



Uttara Finance and Investments Limited
Consolidated Balance Sheet (Un-audited)
As at 31 March 2020


	Amount in Taka	
	At 31-Mar-20	At 31-Dec-19
Property and assets		
Cash	343,005,384	332,938,458
Cash in hand (including foreign currencies)	10,746	6,792
Balance with Bangladesh Bank and its agent Banks (including foreign currencies)	342,994,638	332,931,666
Balance with other Bank & Financial Institutions	1,655,501,426	1,310,454,985
in Bangladesh	1,655,501,426	1,310,454,985
Outside Bangladesh	-	-
Money at call on short notice	-	-
Investments	2,036,350,801	2,097,444,935
Government	-	-
Others	2,036,350,801	2,097,444,935
Loans, Advances and Leases	32,718,430,364	37,083,078,010
Loans, lease finance, cash credits and overdrafts etc.	32,718,430,364	37,083,078,010
Bills discounted and purchased	-	-
Fixed Assets including Premises, Furniture and Fixtures	92,652,702	112,693,693
Other assets	2,971,919,100	1,666,260,591
Non- Financial Institution's assets	-	-
Total assets	39,817,859,777	42,602,870,672
Liabilities and capital		
Liabilities		
Borrowings from other banks, Financial institutions and Agent	6,804,161,518	7,670,508,646
Deposits and other accounts	20,025,435,438	18,772,134,622
Current Accounts and other accounts	-	-
Bill Payables	-	-
Savings bank deposits	-	-
Fixed deposits	-	-
Term deposits	20,025,435,438	18,772,134,622
Bearer certificates of deposits	-	-
Other deposits	-	-
Other liabilities	4,947,002,494	8,340,701,395
Total Liabilities	31,776,599,450	34,783,344,663
Capital/Share holders Equity		
Paid-up capital	1,252,204,800	1,252,204,800
Statutory reserve	1,847,760,211	1,847,760,211
General reserves	1,950,000,000	1,950,000,000
Share Premium	528,000,000	528,000,000
Dividend equalisation fund	900,000,000	900,000,000
Retained earnings	1,563,295,316	1,341,560,997
Total shareholders' equity	8,041,260,327	7,819,526,008
Total liabilities and shareholders equity	39,817,859,777	42,602,870,672


Uttam Kumar Saha
Chief Financial Officer


Md. Jakir Hossain, FCA
Company Secretary



S.M. Shamsul Arefin
Managing Director & CEO

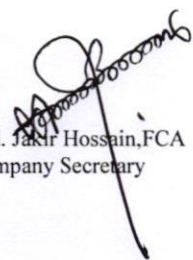

Mujibur Rahman
Director



Rashidul Hasan
Chairman


Uttara Finance and Investments Limited
Consolidated Profit and Loss account (Un-audited)
for the period ended 31 March 2020

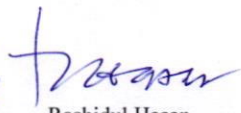
	Period ended 31-Mar-20	Period ended 31-Mar-19
Interest income	1,069,696,604	1,103,569,575
Interest paid on deposits and borrowings etc.	(726,766,433)	(693,409,644)
Net interest income	342,930,171	410,159,931
Investment income	94,200,155	47,883,579
Commission , exchange and brokerage	-	-
Other operating income	90,357,976	124,151,166
Total operating income	527,488,302	582,194,676
Salary and allowances	37,685,027	35,879,216
Rent,taxes,insurance,electricity etc.	11,073,283	14,755,686
Legal and professional expenses	328,555	438,305
Postage,stamp,telecommunication etc.	31,764	14,853
Stationery,printing,advertisement etc.	1,019,771	719,361
Managing Directors' salary and fees	3,000,000	3,000,000
Directors' fees	160,000	96,000
Auditor fees	172,500	172,500
Depreciation and repair of fixed assets	2,515,818	4,735,688
Other expenses	5,437,186	5,661,647
Total operating expenses	61,423,904	65,473,256
Profit before provision (leasing)	466,064,398	516,721,420
Profit transferred from merchant banking operation	-	40,463,724
Total profit before provision	466,064,398	557,185,144
Provision for loans/investments:		
Provision against loans	(55,179,739)	(15,261,906)
Provision for diminution in value of investments	150,594,558	(57,813,325)
Other provisions	-	-
Total provision	95,414,819	(73,075,231)
Total profit /(Loss) before taxes	370,649,579	630,260,375
Provision for taxation		
Current tax	138,915,260	230,000,000
Deferred tax	10,000,000	20,000,000
	148,915,260	250,000,000
Net profit after tax	221,734,319	380,260,375
Earnings per Share of Taka 10 each	1.77	3.04


Uttam Kumar Saha
Chief Financial Officer


Md. Jakir Hossain, FCA
Company Secretary



S.M. Shamsul Arefin
Managing Director & CEO

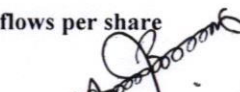

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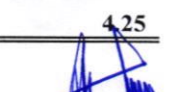
Uttara Finance and Investments Limited
Consolidated Cash Flow Statement (Un-audited)
for the period ended 31 March 2020

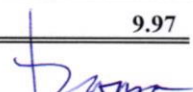
	Amounts in Taka	
	Period ended 31 March 2020	Period ended 31 March 2019
(A) Cash Flows from Operating Activities		
Interest receipts	828,929,861	818,351,637
Interest payments	(734,574,961)	(782,558,704)
Dividend receipts	14,779,557	1,427,955
Capital gain from Sale of Securities	7,541,847	12,807,444
Cash payments to employees	(40,685,027)	(38,879,216)
Cash payments to suppliers and Management expenses	(17,500,058)	(21,208,352)
Income tax paid	(254,535,027)	(254,712,809)
Receipt from other operational activities	529,786,043	197,271,904
Payment for other operational activities	(37,689,255)	(266,284,552)
Cash generated before changes in operating assets and liabilities	296,052,980	(333,784,693)
Increase/(decrease) in operating assets and liabilities	-	-
Net Loans and advances to customers	(150,955,411)	(1,588,718,819)
Loans and deposits from banks and other customers	386,753,688	3,171,395,088
Cash generated from operating assets and liabilities	235,798,277	1,582,676,269
Net cash generated from operating activities	531,851,257	1,248,891,576
(B) Cash flow from Investing Activities		
Acquisition of property, plant and equipment	(2,017,737)	(11,481,320)
Redemption of Zero Coupon Bond	(15,000,000)	(5,000,000)
Investment in call money	(160,000,000)	(160,000,000)
Sale of Securities	120,604,847	118,658,048
Investment in Shares	(120,325,000)	(105,858,524)
Net Cash used in investing activities	(176,737,890)	(163,681,796)
(C) Cash flow from financing Activities		
Dividend paid	-	-
Issuance of shares	-	-
Net cash used in investing activities	-	-
(D) Net increase in cash and cash equivalents (A+B+C)	355,113,367	1,085,209,780
Effects of exchange rate changes on cash and cash equivalents		
(E)	-	-
(F) Cash and cash equivalents at beginning of the year	1,643,393,443	1,948,231,604
(G) Cash and cash equivalents at the end of the year (D+E+F)	1,998,506,810	3,033,441,384
Cash and Cash equivalents at end of the year represents		
Cash in hand (including foreign currencies)	10,746	-
Balance with Bangladesh Bank and its agent bank (including foreign currencies)	342,994,638	296,838,760
Balance with other Banks and financial institutions	1,655,501,426	2,736,602,624
Total cash and cash equivalents	1,998,506,810	3,033,441,384
Net operating cash flows per share	4.25	9.97


Uttam Kumar Saha
Chief Financial Officer


Md. Jafor Hossain, FCA
Company Secretary


S.M. Shamsul Arefin
Managing Director & CEO



Mujibur Rahman
Director


Rashidul Hasan
Chairman

Uttara Finance and Investments Limited
Consolidated Statement of Changes to Shareholders' Equity
for the period ended 31 March 2020


Particulars	Paid up capital	Share premium	Statutory reserve	General reserve	Divid. equal. fund	Retained earnings	(Amount in Taka)	
							Total	
Balance on 01 January 2020	1,252,204,800	528,000,000	1,847,760,211	1,950,000,000	900,000,000	1,341,560,997	7,819,526,009	
Net profit for the period 2020	-	-	-	-	-	221,734,319	221,734,319	
Balance for the period ended 31 March 2020	1,252,204,800	528,000,000	1,847,760,211	1,950,000,000	900,000,000	1,563,295,316	8,041,260,327	
Balance for the period ended 31 March 2019	1,252,204,800	528,000,000	1,848,020,751	1,950,000,000	900,000,000	1,333,068,989	7,811,294,540	


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 Chief Financial Officer


 Md. Jakir Hossain, FCA
 Company Secretary


 S.M. Shamsul Arefin
 Managing Director & CEO


 Mujibur Rahman
 Director


 Rashidul Hasan
 Chairman

Uttara Finance and Investments Limited

Some selective notes to the financial statements (un-audited)

As at and for the period ended 31 March 2020

1. Background of the Company

1.1 Corporate information

Uttara Finance and Investments Limited (UFIL) (the company) was registered with the registrar of Joint Stock Companies and Firms on 07 May 1995 and it obtained its certificate of incorporation on 08 August 1995 as a public limited company under the Companies Act 1994. The company started its operation after obtaining license from Bangladesh Bank on 07 September 1995 under the Financial Institutions Act 1993. There after the company obtained license of Merchant Operations from the Securities and Exchange Commission on 25 March 1998. The registered Head Office of the company located at JBC Tower (6th Floor), 10 Dilkusha commercial area, Dhaka, while the Head Office (Extension) situated at Uttara Centre (11th Floor), 102 Shahid Tajuddin Ahmed Sarani, Tejgaon, Dhaka. In addition to that the company has three branch offices located in Gulshan-Dhaka, Chattogram and Bogura. Shares of the company are listed with both Dhaka and Chattogram Stock exchanges.

1.2 Principal activities and nature of operation

The company extends lease financing, as its core business, for all types of machinery and equipment including vehicles for industrial, commercial and private purposes. It also provides short-term finance and term finance in addition to its merchant banking operation.

1.3 Products and services of the company

Lease financing

Documentary credit

Term financing

Small and Medium Enterprise (SME) refinancing

Working capital financing

Term Deposits

Merchant banking activities

UFIL is operating merchant banking activities after obtaining license from the Securities and Exchange Commission (SEC) since 1998. The activities are as follows:

- Securities trading in secondary market
- Margin loan
- Portfolio management
- Issue management
- Underwriting
- Financial consultancy
- Project counseling

2. Significant accountings policies

2.1 Basis of preparation

The financial statements of the company have been prepared on a going concern basis following accrual basis of accounting, except for cash flow statement in accordance with the measurement and recognition requirements of International Financial Reporting Standards (IFRS) which also cover International Accounting Standards (IAS), except the circumstances where local regulations differ and the Companies Act 1994, the Financial Institutions Act 1993, Securities and Exchange Rules 1987 and the listing regulations 2015 of Dhaka and Chittagong Stock Exchanges and other applicable laws and regulations.

2.2 Basis of presentation

The presentation of the financial statements has been made as per the requirements of DFIM circular no. 11 dated 23 December 2009 issued by the Department of Financial Institutions and Markets (DFIM) of Bangladesh Bank. The activities and accounting heads mentioned in the prescribed form, which are not applicable for the financial institutions, have been kept blank in the financial statements.

some requirements of IFRS have been departed to comply with the requirements of Bangladesh Bank. However, this departure with IFRS has been made by following all of the relevant provisions of IAS 1: Presentation of Financial Statements. The details disclosures are given in note 2.3 following the provision of para 20 of IAS 1.

2.3 Compliance of Bangladesh Bank's regulations over IAS/ IFRS

Bangladesh Bank is the supreme regulatory body for Financial Institutions in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with the requirements of IAS and IFRS. As such the company has departed from those contradictory requirements of IAS and IFRS in order to comply with the rules and regulations of Bangladesh Bank, these are disclosed below along with financial impact where applicable:

SL.	Issues	Title of IAS/IFRS	Requirements of IAS/IFRS	Requirements of Bangladesh Bank
1.	Measurement of provision for leases, loans and advances (financial assets measured at amortised cost)	IFRS 9: "Financial Instruments"	<p>An entity shall assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets measured at amortised cost is impaired. If any such evidence exists, expected credit losses are required to be measured through a loss allowance at an amount equal to:</p> <p>a) the 12-month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date); or</p> <p>b) full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).</p>	As per FID circular No. 08, dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans and Special Mentioned Accounts (SMA)) has to be maintained irrespective of objective evidence of impairment on lease, loans, advances and leases. Also provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.
2.	Valuation of investments in shares	IFRS 9: "Financial Instruments"	Investment in shares falls either under at "fair value through profit/loss (FVTPL)" or "fair value through other comprehensive income (FVTOCI)" where any change in the fair value in case of FVTPL at the year-end is taken to profit of loss, and any change in fair value in case of FVTOCI is taken to other comprehensive income.	As per FID circular no. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment and investments are recognised at cost only.
3.	Recognition of interest income for SMA and classified loans, advances and leases	IFRS 9: "Financial Instruments"	Income from financial assets measured at amortised cost is recognised using effective interest rate method over the term of the investment. Once a financial asset is impaired, investment income is recognised in profit and loss account on the same basis based on revised carrying amount.	As per FID circular no. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest from such investments are not allowed to be recognised as income, rather the respective amount needs to be recorded to interest suspense account.
4.	Presentation of cash and cash equivalent	IFRS 7: "Statement of cash flows"	As per para 7 of IAS 7 cash equivalent are short term, highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like three months or less period.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular No. 11, dated 23 December 2009 which will strictly be followed by all Non-Bank Financial Institutions (NBFI). The templates of financial statements provided detail presentation for statement of cash flows.
5.	Preparation of statement of cash flows	IFRS 7: "Statement of cash flows"	The cash flows from operating activities can either be prepared using direct method or indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	The cash flow statements prescribed by Bangladesh Bank vide circular no. 11 dated 23 December 2009 is a mixture of both direct and indirect method.

6.	Presentation and disclosure of financial statements	IAS 1: "Presentation of financial statements"	As per IAS 1 other comprehensive income (OCI) is a component of financial statements and the elements of other comprehensive income are to be included in a single comprehensive income statement and there is no requirement to show appropriation of profit in the face of the statement of comprehensive income. In addition, intangible assets must be identified, recognised, presented in the face of the balance sheet and disclosures to be given as per BAS 38.	As per Bangladesh Bank DFIM circular no. 11 dated 23 December 2009, financial statements do not require to include the statement of other comprehensive income (OCI) but it requires to provided an appropriation of profit in the face of profit and loss account. Intangibles assets are not separately presented on the face of statement of financial position, rather it is presented along with the line item of fixed assets.
7.	Current and non-current distinction	IAS 1: "Presentation of financial statements"	As per para 60 of IAS 1 an entity shall present current and non-current assets and current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM circular no. 11 dated 23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In this templates there is no current and non-current segmentation of assets and liabilities.
8.	Off-balance sheet items	IAS 1: Presentation of financial statements	There is no requirement for disclosure of off-balance sheet items on the face of the balance sheet.	As per DFIM circular no. 11 dated 23 December 2009, off-balance sheet items must be disclosed separately on the face of the balance sheet.

2.4 Date of authorisation

The board of directors has authorised these financial statements for issue on 23 August 2020.

2.5 Use of estimates and judgments

The financial statements have been prepared in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) which requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income and expenses.

The most critical estimates and judgments are applied to the following:

- Provision for impairment of loans, advances, leases and investments
- Useful life of depreciable assets

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

2.6 Provisions

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognised when the company has a present, legal or constructive, obligation as a result of past events; it is more likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2.7 Cash flow statements

Statement of cash flows is prepared using the direct method as stipulated in IAS 7: "Statement of cash flows" and in accordance with the guideline of Bangladesh Bank.

2.8 Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR)

Cash reserve ratio (CRR) and statutory liquidity reserve (SLR) have been calculated and maintained in accordance with section 19 of the Financial Institutions Act 1993, clause 5 of the Financial Institutions Regulations 1994, FID circular no. 06 dated 06 November 2003, FID circular no. 02 dated 10 November 2004, DIFM circular letter no. 01 dated 12 January 2017 and DFIM circular no. 03 dated 21 June 2020.

2.9 Accounting for leases

Following International Accounting Standards IAS 17: "Leases" accounting for lease transactions have been recorded under finance lease method since all the risks and rewards incidental to ownership are substantially transferred to the lessee as per agreement. The company recognises the lease assets in the balance sheet as an investment in lease assets at an amount equal to the net investment in the lease. The lease payments are broken down into the finance charge and the redemption payment. The redemption payment reduces the amount of the outstanding liability (net investment) and the finance charge is treated as interest income.

2.10 Accounting for term finance

Term finance consists of short-term and long-term finance, both are measured based on the accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for short-term finance, and unrealised principal for long-term finance, real estate finance and other finances are accounted for as term finance assets of the company. Interest earnings are recognised as operational revenue periodically.

2.11 Accounting for margin loan

Margin loan to portfolio investors is given at an agreed ratio (not more than the ratio prescribed by BSEC) between investor's deposit and loan amount to purchase securities against respective investor account. The new investors are to maintain the margin as per set rules and regulations. The margin is monitored on daily basis as it changes due to changes in market price of share. If the margin falls below the minimum requirement, the investors are required to deposit additional fund to maintain the margin as per rules otherwise the securities are sold to bring the margin to the required level.

2.12 Fixed assets including land, building, furniture and fixtures

Depreciation

Each significant part of an item of fixed assets except land is depreciated separately on a straight-line basis over the estimated useful lives. Depreciation of an asset begins when it is available for use i. e when it is in the location on and condition necessary for it to be capable of operating in the manner intended by management.

Asset category wise depreciation rates are as follows:

<u>Asset category</u>	<u>Rate (yearly)</u>
Land	0%
Building and premises	10%
Furniture and fixtures	15%
Office equipment	15%
Computers	15%
Office decoration	20%
Motor vehicles	20%

2.13 Reporting

This quarterly financial statements has been prepared based on International Accounting Standards (IAS)- 34: Interim Financial Reporting.

These Interim Financial Reporting should be read in conjunction with the published Financial Statements for the year ended 31 December 2019, as those provide some updates to the previously reported information.

2.14 Interest income

Interest on lease finance

Finance lease income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on net investment in the finance lease. The excess of gross lease rentals receivable over the cost of the leased asset represents the total unearned income at the time of execution of lease. The unearned income is allocated over the period of lease on a pattern reflecting a constant return on the net investment. Earned finance income due over ninety days is not recognised as revenue rather it is recognised as interest suspense. Suspended interest is recognised as income on cash basis when it is received.

Merchant banking operations

The Unit is engaged in Merchant Banking Operations under a license granted by Securities and Exchange Commission and maintains its accounting records from which accounts are prepared according to applicable directives issued by Securities and Exchange Commission. Operational income is recognised on accrual basis considering the establishment of right to receive the same.

2.15 Provision for doubtful assets

Provisions, specific and general, are made on the basis of end review by the management as per policy of the company and guidelines contained in Bangladesh Bank's FID Circulars. Specific provisions are made where the repayment of identified leases/loans are in doubt and reflect an estimate of the amount of loss anticipated and the general provision is made for the inherent risk of losses. Provisions are applied to write off leases/loans, in part or in whole, when they are considered wholly or partly irrecoverable. The company maintains full provision against leases and loans in case of payments outstanding for over three months irrespective of the status of classification. The company also maintains special provision for regular leases and loans where management has doubt about recovery.

2.16 Interest suspense account

Lease income earned and interest on term finance overdue beyond three months period and interest on real estate finance overdue beyond nine months period and interest on short term finance overdue beyond permitted credit term plus ninety days period are not recognised as revenue and are credited to the interest suspense account.

2.17 Accounts receivable

Accounts receivable at the balance sheet date are stated at amounts which are considered realisable. Specific allowance is made for receivables considered to be doubtful for recovery.

2.18 Borrowing cost

Borrowing costs are recognised as expense in the year in which they are incurred unless capitalisation is permitted under IAS 23: "Borrowing costs".

2.19 Income tax expense

Tax expense comprises of current and deferred tax. Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereto from time to time.

The company accounts for deferred tax as per IAS 12: "Income taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax. The impact of changes on the account in the deferred tax assets and liabilities has been recognised in the profit and loss statement.

2.20 Earnings per share (EPS)

The company calculates earnings per share in accordance with IAS 33: "Earnings per share".

2.21 Events after the reporting period

As per IAS 10: "Events after the reporting period" events after balance sheet date are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorised for issue. There were no materials events have occurred after the reporting period which could affect the values stated in the financial statements.

2.22 Comparative information

Comparative information has been disclosed in respect of the year ended 2019 and/or for the period ended 31 March 2020, for all numerical information in the financial statements and also the narrative and descriptive information where it is relevant for understanding of the current year's financial statements.



Uttam Kumar Saha
Chief Financial Officer



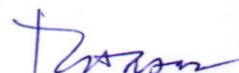
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