,992</b>
<b>Supplementary capital (Tier II)</b>	
General provision on unclassified loans and advances	28,773,822
Provision for off-balance sheet exposure	-
Exchange equalization account	-
Asset revaluation reserves (Up to 50%)	130,491,529
Revaluation loss on investment - held to maturity (HTM)	-
<b>Sub total</b>	<b>159,265,351</b>
Applicable Deductions if any	-
<b>Total Eligible Tier-2 Capital</b>	<b>159,265,351</b>
<b>(A) Total Eligible Capital (Tier-1 + Tier-2)</b>	<b>1,475,382,343</b>
<b>Total assets including off- balance Sheet items</b>	<b>4,832,201,039</b>
<b>Total risk -weighted assets(RWA)</b>	<b>4,750,434,985</b>
<b>(B) Total Required Capital (10% of Total RWA or MCR, whichever is higher)</b>	<b>1,000,000,000</b>
<b>(C) Surplus /(Shortfall)(A-B)</b>	<b>475,382,343</b>
<b>Capital adequacy ratio</b>	<b>31.06%</b>
<b>Risk weighted assets(RWA)</b>	
<b>A. Credit Risk</b>	
On-Balance sheet	4,354,572,802
Off-Balance sheet	-
	<b>4,354,572,802</b>

	Amount in Taka As at
	31-Dec-2013
<b>B. Market Risk</b>	<b>150,729,160</b>
<b>C. Operational Risk</b>	<b>245,133,023</b>
<b>Total RWA (a+b+c)</b>	<b>4,750,434,985</b>
<b>A. Credit Risk</b>	
<b>On-Balance sheet</b>	<b>Risk weighted assets</b>
Exposure type	<b>31-Dec-2013</b>
a) Cash and Cash Equivalents	-
b) Claims on Bangladesh Government and Bangladesh Bank	-
c) Claims on other Sovereigns & Central bank's	-
d) Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
e) Claims on Multilateral Development Banks (MDBs):	-
i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
ii) Other MDBs	-
f) Claims on Public Sector Entities (other than Government) in Bangladesh (Membership in Stock Exchange)	-
g) Claims on Banks/NBFI	-
i) Maturity over 3 months	110,000,000
ii) Maturity less than 3 months	5,429,390
h) Claims on Corporate (excluding equity exposure)	783,659,255
i) Claims under Credit Risk Mitigation	-
j) Claims categorized as retail portfolio & small enterprise (excluding consumer investment)*	520,863,804
k) Consumer investment (Loan)	-
l) Claims fully secured by residential property	173,947,500
m) Claims fully secured by commercial real estate	165,130,704
n) Past Due Claims (Risk weights are to be assigned net of specific provision): The claim (other than claims secured by eligible residential property) that is past due for more than 90 days and/or impaired will attract risk weight as follows:	-
Where specific provisions are less than 20 percent of the outstanding amount of the past due claim.	238,213,923
Where specific provisions are no less than 20 percent of the outstanding amount of the past due claim.	86,758,782
Where specific provisions are more than 50 percent of the outstanding amount of the past due claim.	7,435,043
Claims fully secured against residential property that are past due for more than 90 days and/or impaired specific provision held there-against is less than 20% of outstanding amount	36,774,413
Investments and claims fully secured against residential property that are past due by 90 days and/or impaired and specific provision held there-against is not less than 20% of outstanding amount	5,018,246
o) Investments in Capital Market Exposures	1,797,632,236
p) Investments in venture capital	-
q) Unlisted equity investments and regulatory capital instruments issued by other FIS ( other those deducted from capital ) held in the banking book	-
r) Investments in premises, plant and equipment and all other fixed assets	326,002,515
s) Claims on all fixed assets under operating lease	-
t) All other assets	-
i) Claims on Gob & BB ( advance income tax , reimbursement of patirakha/shanchy patra	-
ii) Staff Loan / Investment	97,837
iii) Cash items in process of collection	-
iv) other assets	97,609,153
<b>Risk weighted assets (RWA)</b>	<b>4,354,572,802</b>

Off-Balance Sheet Exposures types	Risk weighted assets
	31-Dec-2013
a) Claims on Bangladesh Government and Bangladesh Bank (Outward/Inward Bill Lodged)	-
b) Claims on other Sovereigns & Central bank's	-
c) Claims on banks for International Settlements, International Monetary Fund and European Central Bank	-
d) Claims on Multilateral Development Banks (MDBs):	-
i) IBRD, IFC, ADB, AFDB, EBRD, IADB, EIB, EIF, NIB, CDB, IDB, CEDB	-
ii) Other MDBs	-
e) Claims on Public Sector Entities (other than Government) in Bangladesh	-
f) Claims on NBFI	-
i) Maturity over 3 months	-
ii) Maturity less than 3 months	-
g) Claims on Corporate (excluding equity exposure)	-
h) Against retail portfolio & Small Enterprise (excluding consumer investment)	-
i) Consumer Investment	-
j) All other assets	-
<b>Risk weighted assets (RWA)</b>	-
<b>Total Risk weighted assets (RWA)</b>	<b>4,354,572,802</b>

#### B. Market Risk

	Capital Charges for Specific Risk	Capital Charge for General Market Risk	Total Capital Charge for Market Risk
A Interest Rate Related Instruments	-	-	-
B Equities	7,536,458	7,536,458	15,072,916
C Foreign Exchange Position	-	-	-
<b>Total (A+B+C)</b>	<b>7,536,458</b>	<b>7,536,458</b>	<b>15,072,916</b>
<b>Risk weighted assets (RWA)</b>	<b>75,364,580</b>	<b>75,364,580</b>	<b>150,729,160</b>

#### C. Operational Risk : Tk. 245,133,023

Gross income	490,266,046
Average gross income	163,422,015
Capital charge for operational risk (15% of Average gross income)	24,513,302
<b>Risk Weighted Assets</b>	<b>245,133,023</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>15</b>	<b>Statutory reserve: Tk. 83,004,413</b>		
	The break up of the above amount is as under :		
	Opening balance	79,223,940	78,861,879
	Add: Addition during the year	3,780,473	362,061
		<b>83,004,413</b>	<b>79,223,940</b>
<b>16</b>	<b>Other reserve: Tk. 315,000</b>		
	The break up of the above amount is as under :		
	Capital reserve	315,000	315,000
		<b>315,000</b>	<b>315,000</b>
<b>16.1</b>	<b>Capital reserve: Tk. 315,000</b>		
	The break up of the above amount is as under :		
	Opening balance	315,000	315,000
	Add: Addition during the year	-	-
		<b>315,000</b>	<b>315,000</b>
<b>17</b>	<b>Revaluation Reserve: Tk. 260,983,058</b>		
	The break up of the above amount is as under :		
	Land	84,364,660	84,364,660
	Office building	176,618,398	185,914,103
		<b>260,983,058</b>	<b>270,278,763</b>
<b>17.1</b>	<b>Revaluation reserve-Land: Tk. 84,364,660</b>		
	The break up of the above amount is as under :		
	Opening balance	84,364,660	84,364,660
	Add: Addition during the year	-	-
		<b>84,364,660</b>	<b>84,364,660</b>
<b>17.2</b>	<b>Revaluation reserve-Office building: Tk. 176,618,398</b>		
	The break up of the above amount is as under :		
	Opening balance	185,914,103	206,571,226
	Add: Addition during the year	-	-
		185,914,103	206,571,226
	Less: Depreciation on increased value due to revaluation	(9,295,705)	(20,657,123)
		<b>176,618,398</b>	<b>185,914,103</b>
<b>18</b>	<b>Retained earnings: Tk. 115,297,049</b>		
	The break up of the above amount is as under :		
	Opening balance	123,428,002	127,154,824
	Net profit after taxation	18,902,365	1,810,306
	Transfer to statutory reserve	(3,780,473)	(362,061)
	Stock dividend paid-2011	-	(25,832,190)
	Stock dividend paid-2012	(32,548,550)	-
	Add: Depreciation on increased value due to revaluation	9,295,705	20,657,123
		<b>115,297,049</b>	<b>123,428,002</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>18 (a) Consolidated retained earnings: Tk. 84,811,990</b>			
	The break up of the above amount is as under :		
	Opening balance	92,331,343	75,694,414
	Tax paid for Assessment Year: 2011-2012	(5,131,035)	-
	Consolidated net profit after taxation	24,645,000	22,174,057
	Transfer to statutory reserve	(3,780,473)	(362,061)
	Stock dividend paid-2011	-	(25,832,190)
	Stock dividend paid-2012	(32,548,550)	-
	Add: Depreciation on increased value due to revaluation	9,295,705	20,657,123
		<b>84,811,990</b>	<b>92,331,343</b>
<b>19 Undrawn formal standby facilities, credit lines and other commitments: Tk. 120,700,000</b>			
	The break up of the above amount is as under :		
	House finance commitments outstanding	120,700,000	22,500,000
		<b>120,700,000</b>	<b>22,500,000</b>
<b>19 (a) Consolidated undrawn formal standby facilities, credit lines and other commitments: Tk. 120,700,000</b>			
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	120,700,000	22,500,000
	FAS Capital Management Limited	-	-
		<b>120,700,000</b>	<b>22,500,000</b>
<b>20 Other memorandum items: Tk. Nil</b>			
	The break up of the above amount is as under :		
	Customers' stocks of securities-Merchant Banking Wing	-	-
		<b>-</b>	<b>-</b>
<b>20 (a) Consolidated other memorandum items: Tk. 1,574,777,425</b>			
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	1,574,777,425	1,784,663,680
		<b>1,574,777,425</b>	<b>1,784,663,680</b>
<b>20 (a)i Other memorandum items of FAS Capital Management Limited: Tk. 1,574,777,425</b>			
	The break up of the above amount is as under :		
	Customers' stocks of securities-Merchant Banking Wing	1,574,777,425	1,784,663,680
		<b>1,574,777,425</b>	<b>1,784,663,680</b>
	This amount consists of portfolio investors' investment at cost price.		

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>21</b>	<b>Profit and loss account: Tk. 117,509,190</b>		
	The break up of the above amount is as under :		
	<b>Income</b>		
	Interest, discount and similar income	436,918,502	285,874,708
	Dividend income	191,670	925,070
	Fee, commission and brokerage	-	-
	Gains less losses arising from investment securities	1,903,109	(23,035,414)
	Gains less losses arising from dealing in foreign currencies	-	-
	Other operating income	19,246,322	24,287,423
	Gains less losses arising from dealing securities	-	-
	Income from Non-FI's assets	4,220,832	-
	Profit less losses on interest rate changes	-	-
		<b>462,480,435</b>	<b>288,051,787</b>
	<b>Expenses</b>		
	Interest, fee and commission	266,132,584	206,615,364
	Losses on loans, leases and advances	-	-
	Administrative expenses	48,106,043	28,406,700
	Other operating expenses	15,919,515	7,419,434
	Depreciation on FI's assets	14,813,103	28,783,064
		<b>344,971,245</b>	<b>271,224,562</b>
		<b>117,509,190</b>	<b>16,827,225</b>
<b>22</b>	<b>Interest income: Tk. 436,918,502</b>		
	The break up of the above amount is as under :		
	Interest on loans, advances and leases	418,567,796	284,894,704
	Interest on placement with other banks and financial institutions	18,350,706	980,004
	Interest on foreign currency balance	-	-
		<b>436,918,502</b>	<b>285,874,708</b>
<b>22 (a)</b>	<b>Consolidated interest income: Tk. 447,060,268</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	436,918,502	285,874,708
	FAS Capital Management Limited	203,465,342	191,322,834
		<b>640,383,844</b>	<b>477,197,542</b>
	Less: Inter company transaction	193,323,576	176,879,745
		<b>447,060,268</b>	<b>300,317,797</b>
<b>23</b>	<b>Interest paid on deposits, borrowings, etc.: Tk. 266,132,584</b>		
	The break up of the above amount is as under :		
	Interest on deposits	64,200,004	55,089,781
	Interest on borrowings	201,932,580	151,525,583
	Interest on foreign bank accounts	-	-
		<b>266,132,584</b>	<b>206,615,364</b>
<b>23 (a)</b>	<b>Consolidated interest paid on deposits, borrowings, etc.: Tk. 268,537,065</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	266,132,584	206,615,364
	FAS Capital Management Limited	195,728,057	177,405,681
		<b>461,860,641</b>	<b>384,021,045</b>
	Less: Inter company transaction	193,323,576	176,879,745
		<b>268,537,065</b>	<b>207,141,300</b>



		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>24</b>	<b>Investment income: Tk. 2,094,779</b>		
	The break up of the above amount is as under :		
	Interest on treasury bills	-	-
	Gain/(loss) on sale of shares	1,903,109	(23,035,414)
	Dividend on shares	191,670	925,070
	Interest on debenture	-	-
	Interest on treasury bonds	-	-
	Gain on treasury bills and treasury bonds	-	-
	Interest on other bonds	-	-
		<b>2,094,779</b>	<b>(22,110,344)</b>
<b>24 (a)</b>	<b>Consolidated investment income: Tk. 11,914,425</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	2,094,779	(22,110,344)
	FAS Capital Management Limited	9,819,646	20,206,430
		<b>11,914,425</b>	<b>(1,903,914)</b>
<b>25</b>	<b>Commission, exchange and brokerage: Tk. Nil</b>		
	The break up of the above amount is as under :		
	Commission	-	-
	Exchange gain/(loss)	-	-
	Brokerage	-	-
		-	-
<b>25 (a)</b>	<b>Consolidated Commission, exchange and brokerage: Tk. 85,800</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	-	-
	FAS Capital Management Limited	85,800	333,963
		<b>85,800</b>	<b>333,963</b>
<b>26</b>	<b>Other operating income: Tk. 23,467,154</b>		
	The break up of the above amount is as under :		
	Application fees	193,600	1,612,180
	Appraisal fees	193,000	265,610
	Documentation charge	134,608	186,800
	Gain on sale of fixed assets	286,080	367,987
	Gain on sale of Non-Financial Institution's assets	4,220,832	-
	Legal fees	193,000	229,240
	Misc. Income	765,050	21,244
	Mortgage inspection fee	26,000	21,695
	Office rent	1,500,000	670,000
	Processing fees	10,839,184	-
	Recovery against written off	-	20,000,000
	Sale of application form	4,400	3,600
	Service charge	5,111,400	909,067
		<b>23,467,154</b>	<b>24,287,423</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>26 (a) Consolidated Other operating income: Tk. 34,726,155</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	26	23,467,154	24,287,423
FAS Capital Management Limited		13,270,983	16,988,689
		<b>36,738,137</b>	<b>41,276,112</b>
Less: Inter company transactions		2,011,982	1,043,311
		<b>34,726,155</b>	<b>40,232,801</b>
<b>27 Salary and allowances: Tk. 26,836,911</b>			
The break up of the above amount is as under :			
Basic salary, provident fund contribution and all other allowances			
		25,002,851	14,518,634
Festival and incentive bonus		1,834,060	1,299,834
		<b>26,836,911</b>	<b>15,818,468</b>
<b>27 (a) Consolidated salary and allowances: Tk. 36,126,294</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	27	26,836,911	15,818,468
FAS Capital Management Limited		9,289,383	10,202,951
		<b>36,126,294</b>	<b>26,021,419</b>
<b>28 Rent, taxes, insurance, electricity, etc.: Tk. 5,206,700</b>			
The break up of the above amount is as under :			
Rent, rates and taxes		2,028,427	896,402
Insurance premium		1,369,716	1,179,877
Electricity, gas and water, etc		1,808,557	848,084
		<b>5,206,700</b>	<b>2,924,363</b>
<b>28 (a) Consolidated rent, taxes, insurance, electricity, etc.: Tk. 5,628,979</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	28	5,206,700	2,924,363
FAS Capital Management Limited		1,832,279	893,534
		<b>7,038,979</b>	<b>3,817,897</b>
Less: Inter company transaction		1,410,000	300,000
		<b>5,628,979</b>	<b>3,517,897</b>
<b>29 Legal expenses: Tk. 2,276,282</b>			
The break up of the above amount is as under :			
Professional & legal fees		1,538,632	1,291,134
Appraisal fees		737,650	112,200
		<b>2,276,282</b>	<b>1,403,334</b>
<b>29 (a) Consolidated legal expenses: Tk. 2,314,032</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	29	2,276,282	1,403,334
FAS Capital Management Limited		37,750	5,000
		<b>2,314,032</b>	<b>1,408,334</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>30</b>	<b>Postage, stamps, telecommunication, etc.: Tk. 1,501,049</b>		
	The break up of the above amount is as under :		
	Telephone & fax	547,227	440,167
	Internet	282,246	212,169
	Postage and stamp	671,576	215,178
		<b>1,501,049</b>	<b>867,514</b>
<b>30 (a)</b>	<b>Consolidated postage, stamps, telecommunication, etc.: Tk. 1,920,539</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited 30	1,501,049	867,514
	FAS Capital Management Limited	419,490	479,367
		<b>1,920,539</b>	<b>1,346,881</b>
<b>31</b>	<b>Stationery, printings, advertisements, etc.: Tk. 7,356,040</b>		
	The break up of the above amount is as under :		
	Printing	1,980,941	707,404
	Stationery & Photocopy	187,987	156,010
	Publicity and advertisement	5,187,112	1,421,762
		<b>7,356,040</b>	<b>2,285,176</b>
<b>31 (a)</b>	<b>Consolidated stationery, printings, advertisements, etc.: Tk. 7,474,500</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited 31	7,356,040	2,285,176
	FAS Capital Management Limited	118,460	168,888
		<b>7,474,500</b>	<b>2,454,064</b>
<b>32</b>	<b>Directors' fees: Tk. 840,000</b>		
	The break up of the above amount is as under :		
	Directors' fees	840,000	935,000
	Meeting expenses	-	-
		<b>840,000</b>	<b>935,000</b>
<b>32 (a)</b>	<b>Consolidated Directors' fees: Tk. 840,000</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited 32	840,000	935,000
	FAS Capital Management Limited	-	-
		<b>840,000</b>	<b>935,000</b>
<b>33</b>	<b>Auditors' fees: Tk. 90,000</b>		
	The break up of the above amount is as under :		
	Statutory audit fees	90,000	88,000
		<b>90,000</b>	<b>88,000</b>
<b>33 (a)</b>	<b>Consolidated Auditors' fees: Tk. 120,000</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited 33	90,000	88,000
	FAS Capital Management Limited	30,000	46,125
		<b>120,000</b>	<b>134,125</b>

**34 Depreciation and repairs of FI's assets: Tk. 15,152,164**

The break up of the above amount is as under :

**Depreciation**

Amount in Taka		
31-Dec-2013	31-Dec-2012	
Office building	11,691,608	25,981,351
Furniture & fixture	393,684	341,859
Office decoration	403,724	289,900
Office equipment	428,321	467,497
Motor vehicles	1,420,362	1,320,653
Electrical installation	149,300	149,891
Computer	286,086	184,833
Telephone line & PABX system	34,599	40,705
Software	5,419	6,375
<b>14,813,103</b>	<b>28,783,064</b>	

**Repairs**

Motor vehicle repair and maintenance	339,061	144,845
<b>339,061</b>	<b>144,845</b>	
<b>15,152,164</b>	<b>28,927,909</b>	

**34 (a) Consolidated Depreciation and repairs of assets: Tk. 16,425,781**

The break up of the above amount is as under :

FAS Finance & Investment Limited	34	15,152,164	28,927,909
FAS Capital Management Limited		1,273,617	1,385,147
<b>16,425,781</b>		<b>16,425,781</b>	<b>30,313,056</b>

**35 Other expenses: Tk. 15,919,515**

The break up of the above amount is as under :

A.G.M. expenses	608,373	438,893
Bank charge and excise duty	2,622,557	540,826
Books, newspaper and periodicals	26,669	33,382
Business promotion	100,590	885,372
Corporate social responsibility	100,000	-
CDBL charges	-	15,607
Documentation charge	14,600	53,727
Entertainment	786,584	423,131
Fees, subscription and donation	7,712,776	2,006,988
Fine	116,344	-
Fuel, oil and lubricants	439,959	435,350
Misc. expenses	5,000	-
Meeting expenses	-	2,950
Office maintenance	1,085,987	637,491
Portfolio management fees	601,982	743,311
Registration and renewal	68,175	37,920
Security service	687,627	419,158
Share transfer price	28,825	14,117
Staff welfare, training and education	43,690	471,323
TA & DA	296,270	259,538
Underwriting commission	566,887	-
Utensil & cookeries	6,620	350
<b>15,919,515</b>	<b>15,919,515</b>	<b>7,419,434</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>35 (a) Consolidated Other expenses: Tk. 17,517,044</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	35	15,919,515	7,419,434
FAS Capital Management Limited		2,199,511	3,035,026
		18,119,026	10,454,460
Less: Inter company transaction		601,982	743,311
		<b>17,517,044</b>	<b>9,711,149</b>
<b>36 Provision against loans, advances and leases: Tk. 66,052,396</b>	13.1		
The break up of the above amount is as under :			
On un-classified loans		(2,332,524)	6,498,281
On classified loans		68,384,920	10,829,055
		<b>66,052,396</b>	<b>17,327,336</b>
<b>36 (a) Consolidated provision against loans, advances and leases: Tk. 66,052,396</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	36	66,052,396	17,327,336
FAS Capital Management Limited		-	11,680,186
		<b>66,052,396</b>	<b>29,007,522</b>
<b>37 Provision for diminution in value of investments: Tk. 5,469,254</b>	13.6		
The break up of the above amount is as under :			
In quoted shares		5,469,254	(10,211,334)
		<b>5,469,254</b>	<b>(10,211,334)</b>
<b>37 (a) Consolidated provision for diminution in value of investments: Tk. 14,302,571</b>			
The break up of the above amount is as under :			
FAS Finance & Investment Limited	37	5,469,254	(10,211,334)
FAS Capital Management Limited		8,833,317	(5,049,227)
		<b>14,302,571</b>	<b>(15,260,561)</b>
<b>38 Provision for taxation: Tk. 27,085,175</b>			
The break up of the above amount is as under :			
Current tax		26,738,711	7,207,173
Deferred tax		346,464	693,744
		<b>27,085,175</b>	<b>7,900,917</b>
<b>38 (a) Consolidated provision for taxation: Tk. 28,152,698</b>			
The break up of the above amount is as under :			
<b>Current tax</b>			
FAS Finance & Investment Limited	38	26,738,711	7,207,173
FAS Capital Management Limited		1,067,523	8,001,347
		<b>27,806,234</b>	<b>15,208,520</b>
<b>Deferred tax</b>			
FAS Finance & Investment Limited		346,464	693,744
FAS Capital Management Limited		-	(395,667)
		<b>346,464</b>	<b>298,077</b>
		<b>28,152,698</b>	<b>15,506,597</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>39 Appropriations: Tk. 115,297,049</b>			
The break up of the above amount is as under :			
Retained earnings-brought forward		123,428,002	127,154,824
Less: Adjustment for prior year		-	-
Add: Post-tax profit for the year		18,902,365	1,810,306
		<b>142,330,367</b>	<b>128,965,130</b>
Add: Depreciation on increased value due to revaluation		<b>9,295,705</b>	<b>20,657,123</b>
Less: Stock dividend-2011		-	<b>(25,832,190)</b>
Less: Stock dividend-2012		<b>(32,548,550)</b>	-
Transferred to:		<b>(3,780,473)</b>	<b>(362,061)</b>
Statutory reserve		(3,780,473)	(362,061)
General reserve		-	-
Proposed dividend		-	-
		<b>115,297,049</b>	<b>123,428,002</b>
<b>40 Earnings per share: Tk. 0.18</b>			
The break up of the above amount is as under :			
Earning attributable to ordinary shareholders (Net profit after tax)		18,902,365	1,810,306
Weighted average number of ordinary shares outstanding		102,662,689	102,662,689
<b>Weighted average earnings per share-EPS (Adjusted)</b>		<b>0.18</b>	<b>0.02</b>
Earning per share as shown in the face of the profit and loss account is calculated in accordance with BAS-33: Earning per share (EPS).			
<b>40 (a) Consolidated earnings per share: Tk. 0.24</b>			
The break up of the above amount is as under :			
Earning attributable to ordinary shareholders (Net profit after tax & excluding minority interest)		24,645,000	22,174,057
Weighted average number of ordinary shares outstanding		102,662,689	102,662,689
<b>Weighted average earnings per share-EPS (Adjusted)</b>		<b>0.24</b>	<b>0.22</b>
Earning per share as shown in the face of the consolidated profit and loss account is calculated in accordance with BAS-33: Earning per share (EPS).			
<b>41 Net asset value per share: Tk. 14.11</b>			
The break up of the above amount is as under :			
Total Asset		4,712,317,250	2,975,741,216
Total liabilities		(3,135,217,200)	(1,960,019,521)
		1,577,100,050	1,015,721,695
Number of share Outstanding		111,750,053	54,247,599
Net asset value per share		<b>14.11</b>	<b>18.72</b>
<b>41 (a) Consolidated net asset value per share: Tk. 13.84</b>			
The break up of the above amount is as under :			
Total Asset		4,789,409,683	3,057,655,236
Total liabilities		(3,242,794,692)	(2,073,030,200)
Borrowings from other banks, financial institutions, and agents		(1,451,883,323)	(1,256,055,903)
Deposits and other accounts		(1,251,582,317)	(382,612,797)
Others liabilities		(537,144,110)	(432,183,987)
Minority interest		(2,184,942)	(2,177,513)
		1,546,614,991	984,625,036
Number of share Outstanding		111,750,053	54,247,599
Net asset value per share		<b>13.84</b>	<b>18.15</b>

**42.00 Related Party Disclosure**
**a. Particulars of Directors and their interest in different entities:**

Sl. No.	Name of Director	Status in FAS Finance & Investment Limited	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.
01	Mr. Abdul Matlub Ahmad	Chairman	Nita Company Limited Nitol Motors Limited Nalita & Company Limited Niloy Motors Limited Auto Land Private Company Nikita & Company Limited Niloy Cement Industries Limited Bangladesh Metro Bus Company Ltd. Bay Leasing & Investment Limited Nisa Steel Private Ltd. Nitol Construction Private Ltd. Nitol Cement Industries Ltd. Nitol Insurance Company Ltd. Nitol Electricity Private Ltd. Nitol Tyre Industries Private Ltd. Nitol Aviation Service Ltd. Nitol Batteries Private Ltd. Nitol Gas Distribution Company Ltd. Niloy Vehicle & Assembly Plant Ltd. Onetel Communication Ltd. Nitol Sugar Mills Ltd. Niloy Cement Clinkeri Station Industries Ltd. South East Bank Limited
02	Mr. Abdul Marib Ahmad	Director	Nalita & Company Limited Niloy Motors Limited Nisa Steel Private Ltd. Nitol Construction Private Ltd. Nitol Cement Industries Ltd. Bangladesh National Car Ltd. Nitol Tyre Industries Private Ltd. Nitol Aviation Service Ltd. Nitol Batteries Private Ltd. Nitol Gas Distribution Company Ltd. Niloy Vehicle & Assembly Plant Ltd. Onetel Communication Ltd. Nitol Sugar Mills Ltd. Niloy Clinkerisation Industries Ltd. N-reach Private Limited NITS Services Private Limited
03	Mr. Mohammad A. Hafiz	Director (Nominated by Nikita & Company Ltd.)	Stock & Bond Ltd. AAA Finance & Investment Ltd
04	Mr. Md. Mustafa	Director (Nominated by Nikita & Company Ltd.)	Stock & Bond Ltd. AAA Finance & Investment Ltd.
05	Mr. Md. Siddiqur Rahman	Director	Simtex Industries Limited Simtex Bangladesh Limited Orix Assets Limited Shaqib & Company Limited Design & Source Limited
06	Mr. Md. Zahangir Alam	Director (Nominated by P & L International Ltd.)	Z A Apparels Ltd. Z A Sweaters Ltd. DSL Hongkong Ltd. Z A Sourcing Waymart Apparels Ltd.
07	Mr. Uzzal Kumar Nandi	Director (Nominated by P & L International Ltd.)	Ujjal Nandi & Co., Chartered Accountants Northern Jute Manufacturing Co. Ltd.
08	Mr. Mesbahul Haque	Director (Nominated by Reptiles Farm Ltd.)	N/A
09	Mr. Anjan Kumer Roy	Director (Nominated by Reptiles Farm Ltd.)	Finance Accounting Management Expert Ltd. (FAME) ARUN & ANJAN, Chartered Accountants
10	Mr. Mustafa Aminur Rashid	Independent Director	N/A
11	Mr. Satya Gopal Podder	Independent Director	N/A
12	Md. Mofiz Uddin Chowdhury	Managing Director	N/A



## b. Related Party Transaction

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

Name of the Related Party	Transaction Nature	Relationship	Balance as at 01-Jan-2013		Addition	Adjustment	Balance as at 31-Dec-2013	
			Taka	Taka			Taka	Taka
Nitol Motors Ltd. (Property Division)	Lease/Loan	Sponsor Shareholder	24,199,500		4,035,611	8,971,200	19,263,911	
Nitol Motors Ltd.	Term Deposit	Sponsor Shareholder	85,833,333		1,058,000	86,891,333	-	
Nitol Insurance Company Ltd.	Term Deposit	Common Shareholder	15,000,000		-	-	15,000,000	
Nitol Insurance Company Ltd.	Lease/Loan	Common Shareholder	178,752		8,208	186,960	-	
Nitol Insurance Company Ltd.	Share purchase from secondary market	Common Shareholder	15,234,028		12,763,065	-	27,997,093	
FAS Capital Management	Loan	Subsidiary Company	1,066,144,510		197,761,305	168,085,005	1,095,820,810	
FAS Capital Management	Equity Investment	Subsidiary Company	97,000,000		150,000,000	-	247,000,000	
Mrs. Saleha Begum	Lease/Loan	Spouse of Mr. Md. Mofiz Uddin Chowdhury, Managing Director & CEO	654,422		60,578	715,000	-	
Stock & Bond Limited	Accounts Receivable	Mr. Mohammad A. Haifz & Mr. Md. Mustafa, Nominated Director by Nikita & Co. Ltd.	-		10,263	-	10,263	

## c. Share issued to Directors and Executives without consideration or exercisable at a discount - Nil

## d. Lending policy to related parties

Related parties are allowed loans and advances as per General loan policy of the Company.

## e. Loans, advances & leases to Directors & their related concern

Name of the Related Party	Transaction Nature	Classification Status	Outstanding	Provision Kept Balance	Security Amount
Nitol Motors Ltd. (Property Division)	Lease/Loan	Standard	19,263,911	192,639	59,662,600

**43 General**

Amount in Taka	
31-Dec-2013	31-Dec-2012

**43.01 Expenditure incurred on employees**

**Salary Range**

Below Tk. 3,000

Above Tk. 3,000

Includes all types of benefits paid and provided both in cash and kind other than the re-imbursement of expenses incurred for the company's business.

Number of Employees	
Permanent Basis	Contractual Basis
Nil	Nil
55	3

**43.02 Claims**

Amount in Taka	
----------------	--

(a) Claim against the company acknowledge as debts.	116,051,489	136,015,055
(b) Claim by the company not acknowledge as receivable.	107,751,796	103,587,358

**43.03 Proposal of dividend**

The Board of Directors 150th Board meeting, agenda no. 03 held on 07 April, 2014 recommended for the shareholders a cash dividend @ 5.20% to all shareholders. This will be considered for approval of the shareholders at the 17th Annual General Meeting to be held on 24 April, 2014.

**43.04 Figures of the previous year have been rearranged, where necessary, to conform to current year presentation.**

**43.05 Approval of the Financial Statements**

These financial statements were authorized for issue in accordance with a resolution of the company's board of directors on 07 April 2014 on its 150th Board Meeting.

Abdul Matlub Ahmad  
Chairman

Mustafa Aminur Rashid  
Director

Md. Mofiz Uddin Chowdhury  
Managing Director & CEO

Md. Maniruzzaman Akan  
Chief Financial Officer

MABS & J Partners  
Chartered Accountants

**FAS Finance & Investment Limited**  
**Consolidated Fixed Assets Schedule**  
As on December 31, 2013

**a. COST**

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2013
	Balance as on 01.01.2013	Addition/ revaluation reserve during the year	Adj./ disposal during the year		Balance as on 01.01.2013	Addition During the year	Adj./ disposal during the year	
Land	2,163,200	-	-	2,163,200	-	-	-	2,163,200
Office building	59,158,094	-	-	59,158,094	2,395,903	-	13,635,941	45,522,153
Furniture & fixture	6,119,100	992,403	-	7,111,503	532,397	-	2,319,937	4,791,566
Office decoration	4,683,286	1,428,139	-	6,111,425	468,567	-	1,894,320	4,217,105
Office equipment	6,270,851	209,820	-	6,480,671	578,769	-	3,200,983	3,279,688
Motor vehicles	13,925,489	2,088,000	2,100,000	13,913,489	1,594,128	1,186,080	8,182,096	5,731,393
Electrical installation	1,581,987	145,955	-	1,727,942	149,300	-	881,906	846,036
Computer	3,486,635	894,148	-	4,380,783	399,132	-	2,119,042	2,261,741
Telephone line & PABX system	601,548	-	-	601,548	53,383	-	299,043	302,505
Software	1,048,750	860,000	-	1,908,750	240,122	-	548,058	1,360,692
<b>Total</b>	<b>99,038,940</b>	<b>6,618,465</b>	<b>2,100,000</b>	<b>103,557,405</b>	<b>6,411,701</b>	<b>1,186,080</b>	<b>33,081,326</b>	<b>70,476,079</b>

**b. REVALUATION**

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2013
	Balance as on 01.01.2013	Addition/ revaluation reserve during the year	Adj./ disposal during the year		Balance as on 01.01.2013	Addition During the year	Adj. During the year	
Land	84,364,660	-	-	84,364,660	-	-	-	84,364,660
Office building	229,523,584	-	-	229,523,584	9,295,705	-	52,905,186	176,618,398
<b>Total</b>	<b>313,888,244</b>	<b>-</b>	<b>-</b>	<b>313,888,244</b>	<b>9,295,705</b>	<b>-</b>	<b>52,905,186</b>	<b>260,983,058</b>
<b>Total (a+b) at 31 December 2013</b>	<b>412,927,184</b>	<b>6,618,465</b>	<b>2,100,000</b>	<b>417,445,649</b>	<b>15,707,406</b>	<b>1,186,080</b>	<b>85,986,512</b>	<b>331,459,137</b>
<b>Balance at 31 December 2012</b>	<b>413,912,834</b>	<b>1,122,850</b>	<b>2,108,500</b>	<b>412,927,184</b>	<b>29,660,238</b>	<b>1,635,262</b>	<b>71,465,186</b>	<b>341,461,998</b>

**Note:** Depreciation on fixed assets has been charged at rates varying from 5% to 20% on diminishing balance method.  
Full year depreciation has been charged on addition on fixed Assets.

**FAS Finance & Investment Limited**  
Fixed Assets Schedule  
As on December 31, 2013

Annexure-1

**a. COST**

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2013
	Balance as on 01.01.2013	Addition/ revaluation reserve during the year	Adj./ disposal during the year		Balance as on 01.01.2013	Addition during the year	Adj./ disposal during the year	
Land	2,163,200	-	-		-	-	-	2,163,200
Office building	59,158,094	-	-	5%	11,240,038	2,395,903	-	45,522,153
Furniture & fixture	4,559,171	860,103	-	10%	1,482,440	393,684	-	3,543,150
Office decoration	3,866,820	1,428,139	-	10%	1,257,716	403,724	-	3,633,519
Office equipment	4,865,811	206,320	-	15%	2,216,659	428,321	-	2,427,151
Motor vehicles	12,496,489	2,088,000	2,100,000	20%	7,213,880	1,420,362	1,186,080	5,036,327
Electrical installation	1,581,987	145,955	-	15%	732,606	149,300	-	846,036
Computer	2,497,228	859,848	-	15%	1,449,840	286,086	-	1,621,150
Telephone line & PABX system	427,623	-	-	15%	196,959	34,599	-	196,065
Software	50,000	-	-	15%	13,875	5,419	-	30,706
<b>Total</b>	<b>91,666,423</b>	<b>5,588,365</b>	<b>2,100,000</b>		<b>25,804,013</b>	<b>5,517,398</b>	<b>1,186,080</b>	<b>65,019,457</b>

**b. REVALUATION**

Particulars	Cost			Rate of Dep.	Depreciation			Written Down Value as on 31.12.2013
	Balance as on 01.01.2013	Addition/ revaluation reserve during the year	Adj./ disposal during the year		Balance as on 01.01.2013	Addition during the year	Adj./ disposal during the year	
Land	84,364,660	-	-		-	-	-	84,364,660
Office building	229,523,584	-	-	5%	43,609,481	9,295,705	-	176,618,398
<b>Total</b>	<b>313,888,244</b>	<b>-</b>	<b>-</b>		<b>43,609,481</b>	<b>9,295,705</b>	<b>-</b>	<b>260,983,058</b>
<b>Total (a+b) at 31 December 2013</b>	<b>405,554,667</b>	<b>5,588,365</b>	<b>2,100,000</b>		<b>69,413,494</b>	<b>14,813,103</b>	<b>1,186,080</b>	<b>326,002,515</b>
<b>Balance at 31 December 2012</b>	<b>406,901,387</b>	<b>713,280</b>	<b>2,060,000</b>		<b>42,258,417</b>	<b>28,783,064</b>	<b>1,627,987</b>	<b>336,141,173</b>

**Note:** Depreciation on fixed assets has been charged at rates varying from 5% to 20% on diminishing balance method. Full year depreciation has been charged on addition on fixed Assets.

## FAS Finance & Investment Ltd.

### Investment in Shares and Bonds

As on Dec 31, 2013

ANNEXURE - 2

#### Shares (quoted)

Name of Share	Number of Share	Market Value of Share	Market Value	Cost of Share	Provision
Aftab Automobiles Ltd.	5,000.00	90.70	453,500	449,738	-
Bangladesh Welding Electrodes Ltd.	0.50	23.50	12	13	1
CMC Kamal Textile Ltd.	0.25	32.60	8	2	-
Daffodil Computers Ltd.	228.00	14.00	3,192	4,766	1,574
Delta Brac Housing Finance Corporation Ltd.	22,425.00	55.00	1,233,375	2,281,554	1,048,179
Delta Life Insurance Company Ltd.	800.00	266.70	213,360	208,678	-
Dhaka Electric Supply Company Ltd.	24,250.00	58.40	1,416,200	1,696,641	280,441
Envoy Textiles Ltd.	17,000.00	54.30	923,100	975,855	52,755
Export Import Bank of Bangladesh Ltd.	81,900.00	12.90	1,056,510	1,055,751	-
First Security Islami Bank Ltd.	5,037.00	15.10	76,059	83,402	7,343
Generation Next Fashion	34,500.00	36.90	1,273,050	1,293,636	20,586
Green Delta Mutual Fund	40,000.00	5.30	212,000	240,195	28,195
Karnafuli Insurance Company Ltd.	24.00	24.30	583	-	-
Lafarge Surma Cement Ltd.	10,000.00	33.50	335,000	321,550	-
M.I. Cement Factory Ltd.	0.30	78.20	23	25	2
Khulna Power Company Ltd.	1.00	48.82	49	-	-
Malek Spinning Mills Ltd.	20,000.00	26.80	536,000	600,990	64,990
Mercantile Bank Ltd.	29,000.00	16.70	484,300	492,249	7,949
Meghna Life Insurance Company Ltd.	28,250.00	116.30	3,285,475	5,226,751	1,941,276
National Bank Ltd.	427,100.00	11.80	5,039,780	7,604,847	2,565,067
National Housing Finance & Investment Ltd.	2,000.00	32.80	65,600	66,330	730
Niloy Cement Industry Ltd.	500.00	260.75	130,375	67,847	-
Nitol Insurance Company Ltd.	619,730.66	33.60	20,822,950	27,997,093	7,174,143
One Bank Ltd.	9,000.00	15.80	142,200	154,569	12,369
Peoples Leasing & Finance Services Ltd.	17,500.00	25.50	446,250	447,705	1,455
Prime Islami Life Insurance Ltd.	9,126.85	101.60	927,288	1,202,520	275,232
Premier Bank Ltd.	5,000.00	10.90	54,500	64,320	9,820
Paragon Leather Ltd.	39.00	-	-	890	890
Progressive Life Insurance Company Ltd.	13,924.00	113.80	1,584,551	1,993,882	409,331
Reliance One	150,000.00	8.60	1,290,000	1,396,950	106,950
Rupali Life Insurance Company Ltd.	46,092.00	111.30	5,130,040	7,009,528	1,879,488
Saiham Textile Mills Ltd.	7,000.00	28.50	199,500	211,151	11,651
Sandhaani Life Insurance Company Ltd.	109,187.00	72.20	7,883,301	11,559,153	3,675,852
Social Islami Bank Ltd.	9,000.00	13.30	119,700	126,329	6,629
Standard Bank Ltd.	32,000.00	14.80	473,600	518,982	45,382
Standard Insurance Ltd.	500.00	39.70	19,850	20,097	247
Titas Gas	20,500.00	73.80	1,512,900	1,699,706	186,806
Unique Hotel & Resorts Ltd.	21,000.00	78.00	1,638,000	1,791,714	153,714
United Airways (BD) Ltd.	66,000.00	16.40	1,082,400	1,119,570	37,170

**60,064,581      79,984,979      20,006,217**

#### Shares (unquoted)

Particulars	Number of shares	Market price per share (Taka)	Total Market Price(Taka)	Book value	Provisions
Shahjibazar Power Company Ltd.	340,000.00	45.00	15,300,000	15,300,000	-

**15,300,000      -**

#### Grand Total:

**95,284,979      20,006,217**

**FAS Capital Management Limited**  
**Investments in Shares and Bonds**  
As on December 31, 2013

**Shares (quoted)**

Annexure - 2 (b)

Name of Share	Number of Share	Market Value of Share	Market Value	Cost of Share	Provision
Bangladesh Shipping Corporation	1,000.00	413.00	413,000	598,399	185,399
Beacon Pharmaceuticals Ltd.	35,000.00	13.20	462,000	598,478	136,478
Fareast Islami Life Insurance Company Ltd.	6,612.00	96.00	634,752	808,369	173,617
GBB Power Ltd.	35,000.00	29.90	1,046,500	1,086,908	40,408
Generation Next Fashions Ltd.	40,000.00	36.90	1,476,000	1,478,858	2,858
Grameen One: Scheme Two	210,000.00	17.60	3,696,000	5,547,751	1,851,751
H.R.Textile Mills Ltd.	5,000.00	41.20	206,000	233,160	27,160
IFIL Islamic Mutual Fund-1	455,000.00	5.60	2,548,000	3,258,914	710,914
Keya Cosmetics Limited	220,000.00	27.70	6,094,000	7,128,165	1,034,165
Lafarge Surma Cement Limited	15,000.00	33.50	502,500	543,725	41,225
Mutual Trust Bank Ltd.	120,000.00	16.30	1,956,000	2,864,451	908,451
Nitol Insurance Company Ltd.	303,500.00	33.60	10,197,600	11,671,417	1,473,817
Paramount Insurance Company Ltd.	46,000.00	24.80	1,140,800	1,334,371	193,571
PHP First Mutual Fund	290,000.00	5.50	1,595,000	2,193,890	598,890
Popular Life First Mutual Fund	226,217.00	6.00	1,357,303	1,939,248	581,945
Saiham Cotton Mills Limited	86,000.00	24.90	2,141,400	2,129,634	-
Southeast Bank 1st Mutual Fund	22,000.00	7.90	173,800	242,205	68,405
Summit Purbanchol Power Company Ltd.	25,000.00	61.60	1,540,000	1,715,736	175,736
Titas Gas	43,000.00	73.80	3,173,400	3,672,763	499,363
United Airways (BD) Ltd.	86,956.00	16.40	1,426,074	1,555,238	129,164
			<b>41,780,129</b>	<b>50,601,680</b>	<b>8,833,317</b>

**Shares (unquoted)**

Particulars	Number of shares	Market price per share /Taka	Total Market Price/Taka	Book value	Provisions
Shahjibazar Power Company Ltd.	340,000	45.00	15,300,000	15,300,000	-
				<b>15,300,000</b>	<b>-</b>
<b>Grand Total:</b>				<b>65,901,680</b>	<b>8,833,317</b>

## AUDITORS' REPORT TO THE SHAREHOLDERS OF FAS CAPITAL MANAGEMENT LIMITED

We have audited the accompanying financial statements of FAS CAPITAL MANAGEMENT LIMITED, which comprise the Balance Sheet as at 31 December 2013, and the Profit and Loss Account, Cash Flow Statement and Statement of Changes in Equity for the year ended 31 December 2013 and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Bangladesh Accounting Standards (BASs) Bangladesh Financial Reporting Standards (BFRSs), the Financial Institutions Act 1993, the Rules and Regulations Issued by Bangladesh Bank, the Bangladesh Securities and Exchange Rules 1987, the Companies Act 1994 and other Applicable Laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinion**

Except for the effect on Financial Statements of the matters discussed in note 5.01. In our opinion, the financial statements along with notes thereon of the company prepared in accordance with Bangladesh Financial Reporting Standards (BFRSs), give a true and fair view of state of the company's affairs as at 31 December 2013, and of the results of its operations and Cash Flows for the year then ended and comply with the Financial Institutions Act 1993, the Rules and Regulations Issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Rules 1987, and other Applicable Laws and regulations.

### **We also report that:**

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- c) The Company's financial position and comprehensive income statement dealt with by the report are in agreement with the books of account;
- d) The Financial Statements have been drawn up in conformity with the Financial Institutions Act 1993 and in accordance with the Accounting Rules and Regulations issued by the Bangladesh Bank to the extent applicable to the company;
- e) The expenditure incurred and payments made were for the purposes of the company's business;
- f) The information and explanations required by us has been received and found satisfactory;
- g) Except for matter disclosed in note 5.01, adequate provision has been made on outstanding margin loan; and
- h) The records and statements submitted by the branches have been properly maintained and consolidated in the financial statements.

**Dhaka, Dated: 07 April 2014**

  
MABS & J Partners  
Chartered Accountants  
(Formerly Saha Mazumder & Co.)



## FAS Capital Management Limited

### Balance Sheet As at 31 December 2013

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>PROPERTY AND ASSETS</b>			
<b>Current Assets</b>			
<b>Cash</b>			
In hand	2	7,578	3,200
Balance with bank(s)		-	-
<b>Cash at Bank</b>		<b>256,586</b>	<b>363,477</b>
In Bangladesh	3	256,586	363,477
Outside Bangladesh		-	-
<b>Investment</b>		<b>65,901,680</b>	<b>60,119,525</b>
Share Investment	4	65,901,680	60,119,525
Others		-	-
<b>Loans and advances</b>		<b>1,340,237,900</b>	<b>1,168,018,647</b>
Margin Loan to Client	5	1,340,237,900	1,168,018,647
		-	-
<b>Others assets</b>	6	<b>8,233,242</b>	<b>11,894,994</b>
<b>Total Current Assets</b>		<b>1,414,636,986</b>	<b>1,240,399,843</b>
<b>Fixed Assets (Annexure-1)</b>	7	<b>5,456,622</b>	<b>5,320,825</b>
<b>Total Assets</b>		<b>1,420,093,608</b>	<b>1,245,720,668</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
<b>Borrowings from other banks, financial institutions and agents</b>	8	<b>1,108,276,457</b>	<b>1,092,352,952</b>
<b>Current Liabilities</b>		<b>93,117,268</b>	<b>85,286,862</b>
Provision for Expenses	9	391,512	420,969
Provision for Income Tax	10	10,050,723	9,082,913
Sundry Creditors	11	2,200,650	3,546,237
Others liabilities	12	80,474,383	72,236,743
<b>Total Liabilities</b>		<b>1,201,393,725</b>	<b>1,177,639,814</b>
		<b>218,699,883</b>	<b>68,080,854</b>
<b>Capital/Shareholders' Equity</b>			
Paid-up Capital	13	250,000,000	100,000,000
Retained earnings	14	(31,300,117)	(31,919,146)
<b>Total Liabilities and Shareholders' Equity</b>		<b>1,420,093,608</b>	<b>1,245,720,668</b>

Particulars	Notes	Amount in Taka As at	
		31-Dec-2013	31-Dec-2012
<b>OFF-BALANCE SHEET ITEMS</b>			
Contingent Liabilities		-	-
Acceptances and endorsements		-	-
Letters of Guarantee		-	-
Irrevocable Letters of credit		-	-
Bills for Collection		-	-
Other contingent Liabilities		-	-
<b>Others commitments</b>		-	-
Documentary credits and short term trade-related transaction		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, Credit lines and other commitments		-	-
		-	-
<b>Total</b>		-	-
<b>Other Memorandum Items</b>	29	<b>1,574,777,425</b>	<b>1,784,663,680</b>

The accounting policies and other notes from 01 to 29 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07 04. 2014 and signed on its behalf by :

AUDITORS' REPORT TO THE SHAREHOLDERS:

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

  
Md. Yeasin Ali  
Principal Officer

  
Abdul Halim  
Director

  
Nasim Ali Khan  
CEO

Dhaka, Dated : 07 April 2014


**FAS Capital Management Limited**  
**Profit and Loss Account**  
**For The Year Ended 31st December, 2013**

Particulars	Notes	Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>OPERATING INCOME</b>			
Interest Income	15	203,465,342	191,322,834
Less: Interest paid on deposit and borrowings, etc.	16	195,728,057	177,405,681
<b>Net Interest income</b>		<b>7,737,285</b>	<b>13,917,153</b>
Investment income	17	9,819,646	20,206,430
Commission, exchange and brokerage	18	85,800	333,963
Other operating income	19	13,270,983	16,988,689
		<b>23,176,429</b>	<b>37,529,082</b>
<b>Total operating income (a)</b>		<b>30,913,714</b>	<b>51,446,235</b>
<b>OPERATING EXPENSES</b>			
Salary and allowances	20	9,289,383	10,202,951
Rent, taxes, insurance, electricity, etc.	21	1,832,279	893,534
Professional Fees	22	37,750	5,000
Postage, stamps, telecommunication, etc.	23	419,490	479,367
Printing & Stationery	24	118,460	168,888
Auditors Fees		30,000	46,125
Depreciation and repairs of FI's assets	25	1,273,617	1,385,147
Other expenses	26	2,199,511	3,035,026
<b>Total operating expenses (b)</b>		<b>15,200,490</b>	<b>16,216,038</b>
<b>Profit before provision (c=a-b)</b>		<b>15,713,224</b>	<b>35,230,197</b>
Provision for diminution in value of investments		8,833,317	(5,049,227)
Provisions on Margin Loan		-	11,680,186
Other Provision		-	-
<b>Total provision (d)</b>		<b>8,833,317</b>	<b>6,630,959</b>
<b>Profit before taxation(c-d)</b>		<b>6,879,907</b>	<b>28,599,238</b>
<b>Provision for taxation</b>		<b>1,067,523</b>	<b>7,605,680</b>
Current Tax	10	1,067,523	8,001,347
Deferred Tax	06.03	-	(395,667)
<b>Net profit after taxation</b>		<b>5,812,384</b>	<b>20,993,558</b>
<b>Earning Per Share (Adjusted)</b>	28	<b>0.23</b>	<b>0.84</b>

The accounting policies and other notes from 01 to 29 form an integral part of the Financial Statements. The Financial Statements were authorized for issue by the Board of Directors on 07, 04, 2014 and signed on its behalf by :

AUDITORS' REPORT TO THE SHAREHOLDERS :

This is the Statement of Comprehensive Income referred to in our report of even date.

  
 Md. Yeasin Ali  
 Principal Officer

  
 Abdul Halim  
 Director

  
 Nasim Ali Khan  
 CEO

Dhaka, Dated : 07 April, 2014

**FAS Capital Management Limited**  
**Cash Flow Statement**  
**For The Year Ended 31 December 2013**

Particulars	Amount in Taka	
	31-Dec-2013	31-Dec-2012
<b>Cash Flows From Operating Activities</b>		
Interest receipts	203,465,342	191,322,834
Interest payments	(195,728,057)	(177,405,681)
Investment Income	9,819,646	20,206,430
Commission, exchange and brokerage	85,800	333,963
Payments to employees	(9,289,383)	(10,202,951)
Other operating income	13,270,983	16,988,689
Payment for other operating activities	(10,309,872)	(5,143,188)
<b>Operating profit before changes in operating assets &amp; liabilities</b>	<b>11,314,459</b>	<b>36,100,096</b>
<b>Increase/Decrease in operating assets and liabilities</b>		
Margin loan to client	(172,219,253)	(162,647,879)
Other Assets (Receivable)	3,550,333	3,040,026
Others Assets (Staff loan)	111,419	(95,590)
Deposit from customers	(1,345,587)	(19,582,052)
Browing From other Bank & Financial Institute	15,923,505	115,530,454
Liabilities for Expenses	(29,457)	(2,326,307)
Other liabilities	(595,677)	520,677
	<b>(154,604,717)</b>	<b>(65,560,671)</b>
<b>Net cash from/ (used in) operating activities (a)</b>	<b>(143,290,258)</b>	<b>(29,460,575)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase/Sale of trading securities, shares, bonds, etc.	(5,782,155)	26,887,276
Purchase/Sale of property, plant and equipment	(1,030,100)	(361,070)
Net cash used in investing activities (b)	<b>(6,812,255)</b>	<b>26,526,206</b>
<b>Cash Flows from Financing Activities</b>		
Proceeds from issue of ordinary share	150,000,000	-
<b>Net cash flow from financing activities (c)</b>	<b>150,000,000</b>	<b>-</b>
<b>Net increase/(decrease) in cash (a+b+c)</b>	<b>(102,513)</b>	<b>(2,934,369)</b>
<b>Effects of exchange rate changes on cash and cash equivalents</b>		
<b>Cash and cash equivalents at beginning of the Year</b>	<b>366,677</b>	<b>3,301,046</b>
<b>Cash and cash equivalents at end of the year</b>	<b>264,164</b>	<b>3,301,046</b>

The accounting policies and other notes from 01 to 29 form an integral part of the Financial Statements. The Financial Statements were authorised for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by:



Md. Yeasin Ali  
Principal Officer



Abdul Halim  
Director



Nasim Ali Khan  
CEO

AUDITORS' REPORT TO THE SHAREHOLDERS:  
This is the Statement of Cash Flows referred to in our report of even date.

Dhaka, Dated : 07 April 2014

**FAS Capital Management Limited**  
Statement of Changes in Equity  
For The Year Ended 31 Dec 2013

Particulars	Amount in Taka		
	Share Capital	Retained Earning	Total
Opening Balance as on 01.01.2013	100,000,000	(31,919,146)	68,080,854
Tax Paid for Assessment Year 2011-12	-	(5,193,355)	(5,193,355)
<b>Adjusted Opening Balance</b>	<b>100,000,000</b>	<b>(37,112,501)</b>	<b>62,887,499</b>
Share Capital	150,000,000	-	150,000,000
Net Profit after Taxation for the year	-	5,812,384	5,812,384
<b>Balance as on 31 December 2013</b>	<b>250,000,000</b>	<b>(31,300,117)</b>	<b>218,699,883</b>
<b>Balance as on 31 December 2012</b>	<b>100,000,000</b>	<b>(31,919,146)</b>	<b>68,080,854</b>

The accounting policies and other notes from 01 to 29 form an integral part of the Financial Statements. The Financial Statements were authorised for issue by the Board of Directors on 07. 04. 2014 and signed on its behalf by :

**AUDITORS' REPORT TO THE SHAREHOLDERS:**

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

  
Md. Yeasin Ali  
Principal Officer

\_\_\_\_\_  
Abdul Halim  
Director

  
Nasim Ali Khan  
CEO

\_\_\_\_\_  
Nasim Ali Khan  
CEO

**Dhaka, Dated : 07 April, 2014**

**FAS Capital Management Limited**  
**Notes to the Financial Statements**  
**For the Year Ended 31 December, 2013**

**01 Significant Accounting Policies and Other Material Information :**

**a. Legal Form of the Enterprise :**

FAS Capital Management Limited is a subsidiary company of FAS Finance & Investment Limited, Incorporated in Bangladesh on 13th October 2010 as a Private Limited Company under the Companies Act, 1994.

FAS Finance & Investment Limited started its activity as a Merchant Bank in 1997. The Company (subsidiary) was incorporated as per instruction of BSEC (letter No. SEC/Reg./MD-Policy/Part-VI/2008/286 Dated 26 July 2010) to FAS Capital Management Ltd. to form a separate subsidiary company for Merchant Banking alone within 31st September, 2010. Accordingly the then management formed a separate subsidiary - Merchant Banking company named as FAS Capital Management Ltd. and applied on 26.09.10 to SEC in order to transfer the Merchant Banking license in favor of the newly formed subsidiary company. Simultaneously the management of FAS Finance & Investment Ltd. transferred the entire investor's portfolio amounting Tk. 97.20 crore to FAS Capital Management Ltd. Since then the FAS Capital Management Ltd. has been working as a full pledged subsidiary company with capital of Tk. 10.00 crore but with an investment liability of Tk. 97.20 crore.

It may be mentioned here that FCML has received the merchant Banking license from SEC in its own name on 16.05.2012

**b. Nature of Business Activities:**

The main objectives of the Company for which it was established are to carry out the business of full-pledged merchant banking activities like issue management, portfolio management, underwriting, corporate advisory services, etc.

**c. Basis of Presentation Financial statements :**

The following underlying assumptions, measurement base, laws, rules, regulations and Accounting pronouncements have been considered in preparing and presenting the financial statements:

Going Concern;  
Accrual; except statement of cash flow  
Historical Cost Convention;  
Bangladesh Accounting Standards (BAS's);  
BSEC (Merchant Bankers & Portfolio Manager) Ordinance 1996  
BSEC Rules 1987

**d. Depreciation Policy :**

Depreciation is charged on fixed assets from the following year of acquisition following reducing balance method at the rate varying from 10% to 20% depending on the nature of assets.

**e. Statement of Cash Flows :**

Statement of Cash Flows (Direct Method) has been prepared as per requirement of BAS-07

**f. Investment :**

Investment is carried in Financial Statement at cost. Provision is made for diminishing in value of investment.

**g. Taxation:**

Provision for income Tax has been calculated as per income Tax ordinance-1984

**h. Gratuity Fund:**

Gratuity provision has been made as per organization's policy and maintained with "FAS Finance & Investment Limited"

**i. General:**

All financial information is presented in taka has been rounded off to the nearest taka.  
Comparative figures for balance have been given.

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>02</b>	<b>Cash in hand : Tk. 7,578</b>		
	The break up of the above amount is as under :		
	Cash in Hand	7,578	3,200
	<b>Total</b>	<b>7,578</b>	<b>3,200</b>
<b>03</b>	<b>Cash at Bank : Tk. 256,586</b>		
	The break up of the above amount is as under :		
	Dutch Bangla Bank Ltd. Gulshan Branch	130,539	25,560
	Mutual Trust Bank Ltd. Gulshan Branch	66,436	3,240
	Prime Bank Ltd. Mohakhali Branch	1,508	3,225
	Prime Bank Ltd. Gulshan Branch	1,457	2,610
	Standard Chartered Bank, Gulshan Branch	-	313,560
	The City Bank Ltd. Gulshan Branch	50,158	8,578
	State Bank of India.	47	-
	Woori Bank Ltd.-Gulshan Br.	6,441	6,704
	<b>Total</b>	<b>256,586</b>	<b>363,477</b>
<b>04</b>	<b>Share Investment : Tk. 65,901,680</b>		
	The break up of the above amount is as under :		
	<b>Bank:</b>		
	Mutual Trust Bank Ltd.	2,864,451	2,710,686
	<b>Insurance:</b>		
	Paramount Insurance Company Ltd.	1,334,371	1,206,962
	Nitol Insurance Co. Ltd.	11,671,417	-
	Fareast Islami Life Ins. Co. Ltd.	808,369	588,557
	<b>Finance:</b>		
	Islamic finance and Investment Ltd.	-	1,024,080
	<b>Spinning Mills:</b>		
	R.N Spinning Mills Ltd.	-	8,673,960
	<b>Others:</b>		
	Bangladesh Shipping Corporation	598,399	-
	Beacon Pharmaceuticals Ltd.	598,478	-
	Southeast Bank Ltd.: 1st Mutual Fund	242,205	-
	PHP 1st Mutual Fund	2,193,890	1,696,691
	Popular 1st Mutual Fund	1,939,248	1,778,850
	Generation Next Fashions Ltd.	1,478,858	88,440
	Grameen one: Scheme two	5,547,751	2,963,243
	IFIL Islami 1st Mutual Fund	3,258,914	1,809,000
	Keya Cosmetics Ltd.	7,128,165	4,683,099
	Lafarge Surma Cement Ltd.	543,725	543,726
	Saiham Cotton Mills Ltd.	2,129,634	6,359,164
	Saiham Textile Mills Ltd.	-	8,783,064
	H.R Textile Ltd.	233,160	-
	United Airways (BD) Ltd.	1,555,238	409,035
	GBB Power Limited	1,086,908	-
	Summit Purbachal Power Co. Ltd.	1,715,736	-
	Titas Gas T & D Company	3,672,763	1,500,968
	<b>Total</b>	<b>33,923,072</b>	<b>30,615,280</b>



		Amount in Taka		
		31-Dec-2013	31-Dec-2012	
	Shahjibazar Power Co. Ltd.	15,300,000	15,300,000	
	<b>Total</b>	<b>15,300,000</b>	<b>15,300,000</b>	
	(A Schedule of Investment in Shares is given- Annexure-2(b))	<b>65,901,680</b>	<b>60,119,525</b>	
<b>05</b>	<b>Margin Loan to Client : Tk. 1,340,237,900</b>			
	The break up of the above amount is as under :			
	Be Rich Ltd.	166,876,575	149,874,949	
	Eminent Securities Ltd.	15,329,812	13,948,079	
	Far East Shares & Securities Ltd.	81,390,359	70,107,311	
	International Security Co. Ltd.	13,835,925	11,587,378	
	Khwaja Equity Services Ltd.	228,790,244	190,327,288	
	Royal Capital Ltd.	371,679,030	321,467,509	
	Shah Mohr. Sager & Co. Ltd.	139,113,013	118,288,921	
	S.R. Capital Ltd.	60,136,439	51,141,207	
	Stock And Security Link way Ltd.	4,521,308	3,649,912	
	Stock & Bond Ltd.	221,886,420	207,534,265	
	Sylent Securities Ltd.	36,678,775	30,091,828	
	<b>Total</b>	<b>1,340,237,900</b>	<b>1,168,018,647</b>	
05.01	Due to unusual/unexpected fall in the share market, the market value of collateral securities as on 31 December 2013 fell value the receivable amount by Tk. 524,070,397 against which the company made provision for Tk. 71,641,066 which is equivalent to 13.66% of the net unrealized loss of outstanding margin loan to client. However, as per Bangladesh Securities and Exchange Commission (Merchant Banker & Portfolio Manager) ordinance 1996 the company may keep provision 1% on the outstanding of the total loan.			
<b>06</b>	<b>Others Assets :Tk. 8,233,242</b>			
	The break up of the above amount is as under :			
	Accounts Receivable	06.01	3,925,699	454,318
	Advances, Deposits and Prepayments	06.02	806,800	2,926,907
	Receivable Underwriting Commission		688,942	1,812,065
	Deferred Tax Asset	06.03	395,667	395,667
	Advance Income Tax (AIT)	06.04	2,416,134	6,194,618
	Loan to Staff		-	111,419
			<b>8,233,242</b>	<b>11,894,994</b>
<b>06.01</b>	<b>Accounts Receivable : Tk. 3,925,699</b>			
	The break up of the above amount is as under :			
	Brokerage House	06.01.01	3,712,834	292,180
	Receivable-FAS Finance & Investment Ltd.		180,365	162,138
	Receivable-Work Station		32,500	-
	<b>Total</b>		<b>3,925,699</b>	<b>454,318</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>06.01.01</b>	<b>Brokerage House :Tk. 3,712,834</b>		
	The break up of the above amount is as under :		
	Be Rich Ltd.	217,813	-
	Far East Shares & Securities Ltd.	1,100	-
	International Securities Co. Ltd.	549	549
	Eminent Securities Ltd.	7,781	-
	Khwaja Equity Ltd.	507,905	79,022
	Royal Capital Ltd.	-	79,838
	Stock & Bond Ltd.	2,976,165	105,984
	Synet Securities Ltd.	1,521	26,787
	<b>Total</b>	<b>3,712,834</b>	<b>292,180</b>
<b>06.02</b>	<b>Advances, Deposits and Prepayments : Tk. 806,800</b>		
	The break up of the above amount is as under :		
	Advance	06.02.01	2,300
	Security Deposit	06.02.02	804,500
	<b>Total</b>	<b>806,800</b>	<b>2,926,907</b>
<b>06.02.01</b>	<b>Advance : Tk. 2,300</b>		
	The break up of the above amount is as under :		
	Advance (Kazi Fazlur Rahman)	-	500,000
	Office Expenses(Head/Branch Office)	06.02.01.01	2,300
	Advance(Khalilur Rahman Hamidi)	-	515,000
	Sheikh Golam Sarwar	-	500
	Driver Al-Amin	-	2,500
	Leads Corporation Ltd.	-	600,000
	<b>Total</b>	<b>2,300</b>	<b>1,622,407</b>
<b>06.02.01.01</b>	<b>Office Expenses : Tk. 2,300</b>		
	The break up of the above amount is as under :		
	Narsingdi (Branch Office)	1,808	2,156
	Sylhet (Branch Office)	152	239
	Chittagong (Branch Office)	340	2,012
	<b>Total</b>	<b>2,300</b>	<b>4,407</b>
<b>06.02.02</b>	<b>Security Deposit : Tk. 804,500</b>		
	The break up of the above amount is as under :		
	Grameen Phone	06.02.02.01	4,500
	Office Rent	600,000	1,100,000
	CDBL-DP	200,000	200,000
	<b>Total</b>	<b>804,500</b>	<b>1,304,500</b>
<b>06.02.02.01</b>	<b>Office Rent : Tk. 600,000</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)	-	500,000
	Patuakhali (Proposed Branch)	600,000	600,000
	<b>Total</b>	<b>600,000</b>	<b>1,100,000</b>

**Amount in Taka**

**31-Dec-2013**

**31-Dec-2012**

**06.03 Deferred tax: Tk. 395,667**

The break up of the above amount is as under :

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".

Opening Balance	395,667	-
Add: Addition D/Y	-	395,667
	395,667	395,667
Less: Adjustment D/Y	-	-
	<b>395,667</b>	<b>395,667</b>

**06.04 Advance Income Tax (AIT): Tk. 2,416,134**

The break up of the above amount is as under :

Opening Balance	6,194,618	5,821,355
Add: Addition D/Y	1,514,702	373,263
	7,709,320	6,194,618
Less: Adjustment D/Y	5,293,186	-
<b>Total</b>	<b>2,416,134</b>	<b>6,194,618</b>

**07 Fixed Assets : Tk. 5,456,622**

The break up of the above amount is as under :

**Cost:**

Computer & Accessories	1,023,707	989,407
Furniture & Fixture	1,692,229	1,559,929
Motor Vehicle	1,429,000	1,429,000
Office Decoration	816,466	816,466
Office Equipment	1,408,540	1,405,040
Software	1,858,750	998,750
Telephone & PABX	173,925	173,925
<b>Total</b>	<b>8,402,617</b>	<b>7,372,517</b>

**Less: Accumulated Depreciation**

Computer & Accessories	383,116	270,070
Furniture & Fixture	443,813	305,100
Motor Vehicle	733,934	560,168
Office Decoration	232,880	168,037
Office Equipment	556,003	405,555
Software	528,764	294,061
Telephone & PABX	67,485	48,701
<b>Total</b>	<b>2,945,995</b>	<b>2,051,692</b>

**Written down value at the end of the year (Annexure-1)**

**5,456,622**      **5,320,825**

**08 Borrowings from other banks, financial institutions and agents : Tk. 1,108,276,457**

The break up of the above amount is as under :

Bank	8.01	12,455,647	26,208,442
Financial institutions	8.02	1,095,820,810	1,066,144,510
Others		-	-
<b>Total</b>		<b>1,108,276,457</b>	<b>1,092,352,952</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>8.01</b>	<b>Borrowings from other banks : Tk. 12,455,647</b>		
	The break up of the above amount is as under :		
	Woori Bank	7,631,645	11,185,809
	State Bank of India	4,824,002	15,022,633
	<b>Total</b>	<b>12,455,647</b>	<b>26,208,442</b>
<b>8.02</b>	<b>Borrowings from financial institution : Tk. 1,095,820,810</b>		
	The break up of the above amount is as under :		
	FAS Finance & Investment Limited	1,095,820,810	1,066,144,510
	<b>Total</b>	<b>1,095,820,810</b>	<b>1,066,144,510</b>
<b>09</b>	<b>Provision for Expenses : Tk. 391,512</b>		
	The break up of the above amount is as under :		
	Audit Fees	30,000	50,000
	CDBL Charges	233,400	192,887
	Earn Leave	128,112	178,082
	<b>Total</b>	<b>391,512</b>	<b>420,969</b>
<b>10</b>	<b>Provision for Income Tax : Tk. 10,050,723</b>		
	The break up of the above amount is as under :		
	Opening Balance	9,082,913	1,081,566
	Add: Provision during the year	1,067,523	8,001,347
		10,150,436	9,082,913
	Less: Adjustment during the year	99,713	-
	<b>Total</b>	<b>10,050,723</b>	<b>9,082,913</b>
<b>11</b>	<b>Sundry Creditors : Tk. 2,200,650</b>		
	The break up of the above amount is as under :		
	Be Rich Ltd.	-	309,388
	Royal Capital Ltd.	611,595	-
	S.R. Capital Ltd.	-	-
	Payable to Broker (SF)	-	3,000,000
	Khwaja Equity services Ltd.-Own	1,478,857	-
	Shah Mohammad Sagir & Co. Ltd	110,198	236,849
	<b>Total</b>	<b>2,200,650</b>	<b>3,546,237</b>
<b>12</b>	<b>Others Liabilities : Tk. 80,474,383</b>		
	The break up of the above amount is as under :		
	Provision against Share Investment	12.01 8,833,317	-
	Provision against Margin loan	12.02 71,641,066	71,641,066
	Gratuity Fund	-	559,900
	VAT Expenses	-	24,768
	Source Tax	-	11,009
	<b>Total</b>	<b>80,474,383</b>	<b>72,236,743</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>12.01 Provision for Share Investment: Tk. 8,833,317</b>	The break up of the above amount is as under :		
	Opening Balance	-	5,049,227
	Add: Provision during the year	8,833,317	-
		8,833,317	5,049,227
	Less: Adjustment during the year	-	5,049,227
	<b>Total</b>	<b>8,833,317</b>	<b>-</b>
<b>12.02 Provision against Margin loan: Tk. 71,641,066</b>	The break up of the above amount is as under :		
	Opening Balance	71,641,066	59,960,880
	Add: Provision during the year	-	11,680,186
		71,641,066	71,641,066
	Less: Adjustment during the year	-	-
	<b>Total</b>	<b>71,641,066</b>	<b>71,641,066</b>
<b>13 Share Capital :</b>			
<b>13.01 Authorized Capital : Tk. 1,000,000,000</b>	100,000,000 Ordinary Shares of Tk. 10.00 each	<b>1,000,000,000</b>	<b>1,000,000,000</b>
<b>13.02 Paid Up Capital : Tk. 250,000,000</b>	The break up of the above amount is as under :		
	Paid Up Capital	250,000,000	100,000,000
	25,000,000 Ordinary Shares of Tk. 10.00 each	<b>250,000,000</b>	<b>100,000,000</b>

### 13.03 Percentage of Shareholding

	2013(%)	Taka	2012(%)	Taka
<b>Sponsors</b>	1.2	<b>3,000,000</b>	3	<b>3,000,000</b>
<b>Financial Institutions</b>	98.8	<b>247,000,000</b>	97	<b>97,000,000</b>
	100	<b>250,000,000</b>	100	<b>100,000,000</b>

### 13.04 Name of directors, Sponsors Shareholders & their shareholding:

The break up of the above amount is as under :

	Number of Share	Total Value	%
Mr. Abdul Matlub Ahmad	100000	1,000,000	0.4
Mr. Abdul Halim	100000	1,000,000	0.4
Mr.Sudir Chandra Sarker	100000	1,000,000	0.4
FAS Finance & Investment Ltd.	24700000	247,000,000	98.8
	25000000	250,000,000	100

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>14</b>	<b>Retained earnings : Tk. (31,300,117)</b>		
	The break up of the above amount is as under :		
	Opening balance	(31,919,146)	(52,912,704)
	Tax paid for Assessment Year: 2011-2012	(5,193,355)	
	Net profit after taxation	5,812,384	20,993,558
	Transfer to statutory reserve	-	-
	<b>Total</b>	<b>(31,300,117)</b>	<b>(31,919,146)</b>
<b>15</b>	<b>Interest Income : Tk. 203,465,342</b>		
	The break up of the above amount is as under :		
	Interest on Margin Loan	15.01 203,370,850	190,980,882
	Bank Interest	87,780	332,342
	Interest on Staff Loan	6,712	9,609
	<b>Total</b>	<b>203,465,342</b>	<b>191,322,834</b>
<b>15.01</b>	<b>Interest on Margin Loan : Tk. 203,370,850</b>		
	The break up of the above amount is as under :		
	Be Rich Ltd.	28,125,465	23,716,521
	Eminent Securities Ltd.	2,163,212	2,306,142
	Far East Shares & Securities Ltd.	11,405,398	11,386,878
	International Security Co. Ltd.	2,195,598	1,884,462
	Khwaja Equity Services Ltd.	33,078,044	31,488,717
	Royal Capital Ltd.	54,638,618	52,763,060
	Stock & Bond Ltd.	34,074,906	33,197,200
	Shah Moh. Sagir & Co. Ltd.	22,311,566	19,445,689
	S.R. Capital Ltd.	8,819,127	8,311,703
	Sylnet Securities Ltd.	5,917,771	4,876,013
	Stock And Security Linkway Ltd.	641,145	1,604,496
	<b>Total</b>	<b>203,370,850</b>	<b>190,980,882</b>
<b>16</b>	<b>Interest paid on deposit and borrowings, etc. : Tk. 195,728,057</b>		
	The break up of the above amount is as under :		
	Bank	2,404,481	525,935
	Financial Institute	193,323,576	176,879,746
	<b>Total</b>	<b>195,728,057</b>	<b>177,405,681</b>
<b>17</b>	<b>Investment Income : Tk. 9,819,646</b>		
	The break up of the above amount is as under :		
	Profit on Share Investment	8,964,067	19,121,650
	Dividend on Shares	855,579	1,084,780
	<b>Total</b>	<b>9,819,646</b>	<b>20,206,430</b>
<b>18</b>	<b>Commission, Exchange and Brokerage : Tk. 85,800</b>		
	The break up of the above amount is as under :		
	Underwriting Commission	85,800	333,963
	<b>Total</b>	<b>85,800</b>	<b>333,963</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>19</b>	<b>Other Operating Income : Tk. 13,270,983</b>		
	The break up of the above amount is as under :		
	Portfolio Management Fees	19.01	13,058,083
	Documentation Fee		20,400
	Work Station Rent		192,500
	Other Income		-
	<b>Total</b>		<b>490</b>
		<b>13,270,983</b>	<b>16,988,689</b>
<b>19.01</b>	<b>Portfolio Management Fees : Tk. 13,058,083</b>		
	The break up of the above amount is as under :		
	Be Rich Ltd.		1,596,194
	Eminent Securities Ltd.		107,650
	Far East Shares & Securities Ltd.		466,174
	International Security Co. Ltd.		61,201
	Khwaja Equity Services Ltd.		2,223,879
	Royal Capital Ltd.		3,433,617
	Stock & Bond Ltd.		2,328,667
	Shah Moh. Sagir & Co. Ltd.		1,327,815
	S.R. Capital Ltd.		282,535
	Sylnet Securities Ltd.		307,280
	Stock And Security Linkway Ltd.		321,089
	FAS Finance & Investment Ltd.		601,982
	<b>Total</b>		<b>16,976,199</b>
		<b>13,058,083</b>	<b>16,976,199</b>
<b>20</b>	<b>Salary and Allowances : Tk. 9,289,383</b>		
	The break up of the above amount is as under :		
	Salary & Allowances	20.01	7,635,978
	Provident Fund	21.02	314,435
	Festival Bonus	21.03	691,300
	Gratuity		647,670
	<b>Total</b>		<b>1,314,810</b>
		<b>9,289,383</b>	<b>10,202,951</b>
<b>20.01</b>	<b>Salary &amp; Allowances (H/O &amp; Branch): Tk. 7,635,978</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)		6,499,498
	Chittagong (Branch Office)		462,920
	Narsingdi (Branch Office)		466,560
	Sylhet(Branch Office)		207,000
	<b>Total</b>		<b>7,796,541</b>
		<b>7,635,978</b>	<b>7,796,541</b>
<b>20.02</b>	<b>Provident Fund : Tk. 314,435</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)		251,245
	Chittagong (Branch Office)		25,770
	Narsingdi (Branch Office)		25,920
	Sylhet (Branch Office)		11,500
	<b>Total</b>		<b>10,830</b>
		<b>314,435</b>	<b>332,700</b>



		Amount in Taka	
		31-Dec-2013	31-Dec-2012
<b>20.03</b>	<b>Festival Bonus : Tk. 691,300</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)	582,300	662,100
	Chittagong (Branch Office)	47,200	41,800
	Narsingdi (Branch Office)	42,800	38,000
	Sylhet(Branch Office)	19,000	17,000
	<b>Total</b>	<b>691,300</b>	<b>758,900</b>
<b>21</b>	<b>Rent, Taxes, Insurance, Electricity, etc : Tk. 1,832,279</b>		
	The break up of the above amount is as under :		
	Office Rent (Head Office)	1,536,900	300,000
	Electric Bill (Head Office)	169,207	314,023
	Generator Bill (Head Office)	58,017	246,680
	Insurance Premium	68,155	32,831
	<b>Total</b>	<b>1,832,279</b>	<b>893,534</b>
<b>22</b>	<b>Professional Fees: Tk. 37,750</b>		
	The break up of the above amount is as under :		
	Legal Fees	30,250	5,000
	Audit Fees	7,500	-
	Others	-	-
	<b>Total</b>	<b>37,750</b>	<b>5,000</b>
<b>23</b>	<b>Postage, Stamps, Telecommunication : Tk. 419,490</b>		
	The break up of the above amount is as under :		
	Postage & Courier	3,965	29,642
	Internet Bill	227,310	291,701
	Telephone & Mobile Bill	188,215	158,024
	<b>Total</b>	<b>419,490</b>	<b>479,367</b>
<b>24</b>	<b>Printing, Stationery &amp; Advertisement: Tk. 118,460</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)	113,335	159,221
	Narsingdi (Branch Office)	1,660	2,130
	Chittagong (Branch Office)	2,600	6,299
	Sylhet (Branch Office)	865	1,238
	<b>Total</b>	<b>118,460</b>	<b>168,888</b>
<b>25</b>	<b>Depreciation on Fixed Assets : Tk. 1,273,617</b>		
	The break up of the above amount is as under :		
	Computer & Accessories	113,046	126,942
	Furniture & Fixture	138,713	139,425
	Motor Vehicle	173,766	217,208
	Office Decoration	64,843	72,048
	Office Equipment	150,448	175,096
	Software	234,703	124,357
	Telephone & PABX	18,784	22,098
	<b>Total</b>	<b>894,303</b>	<b>877,174</b>

		Amount in Taka	
		31-Dec-2013	31-Dec-2012
	<b>Repairs</b>		
	Software Maintenance	232,454	143,058
	Vehicle Maintenance	113,070	284,302
	Repair & Maintenance	33,790	80,613
	<b>Total</b>	<b>379,314</b>	<b>507,973</b>
		<b>1,273,617</b>	<b>1,385,147</b>
<b>26</b>	<b>Other Expenses : Tk. 2,199,511</b>		
	The break up of the above amount is as under :		
	Server Rental	63,000	252,000
	Service Charge	119,916	266,480
	Registration Fees	8,000	150,000
	Fuel & Lubricants	159,906	297,385
	Conveyance allowance	46,013	98,475
	Spare & Accessories	2,700	700
	Business Promotion	146,428	277,510
	CDBL Charge	914,119	374,957
	Bank Charge & Commission	50,913	48,867
	Entertainment	26.01 43,512	67,645
	Office Maintenance	26.02 19,543	120,766
	Newspaper & Periodicals	11,788	15,010
	Fees & Subscription	212,000	105,000
	Garage Rent	60,000	55,250
	Staff Fooding	297	40,609
	Staff Welfare	5,500	-
	Advertisement & Publicity	13,658	-
	Tour & Travels	-	250,100
	Training & development	-	104,410
	VAT Expense	-	92,510
	Cookeries	1,000	11,972
	WASA Bill	14,161	23,383
	Stamp & Notary	1,740	8,370
	Renewal Fees	177,205	127,524
	Miscellaneous Expense	-	10,000
	Loss on Disposal on Fixed Assets	-	34,225
	Earn Leave Expense	128,112	201,878
	<b>Total</b>	<b>2,199,511</b>	<b>3,035,026</b>
<b>26.01</b>	<b>Entertainment : Tk. 43,512</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)	43,442	61,862
	Narsingdi (Branch Office)	-	450
	Chittagong (Branch Office)	70	3,683
	Sylhet (Branch Office)	-	1,650
	Total	<b>43,512</b>	<b>67,645</b>
<b>26.02</b>	<b>Office Maintenance : Tk. 19,543</b>		
	The break up of the above amount is as under :		
	Dhaka (Head Office)	7,212	70,164
	Chittagong (Branch Office)	5,371	25,179
	Sylhet (Branch Office)	4,500	25,423
	Narsingdi (Branch Office)	2,460	
	<b>Total</b>	<b>19,543</b>	<b>120,766</b>

## 27.00 Related Party Disclosure

### a. Particulars of Directors and their interest in different entities:

Sl. No.	Name of Director	Status in FASCML	Name of the firms/Companies in which interested as proprietor, partner, director, managing agent, guarantor, employee etc.
01	Mr. Abdul Matlub Ahmad	Chairman	Nita Company Limited Nitol Motors Limited Nalita & Company Limited Niloy Motors Limited Auto Land Private Company Nikita & Company Limited Niloy Cement Industries Limited Bangladesh Metro Bus Company Ltd. Bay Leasing & Investment Limited Nisa Steel Private Ltd. Nitol Construction Private Ltd. Nitol Cement Industries Ltd. Nitol Insurance Company Ltd. Nitol Electricity Private Ltd. Nitol Tyre Industries Private Ltd. Nitol Aviation Service Ltd. Nitol Batteries Private Ltd. Nitol Gas Distribution Company Ltd. Niloy Vehicle & Assembly Plant Ltd. Onetel Communication Ltd. Nitol Sugar Mills Ltd. Niloy Cement Clinker Station Industries Ltd. South East Bank Limited
02	Abdul Halim	Director	Nitol Insurance Company Ltd.
03	Sudir Chandra Sarker	Director	N/A

### b. Related Party Transaction

The company carried out a number of transactions with related parties in the normal course of business. The nature of transactions and their values are shown below:

Sl. No.	Name of the Related Party	Transaction Nature	Balance as at 01-Jan-2013	Addition	Adjustment	Balance as at 31-Dec-2013
			<b>Taka</b>	<b>Taka</b>	<b>Taka</b>	<b>Taka</b>
01	FAS Finance & Investment Limited	Loan	1,066,144,510	197,733,467	168,057,167	1,095,820,810
02	FAS Finance & Investment Limited	Paid up Capital	97,000,000	150,000,000	-	247,000,000

#### Amount in Taka

### 28 Basic earning per share (EPS) discloser under BAS-33

The break up of the above amount is as under :

Net Profit for the year

Weighted average number of ordinary shares

**Basic earning per share-EPS (Adjusted)**

### 29 Other Memorandum Items: Tk. 1,574,777,425

The break up of the above amount is as under:

Customer's Stock of Securities

31-Dec-2013	31-Dec-2012
5,812,384	20,993,558
25,000,000	25,000,000
<b>0.23</b>	<b>0.84</b>
1,574,777,425	1,784,663,680
<b>1,574,777,425</b>	<b>1,784,663,680</b>



Md. Yeasin Ali  
Principal Officer



Abdul Halim  
Director



Nasim Ali Khan  
CEO

**FAS CAPITAL MANAGEMENT LIMITED**  
Fixed Assets Schedule  
As on 31 December 2013

Annexure - 1

Particulars	Cost			Dep. Rate (%)	Depreciation			Written Down Value as on 31.12.2013	
	Balance as on 01.01.2013	Addition during the year	Adjustment/ disposal during the year		Balance as on 31.12.2013	Addition during the year	Adjustment/ disposal during the year		Balance as on 31.12.2013
Computer & Accessories	989,407	34,300	-	15	1,023,707	113,046	-	383,116	640,591
Furniture & Fixture	1,559,929	132,300	-	10	1,692,229	138,713	-	443,813	1,248,416
Motor Vehicle	1,429,000	-	-	20	1,429,000	173,766	-	733,934	695,066
Office Decoration	816,466	-	-	10	816,466	64,843	-	232,880	583,586
Office Equipment	1,405,040	3,500	-	15	1,408,540	150,448	-	556,003	852,537
Software	998,750	860,000	-	15	1,858,750	234,703	-	528,764	1,329,986
Telephone & PABX	173,925	-	-	15	173,925	18,784	-	67,485	106,440
<b>Total</b>	<b>7,372,517</b>	<b>1,030,100</b>	<b>-</b>		<b>8,402,617</b>	<b>894,303</b>	<b>-</b>	<b>2,945,995</b>	<b>5,456,622</b>

**FAS Capital Management Limited**  
**Investment in Shares and Bonds**  
As on December 31, 20133

**A) Shares (Quoted)**

Annexure - 2 (a)

Name of Share	Number of Share	Market Price Per Share	Market Value	Book Value/ Cost of Share
Bangladesh Shipping Corporation	1,000.00	413.00	413,000	598,399
Beacon Pharmaceuticals Ltd.	35,000.00	13.20	462,000	598,478
Fareast Islami Life Insurance Company Ltd.	6,612.00	96.00	634,752	808,369
GBB Power Ltd.	35,000.00	29.90	1,046,500	1,086,908
Generation Next Fashions Ltd.	40,000.00	36.90	1,476,000	1,478,858
Grameen One: Scheme Two	210,000.00	17.60	3,696,000	5,547,751
H.R.Textile Mills Ltd.	5,000.00	41.20	206,000	233,160
IFIL Islamic Mutual Fund-1	455,000.00	5.60	2,548,000	3,258,914
Keya Cosmetics Limited	220,000.00	27.70	6,094,000	7,128,165
Lafarge Surma Cement Limited	15,000.00	33.50	502,500	543,725
Mutual Trust Bank Ltd.	120,000.00	16.30	1,956,000	2,864,451
Nitol Insurance Company Ltd.	303,500.00	33.60	10,197,600	11,671,417
Paramount Insurance Company Ltd.	46,000.00	24.80	1,140,800	1,334,371
PHP First Mutual Fund	290,000.00	5.50	1,595,000	2,193,890
Popular Life First Mutual Fund	226,217.00	6.00	1,357,303	1,939,248
Saiham Cotton Mills Limited	86,000.00	24.90	2,141,400	2,129,634
Southeast Bank 1st Mutual Fund	22,000.00	7.90	173,800	242,205
Summit Purbanchol Power Company Ltd.	25,000.00	61.60	1,540,000	1,715,736
Titas Gas	43,000.00	73.80	3,173,400	3,672,763
United Airways (BD) Ltd.	86,956.00	16.40	1,426,074	1,555,238

**Sub-Total**

**41,780,129      50,601,680**

**B) Shares (unquoted)**

Name of Share	Number of Share	Market Price Per Share	Market Value	Book Value/ Cost of Share
Shahjibazar Power Company Ltd.	340,000	45.00	15,300,000	15,300,000

**Sub-Total**

**15,300,000**

**Grand Total: (A+B)**

**65,901,680**



## FAS Finance & Investment Limited

Suvastu Imam Square (4th floor)  
65, Gulshan Avenue, Gulshan-1, Dhaka-1212

### PROXY FORM

I/We-----  
of-----being a member  
of FAS FINANCE & INVESTMENT LIMITED do hereby appoint Mr./Mrs./Mis.-----  
----- or (failing him/ her) of-----  
----- as my/our proxy to attend and vote for me/as and on  
my/our behalf at the 17th Annual General Meeting of the company to be held on Saturday, May 24, 2014 at 9.30 am at hotel  
Abakash Bangladesh Parjatan Corporation, 83-88 Mohakhali, Dhaka-1212.



Signature of Member-----

BO/ ID No.-----

No. of Shares-----

Signature of proxy-----

Note: A member entitled to attend and vote at the General Meeting may appoint a Proxy to attend and vote in his/her stead. The Proxy Form, duly stamped, must be deposited at the Registered Office (Suvastu Imam Square, 4th floor, 65, Gulshan Avenue, Gulshan, Dhaka-1212) of the Company not later than 48 hours before the time fixed for the meeting.



## FAS Finance & Investment Limited

Suvastu Imam Square (4th floor)  
65, Gulshan Avenue, Gulshan-1, Dhaka-1212

### ATTENDANCE SLIP

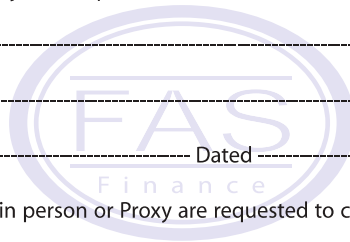
I hereby record my attendance at the 17th ANNUAL GENERAL MEETING of the company being held on Saturday, May 24, 2014 at 9.30 am at hotel Abakash Bangladesh Parjatan Corporation, 83-88 Mohakhali, Dhaka-1212.

Name of Member / Proxy-----

Folio / BO ID No.-----

Signature----- Dated-----

N. B. Shareholders attending the meeting in person or Proxy are requested to complete the attendance slip and deposit the same at the entrance of the meeting hall.



**Head Office :** Suvastu Imam Square (4th Floor) 65, Gulshan Avenue  
Gulshan, Dhaka-1212, Phone : 880-2-9860594, 9860273, 8834252  
Fax : 880-2-9860531, 9860558

Printed by Galaxy Corporation, 142/3, Arambag, Motijheel, Dhaka-1000.  
FAS Finance and Investment Limited extended lease finance facility to  
Galaxy Corporation to procure one unit Heidelberg, MOE Printing machine.

“This Report is printed by that machine.”