



**Bay Leasing & Investment Limited**

*SECURE YOUR FUTURE<sup>®</sup>*

**ANNUAL** | **2023**  
**REPORT** |



*Bay Leasing & Investment Limited*

SECURE YOUR FUTURE®

**ANNUAL** || **2023**  
**REPORT** ||

# Table of Contents

01	03	Letter of transmittal	26	76	Sustainable Finance Initiatives
02	04	Notice of the 28 <sup>th</sup> Annual General Meeting	27	78	Declaration of the Managing Director and the Chief Financial Officer
03	05	Our Vision	28	79	Auditors' Report (Bay Leasing & Investment Ltd.)
04	06	Our Mission	29	84	Consolidated Balance Sheet
05	07	Bay Leasing Story	30	85	Off Balance Sheet Items (Consolidated)
06	08	Core Values	31	86	Consolidated Profit & Loss Account
07	09	Corporate Information	32	87	Consolidated Cash Flow Statements
08	11	Company Milestones	33	88	Consolidated Statement Of Changes in Equity
09	12	Financial Highlights	34	89	Balance Sheet
10	13	Key Performance Indicators	35	90	Off Balance Sheet Items
11	14	Board of Directors	36	91	Profit & Loss Account
12	17	Organogram	37	92	Cash Flow Statement
13	18	Management Committee (MANCOM)	38	93	Statement of Changes in Equity
14	19	Committees	39	94	Liquidity Statement
15	21	Chairman's Message	40	95	Notes to the Financial Statements
16	25	Managing Director's Message	41	130	Schedule of Fixed Assets
17	28	Risk Management, AML & CFT Initiatives	42	131	Some Pertinent Highlights
18	38	Director's Report	43	132	Auditor's Report (BLI Capital Limited)
19	50	Disclosures Under Pillar III- Market Discipline	44	135	Statement of Financial Position
20	56	Report of the Audit Committee	45	136	Statement of Comprehensive Income
21	58	Status of Compliance on Corporate Governance	46	137	Statement of Changes in Equity
22	68	Compliance on Bangladesh Bank's Guidelines on Corporate Governance	47	138	Statement of Cash Flow
23	71	Shareholding of Directors	48	139	Notes to the Financial Statements
24	72	Board and Audit Committee Meeting & Attendance	49	145	Schedule of Fixed Assets
25	73	Dividend Distribution Policy	50	147	Proxy Form

# Letter of Transmittal

To  
All Shareholders,  
Bangladesh Bank  
Bangladesh Securities and Exchange Commission,  
Registrar of Joint Stock Companies and Firms,  
Dhaka Stock Exchange Limited and  
Chittagong Stock Exchange Limited

Subject: Annual Report for the year ended December 31, 2023.

Dear Sir,

We are delighted to forward a copy of the Annual Report along with the Audited Financial Statements, Consolidated and Separate Balance Sheet as at December 31, 2023 and Income Statements, Cash Flow Statements and Statement of Changes in Equity for the year ended December 31, 2023.

Also attached are the notes of accounts of Bay Leasing and Investment Limited and its subsidiary BLI Capital Limited for your kind perusal and record.

Best regards

Yours sincerely,



**Mohammad Ruknuzzaman**  
Managing Director

# Notice of the

## 28<sup>th</sup> Annual General Meeting

Notice is hereby given that the 28<sup>th</sup> Annual General Meeting (AGM) of Bay Leasing & Investment Limited will be held on **August 28, 2024** at **11.30 a.m** to transact the following business. The AGM will be held under Hybrid System as a physical presence at Muktijodha Hall, IDEB Bhaban, 160/A, Kakrail, Dhaka-1000, and for virtual presence by logging the link: <https://bayleasing.bdvirtualagm.com>

### AGENDA

01. To receive, consider, and adopt the Audited Financial Statements of the Company for the year ended on 31st December 2023 together with the reports of the Directors and Auditors thereon.
02. To declare Dividend for the year ended 31st December 2023.
03. To elect or re-elect Director(s).
04. To re-appoint the Statutory Auditor(s) for the year 2024 and fix their remuneration.
05. To re-appoint Compliance Auditor as per the Corporate Governance Code for the year 2024 and to fix their remuneration.
06. To transact any other business with the permission of the chair.

Dated, Dhaka  
July 28, 2024

By order of the Board



**Sharmin Akhter**  
VP & Company Secretary

### Notes:

01. The Shareholders whose names would appear in the Members/Depository Register (CDBL) as on Record Date i.e. July 25, 2024 will be eligible to attend /participate and vote in the Annual General Meeting.
02. A member eligible to attend/Join and vote at the Annual General Meeting (AGM) may appoint a proxy to attend/Join and vote on his/her behalf. The Proxy Form, duly filled signed and stamped at BDT 20.00 must be sent through email to the share Department of the company at [share@blilbd.com](mailto:share@blilbd.com) at least 48 hours before the time of holding the meeting.
03. Annual report-2023 along with attendance Slip, Proxy Form and Notice of the AGM are being sent to all the members by courier service/post/email address available with us as per CDBL record. These are also available in the company's website at . i.e [www.blilbd.com](http://www.blilbd.com)
04. Existing External Auditor M/s Pinaky & Company, Chartered Accountants have completed 1(one) year as Auditors of the Company appointed by the honorable Shareholders as per advice & approval of Bangladesh Bank. As per rule, they are eligible for re-appointment.
05. The retiring Director shall not be eligible for re-election as per Finance Company Act 2023.
06. The shareholders will be able to submit their questions/comments and vote electronically before 24 (twenty-four) hours before the commencement of the AGM and during the AGM. Detailed Login /Participation Process for joining 28th AGM through online/Digital Platform will also be available the company website: <https://www.blilbd.com>.

**No benefit or gift in cash or kind shall be given to the shareholders for attending the 28<sup>th</sup> Annual General Meeting as per Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24,2013.**

## Our Vision

**To be recognized as the most preferred  
multi-product financial institution for  
the communities we serve.**



## Our Mission



MISSION

- We strive to innovate and offer a plethora of financial products and services.
- We endeavor to enrich the lives of people we touch by sharing, caring in our quest for excellence.
- We aim to build impressive economic value for our stakeholders through the strength of satisfied customers and consistently produce superior operating results.

# Bay Leasing Story

Bay Leasing & Investment Limited was incorporated as a public limited company in February 1996 and the company obtained Bangladesh Bank's license as a non-banking financial institution in May 1996. Since its inception, guided by the Financial Institutions Act of 1993, BLIL has been running its operation in a professional manner under the valuable guidance and leadership of its Board of Directors.

From the inception BLIL commenced its Merchant Bank wing operations and later in 2002, the Securities and Exchange Commission (SEC) approved brokerage license which was named as BLI Securities Ltd. In 2009 Bay Leasing offered shares to the public and got listed both in Dhaka and Chittagong Stock Exchange. The following year in 2010, the Company issued "Right Shares" to the Shareholders and subsequently in 2012 the Merchant Banking Wing was converted into a fully owned subsidiary named BLI Capital Limited. In order to reach to a wider community through its lending to the SME sector in Bangladesh, Bay Leasing took the initiative to participate in various re-finance schemes offered by Bangladesh Bank and signed a number of formal agreements under JICA, ADB funding programs.

These initiatives have enabled the company to facilitate the emerging SME sector to obtain funds at lower cost and improve their efficiency in operations and profitability. Over the years a significant number of business concerns including women owned enterprises, have benefited and expanded their business with the help of Bay Leasing's products and services. In the last 22 years Bay Leasing has ensured its strong presence and gained a good reputation amongst its clients for providing competitive loan and deposit products and have actively participated in the financial development of the society. The success story continued when, in September 2014, the company shifted its Corporate Head Office to its own premises at Eunoos Trade Center, considered as one of the landmark commercial buildings at the Dilkusha commercial area. In March 2015 the company inaugurated its Principal Branch at Dilkusha C/A and in October 2016, the company opened its first semi-urban branch at Mawna, Gazipur which is now being considered as an important industrial hub at the outskirts of Dhaka.

To increase the network of branches and expand the small and medium enterprise client base Bay Leasing formally opened yet another branch at its own premises at level 6 of Rupayan Trade Centre, Bangla Motor in December 2017. In November, 2019 Principal Branch has relocated at Taz Marriot, Plot-SW (I) 4, 2nd floor, 25 Gulshan Avenue, Dhaka-1212.

# Core Values

## **Accountability**

We take full responsibility of our actions that influence the lives of our customers and fellow workers.

## **Commitment**

We are committed to roll out a wide range of products, services and other initiatives that impact the lives of both within and outside the organization.

## **Integrity**

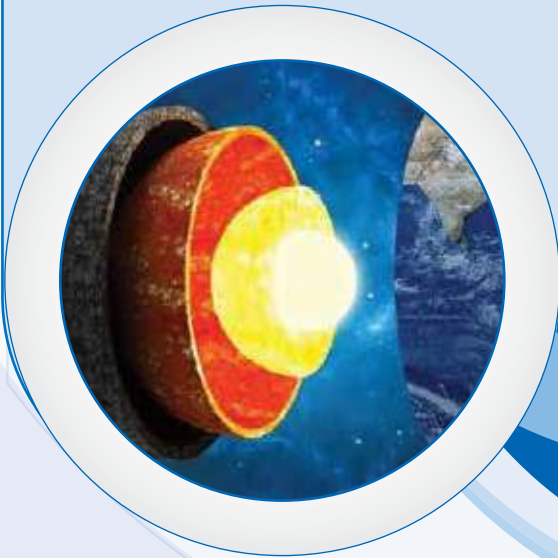
We strive to act with honesty and Integrity without compromising the truth.

## **Team Work**

We believe in individual commitments to a group effort towards a common vision.

## **Service Excellence**

We aim to provide the best quality service to our clients each passing day in our quest for excellence.



# Corporate Information

Registered Name of the Company Legal Form	: <b>Bay Leasing &amp; Investment Limited</b> A Public Limited Company Incorporated in Bangladesh Under the Companies Act 1994, Listed in Dhaka Stock Exchange & Chittagong Stock Exchange. Licensed as a Non Banking Financial Institution Under the Financial Institutions Act of 1993.
Company Registration Number	: C - 30251(1477)/96
Bangladesh Bank License Number	: আঃ প্রঃ (অ-ব্যাংকিং) : বিভাগ/ঢাকা/১৩/৯৬
Trade License No.	: 0411406
Tin No.	: 446777288121
No. of Branch	: 03
Corporate Head Office	: <b>Bay Leasing &amp; Investment Limited</b> Eunoos Trade Center, Level-18 52-53 Dilkusha C/A, Dhaka-1000. Tel: 9592501-5, Fax: 9592500
Auditor	: <b>Pinaki &amp; Company</b> Ideal Trade Center (9th floor) 102 Shaheed Tajuddin Ahmed Sarani Tejgaon 1208. Bangladesh Tel: +8802-401-10592
Tax Advisor	: <b>A.Wahab &amp; Co.</b> Chartered Accountants Hotel Purbani, Annex-2 (4th Floor) 1, Dilkusha C/A, Dhaka
Legal Advisors	: <b>Azad &amp; Company</b> K.R.Plaza (6th Floor) 31, Purana Paltan, Dhaka-100. <b>LexConsultium</b> Suite No.-11/4 (11 <sup>th</sup> Floor) 67/9, Kakrail, Dhaka-1000 <b>Citizen Law Firm</b> Meherba Plaza Suite No. 11-B (11th Floor), 33, Topkhana Road, Palton Dhaka, Bangladesh. <b>Noor-ul-matin</b> Islam Chamber, 9 <sup>th</sup> Floor 125/A, Motijheel C/A, Dhaka-1000 <b>Haque &amp; Associates</b> Shabbir Tower, 3/4 Purana Paltan Dhaka - 1000 <b>Nexus Legal Counsel</b> City View Apartment (1st floor), Flat # C2, 23/1 Tope Khana Road Paltan, Dhaka-1000
Memberships	: <b>DCCI (Dhaka Chamber of Commerce Industry).</b> Bangladesh Leasing & Finance Companies Association. Bangladesh Association of Publicly Limited Company. Bangladesh Merchant Bankers Association.

# Corporate Information

Company Email  
Company Web Site

: [info@blilbd.com](mailto:info@blilbd.com)  
: <http://www.blilbd.com>

Bankers

: Bank Alfalah Limited  
Bank Asia Ltd.  
BASIC Bank Limited  
Dutch Bangla Bank Ltd.  
EXIM Bank Limited  
Midland Bank Ltd.  
Jamuna Bank Ltd.  
Janata Bank Ltd.  
Mercantile Bank Ltd.  
Mutual Trust Bank Limited  
First Security Islami Bank Ltd.  
National Credit & Commerce Bank Ltd.  
Sonali Bank Ltd.  
Pubali Bank Limited  
Shahjalal Islami Bank Ltd.  
Southeast Bank Limited  
Agrani Bank Ltd.  
Uttara Bank Limited  
Modhumati bank Limited  
United Commercial Bank Limited

Associate Company

: **BLI Securities Limited**  
**Head Office**  
Rangs Panorama (4th floor),  
80 Shatmosjid Road, Dhanmondi, Dhaka-1209.

Subsidiary Company

: **BLI Capital Limited.**  
Rupayan Trade Center, Level – 10  
114 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000

## BRANCH OF BAY LEASING & INVESTMENT LTD.



**Mr. Rashed Al Islam**  
Head of Principal Branch

**Principal Branch**  
Taz Marriot, Plot-SW(I)4, 2nd floor  
25 Gulshan Avenue, Dhaka-1212



**Md Zabed Miah**  
Head of Mawna Branch

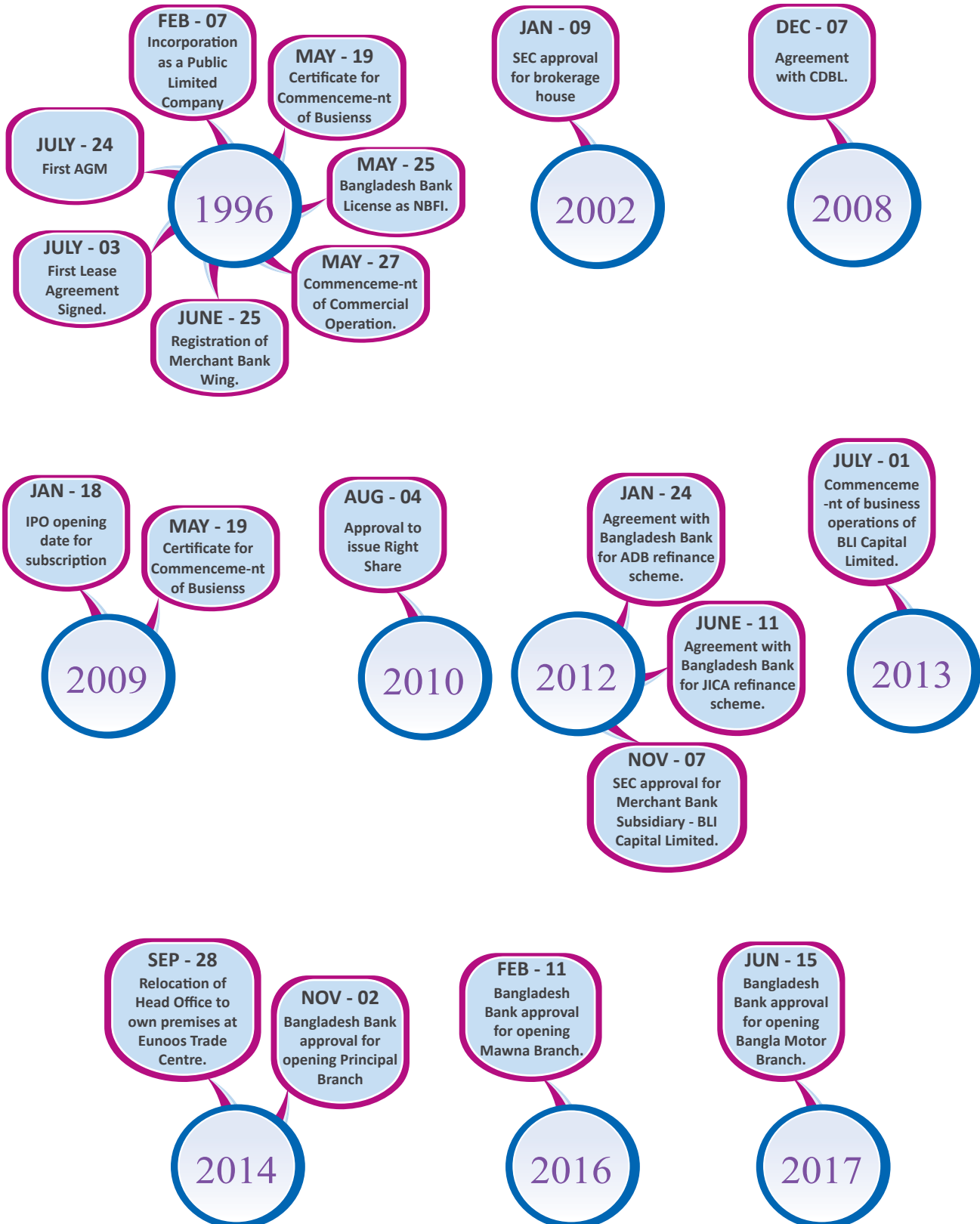
**Mawna Branch**  
Hazi Riaz Uddin Complex (1st Floor)  
Mawna Chowrasta, Sreepur, Gazipur



**Mr. Mohammad Rashedul Islam**  
Head of Bangla Motor Branch

**Bangla Motor Branch**  
Rupayan Trade Centre, Level-06  
114 Kazi Nazrul Islam Avenue, Dhaka-1000

# Milestones

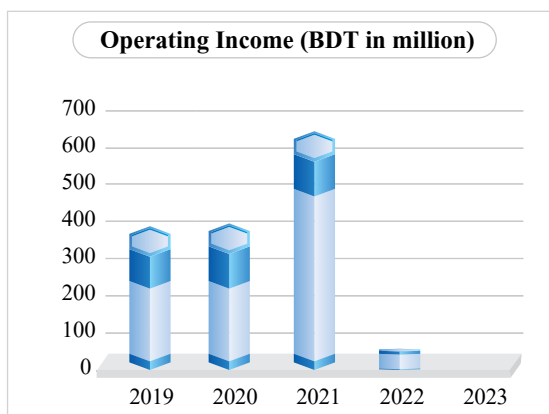
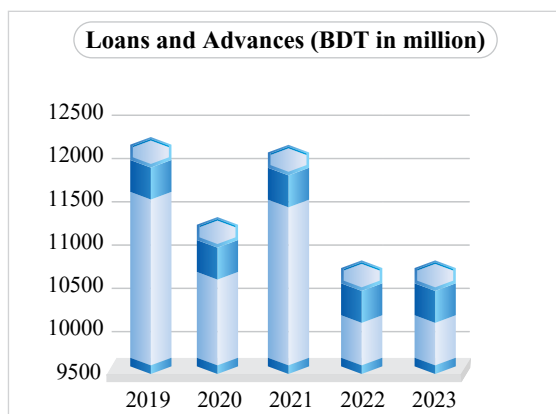
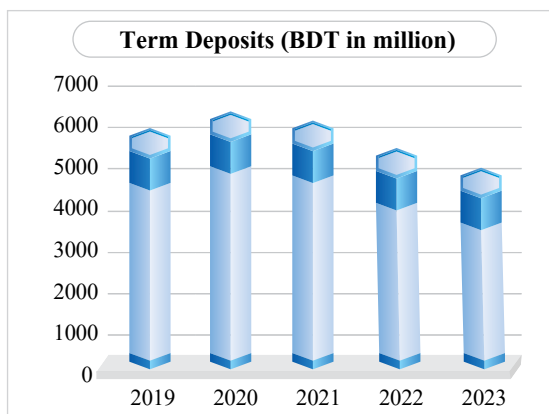
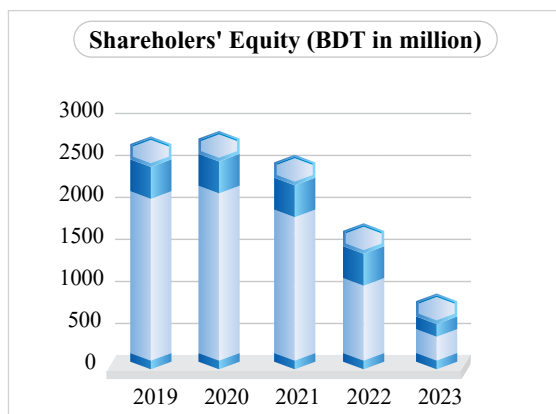
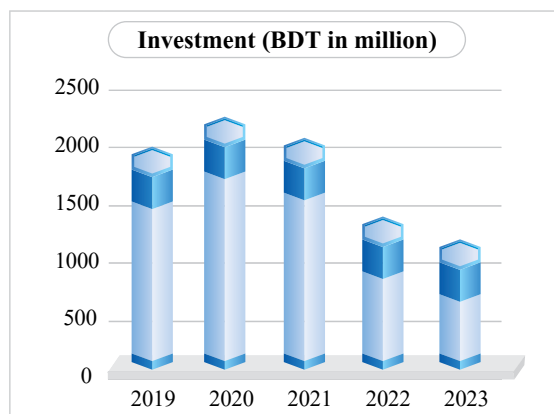


# Financial Highlights

Figures in million

Particulars		2023	2022	2021	2020	2019
Lease, Term & Other Finance		10,613.51	10,823.61	12,149.78	11,323.61	12,202.48
Investments		1,208.86	1,407.92	2,081.77	2,267.06	2,009.36
Fixed Assets		1,415.03	1,438.25	1,421.03	1,432.87	1,218.29
Other Assets		205.83	310.86	419.08	563.57	792.23
Total Assets		14,419.49	15,236.88	17,190.84	16,911.51	16,972.07
Term & Other Deposits		5,088.17	5,628.57	6,311.03	6,603.29	6,181.25
Long Term Liabilities		7,503.90	7,270.43	7,252.21	6,753.22	7,059.65
Share Capital		1,408.88	1,408.88	1,408.88	1,408.88	1,374.52
Shareholders Equity		847.03	1,681.03	2,510.44	2,790.28	2,721.99
Operating Revenue		693.50	875.92	1,693.36	1,519.43	1,819.01
Financial Expenses		843.40	870.26	1,048.91	1,124.87	1,431.53
Operating Expenses		141.52	153.50	149.56	136.74	143.19
Profit/(Loss) before Taxation		(803.02)	(759.22)	(82.32)	217.81	184.93
Net profit/(Loss) after Tax		(828.10)	(828.47)	(139.17)	160.01	150.38
Current Ratio (Times)		1.20	1.25	1.29	1.30	1.18
Debt/Equity Ratio		10.79	6.48	5.40	4.79	4.86
Return on Equity		-97.78%	-46.89%	-5.54%	5.73%	5.52%
Return on Assets		-6.21%	-5.73%	-0.48%	1.29%	1.04%
Dividend	Cash	0.00%	0.00%	0.00%	10%	8%
	Stock	0.00%	0.00%	0.00%	0%	3%
Net Asset Value per Share		6.01	11.93	17.82	19.8	19.8
EPS		(5.88)	(5.88)	-0.99	1.14	1.09

# Key Performance Indicators



## Board of Directors



**Prof. Suraiya Begum**  
Chairman

Prof. Suraiya Begum, is the Chairperson of Bay Leasing & Investment Limited. She did her Masters in Home Economics from University of Dhaka followed by Bachelor of Education (B.Ed.) from Mymensingh Teacher's Training College. To further her academic pursuit she completed a Diploma in Food Science & Nutrition from Wageningen University, Netherlands. Her career started as a Lecturer in Teacher's Training College, Mymensingh and subsequently Prof. Suraiya Begum held the position of Associate Professor in Home Economics College in 2001. Soon after she became Vice Principal of Jagannath College (now Jagannath University) and later Principal of Home Economics College.

In the final leg of her illustrious career she was appointed as Member of the Public Service Commission (PSC) for a period of 5 years (2007-2012).



**Zubayer Kabir**  
Vice Chairman

Mr. Zubayer Kabir, is the Vice Chairman of Bay Leasing & Investment Limited and Member of the Board Audit Committee. After completion of his college education from Dhaka College, he left for USA for higher studies. After returning from USA, he got involved in property business held the position of Managing Director, Erebus Properties Ltd. and later Managing Director of National Securities and Consultants Ltd. Mr. Kabir is also a Sponsor Shareholder and former Director of EXIM Bank Limited.

## Board of Directors

Mrs. Fatema Zahir Majumder is a Director and member of the Board Audit Committee of Bay Leasing and Investment Limited. She completed her Honors and Masters from Eden College and studied law at Central Law College. An active social worker, Mrs. Majumder is also a member of Gulshan Ladies Club. As a Director of Language Proficiency Centre Ltd, she is also Communicative English Language teacher and teacher trainer of the American Centre, Dhaka for the last 19 years. She has business interests too as a Chairman and Director of Tiger Tours Limited and Managing Director of Blue Flying Academy.



**Fatema Zahir Majumder**  
Director

Mr. Shahid Hossain is an Independent Director and member of the Board Audit Committee of Bay Leasing and Investment Ltd. He completed his B.S.S (Hons) and M.S.S. in Political Science in 1978 and 1980 respectively from University of Dhaka. Mr. Shahid started his banking career 40 years ago as a Probationary officer at National Bank Limited. During this long career, Mr. Husain held different senior positions in different private sector banks in Bangladesh including Additional Managing Director of Southeast Bank Ltd. He served as Managing Director of Southeast Bank Ltd from 9th January 2013 to March 2017. Later in 2017, Mr. Shahid joined Social Islami Bank Limited as Managing Director & CEO. He also joined as Advisor at Bengal Commercial Bank Ltd. On 15th March, 2020. He has vast knowledge & experience in the field of banking and has attended numerous professional workshops and seminars at home and abroad.



**Shahid Hossain**  
Independent Director

## Board of Directors



**Abul Quasem**  
Independent Director

Mr. Abul Quasem is an Independent Director and member of the Board Audit Committee of Bay leasing and Investment Ltd. He completed his B.A. (Hons) and M.A. in Economics in 1967 and 1968 respectively from University of Dhaka. After a short stint as Lecturer in Economics at Govt. Victoria College, Cumilla, B.M. College & Syed Hatem Ati College, Barisal, Mr. Quasem joined National Board of Revenue in 1975. Mr. Quasem has 27 years of experience in customs & VAT service and he was the First Secretary and Member of the NBR. In those capacities he became fully acquainted with the development at all levels of customs & VAT administration. He was involved in the formulation of Fiscal Budget of GOB. He was the head of Task force for the policy implementation of Custom Administration Modernization (CAM) project in the capacity of Member (Customs), NBR. Mr. Quasem also worked as nominated Director of the Govt. in the Board of Pan Pacific Sonargaon Hotel while he was Member in NBR and in Bangladesh Gas Field Co. Limited (BGFCL) while he was First Secretary, NBR.

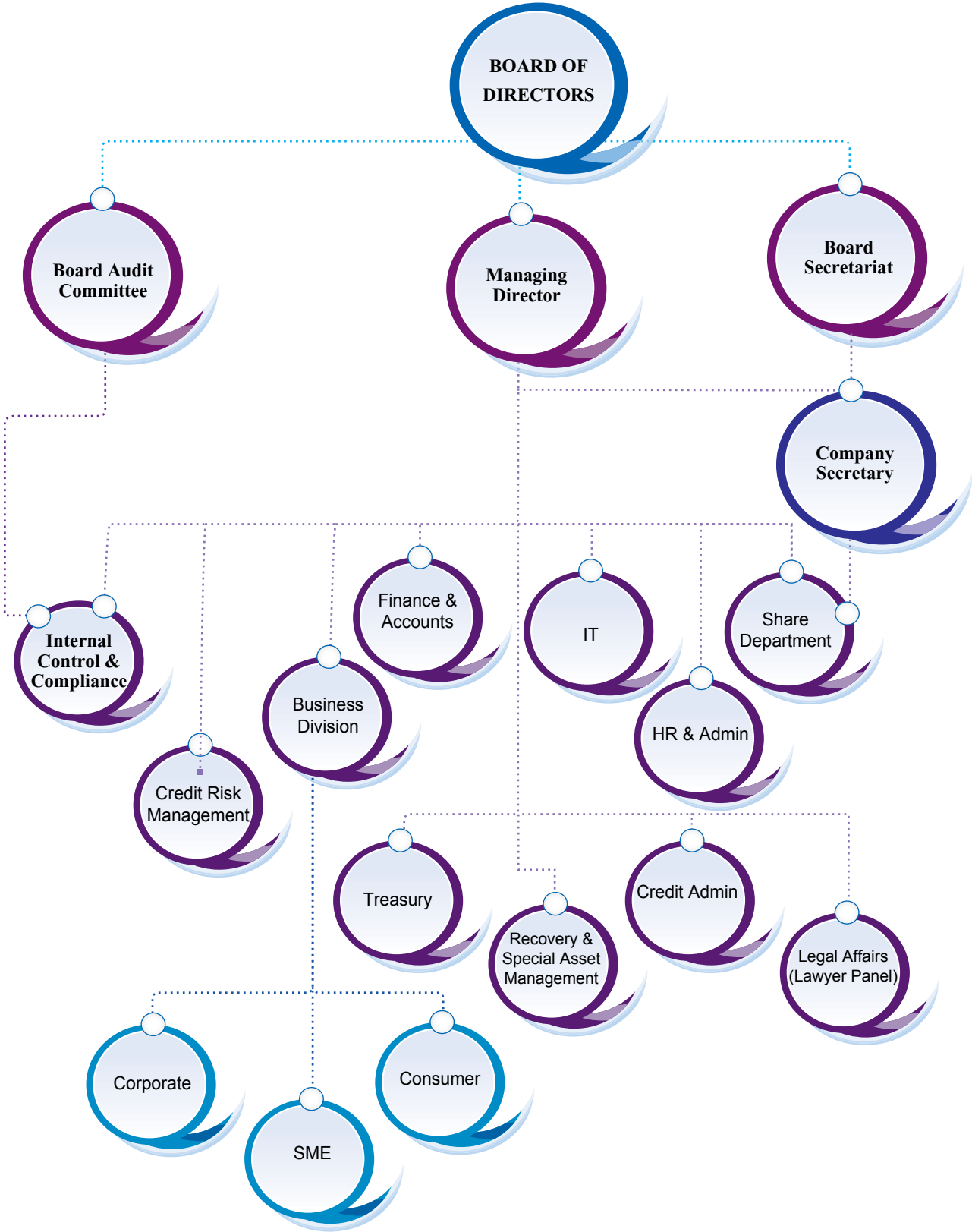


**Mohammad Ruknuzzaman**  
Managing Director

Mohammad Ruknuzzaman, the Managing Director of the organization. With an illustrious career spanning three decades, he brings a wealth of knowledge and expertise garnered from his extensive journey within the banking sector. Mr. Ruknuzzaman embarked on his professional odyssey in 1993, marking the inception of a remarkable trajectory. Throughout his career, he has made significant contributions to renowned financial institutions, including Midas Financing Ltd., IPDC, and IFIL. In IFIL he served as the Deputy Managing Director for 5 years. His invaluable experience also extends to international projects, having worked with the Export Readiness Fund under the World Bank initiative.

Mr. Ruknuzzaman's profound understanding of banking intricacies and his strategic vision would play a pivotal role in our organization's growth and success. His diverse background encompasses a wide array of banking businesses, reflecting his versatility and adaptability in navigating the ever-evolving financial landscape. Under his leadership, Bay leasing will propel innovative approaches, prudent decision-making, and a steadfast commitment to excellence. Moving forward, we are confident that Mr. Ruknuzzaman's expertise will continue to shape our path towards greater achievements and sustainable progress.

# ORGANOGRAM



# Management Committee (MANCOM)



**Mohammad Ruknuzzaman**  
Managing Director  
& Chairman, MANCOM



**Mr. Md. Lutfur Rahman**  
Head of Corporate & Treasury  
Member



**Mrs. Sharmin Akhter**  
Company Secretary  
Member



**Mr. Shabbir Minhaz Chowdhury**  
Head of SAM  
Member



**Mr. Samir Saha**  
Head of ICC  
Member



**Mr. Enayet Kabir**  
Head of Finance & Accounts  
Member



**Mr. Faisal Bin Naser Ahmed**  
Head of CAD  
Member



**Mr. A.K.M. Jahirul Islam**  
Incharge CRM  
Member



**Mr. Md. Mahade Hasan Bhuyan**  
RM Corporate  
Member Secretary

# COMMITTEES

## MANAGEMENT COMMITTEE (MANCOM)

Mr. Mohammad Ruknuzzaman	- Chairman
Mr. Mohammad Lutfur Rahman	- Member
Mr. Shabbir Minhaz Chowdhury	- Member
Mrs. Sharmin Akhter	- Member
Mr. Samir Saha	- Member
Mr. Enayet Kabir	- Member
Mr. Faisal Bin Naser Ahmed	- Member
Mr. A.K.M. Jahirul Islam	- Member
Mr. Md. Mahade Hasan Bhuyan	- Member Secretary

## CREDIT COMMITTEE (CC)

Mr. Mohammad Ruknuzzaman	- Chairman
Mr. Mohammad Lutfur Rahman	- Member
Mr. Faisal Bin Naser Ahmed	- Member
Mr. A.K.M. Jahirul Islam	- Member
Mr. Md. Mahade Hasan Bhuyan	- Member Secretary

## CENTRAL COMPLIANCE UNIT (CCU)

Mr. Mohammad Lutfur Rahman	- CAMCLO
Mr. Md. Arifur Rahman Badhan	- Member
Shakila Rahman	- Member

## BASEL IMPLEMENTATION UNIT (BIU)

Mr. Mohammad Ruknuzzaman	- Head of BIU
Mr. Enayet Kabir	- Member
Mr. Samir Saha	- Member
Md. Jashim Uddin Rajib	- Member

## ASSET & LIABILITY MANAGEMENT COMMITTEE (ALCO)

Mr. Mohammad Ruknuzzaman	- Chairman
Mr. Mohammad Lutfur Rahman	- Member
Mr. Enayet Kabir	- Member
Mr. Samir Saha	- Member Secretary
Mr. Md. Arifur Rahman Badhon	- Member

# COMMITTEES

## **RISK MANAGEMENT FORUM (RMF)**

Mr. Mohammad Ruknuzzaman	- Chief Risk Officer
Mr. Mohammad Lutfur Rahman	- Member
Mrs. Sharmin Akhter	- Member
Mr. Samir Saha	- Member

## **RISK ANALYSIS UNIT (RAU)**

Mr. Shabbir Minhaz Chowdhury	- Unit Head
Mr. Enayet Kabir	- Member
Mr. A.K.M. Jahirul Islam	- Member
Mr. Md. Jashim Uddin Rajib	- Member

## **INTEGRITY COMMITTEE**

Mr. Mohammad Ruknuzzaman	- Committee Head
Mr. Mohammad Lutfur Rahman	- Focal Point
Mr. Pronab Kumar Das	- Member
Ms. Aklima Akhi	- Member
Mr. Md. Arifur Rahman Badhon	- Member

## **SUSTAINABLE FINANCE COMMITTEE**

Mr. Mohammad Lutfur Rahman	- Committee Head
Mr. Shabbir Minhaz Chowdhury	- Member
Mr. Faisal Bin Naser Ahmed	- Member
Mr. Samir Saha	- Member
Mr. Pronab Kumar Das	- Member
Mr. Md. Mahade Hasan Bhuyan	- Member Secretary

## **SUSTAINABLE FINANCE UNIT**

Mr. Faisal Bin Naser Ahmed	- Unit Head
Mr. A.K.M. Jahirul Islam	- Focal Point Official
Mr. Nawshad Md. Aziz Arman	- Fallback Person
Ms. Nasrin Akhter	- Member

## Chairman's MESSAGE



**Prof. Suraiya Begum**  
Chairman

## Dear Shareholders

On behalf of the Board of Directors, I am pleased to welcome all our esteemed shareholders to the 28<sup>th</sup> Annual General Meeting of Bay Leasing & Investment Limited (BLIL). I would like to take this opportunity to brief you on the current state of the economy and the financial services sector, as well as present the Annual Report for the year ended 31 December 2023.

This year has been particularly challenging for us due to adverse global and domestic economic and political conditions. As you are aware, the Non-Bank Financial Institution (NBFI) sector has been facing a lack of stakeholder confidence and struggling with a cash flow crisis for the past few years. Many banks and corporate entities have been reluctant to provide funding or make new deposits with NBFIs, which has had a significant negative impact on the sector.

Although we do not have positive news to share at this moment, we remain confident in our ability to overcome these challenges. We are committed to utilizing all available resources and strategies to regain our hard-earned reputation and return to profitability. We look forward to delivering positive achievements in the near future.

## Global Economy

In 2023, the global economy continued its recovery from various challenges, including natural and socio-economic issues. Inflation declined more rapidly than anticipated from its peak in 2022, attributed to positive supply-side advancements and policy measures by central banks. However, high interest rates and reduced fiscal support are expected to slow economic growth in 2024. The global inflation rate, which averaged 6.8% in 2023, is projected to fall to 5.8% in 2024. The IMF reported a global GDP growth of 3.1% in 2023, with expectations for similar growth in 2024 before a modest increase to 3.2% in 2025. This is lower than the pre-COVID average of 3.8%, influenced by restrictive monetary policies and low productivity growth. Advanced economies are predicted to see a slight decrease in growth in 2024, followed by a recovery in 2025, while emerging markets and developing economies are expected to experience steady growth, despite regional differences. Global trade growth slowed to 0.8% in 2023, down from 3% in 2022, reflecting broader economic challenges and geopolitical tensions. Overall, the global economy demonstrated resilience, though disparities across regions and potential policy missteps remain concerns.

## National Economy

Though Bangladesh made a strong recovery from the COVID-19 pandemic in 2022, the national economy faced numerous challenges from the beginning to the end of 2023. These challenges included rising inflation, exchange rate volatility, external debt pressures, global economic uncertainty, and supply disruptions caused by the Russia-Ukraine war, the Israel-Palestine conflict, and various other political factors. As a result, Bangladesh's GDP growth rate declined to 5.78% in FY2023, down from 7.10% in 2022, primarily due to decreased performance in the service and manufacturing sectors.

Inflation rose from 7.7% in 2022 to 9.5% in 2023, the highest in the last decade, largely due to increased food and non-food prices, higher shipping costs, and the devaluation of the Bangladeshi Taka against the US Dollar. Throughout 2023, the inflation rate fluctuated between 9% and 10%. In response to rising inflation and a dollar crisis, Bangladesh Bank implemented tighter monetary policies and imposed restrictions on the opening of Letters of Credit (LCs) for non-essential finished goods, affecting businesses engaged in international trade. This led to a 24% decline in imports, totaling US\$61.9 billion. A further decrease in the import rate is expected in 2024 as global commodity prices stabilize.

Despite these challenges, Bangladesh's economy displayed resilience in 2023. Export earnings remained stable, reaching \$55.7 billion with a 2% increase, driven by exports to non-traditional destinations and product diversification. Conversely, imports decreased by 24% to US\$61.9 billion due to reduced demand both locally and in export destinations, as well as import restrictions. Remittances grew by 3%, reaching US\$21.9 billion. Continuous dollar sales to stabilize the Forex market led to a decline in foreign exchange reserves to around US\$21 billion in 2023, down from over US\$26 billion in 2022. Additionally, Bangladesh's foreign loan repayments exceeded US\$4 billion for the first time, reaching US\$4.78 billion, a 32.8% increase from 2022.

Despite these setbacks, Bangladesh demonstrated resilience and dynamism in its economic landscape. The GDP growth rate has shown an upward trend, and the poverty rate decreased from 20% in the previous fiscal year to 18%, with a government target to reduce it further to 15% within the next year. The opening of the Padma Bridge in June 2022 significantly improved connectivity between Dhaka and the southern regions. The launch of Dhaka's first metro rail system in 2023 also marked a significant achievement, with an increasing number of stations enhancing transportation efficiency and reducing traffic congestion in the city. Additionally, the digital revolution has played a transformative role in advancing finance, education, and government services, contributing to economic resilience and inclusive growth.

### **NBFI & Financial Sector**

In 2023, the financial sector of the country experienced a tight liquidity situation and increased cost of funds, high import expenses along with lower credit growth in both the public and private sectors due to contractionary monetary policy taken by Bangladesh Bank to curb the inflationary pressure. The contraction in liquidity, intensified by the central bank's policy rate hikes, presented significant challenges for the financial sector. The policy rate surged to 7.75% in 2023 from 5.75% in 2022, reflecting efforts by the central bank to address inflationary pressures. Moreover, there was a notable increase in non-performing loans in the banking sector. Non-Performing Loans (NPLs) remained persistently high, with banks' NPL ratio increased to 9% by December 2023, while Non-Bank Financial Institutions (NBFIs) saw an increase of 27.65% by June 2023.

Despite the liquidity stress, banks sought increased support from the central bank, navigating through its contractionary monetary stance. The contractionary monetary policy led to a spike in borrowing costs, with the call money rate rising to 8.84% in December 2023 from 5.80% in December 2022. Additionally, both public and private sector credit growth rates declined as domestic credit growth slowed to 11.89% in 2023 from 14.98% in 2022.

Interest rate spreads saw improvements for both banks and Non-Bank Financial Institutions (NBFIs) from July onwards, due to shift from a fixed interest rate framework to a more market-driven interest rate mechanism. In 2023, Bangladesh Bank introduced the Reference Lending Rate, known as 'SMART' (Six Months Moving Average Rate of Treasury Bills) that resulted in widened interest rate spreads for banks and NBFIs.

In 2023, NBFIs experienced a rise in non-performing loans, reaching 27.65% in June 2023, compared to 23.88% in December 2022. However, by January 2024, it had risen by over three percent, reaching a record high of 30% of disbursed loans. In response to these challenges, the Bangladesh Bank implemented measures aimed at enhancing discipline within the banking sector. These measures included strengthening regulatory oversight and corporate governance, combating political interference, and improving risk management practices in the financial sector. Additionally, the government introduced The Bank Company (Amendment) Bill 2023 and Finance Company Act, 2023 in the year 2023.

Despite several challenges, Bangladesh's financial sector has demonstrated adaptability and resilience. The country's financial sector has undergone rapid digital transformation, and embracing FinTech models. The Bangladesh Bank actively fostering digital banking initiatives, indicating a positive outlook for future resilience and growth.

### **Company Financial Position**

Amidst the above challenging situation of national economies and financial sector, the year 2023 was very tough and challenging for the company. The lease, loans and advances portfolio of the company declined by 1.94% from BDT 10.82 billion in 2023 to BDT 10.61 billion in 2022.

Operating revenue of the company declined from BDT 5.66 million to (149.90) million in 2023 as net interest income experienced a significant decline due to defaults of several large corporate loans and advances compared to interest expenses.

The company incurred consolidated financial loss of BDT 828.10 million with negative earnings of 5.88 per share in 2023. This loss mainly incurred due to decline in net interest income and increase in provision requirements of BDT 511.59 million.

Borrowings from banks decreased by 2.75% to BDT 5.12 billion in 2023 compare to BDT 5.26 billion in 2022 due encashment of bank deposits and withdrawal of treasury placements. Term deposits from corporate entities, organizations and individuals also decreased by 8.91% to BDT 5.03 billion in 2023 due to encashment of some large corporate entities.

### **Concluding Note**

The year 2024 is anticipated to be another challenging period due to ongoing global political conflicts and persistent macroeconomic challenges within the country. Issues such as foreign exchange volatility, rising inflation, and liquidity constraints continue to affect both our depositors and borrowers. However, with steady economic growth and a decreasing inflation rate, the risk of a sudden economic downturn has diminished. Our top priority remains achieving sustainable growth through a quality asset portfolio, while proactively managing financial and operational risks, controlling costs, enhancing collection efforts to boost profitability, and ensuring superior customer service.

I extend my sincere thanks to my fellow Board Members for their continued guidance and support in advancing the company's vision. I am also deeply grateful to our valued shareholders, clients, business partners, and other stakeholders for their tremendous support and trust during these challenging times.

A special note of thanks to Bangladesh Bank for their continuous support and prudent guidance, as well as to the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, the National Board of Revenue, the Ministry of Industries, the Ministry of Finance, and other government agencies for their support.



**Prof. Suraiya Begum**  
Chairman

## MD's MESSAGE



**Mohammad Ruknuzzaman**  
Managing Director

## Dear Valued Shareholders

### Assalamu Alaikum oya Rahmatullahe Obarakatuhi,

I begin by extending my sincere wishes for good health and happiness to everyone. I want to express my deep gratitude to each of you for your unwavering support and encouragement, which have been instrumental in helping us sustain our business operations amidst the tremendous challenges of 2023. Bay Leasing is proud to mark a significant milestone, celebrating 28 years since its establishment in February 1996. Our company has consistently demonstrated growth and profitability up until 2020, with stakeholders regularly receiving dividends. However, the years 2021, 2022, and 2023 have presented unprecedented challenges.

Sluggish business movement, geopolitical crisis, and foreign exchange markets have brought the economy to a downstream disrupting global social, economic, and financial structures in ways never experienced before in modern history.

### Company Performance

In 2023, the company faced a challenging year due to broader economic and financial sector issues. The lease, loans, and advances portfolio decreased by 1.94%, from BDT 10.82 billion in 2022 to BDT 10.61 billion in 2023. Operating revenue declined significantly, resulting in a consolidated financial loss of BDT 828.10 million and negative earnings of BDT 5.88 per share. This loss was mainly due to a drop in net interest income and increased provision requirements. Borrowings from banks decreased by 2.75%, and term deposits from corporate entities and individuals fell by 8.91%.

This year, we prioritized getting close to our operations across our branches, meeting with employees, engaging with shareholders, and speaking directly with our clients. It was a year of consolidation. Seeing our teams first-hand and hearing directly from our investors and clients has provided many insights that have helped us to shape our vision and our strategy for the institution. In recent years, your institution has not delivered the return on investment that you, our shareholders, should expect. It is for this reason that we have spent much of 2023 refreshing our strategy, through a collaborative and data-driven process focused on identifying those levers that will drive Bay Leasing forward into the future

### Business Strategy

Bay Leasing is committed to diversifying its business to enhance stability and growth. We plan to shift our funding sources from an institutional base to a more public-oriented base, recognizing that public deposits offer greater sustainability in the long term. Additionally, we are expanding our investment focus to include the Cottage, Small, and Medium Enterprise (CSME) sector, which is vital for economic resilience and development. Cost efficiency will be prioritized across all levels of our operations to ensure optimal resource utilization. Furthermore, we will place a high priority on portfolio risk management, implementing robust strategies to mitigate risks and safeguard our financial health.

**“OUR GOAL IS TO DELIVER PROFITABLE AND SUSTAINABLE GROWTH OVER THE LONG-TERM.”**

### Risk Management

Risk management is entrenched in the organizational structure, culture, operations, systems and process. Business risks across the Company are addressed in a structured and systematic way through a predefined risk management framework. The Board continuously assesses the risks faced by the company and updates policies to strike a balance between risk and growth. The Management is responsible for executing the policies across the organization as sets by the Board.

### **Compliance & Governance**

The company believes compliance to be one of its key significances and is continuously working to strengthen and improvement of its corporate governance with the aim to have sustainable growth, transparency, accountability, development of corporate values and to meet the expectation of shareholders, customers, regulators, and other key stakeholders. The corporate governance of BLIL sets top priorities in fairness, transparency, accountability, and responsibility on its topmost priority. BLIL follows the Corporate Governance Code and other directives issued by Bangladesh Securities and Exchange Commission (BSEC) and other circulars, policies and guidelines issued by Bangladesh Bank, Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and other regulatory authorities.

### **Acknowledgement**

I extend my heartfelt gratitude to our valued shareholders, regulators, customers, and other stakeholders for their unwavering support and patronage during these uncertain times. I also wish to thank my esteemed colleagues on the Board of Directors for their invaluable support in conducting board meetings and providing crucial guidance to the management throughout the year. Lastly, I sincerely appreciate all our employees for their dedication and professionalism in fulfilling their responsibilities during this highly challenging year.



**Mohammad Ruknuzzaman**  
Managing Director

## Bay Leasing's Risk Management and Anti-Money Laundering & Combating Terrorist Financing Initiatives

Risk management is an area that is experiencing rapid growth and it entails various perspectives and factors that are involved, how they are conducted and their uses. As a consequence of global financial crisis, regulators and financial industry leaders agree on the need for a comprehensive risk management reform in the financial field. Even though solutions may differ, most agree that the lack of an appropriate risk management system was one of the key factors in causing the financial crisis.

Banks and financial institutions assume risks during the course of conducting business for the purpose of realizing returns on investments. It is obvious that these risks can potentially eliminate expected returns and entail losses for these institutions. Some are expected while others may be unexpected. Banks and Financial Institutions typically have reserves for expected losses but unpredictable events such as economic crisis or falling interest rates cause institutions to rely on their capital to alleviate related losses. This is where the need for effective risk management frameworks in banks and financial institutions are crucial for their survival. By utilizing efficient risk management systems, these institutions will become competent in optimizing their risk return trade off.

Because taking risk is an integral part of the business, it is not surprising that financial institutions have been practicing risk management from their nascent stage. The only real change is the degree of sophistication now required to reflect the more complex and fast paced environment.

The Asian financial crisis of 1997 illustrates that ignoring basic risk management can also contribute to economy-wide difficulties. The long period of remarkable economic growth and prosperity in Asia masked weaknesses in risk management at many financial institutions. Many Asian banks did not assess risk or conduct a cash flow analysis before extending a loan, but rather lent on the basis of their relationship with the borrower and the availability of collateral, despite the fact that collateral was often hard to seize in the event of default. The result was that loan portfolio expanded faster than the ability of the borrowers to repay. Additionally, because many banks did not have or did not abide by limits on concentrations of lending to individual firms or business sectors, loans to overextended borrowers worsened the situation and Bank/FI's who indulged in this practice weakened the most.

Although avoiding failure is a principal reason for managing risk, global financial institutions also have the broader objective of maximizing their risk - adjusted rate of return on capital, or RAROC. This means not just avoiding excessive risk exposures, but measuring and managing risks relative to returns and to capital. By focusing on risk - adjusted returns on capital, global institutions avoid putting too much emphasis on activities and investments that have high expected returns but equally high or higher risk. This has led to better management decisions and more efficient allocation of capital and other resources. Indeed, bank shareholders and creditors expect to receive an appropriate risk - adjusted rate of return, with the result that banks that do not focus on risk - adjusted returns will not be rewarded by the market.

A point too often overlooked, however, is that, by focusing on risk - adjusted returns, risk management also contributes to the strength and efficiency of the economy. It does so by providing a mechanism that is designed to allocate resources, initially financial resources but ultimately real resources to their most efficient use. Projects with the highest risk adjusted expected profitability is the most likely to be financed and to succeed. The result is more rapid economic growth. The ultimate gain from risk management is higher economic growth. Without sound risk management, no economy can grow to its potential. Stability and greater economic growth, in turn, lead to greater private saving, greater retention of that saving, greater capital imports and more real investment. Without it, not only do we lose these gains, but we also incur the considerable costs of bank disruptions and failures that follow from unexpected, undesired and unmanaged risk - taking.

### **Definition of Risk – Our simplified view**

To simplify the concept and for better risk management, we define Risk as the combination of the probability of an event and its consequences. In simple term, risks can be seen as a combination of the chance that something may happen and the degree of damage or loss that may result if it does occur. Sticking with this simplified way of defining risk, Bay Leasing & Investment Limited try to grab all the potential areas of risks considering their probability of occurrence and try to fathom its depth of damage towards our company.

### **Risk Management Infrastructure of Bay Leasing**

In Bay Leasing & Investment Limited, the issue of risk management is considered to be one of the major key matters of the company. To ensure utmost importance as well as to comply with the requirements of Bangladesh Bank, several committees comprising of subject matter experts, have been formed to have better risk management and monitoring system. Furthermore, the teams related to compliance as well as the Board Audit Committee keenly monitor the overall risk management. The diagram attached herewith represents the teams and departments that are dealing with risk management issues:

The approval process has been designed in such a way to minimize the credit risks associated to lending. The continuous review of operational processes also been maintained to eliminate potential operational risks.

However, apart from credit risk and operational risks there have been few more risk areas that have been emerged in recent decade. Among them the risk of Money Laundering (ML) and Terrorist Financing (TF) is considered to be one of the global issues. Considering the impact of such risk areas, ML/TF has been given a special attention from our management.

### **Special focus on combating Money Laundering and Terrorist Financing**

The international community has made the fight against money laundering and the financing of terrorism a priority. Among the goals of this effort are: protecting the integrity and stability of the international financial system, cutting off the resources available to terrorists, and making it more difficult for those engaged in crime to profit from their criminal activities.

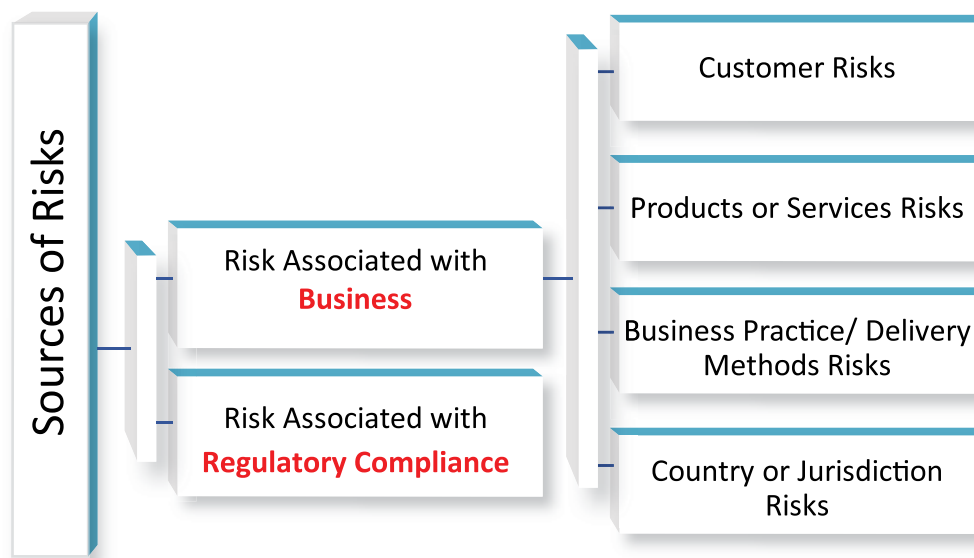
Recommendation 1 of Financial Action Task Force (FATF), the international standard setter on anti money laundering (AML) and combating terrorist financing (CFT) requires financial institutions and designated non-financial businesses and professions (DNFBPs) to identify, assess and take effective action to mitigate their money laundering and terrorist financing risks. This requirement is reflected in the Money Laundering Prevention Rules (MLPR) 2013. Rule 21 of MLPR 2013 contains that every Reporting Organization-Financial Institution (RO-FI) shall conduct periodic risk assessment and forward the same to the Bangladesh Financial Intelligence Unit (BFIU) for vetting. Rule 21 also contains that RO-FI shall utilize this risk assessment report after having vetted by BFIU.

Bangladesh Bank, as the Central Bank and the governing authority of Bay Leasing & Investment Limited, has provided guideline's with instructions and indications to identify, assess the risk of ML & TF in our businesses and to take effective measures to mitigate the identified risk and monitor and review the risk management procedures and controls of ML & TF risk.

In compliance to Bangladesh Bank's guidelines strictly, Bay Leasing has prepared its risk assessment report and meticulously follow it to minimize and/or prevent the risk of money laundering and terrorist financing with utmost importance.

### **Risks to be managed**

There are two main sources of ML/TF risks that the financial institution should take into account and to take necessary measures to mitigate this. They are:



**Risk associated with Business:** is the ML & TF risk that arises or generated in doing day to day business of the financial institution. Therefore, the particular term “business” of the financial institution exposed to four major categories of risks i.e. 1) Customers; 2) Products or Services; 3) Business Practice/ Delivery Methods; & 4) Country or Jurisdiction. Hence, the financial institution should have a strong measure to identify and mitigate the ML & TF risks associated with these four broader categories.

**Regulatory risk:** is associated with not meeting all obligations of the financial institution under the ML Prevention Act, 2012, Anti-Terrorism Act, 2009 (including all amendments), the respective Rules issues under these two Acts and instructions issued by BFIU. Regulatory Risk includes failure to report STR/SAR, unable or inappropriately verification of customers and lacking of AML and CFT program (how a business identifies and manages the ML and TF risk it may face) etc.

#### **Risk-Based Approach (RBA)**

A Risk-Based Approach (RBA) to AML/CFT means that the financial institution is expected to identify, assess and understand the ML&TF risks to which it is exposed and take AML/CFT measures adequate to those risks in order to mitigate them effectively. The RBA is not a “zero failure” approach. It is unrealistic that the financial institution would operate in a completely ML&TF risk-free environment, rather it is meant that the financial institution should properly identify the ML & TF risks it faces, and then works out the best ways to reduce and manage those risks.

#### **Risk Management Framework**

Bay Leasing & Investment Limited has constructed and tailored the risk management framework for the purpose of developing risk-based systems and controls and mitigation strategies in a manner that is most appropriate to the business structure (including financial resources and staff), the products and/or the services they provide. Such risk-based systems and controls should be proportionate to the ML&TF risk(s) a Financial Institution reasonably faces. The following principles shall be followed at all levels of the financial institution for effective management of ML and TF risks:

- Risk management contributes to the demonstrable achievement of objectives and improvement of performance, governance and reputation.
- Risk management is not a stand-alone activity that is separate from the main activities and processes of the FI. Risk management is part of the responsibilities of management and an integral part of all organizational processes, including strategic planning.
- Risk management helps decision makers making informed choices, prioritize actions and distinguish among alternative courses of action.
- Risk management explicitly takes account of uncertainty, the nature of that uncertainty, and how it can be addressed.
- A systematic, timely and structured approach to risk management contributes to efficiency and to consistent, comparable and reliable results.
- Risk management is based on the best available information.

- Risk management is aligned with the FI's external and internal context and risk profile.
- Risk management is transparent and inclusive.
- Risk management is dynamic, iterative and responsive to change.

Following the above mentioned principles, we have developed and maintained logical, comprehensive and systematic methods to address each of the components of risks, identified our approach to ML&TF risk, planned to implement and maintain on regular basis.

## Flow of Work

As per guidelines of Bangladesh Financial Intelligence Unit (BFIU) of Bangladesh Bank, we have tried to maintain the following work flow. This risk assessment mechanism is broadly divided into the following four segments.



- ✓ We tried to identify all the potential risk areas under the five broader category sources of risks mentioned earlier. To do so, we have involved participants from all the departments/work areas within our company and utilized different approaches i.e. group discussion, brain storming etc. to ensure the inclusion of every possible risk scenarios (referring to worksheets for details).
- ✓ Based on the best possible subjective judgement we tried to select the appropriate likelihood and impact associated with the particular risk items. In Risk Register, we also identified the risk scores based on the guideline provided from BFIU.
- ✓ We identified the required set of actions/treatments and categorized them into three major Tiers and assigned them based on the risk scores. The risk appetite has also been identified as per the guideline.
- ✓ Risk monitoring process has been identified which is to be executed and exercised on regular basis.

## Tools/ Scales Used

We have meticulously followed the ML&TF Risk Guidelines while calculating the risk scores of all the potential risk factors. We used the likelihood & impact scale to identify the risk score of the particular risk items and also tried to identify the risk appetite level as per the given scale.

### Likelihood Scale

Frequency	Likelihood of an ML&TF risk
Very likely	Almost certain: it will probably occur several times a year
Likely	High probability it will happen once a year
Unlikely	Unlikely, but not impossible

Consequence	Impact of an ML & TF risk
Major	Huge consequences – major damage or effect. Serious terrorist act or large-scale money laundering.
Moderate	Moderate level of money laundering or terrorism financing impact.
Minor	Minor or negligible consequences or effects.

### Impact Scale

### Risk Matrix

LI K EL IH O O D	Very Likely	Medium	High	Extreme
	Likely	Low	Medium	High
	Unlikely	Low	Low	Medium
	What is the chance it will happen?	Minor	Moderate	Major
		How serious is the risk?		IMPACT

### Risk Appetite Scale

Extreme	Unacceptable Risk
High	
Medium	Acceptable Risk

## Category Selection

To identify the potential risk areas we have keenly analyzed the entire business operation of our company. We have also studied the ML&TF Risk Guideline of BFIU. After thorough examination we have identified the following four risk group which would cover our entire operation and every possible situation exposed to ML&TF risk:



### Customer:

This risk group includes all the individuals and business entities from our existing client base as well as from any potential new client base.

### Products and Services

This risk group includes all our existing products and services as well as any upcoming new products.

### Business Practice/ Delivery Methods or Channels

This risk group consists of our entire business practice and delivery methods or channels.

### Country/ Jurisdiction

This risk group consists of our entire business practice and delivery methods or channels.

### Regulatory Risk

This risk group includes all the potential risk areas related to regulatory issues.

## Risk Register

The following is only the extract of the entire Risk Register of Bay Leasing covering all the above mentioned categories. The detail list of risk factor with the category of 1) Products and Services, 2) Business Practice/ Delivery Methods or Channels, 3) Country/ Jurisdiction, and 4) Regulatory Risk have not been included here.

RISK REGISTER							
Sr.L. No.	Risk Factor	Likelihood	Impact	Risk Score	Risk Appetite	Treatment/ Action	
1	A new customer	Likely	Major	High	Unacceptable Risk	Tier 3 Action Plan	
2	A new customer who wants to carry out a large transaction	Likely	Major	High	Unacceptable Risk		
3	A customer or a group of customers making lot of transactions to the same individual or group	Very likely	Major	Extreme	Unacceptable Risk		
4	A customer who has a business which involves large amounts of cash	Very likely	Moderate	High	Unacceptable Risk		
5	Customer opens account in the name of his/her family member who intends to credit large amount of deposits not consistent with the known sources of legitimate family income	Very likely	Major	Extreme	Unacceptable Risk		
6	A customer whose identification is difficult to check	Unlikely	Major	Medium	Acceptable Risk		
	Customers conducting their business relationship or transactions in unusual circumstances, such as:					Tier 2 Action Plan	
7	A) Significant and unexplained geographic distance between the institution and the location of the customer	Unlikely	Major	Medium	Acceptable Risk		
	B) Frequent and unexplained movement of accounts to different institutions	Unlikely	Major	Medium	Acceptable Risk		
	C) Frequent and unexplained movement of funds between institutions in various geographic locations	Unlikely	Major	Medium	Acceptable Risk		
8	A non- resident customer	Likely	Moderate	Medium	Acceptable Risk		
9	A corporate customer whose ownership structure is unusual and excessively complex	Unlikely	Major	Medium	Acceptable Risk		
10	Customers that are politically exposed persons (PEPs) or influential persons (IPs) or head of international organizations and their family members and close associates	Likely	Moderate	Medium	Acceptable Risk		
11	Customers submits account documentation showing an unclear ownership structure	Unlikely	Major	Medium	Acceptable Risk		
12	A customer comes with premature encashment of fixed deposit	Likely	Moderate	Medium	Acceptable Risk		
13	Frequent Tendency of Early settlement of Loan/Lease	Unlikely	Major	Medium	Acceptable Risk		
14	Government employee having several large amounts of fixed deposit accounts	Unlikely	Major	Medium	Acceptable Risk		
15	A customer generally tries to convince for cash deposit but insists for financial instrument while withdrawing the deposit	Unlikely	Moderate	Low	Acceptable Risk		Tier 1 Action Plan
16	A customer who brings in large amounts of used notes and/or small denominations	Unlikely	Moderate	Low	Acceptable Risk		

## Risk Treatment

We have so far identified nineteen (19) treatment measures to eliminate/minimize the degree of the severity of the potential risk. To have the efficiency we have categorized these risk treatment measures into three Tiers. They are:

Tier 3	Extreme & High
Tier 2	Medium
Tier 1	Low

The list of the risk treatment measures along with the categorization is mentioned below. The mark “Y” indicates whether a particular treatment task is included in the particular Tier or not.

	List of Actions	Three Action Plans		
		Tier 1	Tier 2	Tier 3
1	Know Your Customer (KYC)	Y	Y	Y
2	Customer Due Diligence (CDD)	Y	Y	
3	Extended Due Diligence (EDD)			Y
4	Know Your Employee (KYE)		Y	Y
5	Suspicious Activity Report (SAR)		Y	Y
6	Suspicious Transaction Report (STR)			Y
7	Apply/upgrade strategies, policies and procedures	Y	Y	Y
8	Putting in place systems and controls	Y	Y	Y
9	Carrying out the risk plan and AML&CFT program	Y	Y	Y
10	Setting transaction limits for high-risk products			Y
11	Having a management approval process for higher-risk products			Y
12	Not accepting customers who wish to transact with a high-risk country		Y	Y
13	Not accepting customers who already are listed under FATF or FSRB list	Y	Y	Y
14	Process to place customers in different risk categories and apply different identification and verification methods.		Y	Y
15	Ensure proper verification process in case of the services through online, internet, phone, email etc.	Y	Y	Y
16	To continue monitoring business activities of the clients relevant to ML&TF risk(s).	Y	Y	Y
17	To regularly assess the timeliness and relevance of information generated, together with its adequacy, quality and accuracy.			Y
18	To maintain the record of the documents with expiry date and to update the documents.	Y	Y	Y
19	Continuous process of arranging training sessions for the staffs on various subject matters especially on ML&TF.		Y	Y

**Monitoring and Review Process**

To have an effective ML&TF risk management system, we have identified the following tasks as well as their frequency that are to be executed/exercised meticulously:

Activity/Task	Frequency
Develop an effective plan of monitoring process	Yearly
Cary out the monitoring process	On regular basis
Necessary records are to be kept	On regular basis
Reviewing risk plan and AML&CFT program	Quarterly
Internal audit and assessment	Quarterly
Submission of Self-assessment report to BFIU	Half yearly
AML&CFT compliance report	On regular basis
CDD, EDD, SAR, STR (where necessary)	On regular basis

The overall Risk Management Strategies should include the following components:

- Reviews at senior management level of the FI’s progress towards implementing stated ML&TF risk management objectives.
- Clearly defined management responsibilities and accountabilities regarding ML & TF risk management.
- Adequate staff resources to undertake functions associated with ML & TF risk management.
- Specified staff reporting lines from ML & TF risk management system level to board or senior management level, with direct access to the board member(s) or senior manager(s) responsible for overseeing the system.
- Procedural controls relevant to particular designated services.
- Documentation of all ML & TF risk management policies.
- A system, whether technology based or manual, for monitoring the FI’s compliance with relevant controls.
- Policies to resolve identified non-compliance.
- Appropriate training program(s) for staff to develop expertise in the identification of ML & TF risk(s) across the bank’s designated services.

The monitoring and review is a continuous process and would be continued round the year. The lesson learned during the monitoring process would be accumulated as a suggestions and would be used as the amendments (if needed) to the existing Risk Management Plan of our company.



# Board of Directors at the 27<sup>th</sup> AGM



# Director's Report

## Dear Shareholders

On behalf of the Board of Directors at Bay Leasing & Investment Limited, I am pleased to extend a warm welcome to the 28th Annual General Meeting of our esteemed Company. We are grateful for your patience to provide opportunity to present the Annual Report for the year 2023, featuring the audited financial statements and the auditor's report for the fiscal year ending December 31, 2023. These documents are now submitted for your esteemed consideration and approval, valued shareholders. The Board ratified these audited financial statements on June 27, 2024. This Annual Report adheres to the stipulations of the Companies Act 1994, the Financial Institutions Act 2023, and the guidelines established by the Securities and Exchange Commission, Bangladesh Bank, and other relevant regulatory authorities.

The year 2023 has been a profound period for the global economy marked by resilience, adaptation, and significant transformation in the face of ongoing challenges and emerging opportunities. As economies worldwide navigated the complexities of recovery from the COVID-19 pandemic, geopolitical tensions, technological advancements, and climate imperatives, the landscape of global finance and commerce underwent noteworthy shifts.

## Global Economy

In 2023, the global economy continued its recovery stride from the unprecedented disruptions caused by the COVID-19 pandemic. The International Monetary Fund (IMF) projected global growth to stabilize around 3.5%, with considerable variations among regions. Advanced economies, particularly the United States and the European Union, saw moderate growth around 2-3%, driven by consumer spending, robust labor markets, and accommodative monetary policies.

## Geopolitical Dynamics and Trade Relations

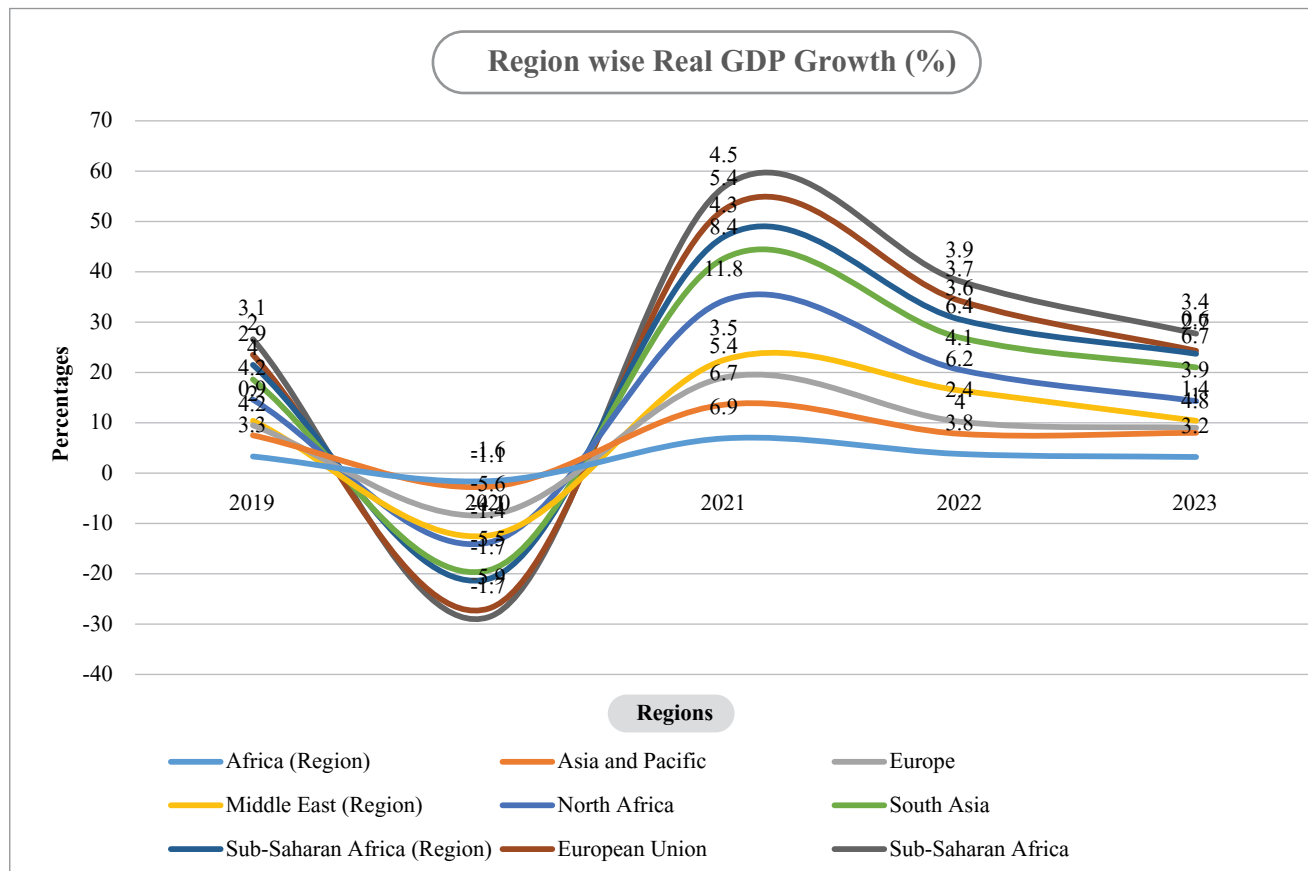
Emerging markets and developing economies experienced a mixed bag of outcomes. China, despite facing internal challenges including a real estate slowdown and demographic shifts, maintained a growth rate of about 5%, fueled by strong export performance and strategic policy measures to boost domestic consumption. India, on the other hand, emerged as one of the fastest-growing major economies, with growth exceeding 6%, supported by structural reforms, digitalization, and a thriving services sector.

The geopolitical landscape in 2023 was marked by both cooperation and contention. The Russian invasion of Ukraine, which began in early 2022, continued to reverberate through global markets, particularly in energy and agricultural commodities. Sanctions on Russia and countermeasures added complexity to international trade dynamics. Europe's urgent shift towards renewable energy sources gained momentum, aiming to reduce reliance on Russian gas.

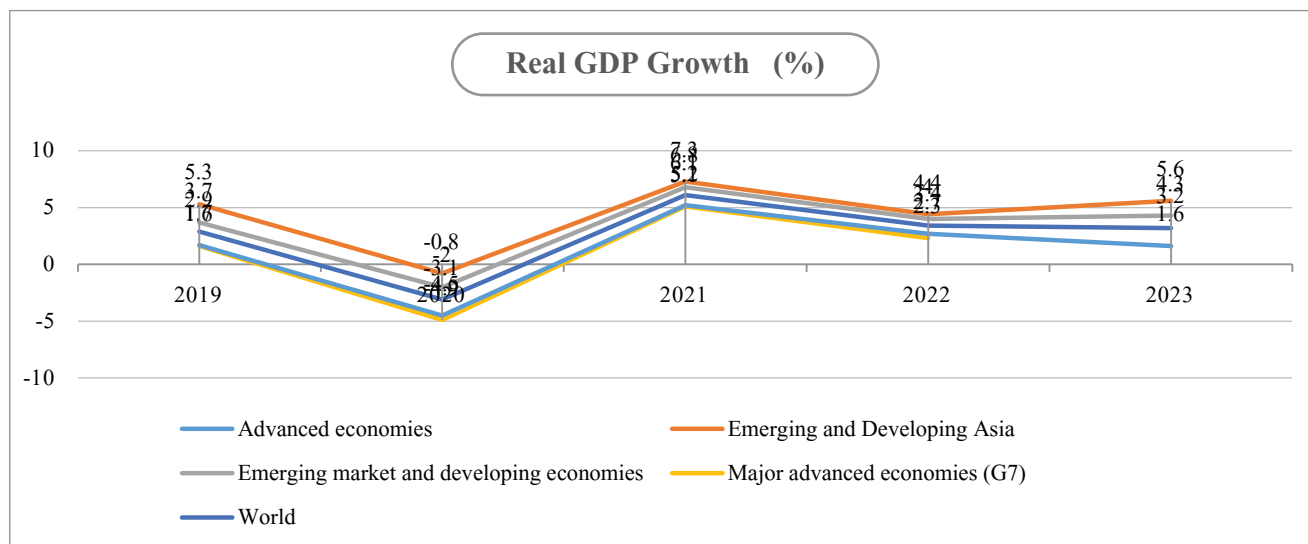
U.S.-China relations remained a focal point, with tensions manifesting in trade, technology, and geopolitical spheres. However, both superpowers also engaged in dialogues to manage conflicts and foster areas of mutual interest, particularly in combating climate change and enhancing global health security.

Real GDP Growth (%)									
Country groups	2015	2016	2017	2018	2019	2020	2021	2022	2023
Advanced economies	2.3	1.8	2.5	2.3	1.7	-4.5	5.2	2.7	1.6
Emerging and Developing Asia	6.8	6.8	6.6	6.4	5.3	-0.8	7.3	4.4	5.6
Emerging market and developing economies	4.3	4.4	4.7	4.6	3.7	-2	6.8	4	4.3
Major advanced economies (G7)	2.1	1.5	2.2	2.1	1.6	-4.9	5.1	2.3	
<b>World</b>	<b>3.4</b>	<b>3.3</b>	<b>3.7</b>	<b>3.6</b>	<b>2.9</b>	<b>-3.1</b>	<b>6.1</b>	<b>3.4</b>	<b>3.2</b>
Country groups	2015	2016	2017	2018	2019	2020	2021	2022	2023
Africa (Region)	3.4	2.2	3.7	3.5	3.3	-1.6	6.9	3.8	3.2
Asia and Pacific	5.6	5.4	5.7	5.3	4.2	-1.1	6.7	4	4.8
Europe	1.6	1.8	2.7	2.3	2	-5.6	5.4	2.4	1
Middle East (Region)	2	4.9	0.6	1.3	0.9	-4.1	3.5	6.2	1.4
North Africa	3.6	3.1	5.4	4.4	4.2	-1.4	11.8	4.1	3.9
South Asia	7.4	7.6	6.6	6.5	4	-5.5	8.4	6.4	6.7
Sub-Saharan Africa (Region)	3.3	1.7	2.9	3	2.9	-1.7	4.3	3.6	2.7
European Union	2.5	2.1	3	2.2	2	-5.9	5.4	3.7	0.6
Sub-Saharan Africa	3.2	1.5	3	3.3	3.1	-1.7	4.5	3.9	3.4

Source: International Monetary Fund (IMF)



Source: International Monetary Fund (IMF)



Source: International Monetary Fund (IMF)

### Inflation and Monetary Policies

Inflation remained a critical issue globally throughout 2023. Elevated energy prices, supply chain disruptions, and pent-up consumer demand from the pandemic exacerbated price pressures. Central banks were caught in a balancing act of containing inflation without

stifling the fragile economic recovery. The Federal Reserve, European Central Bank, and Bank of England, among others, adopted a more aggressive stance on monetary tightening, implementing several rate hikes to rein in inflation.

However, developing economies faced more nuanced challenges, grappling with capital outflows and currency depreciations due to the divergent monetary policies of advanced economies. Countries like Turkey and Argentina dealt with hyperinflation and economic instability, highlighting the persistent vulnerabilities in specific regions.

### Technological Advancement and Digital Economy

The digital revolution continued to reshape the global economy in 2023. With the accelerated adoption of artificial intelligence, blockchain, and the Internet of Things (IoT), industries across the board underwent significant digital transformation. The fintech sector, in particular, witnessed unprecedented growth, facilitating more inclusive financial services and innovation in payment systems.

Cryptocurrency markets, though volatile, garnered substantial attention. Regulatory bodies around the world intensified their scrutiny and governance frameworks to strike a balance between fostering innovation and protecting consumers. Decentralized Finance (DeFi) platforms also gained traction, challenging traditional financial institutions and creating new paradigms for financial transactions and investments

### Climate Change and Sustainable Development

2023 was a pivotal year for climate action, with significant investments directed towards green infrastructure, renewable energy, and sustainable practices. The COP28 summit held in the United Arab Emirates underscored global commitments to reducing carbon emissions, with several countries announcing ambitious targets and financial commitments for climate adaptation and mitigation.

Sustainable finance grew substantially, with green bonds and ESG (Environmental, Social, and Governance) investments becoming mainstream. Corporations increasingly prioritized sustainability in their operations, driven by regulatory pressures and growing consumer demand for eco-friendly products and services.

In a conclusion the global economy in 2023 was emblematic of a world in transition, navigating the echoes of past crises while forging pathways towards a resilient, inclusive, and sustainable future. Despite the hurdles, the collective ingenuity and adaptability of nations, institutions, and individuals underscored a prevailing sense of optimism and progress. As we look towards the future, the lessons and transformations of 2023 will undoubtedly shape the contours of the global economic landscape for years to come.

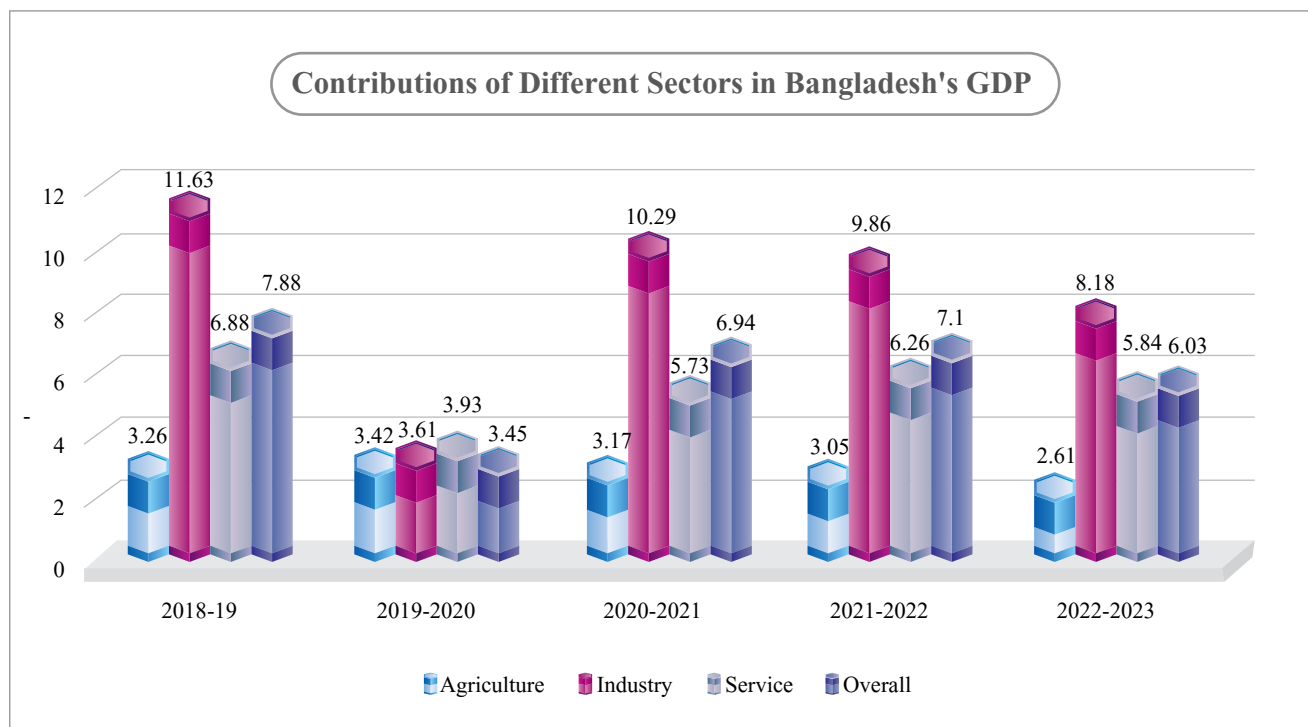
### Bangladesh Economy

In 2023, Bangladesh continued its trajectory as one of the fastest-growing economies in the world. The country has been characterized by strong GDP growth, substantial improvements in human development indicators, and an expanding industrial base. Despite global economic challenges, Bangladesh's economy demonstrated resilience, driven by a combination of robust domestic demand, an expanding export sector, and substantial remittances from the Bangladeshi diaspora.

Bangladesh's GDP growth in 2023 was estimated at around 6.5%, slightly lower than the previous years due to global economic slowdowns and challenges such as inflation and supply chain disruptions. However, this growth rate remains impressive compared to many other developing economies. The industrial sector, particularly the ready-made garments (RMG) industry, continued to be a significant driver of growth, alongside strong performances in agriculture and services.

Selected economic indicators (%)	2017	2018	2019	2020	2021	2022	2023
GDP Growth	7.28	7.86	8.15	3.45	6.94	7.25	60.3
Inflation	5.44	5.78	5.48	5.65	5.40	7.70	9.02
Remittance Inflow growth	-14.48	17.32	17.89	18.51	1.51	15.12	22.3
Export growth	1.72	6.4	9.1	-16.93	15.10	34.38	6.28
Import growth	9.00	25.2	1.8	-8.57	19.73	35.93	-15.68

(Source: BB, Economic statistics)



Source: Bangladesh Bureau of Statistics (BBS) \*Provisional.

### Agriculture Sector

Agriculture, employing nearly half of the workforce, also showed significant progress. Efforts to diversify crops, improve irrigation, and adopt modern farming techniques resulted in increased productivity. The government’s focus on food security and rural development contributed to a stable agricultural sector, which in turn supported overall economic stability.

### Industry Sector

The RMG sector remains the backbone of Bangladesh’s economy, accounting for over 80% of the country’s exports. In 2023, this sector faced both opportunities and challenges. On one hand, increasing global demand for sustainable and ethically produced garments provided new market opportunities. On the other, rising production costs and competition from other low-cost producers posed challenges. Nonetheless, Bangladesh’s investments in modernizing its production facilities and improving labor conditions helped maintain its competitive edge.

### Service Sector

The service sector, particularly information and communication technology (ICT), banking, and tourism, experienced robust growth. The ICT sector benefited from increased foreign investments and government initiatives aimed at building a “Digital Bangladesh.” The tourism industry, recovering from the impacts of the COVID-19 pandemic, also saw a rise in both domestic and international visitors, contributing to service sector expansion.

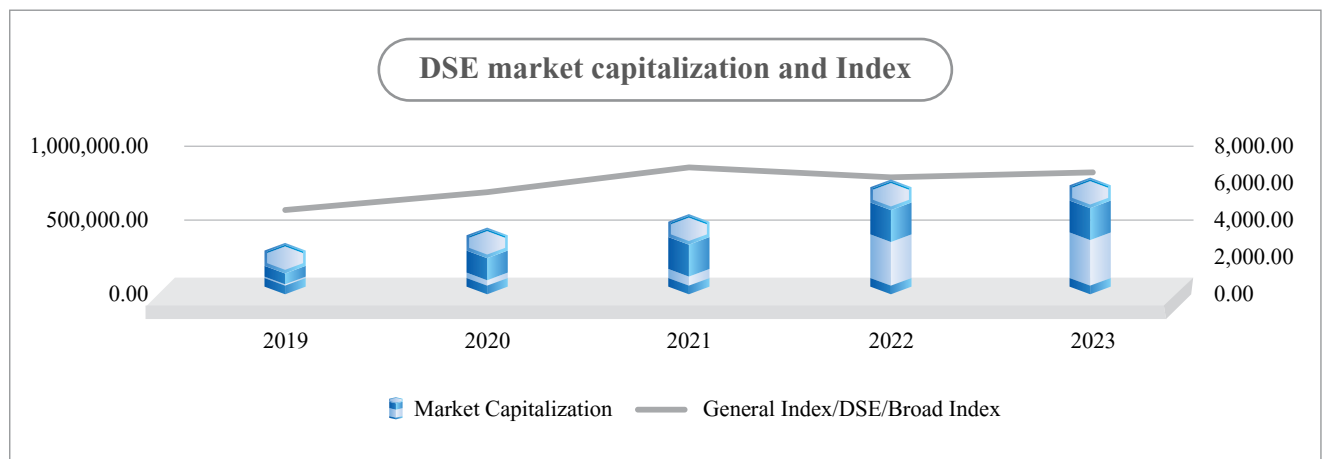
### Capital Market

Capital market acts as the bridge of long term financing for the industrial development of a country through investment in shares, debentures, bonds, mutual funds, treasury bills, certificates etc. and the turnover of capital market contributes to the economic activities of the country. Capital market in Bangladesh consists of two full-fledged stock exchanges- the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE). Bangladesh Securities and Exchange Commission (BSEC), as watchdog, regulates these stock

exchanges of the country. At the end of June 2023, broad index of the DSE was 4.33 percent higher than that of the previous month. During the year 2023, total turnover value of traded securities of DSE was 40.00 percent lower than that of the previous year.

Annual Capital Market Developments (DSE)					
Calendar Year	Enlisted issues (Incl. Mutual Funds/Deb.)	(In Crore Taka)			
		Issued Capital & Debentures	Market Capitalization	Turnover during the year	General Index/DSE/Broad Index
2018	578	124,293.70	387,295.28	33,116.00	5,385.64
2019	587	129,481.00	339,551.00	67,030.00	4,452.93
2020	597	137,528.00	448,230.00	21,588.00	5,402.07
2021	617	146,597.00	542,196.00	353,978.62	6,756.66
2022	656	411,716.10	760,825.60	234,300.21	6,206.81
2023	654	433,857.40	780,849.60	140,352.08	6,475.27

Source: Bangladesh Bank

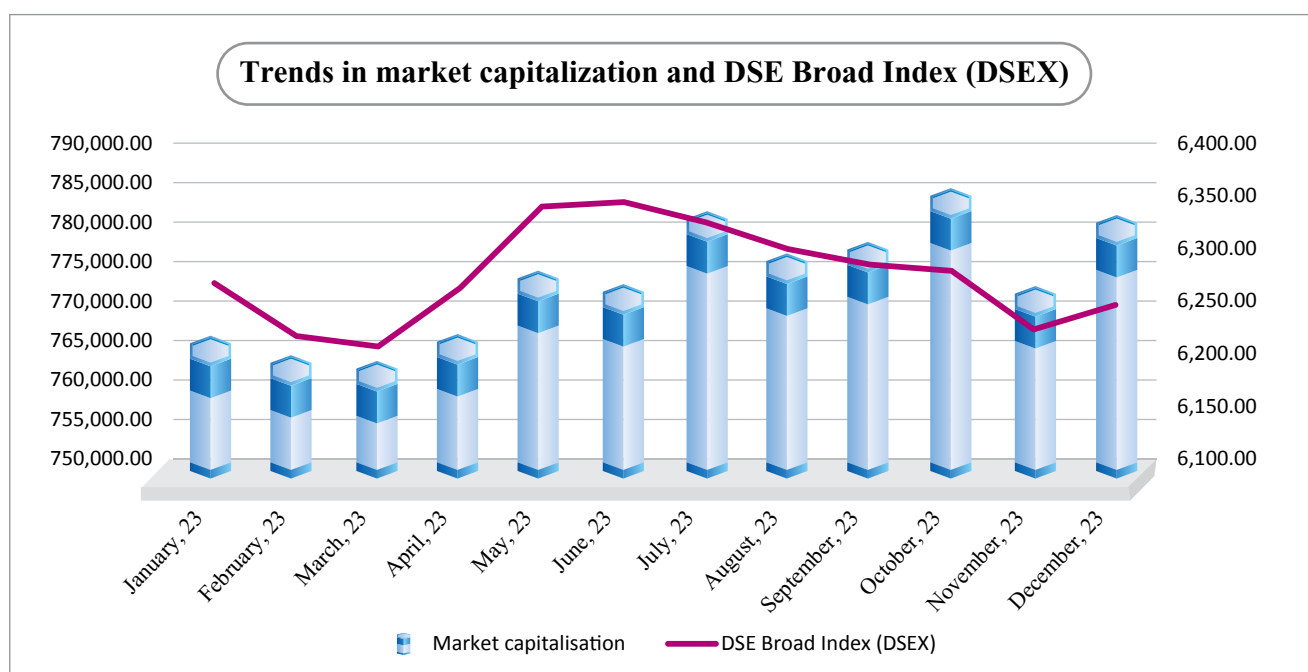


Source: DSE

Annual Capital Market Developments (DSE)		
Calendar Year	Market Capitalization	General Index/DSE/Broad Index
2010	347,250.20	8,290.41
2011	261,673.00	5,257.61
2012	240,356.00	4,219.31
2013	264,779.00	4,266.55
2014	325,925.00	4,864.96
2015	315,976.00	4,629.64
2016	340,466.30	5,036.05
2017	421,875.50	6,244.52
2018	387,295.28	5,385.64
2019	339,551.00	4,452.93
2020	448,230.00	5,402.07
2021	542,196.00	6,756.66
2022	760,825.60	6,206.81
2023	780,849.60	6,475.27

### Trends in market capitalization and DSE Broad Index (DSEX)

End Month	Market capitalization	DSE Broad Index (DSEX)	Turnover during the month
January, 23	765,472.40	6,267.05	11,726.84
February, 23	763,009.10	6,216.95	8,628.99
March, 23	762,366.30	6,206.80	9,406.41
April, 23	765,690.70	6,262.69	10,296.30
May, 23	773,719.00	6,339.74	18,461.91
June, 23	772,078.00	6,344.09	14,680.09
July, 23	781,278.60	6,324.81	17,127.60
August, 23	776,057.60	6,299.50	9,652.43
September, 23	777,475.50	6,284.63	11,306.36
October, 23	784,267.00	6,278.66	10,068.75
November, 23	771,816.90	6,223.03	9,498.20
December, 23	780,849.60	6,246.50	9,498.20



Source: DSE

### Bank and NBFIs sector performance in the year 2023

In 2023, Bangladesh's banking and non-banking financial institutions (NBFIs) sectors exhibited mixed performance, reflecting both progress and challenges.

#### Banking Sector

##### Profitability and Growth:

- The banking sector saw a notable increase in deposits, which reached BDT 15.2 trillion by the end of 2023, marking a 10% growth compared to the previous year.
- Credit growth was robust, driven by increased lending to the industrial and service sectors, with total outstanding loans hitting BDT 12.8 trillion, an 11% year-on-year increase.

### Non-Performing Loans (NPLs):

- The NPL ratio in the banking sector remained a significant concern, standing at around 8.5% by the end of the year. Efforts to improve loan recovery and stricter regulatory measures were implemented to address this issue.

### Digital Banking and Financial Inclusion:

- Digital banking saw substantial growth, with mobile financial services (MFS) transactions increasing by 25% year-on-year, reflecting the sector's push towards financial inclusion and technological adoption.

### The struggles of Bangladesh's non-banking financial sector

#### \* Asset growth:

NBFI assets increased by 3.7% year-on-year (YoY) in the first half of 2023.

#### \* Profitability:

Net profit after tax dropped by a substantial 60.4% YoY in H1 2023 compared to the same period in 2022.

#### \* Challenges:

Record low-interest rate spreads, deposit limitations imposed by the Finance Companies Act 2023, and a rising Non-Performing Loan (NPL) ratio contributed to the decline in profitability.

While the new regulations aim to address irregularities and corruption within NBFIs, they also pose substantial challenges for well-managed institutions.

In a rapidly evolving financial landscape, Bangladesh's non-banking financial institutions (NBFIs) are facing unprecedented challenges that could have far-reaching consequences for the sector. The recently enacted Finance Companies Act 2023 is poised to reshape the dynamics of this vital sector but stakeholders are voicing their apprehensions and calling for a reconsideration of its provisions.

### Deposit limitations

The Finance Companies Act 2023 introduces stringent deposit limitations within Bangladesh's NBFIs. While the intent is to prevent excessive concentration of deposits and irregularities, this move poses a significant challenge to NBFIs.

These institutions have played a vital role, bridging the financial gap between traditional banks and the unbanked population. The Act restricts individuals from holding more than Tk50 lakh in a single name and caps joint deposits at Tk1 crore, with potential adjustments by Bangladesh Bank.

These measures have raised concerns among well-managed institutions, straining liquidity management and potentially causing a liquidity crunch. This threatens the growth and stability of the NBFIs.

### Competing with banks in an unlevel playing field

The Act inadvertently puts NBFIs on an uneven playing field with traditional banks. By restricting deposit collection and curbing the ability to provide loans, NBFIs are in direct competition with commercial banks who are essentially engaging in the same type of business. This inherent contradiction threatens the very existence of NBFIs and may lead to a situation where the sector loses its relevance, ultimately harming the nation's financial ecosystem.

### Challenges of slow recovery

The recovery rate for loans in recent years has been sluggish, with many borrowers showing reluctance to repay borrowed funds. Non-performing loans have seen a significant increase. In this context, if NBFIs are restricted from accumulating deposits, they may find themselves in a precarious position. NBFIs typically invest borrowed funds in long-term projects, some extending up to 20 years. Should these regulations be implemented, it could pose significant challenges for NBFIs in fulfilling their financial obligations to depositors.

### Shareholding restrictions

The new law also enforces a cap on shareholding, stipulating that no individual or their family members can acquire more than 15% of the shares of a financial institution, either directly or indirectly. Any surplus shares exceeding this limit must be transferred within two years from the enactment of this act, with the excess shares being forfeited to the government. This measure aims to combat irregularities and corruption within the sector. However, doubts linger regarding its effectiveness in mitigating these issues.

### Stricter policies on defaulters

The legislation introduces a definition of a “willful loan defaulter.” It addresses the issue of borrowers defaulting on their loans and introduces stringent consequences, including the possibility of criminal cases, travel bans, and restrictions on trade licenses imposed by Bangladesh Bank.

There is a need for stricter regulations for this group, including restrictions on foreign travel, blocking essential services where needed to show necessary documents like the National ID, passport, and TIN number. These measures aim to deter willful defaults and uphold financial discipline.

### Loan without security restrictions

Under Clause 25, the law restricts finance companies from granting unsecured loans exceeding Tk10 lakh, a figure subject to adjustment by Bangladesh Bank. This regulation may deter potential borrowers with good reputations and strong cash flow histories, potentially causing NBFIs to lose out. Such restrictions risk shrinking the business activities of NBFIs, which could have broader economic implications.

### Penalties and imprisonment

The law prescribes penalties for various violations, including fines for approving the waiver of interest or profit on loans without the approval of Bangladesh Bank. Moreover, the penalty for non-compliance with licensing conditions has been increased from Tk10 lakh to Tk50 lakh. While these measures aim to ensure regulatory compliance, some view the imposition of fines and imprisonment as an impediment to the growth and development of the NBFIs sector.

### Contradictions with BSEC

A notable concern lies in the potential contradictions between the new law and the regulations established by the Bangladesh Securities and Exchange Commission (BSEC) for publicly listed companies, particularly concerning shareholding and the number of directors. Such contradictions could lead to confusion and disrupt the smooth functioning of financial institutions.

### Need for flexibility in regulations

The Act’s stringent regulations related to deposit, collateral, unsecured loans, shareholding limits, penalties, imprisonment, and directorship terms may have a negative impact on the sector’s ability to innovate and adapt. NBFIs require the flexibility to cater to the diverse financial needs of the economy, including supporting sectors like agriculture and micro, small, and medium enterprises (MSMEs).

## Bay Leasing Overview

### Loans & Advances

The total portfolio of the company stood at BDT 10613.51 million at the end of year 2023 with a negative growth rate of 1.94 % against the previous year.

### Sources of Funds

To achieve of our business growth and improvement of ratings the company had to increase core deposits. Consequently, the total deposit was BDT 5088.17 million at the end of year 2023 which is 9.60% less than previous year and total borrowing was BDT 5124.15 million at the end of year 2023 which was 2.75% less than the previous year.

## Shareholders' Equity

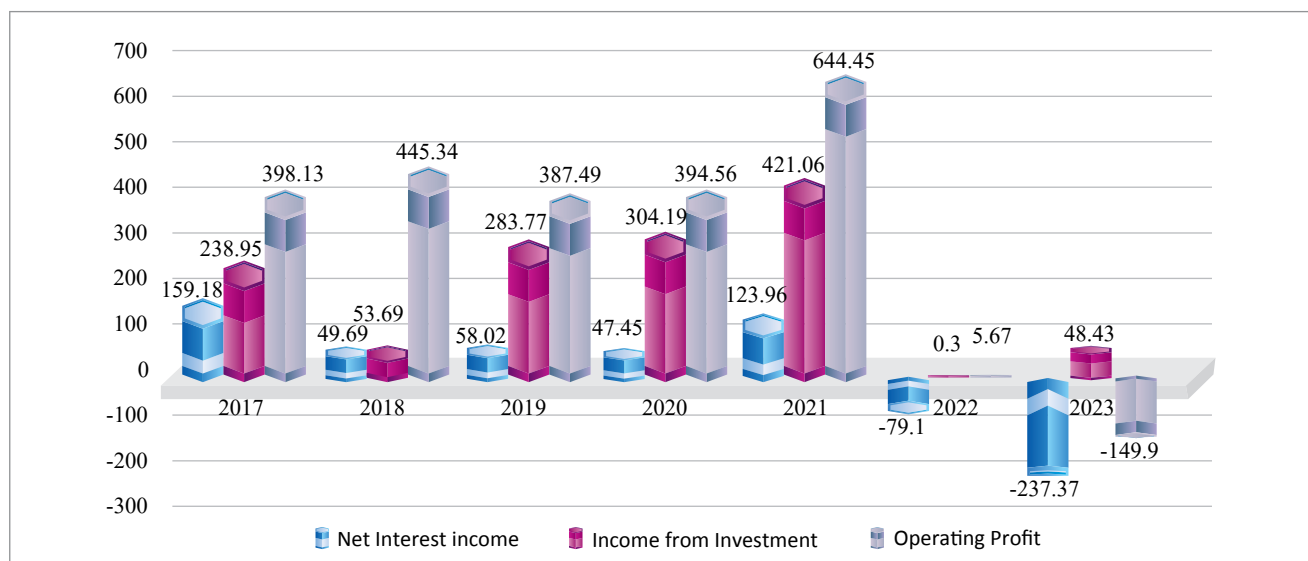
The Authorized Capital of the company was BDT.3000.00 million and paid-up Capital was BDT.1,408.88 million as on December 31, 2023. The Capital and Reserve of the Company in 2020 stood at Tk. 2,856.48 million. The Capital and Reserve of the Company as on 31st December, 2023 are appended below:

Particulars	BDT in Million	
	2023	2022
<b>a) Core Capital (Tier- (Capital)</b>		
Paid-Up Capital	1,408.88	1,408.88
Statutory Reserve	623.95	623.95
Non-Repayable Share premium account	121.12	121.12
General Reserve	111.27	111.27
Retained Earnings	(1724.61)	(896.63)
<b>Total Core Capital</b>	<b>540.61</b>	<b>1368.59</b>
<b>b) Supplementary Capital [Tier- II Capital]</b>		
General Provision for Unclassified Loan	123.35	151.82
General Provision on off - Balance Sheet Items	-	-
General Provision on off -Shore Banking Units	-	-
Revaluation gain/loss on investments	-	-
Assets Revolution Reserve	153.21	156.21
<b>Total Supplementary Capital</b>	<b>276.56</b>	<b>308.03</b>
<b>Total</b>	<b>817.17</b>	<b>1676.62</b>

## Operating Revenue & profit

The year 2023 was a most challenging year for the Bangladesh economy and BLIL's financial and operational performances had impacts of this as well. In this adverse situation, we prudently utilized our resources and capacity to get the maximum benefits for our shareholders as well as to protect their interests from any uncertain business risks. But our mainstream business of Loans and Advances has improved which is a positive sign for our sustainable business in the long run. The following table depicts the components of operating profit.

*BDT in Million*



Years	Net interest Income	Income from Investment	Operation Profit
2017	159.18	238.95	398.13
2018	49.69	53.69	445.34
2019	58.02	283.77	387.49
2020	47.45	304.19	394.56
2021	123.96	421.06	644.45
2022	-79.10	0.30	5.67
2023	-237.37	48.43	-149.90

### Earnings Per share (EPS)

Our EPS was (5.88) and (5.88) for the year 2022 and 2023 respectively. EPS has equaled both years.

### Provision for Tax

Provision for tax at the end of the year 2023 was BDT 25.08 million which was BDT 69.24 million in December 31, 2022.

### Human Capital

BLIL recognizes that its employees are its most valuable asset. The company always tries to ensure a healthy workplace environment. It provides positive working conditions which can lead to employee satisfaction and enhanced productivity. BLIL values its employees' contributions and adopts different policies to reward them. The employee turnover ratio of BLIL is very low in comparison to the industry average. In the year 2023, employee turnover ratio for BLIL was more than 5%.

### Training & Workshops

The changing nature of work and the workplace environment require a skilled, knowledgeable workforce with employees who are adaptive, flexible, dynamic, energetic, and focused on the future. We also emphasized on soft skill development to cope up with the uncertain business situation. Employees of Bay leasing & Investment Ltd. has participated both in-house and external training programs provided by BIBM, BBTA, IFC, SEDF etc. Employees are also highly encouraged to participate in various relevant workshops, seminars and fairs organized by chamber bodies and other professional institutes.

### Employee welfare & facilities

BLIL offers its employees a highly competitive remuneration package. It provides its employees various facilities such as Home Loan, Car Loan, and Personal Loan to raise their standard of living. It also provides employee profit sharing scheme, provident fund and gratuity to its employees to create an efficient, healthy and loyal working force for the company. We also adopted a comprehensive insurance policy to protect the employees from any health accidental hazards.

## Dividend declaration



BLIL has shown negative EPS in 2023 due to maintaining of additional provision against lease, loans and advances of Tk.511.60 million. Net Operating Cash Flows Per Share has also reflected substantial downtrend due to encashment of Bank and Corporate deposits, withdrawal of treasury placements (call money).

## Directors

A brief resume of the directors are appended in page no-14 which include his/her nature of expertise and qualifications. An analysis of the directors' experience and expertise and its impact on the corporate governance of the company is included in the corporate governance report.

## Related entities with the Directors

The names of the company in which the directors hold their director ship of committees of the board are included in the note related party transactions of the financial statements page no. 129.

## Subsidiary and Associates

Bay Leasing's Subsidiary Company of 'BLI Capital Limited', Rupayan Trade Center, Level-10, 114 Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000 and Associate Company of BLI Securities Limited, Head Office-Rangs Panorama (4th floor), 80 Shatmosjid Road, Dhanmondi, Dhaka-1209.

## Shareholding Pattern

The shareholding pattern is shown in page no. 71 of Annual Report, 2023.

## Income Segment

Segments	2023	2022	Growth
Net Interest Income from Long Term activities	369,706,002	384,571,281	-3.87%
Net Interest Income from short term activities	72,169,497	114,604,664	-37.03%
Investment income	17,980,096	72,870,674	-75.33%

### **Future Strategies**

Bay Leasing will continue its quality growth by implementing rigorous credit assessments and continuous monitoring. The company is also intensifying efforts to enhance operational efficiency and technological capabilities, which will facilitate quicker and more informed decision-making processes. The primary focus will be on sourcing funds and reducing operational costs to support BLIL's growth. Additionally, Bay Leasing remains committed to strengthening internal controls and risk management systems to ensure stability. Customer service will remain at the core of the retail liability department, and cost efficiency will be prioritized at all levels.

### **Retirement and Re-elected of Directors**

In accordance with the provisions in the Articles of Associations of the company the following Directors representing one third of the member of existing directors will retire by rotation in the next annual general meeting.

As per Articles 128 of the articles of associations, of the company Mr. Zubayer Kabir, director will be retired in the 28th annual general meeting of the company and as per Finance act, 2023 the director shall not be eligible for re-elected.

### **External Auditors**

M/s. Pinaki & Company, Chartered accountants have successfully completed their first year and their eligible reappointment for three consecutive years. The Board recommended the reappointment M/s. Pinaki & Company, Chartered accountants as the auditors of the company for the year 2024.

### **Anti-Money Laundering/Combating the financing of terrorism**

Money laundering has been identified as a major threat to the financial services community. It is important that the management of Bay Leasing consider the prevention of money laundering as part of their core risk management strategies and not simply treat it as a stand-alone requirement that details in page no 28.

### **Status of the Compliance**

Status of the compliance of conditions of corporate governance code imposed by Bangladesh Securities and Exchange Commissions Notification No. SEC/CMRRCD/2006-158/207 Admin/80 dated 03 June, 2018 along with a certificate from a chartered accountant's firm has been enclosed page no.58



**Prof. Suraiya Begum**  
Chairman

# Disclosures under Pillar III- Market Discipline

For the year ended 31<sup>st</sup> December 2023

## Overview

The Basel-II disclosures presented in these documents are related to BLIL for the year ended December 31, 2023. These disclosures have been made in accordance with Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institutions introduced by Department of Financial Institutions and Markets. The Basel-II framework consists of the following three pillars:

### Pillar-I: Minimum Capital Requirement

Banks must hold minimum regulatory capital against Credit, Market and Operational Risk inherent with Banking Business.

### Pillar-II: Supervisory Review Process (SRP)

SRP basically deals with other risks faced by a bank but not covered in pillar-I. The key principle of SRP is that banks have a process for assessing overall capital adequacy in relation to their risk profile and a strategy for maintaining their capital at an adequate level. The assessment of adequate capital would be the outcome of the dialogue to be held between the bank's SRP and Bangladesh Bank's SREP team.

### Pillar-III: Market Discipline

The purpose of Market Discipline in the Revised Capital Adequacy Framework is to complement the minimum capital requirement and the supervisory review process. The aim of introducing Market Discipline in the revised capital framework is to establish more transparent and more disciplined financial market so that stakeholders can assess the position of a bank regarding holding of assets and to identify the risks relating to the assets and capital adequacy to meet probable loss of assets.

## BASEL-II Principle



### 1) Scope of Application

#### Qualitative Disclosures:

The name of the corporate entity in the group to which the guidelines applies.

- **Bay Leasing & Investment Limited**

The financial statements have been prepared in accordance with Bangladesh Accounting Standard (BAS). Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.

- Not applicable

### 2) Capital Structure

#### Qualitative Disclosure

The assets, liabilities, revenue and expenses of all profit centre divisions are related in BLIL's audited financial statement as of year ended December 31, 2023.

Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.

**Tier 2 capital includes:**

- General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
- Revaluation reserves;
- 50% Revaluation reserve for fixed assets;
- All other preference shares;

**Conditions for maintaining regulatory capital:**

The calculation of Tier 1 capital, and Tier 2 capital shall be subject to the following conditions:

- The amount of Tier 2 capital will be limited to 100% of the amount of Tier 1 capital.
- 50% of revaluation reserves for fixed assets and 45% of revaluation reserves for securities are eligible for Tier 2 capital.

**Formation of Basel Implementation Unit (BIU)**

The Basel Implementation Unit (BIU) of Bay Leasing & Investment Limited has been formed as per Basel – II Guideline of Bangladesh Bank. The Basel Implementation Unit (BIU) at Head Office will be headed by Managing Director. He will examine the report received from the Basel Implementation Desk (BID) of the Risk Management Department who manages the Basel activities.

The Basel Implementation Unit (BIU) consisting of three members has been formed at Head office headed by Managing Director. The members of the unit are:

Sl.	Name	Designation	Designation (CCU)
01.	Mr. Mohammad Ruknuzzaman	Managing Director	Head of BIU
02.	Mr. Samir Saha	Sr. Asst. Vice President	Member
03.	Md. Enayet Kabir	Sr. Asst. Vice President	Member
04.	Md. Jashim Uddin Rajib	Executive Officer	Member

**Quantitative Disclosure**

Particulars	Amount in Crore
Paid up capital	140.89
Statutory reserve	62.40
Non-repayable share premium account	12.11
General reserve	11.13
Retained earnings	(172.46)
Minority interest in subsidiaries	-
Non-cumulative irredeemable preference shares	-
Dividend equalization account	-
Total Tier-1 (Core Capital)	<b>54.07</b>
Deductions from Tier-1 Capital	-
Tier-2 (Supplementary Capital)	
General Provision (Unclassified loans up to specified limit+SMA+off Balance Sheet exposure)	12.33
Asset Revaluation Reserves up to 50%	15.62
Tier-2 Capital	<b>27.65</b>
<b>Total Eligible Capital (1+2)</b>	<b>81.72</b>

**Risk Weighted Assets (RWA)**

Particulars	2023
A. Credit Risk:	<b>1145.13</b>
<b>On-Balance sheet</b>	1142.13
<b>Off-Balance sheet</b>	3.00
B. Market Risk	<b>183.72</b>
C. Operational Risk	<b>22.10</b>
<b>Total Risk Weighted Assets</b>	<b>1350.95</b>

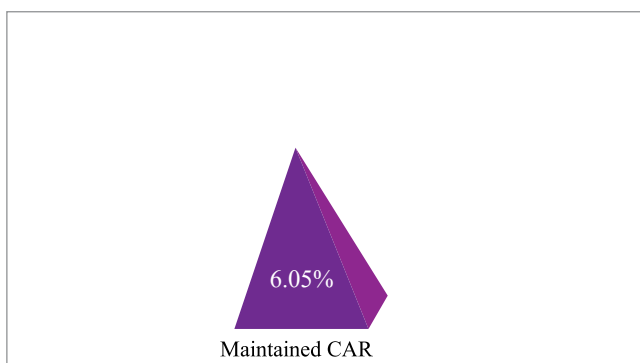
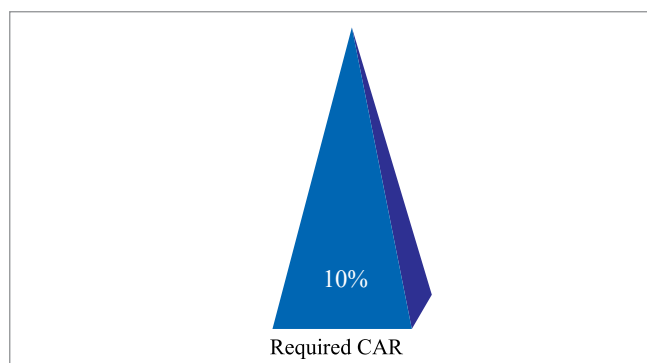
### 3) Capital Adequacy

#### Qualitative Disclosure

Bay Leasing & Investment Limited with its focused strategy on risk management has always been consistent in maintaining capital adequacy ratio above the regulatory requirements. BLIL has been successfully managing the incremental growth of the Risk Weighted Assets by ensuring diversification of the portfolio in SME, Retail and Corporate segments. However, RWA is also managed by taking collaterals against its loans. BLIL strives to extend our relationship with corporate clients having good credit ratings. While computing the capital adequacy, BLIL has applied Standardized Approach for Credit Risk and Market Risk and Basic Indicator Approach for Operational Risk.

#### Quantitative Disclosure

Particulars	Amount in Crore	
	2023	2022
<b>A. Eligible Capital:</b>		
1. Tier-1 Capital	54.07	136.87
2. Tier-2 Capital	27.65	30.80
<b>3. Total Eligible Capital (1+2)</b>	<b>81.72</b>	<b>167.67</b>
<b>B. Total Risk Weighted Assets (RWA)</b>	<b>1350.95</b>	<b>1509.98</b>
<b>C. Capital Adequacy Ratio (CAR) (A3/B)*100</b>	<b>6.05%</b>	<b>11.10%</b>
<b>D. Core Capital to RWA (A1/B)*100</b>	<b>4.00%</b>	<b>9.06%</b>
<b>E. Supplementary Capital to RWA (A2/B)*100</b>	<b>2.05%</b>	<b>2.04%</b>
<b>F. Minimum Capital Requirement (MCR) 10% of RWA</b>	<b>135.09</b>	<b>150.99</b>



**CAR as on December 31, 2023**

### 4) Credit Risk

#### Qualitative Disclosure

**Credit Risk:** Credit risk is the risk of financial losses resulting from the failure by a client or counterparty to meet its contractual obligations to the Company. Credit risk arises from the Company's dealings with or lending to corporate, individuals, and other banks or financial institutions.

**Corporate Credit Policy:** BLIL is managing its Credit Risk through a Board directed and approved Corporate Credit Policy in line with the Bangladesh Bank Core Risk Management Guidelines, which outlined robust processes and procedures to ensure the quality of its assets portfolio. The Credit Policy also contains the general principles to govern the implementation of detailed lending procedures and risk grading systems of the borrowers. And, as such, it specifically addresses the areas of (a) Loan Originating; (b) Credit Approval; (c) Credit Administration; (d) Risk Management; and (e) Monitoring, Collection and Recovery activities.

**Credit Risk Management:** An independent Credit Risk Management (CRM) Department is in place, at BLIL, to scrutinize projects from a risk-weighted point of view and assist the management in creating a high quality credit portfolio and maximize returns from risk assets. Research team of CRM regularly reviews market situation and exposure of BLIL in various industrial sub-sectors. CRM has been segregated from Credit Administration Department in line with Central Bank's Guidelines. CRM assess credit risks and suggest mitigations before recommendation of every credit proposal while Credit Administration confirms that adequate security documents are in place before disbursement.

**Credit Approval 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.

### Quantitative Disclosure

Industry- wise distribution of exposures, broken down by types of credit exposure

	Amount in Crore	
Sector	2023	2022
Agricultural Sector	13.92	16.62
Textile	65.13	66.12
Garments	86.19	91.34
Jute and jute products	0.12	0.24
Food production/processing industry	20.36	20.66
Plastic industry	9.53	9.78
Leather & leather products	0.43	1.27
Ship Manufacturing Industry	3.23	3.63
Chemical & Pharmaceutical	0.25	0.27
Cement/Concrete and allied industry	50.73	52.31
Service Industry	48.97	60.78
Paper, printing and packaging industry	22.26	21.94
Wood, Furniture & Fixtures	8.16	8.41
Glass and ceramic industry	-	-
Electronics and electrical industry	15.60	6.83
Iron, Steel & Engineering	8.25	15.71
Trade and commerce	86.55	86.10
Power, Gas, water and sanitary service	2.57	1.02
Transport & Communication	-	-
Real Estate & Housing	250.45	270.38
Merchant Banking	99.71	93.85
Consumer Finance	8.72	10.84
Others	64.14	61.98
<b>Total</b>	<b>865.27</b>	<b>900.06</b>

Geographical distribution of exposures, broken down by major types of credit exposure

Area	Amount in crore
Dhaka Division	862.89
Chittagong Division	-
Khulna Division	-
Rajshahi Division	1.64
Rangpur Division	0.22
Barishal Division	-
Sylhet division	-
Mymanshing	0.52
<b>Total</b>	<b>865.27</b>

Residual contractual maturity breakdown of the whole portfolio, broken down by major types of credit exposure.

Particulars	Amount in crore
On demand	-
Up to 1 month	26.97
Over 1 month but not more than 3 months	84.76
Over 3 months but not more than 1 year	297.50
Over 1 year but not more than 5 years	432.50
Over 5 years	23.54
<b>Total</b>	<b>865.27</b>

## 5) Equities: Banking Book Positions

### Qualitative Disclosure

The general qualitative disclosure requirement with respect to equity risk, including:

Differentiation between holdings on which capital gains are expected and those taken under other objectives including for relationship and strategic reasons; and

Total equity shares holdings are for capital gain purpose.

Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.

Shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and condition of regulatory authority.

### Quantitative Disclosure

Value disclosed in the balance sheet of investments, as well as the fair value of those investments; for quoted securities, a comparison to publicly quoted share values where the share price is materially different from fair value.

Particular	Market Value
Ordinary Shares	91.86

Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.

**Specific Risk-** Market value of investment in equities is BDT 91.86 crore. Capital Requirement is 10% of the said value which stand to BDT 9.19 crore

**General Risk-** Market value of investment in equities is BDT 91.86 crore. Capital Requirement is 10% of the said value which stand to BDT 9.19 crore.

## 6) Market Risk

### Qualitative Disclosure

**Market Risk:** Market risk is defined as the risk of losses arising from movements in market prices reported in and Off- Balance Sheet positions. BLIL is exposed to Market Risk mostly stemming from the risks pertaining to interest rate related instruments and equities in the trading book.

**Methods Used to Measure Market Risk:** We use Standardized (Rule Based) Approach to measure the market risk as per the guidelines of Bangladesh Bank where, for Interest Rate Risk and Equity Risk both General and Specific risk factors are applied for calculating required capital charges against Market Risk.

### Market Risk Management System:

**Asset Liability Management:** Changes in market liquidity and or interest rate exposes company's business to the risk of loss, which may in extreme cases, threaten the survival of the institution. Bangladesh Bank to control and limit these risks and proper resources are available for the evaluation and control of these risks. The Asset Liability Committee

(ALCO) of the company monitors Balance Sheet and liquidity risk of the company. This Committee also reviews country's overall economic position, company's liquidity position, ALM ratios, Interest Rate Risk, Capital Adequacy, Deposit Advance Growth, Cost of Deposit, Market Interest Rate, Loan Loss Provision adequacy, deposit and lending pricing strategy.

**Market Analysis:** Market analysis over interest rate movements are reviewed by the Treasury of the company. The type and level of mismatch interest rate risk of the company is managed and monitored from two perspectives, being an economic value perspective and an earning perspective.

**GAP Analysis:** ALCO has established guidelines in line with central Bank's policy for the management of assets and liabilities, monitoring and minimizing interest rate risks at an acceptable level. ALCO in its regular monthly meeting analyzes Interest Rate Sensitivity by computing GAP i.e. the difference between Rate Sensitive Assets and Rate Sensitive Liability and take decision of enhancing or reducing the GAP according to prevailing market situation aiming to mitigate interest rate risk.

**Continuous Monitoring:** Company's treasury manages and controls day-to-day trading activities under the supervision of ALCO that ensures continuous monitoring of the level of assumed risks.

#### Quantitative Disclosure

Particulars	Amount in crore
Interest rate risk	-
Equity positions risk	183.72
Foreign exchange positions and commodity risk (if any)	-

#### 7) Interest rate in the banking book

##### Qualitative Disclosure

The general qualitative disclosure requirement including the nature of interest risk and key assumptions, including assumptions regarding loan prepayments and behavior of non-maturity deposits.

Interest rate risk in the banking book arises from mismatches between the future yield of an assets and their funding cost. Assets Liability Committee (ALCO) monitors the interest rate movement on a regular basis. BLIL measure the Interest Rate Risk by calculation Duration Gap i.e. a positive Duration Gap affect company's profitability adversely with the increment of interest rate and a negative Duration Gap increase the company's profitability with the reduction of interest rate.

#### 8) Operational Risk

##### Qualitative Disclosure

**Operational Risk:** Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes, people and system or from external events. This definition includes legal risk, but excludes strategic or reputation risk. The Board of Directors (BOD) of BLIL and its Management firmly believe that efficient management of operational risks always contribute to personnel, we have developed user friendly Operations Manual enclosed with functional processes for all employees who are the end users of these processes.

This is a critical initiative for the company because having a mapped out process enables users to operate more efficiently, enhances knowledge amongst staff and fills in the holes in operations. We ensure that all the policies and processes address clear responsibilities and accountabilities of the cross functional departments including the employees.

**Performance gap of executives and staffs:** BLIL's recruitment strategy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in the near future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. We are proud to state that favorable job responsibilities are increasingly attracting greater participation from different level of employees in the BLIL family. We aim to foster a sense of pride in working for BLIL and to be the employer of choice.

**Mitigation of Operational Risk:** Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. BLIL uses basic indicator approach for calculation capital charge against operational risk i.e. 15% of average positive annual gross income of the company over last three years.

**Potential external events:** No potential external event exists to raise operational risk of BLIL at the time of reporting.

**Policies and procedures for mitigating operational risk:** BLIL has also established Internal Control and Compliances Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

**Approach for Calculating Capital Charges for Operational Risk:** We follow the Basic Indicator Approach (BIA) for calculating the capital charges for Operational Risk as per the guidelines of Bangladesh Bank. As per BIA, the capital charge for Operations Risk is a fixed percentage denoted by  $\alpha$  (alpha) of average positive gross annual income of the bank over the past three years.

#### Quantitative Disclosure

Particulars	Amount in crore
Capital requirement for operational risk	22.10

## Report of the Audit Committee

### Role of the Audit Committee

The Board Audit Committee of Bay Leasing & Investment Ltd. is a sub-committee under the Board of Directors. The Audit Committee acts as the core administrator of the company for protecting and safeguarding stakeholders' interests. The role and terms of reference of the Audit Committee is to assist the Board in fulfilling their oversight responsibilities regarding the integrity of BLIL's financial statements, risk management and internal control, internal and external audit functions, compliance with laws and regulations and the external auditors' performance and independence.

### Composition and members of the Audit Committee

The present members of the committee are as follows:

Name	Status in the Committee	Status in the Board
Mr. Shahid Hossain	Chairman	Independent Director
Mr. Zubayer Kabir	Member	Director
Fatema Zahir Majumder	Member	Director
Mr. Abul Quasem	Member	Independent Director

As per regulatory guidelines the Company Secretary of BLIL Sharmin Akhter is the secretary of the Audit Committee.

### Meetings of the Audit Committee

Four meetings were held in the year 2023. The Managing Director and other Division Heads of BLIL attended the meetings on invitation.

### Terms of Reference of the Audit Committee

- Mr. Shahid Hossain, in his capacity as the Independent Director shall be the Chairman of the Audit Committee.
- The tenure of office of the Audit Committee shall be 3 (three) years.
- The Company Secretary shall act as Secretary to the Audit Committee.
- The terms of reference of the Audit Committee shall be as specified in the DFIM Circular and BSEC's Notification.

### 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

- Review and satisfy itself that the Internal Audit & Compliance department has the competency and qualifications to maintain its mandates;
- Review the status report from the Internal Audit & Compliance department and ensure that appropriate actions have been taken to implement its recommendations;
- Recommend any broader review deemed necessary as a consequence of any issues that may have been identified.
- Request and review any special audit when deemed necessary;

### **Internal Audit and Compliance**

The Audit Committee reviews the Internal Audit & Compliance. The Committee reviews the following activities:

- Received reports from the internal auditors
- Review the efficiency and effectiveness of the internal audit function
- Review the annual internal audit plan and approve the same
- Review the appropriate system and controls in place for effectiveness of internal audit function
- Review the findings and recommendations made by the internal audit
- Reviewed the actions taken by the Management for implementation of audit committee observations on issues deliberated in audit committee reports;
- Reviewed the actions taken by the Management for implementation of audit committee observations on issues deliberated in audit committee reports;

### **Other Reviews**

- Review the management's discussion and analysis before disclosing in the Annual Report
- Review statement of significant related party transactions submitted by the management

### **External Auditor**

M/s. Pinaki & Company, Chartered Accountants acted as external auditors to the company for the year. The external auditors are not engaged by the company on any non-audit work.

### **Reporting of the Audit Committee**

The Audit Committee placed its reports regularly to the Board of the Company for review and monitoring the activities with recommendations on internal control system, compliance with rules and regulation of the regulatory bodies.

### **Independence of External Auditors and appointment of Statutory Auditors**

As a policy, the committee prohibits the external auditors from performing any work that they may subsequently need to audit or which might otherwise create a conflict of interest. The committee also monitors the balance between audit and non-audit related functions to ensure that the auditors' independence is maintained. The Chief Financial Officer is permitted to engage the external auditors on matters that do not create such conflicts.

The committee considered the independence, expertise and objectivity of external auditors and also reviewed their effectiveness as external auditors before submitting its recommendation to the Board that their reappointment could be proposed to the shareholders.

### **Acknowledgement**

The members of the Audit Committee expressed their thanks to the Board of Directors and the Management for their cooperation while performing their duties and responsibilities.



**Shahid Hossain**

**Chairman, Audit Committee**

# Status of Compliance on Corporate Governance

Under condition No. 1(5)(xxvii) of CGC

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>1.0</b>	<b>Board of Directors</b>			
1.1	Board Size (minimum - 5 and maximum - 20)	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2 (a)	At least 2 (two) or 1/5th of total as Independent Director (ID)	√		
1.2 (b)	“Without contravention of any provision of any other laws, for the purpose of this clause, an “independent director” means a director-“			
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		
1.2 (b) (ii)	Not a Sponsor of the Company	√		
1.2 (b) (iii)	Who has not been an executive of the company	√		
1.2 (b) (iv)	Does not have other relationship	√		
1.2 (b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange			
1.2 (b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2 (b) (vii)	Not a partner or an Executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1.2 (b)(viii)	Not an Independent Director in more than 5 (five) listed Companies.	√		
1.2 (b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non- payment of any loan or advance or obligation to a bank or a financial institution; and	√		
1.2 (b)(x)	Not convicted for a Criminal Offence	√		
1.2 ( c )	Appointed by the Board and approved by the shareholders in AGM	√		
1.2 (d)	Post cannot remain vacant more than 90 days.	√		No vacancy Occurred
1.2 (e)	Tenure of the Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.			N/A
<b>1.3</b>	<b>Qualification of Independent Director</b>			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or”			N/A
1.3(b)(ii)	Should be a Corporate Leader	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or”	√		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.			N/A
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.			N/A
1 (3) ( c)	The independent director shall have at least 10 (ten) years of experiences.			
1 (3) ( d)	Relaxation in special cases.			N/A
<b>1.4</b>	<b>Quality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1(4)(a)	The posts of Chairperson of the board and CEO are 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 shall be elected from among the non-executive directors.	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1(4)(e)	In absence of Chairperson of the Board etc.			N/A
<b>1.5</b>	<b>The Directors’ Report to Shareholders</b>			
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 factor.			N/A
1(5)(iv)	Discussion on Cost of Goods sold, Gross profit Margin and Net Profit Margin.	√		
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.			N/A
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.			N/A
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.			N/A
1(5)(x)	Remuneration to Directors including Independent Director.	√		
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 to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xiv)	International Accounting Statement (IAS) or International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in 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 doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the Year, the reasons there of shall be given.	√		
1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.			N/A
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		
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).	√		
1(5)(xxiii) (b)	Directors, CEO, Company Secretary, and CFO, HIAC and their spouses and minor children (name wise details).	√		
1(5)(xxiii) (c)	Executives	√		
1(5)(xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv) (a)	A brief resume of the director in case of appointment or reappointment.	√		
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)	<b>Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and</b>			

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.			N/A
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons.	√		
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.	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation 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 <b>Annexure-A</b> ;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed.	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.			N/A
<b>1(6)</b>	<b>Meeting of the Board of Directors</b>			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS)	√		
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee(NRC)			N/A
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...			N/A
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
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.		√	Provisions relating to the holding company's board composition could not be maintained.
2(b)	Independent Director of holding company also in the subsidiary company.		√	No Director Board of the Subsidiary Company is Independent Director of the holding Company.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.	√		
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.	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.	√		
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary</b>			
<b>3.1</b>	<b>Appointment</b>			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		
3(1)(b)	The positions of the MD, CEO, CS, CFO & 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:	√		
	Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;”			N/A
3(1)(d)	The Board shall clearly define 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 exchange.	√		
<b>3.2</b>	<b>Requirement to attend Board of Directors’ Meetings</b>			
3 (2)	MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board.	√		
<b>3.3</b>	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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 are in compliance.	√		
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3) (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
<b>4</b>	<b>Board of Directors’ Committee</b>			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee			Bangladesh Bank through its Letter No. DFIM (P)1052/27/2021-2436, Dated: 04 November 2021 as restricted the NBFIs to from Nomination and Remuneration Committee of the Board.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>5</b>	<b>Audit Committee</b>			
<b>5.1</b>	<b>Responsibility to the Board of Directors</b>			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
<b>5.2</b>	<b>Constitution of the Audit committee</b>			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		
5(2) (c)	All members of the Audit Committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial.	√		
5(2) (d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;”			N/A
5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.	√		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		
<b>5.5</b>	<b>Role of the Audit Committee</b>			
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.	√		
5(5)(d)	Performance of external auditors.	√		
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		
5(5)(h)	The review adequacy of internal audit function.			

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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 Mgt.	√		
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	√		
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			N/A
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
<b>5.6 (a)</b>	<b>Reporting to the Board of Directors</b>			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests.			N/A
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			N/A
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			N/A
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.			N/A
<b>5.6 (b)</b>	<b>Reporting to the Authorities</b>			
	If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from 5 (7) the date of first reporting to the Board, whichever is earlier.			N/A
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors</b>			
5(7)	Reporting to the Shareholders and General Investors			N/A
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
<b>6.1</b>	<b>Responsibility to the Board of Directors</b>			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.			N/A
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications			N/A

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(1)(c)	The Terms of Reference of the NRC shall be clearly set forth in writing.			N/A
<b>6.2</b>	<b>Constitution of the NRC</b>			
6(2)(a)	The Committee shall comprise of at least three members including an ID.			N/A
6(2)(b)	At list 02 (two) members of the Committee shall be non-executive directors.			N/A
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.			N/A
6(2)(d)	Board have authority to remove and appoint any member of the committee.			N/A
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.			N/A
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.			N/A
6(2)(g)	The company secretary shall act as the secretary of the committee.			N/A
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director.			N/A
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.			N/A
<b>6.3</b>	<b>Chairperson of the NRC</b>			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee			N/A
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.			N/A
6(3)(c)	Chairperson of the NRC shall attend the AGM.			N/A
<b>6.4</b>	<b>Meeting of the NRC</b>			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.			N/A
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.			N/A
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.			N/A
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.			N/A
<b>6.5</b>	<b>Role of NRC</b>			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.			N/A
6(5)(b)(i) (a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.			N/A
6(5)(b)(i) (b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.			N/A
6(5)(b)(i) (c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.			N/A
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.			N/A
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.			N/A
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.			N/A
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.			N/A
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.			N/A

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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.			N/A
<b>7</b>	<b>External or Statutory Auditors</b>			
7(1)	Issuer company shall not engage its external auditors to perform the following:	√		
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker–dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance as required under condition No 9(1).	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
<b>8</b>	<b>Maintaining a website by the company</b>			
8(1)	The company shall have an official website linked with that 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 exchanges.	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance</b>			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance and 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.	√		27 <sup>th</sup> AGM date: 30 November, 2023
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the director’s report whether the company has complied with these conditions or not.	√		



চৌধুরী ভট্টাচার্য্য এন্ড কোং  
CHOWDHURY BHATTACHARJEE & CO.  
CHARTERED ACCOUNTANTS

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Web : www.chowdhurybhattacharjee.com

**Bay Leasing & Investment Limited**  
**Certificate of Compliance**  
Under Condition # 1(5) (xxvii) of CGC

**Report to the Shareholders' of Bay Leasing & Investment Limited**  
**On compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Bay Leasing & Investment Limited** for the year ended on 31 December, 2023. This Code relates to the Notification No. BSEC/ CMRRCD/2006-158/207/Admin/80 Dated 3 June, 2018 of the 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 in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in 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:

- The Company has complied except condition no: 2(a) and 2(b) with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- 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
- The governance of the Company is satisfactory.

Place: Dhaka  
Date: 30 July 2024.

  
Saptam Biswas, FCA  
Enrollment No: 1615  
Partner  
Chowdhury Bhattacharjee & Co.  
Chartered Accountants



Page | 1

## Compliance Report on Bangladesh Bank’s Guidelines on Corporate Governance

Bangladesh Bank requires the Financial Institutions to comply with the guidelines on Corporate Governance as per the DFIM Circular no. 7 dated September 25, 2007 taking appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

Condition No.	Particulars	Compliance Status		Remarks
		Complied	Not Complied	
Responsibilities and authorities of Board of Directors	<b>A. Work Planning and Strategic Management</b>			
	i. The Board shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goal and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.	√		
	ii. The Board shall have its analytical review incorporated in the Annual report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies.	√		
	iii. The Board will set the Key Performance Indicators (KPIs) for the CEO and other senior executives and will evaluate half yearly / yearly basis.	√		
	<b>B. Formation of sub-committee</b>			
	To expedite the process of making timely decision on key operational issues, Executive Committee and Audit Committee may be formed. No alternative director shall be included in this committee.	√		
	<b>C. Financial Management</b>			
	i. Annual budget and statutory financial statements shall be adopted finally with the approval of the Board.	√		
	ii. Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recovery of overdue loan/lease.	√		
	iii. Board shall approve the procurement policy and shall accordingly the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building and vehicles shall remain with the Board.	√		
iv. The Board shall adopt the operation of bank accounts. Groups maybe formed among the management to operate bank accounts under joint signatures.	√			

Condition No.	Particulars	Compliance Status		Remarks
		Complied	Not Complied	
Responsibilities and authorities of Board of Directors	<b>A. Management of loan/lease/investments</b>			
	i. Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives.	√		
	ii. No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal.	√		
	iii. Any syndicated loan/lease/investment proposal must be approved by the Board.	√		
	<b>B. Risk Management</b>			
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	√		
	<b>C. Internal Control and Compliance</b>			
	A regular Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditor, external auditors and Bangladesh Bank Inspection team.	√		
	<b>D. Human Resources Management</b>			
	i. Board shall approve the policy on Human Resources Management and Service Rule. Chairman and director of the Board shall not interfere on the administrative job in line with the approved Service Rule.	√		
	ii. Only the authority for the appointment and promotion of the Managing Director/Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others.	√		
	<b>E. Appointment of the Managing Director and Increase of Salaries &amp; Allowances</b>			
	The Board shall appoint a competent CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	√		
<b>F. Benefit to the Chairman</b>				
Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	√			

Condition No.	Particulars	Compliance Status		Remarks
		Complied	Not Complied	
Responsibilities and authorities of the Chairman	i. Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power;	√		
	ii. The minutes of the Board meetings shall be signed by the Chairman;	√		
	iii. Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	√		
Responsibilities of Managing Director	i. Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	√		
	ii. Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	√		
	iii. All recruitment/ promotion/ training, except recruitment/ promotion/ training of DMD, shall be vested upon the Managing Director. He shall act such in accordance with the approved HR Policy of the Company;	√		
	iv. Managing Director may re-schedule job responsibilities of employees;	√		
	v. Managing Director may take disciplinary actions against the employees except DMD and General Manager;	√		
	vi. Managing Director shall sign all the letters/statements relating to compliance of polices and guidelines. However, Departmental/Unit Heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by the Managing Director.	√		

## Shareholding of the Sponsors/Directors as on 31.12.2023

SL No.	Name of sponsor/promoters and Directors	Status	No of Share	% of share
1	Prof. SURAIYA BEGUM	CHAIRMAN	3,373,728	2.4
2	ZUBAYER KABIR	VICE CHAIRMAN	2,818,213	2
3	MRS FATEMA ZAHIR MAJUMDER	DIRECTOR	2,969,150	2.11
4	SHAHID HOSSAIN	INDEPENDENT DIRECTOR	-	0
5	ABUL QUASEM	INDEPENDENT DIRECTOR	-	0
6	MR.A.K.M AZIZUR RAHMAN	SPONSOR/PROMOTERS	1,077,381	0.76
7	MRS HAMIDA HOSSAIN	SPONSOR/PROMOTERS	748,181	0.53
8	ABDUL MATLUB AHMAD	SPONSOR/PROMOTERS	17,432,633	12.37
9	RAIYAN KABIR	SPONSOR/PROMOTERS	1,326,008	0.94
10	QUAMRUNNESSA RATNA	SPONSOR/PROMOTERS	51,487	0.04
11	FARHANA KABIR	SPONSOR/PROMOTERS	686,916	0.49
		<b>Total Directors and Sponsor Shareholders/Promoters</b>	<b>30,483,697</b>	<b>21.64</b>
12	OTHER'S SHAREHOLDER	Public & Institutions	110,404,746	69.93
		<b>Total</b>	<b>140,888,443</b>	<b>100</b>

## Pattern of Shareholding as on 31.12.2023

SL No.	Name of sponsor/promoters and Directors	Status	No of Share	% of share
1	PROF.SURAIYA BEGUM	CHAIRMAN	3,373,728	2.40
2	ZUBAYER KABIR	VICE CHAIRMAN	2,818,213	2.00
3	MRS FATEMA ZAHIR MAJUMDER	DIRECTOR	2,969,150	2.11
4	SHAHID HOSSAIN	INDEPENDENT DIRECTOR	-	0
5	ABUL QUASEM	INDEPENDENT DIRECTOR	0	0

### SHAREHOLDING 10% OR MORE

ABDUL MATLUB AHMAD	17,432,633	12.37
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### SHAREHOLDING 5% OR MORE

DR. MASWOODA GHANI	8,840,640	6.27
SOUTHEAST BANK LTD	14,012,405	9.93

## Pattern of Shareholdings as on 31 December 2023 as under

Sl. No.	Shareholder's Group	No. of Shares Held	% of Total Shares	No. of Shareholders
1	Sponsors & Directors	30,483,697	21.64	9
2	Corporate Bodies	32,870,239	23.33	116
3	Foreign	579	0.00	1
4	General Investors	77,533,928	55.03	10705
	<b>Total</b>	<b>140,888,443</b>	<b>100</b>	<b>10831</b>

## Attendance by the Directors at the Board Meetings during the year -2023

SL No	Name of Directors	Status	Total Meeting	Attended	Attendance Fee	Remarks
1	Prof. Suraiya Begum	Chairman	10	9	72,000	
2	Mr. Zubayer Kabir	Vice Chairman	10	9	72,000	
3	Dr. Maswooda Ghani	Director	9	6	48,000	Tenure expired
4	Mr. Tarik Sujat	Director	9	9	72,000	Tenure expired
5	Mrs. Fatema Zahir Majumder	Director	10	10	80,000	
6	Mr. Shahid Hossain	Independent Director	4	4	32,000	Newly appointed
7	Mr. Abul Quasem	Independent Director	4	3	24,000	Newly appointed
8	Dr. Zaidi Sattar	Independent Director	4	4	32,000	Completion of term
9	Mohammad Ruknuzzaman	Managing Director	3	3	-	Newly appointed
10	Mr. Iftekhar Ali Khan	Managing Director	7	7	-	Completion of term

## Attendance of Board Audit Committee meeting during the year-2023

SL No	Name of Directors	Status	Total Meeting	Attended	Attendance Fee	Remarks
1	Shahid Hossain	Chairman	4	3	24,000	The Director who could not attend any meeting were granted leave of absence
2	Mr. Zubayer Kabir	Director	4	4	32,000	
3	Mr. Tarik Sujat	Director	4	3	24,000	
4	Mrs. Fatema Zahir Majumder	Director	4	4	32,000	
5	Mr. Abul Quasem	Independent Director	4	3	24,000	

## Transactions with Senior Executives 2023

SL No	Name of Sr. Executives	Designation	Remuneration/Salary	Loan Outstanding
1	Mr. Iftekhar Ali Khan	Managing Director (Pre.)	4,516,500	-
2	Mohammad Ruknuzzaman	Managing Director (Current)	1,222,878	
3	Mohammad Lutfur Rahman	Senior Executive Vice President	3,634,176	4,912,149
4	Mohammad Rashedul Islam	Senior Vice President	2,448,768	5,871,208
5	Mr. Rashed Al Islam	Senior Vice President	2,448,768	1,495,059
6	Ms. Sharmin Akhter	Vice President	1,753,926	5,964,644
7	Mr. Shabbir Minhaz Chowdhury	Senior Assistant Vice President	1,800,960	-
8	Md. Zabed Miah	Senior Assistant Vice President	1,649,094	-
9	Samir Saha	Senior Assistant Vice President	1,579,206	857,674
10	Md. Enayet Kabir	Senior Assistant Vice President	1,579,206	4,949,570
11	Faisal Bin Naser Ahmed	Senior Assistant Vice President	1,579,206	

## DIVIDEND DISTRIBUTION POLICY

### A. Dividend Policy

As per Directive of the Bangladesh Securities and Exchange Commission bearing No. BSEC/CMRRCD/2021-386/03 dated 14 January 2021, this Dividend Distribution Policy is formulated and shall be disclosed in the annual report and official websites.

### B. Approval Time

The annual or final Dividend shall be paid off to the entitled shareholder within 30 (Thirty) days of approval. Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (Thirty) days of record date.

### C. Cash Dividend distribution process

Cash Dividend shall be distributed in the following manner and procedures, namely:-

- (i) Within 10 (ten) days of declaration of cash dividend by the board of directors, an amount equivalent to the declared cash dividend payable for the concerned year shall be kept in a separate bank account of the Bay Leasing & Investment Limited, dedicated for this purpose only;
- (ii) The Bay Leasing & Investment Limited shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the Depository Participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN);

Provided that the Bay Leasing & Investment Limited may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

- (iii) The Bay Leasing & Investment Limited, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or the separate Bank Account of the Merchant Banker or the Portfolio Manager through BEFTN;

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account;

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO Account number, code number, Bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the Bay Leasing & Investment Limited for such claim.

- (iv) The Bay Leasing & Investment Limited, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant/cheque and shall send it by post to the shareholder or unit holder;
- (v) The Bay Leasing & Investment Limited shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investors (FPI) through the security custodian in compliance with the rules or regulations in this regard;
- (vi) The Bay Leasing & Investment Limited immediately after disbursement of the cash dividend and issuance of certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;
- (vii) The Bay Leasing & Investment Limited shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof; as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/Annually) as a separate line item 'Unclaimed Dividend Account';

Provided that the Bay Leasing & Investment Limited shall publish the year-wise summary of its unpaid or unclaimed dividend in the websites;

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of Bank Charge, if any) thereon, if remains, shall be transferred to a separate bank account of the Bay Leasing & Investment Limited as maintained for this purpose, within 2 (two) years from the date of declaration or approval or record date, as the case may be.

#### **D. Stock Dividend or Bonus Share Distribution Policy**

The Bay Leasing & Investment Limited, shall credit stock dividend directly to the BO account or issued the bonus share certificate of the entitled shareholder, as applicable, within 30 (Thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited (CDBL);

#### **E. Issuance of Stock Dividend or Bonus Share process**

The Bay Leasing & Investment Limited, the CDBL and the Exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিপোজিটরি (ব্যাবহারিক) প্রবিধানমালা, ২০২৩ for issuance of bonus Shares;

Provided that the Bay Leasing & Investment Limited shall maintain a suspense BO account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

- (i) The Bay Leasing & Investment Limited shall send at least 3 (Three) reminders to the entitled shareholder;
- (ii) The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the Bay Leasing & Investment Limited;

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus share shall be credited to the Suspense BO Account.

- (iii) The Bay Leasing & Investment Limited shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO Account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (Fifteen) days of receiving application with an intimation to the commission and the Exchange(s);
- (iv) Any voting rights on such undistributed or unclaimed stock dividend or Bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

#### **F. Compliance Report regarding Dividend Distribution**

The Bay Leasing & Investment Limited shall submit a compliance report to the Commission and the Exchange(s) in a specific format at Annexure-A [sample given by the BSEC] in respect of the Clause (B), (C), (D) and (E) above, within 7 (Seven) working days of completion of dividend distribution;

Provided that the Bay Leasing & Investment Limited shall publish the compliance report in its website.

#### **G. Forfeiture of unclaimed cash dividend or stock dividend**

The Bay Leasing & Investment Limited shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of the land in force.

#### **H. Transferred to the Fund of the Commission for unpaid or unclaimed or unsettled cash dividend**

If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (Three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the Bay Leasing & Investment Limited to the fund as directed or prescribed by the commission;

Provided that the Bay Leasing & Investment Limited shall provide detailed information to the manager of the fund during transfer of cash dividend as directed or prescribed by the Commission;

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (Fifteen) days of receiving such claim, the Bay Leasing & Investment Limited shall, after proper verification of the claim, recommend to the manager of the fund to pay off such dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the commission.

#### **I. Transferred to the Fund of the Commission for unclaimed or unsettled stock dividend or bonus shares**

If any stock dividend or bonus shares remain unclaimed or unsettled including corporate benefits in terms of bonus shares thereon for a period of 3 (Three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the fund as mentioned at Clause No. H;

Provided that the Bay Leasing & Investment Limited shall provide detailed information to the manager of the fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission;

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus share to the BO Account of the Fund, within 15 (Fifteen) days of receiving such claim, the Bay Leasing & Investment Limited shall, after proper verification of the claim, recommend to the manager of the fund to pay off such dividend or bonus share to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the commission.

#### **J. Maintaining Detail Information of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend**

The Bay Leasing & Investment Limited, by itself or by appointing an Agent, shall maintain detailed information of BO Account, Bank Account, Mobile Phone Number, E- mail address and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend;

Provided that the Bay Leasing & Investment Limited or its agent or the CDBL or its DP shall keep confidentiality of information.

Provided further that the Bay Leasing & Investment Limited shall collect such detailed updated information from the CDBL or its DP from time to time when needed for the purpose of proper distribution of cash dividend or stock dividend and other compliances. In case of holding paper shares, the Bay Leasing & Investment Limited shall update the information at least once a year.

#### **K. Binding clause**

In the event of any confusion or difference of opinion on any matter whatsoever, the Bay Leasing & Investment Limited shall be bound to follow the decision of the Commission and shall consider the decision of the commission is final on all concerned.

## Sustainable Finance Initiatives

### SUSTAINABLE INITIATIVES

Environmental sustainability considers environmental factors along with financial priorities with an aim to protect the environment and assist economic development in a more environment friendly way. BLIL focused on environmental sustainability as a key part of social responsibility.

Since BLIL is committed to the environment and combating climate changes, BLIL have sketched environmental sustainability policies, goals and practices that help their activities inside and out and reduce both its direct impact, through the use of natural resources by its internal operations, and its indirect impact through its financial activity.

### Environment Friendly Loan Financing

BLIL have incorporated sustainability principles into day-to-day activities of the Company aiming to do best to ensure that the credits BLIL extend to the customers are utilized for environmentally sound and sustainable purposes. BLIL observes with environmental standard while financing. Projects with likely adverse impact on environment are strongly discouraged by BLIL. As an environment responsive Financial Institution, BLIL ensures that the borrower has the due environmental clearance certificate from the concerned authorities while granting or renewing credit facilities. BLIL has assessed environmental and social issues related to the projects at the time of granting credit facilities which reflects BLIL's strong commitment in ensuring environmental and social safeguard of the projects, while creating a sense of accountability for the borrowers. BLIL also encourages



it's borrowers to have solar panel in their project at the time of appraising and granting housing loan facilities. In



future the company aims to enhance the effort on preserving ecosystem, land, air and water, in line with broad corporate mission of the Company.

### Plantation

We humans would not be able to exist on this beautiful planet without trees. To give back to the creation which has facilitated life from the inception of life is what can be claimed humane now. BLIL planted trees in the areas near to our branch location and be a part of the solution to climate breakdown.

### In-house Environmental sustainability practices

BLIL is maintaining a balanced initiative and supporting activity to contain things that may adversely affect the environment. BLIL encourages rational use of energy in the office and promotes the spirit of environment sustainability action plans. Reduced utilization of electricity and minimum uses of utilities and office stationaries have become mandatory for the officials are as following:

**Energy Conservation:** BLIL substituted all inefficient older light bulbs with compact fluorescent light (CFL) or Light Emitting Diode (LED) bulbs. All employee use screen savers for their computers and turned off computers after work and when idle for more than 30 minutes.

**Paper Reduction:** BLIL encourages to use of both sides of the paper on lengthy documents, electronically mail to interoffice memoranda and reports, process documents electronically using the scan option on a copier when appropriate rather than printing hard copies, print documents in small fonts, with wide margins and reduced spacing, use

# Sustainable Finance Initiatives

letter-sized paper, files and pouches rather than legal sized items whenever possible.

**Green Procurement Policies:** The purchase of environmentally-sustainable office equipment in a viable way in which offices can reduce electricity demand, save money, and help the office reduce its direct and indirect impact on



the environment through the purchase of energy-efficient products. Green procurement is the purchase of products and services that have a minimal or reduced environmental and human health impact. In addition to improved environmental performance, many environmentally preferred products work as well or better than traditional products.

**In-house Education Program:** BLIL organize programs to train staff in its capabilities and explain how they can help protect the environment. It is equally important to train new staff in the environmental systems office introduces.

## Fuel Conservation

Expanding every day, BLIL is much known for its collaborations with valuable partners for the good of all the parties. Such collaborations call for several meetings which in turn brings a lot of fuel emission for travelling back and forth to office premises. Hence, that brings video conferencing in the picture to be used instead of face to face meetings with partners.

## Environmental Due Diligence (EDD)

Environmental Due Diligence is maintained by BLIL at the time of processing proposal before placing the same to Management. Few clients of BLIL have found applicable for EDD and after conducting Environmental Risk Rating (EnvRR) it is found that few clients have been fallen in the category of low risk and in moderate risk level.

## Environmental and Social Obligations

The obligation of any business to protect and serve public interest is known as social responsibility of business. According to the concept of social responsibility the objective of managers for taking business decisions is not merely to maximize profits or shareholders' value but to serve and protect the interest of the society such as workers, consumers and the community as a whole.

Important component of corporate responsibility is environmental reporting, which describes the systematic and complete disclosure to stakeholders of an institution, environmental performance encompassing its impacts on the environment and its actions to reduce adverse effects on eco-systems or restore environmental conditions.

Business can report on their environmental impact in two contexts. For voluntary reporting, a business can disclose environmental information such as greenhouse gas emission, waste generation, energy consumption use of transport for business travel in the context of social responsibility. For mandatory reporting, business industrialized countries are required to report their greenhouse gas emission; this is mainly help the government understand the total industry situation and to use the information as the basis for policies related to controlling the emissions. Both types of reporting improve the transparency of corporate activities and their impact toward reducing environmental impacts.

BLIL aims to report its obligations to the stakeholders voluntarily. As a part of its environmental and social obligations, BLIL keep them abeyance from financing to an environment hazardous industries and/or investors and operates a separate department for financing to the clean development mechanism projects and energy efficiency projects. BLIL will always try to ensure meeting environment and social obligations to fulfill demand of the present era.

## Declaration of CEO and CFO to the Board of Directors

Date: June 27, 2024

The Board of Directors  
Bay Leasing & Investment Limited

**Subject: Declaration on Financial Statements for the year ended on 31st December, 2023**

Dear Sirs,

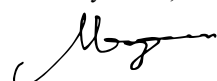
Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No SEC/CMRRCD/2006-158/207/Admin/80, Dated 3 June 2018, under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

1. The Financial Statements of Bay Leasing & Investment Limited for the year ended on 31st December, 2023 have been prepared in compliance with International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
2. The estimate 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 31st December, 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. This 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,



**Mohammad Ruknuzzaman**  
Managing Director



**Enayet Kabir**  
Head of Finance & Accounts

# AUDITORS' REPORT

BAY LEASING &  
INVESTMENT LIMITED



# Independent Auditor's Report To The Shareholders of

## Bay Leasing & Investment Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of **Bay Leasing & Investment Limited** and its subsidiary (the Group) as well as the separate financial statements of **Bay Leasing & Investment Limited** (the Company), which comprise the consolidated and separate statement of financial position as at 31 December 2023, and the consolidated and separate statements of profit or loss and other comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year ended, and notes to the consolidated and separate financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying consolidated and separate financial statements of the Company give a true and fair view of the consolidated and separate financial position of the Group and the separate financial position of the Company as at 31 December 2023, and of its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), the Companies Act 1994, the Securities and Exchange Rules 1987, and other applicable laws and regulations.

#### Basis for Opinion:

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 consolidated and separate Financial Statements section of our report. We are independent of the Group and the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for professional Accountants (IESBA Code) and Bangladesh Securities and Exchange Commission (BSEC), and we have fulfilled our ethical responsibilities in accordance with the IESBA Code and 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 opinion.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

Please refer to Annexure: 1 Key Audit Matters (KAM) for illustrative purposes.

#### Annexure-1

Key audit matter description	How the scope of our audit responded to the key audit matter.
<b>Lease, Loans and Advances</b>	
<p>The Company has reported Lease, Loans and advances of <b>BDT 10,613,508,005</b></p> <p>There is a chance of erroneous recording, processing errors or fraudulent transactions when there is a high volume of originating and paying loans.</p> <p>Due to the possibility and the severity of misstatements on the existence, completeness and accuracy of loans and advances, which calls for further audit consideration.</p> <p>See note no. 7a for details.</p>	<p>We have tested the design and operating effectiveness of key controls and substantive procedures focusing on the following:</p> <p>With an emphasis on credit evaluation, loan disbursement, and the loan and advance documentation procedure, we evaluated the design and operational efficacy of essential controls. Prior to disbursing loans and advances, we carried out a procedure to verify that the company had made sure that the necessary documentation was in order in accordance with Bangladesh Bank guidelines and the company's policy. Additionally, we have carried out a procedure to verify that the loans and advances that were in existence on the reporting date are fully and accurately reported. In addition, we evaluated the disclosure in light of Bangladesh Bank rules.</p>

<b>Interest Income on Lease, Loans, and Advances</b>	
<p>The Company's has reported interest income on Lease, Loans and advances of <b>BDT 441,875,499</b> for the year ended 31 December 2023.</p> <p>Interest income recognition and measurement have involved a complicated IT infrastructure.</p> <p>Since interest income from loans and advances is one of the company's key performance indicators, we have identified it as a key audit matter.</p> <p>As such, there is an inherent risk of fraud and error in management's recognition of interest in order to meet particular targets or expectations. See note no. 20a for details.</p>	<p>We have tested the design and operating effectiveness of key controls and substantive procedures focusing on the following:</p> <p>With regard to the automated control used to calculate and record interest income, we tested its operational efficacy.</p> <p>Additionally, we have conducted comprehensive procedures to verify whether interest income is accurately and fully recognized. In accordance with pertinent accounting standards and Bangladesh Bank regulations, we evaluated the disclosure's propriety and presentation.</p>
<b>Provision for Leases, Loans and Advances</b>	
<p>Estimating the provision for leases, loans and advances portfolio related to credit risk is a substantial and intricate procedure.</p> <p>As at 31 December 2023, the Group reported total gross leases, loans and advances of BDT 10,613,508,005 (2022: BDT 10,823,605,127) and provision for loans and advances of BDT 1,676,733,469 (2022: BDT 1,152,617,372).</p> <p>As part of our risk assessment, we identified the following significant judgments and estimates which could give rise to material misstatement or management bias</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of loss events in accordance with criteria set out in DFIM Circular no 04, dated 26 July 2021, DFIM Circular no 09, dated 14 September 2021, DFIM Circular no 27 dated 21 December 2022 and DFIM Circular no 13, dated 28 June 2022; and DFJM Circular no 33, dated 19 December 2021.</li> <li>• 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 flow.</li> </ul> <p>Provision measurement is primarily dependent upon key assumptions relating to probability of default, ability to repossess collateral and recovery rates. See note no. 7.13 &amp; 12.03 for details.</p>	<p>We developed our audit strategy by concentrating on the following when examining the layout and functionality of key controls:</p> <ul style="list-style-type: none"> <li>• Completeness of appropriate documentation before disbursement of loan as well as recording of loan balance</li> <li>• Identification of loss events, including early warning and default warning indicators</li> <li>• Credit appraisal, loan disbursement procedures, monitoring and provisioning process</li> <li>• Reviewed quarterly Classification of Loans (CL);</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the companies general and specific provisions;</li> <li>• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;</li> <li>• Evaluated the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and</li> <li>• Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh</li> </ul>
<b>Adequacy of income tax provision and measurement of deferred tax liabilities</b>	
<p>Calculation of income tax provision required compliance with the Income Tax Act (ITA) 2023 including careful consideration of various temporary and permanent differences. Furthermore, upon final settlement of pending tax assessments any excess or short provision of current tax is also adjusted in the current year.</p> <p>Finally, significant judgment is required in relation to deferred tax assets as their recoverability is dependent on forecasts of future profitability over several years.</p> <p>Accordingly, this area has been considered as a key audit matter.</p> <p>As at 31 December 2023 the FI reported AIT of BDT 103,496,947 (31.12.2022: BDT 122,703,510) and corresponding current income tax charges of BDT 25,080,443 (31.12.2022: 69,244,034). In addition, total deferred tax liabilities of BDT 3,942,322 (31.12.2022: 3,512,720) recognized by the Bank.</p>	<p>We obtained an understanding, evaluated the design and tested the operational effectiveness of the Bank's key controls over the recognition and measurement of both current tax and deferred tax, including the assumptions used in estimating the Bank's taxable income.</p> <p>We reviewed tax position for those years where income tax assessment is pending and assess adequacy of tax provision recorded by the Bank. Special focus/attention was given to any reversal/adjustment of income tax provision from the prior year.</p> <p>We also assessed the completeness and accuracy of the data used for the estimates of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of current and deferred tax.</p> <p>Finally assessed the appropriateness and presentation of disclosures against IAS 12 Income Tax including deduction of DTL on specific provision from regulatory capital.</p>

### **Other Information:**

Management is responsible for the other information. The other information comprises all of the information in the Annual Report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards (IFRSs), the Companies Act, 1994, the Securities and Exchange Rules 1987 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the consolidated and separate 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 Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements.

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

We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 consolidated and separate 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 consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the Company 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. However, documentation process need be strengthened further.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.


From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest/benefits of such communication.

#### **Report on other Legal and Regulatory Requirements**

In accordance with the Companies Act, 1994 and the Securities and Exchange Rules, 1987 and relevant notifications issued by Bangladesh Securities and Exchange Commission, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of these books;
- c) The consolidated and separate statement of financial position and statements of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account; and
- d) The expenditure incurred was for the purposes of the Company's business.

Place: Dhaka, Bangladesh  
Dated: 29 June 2024  
DVC: 2406290151AS413892

  
Pinaki Das, FCA  
Senior Partner  
Enrollment Number: 0151  
Pinaki & Company  
Chartered Accountants

# Bay Leasing & Investment Limited

## Consolidated Balance Sheet

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31-12-2023	31-12-2022
<b>PROPERTY AND ASSETS</b>			
Cash		41,769,094	42,337,706
In hand (including foreign currencies)	3 a	186,747	82,495
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	3.02	41,582,347	42,255,211
Balance with banks and other financial institutions	4 a	934,495,816	1,213,907,924
In Bangladesh		934,495,816	1,213,907,924
Outside Bangladesh		-	-
Money at call and short notice	5	-	-
Investments	6 a	1,208,861,897	1,407,921,805
Government		-	-
Others		1,208,861,897	1,407,921,805
Lease, loans and advances	7 a	10,613,508,005	10,823,605,127
Lease, loans and advances		10,613,508,005	10,823,605,127
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8 a	1,415,026,773	1,438,249,733
Other assets	9 a	205,829,356	310,864,031
Non - financial institutional assets		-	-
<b>Total Assets</b>		<b>14,419,490,941</b>	<b>15,236,886,327</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from banks, other financial institutions and agents	10.01 a	5,124,149,361	5,268,921,431
Deposits and other accounts	11 a	5,088,169,868	5,628,573,378
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		5,033,467,593	5,526,037,882
Bearer Certificates of Deposits		-	-
Other Deposits		54,702,275	102,535,496
Other liabilities	12 a	3,360,134,068	2,658,354,874
<b>Total Liabilities</b>		<b>13,572,453,297</b>	<b>13,555,849,683</b>
<b>Capital / Shareholders' equity</b>			
Paid- up capital	13.02	1,408,884,435	1,408,884,435
Statutory Reserve	14	623,950,000	623,950,000
Share premium	15	121,115,565	121,115,565
General reserve		111,271,431	111,271,431
Assets Revaluation reserve	16	306,414,593	312,432,972
Retained surplus	17 a	(1,724,608,438)	(896,627,770)
<b>Total equity attributable to the equity holders of the company</b>		<b>847,027,585</b>	<b>1,681,026,633</b>
Non-Controlling Interest	18	10,059	10,011
<b>Total Liabilities and Shareholders' Equity</b>		<b>14,419,490,941</b>	<b>15,236,886,327</b>

# Bay Leasing & Investment Limited

## Off-Balance Sheet Items

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31-12-2023	31-12-2022
Contingent Liabilities	38	150,000,000	300,000,000
Acceptances and endorsements		-	-
Corporate guarantee		150,000,000	300,000,000
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		-	-
<b>Total Off-Balance Sheet items including Contingent Liabilities</b>		<b>150,000,000</b>	<b>300,000,000</b>
<b>Net asset value per share</b>		<b>6.01</b>	<b>11.93</b>

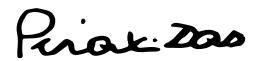
  
Chairman

  
Director

  
Managing Director

  
Company Secretary

**Date: 29 June 2024**  
Dhaka, Bangladesh

  
**Pinaki Das FCA**  
Senior Partner  
Enrollment No: 151  
**Pinaki & Company**  
Chartered Accountants

DVC: 2406290151AS413892

**Bay Leasing & Investment Limited**  
**Consolidated Profit & Loss Account**  
For the year ended 31 December 2023

Particulars	Notes	Amount in Taka	
		31-12-2023	31-12-2022
Interest Income	20 a	606,035,725	791,164,264
Interest paid on Deposit, Borrowing etc.	21 a	(843,402,025)	(870,264,877)
<b>Net Interest Income</b>		<b>(237,366,300)</b>	<b>(79,100,613)</b>
Investment Income	22 a	48,428,031	303,291
Commission, Exchange and Brokerage Income	23 a	31,350,083	68,602,059
Other Operating Income	24 a	7,686,954	15,863,457
<b>Total Operating Income</b>		<b>(149,901,232)</b>	<b>5,668,194</b>
Salary and allowances	25	73,257,618	73,204,078
Rent, taxes, insurance, electricity, etc	26 a	10,562,621	12,231,058
Legal expenses		1,597,041	1,724,639
Postage, stamp, telecommunication, etc	27 a	984,219	1,453,302
Stationery, Printing, advertisement, etc.	28 a	2,150,976	1,796,706
Managing Director's salary and benefits		5,576,045	5,929,850
Directors' fees	29	624,800	542,800
Auditor's fees	30	733,000	606,500
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31 a	33,984,114	34,559,444
Other expenses	32 a	12,053,837	21,454,152
<b>Total operating expenses</b>		<b>141,524,271</b>	<b>153,502,529</b>
Profit before provision		(291,425,503)	(147,834,335)
Provision against lease, loans, advances	33 a	524,116,097	549,161,126
Provision against diminution in value of Investment	34 a	(12,517,920)	62,226,675
Other Provision		-	-
<b>Total Provision</b>		<b>511,598,177</b>	<b>611,387,800</b>
<b>Net Profit/(Loss) before taxes</b>		<b>(803,023,680)</b>	<b>(759,222,135)</b>
Provision For Tax	35 a	25,080,443	69,244,034
<b>Net Profit/(Loss) after taxation</b>		<b>(828,104,124)</b>	<b>(828,466,169)</b>
Net profit after tax attributable to:			
Equity holders of the Company		(828,104,172)	(828,466,519)
Non Controlling Interest		48	350
		<b>(828,104,124)</b>	<b>(828,466,169)</b>
Appropriations			
Statutory reserve	14	-	-
General reserve		-	-
Non-Controlling Interest		48	350
		48	350
<b>Retained Surplus</b>		<b>(828,104,172)</b>	<b>(828,466,519)</b>
<b>Earning Per Share (EPS)</b>	36 a	<b>(5.88)</b>	<b>(5.88)</b>


  
Chairman

  
Director

  
Managing Director

  
Company Secretary

Date: 29 June 2024  
Dhaka, Bangladesh

  
Pinaki Das FCA  
Senior Partner  
Enrollment No: 151  
Pinaki & Company  
Chartered Accountants

DVC: 2406290151AS413892

# Bay Leasing & Investment Limited

## Consolidated Cash Flow Statement

For the year ended 31 December 2023

Particulars	Amount in Taka	
	31-12-2023	31-12-2022
<b>A) Cash flows from operating activities</b>		
Interest receipts	877,602,823	1,850,468,059
Interest payments	(859,768,419)	(1,029,495,242)
Dividend receipts	36,470,792	147,042,999
Fees and commission receipts	-	2,095,000
Payments to employees	(55,803,398)	(59,436,228)
Payments to suppliers	(38,772,985)	(77,916,069)
Receipts from other operating activities	70,740,412	21,724,041
Payments for other operating activities	(15,656,509)	(20,163,985)
Cash generated from operating activities before changes in operating assets and liabilities	14,812,716	834,318,575
Increase / decrease in operating assets and liabilities		
Other assets	63,774,774	79,221,877
Lease, loans and advances to customers	342,017,659	(4,215,315)
Margin Loan	(197,989,573)	598,259,485
Margin Deposit	(53,391,121)	(20,446,644)
Deposits from other banks, Institution & Individual	(492,570,289)	(660,968,123)
Payment as Call Loan	(191,890,000,000)	(218,270,000,000)
Receipt as Call Loan	191,780,000,000	218,050,000,000
Other liabilities account of customers	61,599,138	(16,317,741)
	<b>(386,559,412)</b>	<b>(244,466,461)</b>
<b>Net cash from operating activities</b>	<b>(371,746,696)</b>	<b>589,852,114</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of securities	238,556,930	613,881,627
Payments for purchases of securities	(49,964,439)	(14,208,404)
Proceeds from sale of Fixed Assets	188,090	149,955
Purchase of property, plant and equipment	(8,836,788)	(53,060,982)
<b>Net cash from investing activities</b>	<b>179,943,794</b>	<b>546,762,196</b>
<b>C) Cash flows from financing activities</b>		
Receipts of long term loan	(86,564,258)	213,326,735
Net draw down/(payment) of short term loan	17,077,327	(1,221,452,701)
Dividend paid	(18,690,887)	8,579,458
<b>Net Cash from financing activities</b>	<b>(88,177,818)</b>	<b>(999,546,508)</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(279,980,720)</b>	<b>137,067,802</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	-	-
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>1,256,245,630</b>	<b>1,119,177,827</b>
<b>G) Cash and cash equivalents at end of the year</b>	<b>976,264,910</b>	<b>1,256,245,630</b>
Cash and cash equivalents at end of the year		
Cash in hand (including foreign currencies)	186,747	82,495
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	41,582,347	42,255,211
Balance with banks and other financial institutions (notes 4 (b))	934,495,816	1,213,907,924
<b>Total</b>	<b>976,264,910</b>	<b>1,256,245,630</b>

## Bay Leasing & Investment Limited

### Consolidated Statement of Changes in Equity

For the year ended 31 December 2023

Particulars	Amount in BDT								
	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total	Non-Controlling Interest	Total
Balance as at January 01, 2023	1,408,884,435	121,115,565	623,950,000	111,271,431	312,432,972	(896,627,770)	1,681,026,633	10,011	1,681,036,644
Prior period error adjustment	-	-	-	-	-	(5,894,879)	(5,894,879)	-	(5,894,879)
Restated balance as at January 01, 2023	1,408,884,435	121,115,565	623,950,000	111,271,431	312,432,972	(902,522,649)	1,675,131,754	10,011	1,675,141,765
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-	-	-
Transferred during the year	-	-	-	-	(6,018,379)	6,018,379	-	-	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	(828,104,172)	(828,104,172)	48	(828,104,124)
Share Premium	-	-	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	-	-	-	-
Appropriation made during the year	-	-	-	-	-	-	-	-	-
<b>Balance as at December 31, 2023</b>	<b>1,408,884,435</b>	<b>121,115,565</b>	<b>623,950,000</b>	<b>111,271,431</b>	<b>306,414,593</b>	<b>(1,724,608,442)</b>	<b>847,027,582</b>	<b>10,059</b>	<b>847,037,641</b>
<b>Balance as at December 31, 2022</b>	<b>1,408,884,435</b>	<b>121,115,565</b>	<b>623,950,000</b>	<b>111,271,431</b>	<b>312,432,972</b>	<b>(896,627,770)</b>	<b>1,681,026,634</b>	<b>10,011</b>	<b>1,681,036,644</b>

# Bay Leasing & Investment Limited

## Balance Sheet

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31-12-2023	31-12-2022
<b>PROPERTY AND ASSETS</b>			
Cash	3.00	41,693,360	42,335,427
In hand (including foreign currencies)		111,013	80,216
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)		41,582,347	42,255,211
Balance with banks and other financial institutions	4.00	914,331,990	1,201,292,338
In Bangladesh		914,331,990	1,201,292,338
Outside Bangladesh		-	-
Money at call and short notice	5.00	-	-
Investments	6.00	761,077,400	809,405,568
Government		-	-
Others		761,077,400	809,405,568
Lease, loans and advances	7.00	8,652,737,174	9,000,649,712
Lease, loans and advances		8,652,737,174	9,000,649,712
Bills purchased and discounted		-	-
Fixed assets including premises, furniture and fixtures	8.00	829,434,200	835,868,110
Other assets	9.00	1,886,783,142	1,953,385,048
Non - financial institutional assets		-	-
<b>Total Assets</b>		<b>13,086,057,266</b>	<b>13,842,936,203</b>
<b>LIABILITIES AND CAPITAL</b>			
<b>Liabilities</b>			
Borrowings from banks, other financial institutions and agents	10.00	3,988,013,331	4,153,003,227
Deposits and other accounts	11.00	5,039,843,433	5,526,855,822
Current Accounts & Other Accounts etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		5,033,467,593	5,526,037,882
Bearer Certificates of Deposits		-	-
Other Deposits		6,375,840	817,940
Other liabilities	12.00	3,221,673,244	2,484,075,649
<b>Total Liabilities</b>		<b>12,249,530,008</b>	<b>12,163,934,698</b>
Capital / Shareholders' equity			
Paid- up capital	13.02	1,408,884,435	1,408,884,435
Statutory reserve	14.00	623,950,000	623,950,000
Share premium	15.00	121,115,565	121,115,565
General reserve		111,271,431	111,271,431
Assets Revaluation reserve	16.00	306,414,593	312,432,972
Retained surplus	17.00	(1,735,108,765)	(898,652,898)
		<b>836,527,258</b>	<b>1,679,001,505</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>13,086,057,266</b>	<b>13,842,936,203</b>

# Bay Leasing & Investment Limited


## Off-Balance Sheet Items

As at 31 December 2023

Particulars	Notes	Amount in Taka	
		31-12-2023	31-12-2022
Contingent Liabilities	38.00	150,000,000	300,000,000
Acceptances and endorsements		-	-
Letters of guarantee		150,000,000	300,000,000
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		-	-
<b>Total Off-Balance Sheet items including contingent liabilities</b>		<b>150,000,000</b>	<b>300,000,000</b>
<b>Net asset value per share</b>		<b>5.94</b>	<b>11.92</b>


  
Chairman

  
Director

  
Managing Director

  
Company Secretary

**Date: 29 June 2024**  
Dhaka, Bangladesh



**Pinaki Das FCA**  
Senior Partner

Enrollment No: 151

**Pinaki & Company**

Chartered Accountants

**DVC: 2406290151AS413892**

# Bay Leasing & Investment Limited

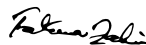
## Profit & Loss Account

For the year ended 31 December 2023

Particulars	Notes	Amount in Taka	
		31-12-2023	31-12-2022
Interest Income	20	502,048,551	554,072,451
Interest paid on Deposit, Borrowing etc.	21	(740,100,516)	(725,901,489)
<b>Net Interest Income</b>		<b>(238,051,965)</b>	<b>(171,829,038)</b>
Investment Income	22	17,980,096	72,870,674
Commission, Exchange and Brokerage Income		-	9,250,000
Other Operating Income	24	987,911	9,184,315
<b>Total Operating Income</b>		<b>(219,083,958)</b>	<b>(80,524,049)</b>
Salary and allowances		50,227,353	53,506,378
Rent, taxes, insurance, electricity, etc	26	3,915,127	4,342,250
Legal & Professional fees		445,131	504,287
Postage, stamp, telecommunication, etc	27	563,078	689,151
Stationery, Printing, advertisement, etc.	28	1,893,010	1,632,635
Managing Director's salary and benefits		5,576,045	5,929,850
Directors' fees	29	624,800	542,800
Auditor's fees	30	483,000	356,500
Charges on Loan Losses		-	-
Depreciation and repairs of assets	31	15,975,244	17,982,128
Other expenses	32	7,582,591	9,805,663
<b>Total operating expenses</b>		<b>87,285,379</b>	<b>95,291,642</b>
Profit before provision		(306,369,337)	(175,815,691)
Provision against lease, loans, advances	33	524,116,097	549,161,126
Provision against diminution in value of Investment	34	(12,517,920)	62,226,675
Other Provision		-	-
<b>Total Provision</b>		<b>511,598,177</b>	<b>611,387,800</b>
<b>Net Profit/(Loss) before taxes</b>		<b>(817,967,514)</b>	<b>(787,203,491)</b>
Provision For Tax	35	18,611,853	32,501,175
<b>Net Profit/(Loss) after taxation</b>		<b>(836,579,368)</b>	<b>(819,704,666)</b>
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Dividends		-	-
<b>Retained Surplus</b>		<b>(836,579,368)</b>	<b>(819,704,666)</b>
<b>Earning Per Share (EPS)</b>	36	<b>(5.94)</b>	<b>(5.82)</b>



Chairman



Director



Managing Director



Company Secretary



Pinaki Das FCA

Senior Partner

Enrollment No: 151

**Pinaki & Company**

Chartered Accountants

DVC: 2406290151AS413892

Date: 29 June 2024

Dhaka, Bangladesh

# Bay Leasing & Investment Limited

## Cash Flow Statements

For the year ended 31 December 2023

Particulars	Amount in Taka	
	31-12-2023	31-12-2022
<b>A) Cash flows from operating activities</b>		
Interest receipts	682,202,768	1,476,285,430
Interest payments	(665,054,035)	(795,521,354)
Dividend receipts	28,447,512	147,042,999
Fees and commission receipts	-	2,095,000
Payments to employees	(55,803,398)	(59,436,228)
Payments to suppliers	(1,893,010)	(1,632,635)
Receipts from other operating activities	10,266,631	5,740,939
Payments for other operating activities	(15,178,262)	(19,495,502)
<b>Cash generated from operating activities before changes in operating assets and liabilities</b>	<b>(17,011,794)</b>	<b>755,078,649</b>
<b>Increase / decrease in operating assets and liabilities</b>		
Other assets	25,342,005	22,864,536
Lease, loans and advances to customers	342,017,659	(4,215,315)
Deposits from other banks / borrowings	(492,570,289)	(660,968,123)
Payment as Call Loan	(191,890,000,000)	(218,270,000,000)
Receipt as Call Loan	191,780,000,000	218,050,000,000
Other liabilities account of customers	8,997,111	(23,326,005)
	<b>(226,213,514)</b>	<b>(885,644,907)</b>
<b>Net cash flows from operating activities</b>	<b>(243,225,308)</b>	<b>(130,566,258)</b>
<b>B) Cash flows from investing activities</b>		
Proceeds from sale of securities	87,825,190	163,783,021
Payments for purchases of securities	(49,964,439)	(14,208,404)
Proceeds from sale of Fixed Assets	188,090	149,955
Purchase of property, plant and equipment	(8,745,166)	(4,319,000)
<b>Net cash from investing activities</b>	<b>29,303,676</b>	<b>145,405,572</b>
<b>C) Cash flows from financing activities</b>		
Movement of long term loan	(86,564,258)	213,326,735
Movement of Overdraft	31,574,362	(111,398,158)
Dividend paid	(18,690,887)	8,579,458
<b>Net Cash from financing activities</b>	<b>(73,680,783)</b>	<b>110,508,035</b>
<b>D) Net increase / (decrease) in cash and cash equivalents (A+ B + C)</b>	<b>(287,602,415)</b>	<b>125,347,349</b>
<b>E) Effects of exchange rate changes on cash and cash equivalents</b>	-	-
<b>F) Cash and cash equivalents at beginning of the year</b>	<b>1,243,627,765</b>	<b>1,118,280,416</b>
<b>G) Cash and cash equivalents at end of the year</b>	<b>956,025,350</b>	<b>1,243,627,765</b>
<b>Cash and cash equivalents at end of the year:</b>		
Cash in hand (including foreign currencies)	111,013	80,216
Balance with Bangladesh Bank and its agent bank (s) (including foreign currencies)	41,582,347	42,255,211
Balance with banks and other financial institutions (notes 4 (b))	914,331,990	1,201,292,338
<b>Total</b>	<b>956,025,350</b>	<b>1,243,627,765</b>

# Bay Leasing & Investment Limited

## Statement of Changes in Equity

For the year ended 31 December 2023

*Amount in BDT*

Particulars	Paid-up capital	Share premium	Statutory reserve	General reserve	Assets Revaluation Reserve	Retained earnings	Total
Balance as at January 01, 2023	1,408,884,435	121,115,565	623,950,000	111,271,431	312,432,972	(898,652,898)	1,679,001,505
Prior period error adjustment	-	-	-	-	-	(5,894,879)	(5,894,879)
Restated balance at January 01, 2023	1,408,884,435	121,115,565	623,950,000	111,271,431	312,432,972	(904,547,777)	1,673,106,626
Surplus / deficit on account of revaluation of properties	-	-	-	-	-	-	-
Surplus / deficit on account of revaluation of investments	-	-	-	-	-	-	-
Prior period adjustment (Note- 2.36)	-	-	-	-	(6,018,379)	6,018,379	-
Net gains and losses not recognized in the income statement	-	-	-	-	-	-	-
Net profit after taxation for the year	-	-	-	-	-	(836,579,368)	(836,579,368)
Bonus Share	-	-	-	-	-	-	-
Cash Dividend	-	-	-	-	-	-	-
Appropriation made during the year	-	-	-	-	-	-	-
<b>Balance as at December 31, 2023</b>	<b>1,408,884,435</b>	<b>121,115,565</b>	<b>623,950,000</b>	<b>111,271,431</b>	<b>306,414,593</b>	<b>(1,735,108,765)</b>	<b>836,527,259</b>
<b>Balance as at December 31, 2022</b>	<b>1,408,884,435</b>	<b>121,115,565</b>	<b>623,950,000</b>	<b>111,271,431</b>	<b>312,432,973</b>	<b>(898,652,898)</b>	<b>1,679,001,505</b>

# Bay Leasing & Investment Limited

## Liquidity Statements

(Analysis of Maturity of Assets & Liabilities)

For the year ended 31 December 2023

Particulars	(Amount in BDT)					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Above 5 years	Total
<b>Assets:</b>						
Cash in hand	111,013	-	-	-	-	111,013
Balance with Bangladesh Bank and its agent	41,582,347	-	-	-	-	41,582,347
Balance with banks and other financial institutions	52,145,638	22,471,154	839,715,198	-	-	914,331,990
Money at call and short notice	-	-	-	-	-	-
Investments	48,122,590	162,750,100	180,390,422	120,632,237	249,182,051	761,077,400
Leases, loans and advances	269,702,311	847,613,311	2,974,962,300	4,325,049,799	235,409,453	8,652,737,174
Fixed assets including premises, furniture and fixtures	-	-	-	-	829,434,200	829,434,200
Other assets	-	-	262,874,466	802,952,400	820,956,276	1,886,783,142
Non banking assets	-	-	-	-	-	-
<b>Total assets (A):</b>	<b>411,663,899</b>	<b>1,032,834,565</b>	<b>4,257,942,386</b>	<b>5,248,634,436</b>	<b>2,134,981,980</b>	<b>13,086,057,266</b>
<b>Liabilities:</b>						
Borrowings from banks, other financial institutions and agents	86,645,253	254,952,100	785,662,375	1,908,969,369	951,784,234	3,988,013,331
Deposits & Other Accounts	262,132,405	697,451,496	2,397,013,873	1,408,262,034	274,983,625	5,039,843,433
Provision and other liabilities	16,522,100	50,282,472	194,967,845	453,985,007	2,505,915,820	3,221,673,244
<b>Total liabilities (B):</b>	<b>365,299,758</b>	<b>1,002,686,068</b>	<b>3,377,644,093</b>	<b>3,771,216,410</b>	<b>3,732,683,679</b>	<b>12,249,530,008</b>
<b>Net liquidity gap (A - B):</b>	<b>46,364,141</b>	<b>30,148,497</b>	<b>880,298,293</b>	<b>1,477,418,026</b>	<b>(1,597,701,699)</b>	<b>836,527,258</b>

# Bay Leasing & Investment Limited

## Notes to the Financial Statements

as at and for the year ended 31 December 2023

### 1. Company and its activities

#### 1.1 Legal status and nature of the Company

Bay Leasing & Investment Limited, a Public Limited Company was incorporated in Bangladesh on 7th February 1996 under the Companies Act 1994 and Bangladesh Bank granted license to the Company on 25-05-1996 to function as a Non-Banking Financial Institution under the Financial Institutions Act 2023.

The Company also registered itself as a Merchant Bank with the Securities & Exchange Commission on June 25, 1998.

The registered office of the Company is located at Eunoos Trade Centre, Level-18, 52-53 Dilkusha C/A, Motijheel C/A, Dhaka-1000.

#### 1.2 Principal activities and nature of operation

The Company extends lease financing as its core business for all types of machinery and equipment including vehicles for industrial, commercial and private purposes. It has also expanded its activities into term finance, housing finance etc.

#### 1.3 Subsidiary Company

BLI Capital Limited a subsidiary company of The Bay Leasing & Investment Limited Originally being incorporated as a Public Limited Company on 13<sup>th</sup> day of March 2011 under the Companies Act 1994. Registered office of the company is situated at Rupayan Trade Center, 10<sup>th</sup> Floor 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000.

#### 1.4 Associate Company

Bay Leasing & Investment Limited has an Associate Company namely BLI Securities Limited as on 31-12-2023.

### 2. Basis of preparation and significant accounting policies

#### 2.1 Statement of compliance

- a) The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act, 1994 and other applicable laws and regulations. The presentation of the financial statements has been made as per the requirements of DFIM Circular No: 11, dated December 23, 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank.
- b) Other regulatory compliance
- c) As required BLI Capital Limited also complies with the applicable provisions of the following major laws/ statutes:
  - Securities and Exchange Rules, 1987;
  - Securities and Exchange Commission Act, 1993;
  - Securities and Exchange Commission (Stock-Dealer, Stock-Broker and Authorized Representatives) Rules, 2000;
  - Income Tax Ordinance, 2023;
  - Income Tax Rules, 2023;
  - Negotiable Instruments Act, 1881; and
  - Other applicable laws and regulations.

## 2.2 Basis of measurement

This financial statement has been prepared on a going concern basis under the historical cost convention in accordance with International Financial Reporting Standards (IFRS). The accounting policies, unless otherwise stated, have been consistently applied by the Company and are consistent with those of the previous year (except IFRS 16: Lease, See Note- 8, 9,12,21,26 & 31).

### 2.3 Disclosure of deviations from few requirements of IAS/IFRS due to mandatory compliance of Bangladesh Bank's requirements

Bangladesh Bank (the local Central Bank) is the prime regulatory body for Non-Banking Financial Institutions (NBFI) in Bangladesh. Some requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS and IFRS. As such the Company has departed from those requirements of IAS/IFRS in order to comply with the rules and regulations of Bangladesh Bank.

**2.3.1** As per Financial Institutions Act 2023, 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. As such the Company measures and recognizes investment in quoted and unquoted shares at cost if the year-end market value for quoted shares and book value for unquoted shares including investment in associate are higher than the cost. However as per requirements of IAS 39 investment in shares falls either under "at fair value through profit and loss account" or under "available for sale" where any change in the fair value at the year-end is taken to profit and loss account or revaluation reserve respectively. But as per IAS 28 investment in associate need to be accounted for using equity method.

**2.3.2** As per DFIM circular No. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans) has to be maintained. However, such general provision cannot satisfy the conditions of provision as per IAS 39.

**2.3.3** Bangladesh Bank has issued templates for financial statements which shall strictly be followed by all banks and NBFIs. The templates of financial statements issued by Bangladesh Bank differ from IAS 1: Presentation of Financial Statements so long the templates do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to be included in the Single Comprehensive Income (SCI) Statement. As such the company does not prepare the other comprehensive income statement. However, the company does not have any elements of OCI to be presented.

## 2.4 Accounting policy for IFRS 16: Leases

BLIL has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17 as Operating Lease.

Policy applicable from 1 January 2019

At inception of a contract, BLIL assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, BLIL assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- BLIL has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- BLIL has the right to direct the use of the asset. BLIL has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, BLIL has the right to direct the use of the asset if either:
  - (i) BLIL has the right to operate the asset; or
  - (ii) BLIL designed the asset in a way that predetermines how and for what purpose it will be used.

The policy is applied to contracts entered into, or changed, on or after 01 January 2019.

#### BLIL as a lessee

BLIL recognizes a right of use asset and a lease liability from the beginning of 2019. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight-line methods from the commencement date (from the beginning of 2019) to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date (from the beginning of 2019), discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and BLIL's incremental borrowing rate. The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in BLIL's estimate of the amount expected to be payable under a residual value guarantee, or if BLIL changes its assessment of whether it will exercise purchase, extension or termination option. When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

BLIL presents right of use assets in Annexure-A and lease liabilities in note-12.0 separately.

#### BLIL as a lessor

When BLIL acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, BLIL makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, BLIL considers certain indicators such as whether the lease is for the major part of the economic life of the asset. If an arrangement contains lease and non-lease components, BLIL applies IFRS 15 to allocate the consideration in the contract. BLIL recognizes lease payments received under operating leases as income over the lease term.

## 2.5 Directors' responsibility statement

The Board of Directors takes the responsibility for the preparation and presentation of these financial statements.

### 2.5.1 Date of authorization

The Board of directors has authorized these financial statements on 27-06- 2024 in the 208<sup>th</sup> Board of Directors meeting.

## 2.6 Presentation and functional currency and level of precision

The financial statements are presented in Bangladesh Taka (BDT) currency, which is the Company's functional currency. All financial information presented in BDT has been rounded off to the nearest BDT.

## 2.7 Use of estimates and judgments

The preparation of financial statements in conformity with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the financial statements. The most critical estimates and judgments are applied to the following:

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised. In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

**Provisions:**

Provisions are liabilities that are uncertain in timing or amount. Provisions are recognized when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

**Contingent Liability:**

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or the Group has a present obligation as a result of past events but is not recognized because it is not likely that an outflow of resources will be required to settle the obligation; or the amount cannot be reliably estimated. Contingent liabilities normally comprise legal claims under arbitration or court process in respect of which a liability is not likely to occur.

**Contingent Assets:**

A contingent asset is possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. Contingent assets are never recognized; rather they are disclosed in the financial statements when they arise.

## **2.8 Basis of consolidation of operations of subsidiaries**

The financial statements of the Company and its subsidiaries have been consolidated in accordance with International Financial Reporting Standard 10 “Consolidated Financial Statements”. The consolidation of the financial statement has been made after eliminating all material inter-company balances, income and expenses arising from inter-company transactions. The total profits of the Company and its subsidiary are shown in the consolidated profit and loss account with the proportion of profit after taxation pertaining to non-controlling shareholders being deducted as ‘Non-controlling Interest’. All assets and liabilities of the Company and of its subsidiary are shown in the consolidated balance sheet. The interest of non-controlling shareholders of the subsidiary are shown separately in the consolidated balance sheet under the heading ‘Non-controlling Interest’.

## **2.9 Accounting for leases**

The Company has been following Finance Method of accounting for lease transactions as per IAS-17. In accordance with the said standard, the aggregate lease receivable including un-guaranteed residual value are recorded as gross lease receivable while the excess of gross lease receivable over the total acquisition cost, including interest thereon for acquiring the lease equipment, constitutes the unearned lease income being usually amortized to revenue on a monthly basis over the lease term yielding a constant rate of return over the period.

## **2.10 Reporting period:**

The reporting period of the company cover one calendar year from 1<sup>st</sup> January 2023 to 31<sup>st</sup> December 2023.

## **2.11 Accounting for direct finance**

Books of accounts for direct finance operation are maintained on the basis of accrual method of accounting. Outstanding loans, along with the accrued interest thereon, for term finance, and unrealized principal for long-term finance, real estate finance, car loans and other finances are accounted for as direct finance assets of the Company. Interest earnings are recognized as operational revenue periodically.

## 2.12 Property, Plant and Equipment

Recognition and measurement

Owned assets

Items of own property and equipments are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS) 16 "Property, Plant and Equipment's".

## 2.13 Subsequent expenditure on property and equipment

Subsequent expenditure is capitalized only when it increases the future economic benefit from the assets and that cost can be measured reliably. All other expenditures are recognized as an expense as and when they are incurred.

## 2.14 Depreciation

Depreciation is charged to amortize the cost of assets, over their estimated useful lives,

using the reducing balance method in accordance with IAS-16 "Property, Plant and Equipment". Full depreciation is charged on additions irrespective of date when the related assets are put into use and no depreciation is charged from the month of disposal. Asset category wise depreciation rates are as follows:

Particulars	Rates
Furniture and fixtures	10.00%
Building	2.50%
Electrical Goods	20.00%
Office equipment	15.00%
Office decoration	20.00%
Motor vehicles	20.00%

The difference between the sale proceeds and the carrying amount of an asset is recognized in the profit and loss account as gain or loss on disposal or retirement of an asset.

## 2.15 Revenue recognition

Revenue is only recognized when it meets the following five steps model framework as per IFRS 15: "Revenue from Contracts with Customers":

- identify the contract (s) with a customer(s);
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- recognize revenue when (or as) the entity satisfies a performance obligation.

Interest income from loans and other sources is recognized on an accrual basis of accounting.

Revenue is recognized only when it is measurable and probable that the economic benefits associated with the transaction will follow to the company and in accordance with per IFRS 15: "Revenue from Contracts with Customers" unless otherwise mentioned or otherwise guided by the separate IAS/IFRS. Interest income from loans and other sources is recognized on an accrual basis of accounting.

Dividend income and profit or loss on sale of securities:

Dividend is recognized as income when the right to receive income is established whereas profit or loss arising from the sale of securities is accounted for only when the securities are sold/disposed off.

## 2.16 Accounts receivable

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

## 2.17 Borrowing cost

Borrowing costs are recognized as expense in the year in which they are incurred unless capitalization is permitted under International Accounting Standard (IAS) 23 "Borrowing Costs".

## 2.18 Cash flow statements

The cash flow statement is prepared using the direct method as stipulated in International Accounting Standard (IAS) 7 "Cash Flow Statements" as prescribed by DFIM circular no. 11 dated December 23, 2009.

## 2.19 Conversion of foreign currency transactions

Foreign currency transactions are translated into Taka at rates prevailing at the respective dates of transactions, while foreign currency monetary assets at the end of the year are reported at the rates prevailing on the balance sheet date. Exchange gains or losses arising out of the said conversions are recognized as income or expense for the year after netting off as per **IAS 21: The Effects of Changes in Foreign Exchange Rates**.

## 2.20 Investment in securities

Investment in marketable ordinary shares has been shown at cost. As per DFIM Circular No-02 dated 31-01-2012 provision against loss on investment in Securities Market may be made by netting off gain & loss. As such Bay Leasing & Investment Calculated the provision requirement as per the circular DFIM circular/02, date 31-01-2012 published by Bangladesh Bank. Investment in non-marketable shares has been valued at cost.

## 2.21 Write off.

Write-off describes a reduction in recognized value. It refers to recognition of the reduced or zero value of an asset. Generally, it refers to an investment for which a return on the investment is now impossible or unlikely. The items recognize value is thus canceled and removed from ("written off") the Company's balance sheet. Recovery against debts written off/provided for is credited to revenue. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there-against or are considered recoverable.

## 2.22 Employees benefit obligation.

Bay Leasing & Investment Limited offers a number of benefit plans which includes contributory provident fund, gratuity plan, Group Insurance & Employees Real Estate/Home Loan as per IAS 19: Employee Benefits.

## 2.23 Contributory Provident Fund

The company operates a contributory provident fund for its permanent employees. The fund is approved by the National Board of Revenue (NBR), administered separately by a Board of Trustee and is funded by equal contribution from the company and the employees. This fund is invested separately from the company's assets. Provident Funds are invested in Fixed Deposit with other Banks and to the Government Sanchaypatra. Interest earned from the investments is credited to the members' account on yearly basis.

## 2.24 Gratuity Scheme

Bay Leasing & Investment Limited has a funded gratuity for the qualifying officers and staff member on the retirement from the service of the company at the following rates:

i)	Those who have put in 1-7 years of service	-	One Basic pay (last basic pay) for each year of service.
ii)	Those who have put in 8-15 years of service	-	One and half basic pay (last basic pay drawn) for each year of service.
iii)	Those who have put in service of 16 years and above	-	Two basic pay (last basic pay drawn) for each year of service.

Other Benefits obligation

The Company operates a group life insurance scheme for its permanent employees.

The Company also has home /real estate loans for its permanent employees.

## **2.25 Taxation**

Tax expense comprises current and deferred tax.

## **2.26 Deferred tax**

The Company accounts for deferred tax as per International Accounting Standard (IAS) 12 "Income Taxes". Deferred tax is provided using the balance sheet method for all temporary timing differences arising between the tax base (as per assessment) of assets and liabilities and their carrying value for financial reporting purposes. Tax rate prevailing at the balance sheet date is used to determine deferred tax.

## **2.27 Current Tax**

Provision for current tax is made on the basis of the profit for the year as adjusted for taxation purposes in accordance with the provision of Income Tax Ordinance, 2023 and amendments made thereto from time to time.

## **2.28 Cash and cash Equivalents**

This represents cash in hand and cash at bank, the details of which is given in the note No.3.

## **2.29 Statutory Reserve:**

This represents 20% of Profit before tax set aside in compliance with Clause 6 of the Financial Institutions Act, 2023.

## **2.30 Provision for doubtful leases and loan:**

The provision has been made at an estimated rate of outstanding exposures based on rental receivable on Lease and Installment Receivable on Loan against Receivable as per Department of Financial Institutions and Markets (DFIM) circular No. 04 dated 26 July 2021 of Bangladesh Bank. The Provision is considered adequate to meet probable losses.

## **2.31 Earning per share (EPS)**

The Company calculates earnings per share in accordance with "International Accounting Standards (IAS) 33 "Earnings per Share" which has been shown in the face of the Profit and Loss Account.

## **2.32 Related party disclosure**

As per International Accounting Standards (IAS) 24 "Related Party Disclosures", parties are considered to be related if one of the parties has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. The Company carried out transactions in the ordinary course of business on an arm's length basis at commercial rates with its related parties. Related party disclosures have been given in note .....

## **2.33 Events after the Reporting Period (IAS-10)**

Recommended:

Proposed Dividend:

The Board of Directors, in its 208<sup>th</sup> meeting, held on June 27, 2024 has recommended no dividend for the year 2023. The above is subject to approval of regulatory authorities and shareholders in the 28<sup>th</sup> Annual General Meeting, scheduled to be held on August 28, 2024 at Institution of Diploma Engineers, Bangladesh (IDEB), IDEB Bhaban, 160/A Kakrail, Dhaka-1000..

## 2.34 Compliance of International Financial Reporting Standards (IFRS)

SL. no	Name of IAS/IFRS	Status
01	IAS 1: Presentation of Financial Statements	*Partially Departed
02	IAS 2: Inventories	Not Applicable
03	IAS 7: Statements of Cash Flows	*Partially Departed
04	IAS 8: Accounting Policies, Changes in Accounting Estimates and Errors	Complied
05	IAS 10: Events after the Reporting Period	Complied
06	IAS 11: Construction Contracts	Not Applicable
07	IAS 12: Income Taxes	*Partially Departed
08	IAS 16: Property, Plant and Equipment's	Complied
09	IAS 17: Leases	Complied
10	IAS 19: Employee Benefits	Complied
11	IAS 20: Accounting for Govt. Grants and disclosures of Govt. Assistances	Not Applicable
12	IAS 21: The Effects of Changes in Foreign Exchange Rates	Complied
13	IAS 23: Borrowing Costs	Complied
14	IAS 24: Related Party Disclosures	Complied
15	IAS 26: Accounting and Reporting by Retirement Benefit Plan	Not Applicable
16	IAS 27: Separate Financial Statements	Complied
17	IAS 28: Investments in Associates	*Partially Departed
18	IAS 32: Financial Instruments: Presentation	*Partially Departed
19	IAS 33: Earnings Per Share	Complied
20	IAS 34: Interim Financial Reporting	Complied
21	IAS 36: Impairment of Assets	Complied
22	IAS 37: Provisions, Contingent Liabilities and Contingent Assets	Complied
23	IAS 38: Intangible Assets	Not Applicable
24	IAS 39: Financial Instrument: Recognition and Measurement	*Partially Departed
25	IAS 40: Investment Property	Not Applicable
26	IAS 41: Agriculture	Not Applicable
27	IFRS 1: First-time adoption of International financial Reporting Standards	Not Applicable
28	IFRS 2: Share-based Payment	Not Applicable
29	IFRS 3: Business Combinations	Not Applicable
30	IFRS 4: Insurance Contracts	Not Applicable
31	IFRS 5: Non-current Assets Held for Sale and Discontinued Operations	Not Applicable
32	IFRS 6: Exploration for and Evaluation of Mineral Resources	Not Applicable
33	IFRS 7: Financial Instruments: Disclosures	Not Applicable
34	IFRS 8: Operating Segments	Complied
35	IFRS 10: Consolidated Financial Statements	Complied
36	IFRS 11: Joint Arrangements	Not Applicable
37	IFRS 12: Disclosure of Interests in Other Entities	Complied
38	IFRS 13: Fair Value Measurement	Complied
39	IFRS 15: Revenue from Contracts with Customers	Complied
40	IFRS 16: Leases	Complied

\*Partially Departed standards are those requirements of which are different from those of Bangladesh Bank. Note – 1 contains details about such departure from IFRS requirements to comply with Bangladesh Bank.

### 2.35 Components of the financial statements

The financial statements comprise of (As per DFIM Circular No. 11, Dated 23 December 2009):

- a) Consolidated and Separate Balance Sheet as at 31 December 2023;
- b) Consolidated and Separate Profit and Loss Account for the year ended 31 December 2023;
- c) Consolidated and Separate Statement of Cash Flows for the year ended 31 December 2023;
- d) Consolidated and Separate Statement of Changes in Equity for the year ended 31 December 2023;
- e) Liquidity Statement for the year ended 31 December 2023 and
- f) Notes to the Consolidated and Separate Financial Statements for the year ended 31 December 2023.

### 2.36 Financial risk management

Bay Leasing & Investment Ltd. always concentrates on delivering high value to its stakeholders through appropriate trade off between risk and return. A well structured and proactive risk management system is in place within the Company to address risks relating to credit, market, liquidity and operations. In addition to the industry best practices for assessing, identifying and measuring risks, Bay Leasing & Investment Ltd. also considers guidelines for managing core risks of financial instructions issued by the Country's Central Bank, Bangladesh Bank, vide FID Circular No. 10 dated September 18, 2005 for management of risks.

#### Credit risk

To encounter and mitigate credit risk the company employed multilayer approval process, policy for maximum sector and group exposure limit, policy for customers maximum asset exposure limit, mandatory search for credit report from Credit Information Bureau, looking into payment performance of customer before financing, annual review of clients, adequate insurance coverage for funded assets, vigorous monitoring and follow up by Special Assets Management Team, strong follow up of compliance of credit policies by Operational Risk Management Department, taking collateral, seeking external legal opinion, maintaining neutrality in politics and following arm's length approach in related party transactions, regular review of market situation and industry exposure etc. The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks.

#### Market risk

The Asset Liability Committee (ALCO) of the Company regularly meets to assess the changes 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. Bay Leasing & Investment Ltd. has also strong access to money market and credit lines at a competitive rate through good reputation, strong earnings, financial strength and credit rating.

#### Liquidity Risk

Liquidity requirements are managed on a day-to-day basis by the Treasury Division which is responsible for ensuring that sufficient funds are available to meet short term obligations, even in a crisis scenario, and for maintaining a diversity of funding sources. Treasury Division maintains liquidity based on historical requirements anticipated funding requirements from operation, current liquidity position, collections from financing, available sources of funds and risks and returns.

#### Operational Risk

Appropriate internal control measures are in place, Bay Leasing & Investment Ltd, to address operational risks. BLIL has also established an internal control and compliance department (ICCD) to address operational risk and to frame and implement policies to encounter such risks. This department assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk. The function of ICCD is to constant vigilance against leakage of Shareholders value by identify, assess, measure, manage and transfer operational risk resulting from inadequate or failed internal processes, people and system or from external events.

### 2.37 Others:

- a) There is no claim against the company, which has not been acknowledged as debt in the Balance sheet.
- b) There exist no commitments except those already entered into agreement and are in the process of execution.
- c) There was a contingent liability as on 31-12-2023 except which are disclosed in note# 38.00 of financial statements.
- d) The figures appearing in these accounts have been rounded off to the nearest taka.
- e) Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.
- f) The number of employees (55 nos.) engaged for the whole year or Part.

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>3.00</b>	<b>Cash :</b>			
	Cash in hand		111,013	80,216
	Balance with Bangladesh Bank and its agent bank(s)		41,582,347	42,255,211
	Total:		41,693,360	42,335,427
<b>3.01</b>	<b>Cash in hand:</b>			
	The above balance is made up as follows:			
	In local currency		111,013	80,216
	In foreign currency		-	-
	Total:		111,013	80,216
<b>3 a)</b>	<b>Consolidated Cash in Hand</b>			
	Bay Leasing & Investment Ltd.		111,013	80,216
	BLI Capital Ltd.		75,734	2,279
	Total:		186,747	82,495
<b>3.02</b>	<b>Balance with Bangladesh Bank and its agent bank(s):</b>			
	The above balance is made up as follows:			
	In local currency with Bangladesh Bank		41,582,347	42,255,211
	In foreign currency		-	-
	Total:		41,582,347	42,255,211

### 3.03 Statutory Deposits:

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

Cash Reserve Requirement and Statutory Liquidity Ratio have been calculated and maintained in accordance with the Financial Institutions Act 2023, Financial Institutions Rules 2023 and DFIM circular no. 03 dated June 21, 2020.

The cash reserve requirement (CRR) has been calculated at the rate of 1.5% on the Company's time deposits which is preserved in current account maintained with Bangladesh Bank. Statutory Liquidity Reserve (SLR) has been calculated at the rate of 5% on total liabilities, including CRR and has been maintained in the form of balance with bank's and other Financial Institutions, call money deposit etc. Total Time Deposits means Term or Fixed Deposit, Security Deposit against Lease/Loan and other Term Deposits, received from individuals and institutions (except Banks and FI's). Both the reserves maintained by the Company are in excess of the statutory requirements, as shown below:

#### a) Cash Reserve Requirement:

Required reserve	37,830,595	32,665,540
Actual reserve maintained	41,582,347	42,255,211
Surplus/(deficit)	3,751,752	9,589,671

#### b) Statutory Liquidity Reserve:

Required reserve (including CRR)	136,819,753	171,353,736
Actual reserve maintained including CRR (note-3.04)	302,275,351	346,098,591
Surplus/(deficit)	165,455,598	174,744,855

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>3.04</b>	<b>Actual reserve maintained (including CRR):</b>			
	Cash in hand		111,013	80,216
	Balance with Bangladesh Bank and its agent bank(s)		41,582,347	42,255,211
	Balance with banks and other financial institutions		303,763,164	303,763,164
	Total:		345,456,524	346,098,591
<b>4.00</b>	<b>Balance with banks and other financial institutions:</b>			
	The above balance is made up as follows:			
	In Bangladesh (4.01)		914,331,990	1,201,292,338
	Outside Bangladesh		-	-
	<b>Total:</b>		<b>914,331,990</b>	<b>1,201,292,338</b>
<b>4.01</b>	<b>In Bangladesh:</b>			
	Current Deposits:			
	The above balance is made up as follows:			
	Bank Alfalah Limited		263,458	264,528
	BASIC Bank Limited		228	1
	Dutch Bangla Bank Ltd.		108,526	109,366
	Midland Bank Ltd		32	722
	EXIM Bank Limited		11,625	13,466
	First Security Bank Ltd.		1,678	18,385
	Janata Bank Ltd.		5,252	5,942
	NCC Bank Limited		204,851	202,284
	Prime Bank Ltd			1,761,435
	Southeast Bank Limited		31,660,147	13,842,474
	Standard Bank Ltd		500,472	501,892
	The City Bank Limited		25,846	25,846
	Trust Bank Limited		3,035	3,725
	Uttara Bank Limited		118	808
	<b>Sub Total:</b>		<b>32,785,268</b>	<b>16,750,874</b>
	Short-term deposits/SND:			
	In Local Currency:			
	Jamuna Bank Limited		27,008	27,911
	Mutual Trust Bank Ltd.		3,004,235	4,318,078
	Southeast Bank Limited		14,765,479	54,798,675
			<b>17,796,722</b>	<b>59,144,664</b>
	In Foreign Currency:			
	Southeast Bank Limited		-	1,646,801
	<b>Sub Total:</b>		<b>17,796,722</b>	<b>60,791,465</b>
	Fixed deposits:			
	Mercantile Bank Ltd.		168,750,000	168,750,000
	National Credit & Commerce Bank Ltd.		-	250,000,000
	Southeast Bank Limited		545,000,000	555,000,000
	Midland Bank Ltd		50,000,000	50,000,000
	Uttara Bank Limited		100,000,000	100,000,000
	<b>Sub Total:</b>		<b>863,750,000</b>	<b>1,123,750,000</b>
	<b>Grand Total:</b>		<b>914,331,990</b>	<b>1,201,292,338</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>4 a)</b>	<b>Consolidated Balance with banks and other financial institutions:</b>			
	Bay Leasing & Investment Ltd.		914,331,990	1,201,292,338
	BLI Capital Ltd.		20,163,826	12,615,586
	<b>Total</b>		<b>934,495,816</b>	<b>1,213,907,924</b>
<b>4.02</b>	<b>Maturity grouping of balance with banks and other financial institutions:</b>			
	On demand		-	-
	Up to 1 month		52,145,638	63,545,212
	Over 1 month but not more than 3 months		22,471,154	15,245,322
	Over 3 months but not more than 1 year		839,715,198	1,122,501,804
	Over 1 year but not more than 5 years		-	-
	Over 5 years		-	-
	<b>Total</b>		<b>914,331,990</b>	<b>1,201,292,338</b>
<b>5.00</b>	<b>Money at call and short notice:</b>			
	i) Investments are as follows:		-	-
	<b>Total</b>		-	-
<b>6.00</b>	<b>Investments for BLIL:</b>			
	The above balance is made up as follows:			
	Government securities		-	-
	Treasury Bills		-	-
	National Investment Bonds		-	-
	Bangladesh Bank Bill		-	-
	Govt. notes/bonds		-	-
	Prize Bonds		-	-
	Others:		-	-
	<b>Other investment</b>		<b>761,077,400</b>	<b>809,405,568</b>
	Investment in non marketable ordinary shares (note-6.01)		71,569,450	76,569,450
	Investment in Preference Shares		-	-
	Investment in debenture and bond		-	-
	Investment in marketable Securities (note-6.02)		689,507,950	732,836,118
	<b>Total</b>		<b>761,077,400</b>	<b>809,405,568</b>
<b>6.01</b>	<b>Investment in non marketable ordinary shares</b>			
	Central Depository Bangladesh		1,569,450	1,569,450
	EM Power Ltd		70,000,000	75,000,000
	<b>Total</b>		<b>71,569,450</b>	<b>76,569,450</b>
<b>6.02</b>	<b>Investment in marketable securities:</b>			
	<b>Listed Securities</b>			

Name of the Company	Qty.	Cost Price	Market price per share on 31-12-2023	Market Price	Provision
Asia Insurance Ltd	956,898	31,980,087	49.80	47,653,520	15,673,433
Exim Bank Ltd.	2,283,729	53,914,232	10.40	23,750,782	(30,163,450)
National Life Ins. Co. Ltd.	939	172,444	179.00	168,081	(4,363)
Southeast Bank Ltd.	29,068,000	521,989,334	13.30	386,604,400	(135,384,934)
Prime Bank Ltd	1,997,340	61,708,189	21.60	43,142,544	(18,565,645)
United Air	935,396	19,743,664	1.60	1,496,634	(18,247,030)
<b>Total Marketable Sec.</b>		<b>689,507,950</b>		<b>502,815,961</b>	<b>(186,691,989)</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>Non marketable shares</b>				
	Central Depository Bangladesh	1,569,450	1,569,450	-
	EM Power Ltd	70,000,000	-	(70,000,000)
	<b>Sub- Total</b>	<b>71,569,450</b>	<b>1,569,450</b>	<b>(70,000,000)</b>
	<b>Grand Total</b>	<b>761,077,400</b>	<b>504,385,411</b>	<b>(256,691,989)</b>
<b>6 a)</b>	<b>Consolidated Investment:</b>			
	Bay Leasing & Investment Ltd.		761,077,400	809,405,568
	BLI Capital Ltd.		447,784,497	598,516,237
			<b>1,208,861,897</b>	<b>1,407,921,805</b>

All investments in marketable securities are valued on cost price at the balance sheet date. Provision has required Tk. 186,691,989/- after net off gain/loss from market price of shares as per DFIM Circular # 02; date: 31.01.2012.

### 6.03 Maturity grouping of investments:

On demand	-	-
Up to 1 month	48,122,590	49,267,100
Over 1 month but not more than 3 months	162,750,100	172,105,603
Over 3 months but not more than 1 year	180,390,422	189,842,946
Over 1 year but not more than 5 years	120,632,237	130,672,439
Over 5 years	249,182,051	267,517,480
	<b>761,077,400</b>	<b>809,405,568</b>

### 7.00 Lease, loans and advances

Broad category-wise break up:

Inside Bangladesh

Lease Finance

Term Finance

Housing Finance

Outside Bangladesh

**Total**

544,609,889	552,489,871
6,539,987,688	6,743,643,485
1,568,139,597	1,704,516,356
<b>8,652,737,174</b>	<b>9,000,649,712</b>
-	-
<b>8,652,737,174</b>	<b>9,000,649,712</b>

### 7 a) Consolidated Lease, Loans & advances

Bay Leasing & Investment Ltd.

BLI Capital Ltd.

Less: Inter company balance eliminated

**Total**

8,652,737,174	9,000,649,712
2,871,589,542	2,673,599,968
<b>11,524,326,716</b>	<b>11,674,249,680</b>
910,818,711	850,644,553
<b>10,613,508,005</b>	<b>10,823,605,127</b>

### 7.01 Lease Finance:

Principal Outstanding

Interest Receivable

**Total:**

Details are given below:

Opening Balance

Add: Disbursement during the year

Add: Interest and other charges during the year

Less: Write-off during the year

Realization during the year

**Total:**

544,609,889	552,489,871
-	-
<b>544,609,889</b>	<b>552,489,871</b>
552,489,871	824,692,206
15,030,000	67,250,250
21,385,701	140,562,922
<b>588,905,572</b>	<b>1,032,505,378</b>
-	(220,549,138)
(44,295,683)	(259,466,369)
<b>544,609,889</b>	<b>552,489,871</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
	Movement of Balance Principal:			
	Gross lease receivable		679,352,600	656,269,067
	Less: Unearned finance income		134,742,711	103,779,196
	<b>Balance Principal</b>		<b>544,609,889</b>	<b>552,489,871</b>
<b>7.02</b>	<b>Term Finance:</b>			
	The above balance is made up as follows:			
	Principal Outstanding		6,539,987,688	6,743,643,485
	Interest Receivable		-	-
	<b>Total:</b>		<b>6,539,987,688</b>	<b>6,743,643,485</b>
	Details are given below:			
	Movement of Outstanding Balance			
	Opening Balance		6,743,643,485	6,168,941,792
	Add: Disbursement during the year		126,041,098	195,594,988
	Add: Interest and other charges during the year		286,228,396	250,659,937
			<b>7,155,912,979</b>	<b>6,615,196,717</b>
	Less: Write-off during the year		-	-
	Realization/adjustment during the year		(615,925,291)	128,446,768
	<b>Total:</b>		<b>6,539,987,688</b>	<b>6,743,643,485</b>
<b>7.03</b>	<b>Housing Finance:</b>			
	The above balance is made up as follows:			
	Principal Outstanding		1,568,139,597	1,704,516,356
	Interest Receivable		-	-
	<b>Total:</b>		<b>1,568,139,597</b>	<b>1,704,516,356</b>
	Movement of Outstanding Balance			
	Balance at January 01		1,704,516,356	2,765,194,113
	Add: Disbursement during the year		18,026,834	42,896,867
	Add: Interest and other charges during the year		134,261,402	107,953,086
			<b>1,856,804,592</b>	<b>2,916,044,066</b>
	Realization/adjustment during the year			(1,211,527,710)
	<b>Balance at December 31</b>		<b>1,856,804,592</b>	<b>1,704,516,356</b>
<b>7.04</b>	<b>Classification wise Lease, Loans &amp; Advances</b>			
	<b>Unclassified:</b>			
	<b>Standard</b>		<b>2,487,898,097</b>	<b>4,875,579,104</b>
	CMSMEF		168,334,080	340,258,247
			<b>4,322,195,230</b>	<b>5,189,909,911</b>
	<b>Classified:</b>			
	Sub-Standard		230,101,871	522,119,311
	Doubtful		91,616,854	307,492,923
	Bad/Loss		4,008,823,219	2,981,127,567
			<b>4,330,541,944</b>	<b>3,810,739,801</b>
	<b>Total</b>		<b>8,652,737,174</b>	<b>9,000,649,712</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>7.05</b>	<b>Maturity grouping of lease, loans and advances:</b>			
	On demand		-	-
	Up to 1 month		269,702,311	280,645,905
	Over 1 month but not more than 3 months		847,613,311	869,070,100
	Over 3 months but not more than 1 year		2,974,962,300	3,028,162,300
	Over 1 year but not more than 5 years		4,325,049,799	4,417,260,866
	Over 5 years		235,409,453	405,510,541
	<b>Total:</b>		<b>8,652,737,174</b>	<b>9,000,649,712</b>
<b>7.06</b>	<b>Lease, loans and advances on the basis of significant concentration</b>			
	Lease, loans and advances to:			
	Directors of the Company have interests		-	-
	Chief Executive and other Senior Executives		29,845,006	24,542,953
	Customers groups		8,622,892,168	8,976,106,759
			<b>8,652,737,174</b>	<b>9,000,649,712</b>

**7.07** Number of clients with outstanding amount and classified lease, loans and advances exceeding 15% of total capital (Total capital of the Company was Taka 836.53 million as at December 31, 2023 & Tk 1,679.00 million in 2022) of the Company is as follows:

Number of clients	15	3
Amount of outstanding advances	6,064,881,186	1,902,200,952
Amount of classified advances	Nil	Nil
Measures taken for recovery	Not applicable	Not applicable

**7.08 Details of large Lease, loans and advances**

As per section 14 (1) (Ga) of the Financial Institutions Act 1993, a financial institution can not sanction any loan exceeding 30% of its capital and reserve with out permission of Bangladesh Bank. During the year 2023 BLIL has not disbursed large Lease, loans and advances;

Number of clients	7	1
Amount of outstanding advances	3,955,390,622	850,644,553
Amount of classified advances	-	-
Measures taken for recovery	Not applicable	Not applicable

**7.09 Industry-wise distribution of lease, loans and advances**

1. Agricultural sector	139,267,148	166,218,839
2. Industrial sector:		
a) Textile	651,336,174	661,223,754
b) Garments	861,977,561	913,376,889
c) Jute and jute products	1,223,135	2,355,828
d) Food production/processing industry	203,667,651	206,595,721
e) Plastic industry	95,305,200	97,845,200
f) Leather & leather products	4,379,814	12,748,205
g) Ship manufacturing Industry	32,323,150	36,289,410
h) Chemical & Pharmaceutical	2,540,389	2,660,389
i) Cement/Concrete and allied industry	507,376,160	523,094,968

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
	j) Service industry		489,725,256	607,815,690
	k) Paper, Printing and packaging industry		222,617,363	219,354,933
	l) Wood, Furniture & Fixture		81,665,450	84,082,425
	m) Glass and ceramic industry		-	-
	n) Electronics and electrical industry		156,094,358	68,261,628
	o) Iron, Steel & Engineering		82,556,634	157,065,657
	3. Trade & Commerce		865,537,582	861,011,998
	4. Power, Gas, Water and sanitary service		25,725,542	10,210,905
	5. Transport & Communication		-	-
	6. Real Estate & Housing		2,504,581,267	2,703,800,978
	7. Merchant Banking		996,142,961	938,493,434
	8. Consumer Finance		87,233,235	108,358,774
	9. Others		641,461,144	619,784,088
	<b>Total</b>		<b>8,652,737,174</b>	<b>9,000,649,712</b>
<b>7.10</b>	<b>Geographical location-wise lease, loans and advances:</b>			
	The above balance is made up as follows:			
	<b>Inside Bangladesh</b>			
	Urban			
	Dhaka Division		8,628,882,554	8,932,136,478
	Chittagong Division		-	-
	Khulna Division		-	-
	Rajshahi Division		16,452,544	19,573,213
	Rangpur Division		2,183,159	4,483,859
	Barisal Division		-	-
	Mymensingh Division		5,218,917	44,456,162
	Sylhet Division		-	-
			<b>8,652,737,174</b>	<b>9,000,649,712</b>
	<b>Outside Bangladesh</b>		-	-
	<b>Total</b>		<b>8,652,737,174</b>	<b>9,000,649,712</b>
<b>7.11</b>	<b>Particulars of Lease, Loan and Advances</b>			
	The above balance is made up as follows:			
	i) Lease, loans and advances considered good in respect of the FI is fully secured		5,224,836,252	5,266,642,902
	ii) Lease, loans and advances considered good in respect of the FI holds no security other than the debtors personal guarantee		13,877,573,425	1,107,684,655
	iii) Lease, loans and advances considered good secured by the personal undertakings of one or more parties in addition to the debtors personal guarantee		2,389,475,163	2,626,322,155
			<b>21,491,884,840</b>	<b>9,000,649,712</b>
	iv) Lease, loans & advances adversely classified; provision not maintained there against		-	-
	v) Lease, loans & advances due by directors or officers of the company or any of them either separately or jointly with any other persons		29,845,006	24,542,953
	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 member.		-	-
	viii)		-	-

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
	ix) Due from bank and financial institutions		349,913,325	349,913,325
	<b>x) Classified loans, advances and leases</b>			
	a) Classified loans, advances and leases on which interest has not been charged		4,330,541,944	3,810,739,801
			44,993,464	152,923,205
	Provision on bad loans, advances and leases		2,284,414,348	1,873,242,175
	<b>Total provisions charged during the year</b>		<b>2,329,407,812</b>	<b>2,026,165,380</b>
	c) Amount of written off loans, advances and leases		437,491,549	437,491,549
	Total amount realized against loans and leases previously written off		10,989,365	10,791,365
	d) Provision kept against loans and advances classified as bad debts		2,284,414,348	1,873,242,175
	e) Interest credited to Interest Suspense Account		902,829,107	721,507,773
	xi) Cumulative amount of written off loans, advances and leases			
	Opening Balance		437,491,549	216,942,411
	Amount written off the year		-	220,549,138
			<b>437,491,549</b>	<b>437,491,549</b>
	<b>Classified loans, advances and leases</b>			
	a) Classified loans, advances and leases on which interest has not been credited to income		4,330,541,944	3,810,739,801
	b) Provision on doubtful leases, loans and advances		145,265,657	190,371,992
	Provision on bad loans, advances and leases		2,329,407,812	2,026,165,380
	Total specific provisions		2,474,673,469	2,216,537,372
	c) Amount of written off lease, loans and advances		-	-
	Total amount realised against loans and leases previously written off		1,221,545	1,023,545
	d) Provision kept against loans and advances classified as bad debts		2,284,414,348	1,873,242,175
	e) Interest credited to Interest Suspense Account		902,829,107	721,507,773

#### 7.12 Cumulative amount of written off loans, advances & leases

As per FID Circular no.03 dated 15 March 2007 of Bangladesh Bank, a financial institution should write-off loans/ lease to clean-up its financial statements subject to fulfilment of the following criteria:

- Loans /leases classified as Bad and Losses against which 100% provision has been made;
- Approval from the Board of Directors is required;
- Best endeavors shall be made to recover the written-of loans/ leases and legal process should be initiated if not started before.

Opening Balance	437,491,549	216,942,411
Amount written off during the year	-	220,549,138
<b>The amount of written off loans, advances and leases</b>	<b>437,491,549</b>	<b>437,491,549</b>

#### 7.13 Particulars of Required provision for lease, loans & advances

Required provision has been made as per Bangladesh Bank guidelines. As per BB guidelines, provision at the following rates have been made in the financial statements depending on the status of classification (exclusive method).

Investment up to 5 years term	Classification status	Provision (%)
Below 3 months	Standard (CMSMEF)	0.25
Below 3 months	Std. (other than CMSMEF)	1
3 to 6 months	SMA	5
6 to 11 months	SS	20
12 to 18 months	DF	50
18 months and above	BL	100

Investment up to 5 years term	Classification status	Provision (%)
Below 6 months	Standard (CMSMEF)	0.25
Below 6 months	Standard (other than CMSMEF)	1
6 to 12 months	SMA	5
12 to 18 months	SS	20
18 to 24 months	DF	50
24 months and above	BL	100
Loan to Subsidiary, Sister Concern etc	Standard	2
Prov. Against Off Balance Sheet Exposure		1
Additional Provision for Deferral as per BB Circular		2

\* As per DFIM circular letter no. 03, dated 29 April 2013 of Bangladesh Bank general provision of 0.25% is required to be maintain for Standard SME loans , advances and leases.

Status	Base for Provision	Rate	Provision	
			31-12-2023	31-12-2022
<b>Unclassified- General Provision</b>				
<b>Standard</b>	<b>2,487,898,097</b>		<b>23,616,475</b>	<b>46,203,854</b>
CMSMEF	168,334,080	0.25%	420,835	850,646
Other than CMSMEF	2,319,564,017	1.00%	23,195,640	45,353,209
Special Mention Account (SMA)	1,764,588,553	5.00%	88,229,428	14,626,721
Prov. On OFF B/S Exposure	150,000,000	1.00%	1,500,000	3,000,000
Additional Prov. for Loan to Subs.	910,818,711	1.00%	9,108,187	8,506,446
Prov. has been kept for conditional reschedule			3,817,116	100,799,370
Additional Prov. for Deferral	949,722,530	2.00%	18,994,451	17,235,601
			<b>145,265,657</b>	<b>190,371,992</b>
<b>Classified- Specific provision</b>				
Sub-Standard	164,824,313	20.00%	32,964,863	98,756,285
Doubtful	24,057,203	50.00%	12,028,601	54,166,920
Bad/Loss	2,284,414,348	100.00%	2,284,414,348	1,873,242,175
			<b>2,329,407,812</b>	<b>2,026,165,380</b>
Required provision for lease, loans & advances			2,474,673,469	2,216,537,372
Less: Defferal from B.Bank (1329900000/5*3)			797,940,000	1,063,920,000
Total provision kept for lease, loans & advances			1,676,733,469	1,152,617,372
<b>Excess provision for lease, loans &amp; advances</b>			<b>-</b>	<b>-</b>

#### 7.14 Disclosure regarding Provision Defferal

Bangladesh Bank Inspection Team have completed Classification of Loans (CL) Inspection and recommended large amount of additional provisioning (Tk.132.99 crore) and in response to which we have applied to DFIM to allow “Provision Defferal” vide our last letter we GjAvBGj/2023Bs/0513 Dated July 16, 2023. In response our application for provision Defferal, DFIM has allowed us 5 years provision deferral calculated by B.Bank Inspection team through vide letter# DFIM(C)1054/16/2023-3051 dated September 07, 2023. Break up shown below:

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
	Total Required provision for lease, loans & advances (as per CL)			2,474,673,469
	Deferral approved by B.Bank through above letter ( 1329900000*3/5)			797,940,000
	<b>Total provision kept for lease, loans &amp; advances</b>			<b>1,676,733,469</b>
<b>8.00</b>	<b>Fixed assets including premises, furniture and fixtures:</b>			
	The above balance is made up as follows:			
	Cost & Revaluation			
	Furniture and fixtures		22,351,149	22,351,149
	Office equipment		17,743,028	17,072,304
	Office Decoration		28,786,304	28,786,304
	Right of Use Assets		3,212,364	3,212,364
	Motor Vehicles		16,590,398	15,318,656
	Intangible Assets		10,500,000	10,500,000
	Building		461,107,440	461,107,440
	Construction WIP		80,079,800	80,079,800
	Land		371,998,535	368,319,515
			<b>1,012,369,018</b>	<b>1,006,747,532</b>
	Less: Accumulated depreciation		182,934,818	170,879,422
	<b>Net book value at the end of the year (Schedule-1)</b>		<b>829,434,200</b>	<b>835,868,110</b>
<b>8 a</b>	<b>Consolidated Fixed Assets</b>			
	Bay Leasing & Investment Ltd.		829,434,200	835,868,110
	BLI Capital Ltd.		585,592,573	602,381,623
			<b>1,415,026,773</b>	<b>1,438,249,733</b>
<b>9.00</b>	<b>Other Assets:</b>			
	<b>Inside Bangladesh</b>			
	The above balance is made up as follows:			
	<b>Income generating:</b>		<b>1,782,038,280</b>	<b>1,829,382,955</b>
	Investment in associate & Subsidiaries	9.01	1,760,115,000	1,777,115,000
	Interest receivable		14,573,282	13,406,165
	Other receivable		7,349,998	38,861,790
			<b>104,744,862</b>	<b>124,002,093</b>
	<b>Non-income generating:</b>			
	Advance, deposit and Prepaid expenses		1,194,780	1,213,703
	Advance corporate tax	9.02	103,496,947	122,703,510
	Advance Office Rent		-	-
	Stationery & Stamp in hand		15,925	47,670
	Security Deposit		37,210	37,210
	Advance against Decoration, Preliminary Exp, Development		-	-
	Branch Adjustment		-	-
	Suspense Account		-	-
			<b>1,886,783,142</b>	<b>1,953,385,048</b>
	Outside Bangladesh		-	-
	<b>Total</b>		<b>1,886,783,142</b>	<b>1,953,385,048</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>9 a</b>	<b>Consolidated Other Assets :</b>			
	Bay Leasing & Investment Limited		1,886,783,142	1,953,385,048
	BLI Capital Limited		69,036,214	107,468,983
	Adjustment for dealing with Subsidiary		(1,749,990,000)	(1,749,990,000)
	<b>Total:</b>		<b>205,829,356</b>	<b>310,864,031</b>
<b>9.01</b>	<b>Investment in Associate / Subsidiaries:</b>		<b>1,760,115,000</b>	<b>1,777,115,000</b>
	Investment in Associate			
	BLI Securities Limited		10,125,000	10,125,000
	Lucky Feed Limited		-	17,000,000
	<b>Total:</b>		<b>10,125,000</b>	<b>27,125,000</b>
	Investment in associates recorded under the cost method.			
	<b>Investment in Subsidiaries:</b>			
	BLI Capital Ltd		1,749,990,000	1,749,990,000
	<b>Total:</b>		<b>1,749,990,000</b>	<b>1,749,990,000</b>
	BLIL has one subsidiary company as on reporting date. Consolidated financial statements has been prepared for subsidiary following the requirements of International Financial Reporting Standard (IFRS) 10; 'Consolidated Financial Statements'			
<b>9.02</b>	<b>Advance corporate tax:</b>			
	Balance as on January 01		122,703,510	110,717,582
	Addition during the year		19,628,505	52,099,995
	Adjustment of previous years' tax liabilities		(38,835,068)	(40,114,066)
	Consolidated Advance income tax			
	Bay Leasing & Investment Ltd.		103,496,947	122,703,510
	BLI Capital Ltd.		-	-
	<b>Total:</b>		<b>103,496,947</b>	<b>122,703,510</b>
<b>10.00</b>	<b>Borrowing from banks, other financial institutions and agents:</b>			
	The above balance is made up as follows:			
	In Bangladesh	10.01	3,988,013,331	4,153,003,227
	Outside Bangladesh		-	-
	<b>Total</b>		<b>3,988,013,331</b>	<b>4,153,003,227</b>
<b>10.01</b>	<b>In Bangladesh:</b>			
	<b>Bank overdraft</b>			
	National Credit & Commerce Bank Ltd.		-	-
	Mercantile Bank Ltd.		153,837,316	147,672,222
	Mutual Trust Bank Ltd.		219,691,414	219,746,105
	United Commercial Bank Ltd		101,026,283	102,324,355
	Midland Bank Ltd		101,727,102	102,340,368
	Basic Bank Ltd		154,085,529	153,498,451
	First Security Bank Ltd.		451,955,691	427,258,750
	Uttara Bank Limited		425,302,973	423,211,695
	<b>Sub Total (a)</b>		<b>1,607,626,308</b>	<b>1,576,051,946</b>
	<b>Short term loan/Call Money</b>			
	Southeast Bank Ltd- Call Money		610,000,000	720,000,000
	Uttara Bank Limited - Call Money		100,000,000	100,000,000
	<b>Sub Total (b)</b>		<b>710,000,000</b>	<b>820,000,000</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
	<b>Long term loan</b>			
	United Commercial Bank Ltd		68,874,263	73,874,760
	Basic Bank Ltd		82,090,612	91,667,875
	Modhumoti Bank Limited		38,520,628	53,206,905
	Midland Bank Ltd		64,790,836	86,946,120
	Bank Asia Ltd		84,095,354	89,886,856
	Mercantile Bank Ltd		260,644,676	282,033,869
	Pubali Bank Limited		39,510,872	47,855,496
	Prime Bank Ltd		-	15,042,066
	Uttara Bank Limited		924,962,906	875,937,742
	Shahjalal Islami Bank Ltd		41,231,369	52,576,277
	Mutual Trust Bank Ltd		45,795,996	74,508,706
	<b>Sub Total (c)</b>		<b>1,650,517,512</b>	<b>1,743,536,672</b>
	Bangladesh Bank refinancing			
	Bangladesh Bank		19,869,511	13,414,609
	<b>Sub Total (d)</b>		<b>19,869,511</b>	<b>13,414,609</b>
	<b>Total (a+b+c+d)</b>		<b>3,988,013,331</b>	<b>4,153,003,227</b>
<b>10.01 a</b>	<b>Consolidated Borrowing from Banks &amp; Other FI's</b>			
	Bay Leasing & Investment Ltd.		3,988,013,331	4,153,003,227
	BLI Capital Ltd.		1,952,065,722	1,966,562,757
			<b>5,940,079,053</b>	<b>6,119,565,984</b>
	Less: Inter company balance eliminated		815,929,692	850,644,553
	<b>Total:</b>		<b>5,124,149,361</b>	<b>5,268,921,431</b>
<b>10.02</b>	<b>Analysis by security against borrowing from banks, other financial institutions and agents:</b>			
	Secured (assets pledged as security for liabilities)		680,867,391	998,142,667
	Unsecured		3,307,145,940	3,154,860,560
	<b>Total:</b>		<b>3,988,013,331</b>	<b>4,153,003,227</b>
	The loans are secured by first charge on all present and future floating assets of the Company ranking pari passu among the lenders.			
<b>10.03</b>	<b>Maturity grouping of borrowing from banks, other financial institutions and agents</b>			
	On demand		-	-
	Up to 1 month		86,645,253	91,263,334
	Over 1 month but within 3 months		254,952,100	274,972,462
	Over 3 months but within 1 year		785,662,375	809,473,194
	Over 1 year but within 5 years		1,908,969,369	2,000,904,512
	Over 5 years		951,784,234	976,389,725
	<b>Total:</b>		<b>3,988,013,331</b>	<b>4,153,003,227</b>
<b>11.00</b>	<b>Deposits and other accounts:</b>			
	Current Accounts & Other Accounts etc.		-	-
	Bills Payable		-	-
	Savings Bank Deposits		-	-
	Term Deposits	11.01	5,033,467,593	5,526,037,882
	Bearer Certificates of Deposits		-	-
	Other deposits	11.02	6,375,840	817,940
	<b>Total:</b>		<b>5,039,843,433</b>	<b>5,526,855,822</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>11 a</b>	<b>Consolidated Deposits and other accounts:</b>			
	Bay Leasing & Investment Ltd.		5,039,843,433	5,526,855,822
	BLI Capital Ltd.		48,326,435	101,717,556
			<b>5,088,169,868</b>	<b>5,628,573,378</b>
<b>11.01</b>	<b>Term deposits:</b>			
	Plain Term Deposits	11.1.2	4,636,066,892	5,027,281,132
	Flexi Savings		7,836,629	6,128,604
	Super DPS		46,380,587	50,281,270
	BLIL Wealth Plan		362,283	496,793
	Profit Take Home Plan		337,026,062	435,578,755
	BLI Chamak		47,742	599,182
	Double Money Plan		5,747,398	5,672,146
			<b>5,033,467,593</b>	<b>5,526,037,882</b>
<b>11.1.1</b>	<b>This represents deposits received from individuals and institutions for a period not less than three months.</b>			
	Deposits from banks and financial institutions		2,284,000,000	2,549,000,000
	Deposits from other than banks and financial institutions		2,749,467,593	2,977,037,882
			<b>5,033,467,593</b>	<b>5,526,037,882</b>
<b>11.1.2</b>	<b>Sector-wise break-up of plain term deposits:</b>			
	Government		-	-
	Banks and financial institutions		2,284,000,000	2,549,000,000
	Individual		405,580,100	500,547,602
	Other Institutions		1,946,486,792	1,977,733,530
	<b>Total:</b>		<b>4,636,066,892</b>	<b>5,027,281,132</b>
<b>11.1.2</b>	<b>Maturity analysis of term deposits:</b>			
	<b>a) Maturity analysis of deposits from Banks &amp; Financial Institutions</b>			
	Payable on demand		-	-
	Up to 1 month		135,632,728	154,596,870
	Over 1 month but within 3 months		395,000,000	430,000,000
	Over 3 months but within 1 year		535,807,272	613,100,000
	Over 1 year but within 5 years		987,560,000	1,100,000,000
	Over 5 years but within 10 years		230,000,000	251,303,130
	Over 10 years		-	-
	<b>Sub Total:</b>		<b>2,284,000,000</b>	<b>2,549,000,000</b>
	<b>b) Maturity Analysis of Deposits from other than Banks and Financial Institutions</b>			
	Payable on demand		-	-
	Up to 1 month		126,499,677	144,035,568
	Over 1 month but within 3 months		302,451,496	300,984,122
	Over 3 months but within 1 year		1,861,206,601	1,846,287,144
	Over 1 year but within 5 years		5,447,793,786	646,381,678
	Over 5 years but within 10 years		44,983,625	39,349,370
	Over 10 years		-	-
	<b>Sub Total:</b>		<b>7,782,935,185</b>	<b>2,977,037,882</b>
	<b>Grand Total:</b>		<b>10,066,935,185</b>	<b>5,526,037,882</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>11.02</b>	<b>Other deposits:</b>			
	Security deposit		5,746,000	-
	Lease Advance & Others		629,840	817,940
	<b>Total:</b>		<b>6,375,840</b>	<b>817,940</b>

**12.00 Other liabilities:**

Interest suspense account	12.01	902,829,107	721,507,773
Accrued expenses and payables	12.02	289,315,989	207,121,312
Provision for lease, loans and advances	12.03	1,933,425,458	1,421,827,281
Provision for income tax	12.04	88,000,000	107,000,000
Deferred Tax Liability	12.05	3,942,322	3,512,720
Lease Liability		434,953	753,064
Unpaid/Unclaimed Dividend	12.06	3,725,415	22,353,499
<b>Total</b>		<b>3,221,673,244</b>	<b>2,484,075,649</b>

Bangladesh Bank FID circular no.3 of 2006 requires that interest on classified loans/ lease will be credited to interest suspense account, instead of crediting the same to income account. In accordance with the above circular interest on various facilities as SMA, SS, DF and BL has been set-aside in the interest suspense account.

**12 a Consolidated Other Liabilities**

Bay Leasing & Investment Ltd.	3,221,673,244	2,484,075,649
BLI Capital Ltd.	233,349,843	174,279,225
	(94,889,019)	
<b>Total</b>	<b>3,360,134,068</b>	<b>2,658,354,874</b>

**12.01 Interest suspense account:**

This represents interest receivable on lease, hire purchase, term finance and short term finance outstanding over ninety days as per Bangladesh Bank guidelines.

Balance on January 01	721,507,773	344,789,833
Add: Amount trans. to "interest suspense" account during the year	181,321,334	430,689,860
Less: Amount recovered from "interest suspense" account during the year	-	-
Less: Amount written-off during the year	-	(53,971,920)
<b>Balance as on December 31</b>	<b>902,829,107</b>	<b>721,507,773</b>

**12.02 Accrued expenses and payables:**

Liabilities For Financial expenses	12.02.1	236,380,977	161,472,386
Liabilities for accrued expenses	12.02.2	751,750	615,256
Liabilities for Gratuity Fund	12.02.3	27,864,406	29,900,025
Suspense for Rent		6,084,000	-
Others Payable		18,234,856	15,133,645
<b>Total</b>		<b>289,315,989</b>	<b>207,121,312</b>

**12.02.1 Liabilities For Financial expenses:**

Interest Payable on Term Deposits	230,629,773	154,356,341
Interest Payable on Other Deposit	5,751,204	7,116,045
<b>Total</b>	<b>236,380,977</b>	<b>161,472,386</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>12.02.2</b>	<b>Liabilities for accrued expenses:</b>			
	Audit Fee		483,000	319,000
	Telephone bill		-	27,506
	Credit Rating Fee		268,750	268,750
	<b>Total</b>		<b>751,750</b>	<b>615,256</b>

### 12.03 Provision for lease, loans, advances & Investments:

Management, on the basis of guidelines issued by Bangladesh Bank has computed provisions for loans, advances and leases. Adequate provision has been kept as per BB circular to cover possible future losses.

General provision on unclassified lease, loans and advances	145,265,657	190,371,992
Specific provision on classified lease, loans and advances	1,531,467,812	962,245,380
Provision against Investment in Shares	256,691,989	269,209,910
<b>Provision as on 31 December</b>	<b>1,933,425,458</b>	<b>1,421,827,281</b>

Movement of General provision;

Balance on January 01	190,371,992	316,569,964
Add: Provision made during the year	(45,106,335)	(126,197,973)
Less: Provision released during the year	-	-
<b>Provision as on 31 December</b>	<b>145,265,657</b>	<b>190,371,992</b>

Movement of Specific provision;

Balance on January 01	962,245,380	453,650,036
Add: Provision made during the year	1,367,162,432	1,739,092,563
Less: Defferal from B.Bank (1329900000/5*3)	(797,940,000)	(1,063,920,000)
Less: Provision released during the year	-	(166,577,219)
<b>Provision as on 31 December</b>	<b>1,531,467,812</b>	<b>962,245,380</b>

### 12.04 Provision for Income Tax:

Balance on January 01	107,000,000	107,000,000
Add: Provision made for the year 2023	7,000,000	-
Provision made for the year 2022	-	32,000,000
Short provision for the year 2019	-	2,505,201
Short provision for the year 2020	11,182,252	-
Less: Settlement of previous years' tax liabilities	(37,182,252)	(34,505,201)
	<b>88,000,000</b>	<b>107,000,000</b>

### Reconciliation of Effective Tax Rate:

	2023	
	%	Taka
<b>Profit before income tax as per profit and loss account</b>		<b>(817,967,514)</b>
Applicable Tax rate as per Income Tax rules	37.50%	(306,737,818)
Factors affecting the tax changed in current year:		
On non deductible expenses	-0.69%	5,613,831
Tax exempted Income	0.00%	-
Tax savings from reduced tax rates (on dividend, Gain on sale of shares)	0.57%	(4,642,761)
<b>Total income tax expenses</b>	<b>37.38%</b>	<b>(305,766,748)</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
			<b>2022</b>	
			<b>%</b>	<b>Taka</b>
	<b>Profit before income tax as per profit and loss account</b>			<b>(787,203,491)</b>
	Applicable Tax rate as per Income Tax rules		37.50%	(295,201,309)
	Factors affecting the tax changed in current year:			
	On non deductible expenses		-0.80%	6,333,777
	Tax exempted Income		0.00%	-
	Tax savings from reduced tax rates (on dividend, Gain on sale of shares)		2.79%	(21,991,367)

#### 12.05 Deferred Tax Liability

Deferred tax has been calculated based on deductible taxable temporary difference arising due to difference in the carrying amount of the assets and its tax base in accordance with the provision of International Accounting Standard (IAS) 12 "Income Taxes" and DFIM circular- 07; dated 31-07-2011.

Particulars	Carrying Amount at Balance Sheet	Tax Base	Taxable/ deductible temporary difference
Gratuity	27,864,406	-	27,864,406
Fixed Assets	520,395,222	482,017,958	(38,377,264)
<b>Total</b>	<b>548,259,628</b>	<b>482,017,958</b>	<b>(10,512,858)</b>
Applicable Tax Rate			37.50%
Deferred Tax Liability as on December 31, 2023			3,942,322
Deferred Tax Liability as on December 31, 2022			3,512,720
Additional Deffered Tax for Revaluation			-
Deferred tax Expense for the year 2023			(429,601)
<b>Total Liability against Deferred Tax</b>			<b>3,942,322</b>
<b>12.06 Unclaimed Dividend Account</b>			
Ageing of Unclaimed Cash Dividend:			
Upto 1 year		-	8,452,535
Over 1 year but within 3 years		3,725,415	13,900,964
Over 3 years but within 4 years		-	-
Over 4 years but within 5 years		-	-
Above 5 years		-	-
		<b>3,725,415</b>	<b>22,353,499</b>

As per the Directive No. BSEC/CMRRCD/2021-386/03, dated January 14, 2021, and the Capital Market Stabilization Fund (CMSF) Rules, 2021, dated June 01, 2021, of Bangladesh Securities and Exchange Commission (BSEC) any entitlement dividend which remains unclaimed for a period of 3 (three) years from the date of approval or date of subscription, shall be transferred to the fund named "Capital Market Stabilization Fund" within such time as directed by the Commission or the Fund from time to time. Accordingly, we have transferred unclaimed Cash Dividend (from 2010 to 2017) an amount of BDT 17,771,144.27 a to the "Capital Market Stabilization Fund", from SND A/C No. 13100001017, Southeast Bank Limited, Motijheel Branch, Dhaka dated on September 30, 2021

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>13.00</b>	<b>Share Capital:</b>			
<b>13.01</b>	<b>Authorized capital</b> 300,000,000 ordinary shares of Taka 10 each		3,000,000,000	3,000,000,000
<b>13.02</b>	<b>Issued, subscribed and fully paid-up capital</b>  140,888,443. ordinary shares of Taka 10 each		1,408,884,435	1,408,884,435

**13.03 Capital adequacy ratio:**

In terms of Bangladesh Bank DFIM circulars no. 08 and 14 dated August 02, 2010 and December 28, 2011 respectively; required implementation of Basel Accord Minimum Capital Requirement (MCR) of the Company at the close of business on December 31, 2023 was Taka 1,077,270,000 as against available Core Capital (Tier-I) of Taka 530,112,666 and Supplementary Capital (Tier-II) of Taka 298,472,953 making a Total Eligible Capital of Taka 828,585,619 thereby showing a Surplus capital/equity of Taka (248,684,381) at that date. Details are shown below:

**Core capital (Tier-I)**

Fully paid-up Capital	1,408,884,435	1,408,884,435
Statutory Reserve	623,950,000	623,950,000
Non-repayable Share premium account	121,115,565	121,115,565
General Reserve	111,271,431	111,271,431
Retained Earnings	(1,735,108,765)	(898,652,898)
	<b>530,112,665</b>	<b>1,366,568,533</b>

**Supplementary capital (Tier-II)**

General provision maintained against Unclassified loan	145,265,657	190,371,992
General provision on off-balance sheet items	-	-
General provision on off-shore Banking Units	-	-
Revaluation gain / loss on investments	-	-
Assets revaluation reserve	153,207,296	156,216,486
	<b>298,472,953</b>	<b>346,588,478</b>

**A. Eligible Capital:**

1. Tier-1 Capital	530,112,665	1,366,568,533
2. Tier-2 Capital	298,472,953	346,588,478
<b>3. Total eligible Capital (1+2)</b>	<b>828,585,619</b>	<b>1,713,157,011</b>

B. Total Risk Weighted Assets (RWA)

C. Capital Adequacy Ratio	7.69%	12.42%
D. Core Capital to RWA (A1/B)*100	4.92%	9.91%
E. Supplementary Capital to RWA (A2/B)*100	2.77%	2.51%

**F. Minimum Capital Requirement (MCR) 10% of RWA =Bx10%**

	<b>1,077,270,000</b>	<b>1,379,110,000</b>
<b>G) Surplus (A-F)</b>	<b>(248,684,381)</b>	<b>334,047,011</b>

Note	Particulars	Amount in BDT	
		31-12-2023	31-12-2022

**13.04 Percentage of shareholding at the closing date:**

	No. of shares		Percentage	
	2023	2022	2023	2022
<b>(i) Sponsors &amp; Director</b>				
Foreign	-	-		
Domestic	42,364,145	42,364,145	30.07	30.07
	<b>42,364,145</b>	<b>42,364,144</b>	<b>30.07</b>	<b>30.07</b>
<b>(ii) Corporate Bodies</b>				
Foreign	579	579	0.00	0.00
Domestic	32,870,239	32,591,701	23.33	23.13
	<b>32,870,818</b>	<b>32,592,280</b>	<b>23.33</b>	<b>23.13</b>
<b>(iii) General public</b>				
Foreign	-	-	-	-
NRB	405,653	408,653	0.29	0.29
Domestic	65,247,827	65,523,365	46.31	46.51
<b>Director</b>	<b>65,653,480</b>	<b>65,932,018</b>	<b>46.60</b>	<b>46.80</b>
<b>Managing Director</b>				
<b>Total</b>	<b>140,888,443</b>	<b>140,888,442</b>	<b>100.00</b>	<b>100.00</b>

**13.05 Shareholding range on the basis of shareholding as at December 31, 2023**

No. of shares	Number of Shareholders	Total number of shares	Percentage of total holdings
Less than 5000	8572	12,204,395	8.66%
5,001 to 10,000	1013	7,720,585	5.48%
10,001 to 20,000	578	8,438,083	5.99%
20,001 to 30,000	231	5,774,247	4.10%
30,001 to 40,000	128	4,501,517	3.20%
40,001 to 50,000	78	3,612,855	2.56%
50,001 to 100,000	129	9,436,568	6.70%
100,001 to 1,000,000	86	21,553,139	15.30%
1,000,001 to 10,000,000	16	67,647,054	48.01%
<b>Total</b>	<b>10,831</b>	<b>140,888,443</b>	<b>100.00%</b>

**14.00 Statutory Reserve:**

The above balance is made up as follows:

Balance as at January 01	623,950,000	623,950,000
Addition during the year	-	-
Balance as at December 31	<b>623,950,000</b>	<b>623,950,000</b>

As per section 8 of the Financial Institutions Act, 2023, at least 20% on profit after tax has to be transferred to Statutory Reserve Fund. During the year the Company has been incurred Loss, so that no requirement of transferred to the statutory reserved fund.

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>15.00</b>	<b>Share Premium:</b>			
	Balance as at January 01		121,115,565	121,115,565
	Addition during the year		-	-
	Less: Premium use against stock dividend		-	-
	Balance as at December 31		<b>121,115,565</b>	<b>121,115,565</b>

This represents a premium of Tk.150 per share for issuance of 10,20,000 shares in 2009 amounting to Tk. 153,000,000 & Tk.250 per share over the per value of Tk.100 per share received against the issue of 30,60,000 right shares in 2010 amounting to Tk. 765,000,000. Stock dividend declare @20% on 2011, @15% on 2013, @5% on 2017 & @ 2.5% on 2019 which is adjusting against share premium.

**16.00 Assets Revaluation Reserve:**

Balance as at January 01	312,432,972	318,605,669
Sale of Assets	-	-
Transferred to Retained Earnings	(6,018,379)	(6,172,697)
Balance as at December 31	<b>306,414,593</b>	<b>312,432,972</b>

**17.00 Adjusted Retained Earnings Balance**

The above balance is made up as follows:

Balance as at January 01	(898,652,898)	(84,177,913)
Dividend for last year	-	-
Previous year adjustment	(5,894,879)	(943,016)
Transfer from Revaluation reserve (Note- 2.36)	6,018,379	6,172,697
<b>Sub total (a)</b>	<b>(898,529,397)</b>	<b>(78,948,232)</b>
Net profit after taxation for the year	(836,579,368)	(819,704,666)
Appropriation from current years profit:		
Transfer to statutory reserve	-	-
<b>Sub total (b)</b>	<b>(836,579,368)</b>	<b>(819,704,666)</b>
<b>Balance as at December 31, Grand total (a + b)</b>	<b>(1,735,108,765)</b>	<b>(898,652,898)</b>

**17 a Consolidated Retained Earnings**

Bay Leasing & Investment Ltd.	(1,735,108,765)	(898,652,898)
BLI Capital Ltd.	10,500,327	72,024,729
Last year adjustment Non-controlling interest	-	(69,999,600)
<b>Balance as at December 31</b>	<b>(1,724,608,438)</b>	<b>(896,627,770)</b>

**18.00 Non-Controlling Interest**

Pursuant to the International Financial Reporting Standard (IFRS) 10, 'Consolidated Financial Statements', non-controlling interest has been presented in the consolidated Balance Sheet within equity, separately from the equity of the owners of the parent. Non controlling interest is made up as follows:

Opening balance	10,011	10,061
Less: Interim Dividend	-	(400)
Add: addition during the year	48	350
<b>Closing balance</b>	<b>10,059</b>	<b>10,011</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>19.00</b>	<b>Net asset value per share</b>			
	Total asset		13,086,057,266	13,842,936,203
	Total liabilities		12,249,530,008	12,163,934,698
			<b>836,527,258</b>	<b>1,679,001,505</b>
	Number of share outstanding		140,888,443	140,888,443
	<b>Net asset value per share</b>		<b>5.94</b>	<b>11.92</b>
<b>19 a</b>	<b>Consolidated Net asset value per share</b>			
	Total asset		14,419,490,941	15,236,886,327
	Total liabilities		13,572,453,297	13,555,849,683
			<b>847,037,644</b>	<b>1,681,036,643</b>
	<b>Consolidated Net asset value per share</b>		<b>6.01</b>	<b>11.93</b>
<b>20.00</b>	<b>Interest Income:</b>			
	Interest from Lease		21,385,701	140,562,922
	Interest from Term Finance		286,228,396	250,659,937
	Interest from House Finance		134,261,402	107,953,086
	Interest on Fixed Deposits with Banks and Other FI's		59,818,709	53,771,303
	Interest on balance with Banks		354,343	1,125,203
	Interest on Overdue		-	-
	<b>Total</b>		<b>502,048,551</b>	<b>554,072,451</b>
<b>20 a</b>	<b>Consolidated Interest Income</b>			
	Bay Leasing & Investment Ltd.		502,048,551	554,072,451
	BLI Capital Ltd.		195,400,049	326,702,313
			<b>697,448,600</b>	<b>880,774,764</b>
	Less: Inter company balance eliminated		91,412,875	89,610,500
	<b>Total</b>		<b>606,035,725</b>	<b>791,164,264</b>
<b>21.00</b>	<b>Interest paid on Deposit, Borrowing etc.:</b>			
	Interest on Deposits:		<b>378,481,889</b>	<b>391,625,959</b>
	Interest on Term Deposits		348,533,746	354,563,555
	Interest on Other Deposits		29,948,143	37,062,404
	Interest on Borrowings:		<b>361,618,627</b>	<b>334,275,530</b>
	Interest on Call Loan & STL		61,339,722	52,624,965
	Interest on Over Draft		139,725,015	134,412,920
	Interest on Term Loan & BB refinance		160,416,000	146,686,449
	Interest on Lease Rent		137,890	551,196
	<b>Total</b>		<b>740,100,516</b>	<b>725,901,489</b>
<b>21 a</b>	<b>Consolidated Interest paid on Deposit, Borrowing etc.</b>			
	Bay Leasing & Investment Ltd.		740,100,516	725,901,489
	BLI Capital Ltd.		194,714,384	233,973,888
			<b>934,814,900</b>	<b>959,875,377</b>
	Less: Inter company balance eliminated		91,412,875	89,610,500
	<b>Total</b>		<b>843,402,025</b>	<b>870,264,877</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>22.00</b>	<b>Investment Income:</b>			
	Dividend Income		28,447,512	147,042,999
	Dividend from other company			
	Gain on Investment on Share		(10,467,416)	(74,172,325)
	<b>Total</b>		<b>17,980,096</b>	<b>72,870,674</b>
<b>22 a</b>	<b>Consolidated Investment Income</b>			
	Bay Leasing & Investment Ltd.		17,980,096	72,870,674
	BLI Capital Ltd.		30,447,935	(2,567,783)
	<b>Total</b>		<b>48,428,031</b>	<b>70,302,891</b>
	Less: Inter company balance eliminated		-	69,999,600
	<b>Total</b>		<b>48,428,031</b>	<b>303,291</b>
<b>23.00</b>	<b>Commission, Exchange and Brokerage Income:</b>			
	Income from Commission		-	9,250,000
	<b>Total</b>		<b>-</b>	<b>9,250,000</b>
<b>23 a</b>	<b>Consolidated Commission, Exchange and Brokerage Income:</b>			
	<b>Total</b>		<b>31,350,083</b>	<b>68,602,059</b>
<b>24.00</b>	<b>Other Operating Income:</b>			
	Service Fees		337,330	2,297,863
	Gain on sale of Fixed Assets		(20,770)	(45,174)
	Director Managing Director		203,214	1,563,869
	Documentation Fee		25,120	(477,924)
	Rental Income		-	5,475,600
	Recovery from Write Off		198,000	90,000
	Income from Transfer Fee		14,900	120,193
	Miscellaneous Income		230,117	159,888
	<b>Total</b>		<b>987,911</b>	<b>9,184,315</b>
<b>24 a</b>	<b>Consolidated Other Operating Income</b>			
	Bay Leasing & Investment Ltd.		987,911	9,184,315
	BLI Capital Ltd.		6,699,043	6,679,142
	<b>Total</b>		<b>7,686,954</b>	<b>15,863,457</b>
<b>25.00</b>	<b>Consolidated Salary and allowances</b>			
	Bay Leasing & Investment Ltd.		50,227,353	53,506,378
	BLI Capital Ltd.		23,030,265	19,697,700
	<b>Total</b>		<b>73,257,618</b>	<b>73,204,078</b>

Salaries and allowances

Salaries and allowances of Bay Leasing & Investment Limited include annual contribution of BDT 1,587,714/- to Provident Fund and BDT 2,306,566/- to Gratuity Fund. consolidated Salaries and allowances include annual contribution of BDT 11,17,200/- to Provident Fund and BDT 39,38,512/- to Gratuity Fund.

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>25.01</b>	<b>Employee benefits</b>			
	Bay Leasing & Investment Limited operates a funded gratuity scheme (which is a defined benefit scheme as specified in IAS 19). Employees are entitled to gratuity benefit after completion of minimum years of service with the Company. The Company is contributing to the fund as prescribed rate/amount.			
<b>26.00</b>	<b>Rent, Taxes, Insurance &amp; Electricity:</b>			
	The above balance is made up as follows:			
	Office Rent		104,400	333,720
	Rates & Taxes		512,474	944,034
	Utility		3,100,157	2,982,714
	<b>Total</b>		<b>3,915,127</b>	<b>4,342,250</b>
<b>26 a</b>	<b>Consolidated Rent, Taxes, Insurance &amp; Electricity</b>			
	Bay Leasing & Investment Ltd.		3,915,127	4,342,250
	BLI Capital Ltd.		6,647,494	7,888,808
	<b>Total</b>		<b>10,562,621</b>	<b>12,231,058</b>
<b>27.00</b>	<b>Postage, stamp, telecommunication, etc.</b>			
	Postage & stamp		7,701	24,107
	Telecommunication		555,377	665,044
	<b>Total</b>		<b>563,078</b>	<b>689,151</b>
<b>27 a</b>	<b>Consolidated Postage, stamp, telecommunication, etc.</b>			
	Bay Leasing & Investment Ltd.		563,078	689,151
	BLI Capital Ltd.		421,141	764,151
	<b>Total</b>		<b>984,219</b>	<b>1,453,302</b>
<b>28.00</b>	<b>Stationery, Printing, advertisement, etc.</b>			
	Printing		492,972	391,542
	Stationery		242,672	243,305
	Advertisement		1,157,366	997,788
	<b>Total</b>		<b>1,893,010</b>	<b>1,632,635</b>
<b>28 a</b>	<b>Consolidated Stationery, Printing, advertisement, etc.</b>			
	Bay Leasing & Investment Ltd.		1,893,010	1,632,635
	BLI Capital Ltd.		257,966	164,071
	<b>Total</b>		<b>2,150,976</b>	<b>1,796,706</b>
<b>29.00</b>	<b>Directors Fee:</b>			
	Directors Fee		624,800	542,800
	<b>Total</b>		<b>624,800</b>	<b>542,800</b>
	Each Director is paid TK. 8,000/- per meeting per attendance.			

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>30.00</b>	<b>Consolidated Auditor's Fees</b>			
	Bay Leasing & Investment Ltd.		483,000	356,500
	BLI Capital Ltd.		250,000	250,000
	<b>Total</b>		<b>733,000</b>	<b>606,500</b>
<b>31.00</b>	<b>Depreciation and repairs of assets</b>			
	Depreciation		14,970,215	16,890,071
	Fuel & Octane		400,659	527,676
	Repair of assets		604,370	564,381
	<b>Total</b>		<b>15,975,244</b>	<b>17,982,128</b>
<b>31 a</b>	<b>Consolidated Depreciation and repairs of assets</b>			
	Bay Leasing & Investment Ltd.		15,975,244	17,982,128
	BLI Capital Ltd.		18,008,870	16,577,316
	<b>Total</b>		<b>33,984,114</b>	<b>34,559,444</b>
<b>32.00</b>	<b>Other Expenses</b>			
	Bank Charges		1,612,029	1,844,272
	Conveyances & Travelling		145,830	113,965
	Credit Rating Fees		268,750	327,545
	Office Maintenance		1,911,987	4,692,473
	Govt. & Other Fees		1,197,061	-
	Entertainment Expenses		679,654	727,989
	Listing & Other Regulatory Fees		1,269,554	1,375,554
	AGM & EGM Expenses		105,500	105,000
	Subscription & Donation		350,000	585,000
	Surveyors fee		-	17,888
	Newspaper & Periodicals		19,226	15,977
	Training Fee		23,000	
	<b>Total</b>		<b>7,582,591</b>	<b>9,805,663</b>
<b>32 a</b>	<b>Consolidated Other Expenses</b>			
	Bay Leasing & Investment Ltd.		7,582,591	9,805,663
	BLI Capital Ltd.		4,471,246	11,648,489
	<b>Total</b>		<b>12,053,837</b>	<b>21,454,152</b>
<b>33.00</b>	<b>Provision against lease, loans and advances:</b>			
	On classified loans and other advances (Note-12.03)		569,222,432	675,359,099
	On un-classified loans (Note-12.03)		(45,106,335)	(126,197,973)
	<b>Total</b>		<b>524,116,097</b>	<b>549,161,126</b>
<b>33 a</b>	<b>Consolidated Provision against lease, loans and advances:</b>			
	Bay Leasing & Investment Ltd.		524,116,097	549,161,126
	BLI Capital Ltd.		-	-
	<b>Total</b>		<b>524,116,097</b>	<b>549,161,126</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>34.00</b>	<b>Provision for Diminution in Value of Investment in Shares:</b>			
	Balance 01-01-2023		269,209,910	206,983,235
	(Adjustment)/Addition during the year		256,691,989	269,209,910
	<b>Total</b>		<b>(12,517,920)</b>	<b>62,226,675</b>
<b>34 a</b>	<b>Consolidated Provision for Diminution in Value of Investment in Shares:</b>			
	Bay Leasing & Investment Ltd.		(12,517,920)	62,226,675
	BLI Capital Ltd.		-	-
	<b>Total</b>		<b>(12,517,920)</b>	<b>62,226,675</b>
<b>35.00</b>	<b>Provision for Tax:</b>			
	Current Year Tax		7,000,000	32,000,000
	Previous year Tax (2019)		11,182,252	2,505,201
	Deferred Tax		429,601	(2,004,026)
	<b>Total</b>		<b>18,611,853</b>	<b>32,501,175</b>
<b>35 a</b>	<b>Consolidated Provision for Tax:</b>			
	Bay Leasing & Investment Ltd.		18,611,853	32,501,175
	BLI Capital Ltd.		6,468,590	36,742,859
	<b>Total</b>		<b>25,080,443</b>	<b>69,244,034</b>
<b>36.00</b>	<b>Earnings per share (EPS):</b>			
	Earning per share (EPS) has been computed by dividing the basic earnings by the number of ordinary shares outstanding as on December 31, 2023 as per International Accounting Standard (IAS) -33.			
	Net profit after tax		(836,579,368)	(819,704,666)
	Number of ordinary shares outstanding		140,888,443	140,888,443
	<b>Earnings per share</b>		<b>(5.94)</b>	<b>(5.82)</b>
<b>36 a</b>	<b>Consolidated Earnings per share (EPS):</b>			
	Net profit after tax		(828,104,124)	(828,466,169)
	Number of ordinary shares outstanding		140,888,443	140,888,443
	<b>Earnings per share</b>		<b>(5.88)</b>	<b>(5.88)</b>
<b>37.00</b>	<b>Net Operating Cash Flows Per Share (NOCFPS)</b>			
	Net cash flows from operating activities		(243,225,308)	(130,566,258)
	No. of Shares outstanding		140,888,443	140,888,443
			<b>(1.73)</b>	<b>(0.93)</b>
<b>37 a)</b>	<b>Consolidated Operating Cash Flows Per Share (NOCFPS)</b>			
	Net Cash flows from operating activities		(371,746,696)	589,852,114
	No. of Shares outstanding		140,888,443	140,888,443
			<b>(2.64)</b>	<b>4.19</b>

Note	Particulars	Note	Amount in BDT	
			31-12-2023	31-12-2022
<b>37.01</b>	<b>Reconciliation of Net Profit with Cash Flows from Operating Activities</b>		<b>(230,858,256.64)</b>	
	Total Profit before taxes		(817,967,514)	(787,203,491)
	Adjustments:			
	Depreciation		14,412,105	15,216,467
	Gain on sale of Fixed Assets		20,770	45,174
			<b>(281,469,046)</b>	<b>(86,381,725)</b>
	Increase / decrease in operating assets and liabilities			
	Other assets		28,006,838	16,062,015
	Lease, loans and advances to customers		342,017,659	537,629,261
	Director Managing Director		(487,012,389)	(662,006,218)
	Payment as Call Loan		(191,890,000,000)	(218,270,000,000)
	Receipt as Call Loan		191,780,000,000	218,050,000,000
	Other liabilities account of customers		265,231,630	284,130,409
	<b>Net cash flows from operating activities</b>		<b>(243,225,308)</b>	<b>(130,566,258)</b>

### 38.00 Contingent liabilities

The Company is contingently liable on behalf of BLI Securities Ltd for the guarantee given below in favour of:

Corporate Guarantee-BLI Securities Ltd for Dhaka Stock Exchange	150,000,000	300,000,000
<b>Total Off-Balance Sheet items including contingent liabilities</b>	<b>150,000,000</b>	<b>300,000,000</b>

### 38.01 Unacknowledged debt

The Company had no claim, legal or others, which has not been acknowledged as debt at the balance sheet date.

### 39.00 Related Party Disclosures

#### 39.01 Particulars of Directors of the Company as on December 31, 2023

Sl. No.	Name of Directors	Designation	Shareholding status
1	Prof.Suraiya Begum	Chairman	2.40%
2	Mr. Zubayer Kabir	Vice Chairman	2.00%
3	Mrs. Fatema Zahir Majumder	Director	2.11%
4	Mr. Md. Shahid Hossain	Independent Director	0.00%
5	Mr. Abul Quasem	Independent Director	0.00%
	Total		6.51%

### 39.02 Name of Directors and their interest in different entities as on December 31, 2023

Sl. No.	Name of Directors	Position with BLIL	Entities Where they have interest	
			Name	Position
1	Prof. Suraiya Begum	Chairman	N/A	
2	Mr. Zubayer Kabir	Vice Chairman	BLI Securities Limited	Director
			National Securities & Consultants Ltd.	MD
			Erebus Properties Ltd	MD
3	Mrs. Fatema Zahir Majumder	Director	Tiger Tours & Travels	Chairman
			Blue Flying Academy	Director
			Language Proficiency Centre Ltd	Director
4	Mr. Md. Shahid Hossain	Independent Director	Energypac Power Generation Ltd.	Independent Director
5	Mr. Abul Quasem	Independent Director	Pharmasia Pharmaceutical Company	Independent Director

### 39.03 Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial and operational decision and include associated companies with or without common Directors and key management positions. The Company has entered into transaction with other related entities in normal course of business that fall within the definition of related party as per International Accounting Standard 24: "Related Party Disclosures." Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at December 31, 2023 were as follows:

Name of the related party	Relationship	Nature of transaction	Transaction amount /Outstanding receivable/(Payable)	
			2023	2022
BLI Capital Ltd	Subsidiary Company	Loan	910,818,711	850,644,553
BLI Securities Ltd	Associate Company	Term Deposit	156,667,994	168,375,036
		Contingent Liability	150,000,000	300,000,000

### 39.04 Significant contract where FI is party and wherein Directors have interest

As on 31 December 2023 no such contract exists.

# Bay Leasing & Investment Limited

## Schedule of Fixed Assets

As at December 31, 2023

Particulars	Cost as on 01.01.2023		Revaluation during the year	Addition during the year	Revaluation as on 01-01-2023	Disposals/ Adjustments during the year	Balance as on 31.12.2023			Depreciation				W.D.V. as on 31.12.2023			
	1	2					3	4	5	Cost (1+3-5)=6	Revaluation (2+4)=7	Total (6+7)=8	Rate of Depreciation		Balance as on 01.01.2023		Charged during the Year
			10	11	12	13								14	15	16	17
Furniture and Fixtures	22,351,149	-	-	-	-	-	22,351,149	-	10%	11,475,478	-	1,087,567	-	12,563,045	-	12,563,045	9,788,104
Office Equipment	17,072,304	-	746,324	-	75,600	-	17,743,028	-	15%	12,018,312	-	769,269	-	12,741,751	-	12,741,751	5,001,276
Office Decoration	28,786,304	-	-	-	-	-	28,786,304	-	20%	20,181,304	-	1,721,000	-	21,902,304	-	21,902,304	6,884,000
Right of Use Assets	3,212,364	-	-	-	-	-	3,212,364	-	-	2,059,300	-	558,110	-	2,617,410	-	2,617,410	594,954
Motor Vehicles	15,318,656	-	4,319,822	-	3,048,080	-	16,590,398	-	20%	12,925,548	-	510,821	-	10,567,379	-	10,567,379	6,023,019
Software	10,500,000	-	-	-	-	-	10,500,000	-	-	2,850,000	-	1,530,000	-	4,380,000	-	4,380,000	6,120,000
Building	140,437,900	320,669,540	-	-	-	-	140,437,900	320,669,540	2.50%	29,435,117	79,934,362	2,775,070	6,018,379	32,210,186	85,952,741	118,162,928	342,944,512
Construction WIP	80,079,800	-	-	-	-	-	80,079,800	-	0%	-	-	-	-	-	-	-	80,079,800
Land	293,997,336	74,322,179	3,679,020	-	-	-	297,676,356	74,322,179	0%	-	-	-	-	-	-	-	371,998,535
<b>Total</b>	<b>611,755,813</b>	<b>394,991,719</b>	<b>8,745,166</b>	<b>-</b>	<b>3,123,680</b>	<b>-</b>	<b>617,377,299</b>	<b>394,991,719</b>	<b>1,012,569,018</b>	<b>90,945,060</b>	<b>79,934,362</b>	<b>8,951,836</b>	<b>6,018,379</b>	<b>96,982,076</b>	<b>85,952,741</b>	<b>82,934,818</b>	<b>829,434,200</b>
<b>2022</b>	<b>617,169,639</b>	<b>394,991,719</b>	<b>4,319,000</b>	<b>-</b>	<b>9,732,826</b>	<b>-</b>	<b>611,755,813</b>	<b>394,991,719</b>	<b>1,006,747,532</b>	<b>87,265,456</b>	<b>73,761,665</b>	<b>10,717,374</b>	<b>6,172,697</b>	<b>90,945,060</b>	<b>79,934,362</b>	<b>170,879,422</b>	<b>835,868,110</b>

## Bay Leasing & Investment Limited

### Highlights on the overall Activities

as on 31 December 2023

Sl No.	Particulars	31-12-2023	31-12-2022
1	Paid-up capital	1,408,884,435	1,408,884,435
2	Total Shareholder's Equity	836,527,258	1,679,001,505
3	Capital Surplus/(deficit)	(248,684,381)	334,047,011
4	Total Assets	13,086,057,266	13,842,936,203
5	Total Deposits	5,039,843,433	5,526,855,822
6	Total Loans and advances	8,652,737,174	9,000,649,712
7	Total Contingent Liabilities and Commitment	150,000,000	300,000,000
8	Investment Deposit Ratio	1.87	1.77
9	Percentage of Classified Investment against Total Investments	50.05%	42.34
10	Net Profit after Tax	(836,579,368)	(819,704,666)
11	Total Classified Investments	4,330,541,944	3,810,739,801
12	Total Provision Kept	1,933,425,458	1,421,827,281
13	Provision Kept against classified Investments	1,531,467,812	962,245,380
14	Provision Surplus/(deficit)	-	-
15	Cost of Fund	8.84%	6.98%
16	Interest earning Assets	9,567,069,164	10,201,942,050
17	Non-Interest earning Assets	3,518,988,102	3,640,994,153
18	Return on equity	-97.78%	-46.89%
19	Return on Average Assets	-6.21%	-5.73%
20	Income from Investment	17,980,096	72,870,674
21	Income Per Share	(5.94)	(5.82)
22	Earning Per Share	(5.94)	(5.82)
23	Price earning Ratio (P/E Ratio)	(4.03)	(4.11)

# AUDITORS' REPORT

# AUDITORS' REPORT

BLI CAPITAL LIMITED



# **Independent Auditor's Report**

## **To The Shareholders of BLI CAPITAL LIMITED**

### **Report on The Audit of The Financial Statements**

#### **Opinion**

We have audited the financial statements of **BLI CAPITAL LIMITED** (the Company), which comprise the statement of Financial position as at 31 December 2023, and the Statement of Profit or Loss and Other Comprehensive Income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of 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).

#### **Basis for Opinion**

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) and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting standards (IFRS), the Companies Act 1994, and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error. 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 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 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, 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.
- 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, Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- 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 gives a true and fair view

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. We also provide those charged with

governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on other Legal and Regulatory Requirements


#### 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 due verification thereof;
- ii. In our opinion, proper books of accounts as required by law have been kept by the Company and so far as it appeared from our examination of those books;
- iii. The Company's Financial Position as at 31 December 2023 and Statement of Profit or Loss and Other Comprehensive Income and its Cash Flows dealt with by the report are in agreement with the books of account and returns;

**Dhaka.**

**Dated: 29 April 2024**

**DVC: 2404290151AS262126**



**Pinaki Das, FC**

Senior Partner

Enrollment Number: **151**

**Pinaki & Company**

Chartered Accountants

**BLI CAPITAL LIMITED**  
**Statement of Financial Position**  
as at 31 December 2023

Particulars	Notes	Amount In Taka	
		31-12-2023	31-12-2022
<b>PROPERTY AND ASSETS</b>			
<b>NON-CURRENT ASSETS</b>		<b>585,592,573</b>	<b>602,381,623</b>
Property, Plant and Equipment	04	585,592,573	602,381,623
<b>CURRENT ASSETS</b>		<b>3,408,649,813</b>	<b>3,392,203,053</b>
Advance Deposit and Pre-Payments	05	63,506,606	86,566,543
Accounts Receivable	06	5,529,608	20,902,440
Investment In Share	07	447,784,497	598,516,237
Margin Loan	08	2,871,589,542	2,673,599,968
Cash and cash equivalent	09	20,239,560	12,617,865
<b>TOTAL</b>		<b>3,994,242,386</b>	<b>3,994,584,678</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL &amp; RESERVE</b>		<b>1,760,500,386</b>	<b>1,752,025,142</b>
Shareholders equity	10	1,750,000,000	1,750,000,000
Retained Earnings	11	10,500,386	2,025,142
<b>NON-CURRENT LIABILITIES</b>		<b>944,089,289</b>	<b>889,562,757</b>
Loan From Bank & Financial Institution	12	944,089,289	889,562,757
<b>CURRENT LIABILITIES</b>		<b>1,289,652,711</b>	<b>1,352,996,781</b>
Short Term Loan EXIM Bank Ltd.		491,826,433	500,000,000
Short Term Loan Social Islamic Bank PLC		516,150,000	577,000,000
Margin Deposit		48,326,435	101,717,556
Other Payable	13	126,187,176	73,585,149
Provision for Tax	14	88,696,962	82,228,371
Provision against Unrealized loss in Margin Loan		18,465,705	18,465,705
<b>TOTAL</b>		<b>3,994,242,386</b>	<b>3,994,584,678</b>



Managing Director



Director



Director



Pinaki Das FCA

Senior Partner

ICAB Enrollment No:0151

**Pinaki & Company**

Chartered Accountants

Dhaka.

Dated: 29 April 2024

DVC: 2404290151AS262126

**BLI CAPITAL LIMITED**  
**Statement of Profit or Loss and Other Comprehensive Income**

for the year ended 31 december 2023

Particulars	NoteS	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
Interest Income	15	195,400,049	326,702,313
Interest paid on deposit,borrowing etc	16	(194,714,384)	(233,973,888)
<b>Net Interest Income</b>		<b>685,665</b>	<b>92,728,425</b>
Investment income / loss	17	30,447,935	(2,567,783)
Commision ,exchange and brokerage income	18	31,350,083	59,352,059
Other operating income	19	6,699,043	6,679,142
<b>Total operating income</b>		<b>68,497,061</b>	<b>63,463,418</b>
Salary and allowances	20	23,030,265	19,697,700
Rent ,taxes,insurances,electricity etc	21	6,647,494	7,888,808
Legal expenses	22	1,151,910	1,220,352
Postage ,stamp,telecommunication.etc	23	421,141	764,151
Stationery ,printing,advertisement,etc	24	257,966	164,071
Audit fee		250,000	250,000
Depreciation and repairs of assets	25	18,008,870	16,577,316
Others expenses	26	4,471,246	11,648,489
<b>Total Operating expenses</b>		<b>54,238,892</b>	<b>58,210,887</b>
<b>Profit before Provision</b>		<b>14,943,834</b>	<b>97,980,956</b>
Provision for Tax		6,468,590	36,742,859
<b>Net profit Transfer to Retained Earnings</b>		<b>8,475,244</b>	<b>61,238,098</b>

  
**Managing Director**

  
**Director**

  
**Director**



**Pinaki Das FCA**  
 Senior Partner  
 ICAB Enrollment No:0151  
**Pinaki & Company**  
 Chartered Accountants

Dhaka.

Dated: 29 April 2024

DVC: 2404290151AS262126

**BLI CAPITAL LIMITED**  
**Statement of Changes in Equity**  
for the year ended 31 December 2023

Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2023	1,750,000,000	2,025,142	1,752,025,142
Add: Profit During the year	-	8,475,244	8,475,244
Less: Interim Dividend	-	-	-
Balance as at December 31, 2023	<b>1,750,000,000</b>	<b>10,500,386</b>	<b>1,760,500,386</b>

**BLI CAPITAL LIMITED**  
**Statement of Changes in Equity**  
for the year ended 31 December 2022

Particulars	Share Capital	Retained Earnings	Total
Balance as at January 01, 2022	1,750,000,000	10,787,044	1,760,787,044
Add: Profit During the year	-	61,238,098	61,238,098
Less: Interim Dividend	-	70,000,000	70,000,000
Balance as at December 31, 2022	<b>1,750,000,000</b>	<b>2,025,142</b>	<b>1,752,025,142</b>



Managing Director



Director



Director

# BLI CAPITAL LIMITED

## Statement of Cash Flows

for the year ended 31 December 2023

Particulars	Amount in Taka	
	01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
<b>A. Cash Flow from operating activities</b>		
Cash receipt from Customer	195,400,056	374,182,629
Cash Received from Others	68,497,061	15,983,102
Cash paid to Suppliers and Others	(36,879,975)	(76,283,434)
Advance Deposit & Pre-Payment	23,059,937	58,972,576
Accounts Receivable	15,372,832	(2,615,235)
Bank Charge	(478,247)	(668,483)
Bank Interest	(194,714,384)	(233,973,888)
Net Cash flow from operating activities	<b>70,257,280</b>	<b>135,597,267</b>
<b>B. Cash Flow from investment activities</b>		
Acquisition of Asset	(91,622)	(48,741,982)
Investment in Share	150,731,740	450,098,606
Net Cash flow from investment activities	<b>150,640,118</b>	<b>401,356,624</b>
<b>C. Cash Flow from financing activities</b>		
Mergin Deposit	(53,391,121)	(20,446,644)
Other Payable	52,602,027	7,008,264
Mergin Loan	(197,989,573)	598,259,485
Loan From Bank & Financial Institutes	(14,497,035)	(1,110,054,543)
Net Cash flow from financing activities	<b>(213,275,702)</b>	<b>(525,233,438)</b>
<b>D. Net Cash inflow/outflow for the year (A+B+C)</b>	<b>7,621,695</b>	<b>11,720,453</b>
<b>E. Opening Cash and Bank balance</b>	<b>12,617,865</b>	<b>897,412</b>
<b>F. Closing Cash and Bank balance (D+E)</b>	<b>20,239,560</b>	<b>12,617,865</b>

  
Managing Director

  
Director

  
Director

# BLI CAPITAL LIMITED

## Notes to the Financial Statements

as at and for the year ended 31 December 2023

### 1. Legal status and nature of the Company

BLI CAPITAL LIMITED (hereinafter referred to as “the Company”) was incorporated in Bangladesh as a public limited company on 13.04.2011 under the Companies Act 1994 and granted registration number C-91999/11.

#### 1.1 Address of the registered office

The company operates its activities from Rupayan Trade Centre (10<sup>th</sup> Floor) 114, Kazi Nazrul Islam Avenue, Banglamotor, Dhaka-1000, Bangladesh.

#### 1.2 Nature of Business Activities:

The main object of BLI CAPITAL LIMITED is to carry on the business of merchant banking under the Securities and Exchange (Merchant Banking and Portfolio Management) Regulation 1996.

### 2. Significant accounting policies

#### 2.1 Measurement bases used in preparing the Financial Statements

The elements of financial statements have been measured on "Historical Cost" basis, which is one of the most commonly adopted base provided in "the framework for the preparation and presentation of financial statements" issued by the International Accounting Standard Board (IASB).

#### 2.2 Going Concern

Financial statements have been prepared on going concern basis as there was no significant doubt or uncertainty to continue the operation of the company in the foreseeable future.

#### 2.3 Components of financial statements:

According to International Accounting Standard (IAS) – 1, “Presentation of Financial Statements” “The Complete Set of Financial Statements Includes the Following Components:

- 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 and
- v) Notes to the Financial Statements.

#### 2.4 Property, Plant & Equipment:

##### i) Recognition & Measurement

###### Own assets

Item of own fixed assets are measured at cost less accumulated depreciation & any accumulated impairment loss. The cost of an asset comprises its purchase price & any directly attributable costs of bringing the assets to its working condition for its intended use as per International Accounting Standard (IAS)16: Property, Plant & Equipment.

##### ii) Depreciation

Depreciation is charged to amortise the cost of assets, over their estimated useful lives, using the straight line method in accordance with IAS-16: Property, Plant & Equipment. Asset Category wise depreciation rates are as follows:

<u>Particulars of Property, Plant &amp; Equipment</u>	<u>Rates</u>
Office equipment	15%
Furnitures & Fixtures	10%
Motor Vehicle	20%
Land & Building	2.50%

## 2.5 Income Tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year & any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any, in accordance with provisions of Income Tax Ordinance, 1984. It is measured using tax rates enacted or substantively enacted at the reporting date.

Applicable tax rate for the company for the year 2022 are mentioned below:

<u>Regular Business Tax Rate</u>	<u>Rate</u>
BLI Capital Ltd-Merchant Bank	37.5%

## 2.6 Bank Loan

Bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on accrual basis & Charged to profit & loss account.

## 2.7 Revenue recognition

Revenue only recognized when it meets the following five steps model framework as per IFRS15:Revenue from contract with customers

- a) Identify the contract (s) with a customers
- b) Identify the performance obligations in the contract
- c) Determine the transaction price
- d) Allocate the transaction price to the performance obligations in the contract
- e) Recognise revenue when the entity satisfies a performance obligation

Interest income from loans & others sources is recognized on an accrual basis of accounting & where applicable, on the basis of instruction from Bangladesh Bank considering on the future risk of recovery.

### Portfolio management fee

Portfolio management fees are recognized on the market value of the clients portfolio monthly basis & charged to clients balance on quarterly basis.

### Brokerage commission

Brokerage commission is recognized as income when selling or buying order is signed & trade is executed.

## 2.8 Statement of Compliance

The Financial Statements of BLI CAPITAL LIMITED have been prepared in accordance with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), Companies Act 1994 and other applicable laws and regulations

Name of IAS	IAS No	Status
Presentation of Financial statements	1	Applied
Statement of cash flow	7	Applied
Accounting Policies, Changes in Accounting Estimates 7 Errors	8	Applied
Income Taxes	12	Applied
Property, plant & Equipment	16	Applied

## 2.9 Cash flow Statement

Cash Flow Statement is prepared in accordance with IAS 7 “Cash Flow Statement”. The cash flow from the operating activities have been presented under Direct Method as prescribed by the Securities and Exchange Rules 1987 and considering the provisions of Paragraph 18(b) of IAS-7 which provides that “Enterprises are encouraged to report Cash Flow from Operating Activities using the Direct Method”. Change in advance deposit & prepayment is shown in operating activities instead of financing activities.

## 2.10 Reporting Currency and Level of Precision:

The figures in the Financial Statements represent Bangladesh Currency (Taka), which have been rounded-off to the nearest Taka.

## 3.0 Others :

Figures of the previous year have been rearranged, wherever considered necessary to conform to current year's presentation.

Notes	Particulars	Amount In Taka	
		31-12-2023	31-12-2022
<b>4.</b>	<b>Property, Plant and Equipment</b>		
	<b>Written Down Value (a-b)</b>	<b>585,592,573</b>	<b>602,381,624</b>
	Opening Balance - At Cost	698,191,886	649,449,904
	Add: Addition during the year ( At Cost)	91,622	48,741,982
		698,283,508	698,191,886
	Less : Adjustment during the year	-	-
	<b>Closing Balance (a)</b>	<b>698,283,508</b>	<b>698,191,886</b>
	Less : Adjustment during the year	-	-
		698,283,508	698,191,886
	<b>Accumulated Depreciation</b>		
	Opening Balance	95,810,265	79,552,192
	Add: Charged during the year	16,880,670	16,258,070
		112,690,935	95,810,262
	Less : Adjustment during the year	-	-
	<b>Closing Balance (b)</b>	<b>112,690,935</b>	<b>95,810,262</b>
<b>5.</b>	<b>Advance Deposit and Pre-Payments</b>	<b>63,506,606</b>	<b>115,466,543</b>
	Advance Income Tax	Note-5.1	37,915,195
	Floor Space Rupayan Housing	Note-5.2	17,800,000
	Rupayan Loan		-
	House Building Loan		7,369,830
	National Securities Ltd.		-
	Advance Against Salary		421,581
			31,660,995
			41,400,000
			28,900,000
			9,260,708
			3,853,693
			391,147
<b>5.1</b>	<b>Advance Income Tax</b>	<b>37,915,195</b>	<b>31,660,995</b>
	As per Last Account	31,660,995	29,327,327
	Add: During the Year	6,254,200	2,333,668
<b>5.2</b>	<b>Floor Space Rupayan Housing</b>	<b>17,800,000</b>	<b>41,400,000</b>
	Opining Balance	41,400,000	101,400,000
		41,400,000	101,400,000
	Less:Adjustment during the year	23,600,000	60,000,000
		17,800,000	41,400,000
<b>6.</b>	<b>Accounts Receivable</b>	<b>5,529,608</b>	<b>20,902,439</b>
	BLI Securities Ltd.	1,298,987	9,549,691
	Receivable Income	-	1,272,600
	Advance Others	1,500,000	-
	Innova Securities Ltd.	-	2,985,127
	National Securities & Consultants Ltd.	9,934	5,558
	City Brokerage Ltd.	2,720,687	7,089,464
<b>7.</b>	<b>Investment in shares:</b>	<b>447,784,497</b>	<b>598,516,237</b>
<b>8.</b>	<b>Margin Loan</b>	<b>2,871,589,542</b>	<b>2,673,599,968</b>
	Opening Balance	2,673,599,968	3,271,859,453
	Add:During the year	1,343,012,248	2,000,305,451
		4,016,612,216	5,272,164,904
	Less:Adjustment during the year	1,145,022,674	2,598,564,935

Notes	Particulars	Amount In Taka	
		31-12-2023	31-12-2022
<b>9.</b>	<b>Cash and Cash Equivalent</b>	<b>20,239,560</b>	<b>12,617,865</b>
	Cash in Hand	75,734	2,279
	Cash at bank : Note-9.1	20,163,826	12,615,586
<b>9.1</b>	<b>Cash at bank :</b>	<b>20,163,826</b>	<b>12,615,586</b>
	First Security Islami Bank PLC	16,300	17,450
	Social Islamic Bank PLC	370,425	146,639
	Union Bank PLC	98,837	99,757
	NCC Bank PLC	271	263
	Mercantile Bank PLC	72,748	74,358
	Southeast Bank PLC	19,605,245	12,277,119
<b>10.</b>	<b>Shareholders equity</b>		
	Authorized Capital		
	20,00,00,000 shares of Tk. 10/-each	<b>2,000,000,000</b>	<b>2,000,000,000</b>
	Issued, Subscribed and Paid Up Capital		
	17,50,00,000 shares of Tk. 10/-each	<b>1,750,000,000</b>	<b>1,750,000,000</b>
<b>11.</b>	<b>Retained Earnings</b>	<b>10,500,386</b>	<b>2,025,142</b>
	As per last account	2,025,142	10,787,044
	Add: Profit During the year	8,475,244	61,238,098
	Less: Interim Dividend	-	70,000,000
<b>12.</b>	<b>Loan From Bank &amp; Financial Institution</b>	<b>944,089,289</b>	<b>889,562,757</b>
	ICB	128,159,597	58,905,976
	Bay Leasing & Investment Ltd.(Term Loan) Monthly Payment	226,935,685	232,545,145
	Bay Leasing (Term Loan) Monthly Payment	348,746,791	357,864,421
	Bay Leasing & Investment Ltd. (Interest Basis)	240,247,216	240,247,216
<b>13.</b>	<b>Other Payable</b>	<b>126,187,176</b>	<b>73,585,149</b>
	Interest Payable Social Islamic Bank PLC	21,440,069	8,791,125
	Interest Payable to Exim Bank Ltd.	4,773,380	3,792,839
	Interest Payable Bay Leasing	94,889,019	20,087,772
	Advance Received against Office Rent	2,074,800	4,998,000
	Payable to Innova Securities Ltd.	247,483	479,713
	Payable to City Brokerage Ltd.	188,618	-
	Dividend payable	1,100	35,000,900
	National Securities Ltd.	1,936,307	-
	Audit Fees	250,000	250,000
	Service Charge	386,400	184,800
<b>14.</b>	<b>Provision for Tax</b>	<b>88,696,962</b>	<b>82,228,372</b>
	As per Last Account	82,228,372	45,485,513
	Add: During the year	6,468,590	36,742,859

Notes	Particulars	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
<b>15</b>	<b>Interest Income</b>	<b>195,400,049</b>	<b>326,702,313</b>
	Interest Income	195,400,049	326,702,313
<b>16</b>	<b>Interest paid on deposits, borrowings, etc</b>	<b>194,714,384</b>	<b>233,973,888</b>
	Bank Interest	194,714,384	233,973,888
<b>17</b>	<b>Investment income</b>	<b>30,447,935</b>	<b>(2,567,783)</b>
	Gain / Loss on Investment in Share	30,447,935	(2,567,783)
<b>18</b>	<b>Commission, Exchange and Brokerage Income</b>	<b>31,350,083</b>	<b>59,352,059</b>
	Dividend income	8,023,280	9,658,508
	Brokerage settlement charges	17,343,117	38,544,556
	Underwriting Commission	-	183,235
	IPO Processing Fee	-	7,480
	Issue management fee	-	2,030,000
	Corporate advisor	150,000	-
	Portfolio management fee	5,804,136	8,868,780
	Documentation Fee	29,550	59,500
<b>19</b>	<b>Other operating income</b>	<b>6,699,043</b>	<b>6,679,142</b>
	Rental Income	5,544,000	5,544,000
	Interest Income from house Loan	1,155,043	1,135,142
<b>20</b>	<b>Salary and allowances</b>	<b>23,030,265</b>	<b>19,697,700</b>
	Salary allowances	23,030,265	19,697,700
<b>21</b>	<b>Rent, Taxes, Insurance &amp; Electricity:</b>	<b>6,647,494</b>	<b>7,888,808</b>
	Office rent	4,039,200	4,645,080
	Holding Tax	698,955	1,401,267
	Fuel & Lubricants	534,156	586,343
	Water Bill	60,004	65,251
	Electricity Bill	849,747	818,825
	WASA Bill	281,919	372,042
	Agent Commission	183,513	-
<b>22</b>	<b>Legal Expenses</b>	<b>1,151,910</b>	<b>1,220,352</b>
	Legal Charge	-	65,982
	Registration & Renewal Fee	1,151,910	1,033,370
	Loan Processing Exp.	-	121,000
<b>23</b>	<b>Postage, stamp, telecommunication, etc</b>	<b>421,141</b>	<b>764,151</b>
	Internet & Network Charge	162,554	169,400
	Telephone & Mobile Bill	258,587	314,751
	Domain & Hosting	-	280,000

Notes	Particulars	Amount in Taka	
		01 January 2023 to 31 December 2023	01 January 2022 to 31 December 2022
<b>24</b>	<b>Stationery, Printing, advertisement, etc.</b>	<b>257,966</b>	<b>164,071</b>
	Printing & Stationary	217,088	164,071
	Advertisement Expenses	40,878	-
<b>25</b>	<b>Depreciation &amp; repairs of assets</b>	<b>18,008,870</b>	<b>16,577,316</b>
	Repair & Maintenance	1,017,304	166,530
	Car maintenance	110,896	152,716
	Depreciation	16,880,670	16,258,070
<b>26</b>	<b>Others expenses</b>	<b>4,471,246</b>	<b>11,648,489</b>
	Entertainment	628,588	809,390
	CDBL Charges	551,937	3,318,539
	Corporate Gurantee	-	700,000
	Credit Rating Fees	57,955	50,000
	Software maintenance Exp.	313,054	300,000
	Conveyance	34,780	204,796
	Newspaper	17,991	19,270
	Courier	9,000	7,290
	Service Charge	197,104	1,055,558
	Bank Charge	478,247	668,483
	Miscellaneous Expenses	1,000,000	2,111,263
	Business Development Expenses	1,182,590	2,403,900

## Notes to the Financial Statements

### Property, Plant and Equipment

Schedule - A

Particulars	Category	C O S T				D E P R E C I A T I O N				W.D.V				
		Bal.as.on		Addition		Dur. Year		Adjust		Bal.as.on		Bal.as.on		
		01.01.23	Taka	Dur. Year	Taka	31.12.23	Rate	Bal.as.on	Charged	Dur. Year	Adjust	31.12.23	Taka	31.12.2023
Computer	Equipment	2,383,800	19,500			2,403,300	15.00	1,363,569	155,960		1,519,529		883,771	
UPS	Equipment	31,850				31,850	15.00	16,834	2,252		19,086		12,764	
Monitor	Equipment	6,300				6,300	15.00	3,924	356		4,280		2,020	
Fax Machine	Equipment	26,000				26,000	15.00	23,215	418		23,633		2,367	
Chair	Furniture	73,201				73,201	10.00	52,878	2,032		54,910		18,291	
Cookeries	Equipment	60,050				60,050	15.00	28,467	4,737		33,204		26,846	
Telephone Set	Equipment	59,300				59,300	15.00	40,743	2,784		43,527		15,773	
Internet Modem	Equipment	44,755				44,755	15.00	37,022	1,160		38,182		6,573	
Vacuum Cleaner	Equipment	17,320				17,320	15.00	14,537	417		14,954		2,366	
Software	Equipment	2,991,903				2,991,903	15.00	1,730,781	189,168		1,919,949		1,071,954	
Website	Equipment	85,647	61,587			147,234	15.00	50,813	14,463		65,276		81,958	
Micro Oven	Equipment	29,700	10,535			40,235	15.00	15,631	3,691		19,322		20,913	
Refrigerator	Equipment	128,720				128,720	15.00	62,839	9,882		72,721		55,999	
File Cabinet	Furniture	95,465				95,465	10.00	62,115	3,335		65,450		30,015	
Fan	Equipment	60,650				60,650	10.00	23,413	3,724		27,137		33,513	
Printer	Equipment	146,700				146,700	15.00	89,070	8,645		97,715		48,986	
Networking Switch	Equipment	41,100				41,100	15.00	28,817	1,842		30,659		10,441	
Photocopier	Equipment	145,000				145,000	15.00	102,320	6,402		108,722		36,278	
Scanner	Equipment	13,800				13,800	15.00	8,315	823		9,138		4,662	
Office Decoration	Furniture	22,868,959				22,868,959	10.00	9,193,404	1,367,556		10,560,960		12,308,000	
Access Control	Equipment	61,900				61,900	15.00	32,242	4,449		36,691		25,209	
Water Cooler	Equipment	25,200				25,200	15.00	14,768	1,565		16,333		8,867	
PABX System	Equipment	209,060				209,060	15.00	98,937	16,518		115,455		93,605	
Furniture & Fixtures	Furniture	1,370,970				1,370,970	10.00	141,477	122,949		264,426		1,106,544	
Server Cabinet	Furniture	14,000				14,000	10.00	7,304	670		7,974		6,026	
Krone Rack & Network Con Plate	Equipment	121,610				121,610	15.00	73,013	7,290		80,303		41,307	
Television	Equipment	680,590				680,590	15.00	312,303	55,243		367,546		313,044	
Tea Maker	Equipment	2,900				2,900	15.00	1,973	139		2,112		788	
Car DM-GA-27-1411	Vehicle	902,000				902,000	20.00	750,670	30,266		780,936		121,064	
Car DM-GA-26-6541	Vehicle	2,403,600				2,403,600	20.00	1,773,510	126,018		1,899,528		504,072	
Car DM-GA-34-6784	Vehicle	2,616,750				2,616,750	20.00	1,759,293	171,491		1,930,784		685,966	
Floor Space Rupayan Housing	Property	190,597,176				190,597,176	2.50	26,861,184	4,093,400		30,954,584		159,642,592	
Floor Space Eunoss Trade Centre	Property	182,800,505				182,800,505	2.50	33,515,463	3,732,126		37,247,589		145,552,916	
Floor Space Rupayan Housing (2nd)	Property	239,530,640				239,530,640	2.50	17,519,421	5,550,280		23,069,701.20		216,460,939	
Floor Space Gulshan	Property	47,544,765				47,544,765	2.50		1,188,619		1,188,619.13		46,356,146	
<b>As at 31.12.2023</b>		<b>698,191,886</b>	<b>91,622</b>	<b>-</b>	<b>-</b>	<b>698,283,508</b>		<b>16,880,670</b>	<b>-</b>	<b>-</b>	<b>112,690,935</b>	<b>-</b>	<b>585,592,573</b>	
<b>As at 31.12.2022</b>		<b>649,449,904</b>	<b>48,741,982</b>	<b>-</b>	<b>-</b>	<b>698,191,886</b>		<b>79,552,192</b>	<b>16,258,070</b>	<b>-</b>	<b>95,810,265</b>	<b>-</b>	<b>602,381,623</b>	

# Products & Services



**CORPORATE FINANCE**



**SME FINANCE**



**HOME LOAN**



**LEASE FINANCE**



**AUTO LOAN**



**WOMEN  
ENTREPRENEUR LOAN**



**REGULAR TDR**



**MONTHLY INCOME  
DEPOSIT**



**FLEXI MONTHLY  
SAVINGS PLAN**



**MONTHLY SAVINGS  
PLAN**



**BLI Centuria**



**INCOME FIRST  
DEPOSIT**



**DOUBLE  
MONEY PLAN**



**Chamak Plan**



# Bay Leasing & Investment Limited

SECURE YOUR FUTURE<sup>©</sup>

Proxy No:.....Date:.....

Authorized Officer Signature

## PROXY FORM

I/We.....

Registered BO ID :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

of.....

being a shareholder of Bay Leasing & Investment Limited ("the Company") do hereby appoint Mr./Mrs./Ms.....

of.....

as my/our proxy to attend and vote for my/us on my/our behalf at the **28<sup>th</sup> Annual General Meeting** of the Company to be held on by **August 28, 2024 (Wednesday) at 11.30 a.m** through Hybrid System as a Physical Presence at IDEB Bhaban, 160/A Kakrail, Dhaka and virtually Presence by logging the link <https://bayleasing.bdvirtualagm.com> and adjournment thereof.

Signed this.....day of 2024.....

\_\_\_\_\_  
SIGNATURE OF THE PROXY



\_\_\_\_\_  
SIGNATURE OF THE SHAREHOLDER

- i) Signature of the shareholder must be in accordance with specimen signature registered with Depository Participant(s)/Company.
- ii) A Member of the Company entitled to attend and vote at the **28<sup>th</sup> Annual General Meeting** may appoint as a Proxy to attend and vote on his/her/their behalf. The Proxy Form duly signed and stamped must be through email to [share@blilbd.com](mailto:share@blilbd.com) not later than 48 hours before commencement of the AGM.



# Bay Leasing & Investment Limited

SECURE YOUR FUTURE<sup>©</sup>

## ATTENDANCE SLIP

Name of Shareholder/Proxy.....

Registered BO ID :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Number of Share:.....

I hereby record my attendance at the **28<sup>th</sup> Annual General Meeting** of the Company to be held on by **August 28, 2024 (Wednesday) at 11.30 a.m** through Hybrid System as a Physical Presence at IDEB Bhaban, 160/A Kakrail, Dhaka and virtually Presence by logging the link <https://bayleasing.bdvirtualagm.com>

\_\_\_\_\_  
SIGNATURE OF THE PROXY/SHARE HOLDER

\_\_\_\_\_  
SIGNATURE VERIFIED BY

