

Annual Report 2023



Bangladesh Industrial Finance Company Limited

Sustainability Report

Since inception, we have consistently positioned ourselves as a sustainable organization, guided by strong social values, sound financial discipline, prudent decision-making and unwavering ethical standards. These core principles have shaped our identity and strengthened our long-term vision.

As a financial institution, our deeply rooted moral values enable us to build lasting and meaningful relationships with our stakeholders and the wider community. Such relationships form a solid foundation for sustainable growth and long-term progress.

The very nature of our business places us in a unique position to support customers and stakeholders in addressing social and environmental challenges, while promoting responsible investment for the future. Through these efforts, we contribute to the resilience and sustainable development of local markets and the national economy.

The continued success of our customers, clients and stakeholders secures our future business prospects and remains the cornerstone of our sustainability journey.

Letter of Transmittal

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

Dear Sir(s),

Annual Report for the year ended December 31, 2023.

On behalf of the Board of Directors, we are pleased to present the Annual Report 2023 together with the audited Financial Statements for the year ended December 31, 2023 (covering the period from January 01, 2023 to December 31, 2023). This Annual Report contains all relevant information and disclosures as required by the concerned regulatory authorities.

We sincerely hope that the contents of this Report will provide you with meaningful insights and valuable perspectives on the Company's performance and overall activities during the year under review.

Thanking you.

Sincerely yours,



Anisur Rahaman
Company Secretary

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Notice of the 28th Annual General Meeting

Notice is hereby given that Pursuant to the judgment of the Honorable High Court Division (Statutory Original Jurisdiction) of the Supreme Court of Bangladesh in Company Matter No. 2047 of 2025 dated December 09, 2025 (Certified copy of Judgment received on 05.01.2026), the Board of Directors of Bangladesh Industrial Finance Company Limited (BIFC) in its 246th Meeting held on February 16, 2026 at 3 p.m. decided that the 28th Annual General Meeting (pending AGM for the year 2023) of the Company will be held by using Hybrid System (physical presence at the AGM venue and virtually by using online digital platform) on Tuesday 7th April 2026 at 11:00 a.m. at “Institution of Diploma Engineers, Bangladesh” IDEB Bhaban, 160/A, Kakrail VIP Road, Dhaka (pursuant to BSEC Order no.BSEC/CMRRCD/2009-193/08 dated March 10, 2021 to transact the following business:

Agenda:

1. To consider and adopt the Directors’ Report and the Auditors’ Report to the Shareholders accompanied by audited Financial Statements for the year ended on December 31, 2023;
2. To declare Dividend for the year ended December 31, 2023;
3. To elect/re-elect directors;
4. To appoint auditor for the year 2024 and to fix their remuneration;
5. To appoint Compliance Auditor as per Corporate Governance code for the year 2024 and to fix their remuneration; and
6. To transact any other business of the Company with the permission of the Chair.

By the order of the Board of Directors

March 15, 2026

Sd/-
Anisur Rahaman
Company Secretary

Notes:

- i. As notified earlier the “Record Date” was fixed on Thursday, 6th February, 2025. The shareholders whose names appeared in the Register of Shareholders of the Company and/or in the Depository on the Record Date will be eligible to attend and vote in the 28th AGM through physical or paper ballot at the venue of General Meeting or through electronic ballot or any e-voting system using online platform;
- ii. 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 with Tk.20.00 (Revenue Stamp), must be deposited at the Registered Office of the Company, not later than 48 hours before the time fixed for the meeting;
- iii. Pursuant to the BSEC notification link of the soft copy of the Annual Report for the year 2023 has been sent to the email address of the shareholders available in their BO account maintained with the depository and also available in the Website of the Company at **www.bifcol.com**;
- iv. Admission to the meeting room will be strictly on production of the attendance slip sent with the Notice as well as verification of signature of Member(s) and/or Proxy-holder(s);
- v. The Shareholders will join the AGM physically or virtually through the link **https://bifcol28.bdvirtualagm.com**. The Shareholders will be able to submit their questions/comments and vote electronically 24 (Twenty four) hours before commencement of the AGM and also during the AGM. For logging into the system, the Shareholders need to put their 16 digit Beneficiary Owner’s ID/Folio Number and other credentials as proof of their identity through visiting the said link;
- vi. No gift or benefit in cash or kinds shall be paid/offered to the shareholders as per Circular No. SEC/CMRRCD/2009-193/154, dated October 24, 2013 of BSEC to attend the AGM.

We encourage the Shareholders to login into the system prior to the meeting. Please allow ample time to login and establish your connectivity. For any IT related guidance, Shareholders may contact vide email: nawaz@bifcol.com, Mobile number: 01712519160, zesmin@bifcol.com.

Vision and Mission

Vision:

To emerge as a leading financial institution and earn the trust and confidence of society.

Mission:

- To develop and nurture a professional workforce, transforming it into a self-motivated team recognized as a strategic organizational asset.
- To ensure equitable distribution of resources across the country to support inclusive growth.
- To innovate and offer products that is relevant, timely and aligned with market demands.
- To ensure steady growth and deliver consistent returns on investments for stakeholders.

Core Values – SPIRIT

Social Responsibility

We are committed to caring for and contributing meaningfully to the communities in which we operate.

Performance

We evaluate performance based on measurable outcomes and recognize achievement accordingly.

Integrity

Integrity, transparency, and ethical business practices are the foundation of our organization.

Respect

We are committed to honoring every individual.

Innovation

We strongly encourage creativity, innovation, and fresh ideas at every level of our organization.

Teamwork

We work together to achieve shared success.

COMPANY INFORMATION

Name of the company	: Bangladesh Industrial Finance Company Limited
Legal Form	: A public limited company incorporated in Bangladesh on August 10, 1996 under the companies Act 1994 and listed in Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC.
Commencement of Business	: March 02, 1998
Registered Office	: Police Plaza Concord (Tower-2), Level-8, Plot # 2, Road # 144, Gulshan-1, Dhaka-1212, Bangladesh.
PABX	: 09611888333, 55045123-5
Fax	: +88-02-55045128
E-mail	: info@bifcol.com
Website	: www.bifcol.com
Chairman	: Mr. Ikteder Ahmed
Managing Director (C.C.)	: Mr. Md. Anwarullah Sadeq
Auditor	: Ahsan Manzur & Co., Chartered Accountants House # 373 (2nd floor), Road # 28, Mohakhali DOHS, Dhaka, Bangladesh.
Tax Advisor	: K.M. Hasan & Co. Chartered Accountants Hometown Apartment (7 th , 8 th & 9 th floor) 87, New Eskaton Road, Dhaka-1000, Bangladesh.
Branch	:
Chattogram Branch Akhteruzzaman Center (5 th Floor) Chattogram-4100 PABX: +02-333-317256, +02-333-313233 09611888451 Fax: +02-333-317242 E-mail: bifcctg@bifcol.com	Uttara Branch Flat # B1, House # 46, 1 st Floor, Road # 03, Sector # 11, Uttara, Dhaka-1230. Tel: +88-02-8991431, 09611888455 Fax: +88-02-8991682 Email: bifcuttara@bifcol.com
Narayanganj Branch 52/1, S.M. Maleh Road (1 st Floor), Tanbazar, Narayanganj Tel: +02-224-433817, 09611888453 Fax: +02-224-433897 E-mail: bifcnganj@bifcol.com	
No. of Employees:	: 40
Stock Summary	
Authorized capital	: BDT 4000.00 million
Paid-up-capital	: BDT 1006.80 million
Face value per share	: BDT 10.00

Company Milestones

Incorporation of the Company	August 10	1996
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License from Bangladesh Bank	February 19	1998
Commencement of Business	March 02	
Sanction of First lease proposal	October 06	
Execution of first lease agreement	October 07	

First letter of credit opened	April 08	1999
First credit line from bank	May 31	

First syndicated lease participation	August 18	2002
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Relocation of registered and head office	November 16	2003
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Initial Public Offering	August 20	2006
First trade of share	November 15	

First branch opened	December 03	2009
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Completion of 12 years in service	March 02	2010
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Second branch opened	October 16	2011
Change of face value and market lot of share	November 29	
Third branch opened	December 28	

Permission for Issuing Rights Share from Bangladesh Securities and Exchange Commission (BSEC)	September 23	2014
Corporate Head Office From Dilkusha to Gulshan	April 10	2017

BOARD OF DIRECTORS

Mr. Iktedar Ahmed, Chairman
Nominated Director, Merrill & Forbes Inc., USA

Mr. Mahmudul Hasan
Nominated Director of Five Continents Credit Limited, Hongkong

Mr. Ansar Uddin Ahmed
Independent Director

Mr. Shafique-ul Azam
Independent Director

Mr. Md. Anwarullah Sadeq
Managing Director (Current Charge)

Profile of the Directors



Mr. Ikteder Ahmed

Chairman and Nominated Director of Merrill & Forbes Inc., USA

Mr. Ikteder Ahmed was elected as the Chairman of the Board of Directors of Bangladesh Industrial Finance Company Limited (BIFC) by the Shareholders of the Company in the 26th AGM held on November 15, 2023. He is an L.L.B. (Hons.) and L.L.M. from the University of Dhaka with brilliant performance. He obtained Post Graduation on Juvenile Justice Administration in 1997 from the United Nations Asia and Far East Institute for Prevention of Crime and Treatment of Offenders, Tokyo, Japan, on International Labour Standards for Judges, Lawyers and Legal Educators in 2002 from the International Training Centre, Turin, Italy of International Labour Organization in Collaboration with University of Turin, Italy and on Intellectual Property Rights in 2006 from World Intellectual Property Organizations Worldwide Academy, Geneva, Switzerland.

He joined the Bangladesh Civil Service (Judicial) Cadre in the year 1981 and worked as Assistant Judge, Joint District Judge, Additional District and Sessions Judge and District and Sessions Judge in the hierarchy of the parent department while worked as Deputy Director (Law), Ansar and VDP; Deputy Secretary (Law), Election Commission Secretariat; Directory Judicial Administration Training Institute; Secretary, Law Commission; Chairman, Court of Settlement; Registrar General, Supreme Court of Bangladesh and Chairman, Minimum Wages Board on deputation. He went on voluntary retirement on February 8, 2011 in protest against certain injustice.

He visited Australia, Bahrain, Canada, China, Denmark, Finland, France, Germany, Hong Kong, India, Indonesia, Iran, Italy, Japan, Kenya, Macau, Malaysia, Mozambique, Myanmar, Nepal, Netherlands, Norway, Oman, Pakistan, Quarter, Russia, Saudi Arabia, Singapore, South Africa, Sri Lanka, Sweden, Switzerland, Thailand, United Arab Emirates and United Kingdom.



Mr. Mahmudul Hasan

Nominated Director of Five Continents Credit Limited, Hongkong

Mr. Mahmudul Hasan, a nominated Director of Five Continents Credit Limited, Hongkong, is Head of Marketing, Paper World Limited. He has completed Master's Degree from London College of Accountancy. He likes to travel and reading books.



Mr. Ansar Uddin Ahmed
Independent Director

Mr. Ansar Uddin Ahmed was born in a respectable Muslim family in the District of Laxmipur on May Day, 1952. Mr. Ahmed's father was a retired government High School Headmaster and his mother was a homemaker.

He studied for the Graduation & Postgraduate Degrees at the Dhaka University during 1969-73. During this period of life he joined the liberation war of Bangladesh and shouldered the responsibility of Deputy District Commander of the Laxmipur zone of the BLF (Mujib Bahini).

After completion of studies, he joined the Central Bank of Bangladesh as Assistant Director in 1976. He served for Bangladesh Bank about 25 years. During this period, he was General Manager (Director) of the Departments of Currency Management & Accounting, Agricultural Credit and Banking Regulations & Policy Department. During his period of service in the Central Bank, he passed both parts of the Banking Diploma Examinations, secured the post-graduate diploma degree in Personnel Management and obtained the Post-graduation Degree in Financial Economics from the University of Wales, UK in 1986.

Afterwards, he joined the largest private sector bank, Pubali Bank PLC, as the Deputy Managing Director in early 2000 and served for more than 3 years. Subsequently he moved to National Housing Finance PLC and Bangladesh Industrial Finance Company Limited (BIFC) as Managing Director in the years 2003 and 2008 respectively. Lastly, he served as an Independent Director of BD Finance PLC, a leading leasing company from 2013 to 2018.



Mr. Shafique-ul-Azam
Independent Director

Mr. Shafique-ul-Azam, an Independent Director of the Board of Directors of Bangladesh Industrial Finance Company Limited (BIFC), is a notable and incisive expert in Finance & Development with over three decades of experience. He is also the Chairman of the Risk Management Committee and Member of the Executive Committee, and the Audit Committee of the Board of Directors. Mr. Azam is the Managing Director of BD Venture Limited, the country's first venture capital company. He earned his graduation with honors in Economics and an MBA in Marketing from IBA, University of Dhaka; He started his career in MIDAS as a Junior Project Management Officer in 1986. He served for MIDAS Financing PLC as Managing Director for the period from 2010 to 2019.

While he was in MIDAS Financing PLC he represented the company to the Board of BD Venture Limited, Fin Excel Limited. He has vast experience in small, medium and micro enterprise financing and entrepreneurship development. He conducted many training as a facilitator and lead facilitator on Small Enterprise Development, Micro Enterprise Development and Micro Credit Management to the mid-level and senior officials of different NGOs, Banks and International Institutions, like BRAC, PROSHIKA, Department of Women Affairs, Sonali Bank PLC, Janata Bank PLC, ITDG, etc.



Mr. Md. Anwarullah Sadeq
Managing Director (Current Charge)

Mr. Md. Anwarullah Sadeq started his service in Bangladesh Industrial Finance Company Limited as a Senior Principal Officer, Chattogram Branch on November 08, 2009. He currently serves as the Deputy Managing Director (DMD) and holds the current charge of the office of the Managing Director since July 03, 2023. Prior to joining BIFC, Mr. Sadeq worked at Phoenix Finance & Investment Limited and Premier Leasing & Finance Limited. He has more than 24 years of experience in the NBFIs sectors and gained valuable knowledge and skills.

Mr. Sadeq holds a master's degree in Accounting and he also completed MBA degree major in Marketing. He finished a chartered accountancy course from a reputed firm Toha Anwar Rouf & Co., Chartered Accountants. Throughout his career, Mr. Sadeq participated in various seminars, workshops, and training courses to enhance his knowledge and skills.

Committees

BIFC operates its state of affairs through various committees composed by the Board of Directors and the management with the objective to establish transparency and effectiveness.

SUB-COMMITTEE OF THE BOARD OF DIRECTORS

Composition of the different sub-committee of the Board of Directors of BIFC is shown below:

(A) EXECUTIVE COMMITTEE (EC)

The Executive Committee consists of the following 3 (three) members of the Board of Directors:

Name	Status in the Company	Status in the Committee
Mr. Ikhtedder Ahmed	Chairman & Nominated Director	Chairman
Mr. Ansar Uddin Ahmed	Independent Director	Member
Mr. Shafique-Ul-Azam	Independent Director	Member

(B) AUDIT COMMITTEE

The Audit Committee consists of the following 3 (three) members of the Board of Directors:

Name	Status in the Company	Status in the Committee
Mr. Ansar Uddin Ahmed	Independent Director	Chairman
Mr. Shafique-Ul-Azam	Independent Director	Member
Mr. Mahmudul Hasan	Nominated Director	Member

The report of the audit committee is presented in the page no. 30-31.

(C) RISK MANAGEMENT COMMITTEE

The Risk Management Committee consists of the following 3 (three) members of the Board of Directors:

Name	Status in the Company	Status in the Committee
Mr. Shafique-Ul-Azam	Independent Director	Chairman
Mr. Ansar Uddin Ahmed	Independent Director	Member
Mr. Mahmudul Hasan	Nominated Director	Member

COMMITTEES OF THE MANAGEMENT

The management of Bangladesh Industrial Finance Company Limited (BIFC) has several committees to operate the company smoothly.

The composition of the different existing committees of the Management is furnished below:

(A) MANAGEMENT COMMITTEE (MANCOM)

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Md. Anwarullah Sadeq	Managing Director (Current Charge)	Chairman
2	Mr. Mohiuddin Ahmed	SVP & CFO	Member
3	Mr. Anisur Rahaman	AVP, CS & Head of Business	Member Secretary
4	Mr. Md. Zahidul Islam	SPO, In-charge, SAM & Uttara Branch	Member
5	Ms. Homaira Sharafat Neza	SPO, Head of Treasury & Liability	Member

Committees - Continued

The Management Committee of **BIFC** is a high-level group of top officials, headed by the Managing Director. The committee is included functional heads, responsible for executing company strategy and overseeing daily operations. It bridges the gap between strategic vision and operational reality, ensuring departments are aligned, risks are managed and financial, legal and operational goals are met.

(B) MANAGEMENT CREDIT COMMITTEE (MCC)

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Md. Anwarullah Sadeq	Managing Director (Current Charge)	Chairman
2	Mr. Anisur Rahaman	AVP, CS & Head of Business	Member Secretary
3	Mr. Md. Zahidul Islam	SPO, In-charge SAM & Uttara Branch	Member
4	Mr. Shaikh Moshir Rahman	Principal Officer, In charge of CAD & CRM	Member
5	Ms. Amena Khatun	Senior Officer, In-Charge, SME	Member

The Management Credit Committee (MCC) of **BIFC** is headed by the Managing Director and responsible for reviewing, approving and monitoring loans and credit facilities. The committee is also responsible to manage credit risk, ensure policy compliance and evaluate the probability of repayment. In addition, the Credit Committee may carry out additional responsibilities that are specifically empowered by the Board. The Credit approval limit of MCC is reviewed by the Board of Directors from time to time.

(C) ASSET LIABILITY MANAGEMENT COMMITTEE (ALCO)

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Mohiuddin Ahmed	SVP & CFO	Chairman
2	Mr. Anisur Rahaman	AVP, CS & Head of Business	Member Secretary
3	Ms. Homaira Sharafat Neza	SPO, Head of Treasury & Liability	Member

The principal responsibility of ALCO is to maintain optimum balance between assets and liability in terms of value, tenor and liquidity.

(D) ICC COMMITTEE

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Anisur Rahaman	AVP, CS & Head of Business	Chairman
2	Mr. Mohiuddin Ahmed	SVP & CFO	Member
3	Mr. Md. Shahriar Kobir	Principal Officer, Head of ICC Department	Member Secretary

The main objective of the Internal Control and Compliance Committee (ICC) are:

- Observe efficiency and effectiveness of activities (performance objectives);
- Ensure reliability, completeness and timeliness of financial and management information (information objectives);
- Compliance with applicable laws and regulations (compliance objectives) and accountability to the Board.

Committees - Continued

(E) CENTRAL COMPLIANCE UNIT (CCU)

Sl.	Name	Designation & Department	Position in the Unit
1	Mr. Anisur Rahaman	AVP, Company Secretary & Head of Business	CAMLCO
2	Mr. Md. Shahriar Kobir	Principal Officer, Head of ICC Department	D-CAMLCO & Member Secretary
3	Mr. Md. Zahidul Islam	SPO, In Charge Special Asset Management and Uttara Branch	BAMLCO Uttara Branch
4	Mr. Muradur Rahman	SPO, In Charge of Chattogram Branch	BAMLCO Chattogram Branch
5	Mr. Md. Ripon Biswas	Senior Officer, In Charge of Narayanganj Branch	BAMLCO Narayanganj Branch
6	Mr. Mohiuddin Ahmed	SVP & CFO	Member
7	Ms. Homaira Sharafat Neza	SPO, Head of Treasury & Liability	Member

Central Compliance Unit addresses various issues which are definition of customer for KYC purpose, process and timing of customer due diligence (CDD), defining and identifying beneficial owner, politically exposed person related issues, employee screening mechanism and awareness program for the customer. The Unit also ensures to preserve records of any customer's account at list 05 years and report any suspicious transaction to Bangladesh Bank immediately.

The Member Secretaries of the committees will arrange meeting at regular interval by giving prior notice with specific agenda. Minutes of the meetings are to be recorded timely and preserved in respective files with due care. The extracts of the minutes of the meetings will have to be sent to respective departments for necessary action at their end. Implement status of the previous meetings will have to be submitted by the concern Member Secretary.

(F) ICT COMMITTEE

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Mohiuddin Ahmed	SVP & CFO	Chairman
2	Mr. Anisur Rahaman	AVP, Company Secretary & Head of Business	Member
3	Mr. Md. Zulfikar Ali	SPO, In-charge Human Resources & Administration	Member
4	Mr. Md. Shahnawaz	Principal Officer, In-charge of ICT	Member Secretary

The main objective of the Information and Communication Technology Committee is to establish a standard ICT security policy & security management and

- To help the Company for security and stable setup of its ICT platform;
- To establish a secure environment for processing of the data;
- To identify information security risk and their management;
- To communicate the responsibilities for the protection of information;
- To prioritize information and information systems those need to be protected;
- To aware and train the uses associated with managing the ICT Infrastructure;
- To explain procedure for periodic review of the policy and security measures.

Committees - Continued

(G) RECRUITMENT & PROMOTION COMMITTEE

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Md. Anwarullah Sadeq	Managing Director (C.C.)	Chairman
2	Mr. Mohiuddin Ahmed	SVP & CFO	Member
3	Mr. Anisur Rahaman	AVP, CS & Head of Business	Member
4	Mr. Md. Zulfikar Ali	SPO, In-charge Human Resources & Administration	Member Secretary

The committee is a formal body responsible for selecting, evaluating, and recommending personnel for appointment or advancement, ensuring adherence to merit and seniority. The committee is vital for ensuring that both direct recruitment and internal promotions are transparent and follow established a corporate regulation.

(H) PROCUREMENT AND DISPOSAL OFF COMMITTEE

Sl.	Name	Designation & Department	Position in the Committee
1	Mr. Mohiuddin Ahmed	SVP & CFO	Chairman
2	Mr. Anisur Rahaman	AVP, CS & Head of Business	Member
3	Mr. Md. Shahnawaz	Principal Officer, ICT	Member
4	Mr. Md. Zulfikar Ali	SPO, In-charge Human Resources & Administration	Member Secretary

The committee is liable for procurement & disposal of the company's stationeries items and fixed assets.

(I) WILLFUL DEFAULTER IDENTIFICATION UNIT

Sl.	Name	Designation	Position in the Committee
1	Mr. Anisur Rahaman	AVP, CS & Head of Business	Chairman
2	Mr. Mohiuddin Ahmed	SVP & CFO	Member
3	Mr. Md. Zahidul Islam	SPO, In-charge, Special Asset Management & Uttara Branch	Member Secretary
4	Mr. Md. Shahriar Kobir	Principal Officer, Head of ICC Department	Member
5	Mr. Shaikh Moshiur Rahman	Principal Officer, In charge of CAD & CRM	Member
6	Mr. Md. Ashrafuzzaman	Senior Officer, Legal Department	Member

The Unit identifies willful defaulters of the company and report to the Bangladesh Bank.

CHAIRMAN'S MESSAGE

Dear Valued Shareholders,

Distinguished Members of the Board of Directors, Esteemed Guests, Ladies and Gentlemen,

As-salamu Alaikum warohmatullah,

I welcome you all to the 28th Annual General Meeting of Bangladesh Industrial Finance Company Limited (BIFC).

Pursuant to the Order dated 31st August 2023 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh in Company Matter No. 32/2020, the present Board of Directors was constituted. Simultaneously, the Audit Committee, the Executive Committee and the Risk Management Committee of the Board were reconstituted and all management committees are now functioning effectively.

Following my assumption of office as Chairman of BIFC, steps were taken to prioritize monitoring and recovery of defaulted loans, aiming to reduce non-performing loans (NPLs) and leases.

You are aware that the Company has been experiencing a severe liquidity crisis since 2016. As a result, the Company's core operations were largely suspended, with primary focus placed on monitoring and recovering non-performing loans and advances.

To this end, a dedicated Recovery Team was formed to monitor defaulting clients on a daily basis. Recovery from delinquent and stalled accounts is expected to improve within a reasonable timeframe. Defaulting clients are being regularly summoned to BIFC offices and through a series of meetings and discussions, several have responded positively by agreeing to reschedule their liabilities. Efforts continue to engage other defaulters to negotiate rescheduling of their obligations.

As on 31st December 2023, the loan portfolio of BIFC stood at BDT 770 crore, of which the Non-Performing Loan (NPL) ratio was 96.96%. As a result, interest income from loans and investments has been declined consequently, all key Financial indicators of the company deteriorated significantly and reached an abnormal state by the end of the year 2023.

As a part of an initiative to recover these loans an amount of Tk. 619.58 crore distressed loan, which is 81% of the total portfolio, are in a process of restructuring. Bangladesh Bank has given their kind approval for the restructuring of the said BDT 619.58 crore for 10-years period, with an initial down payment of BDT 62.27 crore under a Reconstruction Plan-2024 of BIFC. In accordance with this approval, BIFC has already completed all necessary documentation with the client.


I strongly believe that once the loan transfer process is completed BIFC will be able to resume its core business activities and will become a profitable company gradually.

On behalf of the Board of Directors, I would like to express my sincere appreciation to the Governor of Bangladesh Bank and the officials of its Department of Financial Institutions and Markets for their consultative approach, guidance, cooperation, and continued support throughout the year.

I also convey my heartfelt gratitude to the officials of Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC and Registrar of Joint Stock Companies & Firms for their ongoing cooperation and constructive support.

My sincere thanks are extended to our valued shareholders and clients, as well as to my fellow Board members, for their unwavering support and collaboration. I would also like to express my deep appreciation to the Management team for their leadership and professional expertise and to our dedicated employees for their commitment and hard work. Finally, I thank to all our stakeholders for their trust and continued confidence in the Company.

In conclusion, I remain confident that BIFC will continue its journey of sustainable growth and create lasting value for all stakeholders in the years ahead.



Ikhteder Ahmed

Chairman, Bangladesh Industrial Finance Co. Ltd.

Former Senior District Judge &

The Registrar General of the Supreme Court of Bangladesh

MANAGING DIRECTOR'S (CURRENT CHARGE) MESSAGE

Dear Valued Shareholders,

As-salamu Alaikum warohmatullah,

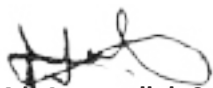
Apart from the banking sector, Non-Bank Financial Institutions (NBFIs) in Bangladesh play a vital role in the country's economic development through effective and efficient financial intermediation. Bangladesh Industrial Finance Company Limited (BIFC) is incorporated as a Public Limited Company in August 1996 and licensed by Bangladesh Bank in February 1998 as an NBF. But due to hostile take over of BIFC by an infamous group of people, the core business activities of the company have been suspended since 2016.

The present Board of Directors of BIFC was constituted by High Court Order dated 31st August 2023, passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh (Company Matter No. 32/2020). All the sub-committees of the Board like Executive Committee, Audit Committee and Risk Management Committee were reconstituted and all management committees are now functioning effectively.

Several initiatives have been undertaken to address these challenges. The status of each loan account has been thoroughly identified and reviewed. Duties have been clearly segregated among the CRM Department, Recovery Department and Legal Department to expedite the recovery process. Strong monitoring units comprising the CAD and SAM teams have been established to enhance and accelerate overall recovery efforts. The Company has also initiated and completed all necessary legal actions against defaulting borrowers in accordance with applicable laws and regulations.

As the Chief Executive, I assure you that we are fully committed to transforming BIFC into a leading institution through the effective utilization of our workforce and a spirit of teamwork. We firmly believe that this Company belongs to all of us and Insha'Allah, with unity, dedication and perseverance; we will achieve our desired goals.

In conclusion, I take this opportunity to express my sincere gratitude to our honorable Chairman, esteemed members of the Board, regulators, shareholders, valued stakeholders and our dedicated employees for their continued support and guidance. We are also deeply grateful to our customers for their trust and patronage. BIFC remains firmly committed to working tirelessly to fulfill the expectations of all our stakeholders in the years ahead.



Md. Anwarullah Sadeq

Managing Director (Current Charge)

Directors' Report

Dear Shareholders,

As-salamu Alaikum warohmatullah,

On behalf of the Board of Directors, I have the privilege and honor to welcome you all to the 28th Annual General Meeting of Bangladesh Industrial Finance Company Limited (BIFC) and to present the Annual Report together with the audited Financial Statements of the Company for the year ended December 31, 2023.

It may be noted that the Directors' Report of the Company has been prepared in full compliance with Section 184 of the Companies Act, 1994; BSEC Notification No. SEC/CMRRCD/2016-158/134/Admin/80 dated June 03, 2018; the Listing Regulations of the Dhaka and Chittagong Stock Exchanges PLC; and other applicable rules and regulations of the relevant regulatory authorities.

Global Economic Performance

In 2023, the global economy experienced significant turbulence, marked by persistent inflation, rising interest rates, tight labour markets and ongoing geopolitical shocks. These challenges disrupted economic projections and heightened uncertainty, despite the resilience observed in the early part of the year. According to the International Monetary Fund (IMF) global GDP growth slowed to 3.2% in 2023, below the historical average of 3.8% for the period 2000–2023. Global inflation declined to 6.8% in 2023 from 8.7% in 2022, driven largely by falling fuel prices and the impact of hawkish monetary policies. Long-term interest rates rose across advanced economies, reflecting central banks' proactive efforts to contain inflation. Moreover, despite global manufacturing slowdowns and persistent geopolitical conflicts, the World Trade Organization (WTO) reported that global trade growth reached 0.8% in 2023, down from 3.0% in 2022. Overall, the global economy demonstrated resilience, although significant regional disparities remained and the margin for policy missteps continued to be narrow.

Bangladeshi Economic Performance

In calendar year 2023, Bangladesh maintained relatively robust economic growth compared with many peers. Real GDP growth for the fiscal year 2022-23 (which spans July 2022-June 2023) was around 6.0%. This marked a slowdown from earlier years (above 7% growth before) but still one of the higher rates globally.

Inflation was elevated compared with Bangladesh's historical averages. According to the IMF and World Bank, headline inflation reached highs near 9.0-9.9% at times in 2023 due to global commodity price pressures and supply disruptions.

The ready-made garment (RMG) industry continued to be a major engine of growth, with export earnings staying strong-over \$50 billion in FY2023-driven by apparel and textile products.

Strict import compression policies helped significantly narrow the current account deficit-from around 4.1% of GDP in FY2022 to about 0.75% in FY2023.

However, foreign exchange reserves and currency stability faced pressure due to global headwinds and tight financial conditions.

Financial Services Sector in 2023

The financial sector's contribution to GDP growth in the fiscal year 2022-23 decelerated sharply to about 2.55%, down from roughly 5.87% the year before, according to official statistics. The weak performance of banking and insurance was a major factor.

Directors' Report - Continued

Broader macroeconomic headwinds-including high non-performing loans (NPLs), interest rate pressures, and subdued credit demand-weighed on growth across financial subsectors.

The banking industry faced persistent stress in 2023, with relatively high NPLs and liquidity concerns. Commercial banks struggled with lower credit growth and slower private sector borrowing.

Many banks operated in an environment of tighter monetary policy and rising costs of funds as inflationary pressures spread through the economy in 2023.

NBFIs recorded increased deposits and loan disbursements in 2023, showing renewed activity in credit and retail financing.

However, experts warn that rapid loan growth relative to deposits might spark asset-liability mismatches, posing potential stability risks.

Bangladesh Bank has taken proactive measures to foster digital banking initiatives, underscoring the sector's commitment to innovation and future growth amidst evolving economic conditions.

Core Activities of BIFC

Bangladesh Industrial Finance Company Limited (BIFC) could not engage itself in operational activities in the year 2023, even though it was engaged in financing the following sectors of the industry previously:

Lease Finance Term Finance Syndicate on Finance House Building Finance SME Finance
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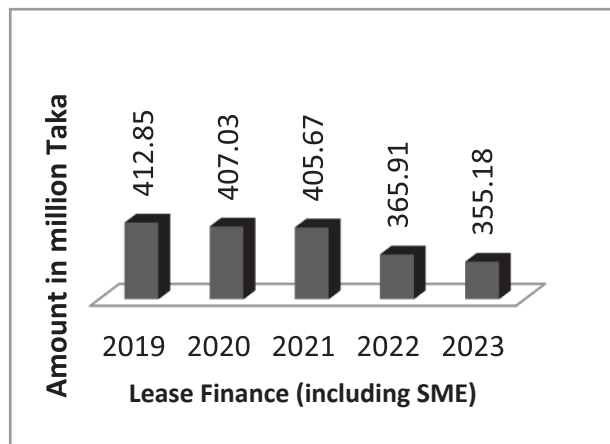
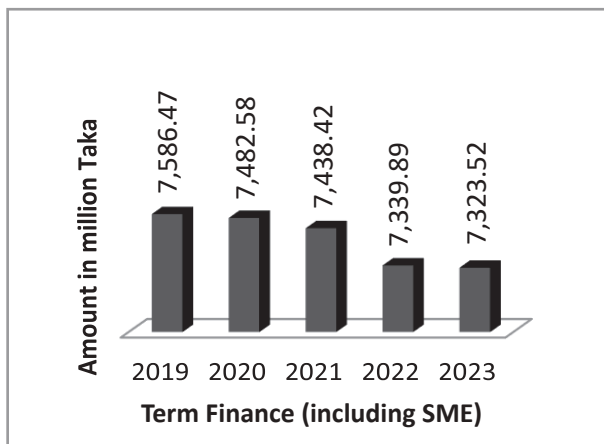
Equity Participation Work Order Finance Personal Loan Term Deposit Mobilization Transact on in Listed Securities
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BIFC's Performance in 2023

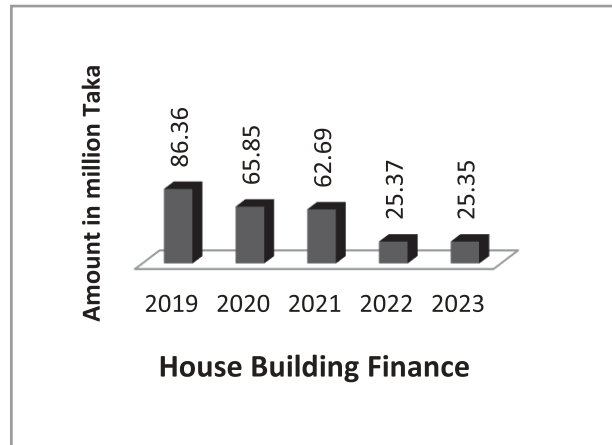
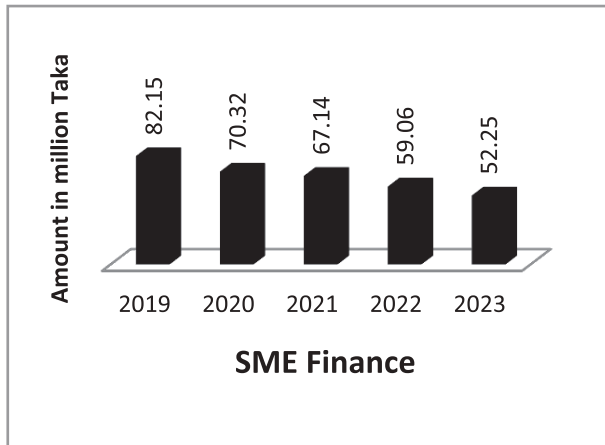
As majority of the borrowers did not pay any defaulted loan amount during the year 2023, liquidity constraints prevented the Company from fresh disbursements, debt servicing and repayments. However, all-out efforts were made to run the Company by mobilizing deposits and recovering non-performing loans.

Portfolio Status

Graphical presentations of portfolio status as of reporting date (year-end) of previous 5 (five) years are depicted below. It may be mentioned here that even though no fresh disbursement was made during the year 2023, the outstanding amount increased due to interest charges and decreased by collections.

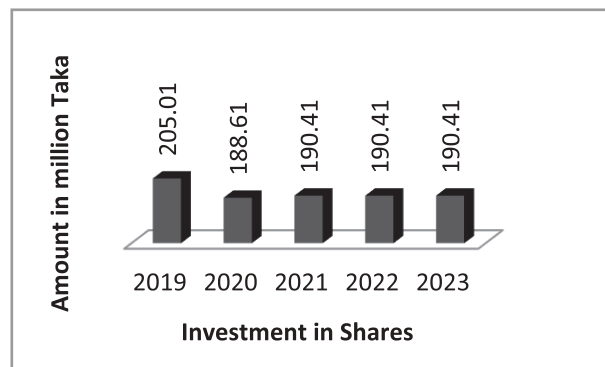
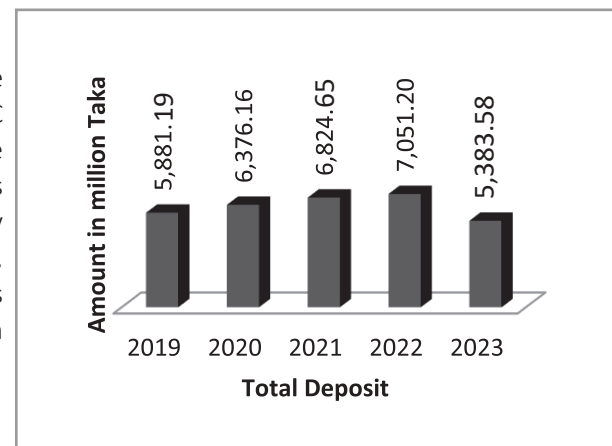


Directors' Report - Continued



Deposit Mobilization

BIFC collects deposits from the surplus units of the society in different forms. Deposit scheme of BIFC includes monthly/quarterly/half-yearly/yearly income scheme, double money scheme, monthly savings scheme (MSS) etc. The deposit base of the company stood at Tk. 5,383.58 million as on 31 December, 2023 compare to Tk. 7,051.20 million of the previous year, decreased by 23.65 percent due to segregation of capitalized interest.



Geographical Segmentation

BIFC provides services to its customers through its four Branches located in Gulshan, Uttara (Dhaka), Narayangonj and Chattogram.

Financial Performances of BIFC

The company's before and after tax profit/ (loss) for the year 2023 were BDT (569.07) million and BDT (569.40) million compared to BDT. (762.93) million and BDT. (763.42) million respectively in the previous year.

Directors' Report - Continued

The financial position of BIFC is summarized as under:

	<u>31.12.2023</u>	<u>31.12.2022</u>
Operational Revenue	11,065,424	83,042,839
Financial Expenses	493,624,056	795,473,568
Operational Expenses	58,192,564	58,460,174
Profit before Provision	(540,751,196)	(770,890,903)
Provision for loans, advances and leases & Investments	28,315,483	(7,964,836)
Profit before Tax	(569,066,679)	(762,926,067)
Provision for Income Tax	329,853	498,257
Profit after Tax	(569,396,532)	(763,424,324)
Retained earnings from previous years	(13,077,250,501)	(12,313,826,177)
Dividend for last year	-	-
Statutory Reserve (cumulative)	154,713,730	154,713,730
General Reserve (cumulative)	10,364,681	10,364,681
Profit available for common stockholders	(13,583,580,135)	(13,077,250,501)
Directors recommended for appropriation:		
Proposed Dividend	-	-
Retained Earnings	(13,583,580,135)	(13,077,250,501)
Earnings per share	(5.66)	(7.58)

Sources of Fund

BIFC utilized the previously raised/collected funds and did not borrow any money under any credit line during the year 2023.

Dividend

The Company incurred loss and the total equity of the company was negative in the year 2023 and as such the Board of Directors recommended 'No Dividend'. No cash or bonus share dividend was declared as interim dividend during the year 2023.

Risk Management

BIFC has different committees for risk management. Credit Committee, and Asset and Liability Committee (ALCO) consisting of BIFC's senior management regularly appraise issues relating to market, credit and liquidity so as to identify and execute appropriate measures to address and mitigate associated risks. BIFC has an approved Asset Liability Management (ALM) Policy. The Credit Risk Management (CRM) department independently examinesnt priorities in line with BIFC's risk appetite, while rationalizing the risk-return trade off derived from the related risk exposure. The CRM team clearly points out exceptionally high-risk sectors and illegal lending types that the company does not entertain under any environmental, social or ethical considerations of such projects.

At individual exposure level, a credit risk grading is used to encourage safety and soundness of the company by making informed decisions. At portfolio level, the company follows the quality of the loan by analyzing risk transfer and trends in the non-performing ratios of different lending portfolios on a regular basis. Such indicators prompt timely decision by the relevant risk management committees in preserving the quality of the loans and advances. BIFC's Credit Administration Department (CAD) and Internal Control and Compliance (ICC) Department are responsible for assessing operational risk across the company as a whole ensuring an appropriate framework to identify access and manage operational risks.

Internal Control

The internal control system is designed to manage rather than eliminate the risk of achieving business objectives. Internal control aims at providing reasonable and not absolute assurance against material

Directors' Report - Continued

misstatements or loss. The internal audit department of the company as well as the Board reviews the internal control system and its effectiveness. There are policies and procedures in place to ensure compliance with internal control and the prescribed laws and regulations. These policies and procedures are updated from time to time in tandem with changes to the business environment or regulatory guidelines.

Corporate Governance

The Board of Directors of BIFC has adopted effective Corporate Governance practices as one of its priorities to conduct its business and operational activities. When conducting the Company's business activities, all efforts of BIFC are to ensure adequate protection of its shareholders and other stakeholders at all times.

Dear Shareholders,

During the period from January 01, 2023 to November 14, 2023 Mr. Justice (Retd.) Moyeenul Islam Chowdhury was the Court-appointed Chairman and Independent Director of Bangladesh Industrial Finance Company Limited as per the Order dated December 17, 2020, passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in the Company Matter No. 32/2020. Therefore, the Undersigned has been nominated as Director, representative of foreign Shareholder of the company, Merrill & Forbes Inc., USA and elected as the Chairman of the Company in the 227th Board Meeting of the Company held on November 15, 2023 and approved the same by Bangladesh Bank on January 03, 2024.

Directors

It is to be noted that as per the Order Nos. 8 & 12 dated December 17, 2020 and September 27, 2021 respectively passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in the Company Matter No. 32 of 2020, the Board of Directors of BIFC was reconstituted. The incumbent Court-appointed interim Board handed over the charge to new Directors elected in the 26th Annual General Meeting of the Company held on November 15, 2023 which was approved by Bangladesh Bank on January 03, 2024, pursuant to the Order dated 31.08.2023 passed by the Hon'ble High Court Division of the Supreme Court of Bangladesh in Company Matter No. 32 of 2020. Accordingly, on December 31, 2023 the members of the Board of Directors of BIFC was as follows:

Sl.	Name	Designation
1.	Mr. Ikteder Ahmed	Nominated Director of Merrill & Forbes Inc., USA
2.	Mr. Mahmudul Hasan	Nominated Director of Five Continents Credit Ltd., Hongkong
3.	Mr. M Nazrul Islam	Independent Director
4.	Mr. Ansar Uddin Ahmed	Independent Director
5.	Mr. Shafique-Ul-Azam	Independent Director
6.	Mr. Md. Anwar Hossain, FCA	Independent Director
7.	Professor Md. Musfiqur Rahman, PhD, FCMA	Independent Director
8.	Mr. Mohammad Ariful Islam	Independent Director

Kindly note that at present the 28th & 29th AGMs of the company for the years 2023 and 2024 respectively are pending.

Further to be noted that the present members of the Board of Directors of BIFC are as follows:

Sl.	Name	Designation
1.	Mr. Ikteder Ahmed	Nominated Director of Merrill & Forbes Inc., USA
2.	Mr. Mahmudul Hasan	Nominated Director of Five Continents Credit Ltd., Hongkong
3.	Mr. Ansar Uddin Ahmed	Independent Director
4.	Mr. Shafique-Ul-Azam	Independent Director

Directors' Report - Continued

Statement of Directors on Financial Reports

- a) The financial statements together with the notes thereon have been drawn up in conformity with the Companies Act, 1994 and the Securities and Exchange Rules, 1987. These statements present fairly the Company's statement of affairs, the result of its operation, cash flow, and statement of changes in equity.
- b) Proper books of accounts of the Company have been maintained.
- c) Appropriate Accounting Policies have been consistently applied in preparation of the financial statements except those referred to in the financial statements and the accounting estimates are based on reasonable and prudent judgment.
- d) The presentation of Financial Statements have been made in accordance with the Bangladesh Bank DFIM circular No.11 dated December 23, 2009.
- e) International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the Financial Statements, any departure there from has been adequately disclosed in note 2.1 of the Financial Statements.
- f) Internal Control System is sound in design and has been effectively implemented and monitored.
- g) Directors have felt that it is appropriate to adopt going concern assumption in preparing the financial statements for the year 2023.
- h) There is no significant deviation from the operating result of the last year.
- i) No dividend has been recommended by the Board of Directors of the Company as interim dividend.

Audit Information

The Directors who have held office at the date of this Directors' report confirm, so far the Directors are aware, that:

- There is no relevant audit information of which the Company's auditors are unaware; and
- The Directors have taken all the steps that they ought to have taken as Directors in order to make them-selves aware of any relevant information and to establish that the Company's auditors are aware of that information.

Statutory Auditors

The auditors of the Company, Ahsan Manzur & Co., Chartered Accountants completed the audit of the financial statements for the year ended on December 31, 2023 successfully. They have completed 1st year Audit successfully. As per the stipulation of FID Circular No. 03, dated March 02, 1999, they are eligible for re-appointment. They have expressed their willingness to be appointed as the Auditor of the company. On the basis of the proposal of the Audit Committee, the Board of Directors appointed Ahsan Manzur & Co., Chartered Accountants as the auditor of the company for the year 2024, subsequently which was approved by the Bangladesh Bank.

Compliance Auditor

As per the Corporate Governance Code of Bangladesh Securities and Exchange Commission dated June 3, 2018, a professional is required to be appointed for certifying compliance with the Corporate Governance Code. The Board of Directors appointed Fames & R, Chartered Accountants as the compliance auditor for the year 2024.

Directors' Report - Continued

Board Meeting and Attendance

During the year, 08 Board Meetings were held. The attendance of the Directors is shown in Annexure-I.

Shareholding Pattern

The shareholding pattern as per clause 1.5 (xxiii) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 is shown in Annexure-II.

Key Operating and Financial Data

Summarized key operating and financial data of the Company for the last five years are shown in Annexure-III.

Related Party Transactions

Disclosure of all related party transactions, including the basis for such transactions, has been provided in Note 45.3 at page 101 of this Annual Report.

Declaration and Certification of Managing Director and Chief Financial Officer

Pursuant to clause 1.5 (xxvi) of BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018, Declaration and Certification of Managing Director and Chief Financial Officer is provided in Annexure-IV.

Brief resume of the Directors in case of appointment/re-appointment in the AGM

Brief resume of the Directors as per clause 1.5 (xxiv) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018 and BSEC Notification No. BSEC/CMRRCD/2009-193/3/Admin/104 dated February 5, 2020 is required. The profile of the Directors are mentioned in page no. 10-11 of this Annual Report.

Report on the Activities of the Audit Committee

Pursuant to clause 5.7 of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/admin/80 dated June 3, 2018, Report on the Activities of the Audit Committee is disclosed in Annexure-V.

Certification on Compliance of Corporate Governance Code

Certificate from a professional on compliance with the conditions as per clause 9(1) of the Corporate Governance Code is shown in Annexure-VI.

Dear Shareholders

The Board of Directors deeply acknowledges the support of all stakeholders, whose satisfaction remains at the core of BIFC's activities. The remarkable support received from our clients, Bangladesh Bank, Banks and Financial Institutions, the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, the National Board of Revenue, the Registrar of Joint Stock Companies and Firms and all other concerned agencies has not only facilitated our operations but also enabled us to continue BIFC's day-to-day activities during an unprecedentedly challenging period. We sincerely appreciate everyone's cooperation, support and guidance.



Ikhteder Ahmed

Chairman, Bangladesh Industrial Finance Co. Ltd.
Former Senior District Judge &
The Registrar General of the Supreme Court of Bangladesh

Data Sources:

1. World Economic Outlook, 2023.
2. Asian Development Bank, Asian Development Outlook 2023
3. Bangladesh Bank Annual Report 2022-2023.
4. The Daily Sun

Directors’ Attendance in the Board of Directors Meeting during the year 2023

Name of Directors	Nominated by	Number of meetings held	Number of meetings attended	%
Justice Moyeenul Islam Chowdhury	Independent Director & Chairman	08	08	100%
Mr. Shamim Khaled Ahmed Barrister-at-Law	Pioneer Dresses Ltd.	08	08	100%
Mr. Mohammad Tofazzel Hossain FCA, CPA, CPFA	Pioneer Dresses Ltd.	08	08	100%
Mr. Ruhul Amin	Sukuza Venture Ltd.	08	08	100%
Mr. Shyamal Kanti Ghosh Former Secretary	Independent Director	08	08	100%
Dr. Md. Jamil Sharif, FCMA Associate Professor	Independent Director	08	08	100%
Mr. Md. Mahamud Hosain, FCA	Independent Director	08	08	100%
Mr. Fakhruddin Ahmed, FCMA, FCA	Independent Director	08	08	100%

Pattern of Shareholding

Sl.	Shareholders	Position	No. of Shares	%
i)	Parent/Subsidiary/Associate Companies	N/A	N/A	N/A
ii)	Director/Sponsor/Top Executive			
1	Five Continents Credit Limited, Hongkong	Sponsor & Director	19,519,318	19.39
2	Mr. A.N.M. Jahangir Alam	Sponsor	2,028,633	2.01
3	Mr. Mohiuddin Ahmed	Sponsor	1,875,789	1.86
4	Mr. Rais Uddin Ahmed	Sponsor	1,276,333	1.27
5	Mr. Abdul Aziz Khan	Sponsor	1,226,326	1.22
6	Merrill & Forbes Inc., USA	Director	12,685,266	12.60
7	Mr. Ikteder Ahmed	Nominated Director of Merrill & Forbes Inc., USA	Nil	Nil
8	Mr. Mahmudul Hasan	Nominated Director of Five Continents Credit Ltd., Hongkong	Nil	Nil
9	Mr. M Nazrul Islam	Independent Director	Nil	Nil
10	Mr. Ansar Uddin Ahmed	Independent Director	Nil	Nil
11	Mr. Shafique-Ul-Azam	Independent Director	Nil	Nil
12	Mr. Md. Anwar Hossain, FCA	Independent Director	Nil	Nil
13	Professor Md. Musfiqur Rahman PhD, FCMA	Independent Director	Nil	Nil
14	Mr. Mohammad Ariful Islam	Independent Director	Nil	Nil
15	Mr. Md. Anwarullah Sadeq & his spouse & minor child	Managing Director (Current Charge)	Nil	Nil
16	Mr. Mohiuddin Ahmed & his spouse & minor child	Chief Financial Officer	Nil	Nil
17	Mr. Anisur Rahaman & his spouse & minor child	Company Secretary	Nil	Nil
18	Mr. Md. Shahriar Kobir & his spouse & minor child	Head of ICC	Nil	Nil
Sub Total			38,611,665	38.35
lii)	Executives			
1	Mr. Muradur Rahman	SPO, In Charge of Chattogram Branch	Nil	Nil
2	Mr. Md. Zahidul Islam	SPO, In Charge, SAM and Uttara Branch	Nil	Nil
3	Mr. Md. Zulfikar Ali	SPO, In Charge HR & Administration	Nil	Nil
4	Ms. Homaira Sharafat Neza	SPO, Head of Treasury & Liability	Nil	Nil
iv)	Shareholding 10% or more voting right			
1	Tees Mart Inc., USA	Institution	18,135,256	18.01
v)	Others		43,933,023	43.64
Total			100,679,944	100.00

Financial Highlights

A. Balance sheet	2019	2020	2021	2022	2023
Shareholders' equity	(9,491,367,450)	(10,306,626,579)	(10,756,122,297)	(11,519,546,621)	(12,025,876,255)
Paid up capital	1,006,799,440	1,006,799,440	1,006,799,440	1,006,799,440	1,006,799,440
Share money deposit	362	362	362	362	362
Other reserve & surplus	(10,498,167,252)	(11,313,426,381)	(11,762,922,099)	(12,526,346,423)	(13,032,676,057)
Total liability	18,589,971,050	19,359,528,381	19,794,430,035	20,442,034,702	20,840,801,547
Long term borrowings	2,862,653,163	3,140,032,332	3,436,826,929	3,713,720,368	3,713,536,156
Term deposit	5,881,192,965	6,376,155,007	6,824,646,977	7,051,203,915	5,383,582,976
Other deposit	11,075,243	7,815,585	7,815,585	7,762,044	7,577,940
Money at call and short notice	140,000,000	140,000,000	140,000,000	140,000,000	140,000,000
Other liabilities	9,695,049,679	9,695,525,457	9,385,140,544	9,529,348,375	11,596,104,475
Total liabilities & equity	9,098,603,600	9,052,901,802	9,038,307,738	8,922,488,081	8,814,925,292
Total assets	9,098,603,600	9,052,901,802	9,038,307,738	8,922,488,081	8,814,925,292
Lease finance	412,846,387	407,028,373	405,676,443	365,914,725	355,157,454
Term finance	7,586,472,005	7,548,426,720	7,501,114,813	7,365,260,825	7,348,870,288
Investment in share	205,012,291	188,605,790	190,411,213	190,411,213	190,411,213
Investment in FDR	-	-	-	-	-
Other assets	894,272,917	908,840,919	941,105,269	1,000,901,318	920,486,337
B. Income statement					
Operating revenue	198,596,851	84,768,642	39,177,137	83,042,839	11,065,424
Non operating revenue	-	-	-	-	-
Financial expenses	1,030,325,050	864,481,915	890,684,808	795,473,568	493,624,056
Depreciation on fixed assets	3,070,137	2,625,551	2,249,952	1,931,983	1,662,255
General and administrative expenses	58,597,463	44,650,468	47,283,785	51,326,502	51,878,661
Other operational expenses	5,408,228	5,173,126	4,925,697	5,201,689	4,651,648
Operational Profit	(898,804,027)	(832,162,418)	(905,967,105)	(770,890,903)	(540,751,196)
Provision for loans, advances leases and investments	(328,129,154)	(17,411,901)	78,844,550	(7,964,836)	28,315,483
Profit before tax	(1,226,933,181)	(814,750,517)	(984,811,655)	(762,926,067)	(569,066,679)
Income tax	1,194,895	508,612	235,038	498,257	329,853
Net profit after tax	(1,228,128,076)	(815,259,129)	(985,046,693)	(763,424,324)	(569,396,532)
C. Business performance					
Lease & loan contracts (Taka in million)	33.82	3.85	0.17	0.60	9.25
Growth (%)	(1)	(89)	(96)	253	1442
Number of lease & loans	40	15	2	1	20
Lease & loan execution (Taka in million)	33.82	3.85	0.17	0.60	9.25
Growth (%)	40	(89)	(96)	253	1442
Number of leases & loans	53	15	2	1	20
D. Financial ratios					
Current ratio (in times)	0.30	0.29	0.34	0.10	0.32
Debt equity ratio (in times)	(1.96)	(1.88)	(1.84)	(0.947)	(1.73)
Profit margin before tax (%)	(636.30)	(1,014.82)	(2788.85)	(918.71)	(51.43)
Financial expenses coverage ratio (in times)	(1.19)	(0.94)	(1.14)	(0.959)	(1.15)
Return on equity (%) (after tax)	(121.98)	(80.98)	(97.84)	6.63	0.05
Earnings per share (in Tk.) (Restated)	(12.20)	(8.10)	(9.78)	(7.58)	(5.66)
Dividend					
Cash (%)	Nil	Nil	Nil	Nil	Nil
Stock (%)	Nil	Nil	Nil	Nil	Nil

Declaration by Managing Director and Chief Financial Officer

February 02, 2026

The Board of Directors
Bangladesh Industrial Finance Company Limited (BIFC)
Police Plaza Concord (Tower-2), Level-8
Gulshan-1, Dhaka-1212.

Subject: Certificate on Financial Statements for the year ended on December 31, 2023.

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bangladesh Industrial Finance Company Ltd. for the year ended on December 31, 2023 have been prepared in compliance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as applicable in Bangladesh and any departure there from has been adequately disclosed;
2. The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
3. The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
4. To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
5. Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
6. The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

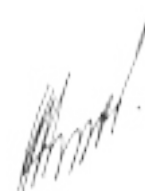
In this regard, we also certify that:

- i) We have reviewed the financial statements for the year ended on December 31, 2023 and that to the best of our knowledge and belief:
 - a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board of Directors or its members.

Sincerely yours,



Md. Anwarullah Sadeq
Managing Director (C.C)



Mohiuddin Ahmed
Chief Financial Officer

Report on the activities of the Audit Committee

Role of Audit Committee

The Audit Committee (hereinafter referred to as “the Committee”), on behalf of the Board of Directors, strives to ensure the effective implementation of the processes outlined in the Company’s Business Plan and policies. The primary role of the Committee is to monitor and review the effectiveness of the internal control system.

The Committee is also responsible for ensuring the integrity of the financial statements, so that they present a true and fair view of the Company’s State of Affairs. In addition, it reviews and where appropriate, makes recommendations to the Board regarding business risks, internal controls and compliance matters.

The Committee satisfies itself through appropriate steps and access to relevant information that proper and satisfactory internal control systems are in place, enabling identification and management of risks and ensuring that the Company’s business is conducted in a sound and prudent manner.

Purpose of the Committee

The Committee is a sub-committee formed by the Board of Directors of the Company to oversee internal controls and organizational effectiveness. Its Terms of Reference are defined by the Board. The primary purpose of the Committee is to assist the Board in the following matters:

- Evaluate the performance of the Company’s internal control functions;
- Ensure compliance with all legal and regulatory requirements;
- Provide recommendations on reporting, control and compliance matters;
- Offer independent monitoring and guidance and, when necessary, direct executive management decisions;
- Conduct independent reviews to ensure control over financial reporting and other operational matters; and
- Assess whether the financial statements present a true and fair view of the Company’s affairs and are prepared in accordance with regulatory guidelines.

Structure of the Committee:

As per DFIM Circular no.01, dated 29th February 2024 and BSEC notification n.BSEC/CMRRC/2006-158/207/Admin/80 dated June 03, 2018, the Audit Committee of the Board of Directors of BIFC has been formed consisting of following:

Name	Status in the Company	Status in the Committee
Mr. Ansar Uddin Ahmed	Independent Director	Chairman
Mr. Shafique-Ul-Azam	Independent Director	Member
Mr. Mahmudul Hasan	Nominated Director	Member

The Company Secretary acts as the Secretary of the committee.

Terms of Reference

The Terms of Reference of the Committee clearly define its roles and responsibilities. These Terms of Reference are periodically reviewed and revised with the concurrence of the Board of Directors. The Committee is accountable to and reports directly to, the Board of Directors.

The roles and functions of the Committee are further governed by the rules specified under the ‘Conditions on Corporate Governance’ issued by the Bangladesh Securities and Exchange Commission (BSEC), as well as the relevant guidelines issued by Bangladesh Bank.

Scope of Work

The Committee is authorized to monitor and review the effectiveness of the Company’s internal audit and compliance function in the context of the Company’s overall risk management system. The Committee performs its activities within the Terms of Reference of the Committee and is empowered to seek information from any Director or employee of the Company from time to time as it thinks fit. The Committee presents a summary of its activities to shareholders and other interested parties by means of this report duties and Responsibilities. The Duties and Responsibilities of the Committee are:

Report on the activities of the Audit Committee-Continued

Review of Financial Statements

The Committee is authorized to monitor and review the effectiveness of the Company's internal audit and compliance functions within the context of the Company's overall risk management framework. The Committee conducts its activities in accordance with its Terms of Reference and is empowered to seek information from any Director or employee of the Company as it deems necessary. The Committee presents a summary of its activities to shareholders and other interested parties.

Internal Audit & Compliance

The Committee reviews the Internal Audit & Compliance plans to ensure the adequacy, consistency and coverage of the Company's risk management framework. In particular, the Committee oversees the following activities:

- Review and ensure that the Internal Audit & Compliance Department possesses the necessary competency and qualifications to fulfill its mandate.
- Examine status reports from the Internal Audit & Compliance Department and confirm that appropriate actions have been taken to implement its recommendations.
- Recommend broader reviews when deemed necessary based on issues identified during audits or compliance checks.
- Request and review special audits whenever required to address specific concerns or risks.

External Audit

Ahsan Manzur & Co. Chartered Accountants, a partnership firm registered in Bangladesh was responsible as External Auditor to the company for the year 2023. The External Auditors are not engaged by the company on any material of 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 statements;
- Broker/dealer services;
- Actuarial services;
- Internal audit services; and
- Any other services that the Audit Committee of the Board of Directors determines.

No partner or employees of external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.

Principal activities of Audit Committee were as follows

- Reviewed the company's draft financial statements for the year ended on December 31, 2023;
- Recommended and advised the Board on appointment of External Auditor for the year 2023 and their audit fee;
- Recommended and advised the Board on appointment of Compliance Auditor for the year 2023 and their audit fee;
- Analyzed and reviewed the periodic reports on internal control and compliance reported by the internal auditor;
- Analyzed and reviewed the risk assessment report on clients and credit risk administration evaluation report;
- Reviewed the report on pending legal cases filed against the defaulting clients and recommended further courses of action;
- Analyzed and reviewed the periodic financial statements including Quarterly Financial statements;
- Reviewed the management report of the external auditors and scrutinized the management responses and courses of action adopted;
- Reviewed Bangladesh Bank Inspection Report on the inspection along with company's reply and recommended required compliance by the management to the observations made in this report.

Based on the above deliberations and reviews, the Board Audit Committee is of the opinion that the Company's internal control and compliance procedures are adequate to ensure a true and fair view of the Company's activities and financial position, while effectively safeguarding its interests.



Ansar Uddin Ahmed
Chairman Audit Committee



Report to the Shareholders of Bangladesh Industrial Finance Company Limited

on

Compliance with the Corporate Governance Code

[Certificate issued as per condition #1(5)(xxvii) of Corporate Governance Code of BSEC vide notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018]

We have examined the compliance status with the Corporate Governance Code by Bangladesh Industrial Finance Company Limited (BIFC) for the year ended on December 31, 2023. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 of Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the management to ensure compliance with the conditions of the Corporate Governance Code.


This is a scrutiny and verification and an independent audit on compliance with the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement :

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission; except condition no. 6 which could not be complied with due to Primary Regulation's circular as referred to and explained by the Company as stated in Annexure-A;
- (b) The Company has complied with the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The standard of governance in the Company is satisfactory.

This report, however, is no endorsement of the quality of content in the Annual Report of the Company for the year 2023.

Dated, Dhaka
May 06, 2025


Haider Ahmed Khan FCA
Proprietor
Ahmed Khan & Co.
Chartered Accountants

Status of compliance with the conditions set out by BSEC on Corporate Governance:

(Report under Condition No. 9.0)

Status of compliance with the conditions set out by the Bangladesh Securities and Exchanges Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, issued under section 2CC of the Securities and Exchanges Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (If Any)
		Complied	Not Complied	
1.00	Board of Directors (BOD)			
1.1	Board Size shall not be less than 5 (five) and more than 20(twenty)	✓		
1.2	Independent Director:			
1.2 (a)	At least one-fifth (1/5) total number board of directors shall be Independent Directors (ID); any fraction shall be considered to the next integer or whole number for calculating the number of independent directors (s);	✓		
1.2 (b) (i)	IDs do not hold any share or hold less than 1% shares of the total paid-up shares of the Company	✓		
1.2 (b) (ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who hold one per cent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	✓		
1.2 (b) (iii)	ID has not been an executive of the company in the immediately preceding two financial years;	✓		
1.2 (b) (iv)	ID does not have any relationship whether pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	✓		
1.2 (b) (v)	ID is not a member or TREC holder, director or officer of any stock exchange;	✓		
1.2 (b) (vi)	ID is not a shareholder, director excepting independent director or officer of any member or TREC holder of the stock exchange or an intermediary of the capital market;	✓		
1.2 (b) (vii)	ID is/was not a partner or an executive of the company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during the preceding three years;	✓		
1.2 (b)(viii)	ID shall not be an independent director in more than five listed companies;	✓		
1.2 (b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFI;	✓		
1.2 (b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		

Status of Compliance with the Corporate Governance Code - Continued

1.2 (b)(c)	Appointment of ID shall be done by the Board and approved by the shareholders in the AGM.	✓		
1.2 (d)	The Post of ID cannot remain vacant for more than 90 days.			No such vacancy was created.
1.2 (e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;			No ID yet passed the first tenure.
1.3	Qualification of the Independent Director:			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, and regulatory requirements and can make meaningful contributions to the business;	✓		
1.3 (b) (i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having a minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;			No appointment was made under this category.
1.3 (b) (ii)	ID is/was a Corporate Leader as a top-level executive as adopted by the code and a candidate with the equivalent position of an unlisted company having a minimum paid-up capital of Tk. 100.00 million or of a listed company;	✓		
1.3 (b)(iii)	ID was a Former official of government in a position not below 5th Grade of the national pay scale and educational background of bachelor's degree in economics or commerce or business or law;	✓		
1.3 (b)(iv)	ID is/was a University Teacher who has an educational background in Economics or Commerce or Business Studies or Law;	✓		
1.3 (b)(v)	ID is/was a professional or an advocate practising in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;	✓		
1.3 (c)	The ID shall have at least Ten (10) years of experience in any field mentioned in clause (b);	✓		
1.3 (d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	✓		No such instance was noted during the year.
1.4	Duality of Chairperson of the Board of Directors and Managing Director or CEO:			
1.4 (a)	The Position of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer (CEO) of the Company shall be filled by different Individuals;	✓		
1.4 (b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company;	✓		
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors;	✓		

Status of Compliance with the Corporate Governance Code - Continued

1.4 (d)	The Board shall clearly define the respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO;	✓		
1.4 (e)	In the absence of the Chairman, the remaining members may elect one of the non-executive directors as Chairperson for that particular Board's meeting; the reason for absence shall be duly recorded in the minutes.			No such matter arose during the year.
1.5	The Directors' Report to Shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry;	✓		
1.5 (ii)	Segment-wise or product-wise performance;	✓		
1.5 (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on the environment, if any;	✓		
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		A discussion on interest income, expenses, operating profit, and net profit has been provided.
1.5 (v)	A discussion on the continuity of any extraordinary activities and their implications (gain or loss);			No such matter arose during the year.
1.5 (vi)	A detailed discussion and statement on related party transactions;	✓		
1.5 (vii)	A statement of the utilization of proceeds raised through public issues, rights issues and/or any other instruments;			Not applicable.
1.5 (viii)	Explanation of the financial results deteriorate after the company goes for IPO, RPO, Rights offer, Direct Listing, etc.;			Not applicable.
1.5 (ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		
1.5 (x)	Remuneration to Directors including Independent Directors;	✓		
1.5 (xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1.5 (xii)	Proper books of account of the issuer company have been maintained;	✓		
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation for the financial statements and the accounting estimates are based on reasonable and prudent judgment;	✓		

Status of Compliance with the Corporate Governance Code - Continued

1.5 (xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting Standard (IFRS), as applicable in Bangladesh, have been followed in the preparation of the financial statements and any departure there-from has been adequately disclosed;	✓		
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1.5 (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1.5 (xvii)	There are no significant doubts about 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;			Although the issuer company believes there are no significant concerns regarding its ability to operate as a going concern, the auditor's report expresses a qualified opinion.
1.5 (xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons thereof should be explained;	✓		
1.5 (xix)	Key operating and financial data of at least the preceding 5 (Five) years shall be summarized;	✓		
1.5 (xx)	If the issuer company has not declared a dividend (cash or stock) for the year;	✓		
1.5 (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1.5 (xxii)	The number of Board meetings held during the year and attendance by each Director;	✓		
1.5 (xxiii)	A report on the pattern of shareholding disclosing the aggregate (name-wise details);	✓		
1.5 (xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name-wise details);			Not Applicable.
1.5 (xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name-wise details).	✓		
1.5 (xxiii)(c)	Executives.	✓		
1.5 (xxiii)(d)	Shareholders holding ten per cent (10%) or more voting interest in the company (name-wise details);	✓		

Status of Compliance with the Corporate Governance Code - Continued

1.5 (xxiv)	In case of the appointment/re-appointment of a director, the company shall disclose the following information to the shareholders:			
1.5 (xxiv)(a)	A brief resume of the directors.	✓		
1.5 (xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1.5 (xxiv)(c)	Names of the companies in which the person also holds the directorship and the memberships of committees of the Board;	✓		
1.5 (xxv)	Management discussion and analysis signed by CEO/MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1.5 (xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1.5 (xxv)(b)	Presenting detailed Changes in accounting policies and estimation as well as cash flows on absolute figures for such changes;	✓		
1.5 (xxv)(c)	Comparative analysis (including effects of inflation) of financial performance and position as well as cash flows for the current financial year with immediately preceding five years explaining reasons thereof;	✓		
1.5 (xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1.5 (xxv) (e)	Briefly explain the financial and economic scenario of the country and globe;	✓		
1.5 (xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1.5 (xxv) (g)	Future plan or projection or forecast for the company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1.5 (xxvii)	The report as well as the certificate regarding compliance with the conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure -B and as per Annexure C.	✓		
1.6	Meeting of the Board of Directors: Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line with BSS as adopted by the ICSB;	✓		

Status of Compliance with the Corporate Governance Code - Continued

1.7	Code of Conduct for the Chairperson, Other Board members and Chief Executive Officer:			
1.7 (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC);			Complied as per the prudential guidelines given by Bangladesh Bank.
1.7 (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior;			
2	Governance of the Board of Directors of Subsidiary Company:			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary Company;			Not Applicable.
2 (b)	At least 1 (One) Independent Director of the holding company shall be a director on the Board of the subsidiary company;			Not Applicable.
2 (c)	Minutes of the subsidiary to be placed in the meeting of the holding company;			Not Applicable.
2 (d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;			Not Applicable.
2 (e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			Not Applicable.
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS):			
3.1	Appointment:			
3.1 (a)	The Board shall appoint an MD or CEO, CS, CFO and HIAC;	✓		
3.1 (b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	✓		
3.1 (c)	The MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3.1 (d)	The Board shall clearly define the respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3.1 (e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and stock exchange(s).	✓		
3.2	Requirement to attend Board of Directors Meetings: MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board;	✓		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and CFO:			

Status of Compliance with the Corporate Governance Code - Continued

3.3 (a) (i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3.3 (a) (ii)	The statements together present a true and fair view of the company's affairs and comply with existing accounting standards and applicable laws;	✓		
3.3 (b)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	✓		
3.3 (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	Board of Directors Committee:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee			<p>Financial Institutions are allowed to establish only two Board subcommittees—an Executive Committee and an Audit Committee—as per Bangladesh Bank's DFIM Circular No. 18, dated October 26, 2011. In contrast, BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 3, 2018, mandates the formation of a Nomination and Remuneration Committee (NRC).</p> <p>However, Bangladesh Bank, through its letter ref. no. DFIM(P)1052/27/2021-2436, dated November 4, 2021, has explicitly stated that Financial Institutions are not permitted to form an NRC.</p>
5.	Audit Committee:			
5.1	Responsibility to the Board of Directors			
5.1 (a)	Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5.1 (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect a true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business;	✓		
5.1 (c)	The Audit Committee shall be responsible to the Board. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
5.2	Constitution of the Audit Committee.			
5.2 (a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		

Status of Compliance with the Corporate Governance Code - Continued

5.2 (b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company except the Chairperson of the Board and shall include at least one independent director (ID)	✓		
5.2 (c)	All members of the Audit Committee should be “financially literate” and at least (one) member shall have an accounting or related financial management background and 10 years of such experience;	✓		
5.2 (d)	When the term of service of the committee members expires or there is any circumstance causing any committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint new Committee members to fill up the vacancy; Immediately or not later than 1(one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit committee.			No such instance occurred.
5.2 (e)	The Company Secretary shall act as the secretary of the Audit Committee.	✓		
5.2 (f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director;	✓		
5.3	Chairperson of the Audit Committee:			
5.3 (a)	The Board of Directors shall select 1 (one) member of the audit committee to be chairman of the Audit Committee, who shall be an Independent Director;	✓		
5.3 (b)	Election of Chairman of the particular meeting in the absence of the regular Chairperson of the Audit Committee recording the reasons for such absence in the minutes.			No such situation occurred.
5.3 (c)	The Chairperson of the Audit Committee shall remain present in the AGM.	✓		
5.4	Meeting of the Audit Committee:			
5.4 (a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓		
5.4 (b)	The quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher, where the presence of an ID is a must.	✓		
5.5	Role of the Audit Committee:			
5.5 (a)	Oversee the financial reporting process;	✓		
5.5 (b)	Monitor choice of accounting policies and principles;	✓		
5.5 (c)	Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		

Status of Compliance with the Corporate Governance Code - Continued

5.5 (d)	Oversee hiring and performance of external auditors;	✓		
5.5 (e)	Hold meetings with the auditors, and review the annual financial statements before submission to the Board for approval or adoption;	✓		
5.5 (f)	Review along with the management, the annual financial statements before submission to the board for approval;	✓		
5.5 (g)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval;	✓		
5.5 (h)	Review adequacy of internal audit function;	✓		
5.5 (i)	Review the management's discussion and analysis before disclosing in the Annual Report;	✓		
5.5 (j)	Review statement of all related party transactions submitted by the management;	✓		
5.5 (k)	Review management letters or letters of Internal Control weakness issued by statutory auditors;	✓		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5.5 (m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in the relevant offer document or prospectus approved by the Commission;			Not Applicable
5.6	Reporting of the Audit Committee:			
5.6 (a)	Reporting to the Board of Directors			
5.6 (a) (i)	The Audit Committee shall report on its activities to the Board.	✓		
5.6 (b) (ii)	The audit committee shall immediately report to the board on the following findings, if any: -			
5.6 (a)(ii)(a)	Report on conflicts of interests;			No such event occurred.
5.6 (a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process;			No such event occurred.
5.6 (a)(ii)(c)	Suspected infringement of laws, and regulatory compliance including securities-related laws, rules and regulations;			No such event occurred.

Status of Compliance with the Corporate Governance Code - Continued

5.6 (a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such event occurred.
5.6 (b)	Reporting to the Authorities: If any material impact on the financial condition and results of operation, is unreasonably ignored by the management;			No such reportable incidents occurred.
5.7	Reporting to the Shareholders and General Investors: Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5.6 (a)(ii);	✓		
6	Nomination and Remuneration Committee (NRC): Unresolved issue. (Could not be complied with due to BRPD circular letter No. dated October 27, 2013, of Bangladesh Bank)			
6.1	Responsibility to the Board of Directors			
6.1 (a)	The company shall have a NRC as a sub-committee of the Board.	Not Applicable		Please refer to the condition no. 4 (ii).
6.1 (b)	The NRC shall assist the Board in the formulation of the nomination criteria or policy for determining qualifications, positive attributes experiences and independence of directors and top-level executives as well as a policy for the formal process of considering remuneration of directors, top-level executives;	Not Applicable		Do
6.1 (c)	The Terms of Reference (TOR) of the NRC shall be clearly set forth in writing covering the areas stated in condition No. 6.5 (b);	Not Applicable		Do
6.2	Constitution of the NRC			
6.2 (a)	The Committee shall comprise of at least three members including an independent director (ID);	Not Applicable		Do
6.2 (b)	All members of the committee shall be non-executive directors;	Not Applicable		Do
6.2 (c)	Members of the Committee shall be nominated and appointed by the Board;	Not Applicable		Do
6.2 (d)	The board shall have the authority to remove and appoint any member of the committee;	Not Applicable		Do
6.2 (e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of the occurrence of such vacancy in the Committee;	Not Applicable		Do

Status of Compliance with the Corporate Governance Code - Continued

6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and/ or member (s) of staff to the Committee as the advisor who shall be a non-voting member if the Chairperson feels that advice or suggestion from such external expert and/ or member (s) of staff shall be required of valuable for the Committee;	Not Applicable		Do
6.2 (g)	The company secretary shall act as the secretary of the Committee;	Not Applicable		Do
6.2 (h)	The quorum of the NRC meeting shall not constitute without the attendance of at least an independent director;	Not Applicable		Do
6.2 (i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company;	Not Applicable		Do
6.3	Chairperson of the NRC			
6.3 (a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;	Not Applicable		Do
6.3 (b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason for the absence of the regular Chairperson shall be duly recorded in the minutes;	Not Applicable		Do
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	Not Applicable		Do
6.4	Meeting of the NRC			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	Not Applicable		Do
6.4 (b)	The Chairperson of the NRC may convene an emergency meeting upon request by any member of the NRC;	Not Applicable		Do
6.4 (c)	The quorum of the meeting of the NRC shall be constituted in the presence of either two members or two-thirds of the members of the committee, whichever is higher, where the presence of an independent director is must as required under condition No. 6 (2) (h);	Not Applicable		Do
6.4 (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;	Not Applicable		Do
6.5	Role of NRC			

Status of Compliance with the Corporate Governance Code - Continued

6.5 (a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;	Not Applicable		Do
6.5 (b)(i)(a)	NRC shall oversee, formulate & recommend to the Board that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	Not Applicable		Do
6.5 (b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;	Not Applicable		Do
6.5 (b)(i)(c)	Remuneration to directors, and top-level executives involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	Not Applicable		Do
6.5 (b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	Not Applicable		Do
6.5 (b)(iii)	Identifying persons who are qualified to become directors and who may be appointed to top-level executive positions following the criteria laid down, and recommend their appointment and removal to the Board;	Not Applicable		Do
6.5 (b)(iv)	Formulating criteria for evaluation of the performance of independent directors and the Board;	Not Applicable		Do
6.5 (b)(v)	Identifying the complaints needs for employees at different levels and determining their selection, transfer or replacement and promotion criteria;	Not Applicable		Do
6.5 (b)(vi)	Developing, recommending and reviewing annually the complaints human resources and training policies.	Not Applicable		Do
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	Not Applicable		Do
7	External or Statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely: -			
7.1 (i)	Appraisal or valuation services or fairness opinions;	✓		
7.1 (ii)	Financial information systems design and implementation;	✓		

Status of Compliance with the Corporate Governance Code - Continued

7.1 (iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7.1 (iv)	Broker-dealer services;	✓		
7.1 (v)	Actuarial services;	✓		
7.1 (vi)	Internal audit services or special services;	✓		
7.1 (vii)	Any other service that the Audit Committee determines;	✓		
7.1 (viii)	Audit or certification services on compliance with corporate governance as required under condition No. 9(1);	✓		
7.1 (ix)	Any other service that may create a conflict of interest.	✓		
7.2	No partner or employee 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; his or her family shall not hold any shares in the said company.	✓		
7.3	Representatives of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		
8	Maintaining a Website by the Company			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		
8.2	The company shall keep the website functional from the date of listing.	✓		
8.3	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	Reporting and Compliance of Corporate Governance			
9.1	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) other than its statutory auditor or audit firm yearly regarding the compliance with the conditions of the Corporate Governance Code of the Commission and shall Such certificate shall be disclosed in the Annual Report.	✓		
9.2	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	✓		
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not.	✓		

Financial Statements
for the year ended December 31, 2023

Independent Auditor's Report
To the Shareholders of Bangladesh Industrial Finance Company Limited (BIFC)
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bangladesh Industrial Finance Company Limited (BIFC) (the "Company"), which comprise the balance sheet as at 31 December 2023 and profit and loss account, cash flow statement and statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company present fairly in all materials respect, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Company's Act 1994, and other applicable laws and regulations

Basis for Qualified Opinion

1. The company has been experiencing losses for several years, accumulating a total loss of TK. 13,583,580,135 as of 31 December 2023. As of the same date, the company's total liabilities exceeded its total assets by Tk. 12,025,876,255. Additionally, the reported operating cash flow of the Company has been reported at (Tk. 78,960,477) indicating significant operating cash crisis. These conditions or events indicate that a material uncertainty exists on the company's ability to continue its operation in the foreseeable future unless arrangements are made to increase capital or to improve liquidity position by means of facilitating equity support/long term loan.
2. Reference to the Note No. 4.3.1 to the financial statements, according to Section 9 of Finance Company Act 2023 and FID circular No. 06 November 2003 and DFIM circular No. 03, dated 21 June 2020:
 - i) The company should maintain Cash Reserve Ratio (CRR) at a rate of 1.5% on 'Term or Fixed Deposits' (except from Banks and Financial Institutions) but the company could not maintain such provision noncomplying with above regulation. As on 31 December 2023, CRR represents a deficit amounting to Tk. 27,665,206 to comply with CRR requirement.
 - ii) The company is obligated to maintain Statutory Liquidity Reserve (SLR) at a rate of 5% of 'Total Liabilities' (Including CRR of 1.5% on total term deposit) but the company could not maintain such provision in compliance with above regulation. As on 31st December 2023, SLR represents a deficit amounting to Tk. 250,445,290 as per the financial statements.
3. With reference to Note No. 4.2.1 & Note No. 5, total amount of Tk. 35,850,977 is reported as a closing balance with Bangladesh Bank and other banks & financial institutions, of which Tk. 1,865,876 we were unable to verify balances/deposits due to the absence of proper documentations i.e statements and balance confirmations letter by the respective banks.
4. The value of Property, Plant, and Equipment, amounting to Tk. 440,000,000 (land value) situated in Motijheel, we could not verify due to the absence of mutation records, demarcation, and Khajna Roshid. According to IAS 16, Paragraph 34, assets should be revalued every three or five years; however, the last revaluation conducted by the management was in 2012.
5. The company has not implemented IFRS 16 (Leases), as disclosed in Note 3.1, resulting in non-compliance with International Financial Reporting Standards (IFRS).

Auditor's Report to the Shareholders-continued

6. According to Note 8 and related ledger, unapplied interest amount of Tk. 180,820,575 has been included in the loan balance of Teleplus New York Limited (Agreement No. 01.04.0660), contrary to the guidelines outlined in DFIM Circular No. 04 dated July 26, 2021.
7. In Note 10.4.1.2, the prior year's amount of Tk. 283,282,612, out of a total outstanding balance of Tk. 284,184,772 as of 31 December 2023, pertains to Advance Income Tax (AIT). During the year, we verified only the addition of Tk. 902,160 to the AIT balance.
8. According to Note 11.1, the liability status of Term Loans from Bank, Short term loan and Money at call & short notice amounting Tk. 3,502,667,235, Tk. 209,713,348 and Tk. 140,000,000 respectively obtained from different banks, could not be confirmed in the absence of statements and official confirmations from the relevant banks.
9. With reference to Note (13.5), the company adjusted withholding tax payable for an amount of Tk. 202,204,401 out of total balance of Tk. 271,777,844 (as per last year Financial Statements). Accordingly, withholding tax payable balance remains Tk. 69,573,442. This balance represents unpaid withholding taxes which had to be paid to government exchequer. As per section 143 of Income Tax Act 2023, failure to deposit collected or deducted tax may result in additional penalty.
10. According to DFIM(C) 1054/38/2024-2308, dated 18 July 2024, the company must provide the CBS-generated/system-generated trial balance/affairs to the auditor for the completion of the audit process. The company (BIFCL) has provided us with the system-generated (Fintelligent) trial balance, which is not integrated with branches.
11. As per International Accounting Standards (IAS) 19, Para 55, the company has not applied the actuarial valuation method to determine liabilities for the Gratuity Fund and Pension Fund, thereby violating compliance requirements (see Note 13 for details) and adequacy of provision could not be confirmed.
12. According to the Bangladesh Securities and Exchange Commission's Code of Corporate Governance, the company lacks a Chief Financial Officer (CFO) which contravening Clause 3(1) (a) of the Code.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our Qualified Opinion.

Emphasis of matters

We draw the attention to the following matter relates to Financial Statements:

1. The Honorable High Court has directed, via order dated 22 February 2021 under company matter no. 32, a special audit of the Company is to be carried out. The results of the special audit have not been incorporated into these financial statements.
2. Disclosed in Note 45.3, loans, leases and advances totaling Tk. 6,223,884,398 provided to entities within the Sunman Group (Company's) and their related parties amount to 80.79% of the total outstanding balance of Tk. 7,704,027,742 (Note-8), in contravention of Section 14 of the Financial Institutions Act 1993.

Auditor's Report to the Shareholders-Continued

3. According to the BSEC directive dated January 14, 2021, any dividend that remains unpaid or unclaimed for a period of three years must be transferred to the BSEC "Capital Market Stabilization Fund" but the company failed to transfer BDT 4,347,371 of unclaimed dividends to the "Capital Market Stabilization Fund" on time, violating regulations.
4. According to the Companies (Amendment) Act 2020, all public limited companies must add 'PLC' to the end of their company name in order to be recognized as public limited companies. Banks and non-bank financial institutions (NBFI) would have to change the company name and articles of association to adopt the PLC suffix under the Company (Second Amendment) Act 2020. The company has not done anything about this, though.
5. We draw attention to Note # 2.01 which states the difference between IFRS and accounting guidelines set out by Bangladesh Bank.

Our audit opinion is not modified on these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed that matter is provided in that context. We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to those matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our Response to the Risk
01. Measurement of provision for loans and advances	
<p>The process for estimating the provision for loans and advances portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance, and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end of 2023, provision for loans and advances was amounting Tk. 6,685,857,344.</p> <p>We have focused on the following significant judgements and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> • Completeness and timing of recognition of loss events in accordance with criteria set out in DFIM circular no 04, dated 26 July 2021 and its subsequent amendments. 	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> • Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process. • Identification of loss events, including early warning and default warning indicators. • Reviewed quarterly classification of loans (CL). <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> • Reviewed the adequacy of the companies general and specific provisions and loan classification disclosures in the financial statements in line with related Bangladesh Bank guidelines. • Assessed the methodologies on which the provision amounts basis, recalculated the provisions and tested the completeness and accuracy of the underlying information.

Auditor's Report to the Shareholders-Continued

Risk	Our Response to the Risk
<ul style="list-style-type: none"> For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows. Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates; 	<ul style="list-style-type: none"> Reviewed the security documents and assessed legal provisions for realization of the secured assets, if required. Reviewed any specific approval guideline from Bangladesh bank on provision against loans and advances, if any. Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.
See note no. 13.1 of financial statements	
02. Borrowing from banks, financial institutions and agents	
<p>The company has Borrowing from banks, financial institutions and agents amounting Tk. 3,853,536,156 which are 18.49% of total Liabilities which consists Refinance against SME loan from Bangladesh Bank, borrowing, Short-term Long-term borrowing, Call borrowing & Long-Term Borrowing.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> Check the balance with the ledger Bank Statement Bank Confirmation Call Loan (Statement and Interest Calculation)
See note no 11 to the financial statements	
03. Deposits & Other Accounts	
<p>Term Deposit of Tk. 5,383,582,976 which decreased by 31% from the last year (2022: Tk. 7,051,203,915).</p> <p>Significant judgment is required for Term Deposit, which has a vice-versa relation with interest income on interest expense on deposits.</p>	<p>We have tested operating effectiveness of key controls on the following:</p> <ul style="list-style-type: none"> Tested the deposit attraction policy and procedure. Identification of reinvestment rate of with the combination of deposit receiving rate. Tested the investment maturities ladder compile with deposit tenure. Conducted analysis for understanding industry practice on deposit interest rate compare to inflation rate. Tested penalty practice on early settlement of deposit. Finally assess the reinvest appropriateness in against of the receiving deposit.
See note no 12.1 to the financial statements	
04. Revenue	
Interest Income amounting to Tk. 8,726,465 and Investment Income amounting to Tk. 1,649,264 are recognized in the Profit & Loss Account of the	Our audit procedures included obtaining our understanding of the process of interest income, investment income, profit on investment

Auditor's Report to the Shareholders-Continued

<p>Company. This was an area of focus for audit and significant audit effort was directed.</p>	<p>ascertaining the balance and the interest charged over the financial year. Additionally,</p> <ul style="list-style-type: none"> • Carried out cut-off testing to ensure the income was recognized in correct period. • Reviewed the carrying balance of the total figure. • Our audit approach was a combination of test of internal control and substantive procedures. • We also tested journal entries recognized to revenue focusing on unusual or irregular transactions. • In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions. <p>Evaluate the Company's work to implement "IFRS-15" and assessed whether accounting principles comply with the new accounting standard.</p>
<p>See note no 21 and 23 to the financial statements</p>	
<p>05. Measurement of deferred tax</p>	
<p>In 2023, the Company reports net deferred tax liabilities (DTL) amounting to Tk. 17,600,000.</p> <p>Significant judgement is required in relation to deferred tax assets/liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Company's key controls over the recognition and measurement of DTLs and the assumptions used in estimating the Company's future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTL's.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax.</p>

Auditor's Report to the Shareholders-Continued

Risk	Our Response to the Risk
See note no. 13.9 to the financial statements	
06. Interest Income on Leases, loans and advances	
<p>Recognition of interest income has significant and wide influence on financial statements.</p> <p>Recognition and measurement of interest income have been involved of complex IT environment.</p> <p>We have identified recognition of interest income from loans and advances as a key audit matter because this is one of the key performance indicators of the company and therefore there is an inherent risk of fraud and error in recognition of interest by management to meet specific targets or expectations.</p>	<p>We tested the design and operating effectiveness of key controls over the recognition and measurement of interest on loans and advances.</p> <p>We performed a test of operating effectiveness on automated control in place to measure and recognize interest income.</p> <p>We have also performed substantive procedure to check whether interest income is recognized completely and accurately.</p> <p>We have checked the interest recognition criteria as per Bangladesh Bank circular no DFIM 04, 26.07.2021.</p> <p>We assessed the appropriateness and presentation of disclosure against relevant accounting standards and Bangladesh Bank guidelines.</p> <p>However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by Management in assessing recoverability of interest income from classified loans may be different than the actual situation in future.</p>
See note no. 21 to the financial statements	
07. IT systems and controls	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous. Locations daily and the reliance on automated and IT dependent controls. Our areas of audit focus included user access management, developer access to the system.</p> <p>Environment and changes to the IT environment. These are key to ensuring IT dependent and application-based controls are operating effectively.</p>	<p>The company currently operates an IT systems infrastructure and control framework that is not integrated. This lack of established systems and controls poses several risks to the organization, including but not limited to:</p> <ul style="list-style-type: none"> • Security Vulnerabilities • Operational Inefficiencies • Regulatory and Compliance Risks • Limited Scalability

Other Information

The other information comprises all the information in the Annual Report other than the financial statements and our auditor's report thereon. We have not been provided the Director's report and other information contained within the annual report except the financial statements to the date of our auditor's report. We expect to obtain the remaining reports of the Annual report the date of our auditor's report. Management is responsible for the other information.

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

Auditor's Report to the Shareholders-Continued

Our opinion on the financial statements does not cover other information and we do not express any form of assurance conclusion thereon.

Responsibilities of Management and Those Charged with Governance for the Financial Statements and Internal Controls

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standard 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. The Financial Institutions Act, 1993 and the Bangladesh Bank guidelines require the managements to ensure effective internal audit, internal control and risk management functions of the Company. The management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Auditor's Report to the Shareholders-Continued

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

Report on other Legal and Regulatory Requirements

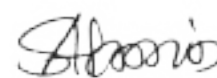
In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 2020, the Finance Company Act 2023 and the rules and regulations issued by Bangladesh Bank except as maintained above, we also report that:

- (i) 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 do verification thereof.
- (ii) in our opinion, proper books of account as required by law has kept by the Company as far as it appeared from our examination of those books.
- (iii) the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns.
- (iv) the expenditures incurred were for the purpose of the Company's business for the year.
- (v) the financial statements of the Company have been drawn up in conformity with the Finance Company Act, 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company.
- (vi) Adequate provisions have been made for loans, advances, leases, investments and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly.
- (vii) the financial statements of the Company do conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh.
- (viii) we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1,200-person hours for the audit of the books and accounts of the Company.
- (ix) the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense.
- (x) the Company has complied with the 'First Schedule' of the Finance Company Act 2023 in preparing these financial statements; and
- (xi) all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Other Matter

The Financial Statements of Bangladesh Industrial Finance Company Limited (BIFC) for the year ended 31 December 2022 were audited by J C Biswas, FCA of MABS & J Partners and Chartered Accountants who expressed Adverse Opinion dated on 01 July, 2024.

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration No. with FRC:
CAF-001-127



Md. Abdullah Al Amin, FCA
Partner
Enrollment No: 1463
DVC: 2412301463AS861825

Place: Dhaka
Date: December 30, 2024

Balance Sheet

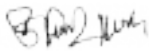

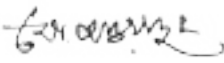

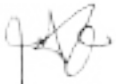
As at December 31, 2023

	Notes	Amount in Taka	
		31-12-2023	31-12-2022
ASSETS			
Cash	4	228,244	29,992,354
Cash in hand (including foreign currency)	4.1	62,912	75,312
Balance with Bangladesh Bank & its agent bank(s) (including foreign currency)	4.2	165,332	29,917,042
Balance with other banks and other financial institutions	5	35,685,645	85,066,224
Inside Bangladesh		35,685,645	85,066,224
Outside Bangladesh		-	-
Money at call & short notice	6	-	-
Investments	7	190,411,213	190,411,213
Government		-	-
Others		190,411,213	190,411,213
Loans, advances and leases	8	7,704,027,742	7,731,175,550
Loans, cash credits, overdrafts, etc.	8.a	7,704,027,742	7,731,175,550
Bills purchased and discounted	8.b	-	-
Fixed assets including land, building, furniture & equipments	9	451,287,442	452,949,697
Other assets	10	433,285,006	432,893,043
Non financial institutional assets		-	-
Total assets		8,814,925,292	8,922,488,081
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from banks, other financial institutions & agents	11	3,853,536,156	3,853,720,368
Deposits and other accounts	12	5,391,160,916	7,058,965,959
Current deposits and other accounts, etc.		-	-
Bills payable		-	-
Savings deposits		-	-
Term deposits	12.1	5,383,582,976	7,051,203,915
Bearer certificates of deposits		-	-
Other deposits	12.2	7,577,940	7,762,044
Other liabilities	13	11,596,104,475	9,529,348,375
Total liabilities		20,840,801,547	20,442,034,702
Capital/shareholders' equity			
Total shareholders' equity		(12,025,876,255)	(11,519,546,621)
Paid-up capital	14.2	1,006,799,440	1,006,799,440
Statutory reserve	15	154,713,730	154,713,730
General reserve	16	10,364,681	10,364,681
Asset revaluation reserve	17	385,825,667	385,825,667
Share money deposit		362	362
Stock dividend		-	-
Retained earnings	18	(13,583,580,135)	(13,077,250,501)
Total liabilities & shareholders' equity		8,814,925,292	8,922,488,081

Balance Sheet-Continued

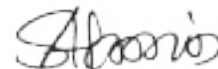
Notes	Amount in Taka	
	31-12-2023	31-12-2022
Off- Balance Sheet Items:		
Contingent liabilities	-	-
Acceptances and endorsements	-	-
Letters of guarantee	-	-
Irrevocable letters of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
Other commitments	-	-
Documentary credits and short term trade -related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
Total off-balance sheet items including contingent liabilities	-	-
Net Assets Value Per Share (NAV)	19 (119.45)	(114.42)

The annexed notes from 1 to 52 and Annexure-A, B, C & D are an integral part of these financial statements.

				
Company Secretary	Managing Director (C.C.)	Director	Director	Chairman

Signed in terms of our separate report of event date

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration No. with FRC:
CAF-001-127



Md. Abdullah Al Amin, FCA
Partner

ICAB Enrollment No.: 1463
DVC: 2412301463AS861825

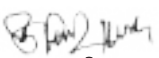
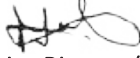
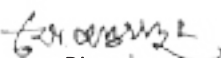


Place: Dhaka, Bangladesh
Date: December 30, 2024

Profit & Loss Account

for the year ended December 31, 2023

	Notes	Amount in Taka	
		31-12-2023	31-12-2022
Interest income	21	8,726,465	76,100,651
Less: interest charged on deposits & borrowings etc.	22	493,624,056	795,473,568
Net interest income		(484,897,591)	(719,372,917)
Income from investments	23	1,649,264	1,428,946
Commission, exchange and brokerage	24	-	-
Other operating income	25	689,695	5,513,242
		2,338,959	6,942,188
Total operating income		(482,558,632)	(712,430,729)
Salaries and allowances	26	29,282,238	28,762,468
Rent, taxes, insurance, electricity etc.	27	12,885,716	12,232,742
Legal expenses	28	2,433,815	1,328,107
Postage, stamps, telecommunication etc.	29	978,768	769,018
Stationery, printing, advertisement etc.	30	584,045	752,514
Chief Executive Officer's salary and other fees	31	-	-
Directors' fees	32	2,172,000	3,228,000
Auditor's fees	33	480,000	1,550,000
Repairs & depreciation of financial institution's assets	34	4,724,334	4,635,636
Other expenses	35	4,651,648	5,201,689
Total operating expenses		58,192,564	58,460,174
Profit/(Loss) before provision		(540,751,196)	(770,890,903)
Provision for loans, advances & leases	36	31,076,643	(10,697,917)
Provision for diminution in value of investments	37	(33,101)	2,733,081
Other Provisions	38	(2,728,059)	-
Total provision		28,315,483	(7,964,836)
Total profit/(loss) before tax		(569,066,679)	(762,926,067)
Provision for taxation		329,853	498,257
Current Tax Expense		329,853	498,257
Deferred tax expense / (income)		-	-
Net profit/(Loss) after tax		(569,396,532)	(763,424,324)
Appropriations			
statutory reserve		-	-
General reserve		-	-
Dividend, etc.		-	-
Retained earnings		(569,396,532)	(763,424,324)
Earnings Per Share (EPS)	39	(5.66)	(7.58)

The annexed notes from 1 to 52 and Annexure-A, B, C & D are an integral part of these financial statements.

Company Secretary

Managing Director (C.C.)

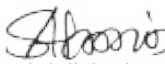
Director

Director

Chairman

Signed in terms of our separate report of event date

Signed for & on behalf of
Ahsan Manzur & Co.
Chartered Accountants
Firm Registration No. with FRC: CAF-001-127



Md. Abdullah Al Amin, FCA
Partner
ICAB Enrollment No.: 1463
DVC:2412301463AS861825

Place: Dhaka, Bangladesh

Date: December 30, 2024

Cash Flow Statement

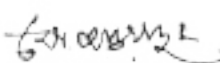
for the year ended December 31, 2023

	Notes	Amount in Taka	
		31-12-2023	31-12-2022
Cash flows from operating activities			
Interest received		15,554,463	77,747,389
Interest paid		(150,314,451)	(824,867,172)
Dividend received		1,649,264	1,428,946
Fees & commission received		-	-
Recovery of loans previously written off		-	-
Payments to employees		(28,447,261)	(27,542,228)
Payments to suppliers		(295,470)	(752,514)
Income tax paid		(902,160)	(529,397)
Cash receipts from other operating activities	40	689,695	5,513,242
Cash payments for other operating activities	41	(26,712,872)	(27,013,209)
Cash generated from / (used in) operating activities before changes in operating assets and liabilities		(188,778,792)	(796,014,943)
Increase/(decrease) in operating assets and liabilities			
Statutory deposits		-	-
Purchase/sale of trading securities		-	-
Loans, advances & leases to banks & other FIs		-	-
Loans, advances & leases to customers		57,518,640	175,615,706
Other assets	42	436,759	308,606
Deposits received from banks & other FIs		(2,690,000)	216,938,841
Deposits received from customers		65,281,274	9,564,556
Other liabilities account of customer		(184,104)	-
Trading liabilities		-	-
Other liabilities	43	(10,544,254)	179,847,773
Cash received/(paid) from operating assets and liabilities		109,818,315	582,275,482
A) Net cash from operating activities		(78,960,477)	(213,739,461)
Cash flows from investing activities			
Proceeds from sale of securities		-	-
Payment for purchase of securities		-	-
Purchase/sale of property, plant & equipments		-	-
B) Net cash from investing activities		-	-
Cash flows from financing activities			
Receipts of long term loan/ issuance of debt securities		-	-
Repayments of loan & redemption of debt securities		(184,212)	276,893,440
Net drawdown/(payment) of short term loan		-	-
Receipts from issue of right shares		-	-
Receipts from Share money deposit		-	-
Dividend paid in cash		-	-
C) Net cash from financing activities		(184,212)	276,893,440
D) Net increase/(decrease) in cash & cash equivalents (A+B+C)		(79,144,689)	63,153,979
E) Effects of exchange rate changes on cash & cash equivalents		-	-
F) Cash and cash equivalents at the beginning of the year		115,058,578	51,904,599
G) Cash and cash equivalents at the end of the year (D+F)		35,913,889	115,058,578
Break down of cash and cash equivalents:			
Cash in hand		62,912	75,312
Balance with Bangladesh Bank & its agent bank(s)		165,332	29,917,042
Balance with other Bank & other financial institutions		35,685,645	85,066,224
		35,913,889	115,058,578
Net Operating Cash Flow per Share (NOCFPS)		(0.78)	(2.12)

The annexed notes from 1 to 52 and Annexure-A, B, C & D are an integral part of these financial statements.


Company Secretary


Managing Director (C.C.)


Director


Director


Chairman

Place: Dhaka, Bangladesh
Date: December 30, 2024


Statement of changes in equity

for the year ended December 31, 2023

Particulars	Amount in Taka						
	Paid-up capital	Share money deposit	Statutory reserve	General reserve	Asset revaluation reserve	Retained earnings	Total
Balance as on January 01, 2023	1,006,799,440	362	154,713,730	10,364,681	385,825,667	(13,077,250,501)	(11,519,546,621)
Changes in accounting policy	-	-	-	-	-	-	-
Prior year adjustment	-	-	-	-	-	63,066,898	63,066,898
Restated balance	1,006,799,440	362	154,713,730	10,364,681	385,825,667	(13,014,183,603)	(11,456,479,723)
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Net gains/losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit/(loss) for the year	-	-	-	-	-	(569,396,532)	(569,396,532)
Dividend	-	-	-	-	-	-	-
Appropriation during the year	-	-	-	-	-	-	-
Balance as on December 31, 2023	1,006,799,440	362	154,713,730	10,364,681	385,825,667	(13,583,580,135)	(12,025,876,255)
Particulars	Paid-up capital	Share money deposit	Statutory reserve	General reserve	Asset revaluation reserve	Retained earnings	Total
Balance as on January 01, 2022	1,006,799,440	362	154,713,730	10,364,681	385,825,667	(12,313,826,177)	(10,756,122,297)
Changes in accounting policy	-	-	-	-	-	-	-
Restated balance	1,006,799,440	362	154,713,730	10,364,681	385,825,667	(12,313,826,177)	(10,756,122,297)
Surplus/deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus/deficit on account of revaluation of investments	-	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-	-
Net gains/losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit/(loss) for the year	-	-	-	-	-	(763,424,324)	(763,424,324)
Dividend	-	-	-	-	-	-	-
Appropriation during the year	-	-	-	-	-	-	-
Balance as on December 31, 2022	1,006,799,440	362	154,713,730	10,364,681	385,825,667	(13,077,250,501)	(11,519,546,621)

The annexed notes from 1 to 52 and Annexure-A, B, C & D are an integral part of these financial statements.


Company Secretary


Managing Director (C.C.)


Director


Director


Chairman

Liquidity Statement

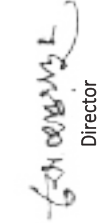
(Analysis of maturity of assets and liabilities)
As at December 31, 2023

Particulars	Amount in Taka					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
Assets:						
Cash in hand	62,912	-	-	-	-	62,912
Balance with Bangladesh Bank and its agent(s)	-	-	165,332	-	-	165,332
Balance with banks and other financial institutions	35,685,645	-	-	-	-	35,685,645
Money at call and short notice	-	-	-	-	-	-
Investments	-	72,911,213	-	-	117,500,000	190,411,213
Loans, advances and leases	102,728,865	207,344,242	1,002,294,091	5,999,256,156	392,404,388	7,704,027,742
Fixed assets including premises, furniture and fixtures	-	-	-	-	451,287,442	451,287,442
Other assets	-	1,690,695	125,767,102	302,182,972	3,644,237	433,285,006
Non banking assets	-	-	-	-	-	-
Total assets (A):	138,477,422	281,946,150	1,128,226,525	6,301,439,128	964,836,067	8,814,925,292
Liabilities:						
Borrowings from banks, other financial institutions and agents	349,713,348	307,196,093	659,912,783	2,536,713,932	-	3,853,536,156
Term deposits	185,536,919	328,490,717	1,035,657,486	2,069,790,960	1,764,106,894	5,383,582,976
Other deposits	-	757,794	1,515,588	1,894,485	3,410,073	7,577,940
Other liabilities	78,358,469	354,685,814	6,856,040,057	1,927,725,696	2,379,294,439	11,596,104,475
Total liabilities (B):	613,608,736	991,130,418	8,553,125,914	6,536,125,073	4,146,811,406	20,840,801,547
Net liquidity gap (A - B):	(475,131,314)	(709,184,268)	(7,424,899,389)	(234,685,945)	(3,181,975,339)	(12,025,876,255)

The annexed notes from 1 to 52 and Annexure-A, B, C & D are an integral part of these financial statements.


Company Secretary


Managing Director (C.C.)


Director


Director


Chairman

Place: Dhaka, Bangladesh
Date: December 30, 2024

Notes to the Financial Statements

For the year ended December 31, 2023

1 General information

1.1 Legal status of the Company

Bangladesh Industrial Finance Company Limited (BIFC) is a Non-Banking Financial Institution established under the Financial Institutions Act, 1993. The Company was incorporated as a Public Limited Company on August 10, 1996 under the Companies Act, 1994. It started operation after obtaining License from Bangladesh Bank on February 19, 1998. The Company went for public issue of shares in 2006, and listed with both Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. in Bangladesh.

The registered office of the company located at Police Plaza Concord (Tower-2), Level-8, Plot-02, Road-144, Gulshan-1, Dhaka-1212. The operations of the company are being carried out through its four branches located in Dhaka, Chittagong and Narayanganj.

1.2 Nature of business activities

The company offers diversified products and services, which include lease finance, term finance, housing finance, syndicated finance, bridge finance, real estate finance, SME finance, bill discounting, work order finance, personal finance, etc. The main focus is to identify and select emerging sector for financing and maintaining quality portfolio.

The company has launched a sound number of attractive deposit schemes to accommodate the requirement of several classes of people. Deposit schemes include Term Deposit, Double Money Deposit, Triple Money Deposit, Periodical Income Deposit, Monthly Saving Scheme (MSS), etc.

2 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The Financial Reporting Council (FRC) was formed as per Financial Reporting Act, 2015. FRC adopted the International Financial Reporting Standard (IFRSs) issued by International Accounting Standard Board (IASB) which need to be followed by public interest entities in preparing their financial statement.

As FRS is yet to be issued by FRC, as per the provisions of FRA (section-69), financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and, in addition to this, the Company also complied with the requirements of the following laws and regulations from various Government bodies:

- i. The Finance Companies Act, 2023;
- ii. The Companies Act, 1994;
- iii. Bangladesh Securities and Exchange Rules, 2020;
- iv. Bangladesh Securities and Exchange Ordinance, 1969;
- v. (Listing) Regulations, 2015 of Dhaka & Chittagong Stock Exchanges; and
- vi. Other applicable laws and regulations.

The presentation of the financial statements have been made as per the requirements of DFIM Circular No: 11, dated December 23, 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.

The requirements of accounting standards as per IFRS that have been departed to comply with Bangladesh Bank requirements have been disclosed here in detail. However, this departure with IFRS has been made by following all of the relevant provisions of IAS-1 and the details disclosures are given below by following the provision of Para 20 of IAS-1 (Presentation of Financial Statements).

Notes to the Financial Statements-Continued

Sl.	Nature of Departure	Title of IAS/ IFRS	Treatment of IAS/IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 'Presentation of Financial Statements'	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income Statement.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which has been followed by all NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement.	Presentation of financial statements are not fully aligned with all the requirements of IAS/IFRS.
2	Current/ Non-current distinction	IAS 1 'Presentation of Financial Statements'	As per Para 60 of IAS-1 "Presentation of Financial statement" 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-11, Date-23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In these templates there is no current and noncurrent segmentation of assets and liabilities	Presentation of financial statements is not fully aligned with all requirements of the IAS/IFRS. Moreover, the liquidity Statement shows the current/non-current portion of assets and liabilities in this regards.

Notes to the Financial Statements-Continued

3	Off-balance sheet items	IAS 1 'Presentation of Financial Statements'	There is no concept of Off-balance sheet items in any IFRS; hence there is no requirement for disclosure of Off-balance sheet items on the face of the balance sheet.	As per DFIM Circular-11, Date-23 December 2009, off balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Presentation of financial statements are not aligned with the requirements of IAS 1. There is no financial impact for this departure in the financial statements.
4	None financial institutional asset	IAS 1 "Presentation of Financial Statements"	There is no concept of non-financial institutional assets items in any IFRS. Hence there is no requirement for disclosure of non-financial institutional assets items on the face of balance sheet.	As per DFIM Circular-11, Date - 23 December 2009, non-financial institutional assets must be disclosed separately on the face of the balance sheet.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank.
5	Complete set of financial statements	IAS 1 "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements" complete set of financial statements are: i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory	As per DFIM Circular-11, Date-23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11, dated 23 December 2009) of Bangladesh Bank. There is no financial impact for this departure in the financial statements.

Notes to the Financial Statements-Continued

			information, and vi) statement of financial position at the beginning of preceding period for retrospective restatement.		
6	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements" para 54 the statement of financial position shall include separate line item for intangible assets	As per DFIM Circular-11, Dated-23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
7	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	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: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day-to-day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which has been followed by all banks and NBFIs. The templates of financial statements provided detail of presentation of statement cash flows.	Presentation of financial statements is not fully aligned with the requirements of IAS. Thus items which should be presented as "investment activities- Balance with Bangladesh Bank (BB)" as per IAS is shown as cash & cash equivalent.
8	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the	As per DFIM circular No. 7 dated 31 July 2011, no deferred tax asset can be recognized for any	During this year there is no impact in the financial statements due to this

Notes to the Financial Statements-Continued

			extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized	deductible temporary difference against lease, loans and advances.	departure as the Company did not consider any deductible temporary difference against the provision for leases, loans and advances as per BB circular.
9	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the 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.	As per DFIM Circular-11, Dated-23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.
10	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	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 amortized 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: a) the 12-month expected credit losses (expected credit losses that result from those	As per DFIM Master circular No. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans and Special Mention Account (SMA) has to be maintained irrespective of objective evidence of impairment on leases, loans and advances. Also, provision for sub-standard investments, doubtful investments and bad losses has to	As at 31 December 2023, a cumulative provision against loans, advances and leases stands at Tk.6,685,857,344.

Notes to the Financial Statements-Continued

			<p>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>	<p>be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.</p>	
11	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	<p>As per requirements of IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.</p>	<p>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; however, in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.</p>	<p>100% provision has been maintained against unlisted equity investment and adequate provision has been maintained against listed equity investment as per the guidelines of Bangladesh Bank.</p>
12	Recognition of interest income for SMA and	IFRS 9 "Financial Instruments"	<p>IFRS: Loans and advances to customers are generally classified at amortized cost</p>	<p>As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and</p>	<p>At year end, interest suspense account has increased to</p>

Notes to the Financial Statements-Continued

	classified lease, loans and advances		as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently become impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.	advances is termed as "Special Mention Account (SMA)", interest income from such investments is not allowed to be recognized as income, rather the respective amount needs to be credited as a liability account like: interest suspense account.	BDT 750,320,525 from BDT 713,195,133 Resulting in increase of BDT 37,125,392 of interest suspense. This amount has been shown as other liabilities in note 13.4.
13	Presentation and disclosure of Financial Statements and Financial Instruments	IFRS-7 "Financial instruments: Disclosures"	IFRS 7 require specific presentation and disclosure relating to all financial instruments.	As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.	Financial Statements for 2023 and corresponding period of 2022 have been prepared as per guideline (DFIM Circular No. 11 dated 23 December 2009) of Bangladesh Bank.

2.2 Going concern assumption

These financial statements have been prepared on the basis of assessment of the BIFC's ability to continue as a going concern. BIFC has neither any intention to cease the operation nor any legal or regulatory compulsion to liquidate or curtail materially its operations.

2.3 Statement of cash flows

The statement of Cash Flows has been prepared in accordance with Bangladesh Bank DFIM Circular No.-11 dated December 23, 2009 which is a mixture of the direct and indirect methods.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS), requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The estimates and associated assumptions are based on historical experience and various related factors that are believed to be reasonable under the

Notes to the Financial Statements-Continued

circumstances, the result of which may differ from these estimates and judgments.

Significant areas requiring the use of management estimates in these financial statements are related to the useful life of depreciable assets and provisions for loans, advances and leases; investment, gratuity and income tax. However, the estimates and underlying assumption are reviewed on an ongoing basis and the actual result is recognized in the period in which the estimates are revised.

2.5 Date of Authorization

The Board of Directors has authorized these financial statements on December 29, 2024.

2.6 Directors' responsibility statement

The Board of Directors is responsible for the presentation of the financial statements under section 183 of the Companies Act, 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

2.7 Risk and uncertainty for use of estimates

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- When the company has an obligation as a result of past events;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

2.8 Compliance of International Accounting Standards (IAS) International Financial Reporting Standards (IFRS)

IAS No.	Name of IAS	Applicability	Remarks
IAS 1	Presentation of financial statements	Applied with some departures	Note 2.1
IAS 2	Inventories	N/A	
IAS 7	Statement of cash flows	Applied with some departures	Note 2.3
IAS 8	Accounting policies, changes in accounting estimates and errors	Applied	
IAS 10	Events after the reporting period	Applied	
IAS 12	Income taxes	Applied	
IAS 16	Property, plant & equipment	Applied	
IAS 19	Employee benefits	Applied	
IAS 20	Accounting for Government grants	N/A	
IAS 21	The effects of changes in foreign exchange rates	Applied	

Notes to the Financial Statements-Continued

IAS No.	Name of IAS	Applicability	Remarks
IAS 23	Borrowing costs	Applied	
IAS 24	Related party disclosures	Applied	
IAS 26	Accounting and reporting by retirement benefit plans	N/A	
IAS 27	Separate financial statements	N/A	
IAS 28	Investments in associates and joint ventures	N/A	
IAS 29	Financial reporting in hyperinflationary economics	N/A	
IAS 32	Financial instruments: presentation	Applied with some departures	
IAS 33	Earnings per share	Applied	
IAS 34	Interim financial reporting	Applied	
IAS 36	Impairment of assets	Applied	
IAS 37	Provisions, contingent liabilities and contingent assets	Applied	
IAS 38	Intangible assets	Applied	
IAS 39	Financial instruments: recognition and measurement	N/A	
IAS 40	Investment property	N/A	
IAS 41	Agriculture	N/A	

IFRS No.	Name of IFRS	Applicability	Remarks
IFRS 1	First-time adoption of international financial reporting standards	N/A	
IFRS 2	Share based payment	N/A	
IFRS 3	Business combinations	N/A	
IFRS 5	Non-current assets held for sale and discontinued operations	N/A	
IFRS 6	Exploration for and evaluation of mineral resources	N/A	
IFRS 7	Financial instruments: disclosures	Applied	
IFRS 8	Operating segments	N/A	
IFRS 9	Financial instruments	Applied with some departures	Note 2.1
IFRS 10	Consolidated financial statements	N/A	
IFRS 11	Joint arrangements	N/A	
IFRS 12	Disclosure of interests in other entities	N/A	
IFRS 13	Fair value measurement	Applied with some departures	
IFRS 14	Regulatory Deferral Accounts	N/A	
IFRS 15	Revenue from Contracts with Customers	Applied with some departures	
IFRS 16	Leases	Not applied	
IFRS 17	Insurance Contracts	N/A	

N/A= Not Applicable

Notes to the Financial Statements-Continued

As the regulatory requirements differ with some of the standards, relevant disclosures have been made in accordance with Bangladesh Bank's requirements (please see note 2.1).

2.9 Consistency

In accordance with the IFRS framework for the presentation of financial statements, the company applies the accounting disclosure principles consistently from one period to next period, where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

3 Significant accounting policies

3.1 Accounting for leases

The Company has not recognized 'Right of Use' assets and lease liabilities as per IFRS 16. Management has assessed the impact of non implementation of IFRS 16 and has deemed the misstatement to be immaterial.

3.2 Comparatives and reclassification

Comparative information has been disclosed in respect of 2022 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

3.3 Accounting for loans

Loans operation consists of term loans, housing finance and staff loans. Books of accounts are maintained based on the accrual method of accounting. However, interest income on Special Mention Account (SMA) and classified loans is not recognized as income but credited to interest suspense account as per Bangladesh Bank circulars and directives.

3.4 Investments

Investment in securities are classified broadly in two categories and accounted for as under:

Investment in quoted shares

Investments in quoted shares (listed securities) are carried at cost. Adequate provision has been made considering each individual investment (where cost is less than market price) as guided by Bangladesh Bank. Unrealized gain is not recognized in the profit and loss account.

Investment in unquoted shares

Investment in unquoted shares/unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Stock dividends received against investment in shares are recorded at zero value in the books of accounts.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with Bangladesh Bank and its agent bank(s) and balance with banks and other financial institutions in the form of current deposit, short term deposit and fixed deposits.

3.6 Liquidity statement (asset and liability maturity analysis)

The liquidity statement has been prepared in accordance with remaining maturity grouping of assets and liabilities as of the close of the year as per following basis:

Notes to the Financial Statements-Continued

- i) Balance with banks and other financial institutions, money at call and short notice, etc. are on the basis of their maturity term.
- ii) Investments are on the basis of their respective maturity.
- iii) Loans, advances and leases are on the basis of their repayment schedule.
- iv) Fixed assets are on the basis of their estimated useful lives.
- v) Other assets are on the basis of their realization/amortization.
- vi) Borrowing from banks, other financial institutions and agents, etc are as per Management's expectation of the Company's future liquidity position.
- vii) Term deposits and other deposits are on the basis of Management's expectation of the Company's future liquidity position and past trend of withdrawal by the depositors.
- viii) Other liabilities are on the basis of their payment/adjustments schedule.

3.7 Fixed assets including land, building, furniture & equipment

The cost of an item of property, plant and equipment is recognized as an asset if, it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Company's own fixed assets (except Land) are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Land is stated under the revaluation model. The cost of acquisition of any asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use as per International Accounting Standard (IAS) 16 "Property, Plant and Equipment".

3.7.1 Subsequent expenditure on fixed assets

Subsequent expenditure, such as repairs and maintenance, on property, plant and equipment is normally charged off as revenue expenditure in the period in which it is incurred. In situation subsequent expenditure is only recognized as an asset when the expenditure improves the condition of the asset beyond its originally assessed standard of performance. All other costs are recognized to the profit and loss account as expenses. All up gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

3.7.2 Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the profit and loss account, which is determined with reference to the net book value of the assets and net sales proceeds.

3.7.3 Depreciation on fixed assets

Depreciation on Company's own fixed assets is charged to amortize the cost of assets throughout their estimated useful lives, using the reducing balance method- in accordance with International Accounting Standard (IAS) 16 "Property, Plant and Equipment's". Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized. The rates of depreciation used are as under:

Notes to the Financial Statements-Continued

<u>Particulars</u>	<u>Rate</u>
Land	nil
Furniture & fixture	10% p.a
Electrical equipment	15% p.a
Motor vehicle	20% p.a
Office equipment	15% p.a
Interior decoration	10% p.a

3.8 Impairment of assets

The company's assets are appraised at each balance sheet date for impairment. If there is any indication of impairment, the company estimates the recoverable amount of such assets; impairment losses if any, is recognized in the profit & loss account if the carrying amount of the asset exceeds its recoverable amount.

3.9 Provision for loans, advances and investments

Provision for loans, advances and investments is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) IAS 37: Provision, Contingent Liabilities and Contingent Assets and (2) Bangladesh Bank guidelines. The methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. DFIM Master circular No. 04 dated 26 July 2021, is the basis for calculating the provision for loans, advances and investments. Loan classification status during the year ended 31 December 2023 has been determined as per DFIM Master circular No. 04 dated 26 July 2021.

As per Bangladesh Bank circular, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans and Special Mention Account (SMA)) has to be maintained irrespective of objective evidence of impairment on leases, loans and advances.

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.

3.9.1 Write off of loans, advances and investments

In compliance with Bangladesh Bank DFIM circular no. 3 dated 8 April 2015, loans, advances and investment are written off to the extent that (i) there is 100% provision is maintained (ii) against which legal cases are pending and (iii) prior approval of board is required for write off. The item's potential return is thus cancelled and removed ("written off") from the Company's balance sheet. However, these write off will not undermine or affect the claim amount against the borrower. Recovery against the written off is credited to other operational income. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there against or are considered recoverable.

3.10 Other receivable

Other receivable includes accrued IDCP (Interest During Construction Period), accrued interest for delay in payment of rental/installment, accrued interest on fixed deposit. These receivables do not carry any interest and are stated at their nominal value and provision has been maintained against them as per Bangladesh Bank guidelines.

3.11 Provisions and accrued expenses

Provisions and accrued expenses are recognized in the financial statement when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Notes to the Financial Statements-Continued

3.12 Payment of dividend

Interim dividends are recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed cash dividend is not recognized as a liability in the balance sheet in accordance with the IAS 10 “events after reporting period”. Dividend payable to the Company’s shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

IAS 1 “presentation of financial statements” also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

Dividends cannot be declared by the Company until the Capital Adequacy shortfall disclosed in note 14.6 has been adjusted.

3.13 Revenue recognition

As per IFRS 15: Revenue from Contracts with Customers, an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Penal interest is recognized on cash basis as and when it is realised from the client except as disclosed in note 10.5.

3.13.1 Interest Income

Interest income comprises of interest income from lease, loans and advances and interest on placement of fund with banks and other financial institutions. Interest due is recognized on accrual basis using the effective interest method. Interest due over ninety days is not recognized as revenue rather it is recognized as interest suspense. Suspended interest is recognized as income on cash basis when it is received.

3.13.2 Income from leases

The excess of aggregate rentals receivable over the cost of the leased asset constitutes the total unearned lease income. The unearned lease income is recognized as revenue on an accrual basis over the lease terms, as per Bangladesh Bank Guidelines. No lease income is accounted for as revenue where any lease rental is in arrears for 03 (three) months and above. In case of lease account for more than 5 (five) years period, no lease income is accounted for as revenue where any lease rental is in arrears for 06 (six) months and above.

3.13.3 Income from loans, advances

Interest on loans and advances is recognized when interest is accrued. No interest on loans and advances is accounted for as revenue where any portion of capital or interest is in arrears for 03 (three) months and above. In case of loans and advances for more than 5 (five) years period, no interest on loans is accounted for as revenue where any portion of capital or interest is in arrears for 06 (six) months and above.

3.13.4 Dividend income

Dividend income is recognized on cash basis in the period in which the dividend was received.

3.13.5 Capital gain on sale of shares

Capital gain from sale of share/ securities is recognized on realized basis i.e. only when the securities are sold. Unrealized capital gain is not recognized as income.

Notes to the Financial Statements-Continued

3.13.6 Fee based revenue

Fee based revenues are recognized as income on cash basis i.e. as and when realized.

3.14 Bank loans

Interest bearing bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on an accrued basis to profit and loss account under the head of financial expense at the implicit rate of interest. The accrued expenses are not added to carrying amounts of the loans.

3.15 Borrowing costs

According to International Accounting Standard 23 “borrowing cost”, all borrowing costs are recognized as expenses in the period in which they are incurred.

3.16 Interest suspense

As per Bangladesh Bank guidelines, lease income and interest on term finance overdue three months and above period are not recognized as revenue and credited to interest suspense account. In case of lease and loan account more than 5 years period and housing finance, lease income and interest income overdue six months and above period are not recognized as revenue and credited to interest suspense account.

3.17 Contingent liabilities and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements in accordance with Bangladesh Accounting Standard 37 “Provisions, Contingent Liabilities and Contingent Assets”. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company. The Contingent Liabilities of the Company have been disclosed in note 13.4.2.

3.18 Workers Profit Participation Fund and Welfare Fund

The company is yet to decide on the applicability of the sections 2 (65) of the Labour Code, 2006 and 232 of the Labor Act, 2006 hence no provision for workers profit participation and welfare fund has been made in the accounts.

3.19 Related party disclosure

The Company has entered into transactions with other parties in normal course of business that fall within the definition of related party as per International Accounting Standard 24 “Related Party Disclosure”. The terms of related party transactions are not different from those that could have been obtained from third parties. Related party transactions are disclosed in the note no. 45 of this report.

3.20 Statutory reserve

As per clause no 6 of Financial Institutions Regulations, 1994, Financial Institution is required to transfer at least 20% of it's profit after tax and before appropriation of dividend in a particular year, if the financial institution's sum of Share Premium Account (if any) and Statutory Reserves is less than the required paid up capital of that financial institution. Accordingly to DFIM Circular no 05, dated July 24, 2011, required capital for financial institution should not be less than BDT 100 crore or minimum capital required based on risk-weighted asset. Due to loss for the year 2023 the Company has not transferred any amount to the statutory reserve.

3.21 Earnings per share (EPS)

The Company calculates earnings per share in accordance with International Accounting Standard (IAS) 33 “earnings per share”, which has been shown in the face of profit & loss account and the computation is stated in note-39.

Notes to the Financial Statements-Continued

3.21.1 Basic earnings per share

This represents earnings for the year attributable to ordinary shareholders. As there was no preference dividend or extra ordinary items, the net profit after tax for the year has been considered as fully attributable to the ordinary shareholders.

3.21.2 Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies. Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. As at 31 December 2023, there was no scope for dilution and hence no diluted EPS is required to be calculated.

3.21.3 Weighted average number of ordinary shares outstanding during the year

This represents the number of ordinary shares outstanding at the beginning of the year plus the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the numbers of days the specific shares were outstanding as a proportion of the total number of days in the year.

3.22 Income tax

Income tax expense represents the sum of the tax currently payable.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the reporting period. Due to loss for the year 2023, Company provided tax on dividend income which is higher than the minimum tax as per Income Tax Act 2023.

Deferred Tax:

Deferred tax liability has been recognized on revaluation of land as per IAS 12 para 51b.

3.23 Employee benefit

The company maintained the following employee benefit plans in compliance with International Accounting Standard 19 "Employee Benefits":

3.23.1 Provident fund

The company operates a contributory provident fund scheme for its employee which is recognized by the National Board of Revenue (NBR) and administrated by a Board of Trustees. Both the company and employee contribute to the fund on equal basis at a predetermined rate.

3.23.2 Gratuity scheme

The company operates a non-funded gratuity scheme. Employees are entitled to gratuity benefit after completion 5 (five) years satisfactory service. The gratuity is paid on the basis of last basic pay drawn and is payable at the rate of one month's basic pay for every completed year of service. Provision for gratuity is made annually considering all its eligible employees available at the end of the year.

3.23.3 Pension fund

The company operates a non funded superannuation fund scheme. Employees are entitled to the following benefits:

Notes to the Financial Statements-Continued

- i) Death Benefits: 100% of sum assured on death of an employee as per his/her category during the tenure of service prior to retirement is payable to his/her nominee and/or heirs.
- ii) Survival Benefits: 100% of the amount assured on retirement after completion age of 57 years (58th Birthday) and/or being physically incapacitated during his services in the Company as per category of the employees.

3.23.4 Group life insurance scheme

The company has a Group Life Insurance Scheme for all its permanent employees.

3.23.5 Employees hospitalization benefit

The company has an employees' hospitalization benefit scheme for all its permanent employees.

3.23.6 Performance bonus

The employees of the company are entitled to annual performance bonus which is determined on the basis of company as well as individual employee's performance and subject to approval by the Board of Directors of the company.

3.23.7 Employee personal loan scheme

The company provides personal loan facility to its employee as per loan scheme of the company.

3.23.8 Other benefits

The employees of the company are also entitled to privilege leave encashment benefit, etc.

3.24 Policies and objectives adapted for financial risk management

The policies mentioned in this section are being applied in a very limited manner due to the Company's financial condition.

The Board of Directors guides and formulates the basic philosophy relating to optimal implementation of strategy to cater to the financial risk and capital deployed for investment.

In order to ensure maximum return to shareholders, the Company emphasizes on maintaining strong capital base to attain high credit rating, which enables growth, as well as portray good image and meet the regulatory requirements.

The management of the company takes account to the following factors, which affects the financial risks that are faced from time to time.

3.24.1 Credit risk

Credit risk arises when an obligor fails to perform its obligations under a trading or loan contract or when its ability to perform such obligations is impaired. This risk is compounded if the assigned collateral only covers the claim made to the clients or if its value is variable or uncertain. Credit risk does not arise only when a borrower defaults on payment of a loan but also when its repayment capability declines.

Mitigation Policy

Credit policies are designed to create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations. The credit policies also include utilizing appropriate, accurate and timely tools to measure credit risk and maintaining acceptable levels of overall credit risk for the entire portfolio.

Notes to the Financial Statements-Continued

3.24.2 Liquidity risk

Liquidity risk is the current and prospective risk that the company, though solvent, either does not have sufficient financial resources available to meet its liability when they fall due or can secure them only at excessive cost. Liquidity risk arises from the inability to manage unplanned changes in funding sources.

Mitigation Policy

The policy of the company is to maintain and manage the fund in such a manner so that any short- and long-term commitment are not affected due to mismatch of tenure. The risks involved in liquidity are regularly looked after by the Treasury Department as per the guidance of the Asset Liability Management Committee (ALMC) from time to time.

3.24.3 Market risk

Market risk relates to potential loss arising from and adverse change in market risk factors, including commodity prices, interest rates, credit spreads and equity prices.

Mitigation Policy

The Assets Liability Management Committee (ALMC) of the company regularly meets to assess the change in interest rate, market conditions, carry out asset liability maturity gap analysis, re pricing of products and thereby takes effective measures to monitor and control interest rate risk.

Apart from major financial risks, the organization also faces non-financial risk among which following are prominent:

3.24.4 Operational risk

Operational risk is the risk of direct or indirect loss or damage resulting from inadequate or failed internal processes or systems or from human error or external events. Operational risk is therefore inherent in all activities within the company.

Mitigation Policy

Appropriate internal control systems can reduce operational risk within acceptable level. The Company established an effective and efficient internal control & compliance department (ICCD) to ensure the implement of policies and statutory requirements to encounter such risk. Internal Control and Compliance committee of the company works to ensure effective and efficient operations, reliable financial reporting and compliance with laws and regulations.

3.24.5 Information and communication technology risk

This risk may arise from malfunction of system, failure of network, lack of knowledge about the use of technology, virus attack, hacking etc.

Mitigation Policy

To manage IT related risk, the company has adopted excellent disaster recovery back up facilities in emergency situation. In addition, the company has check and balance system in every step of its standard procedures of operations.

3.24.6 Strong credit policy formulation by top management

- The Board of Directors of the company guides and formulates the basic philosophy relating to optimal implementation of strategy to cater to the financial risk and capital deployed for investment.
- The Board of Directors has approved the credit policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been detailed.

Notes to the Financial Statements-Continued

3.24.7 Credit manual updated with recent industry information

Credit policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

3.24.8 Thorough credit approval process

Meeting regulatory requirements and industry best practices: All credit facility complies regulatory requirements including Financial Institution Act and Bangladesh Bank guidelines & circulars as amended from time to time. The company considers Guidelines for managing core risks of financial institutions issued by the Country's central bank, Bangladesh Bank; vide FID circular no. 10 dated September 18, 2005 for management of risks.

3.24.9 Multilayer credit evaluation process

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

3.24.10 Rigorous due diligence process followed

- The Company downloads credit report from the credit information bureau (CIB) of Bangladesh Bank. The report is scrutinized by top management to understand the liability condition and repayment behavior of the client.
- The Company takes banker's opinions from client's banks as well as suppliers' and buyers' opinion to understand the market position and reputation of our proposed customers.
- The Company discourages financing to low net worth or highly leveraged customer; who might jeopardize their repayment commitment or even in worse situation may face liquidity problem.
- The Company evaluates customer repayment performance before providing credit facility though financial analysis, ensure adequate insurance coverage for funded assets, seeking external legal opinion and taking collateral security to reduce risk.
- The Company provides credit facility to productive and legitimate business activities, which are financially viable with strong focus on cash flow generation, have market demand and socially desirable; and will not invest for unproductive purposes or speculative ventures.

During the period under audit the company did not provide any credit facilities due to liquidity crisis.

3.24.11 Constant credit monitoring and recovery process

- **Existence of control mechanism for early warning:** Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.
- **Continuous monitoring by top management:** The Management Credit Committee (MCC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The MCC critically reviews projects considering the current global economic situation and its probable impact on the project.

Notes to the Financial Statements-Continued

- **Centralized Credit Administration:** The Company has already established a centralized credit risk management department and a process manual. The Credit Risk Management (CRM) department regularly monitors and follows up credit risk related matter and recommend and implement appropriate measures to counter associated risk. The CRM time to time reviews projects from risk point of view and assists the management in creating a high-quality credit portfolio and maximize return from risk-based assets.

3.25 Basel II & its implementation

To cope with the international best practices and to make the capital more risk sensitive as well as more shock resilient, guidelines on Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by Bangladesh Bank. At the end of test run period, Basel accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institution (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/ revisions. Instructions regarding Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR), and disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance.

The Company has a shortfall in Capital Adequacy as stated in note 14.6.

3.26 Reporting period

Financial statements of the company cover twelve months period from January 01, to December 31, consistently.

3.27 Offsetting

No assets or liability has been offsetted or reduced by any other assets unless a legal right for set-off exists and the offsetting presents the expectation as to the realization or settlement of the assets or liability.

3.28 Adoption of Financial Statements

The audited Financial Statements for the year ended December 31, 2021 was adopted by the shareholders in the 26th AGM held on 15 November 2023.

The audited Financial Statements for the year ended December 31, 2022 will be adopted by the shareholders in the 27th AGM.

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
4	Cash		
	This is made up as follows:		
	Cash in hand (note: 4.1)	62,912	75,312
	Balance with Bangladesh Bank & its agent bank (s) (note: 4.2)	165,332	29,917,042
		<u>228,244</u>	<u>29,992,354</u>
4.1	Cash in hand		
	This is made up as follows:		
	Local currency	62,912	75,312
	Foreign currency	-	-
		<u>62,912</u>	<u>75,312</u>
4.2	Balance with Bangladesh Bank & its agent bank (s)		
	This is made up as follows:		
	Balance with Bangladesh Bank (note: 4.2.1)	165,332	29,917,042
	Balance with Bangladesh Bank's agent bank (note: 4.2.2)	-	-
		<u>165,332</u>	<u>29,917,042</u>
4.2.1	Balance with Bangladesh Bank		
	This is made up as follows:		
	Local currency	165,332	29,917,042
	Foreign currencies	-	-
		<u>165,332</u>	<u>29,917,042</u>
4.2.2	Balance with Bangladesh Bank's agent bank		
	This is made up as follows:		
	Local currency	-	-
	Foreign currencies	-	-
		<u>-</u>	<u>-</u>
4.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR)		
	Cash Reserve Requirement (CRR) and Statutory Liquidity Reserve (SLR) has to be calculated and maintained in accordance with Finance Companies Act, 2023, Rule 5 of Financial Institutions Regulations 1994 and instructions contained in FID circular no. 06 dated 06 November 2003, FID circular no. 02 dated 10 November 2004, DFIM circular no. 01 dated 12 January 2017 and DFIM circular no. 03 dated 21 June 2020 issued by Bangladesh Bank.		
	Cash Reserve Requirement (CRR) is required on the total term deposits at the rate of 1.5% has to be calculated and preserved in current account maintained with Bangladesh Bank. Total Term Deposit' means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks & Financial Institutions).		
	Statutory Liquidity Reserve (SLR) including Cash Reserve Requirement (CRR) has to be maintained at the rate of 5.00% against total liabilities excluding shareholders' equity, borrowings from Bangladesh Bank and other Bank and Finance Companies in the form of cash in hand (notes and coin in BDT), balance with Bangladesh Bank and other banks and financial institution, investment at call, unencumbered treasury bills, prize bond, savings certificate and any other assets approved by Bangladesh Bank. Both the reserves as maintained by the company are shown below:		
4.3.1	Cash Reserve Requirement (CRR): 1.5% of term deposits (excluding bank & FI deposits)		
	The Company requires to maintain cash with Bangladesh Bank current account equivalent to 1.50% of Term Deposits other than deposit taken from banks and financial institutions.		
	Required reserve	27,830,538	29,763,065
	Actual reserve held with Bangladesh Bank (Note:4.2)	165,332	29,917,042
	Surplus / (deficit)	<u>(27,665,206)</u>	<u>153,977</u>
4.3.2	Statutory Liquidity Reserve (SLR): 5% (including 1.5% CRR) of average liabilities		
	The Company requires to maintain SLR equivalent to 5% of total liability including 1.50% of CRR and excluding loans and deposits taken from banks and financial institutions.		
	Required reserve	286,359,179	352,560,196
	Actual reserve held (note: 4.3.3)	35,913,889	115,058,578
	Surplus / (deficit)	<u>(250,445,290)</u>	<u>(237,501,618)</u>
4.3.3	Held for Statutory Liquidity Reserve (SLR)		
	Cash in hand (note: 4.1)	62,912	75,312
	Balance with Bangladesh Bank (note: 4.2)	165,332	29,917,042
	Balance with other bank and financial institutions (note-5)	35,685,645	85,066,224
	Money at call on short notice (note: 6)	-	-
		<u>35,913,889</u>	<u>115,058,578</u>

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
5	Balance with banks and other financial institutions		
	This is made up as follows:		
	Inside Bangladesh (note: 5.1)	35,685,645	85,066,224
	Outside Bangladesh	-	-
		35,685,645	85,066,224
5.1	Inside Bangladesh		
	This is made up as follows:		
	a) Current deposit account:		
	The City Bank Uttara Branch, Dhaka	15,007	15,007
	Prime Bank Ltd., Motijheel Branch, Dhaka	171,289	171,439
	Dutch Bangla Bank Ltd, Rampura Branch	619,714	621,019
	Social Islami Bank Ltd., Principal Branch, Dhaka	8,245	8,935
		814,255	816,400
	b) Short term deposit account:		
	Bank Asia Ltd. N. Gonj Branch	1	1
	Bank Asia Agrabad Branch	1,054	1,054
	Bangladesh Commerce Bank Ltd., Principal Office, Dhaka	221,279	219,013
	BASIC Bank Limited	11,282	12,208
	The City Bank Ltd., Principal Branch, Dhaka	13,278	13,278
	Dhaka Bank Ltd., Local Office, Dhaka	44,486	25,272
	EXIM Bank of BD Ltd., Head office Corp. Branch	32,392,162	80,734,573
	Mutual Trust Bank Ltd., Jubly Road Branch, Chattogram	13,235	13,235
	Southeast Bank Ltd., Principal Branch, Dhaka	1,205,829	1,205,829
	Uttara Bank Ltd., Local Office, Dhaka	665,542	655,314
	Mercentile Bank Ltd., Agrabad Branch, Chattogram	167,903	120,899
	Mutual Trust Bank Ltd., Agrabad Branch, Chattogram	135,339	1,249,148
		34,871,390	84,249,824
	C) Fixed deposits:		
	With bank	-	-
	With other financial institutions	-	-
		-	-
	Total (A+B+C):	35,685,645	85,066,224
5.2	Residual maturity groupings of balance with other banks and financial institutions		
	Upto 1 month	35,685,645	85,066,224
	More than 1 month but not more than 3 months	-	-
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	-	-
		35,685,645	85,066,224
6	Money at call on short notice		
	This is made up as follows:		
	With banks	-	-
	With financial institutions	-	-
		-	-
7	Investments		
	This is made up as follows:		
	In Government securities		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes/bonds	-	-
	Prize bonds	-	-
	Others	-	-
		-	-
	Other investments		
	Ordinary shares (note 7.1)	190,411,213	190,411,213
	Debenture and bonds	-	-
	Others	-	-
		190,411,213	190,411,213

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
7.1	Ordinary shares		
	This is made up as follows:		
	Quoted shares (note 7.1.1)	72,911,213	72,911,213
	Unquoted shares (note 7.1.2)	117,500,000	117,500,000
		<u>190,411,213</u>	<u>190,411,213</u>
7.1.1	Quoted shares		
	This is made up as follows:		
	Name of the Company	31-12-2023	31-12-2022
	Argon Denim Ltd.	8,091,902	8,091,902
	BSRM Steels Limited	44,192,430	44,192,430
	BATBC	2,208,390	2,208,390
	Dhaka Bank PLC	5,072,190	5,072,190
	Grameen One: Scheme Two	1,901,721	1,901,721
	Ifad Autos Ltd.	1,241,529	1,241,529
	Power Grid Company of BD	988,724	988,724
	Square Pharmaceuticals Ltd.	7,037,250	7,037,250
	Standard Bank PLC	1,392,401	1,392,401
	The ACME Lab. Ltd.	784,676	784,676
		<u>72,911,213</u>	<u>72,911,213</u>
7.1.2	Unquoted shares		
	This is made up as follows:		
	BanglaLion Communications Ltd.	107,500,000	107,500,000
	GMG Airlines Ltd.	10,000,000	10,000,000
		<u>117,500,000</u>	<u>117,500,000</u>
	The company has invested an amount of Tk. 107,500,000 to BanglaLion Communications Ltd. against 10,750,000 Ordinary Shares of Tk. 10.00 each. BanglaLion Communications Ltd. is a Private Ltd. company which provides wireless internet with latest wireless broadband technology and the Company is one of the sponsor shareholders of Banglalion Communications Ltd. BIFC holds 5% shares of the total share of Banglalion Communications Ltd.		
	The company has also invested an amount of Tk.10,000,000 to GMG Airlines Ltd. against 200,000 Ordinary Shares of Tk. 50.00 each including a premium of Tk.40.00 per share. During the year 2012, BIFC received 20,000 shares of Tk.10.00 each from GMG Airlines Ltd. against 10% stock dividend which is recoded at zero value in the books of accounts. So, total shares of GMG Airlines Ltd. stands at 220,000.		
	The Company has maintained 100% provision (note 13.2) against its investments in unquoted shares as per FID Circular no. 08 dated 03 August 2002.		
7.2	Sector wise investments in un-quoted shares at cost		
	This is made up as follows:		
	Banking companies	6,464,591	6,464,591
	Fuel & power	988,724	988,724
	Manufacturing companies and others	65,457,898	65,457,898
		<u>72,911,213</u>	<u>72,911,213</u>
7.3	Residual maturity groupings of investments		
	This is made up as follows:		
	Upto 1 month	72,911,213	72,911,213
	More than 1 month but not more than 3 months	-	-
	More than 3 months but not more than 1 year	-	-
	More than 1 year but not more than 5 years	-	-
	More than 5 years	117,500,000	117,500,000
		<u>190,411,213</u>	<u>190,411,213</u>
	(A schedule of investment in shares is given in Annexure- C)		
8	Loans, advances and leases		
	This is made up as follows:		
	Loans, cash credits, overdrafts, etc. (note: 8.a)	7,704,027,742	7,731,175,550
	Bills purchased and discounted (note: 8.b)	-	-
		<u>7,704,027,742</u>	<u>7,731,175,550</u>

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
8.a	Loans, cash credits, overdrafts, etc. This is made up as follows:		
	Inside Bangladesh		
	Lease finance (note: 8.1)	355,157,454	365,914,725
	Term loans (note: 8.2)	7,314,896,867	7,339,079,655
	Housing finance	25,354,333	25,369,426
	Staff loan (note: 8.3)	8,619,088	811,744
	Overdrafts	-	-
	Cash credit	-	-
		<u>7,704,027,742</u>	<u>7,731,175,550</u>
	Outside Bangladesh	-	-
		<u>7,704,027,742</u>	<u>7,731,175,550</u>
8.1	Lease finance This is made up as follows:		
	Gross lease receivable	140,338,447	141,165,957
	Less: Unearned lease income	9,605,767	9,646,347
	Net lease receivables	<u>130,732,680</u>	<u>131,519,610</u>
	Add: Overdue lease rentals	224,424,774	234,395,115
		<u>355,157,454</u>	<u>365,914,725</u>
8.2	Term loans This is made up as follows:		
	Principal outstanding	2,502,016,501	2,531,653,307
	Accounts receivable	4,812,880,366	4,807,426,348
		<u>7,314,896,867</u>	<u>7,339,079,655</u>
8.3	Staff loans This is made up as follows:		
	Housing finance	-	-
	Term loan	8,619,088	811,744
		<u>8,619,088</u>	<u>811,744</u>
8.4	Residual maturity grouping of loans, advances and leases This is made up as follows:		
	Receivable:		
	On Demand	-	-
	Upto 1 month	102,728,865	110,000,380
	More than 1 month but not more than 3 months	207,344,242	207,704,163
	More than 3 months but not more than 1 year	1,002,294,091	1,002,367,626
	More than 1 year but not more than 5 years	5,999,256,156	5,991,146,122
	More than 5 years	392,404,388	419,957,259
		<u>7,704,027,742</u>	<u>7,731,175,550</u>

Since 96.88% of the loans, advances and leases are classified, residual maturity has been calculated by Management by taking into account the recovery forecasts.

8.5	Loans, advances and leases on the basis of significant concentration This is made up as follows:		
8.5.1	Loans, advances and leases to directors and their allied concerns	-	6,223,884,398
8.5.2	Loans, advances and leases to CEO & Sr. Executives/Officers	8,619,088	811,744
8.5.3	Loans, advances and leases to customer groups	7,695,408,654	1,506,479,408

Loans, advances and leases allowed to any individual customer or enterprise or any organization of a group exceeding 15% of the Consequently all the loans allowed by the company is a large loan and hence cannot be disclosed separately.

8.5.4	Loans, advances and Leases on the basis of industrial sectors As per Bangladesh Bank circular, sector wise loans and advances are as follows:		
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Sector	As at 31 December 2023		As at 31 December 2022	
	Amount	Percentage	Amount	Percentage
A. Trade & Commerce (Importers, wholesalers, retail Traders, etc)	1,102,675,821	14.31%	1,285,193,089	16.62%
B. Industry:				
1) Readymade Garments and Knitwear	1,710,376,078	22.20%	1,804,872,949	23.35%
2) Textile Mills	884,254,410	11.48%	677,114,654	8.76%
3) Garments Accessories	7,026,996	0.09%	-	-
4) Jute Mills and Jute Products	54,015,761	0.70%	54,015,762	0.70%

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka			
		31-12-2023		31-12-2022	
	Sector	As at 31 December 2023		As at 31 December 2022	
		Amount	Percentage	Amount	Percentage
	5) Food Production and Processing	3,781,909	0.05%	3,781,910	0.05%
	6) Printing & Dyeing Industries	6,207,936	0.08%	-	-
	7) Plastic Industry	-	-	1,583,468	0.02%
	8) Leather and Leather-Goods	-	-	-	-
	9) Steel Engineering & Metal Products	82,290,200	1.07%	373,567,564	4.83%
	10) IT based activities (Call centre, internet service)	2,144,977,638	27.84%	1,916,297,798	24.79%
	11) Road Transport Companies	86,041,370	1.12%	24,270,310	0.31%
	12) Housing	79,941,132	1.04%	381,323,688	4.93%
	13) Cement Manufacturing	45,949,062	0.60%	64,841,555	0.84%
	14) Hotel Tourism & others	176,980,322	2.30%	-	-
	15) Power (Gas, oil & other fuels)	323,516,221	4.20%	268,870,216	3.48%
	16) Paper, printing, packaging, Manufacturing	165,449,973	2.15%	471,811,870	6.10%
	17) Ship Building & Breaking Industries	339,489,795	4.41%	55,804,269	0.72%
	18) Electronics and Electrical Products	-	-	4,269,348	0.06%
	19) Agriculture	-	-	9,177,263	0.12%
	C. Others	491,053,118	6.36%	334,379,837	4.32%
	Total	7,704,027,742	100.00%	7,731,175,550	100.00%

8.5.5 Geographical location-wise concentration of loans, advances and leases

This is made up as follows:

Division	As at 31 December 2023		As at 31 December 2022	
	Amount	Composition	Amount	Composition
Dhaka	7,074,300,027	91.83%	7,061,660,043	91.34%
Chittagong	629,727,715	8.17%	669,515,507	8.66%
Total	7,704,027,742	100.00%	7,731,175,550	100.00%

8.6 (A) Grouping of loans, advances and leases as per classification rules of Bangladesh Bank

This is made up as follows:

Unclassified

Standard including staff loans
Special Mention Account (SMA)

231,616,133	238,887,648
2,137,638	2,497,559
233,753,771	241,385,207

Classified

Substandard
Doubtful
Bad or loss

73,535	55,135,690
-	6,202,464
7,470,200,436	7,428,452,189
7,470,273,971	7,489,790,343
7,704,027,742	7,731,175,550

(B) Classification and provisioning of loans and advances including bills purchased and discounted

Classification / status of loans and advances	Amount of outstanding loans and advances as at 31 December, 2023	Base for provision	% of provision required as per Bangladesh Bank directive	Amount of Provision as at 31 December, 2023	Amount of Provision as at 31 December, 2022
i. General provision					
Standard Non SME including staff loans	231,556,337	231,556,337	1%	2,315,564	2,375,872
Standard SME	59,796	59,796	0.25%	149	3,251
Special Mention Account	2,137,638	1,975,136	5%	98,757	106,419
				2,414,470	2,485,542
ii. Specific provision					
Sub-standard	73,535	72,011	20%	14,402	7,018,572
Doubtful	-	-	50%	-	1,761,201
Bad/loss	7,470,200,436	6,678,932,522	100%	6,678,932,522	6,637,975,148
				6,678,946,924	6,646,754,921
iii. Special Provision 2%					
	224,797,517	224,797,517	2%	4,495,950	4,797,226
Total provision required (i+ii+iii)				6,685,857,344	6,654,037,689
Total provision maintained (Note: 13.1)				6,685,857,344	6,654,780,701
Excess/ (Deficit)				-	743,012

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
8.7 Particulars of loans, advances and leases:			
(i)	Loans considered good in respect of which the Financial Institution is fully secured	26,348,930	238,887,648
(ii)	Loans considered good for which the Financial Institution holds no Security other than the debtor's personal guarantee	7,629,730,157	7,486,085,438
(iii)	Loans considered good which is secured by the personal guarantee of one or more parties in addition to the personal guarantee of the debtors	47,948,655	6,202,464
(iv)	Loans adversely classified; provision not maintained there against	-	-
		7,704,027,742	7,731,175,550
(v)	Loans due by directors or officers of the Financial Institution or any of them either separately or jointly with any other person (note: 8.3)	8,619,088	811,744
(vi)	Loans due from companies or firms in which the directors of the Financial Institution have interest as directors, partners or managing agents or, in case of private companies as members	-	6,223,884,398
(vii)	Maximum total amount of advances, including temporary advances made at any time during the year to directors or managers or officers of the Financial Institution or any of them either separately or jointly with any other persons	10,175,000	600,000
(viii)	Maximum total amount of advances, including temporary advances granted during the year to the companies or firms in which the directors of the Financial Institution have interest as directors, partners or managing agents, or in the case of private companies as members	-	-
(ix)	Due from Banking Companies	-	-
(x)	Classified loans for which interest has not been charged (note: 8.6.A)	7,470,273,971	7,489,790,343
	a) Increase/ (decrease) of provision {Note: 8.6 (B)}	32,192,003	(10,347,992)
	b) Amount of loans written off	-	-
	c) Amount realised against loans previously written off	-	-
	d) Amount of provision kept against loans classified as bad/loss on the Balance Sheet date	6,678,932,522	6,637,975,148
	e) Amount of interest credited to the interest suspense account (note: 13.4)	40,120,880	1,107,833
(xi)	Amount of loans written off:		
	Current year	-	-
	Cumulative to date	27,350,760	27,350,760
	The amount of written off loans for which law suit filed	27,350,760	27,350,760
8.b Bills purchased and discounted		-	-
	No bill has been purchased or discounted during the year.		
9 Fixed assets including land, building, furniture & equipments			
	This is made up as follows:		
	A. Cost:		
	Land and land development	440,000,000	440,000,000
	Furniture & fixture	3,766,229	3,766,229
	Electrical appliance	11,793,262	11,793,262
	Motor vehicles	15,280,154	15,280,154
	Interior decoration	11,088,782	11,088,782
	Office equipment	1,261,629	1,261,629
	Intangible assets	-	-
		483,190,056	483,190,056
	B. Accumulated depreciation:		
	Furniture & fixture	1,989,410	1,791,986
	Electrical appliance	8,467,365	7,880,442
	Motor vehicles	14,004,750	13,685,900
	Interior decoration	6,387,078	5,864,661
	Office equipment	1,054,011	1,017,370
	Intangible assets	-	-
		31,902,614	30,240,359

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
	C. Written down value at December 31, 2023 (A-B)		
	Land and land development	440,000,000	440,000,000
	Furniture & fixture	1,776,819	1,974,243
	Electrical appliance	3,325,897	3,912,820
	Motor vehicles	1,275,404	1,594,254
	Interior decoration	4,701,704	5,224,121
	Office equipment	207,618	244,259
	Intangible assets	-	-
		451,287,442	452,949,697
	For details please refer to Annexure- A		
	The company acquired 11 kathas land located at 65/1, DIT Extension Road, Purana Paltan, Dhaka which was revalued in the year 2012 at 440,000,000 from existing Tk. 36,574,333. Thus the value of the said land increased by Tk. 403,425,667 which was shown as assets revaluation reserve.		
10	Others assets		
	This is made up as follows:		
	A. Income generating other assets:		
	Income receivable	-	-
		-	-
	B. Non-income generating:		
	Stock of stamp	44,530	11,858
	Advance rent, advertisement etc. (note: 10.1)	1,642,486	909,088
	Receivable on sale of shares (note: 10.2)	3,679	3,679
	Security deposits (note: 10.3)	3,644,237	3,644,237
	Prepaid expenditure (note: 10.4)	322,858,090	322,719,433
	Suspense account	11,198	1,238
	Others (note: 10.5)	105,080,786	105,603,510
		433,285,006	432,893,043
	Total (A+B):	433,285,006	432,893,043
10.1	Advance rent, advertisement etc.		
	These represents rent paid to land-lord in advance for office premises.		
10.2	Receivable on sale of shares		
	This is made up as follows:		
	Anchor Securities Ltd.	1,205	1,205
	LankaBangla Securities Ltd.	2,474	2,474
		3,679	3,679
10.3	Security deposits		
	This is made up as follows:		
	Deposits with BTTB and mobile operator	28,000	28,000
	Deposits with CDBL	400,000	400,000
	Deposits with landlord	3,000,000	3,000,000
	Others	216,237	216,237
		3,644,237	3,644,237
10.4	Prepaid expenditure		
	This is made up as follows:		
	Advance payment for land	2,343,333	2,343,333
	Building construction	10,345,000	10,345,000
	Advance Payment of Tax (Note: 10.4.1)	289,494,639	288,592,479
	Others	20,675,118	21,438,621
		322,858,090	322,719,433
10.4.1	Advance income tax		
	This is made up as follows:		
	Income tax refundable (note: 10.4.1.1)	5,309,867	5,309,867
	Advance income tax (note: 10.4.1.2)	284,184,772	283,282,612
		289,494,639	288,592,479
10.4.1.1	Income tax refundable		
	Year-wise break-up are as follows:		
	Assesment year	Income year	Amount
	2003-2004	2002	4,042,297
	2004-2005	2003	971,703
	2006-2007	2005	295,867
			5,309,867
			5,309,867

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
11.1.3	Money at call & short notice This is made up as follows:		
	Agrani Bank PLC	40,000,000	40,000,000
	Sonali Bank PLC	100,000,000	100,000,000
		140,000,000	140,000,000
11.2	Analysis by security against borrowing from other financial institutions, banks and agents This is made up as follows:		
	Secured (note: 11.2.1)	3,502,667,235	3,502,667,235
	Unsecured	350,868,921	351,053,133
		3,853,536,156	3,853,720,368
11.2.1	The loans are secured by first ranking Pari Passu Security Sharing Agreement (PPSSA) among the lenders on all present and future assets both moveable and immovable by deed of Floating Charge and Letter of Hypothecation, which is registered with the Registrar of Joint Stock Companies and Firms.		
11.3	Maturity wise classification of loan This is made up as follows:		
	Repayable on demand	140,000,000	140,000,000
	Within 1 month	209,713,348	209,713,348
	Over 1 months but not more than 3 months	307,196,093	307,196,093
	Over 3 months but not more than 1 year	659,912,783	659,912,783
	Over 1 year but not more than 5 years	2,536,713,932	2,536,898,144
	Over 5 years	-	-
		3,853,536,156	3,853,720,368
	Borrowings have been classified according to maturity periods as per Management's expectation of the Company's future liquidity position.		
12	Deposits & other accounts This is made up as follows:		
	Term deposits (note: 12.1)	5,383,582,976	7,051,203,915
	Other deposits (note: 12.2)	7,577,940	7,762,044
		5,391,160,916	7,058,965,959
12.1	Term deposits This is made up as follows:		
	Term deposit from banks and other FIs	3,528,213,790	5,066,999,595
	Term deposit from other than banks & FIs (note: 12.1.1)	1,855,369,186	1,984,204,320
		5,383,582,976	7,051,203,915
12.1.1	Term deposit from other than banks & FIs This is made up as follows:		
	General term deposits	1,778,774,352	1,856,996,776
	Double & triple benefit scheme	76,023,854	126,084,564
	Monthly savings scheme (MSS)	570,980	1,122,980
		1,855,369,186	1,984,204,320
12.1.2	Residual maturity grouping of deposits & other accounts: This is made up as follows:		
	From banks & fis		
	Payable:		
	On demand	-	-
	Upto 1 month	-	709,654,813
	In more than 1 month but less than 6 months	176,410,690	1,020,986,500
	In more than 6 months but less than 1 year	352,821,379	1,143,735,381
	In more than 1 year but within 5 years	1,234,874,827	2,192,622,901
	In more than 5 year but within 10 years	1,764,106,894	-
		3,528,213,790	5,066,999,595
	From other than banks & Fis		
	Payable:		
	On demand	-	-
	Upto 1 month	185,536,919	170,262,270
	In more than 1 month but less than 6 months	371,073,837	456,879,959
	In more than 6 months but less than 1 year	463,842,297	201,349,405
	In more than 1 year but within 5 years	834,916,133	347,725,520
	In more than 5 years but within 10 years	-	807,987,166
		1,855,369,186	1,984,204,320
	Unclaimed deposits aging 10 years or more	-	-
	Deposits have been classified according to maturity periods as per Management's expectation of the Company's future liquidity position.		

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
12.2 Other deposits	This is made up as follows:		
	Other deposits-banks and FIs	-	-
	Other deposits-other than banks & FIs (note: 12.2.1)	7,577,940	7,762,044
		<u>7,577,940</u>	<u>7,762,044</u>
12.2.1 Other deposits-other than banks & FIs	This is made up as follows:		
	Lease advance	7,299,632	7,483,736
	Security deposits	278,308	278,308
		<u>7,577,940</u>	<u>7,762,044</u>
12.2.2 Residual maturity grouping of Other deposits-other than banks & FIs	This is made up as follows:		
	Repayable on demand	-	-
	Within 1 month	-	-
	Over 1 month but not more than 3 months	757,794	-
	Over 3 months but not more than 1 year	1,515,588	-
	Over 1 year but not more than 5 years	1,894,485	2,457,577
	Over 5 years	3,410,073	5,304,467
		<u>7,577,940</u>	<u>7,762,044</u>
	Other deposits have been classified according to maturity periods as per Management's expectation of the Company's future liquidity position.		
13 Other liabilities	This is made up as follows:		
	Provision for loans, advances and leases (note: 13.1)	6,685,857,344	6,654,780,701
	Provision for diminution in value of investments (note 13.2)	152,582,713	152,615,814
	Provision for other assets (note: 13.3)	129,219,126	131,947,185
	Provision for Financial Expenses	2,379,294,439	-
	Interest suspense (note: 13.4)	750,320,525	713,195,133
	Withholding tax payable (note: 13.5)	69,573,442	271,777,844
	VAT payable	276,706	432,230
	Excise duty payable	8,508,320	11,007,270
	Provision for taxation (note: 13.6)	746,609,197	746,279,344
	Unclaimed Dividend Account (note: 13.7)	4,347,371	4,347,371
	Financial expenses payable (note: 13.8)	348,291,238	344,899,564
	Payable against gratuity	12,391,201	11,370,642
	Payable against Pension	7,400,000	7,400,000
	Accrued expenses and other payable	6,394,576	6,340,429
	Sundry deposits (note: 13.9)	277,438,277	392,287,950
	Deferred Tax liability (note: 13.10)	17,600,000	17,600,000
	Provision for Penal Interest on Delay payment of withholding Tax	-	63,066,898
	Provision for off-balance sheet items	-	-
		<u>11,596,104,475</u>	<u>9,529,348,375</u>
13.1 Provision for loans, advances and leases	This is made up as follows:		
	(a) Specific provision against classified loans, advances and leases:		
	Opening balance	6,647,497,933	6,657,845,925
	Less: Prior year Adjustment	-	-
	Restated Opening Balance	<u>6,647,497,933</u>	<u>6,657,845,925</u>
	Less: Fully provided debts written off during the year	-	-
	Add: Recovery of amounts previously written off	-	-
	Add: Specific provision for the year	-	-
	Less: Provision released or no longer required	-	-
	Add: Net provision charged to profit and loss account	31,448,991	(10,347,992)
	Provision held at the end of the year	<u>6,678,946,924</u>	<u>6,647,497,933</u>

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
	(b) General provision against unclassified loans, advances and leases:		
	Opening balance	2,485,542	2,565,522
	Provision made during the year	(71,072)	(79,980)
	Balance at the end of the year	2,414,470	2,485,542
	(c) Special provision 2%		
	Opening balance	4,797,226	5,067,171
	Provision made during the year	(301,276)	(269,945)
	Balance at the end of the year	4,495,950	4,797,226
	Total (a+b+c):	6,685,857,344	6,654,780,701
13.2	Provision for diminution in value of investments		
	This is made up as follows:		
	Opening balance	152,615,814	149,882,733
	Provision made during the year	(33,101)	2,733,081
	Balance at the end of the year	152,582,713	152,615,814
13.3	Provision for other assets		
	This is made up as follows:		
	Opening balance	131,947,185	131,947,185
	Prior year adjustment	-	-
	Restated opening balance	131,947,185	131,947,185
	Addition/ (adjustment) during the year	(2,728,059)	-
	Closing balance	129,219,126	131,947,185
	Break-up of Provision for Other Assets:		
	Advance payment for land	2,343,333	2,343,333
	Advance payment for Building construction	10,345,000	10,345,000
	Receivable against IDCP	32,314,496	32,314,496
	Receivable against LPI	72,766,290	72,839,728
	Accounts Receivable Others	-	449,286
	Advance against Office Rent	730,000	909,088
	Receivable on sale of shares	1,205	1,205
	Security Deposits	144,237	644,237
	Suspense Account	11,198	1,238
	Advance and Prepaid Expenses-Others	10,563,367	12,099,574
	Total	129,219,126	131,947,185
13.4	Interest suspense		
	This is made up as follows:		
	Opening balance	713,195,133	771,581,468
	Add: Amount transferred during the year	40,120,880	1,107,833
	Less: Amount recovered during the year	2,995,488	59,494,168
	Less: Amount written off during the year	-	-
	Balance at the end of the year	750,320,525	713,195,133
13.5	Due to significant business losses incurred over the past several years, the company is unable to pay interest to its depositors. Consequently, the interest previously credited to the accounts of large depositors has been reversed and transferred to provision for financial expenses, and the corresponding tax adjustments have been made accordingly.		
13.6	Provision for taxation		
	This is made up as follows:		
	Balance at the beginning of the year	746,279,344	745,781,087
	Add: Provision made during the year for current year tax	329,853	498,257
	Less: Adjustment	-	-
	Balance at the end of the year	746,609,197	746,279,344

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka			
		31-12-2023	31-12-2022		
14.2	Issued, subscribed and Paid up capital As at December 31, 2023 a total of 100,679,944 ordinary shares of Tk. 10 each were issued, subscribed and fully paid up. The above balance is made up as follows: Opening balance Add. Bonus shares issued during the year Add. Right shares issued during the year			1,006,799,440	1,006,799,440
		1,006,799,440	1,006,799,440	-	-
		-	-	1,006,799,440	1,006,799,440
14.3	Mode of allotment of shares: This is made up as follows: Issued against cash Bonus share issued Right Share Issued			215,608,000	215,608,000
		455,591,630	455,591,630	335,599,810	335,599,810
		1,006,799,440	1,006,799,440	1,006,799,440	1,006,799,440
	Year wise allotment of shares are as follows:				
Year	Mode of allotment	No of shares	Tk.	Value of shares	Cumulative balance
1996	Cash	500000	10	5,000,000	5,000,000
1998	Cash	2000000	10	20,000,000	25,000,000
2002	Cash	1859240	10	18,592,400	43,592,400
2005	Bonus share	871820	10	8,718,200	52,310,600
2006	Bonus share	6904920	10	69,049,200	121,359,800
2006	Cash	6105610	10	61,056,100	182,415,900
2006	Cash - IPO	11095950	10	110,959,500	293,375,400
2008	Bonus share	2933750	10	29,337,500	322,712,900
2009	Bonus share	3872550	10	38,725,500	361,438,400
2010	Bonus share	8132370	10	81,323,700	442,762,100
2011	Bonus share	11069050	10	110,690,500	553,452,600
2012	Bonus share	5534526	10	55,345,260	608,797,860
2013	Bonus share	3043989	10	30,439,890	639,237,750
2014	Bonus share	3196188	10	31,961,880	671,199,630
2014	Right Share	33559981	10	335,599,810	1,006,799,440
14.4	Group wise paid up share capital: Particulars of shareholders:	Share Holding %		31.12.2023	31.12.2022
	A. Sponsor/Directors				
	Merrill & Forbes Inc., USA (Foreign Shareholder)	12.60		126,852,660	126,852,660
	Five Continents Credit Ltd., Hong Kong (Foreign Shareholder)	19.39		195,193,180	195,193,180
	Mr. Rais Uddin Ahmed	1.27		12,763,330	12,763,330
	Mr. Abdul Aziz Khan	1.22		12,263,260	12,263,260
	Mr. A N M Jahangir Alam	2.01		20,286,330	20,286,330
	Mr. Mohiuddin Ahmed	1.86		18,757,890	18,757,890
		38.35		386,116,650	386,116,650
	B. Government	Nil		-	-
	C. Institute				
	Pioneer Dresses Limited	5.82		58,538,320	58,538,320
	Sukuza Venture Ltd.	5.46		55,000,000	55,000,000
	Kanchi Venture Ltd.	3.52		35,475,240	35,475,240
	Pragati Life Insurance Ltd.	2.27		22,811,820	22,811,820
	Uttara Finance and Investments Ltd.	1.84		18,500,000	18,500,000
	ICB AMCL Unit Fund	1.19		12,000,000	12,000,000
	Others	4.99		50,094,210	50,094,210
		25.09		252,419,590	252,419,590
	D. Foreign				
	Tees Mart Inc., USA	18.01		181,352,560	181,352,560
		18.01		181,352,560	181,352,560
	E. General Public				
		18.55		186,910,640	186,910,640
		18.55		186,910,640	186,910,640
		100.00		1,006,799,440	1,006,799,440

None of the CFO, Company Secretary and top five salaried executives of the financial institution has any shareholdings of BIFC as on reporting date.

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka		
		31-12-2023	31-12-2022	
14.5	Range wise classification of shareholders by holding as at 31-12-2023 as required by regulation 37 and of the listing regulation of Dhaka Stock Exchange Limited and Chittagong Stock Exchange Limited.			
	Shareholding range	No. of Shareholders	No. of Shares	
			% of holdings	
	Less than 500	1,127	159,588	0.16%
	501 to 1,000	412	331,178	0.33%
	1,001 to 10,000	1,055	3,224,177	3.20%
	10,001 to 50,000	198	4,479,111	4.45%
	50,001 to 100,000	26	1,943,862	1.93%
	100,001 to 1,000,000	56	13,562,569	13.47%
	1,000,001 to 5,000,000	8	15,285,787	15.18%
	5,000,001 to 10,000,000	2	11,353,832	11.28%
	10,000,001 to 100,000,000	3	50,339,840	50.00%
	Total :	2,887	100,679,944	100.00%

The shares of the company were listed in Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC on 15 November 2006 and traded at Tk. 9.50 at Dhaka Stock Exchange and at Tk. 9.50 at Chittagong Stock Exchange at the end of the year 2023.

14.6 Capital Adequacy Ratio

This is made up as follows:

Paid up capital

Paid-up capital	1,006,799,440	1,006,799,440
Required paid up capital	1,000,000,000	1,000,000,000
Surplus/(Deficit) in paid up capital	6,799,440	6,799,440

In accordance with Bangladesh Bank's DFIM Circular no. 14 dated 28 December 2011, financial institutions are required to maintain at least 10% Capital Adequacy Ratio (CAR) in line with the guidelines on Capital Adequacy and Market Discipline (CAMD) for financial institutions, which has come fully into force from 1 January 2012. As of 31 December 2023, the CAR of the Company is (147.48)% against the required CAR of 10%. The Company has a shortfall in this regard as follows:

A. Tier-1 Capital	(12,411,702,284)	(12,548,733,560)
Less: Deduction from Tier-1 Capital	-	-
Eligible Tier-1 Capital (A)	(12,411,702,284)	(12,548,733,560)
B. Tier-2 Capital (B)	195,327,665	244,705,977
Less: Deduction from Tier-2 Capital	-	-
Eligible Tier-2 Capital (B)	195,327,665	244,705,977
C. Eligible Capital (A+B)	(12,216,374,619)	(12,304,027,583)
D. Total risk weighted assets	8,283,456,954	9,741,050,950
E. Minimum capital requirement	1,000,000,000	1,000,000,000
F. Capital surplus/(deficit) (C-E)	(13,216,374,619)	(13,304,027,583)
G. Capital adequacy ratio (C/D)	(147.48)	(126.31)

15 Statutory reserve

This is made up as follows:

Opening balance	154,713,730	154,713,730
Add: Addition during the year	-	-
	154,713,730	154,713,730

There has not been any transfer to the statutory reserve during the year because the Company has suffered a loss.

16 General Reserve

This is made up as follows:

Opening balance	10,364,681	10,364,681
Add: Addition during the year	-	-
Less: Transferred to retained earnings	-	-
	10,364,681	10,364,681

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
17	Asset Revaluation Reserve This is made up as follows:		
	Opening balance	385,825,667	385,825,667
	Add: Addition during the year	-	-
	Less: Transferred to retained earnings	-	-
		<u>385,825,667</u>	<u>385,825,667</u>
	BIFC acquired 11 kathas of land located at 65/1, DIT Extension Road, Purana Paltan, Dhaka. The said land was revalued December 24, 2012 from Tk.36,574,333 to Tk.440,000,000. Thus the value of the said land had increased by Tk.403,425,667 on the same date and which was shown as assets revaluation reserve upto 2018. In the year 2023 deferred Tax Liability of Tk.17,600,000.00 was recognised on the revalued amount (BDT 440,000,000 @4.00% as per the Income Tax Ordinance 1984) as per IAS 12 para 51B with retrospective effect and the revaluation reverse stood at Tk.385,825,667 and shown in the Financial Statements from the year 2023.		
18.00	Retained Earnings This is made up as follows:		
	Opening balance	(13,077,250,501)	(12,313,826,177)
	Add/(Less): Prior year adjustment	63,066,898	-
	Restated opening balance	<u>(13,014,183,603)</u>	<u>(12,313,826,177)</u>
	Less: Cash dividend for last year	-	-
	Less: Stock dividend for last year	-	-
	Add: Transferred from stock dividend	-	-
	Add: Profit/(Loss) for the year	(569,396,532)	(763,424,324)
	Less: Transferred to statutory reserve	-	-
	Less: Transferred to general reserve	-	-
		<u>(13,583,580,135)</u>	<u>(13,077,250,501)</u>
19.00	Net assets value per share This is made up as follows:		
	Total assets	8,814,925,292	8,922,488,081
	Less: Total liabilities	<u>20,840,801,547</u>	<u>20,442,034,702</u>
	A. Net assets:	<u>(12,025,876,255)</u>	<u>(11,519,546,621)</u>
	Weighted average number of ordinary shares:		
	Opening Ordinary shares	100,679,944	100,679,944
	Bonus shares issued	-	-
	B. Weighted average number of ordinary shares at 31 December 2023	100,679,944	100,679,944
	Net assets value per share	(119.45)	(114.42)
20	Profit and loss account This is made up as follows:		
	Income		
	Interest, discount and similar income (note: 21)	8,726,465	76,100,651
	Dividend income (note: 23)	1,649,264	1,428,946
	Commission, exchange and brokerage (note: 24)	-	-
	Gains less losses arising from dealing securities	-	-
	Gains less losses arising from investment securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Income from non-financial institution's assets	-	-
	Other operating income (note: 25)	689,695	5,513,242
	Profit less losses on interest rate changes	-	-
		<u>11,065,424</u>	<u>83,042,839</u>
	Expenses		
	Interest paid on deposits & borrowing (note: 22)	493,624,056	795,473,568
	Losses on loans, advances and leases	-	-
	Administrative expenses	51,878,661	51,326,502
	Other operating expenses (note: 35)	4,651,648	5,201,689
	Depreciation on fixed assets (note: 34.2)	1,662,255	1,931,983
		<u>551,816,620</u>	<u>853,933,742</u>
	Income over expenditure	<u>(540,751,196)</u>	<u>(770,890,903)</u>

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
21	Interest income		
	This is made up as follows:		
	Interest income from loans & leases	7,436,247	73,702,373
	Interest income from money at call & short notice	-	-
	Interest income from placement with banks & other Fis (note: 21.1)	1,290,218	2,398,278
		<u>8,726,465</u>	<u>76,100,651</u>
21.1	Interest income from placement with banks & other Fis		
	This is made up as follows:		
	Interest income from SND accounts	1,290,218	2,398,278
		<u>1,290,218</u>	<u>2,398,278</u>
22	Interest charge on deposits & borrowings etc.		
	This is made up as follows:		
	Interest paid on deposits	142,439,273	492,431,318
	Interest paid on borrowings (Note-22.1)	351,184,783	303,042,250
		<u>493,624,056</u>	<u>795,473,568</u>
22.1	Interest paid on borrowings		
	This is made up as follows:		
	Interest paid on term loan	343,668,392	295,516,647
	Interest paid on bond	-	-
	Interest paid on overdraft loan	-	-
	Interest paid on call loan	7,452,083	7,452,084
	Interest paid on re-financing loan from Bangladesh Bank	64,308	73,519
		<u>351,184,783</u>	<u>303,042,250</u>
23	Income from Investments		
	This is made up as follows:		
	Capital gain on sale of shares	-	-
	Dividend income	1,649,264	1,428,946
		<u>1,649,264</u>	<u>1,428,946</u>
24	Commission, exchange & brokerage		
	This is made up as follows:		
	Commission	-	-
	Exchange earnings	-	-
	Brokerage	-	-
		<u>-</u>	<u>-</u>
25	Other operating income		
	This is made up as follows:		
	Gain on disposal of leased assets	123,500	90,000
	Other income (note: 25.1)	566,195	5,423,242
		<u>689,695</u>	<u>5,513,242</u>
25.1	Other income		
	This is made up as follows:		
	Gain/(loss) on sale of fixed assets	-	18,500
	Miscellaneous income	566,195	5,404,742
		<u>566,195</u>	<u>5,423,242</u>
26	Salary & allowances		
	This is made up as follows:		
	Salaries	23,532,114	23,455,790
	Provident fund	1,263,217	1,270,312
	Bonus	2,702,845	2,586,876
	Gratuity	1,784,062	1,449,490
		<u>29,282,238</u>	<u>28,762,468</u>

As per the Schedule XI of the Companies Act, 1994, the number of employees (including casual employees) engaged for the whole year or part thereof who received a total remuneration of Taka 36,000 per annum or Taka 3,000 per month were 37 at the end of 31 December 2023 as against 45 in 2022.

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
27	Rent, taxes, insurance, electricity etc. This is made up as follows:		
	Rent, rates & taxes	11,805,867	11,226,057
	Insurance	136,925	150,208
	Power & electricity	927,894	841,024
	Water & sewerage	15,030	15,453
		12,885,716	12,232,742
28	Legal expenses This is made up as follows:		
	Professional/legal fees	2,433,815	1,328,107
	Other	-	-
		2,433,815	1,328,107
29	Postage, stamps, telecommunication etc. This is made up as follows:		
	Postage & courier expenses	15,281	6,836
	Stamp & court fees	920	2,750
	Telephone, fax & e-mail	962,567	759,432
		978,768	769,018
30	Stationery, printing, advertisements etc. This is made up as follows:		
	Printing & stationery	295,470	317,244
	Advertisement and publicity	288,575	435,270
		584,045	752,514
31	Chief executive officer's salary and other fees This is made up as follows:		
	Basic	-	-
	Other allowances	-	-
	Provident fund	-	-
	Bonus	-	-
		-	-
32	Directors' fees This is made up as follows:		
	Meeting fees	2,172,000	3,228,000
		2,172,000	3,228,000
	Directors' fees include fees for attending the meetings of the Board, Executive Committee, Audit Committee and AGM. Each director was remunerated Tk. 8,000.00 per meeting in accordance with Bangladesh Bank's DFIM circulars number 13 and 03 dated 30 November 2015. As per the order no. 08 dated December 17, 2020 against Company matter No. 32/2020 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh, the Court Appointed Chairman was remunerated Tk.50,000.00 for attending each Board Meeting and Tk.3,00,000.00 for attending each AGM. Other 4 court appointed Independent Directors were remunerated @ Tk.25,000 for attending each meeting and Tk.50,000.00 for attending each AGM.		
33	Auditor's fees This is made up as follows:		
	Audit Fees	450,000	1,500,000
	Corporate Governance Audit	30,000	50,000
		480,000	1,550,000
	Audit fees of Tk.1,500,000 in respect of the year 2022 paid for special audit conducted as per order passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh against Company matter No. 32/2020.		
34	Repair, maintenance & depreciation expenses of financial institution's assets This is made up as follows:		
	Repair, maintenance (note 34.1)	3,062,079	2,703,653
	Depreciation (note 34.2)	1,662,255	1,931,983
		4,724,334	4,635,636
34.1	Repair, maintenance This is made up as follows:		
	Office premises	1,771,652	1,723,462
	Office equipment	594,044	454,094
	Office furniture & fixtures	3,950	9,540
	Vehicles	692,433	516,557
		3,062,079	2,703,653

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
34.2	Depreciation:		
	This is made up as follows:		
	Land	-	-
	Furniture & fixture	197,424	219,359
	Electrical appliance	586,923	690,497
	Motor vehicles	318,850	398,562
	Interior decoration	522,417	580,459
	Office equipment	36,641	43,106
		1,662,255	1,931,983
	Details of depreciation and amortisation are shown in "Annexure - A"		
35	Other expenses		
	This is made up as follows:		
	Traveling & conveyance	458,614	540,395
	Books and periodicals	7,445	8,145
	Entertainment & public relations	167,025	225,424
	Motor vehicle expenses	1,247,926	1,282,270
	Govt. Excise duty	36,300	51,300
	Registration/ renewal fee	579,410	1,212,490
	AGM expenses	58,183	255,000
	Medical expenses	51,200	88,520
	Bank charge	617,070	47,160
	CDBL fee	106,450	106,500
	Miscellaneous expenses	1,322,025	1,384,485
		4,651,648	5,201,689
36	Provision for loans, advances & leases		
	This is made up as follows:		
	General provision against unclassified loans, advances & leases	(71,072)	(79,980)
	Specific provision against classified loans, advances & leases	31,448,991	(10,347,992)
	Special provision 2%	(301,276)	(269,945)
		31,076,643	(10,697,917)
37	Provision for diminuation in value of investments		
	This is made up as follows:		
	Provisions for dealing securities	-	-
	Provisions for investment securities	(33,101)	2,733,081
		(33,101)	2,733,081
38	Other Provisions		
	This is made up as follows:		
	Provision for other assets	(2,728,059)	-
		(2,728,059)	-
39	Earnings per Share (EPS)		
	Earnings per share (EPS) is calculated in accordance with "International Accounting Standard 33. Earnings Per Share", which has been shown on the face of profit & loss account.		
	Basic earnings per share		
	Basic earnings per share has been calculated dividing the Net Profit for the year attributable to Ordinary Shareholders by the weighted average number of Ordinary Shares outstanding during the year.		
		31-12-2023	31-12-2022
	Net Profit Attributable to the Ordinary Shareholders (Net Profit after Tax)	(569,396,532)	(763,424,324)
	Weighted average number of ordinary shares		
	Ordinary shares at 1 January	100,679,944	100,679,944
	Bonus shares issued	-	-
	Right shares issued	-	-
	Weighted average number of ordinary shares at 31 December	100,679,944	100,679,944
	Restated weighted average number of ordinary shares	100,679,944	100,679,944
	Earnings per share	(5.66)	(7.58)
	Diluted earnings per share		
	The dilutive effect relates to the average number of potential ordinary share held under option of convertibility. There was no such dilutive potential ordinary share during the year 2023 and hence no diluted earnings per share is required to be calculated.		

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
40	Cash receipts from other operating activities		
	This is made up as follows:		
	Gain on disposal of leased assets	123,500	90,000
	Miscellaneous income	566,195	5,423,242
		689,695	5,513,242
41	Cash payments for other operating activities		
	This is made up as follows:		
	Rent, taxes, insurance, electricity, etc.	12,848,216	12,232,742
	Legal expenses	2,433,815	1,328,107
	Postage, stamp, telecommunication, etc.	996,539	769,018
	Stationery printing, advertisements, etc.	288,575	-
	Directors' fees	2,172,000	3,228,000
	Auditors' fee	260,000	1,550,000
	Repairs and maintenance	3,062,079	2,703,653
	Traveling & conveyance	458,614	540,395
	Books and periodicals	7,445	8,145
	Entertainment & public relations	167,025	225,424
	Motor vehicle expenses	1,247,926	1,282,270
	Govt. Excise duty	36,300	51,300
	Registration/ renewal fee	579,410	1,212,490
	AGM expenses	58,183	255,000
	Medical expenses	51,200	88,520
	Bank charge	617,070	47,160
	CDBL Fee	106,450	106,500
	Miscellaneous expenses	1,322,025	1,384,485
		26,712,872	27,013,209
42	Other assets		
	This is made up as follows:		
	Stock of stamp	(32,672)	(3,010)
	Advance rent, advertisement etc.	(733,398)	240,816
	Security deposits	-	(100,000)
	Prepaid expenditure	763,503	170,800
	Suspense account	(9,960)	-
	Others	449,286	-
	Cash (increase)/ decrease in other assets	436,759	308,606
43	Other liabilities		
	This is made up as follows:		
	Withholding tax payable	2,224,785	59,415,866
	Vat payable	(155,524)	267,271
	Excise duty payable	(2,498,950)	2,772,700
	Interest suspenses	-	(58,386,335)
	Sundry deposits	(10,114,565)	176,787,309
	Accrual and others payables	-	(1,009,038)
	Net increase/ (decrease) in other liabilities	(10,544,254)	179,847,773

Notes to the Financial Statements-Continued

Note No.	Particulars	Amount in Taka	
		31-12-2023	31-12-2022
44	Reconciliation of Net Profit with Cash Flows from Operating Activities		
	Net profit after tax	(569,396,532)	(763,424,324)
	Adjustment for non-cash items		
	Add: Depreciation expenses	1,662,255	1,931,983
	Add: Provision for loans, advances and investments	31,043,542	(7,964,836)
	Add: Provision for other assets	(2,728,059)	-
	Add/(Less) Profit/(Loss) on sale of fixed assets	-	-
	Add/(Less): Accrued expenses	344,384,311	(28,173,364)
	Add/(Less): Accrued income	6,827,998	1,646,738
	Income tax paid	(902,160)	(529,397)
	Add/(Less): Provision for current tax	329,853	498,257
	Total Adjustment for non-cash items	380,617,740	(32,590,619)
		(188,778,792)	(796,014,943)
	Changes in operating assets and liabilities		
	Statutory deposits	-	-
	Purchase/sale of trading securities	-	-
	(Increase)/Decrease in loans, advances and leases to other banks	-	-
	(Increase)/Decrease in loans, advances and leases to customers	57,518,640	175,615,706
	(Increase)/Decrease in other assets	436,759	308,606
	(Increase)/Decrease in deposits from other banks and financial institutions	(2,690,000)	216,938,841
	(Increase)/Decrease in deposits from customers	65,281,274	9,564,556
	(Increase)/Decrease in other liabilities account of customer	(184,104)	-
	Trading liabilities	-	-
	(Increase)/Decrease in other liabilities	(10,544,254)	179,847,773
	Cash received/(paid) from operating assets and liabilities	109,818,315	582,275,482
	Net cash from operating activities	(78,960,477)	(213,739,461)

Notes to the Financial Statements-Continued

45 Related Party Disclosures:

45.1 Particulars of Directors

Sl. No.	Name of the Director	Designation	% of Shares as at December 31, 2023
1	Mr. Ikteder Ahmed (Nominated Director of Merrill & Forbes Inc., USA)	Chairman	12.60 (Share holding of Merrill & Forbes Inc.)
2	Mr. Mahmudul Hasan (Nominated Director of Five Continents Credit Ltd., Hongkong)	Director	19.39 (Share holding of Five Continents Credit Ltd.)
3	Mr. M Nazrul Islam (Independent Director)	Director	
4	Mr. Ansar Uddin Ahmed (Independent Director)	Director	
5	Mr. Shafique-Ul-Azam (Independent Director)	Director	-
6	Mr. Md. Anwar Hossain, FCA (Independent Director)	Director	
7	Professor Md. Musfiqur Rahman, PhD, FCMA (Independent Director)	Director	
8	Mr. Mohammad Ariful Islam (Independent Director)	Director	-

Pursuant to the order dated August 31, 2023 passed by the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh in Company Matter No. 32, 2020, the above Nominated Directors & Independent Directors were elected and appointed by the Shareholders of the Company in its 26th Annual General Meeting held on November 15, 2023 and got NOC from Bangladesh Bank vide their letter no. DFIM(S)1055/69(12)/2024-70 dated January 03, 2024.

45.2 Name of the Directors and their interest in different entities:

Sl. No.	Name of the Directors	Status in the FI	Name of firms/Companies where they have interest
1	Mr. Ikteder Ahmed (Nominated Director of Merrill & Forbes Inc.)	Chairman	N/A
2	Mr. Mahmudul Hasan (Nominated Director of Five Continents Credit Ltd., Hongkong)	Director	N/A
3	Mr. M Nazrul Islam (Independent Director)	Director	Far East Knitting & Dyeing Industries Limited
4	Mr. Ansar Uddin Ahmed (Independent Director)	Director	N/A
5	Mr. Shafique-Ul-Azam (Independent Director)	Director	BD Venture Ltd., BDV Asset Management Company Limited
6	Mr. Md. Anwar Hossain, FCA (Independent Director)	Director	N/A
7	Professor Md. Musfiqur Rahman, PhD, FCMA (Independent Director)	Director	E Generation Limited
8	Mr. Mohammad Ariful Islam (Independent Director)	Director	N/A

Notes to the Financial Statements-Continued

45.3 Related Party transactions

Transactions with Shareholders, Ex-Directors and their related/Guaranteed entities are stated as under:

Name of the Party	Name of Ex-Director	Related by	Nature of transaction	Agreement No.	31.12.2023	31.12.2022	Status of loan and advances
Bangladesh International Gateway Ltd.	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Lease Fianace	01.03.0475	188,232,676	188,232,676	Bad & Loss
Bangladesh International Gateway Ltd.	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0530	24,882,574	24,882,574	Bad & Loss
Bilal D Mamoon	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0486	9,252,016	9,252,016	Bad & Loss
Chowdhury Apparel	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0465	66,348,159	66,348,159	Bad & Loss
Click 2 Design Limited	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0307	190,631,237	190,631,237	Bad & Loss
Click 2 Design Limited	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0396	119,651,825	119,651,825	Bad & Loss
D. Afrose Sweater Industries Ltd.	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0251	201,638,081	201,638,081	Bad & Loss
D. Afrose Sweater Industries Ltd.	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0236	524,487,525	524,487,525	Bad & Loss
D. Afrose Sweater Industries Ltd.	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0252	164,230,282	164,230,282	Bad & Loss
Dhaka CNG Limited	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0110	18,882	18,882	Bad & Loss
Dhaka CNG Limited	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0491	134,765,189	134,765,189	Bad & Loss
Dhaka CNG Limited	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.04.0518	109,307,300	109,307,300	Bad & Loss
East Asia Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0575	73,927,232	73,927,232	Bad & Loss
M/s Abdullah Brothers	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0388	375,797,568	375,797,568	Bad & Loss
M/S. Alif Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0377	23,421,109	23,421,109	Bad & Loss
M/s Rahmat Ullah & Company	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0386	336,505,040	336,505,040	Bad & Loss
M/s. Telecom Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0282	31,608,038	31,608,038	Bad & Loss
M/s. Telecom Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0344	35,058,385	35,058,385	Bad & Loss
M/s. Telecom Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0379	31,128,469	31,128,469	Bad & Loss
M/S Textile International	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0260	373,263,983	373,263,983	Bad & Loss
M/s Yeasmin Traders	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0425	92,368,215	92,368,215	Bad & Loss
Maxnet Online	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0441	86,572,394	86,572,394	Bad & Loss
Maxnet Online	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0464	136,650,509	136,650,509	Bad & Loss
Maxnet Online	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0542	97,868,442	97,868,442	Bad & Loss
Mr. Md. Rais Uddin	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Term Loan	01.03.0430	43,839,702	43,839,702	Bad & Loss
Metro Polton CNG Limited	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0378	46,692,683	46,692,683	Bad & Loss
Metro Polton CNG Limited	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.04.0223	38,033,910	38,033,910	Bad & Loss
Motor Trade Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0557	154,015,035	154,015,035	Bad & Loss
Rafiq Uddin	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0356	13,934,567	13,934,567	Bad & Loss
Rafiq Uddin	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0382	182,870,134	182,870,134	Bad & Loss
Rafiq Uddin	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Term Loan	01.03.0389	2,587,785	2,587,785	Bad & Loss
Rafiq Uddin	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.03.0455	2,811,144	2,811,144	Bad & Loss
Rahmania Textile	Mr. Mohiuddin Ahmed	Shareholder & Ex-Director	Short Term Loan	01.03.0568	86,248,428	86,248,428	Bad & Loss
Runa Properties	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.03.0560	163,914,343	163,914,343	Bad & Loss
Sunman Spining Mills	Major (Retd.) Abdul Mannan Ms. Umme Kulsum Mannan	Ex-Director	Short Term Loan	01.03.0113	10,624	10,624	Bad & Loss
Sunman Spining Mills	Major (Retd.) Abdul Mannan Ms. Umme Kulsum Mannan	Ex-Director	Short Term Loan	01.04.0200	408,333	408,333	Bad & Loss
Techno Wi-Fi Services	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.04.0572	83,978,123	83,978,123	Bad & Loss
M/S Telecom Service Enterprise	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.04.0259	238,909,124	238,909,124	Bad & Loss
Telecom Services Limited	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.03.0422	83,881,705	83,881,705	Bad & Loss
Teleplus Newyork Limited	Mr. Md. Rais Uddin Ahmed	Shareholder & Ex-Director	Short Term Loan	01.04.0660	446,083,419	446,083,419	Bad & Loss
Tower Builders	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.01.0369	6,823,119	6,823,119	Bad & Loss
Tower Builders	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.04.0268	354,163,459	354,163,459	Bad & Loss
Transco Limited	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	02.03.0019	6,181,727	6,181,727	Bad & Loss
United Dresses Ltd.	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.03.0380	67,887,194	67,887,194	Bad & Loss
United Dresses Ltd.	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.03.0519	152,104,149	152,104,149	Bad & Loss
United Dresses Ltd.	Major (Retd.) Abdul Mannan	Ex-Chairman of BIFC	Short Term Loan	01.04.0248	34,764,212	34,764,212	Bad & Loss
Golden Horizon Limited	Major (Retd.) Abdul Mannan Ms. Umme Kulsum Mannan	Ex-Director	Term Loan	01.03.0442-A	586,126,351	586,126,351	Bad & Loss
Total					6,223,884,398	6,223,884,398	

Pioneer Dresses Ltd. is one of the shareholders of BIFC holding 5.82% share of the company and Major (Retd.) Abdul Mannan & Ms. Umme Kulsum Mannan are the Directors of Pioneer Dresses Ltd.

- 45.4 Significant Contracts where FI is a party and wherein Directors have interest: Nil
- 45.5 Shares issued to Directors & Executives without consideration or exercisable at discount: Nil
- 45.6 Lending Policies to related parties:
Lending to related parties is effected as per requirements of Finance Companies Act, 2023 Nil
- 45.7 Business other than Banking business with any related concern of the Directors as per Section 18 (2) of the Bank Company Act 1991 Nil
- 45.8 Investments in Securities of Directors and their related concern: Nil

Notes to the Financial Statements-Continued

46 Disclosures on the board audit committee

a) Composition of Audit Committee

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

Name	Status with the Company	Status with the Committee
Mr. Md, Anwar Hossain, FCA	Director	Member
Professor Md. Musfigur Rahman, PhD, FCMA	Independent Director	Member
Mr. Mohammad Ariful Islam	Independent Director	Member
Mr. Mahmudul Hasan	Director	Member

The Company Secretary is to act as secretary of the board of audit committee.

All the members of the "Board Audit Committee" possess considerable experience and expertise in the banking and financial sector.

b) Meeting of audit committee

During the year 2023, the audit committee of the board held 05 (five) meetings in which among others, the following issues were discussed and decided:

- Analysed and reviewed the periodic financial statements including quarterly financial statement;
- Analysed and reviewed the rescheduling proposal against loans of Sunman Group
- Analysed and reviewed the Business Plan of BIFC
- Analysed and reviewed the pending VAT liability with VAT Audit authority for the year from 2015 to 2017
- Analysed and reviewed the Draft Auditor's Report and Financial Statements for the year ended December 31, 2021
- Analysed and reviewed the Fund flow statement of the company.
- Analysed and reviewed the discussion on withheld Excise Duty for the year 2022 as per letter Dated March 28, 2023 from Customs, Excise & VAT Authority.
- Consider and recommend the name of the external auditors for the year ended on 31st December 2024 to the Board for appointment in the 26th AGM and review the fee.
- Consider and recommend the name of the Auditor for the Compliance on the Corporate Governance Code for the year ended December 31, 2022 to the Board for appointment in the 26th AGM and review the fee.

47 Reporting currency and level of precision

The figures reported in the financial statements are in Bangladeshi Taka, which has been rounded off to the nearest Taka.

48 Foreign Currency Exposure Profile

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

49 Financial Highlights

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

50 Geographical area of operation

BIFC is currently operating in Chittagong and Narayangonj along with its other branches at Uttara and Gulshan in Dhaka.

51 Previous year's figures have been rearranged where necessary to conform to current year's presentation.

52 Events After Balance Sheet Date:

The Board of Directors in its meeting held on December 29, 2024 recommended no dividend against per share of Tk. 10.00 each.

Schedule of Fixed Assets for the year ended 31 December, 2023

Particulars	Land	Furniture & Fixture	Electrical Appliance	Motor Vehicles	Interior Decoration	Office Equipment	Total
COST (A)							
Balance at January 01, 2023	440,000,000	3,766,229	11,793,262	15,280,154	11,088,782	1,261,629	483,190,056
Addition during the period	-	-	-	-	-	-	-
Adjustment during the period	-	-	-	-	-	-	-
Balance at December 31, 2023	440,000,000	3,766,229	11,793,262	15,280,154	11,088,782	1,261,629	483,190,056
DEPRECIATION (B)							
Rate (%)	0%	10%	15%	20%	10%	15%	
Balance at January 01, 2023	-	1,791,986	7,880,442	13,685,900	5,864,661	1,017,370	30,240,359
Charged during the period	-	197,424	586,923	318,850	522,417	36,641	1,662,255
Adjustment during the period	-	-	-	-	-	-	-
Balance at December 31, 2023	-	1,989,410	8,467,365	14,004,750	6,387,078	1,054,011	31,902,614
WDV at December 31, 2023 (A-B)	440,000,000	1,776,819	3,325,897	1,275,404	4,701,704	207,618	451,287,442

Schedule of Fixed Assets for the year ended 31 December, 2022

Particulars	Land	Furniture & Fixture	Electrical Appliance	Motor Vehicles	Interior Decoration	Office Equipment	Total
COST (A)							
Balance at January 01, 2022	440,000,000	3,766,229	11,793,262	15,280,154	11,088,782	1,261,629	483,190,056
Addition during the period	-	-	-	-	-	-	-
Adjustment during the period	-	-	-	-	-	-	-
Balance at December 31, 2022	440,000,000	3,766,229	11,793,262	15,280,154	11,088,782	1,261,629	483,190,056
DEPRECIATION (B)							
Rate (%)	0%	10%	15%	20%	10%	15%	
Balance at January 01, 2022	-	1,572,627	7,189,945	13,287,338	5,284,202	974,264	28,308,376
Charged during the period	-	219,359	690,497	398,562	580,459	43,106	1,931,983
Adjustment during the period	-	-	-	-	-	-	-
Balance at December 31, 2022	-	1,791,986	7,880,442	13,685,900	5,864,661	1,017,370	30,240,359
WDV at December 31, 2022 (A-B)	440,000,000	1,974,243	3,912,820	1,594,254	5,224,121	244,259	452,949,697

FINANCIAL HIGHLIGHTS

(Amount in Taka)

Sl.	Particulars	2023	2022	Growth (%)
1	Paid-up capital (note-14.2)	1,006,799,440	1,006,799,440	-
2	Total capital (note-13.1b, 14.2,15,16,17/2, 18 & SMD)	(12,216,374,619)	(11,519,546,621)	6.05%
3	Capital surplus / (deficit) (note-14.6)	6,799,440	6,799,440	-
4	Total assets	8,814,925,292	8,922,488,081	-1.21%
5	Total deposits (note-12)	5,391,160,916	7,058,965,959	-23.63%
6	Total lease, loans and advances (note-8)	7,704,027,742	7,731,175,550	-0.35%
7	Total contingent liabilities and commitments	-	-	-
8	Credit deposit ratio (sl. no. 6/sl. no. 5) (Times)	1.43	1.10	30.48%
9	Percentage of classified lease, loans and advances against total loans, advances and leases (note- 8.7)	96.97%	96.88%	0.09%
10	Profit after tax and provision	(569,396,532)	(763,424,324)	-25.42%
11	Amount of loans classified during the year (note-8.6.A)	7,470,273,971	7,489,790,343	-0.26%
12	Provisions kept against classified loans (note-13.01.a)	6,678,946,924	6,647,497,933	0.47%
13	Provision surplus / (deficit)	-	743,012	-
14	Cost of fund	9.56%	7.83%	
15	Interest earning assets (note-5.1.b+5.1.c+7+8)	7,929,310,345	8,005,836,586	-0.96%
16	Non-interest earning assets (note-4+5.1.a+9+10)	885,614,947	916,651,494	-3.39%
17	Return on investment (ROI) (PAT/(Average equity+Average long term borrowings))	-5.14%	-6.71%	-23.43%
18	Return on assets (ROA) ((sl. no. 10/sl. no. 4)	-6.46%	-8.56%	-24.51%
19	Income from investment (note-23)	1,649,264	1,428,946	15.42%
20	Earnings per share (Taka) (note:39)	(5.66)	(7.58)	-25.42%
21	Net income per share (Taka)	(5.66)	(7.58)	-25.42%
22	Price earning ratio (times)	N/A	N/A	N/A

Stock Report of Investment in Shares as on 31.12.2023

(Amount in Taka)									
Sl. No.	Particulars	Quantity	Price (W.A.)	Purchase Value of Stock	Present Market Price	Market Value of Stock	Price Difference	Gain/Loss	Remarks
A. Quoted Shares:									
1	BATBC	4,000	552.10	2,208,390	518.70	2,074,800	(33.40)	(133,590)	-
2	BSRM Steels Limited	227,700	194.08	44,192,430	63.90	14,550,030	(130.18)	(29,642,400)	-
3	Dhaka Bank Ltd.	334,035	15.18	5,072,190	12.50	4,175,438	(2.68)	(896,752)	-
4	Power Grid Company of BD	19,000	52.04	988,724	52.40	995,600	0.36	6,876	-
5	Square Pharma	30,308	232.19	7,037,250	210.30	6,373,772	(21.89)	(663,478)	-
6	Standard Bank Ltd.	150,837	9.23	1,392,401	8.60	1,297,198	(0.63)	(95,203)	-
7	The ACME Laboratories Ltd.	10,000	78.47	784,676	85.00	850,000	6.53	65,324	-
8	Argon Denims Ltd.	271,967	29.75	8,091,902	18.20	4,949,799	(11.55)	(3,142,102)	-
9	Grameen MFO: Scheme 2	100,000	19.02	1,901,721	15.20	1,520,000	(3.82)	(381,721)	-
10	Ifad Autos Ltd.	23,625	52.55	1,241,529	44.10	1,041,863	(8.45)	(199,667)	-
	Sub Total (A):	1,171,472		72,911,213		37,828,500		(35,082,713)	
B. Un-Quoted Shares:									
1	Banglalion Communications Ltd.	10,750,000	10.00	107,500,000	-	-	(10.00)	(107,500,000)	-
2	GMG Airlines Ltd.	220,000	45.45	10,000,000	-	-	(45.45)	(10,000,000)	-
	Sub Total (B):	10,970,000		117,500,000		-		(117,500,000)	
	Grand Total (A+B):	12,141,472		190,411,213		37,828,500		(152,582,713)	-

Income tax status

Assessment year (s)	Tax provision in the financial statements	Tax as per latest assessment	Remarks
2007-2008	111,404	5,148,098	Filed reference application before the High Court.
2008-2009	20,399,529	30,325,063	Tax demand as per u/s 83(2)
2009-2010	14,611,475	11,828,794	Tribunal order decision remand for hearing on merit (Tribunal order ITA No-3194/2011-2012, dtd.25.06.2012)
2010-2011	25,000,000	-	Minimum tax to be adjusted.
2011-2012	32,500,000	48,362,253	ADR not agreement not concluded.
2012-2013	69,413,831	68,508,434	Revised assessment order from Appellate Tribunal not received.
2013-2014	86,981,241	347,949,894	Appealed for restoration at Taxes Appellate Tribunal
2014-2015	36,924,104	-	Return submitted under section 82BB.
2015-2016	454,534,235	454,534,235	To be appealed for restoration subject to payment of 10% last assessed Tax.
2016-2017	-	143,170,025	Return Submitted.Applied for certify copy of assessment order.
2017-2018	1,572,283	681,175	Return Submitted.Applied for certify copy of assessment order.
2018-2019	1,033,408	-	Return Submitted
2019-2020	761,032	-	Return Submitted
2020-2021	1,194,895	-	Return filed in normal procedure
2021-2022	508,612	-	Return filed in normal procedure
2022-2023	235,038	-	Return filed in normal procedure
2023-2024	498,257	-	Return filed in normal procedure
2024-2025	329,853	-	
Total	746,609,197	1,110,507,971	



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