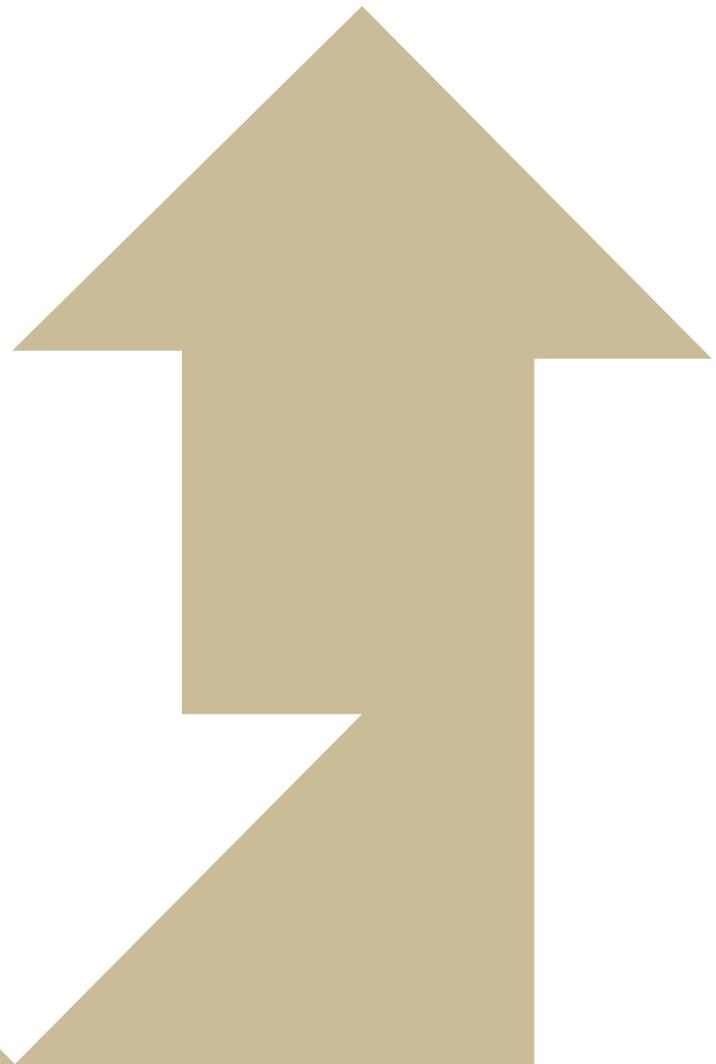




**FAREAST FINANCE
& INVESTMENT LIMITED**

service with smile



ANNUAL REPORT 2023

Annual Report 2023



**FAREAST FINANCE
& INVESTMENT LIMITED**

service with smile

CONTENT

Letter of Transmittal	03
Notice of the 23rd Annual General Meeting	04
Vision, Mission, Strategic Objectives and Core values	05
The Company at a Glance	06
Products and Services	07
Corporate Information	08
Board of Directors	09
Brief Profile of Directors	10
Committees of the Board & Management	12
Capital and Shareholding Structure	15
Message from the Chairman on behalf of the Directors	16
Message from the Managing Director	22
Performance at a Glance	26
Directors' Report	29
Report of the Audit Committee	35
Declaration by CEO and CFO	37
Certificate on compliance of Corporate Governance Code	38
Compliance Report on Corporate Governance Code by BSEC	39
Statement of Compliance with Good Governance	53
Dividend Distribution Policy	55
Disclosures on CAMD of FFIL	56
Auditors' Report to the Shareholders	62
Financial Statements	74
Notes to the Financial Statements	82
Proxy Form and Attendance Slip	123

Letter of Transmittal

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

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

Dear Sir (s),

On behalf of the Board of Directors of Fareast Finance & Investment Limited, the undersigned is pleased to present a copy of the Annual Report for the year ended December 31, 2023 together with the Audited Financial Statements including Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity for the year ended December 31, 2023 along with notes thereon for your kind information and record.

Thanking you,

Sincerely yours,



Md. Mehedi Hasan Khan
Company Secretary (CC)

September 09, 2024

Notice of the 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the Shareholders of Fareast Finance & Investment Limited will be held on Monday, September 30, 2024 at 10:00 a.m. by using Hybrid System (Digital platform and In-person; pursuant to Directive No. BSEC/CMRRCD/2009-193/08- dated 10 March 2021); Digital Platform through the following link: <https://ffil.bdvirtualagm.com> and also for in-person at RAOWA Complex (Anchor Hall), VIP Road, Mohakhali, Dhaka-1206, Bangladesh to transact the following business:

- | | |
|------------------------|---|
| Agendum # AGM202423-01 | To receive and adopt the Directors' Report to the Shareholders, Auditors' Report and Audited Financial Statements for the year ended December 31, 2023; |
| Agendum # AGM202423-02 | To declare Dividend for the year ended December 31, 2023; |
| Agendum # AGM202423-03 | To elect / re-elect Directors; |
| Agendum # AGM202423-04 | To appoint the Statutory Auditors of the Company for the year 2024 until the conclusion of the next Annual General Meeting and to fix their remuneration; and |
| Agendum # AGM202423-05 | To appoint the Corporate Governance Compliance Auditors of the Company for the year 2024 and to fix their remuneration. |

By the order of the Board



Md. Mehedi Hasan Khan
Company Secretary (CC)

September 09, 2024

Notes:

01. The Members whose names appeared in the Register of Members of the Company and/or in the Depository Register on the "Record Date" i.e. September 03, 2024 are eligible to attend the 23rd Annual General Meeting;
02. The shareholders will join the virtual AGM through the link: <https://ffil.bdvirtualagm.com>, the shareholders will be able to submit their questions/comments electronically 24 (twenty-four) hours before holding the AGM through this link and also during the Annual General Meeting. In order to login for the virtual AGM, the shareholders need to click on the link and provide their 16 digit Beneficiary Owners (BO) Account number or Folio number, name of respective shareholder, number of shares and mobile number or e-mail address;
03. The Shareholders may login to the system prior to starting of the meeting at 10:00 a.m. on September 30, 2024 (Monday). The Link will activate at 10:00 a.m. (Bangladesh Time) on September 29, 2024. For any IT related guidance and help regarding the login process, the respected members may contact at +880255033328-30 or +8801977334536 or visit FFIL website at: www.ffilbd.com;
04. Pursuant to Bangladesh Securities and Exchange Commission (BSEC) Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated June 20, 2018 the soft copy of the Annual Report for the year 2023 along with the Notice, Proxy Form and Attendance Slip have been forwarded to all the Members at their respective e-mail address available with us as per CDBL record. The Members may also collect the Proxy Form from the Registered Office of the Company. These are also available in the website of the Company at : www.ffilbd.com;
05. A Member may appoint a proxy to attend and vote in his/her place by filling 'Proxy Form' at this virtual AGM. The 'Proxy Form' duly filled, signed and stamped at BDT 20/-, must be deposited at the registered office or send through e-mail to 'mehedi@ffilbd.com' not later than 48 hours before the time scheduled for holding the AGM.

N.B: Members may please note that no gift or benefits in cash or kind shall be given at the AGM.



✔ Vision

Company's vision is to become the market leader in capital investment with motivated work team, innovative ideas, quality and continuous strong revenue based product portfolio along with diversified risk and customers' satisfaction.

✔ Mission

Company's mission is to maximize the utility derived by its customers through their association with the company, in a manner that reflects high ethical standards and accountability, and adds value to the wealth of the nation. Management is aiming to grow with a healthy and diversified portfolio and believes that each of company's activities must provide satisfaction to the customers, as also to the employees and add to shareholders' value.



✔ Strategic Objectives

- Create high quality investment portfolio.
- Strengthening our position in capital market operation.
- Continuous diversification for maximization of shareholders' value.
- Maintain long-term business relationship with our clients.
- Retaining most dynamic people with good aptitude.
- Responding quickly to new opportunities.
- Balanced diversification of funding sources.
- Strengthening corporate governance practices

✔ Values



- Integrity
- Commitment
- Transparency
- Service Excellence
- Business Ethics
- Teamwork
- Prudent risk taking
- Clients Focus
- Friendly Environment
- Equal opportunity
- Trust & Respect

THE COMPANY AT A GLANCE

Fareast Finance & Investment Limited one of the progressive financial institutions incorporated in Bangladesh as a public limited company with limited liability, on 21 June 2001 under The Companies Act, 1994. The company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 21 June 2001. The company obtained license from Bangladesh Bank as a financial institution under The Financial Institutions Act, 1993 on 3 July 2001 to operate as a leasing and financing company as provided under the relevant law. The company obtained permission from Bangladesh Bank on 20 January 2015 for opening its branch at Chattogram.



ASSOCIATE COMPANY

As an integral part of corporate strategy the business diversification is for expansion of any business that enriches the company's profit and improves its growth. In line with that in the year 2010, Fareast Finance & Investment Limited acquired 50% ordinary shares of Fareast Stocks & Bonds Limited (FSBL). FSBL was incorporated as a private company limited by shares on 3 September 2009 under the Companies Act, 1994 and converted to public limited on October 10, 2012.

PRODUCTS AND SERVICES

FINANCIAL SEGMENTS

Corporate Finance
SME Finance
Consumer Finance
Agriculture Finance
Syndication Finance
Housing/Real Estate Finance
Equity Finance
Others

DEPOSIT SCHEMES

FFIL Sanirbhorota - You are in safe hands
FFIL Pension Plan - Live freely
FFIL Shomriddhi - Bringing your prosperity
FFIL Subidha- Smile twice in a year
Double Money Benefit Scheme - Double your dream
Triple Money Benefit Scheme - When money does matter
FFIL Lakhpati Scheme - Be a millionaire
FFIL Monthly Savings Scheme - Go with dream

FAREAST STOCKS & BONDS LIMITED

(An associate of Fareast Finance & Investment Limited)

BROKERAGE SERVICES

CDBL Services
Margin Loan Facilities
Value Added Services
Phone Trading Services
SMS Services
E-mail Services

CORPORATE INFORMATION

Registered Name of the Company Fareast Finance & Investment Limited

License/registration/identification:
Company Registration Number C-43400(2759)/2001
Bangladesh Bank License Number FID(L)/26
Company E-TIN 791836709180
Company VAT Registration 9021092710
Company IRC BA125072

Head Office

Simpletree Lighthouse (Level-10)
Road No. 21, Plot No. 53, Block-B
Kemal Ataturk Avenue, Banani, Dhaka-1213,
Bangladesh
Phone and fax: +88-02-55033328-30, 55033334
Cell phone: +88-01977334539
E-mail: ffil@bdcom.net

Chattogram Branch

Ayub Trade Centre (Level-2), 1269/B Sheikh Mujib
Road, Agrabad Commercial Area, Chattogram-4100
Bangladesh.
Cell Phone: +88-01977334526

Web site

<http://www.ffilbd.com>

Income Tax Lawyer

Hadee Lutful & Co, Chartered Accountants, House
No. 77, 2nd Floor, Road No. 04, Block - C, Banani,
Dhaka - 1213, Bangladesh

Auditors

Statutory Auditor:
Zoha Zaman Kabir Rashid & Co,
Chartered Accountants
House No. 6/B, Road No. 32,
Level- 7 & 8, Gulshan-1,
Dhaka-1212, Bangladesh

Auditor relating to Corporate Governance Code

Jasmin & Associates, Chartered Secretaries
55/B Noakhali Tower (10th Floor),
Suit: 11-F, Purana Paltan, Dhaka-1000, Bangladesh

Membership

Bangladesh Leasing & Finance Companies
Association (BLFCA)
Bangladesh Association of Publicly Listed
Companies (BAPLC)
The Institute of Bankers, Bangladesh (IBB)

Principal Bankers

Bank Asia Limited
BASIC Bank Limited
Dhaka Bank Limited
Dutch- Bangla Bank Limited
Jamuna Bank Limited
Midland Bank Limited
Modhumoti Bank Limited
Mutual Trust Bank Limited
NCC Bank Limited
NRB Commercial Bank Limited
One Bank Limited
Pubali Bank Limited
Shahjalal Islami Bank Limited
Social Islami Bank Limited
Southeast Bank Limited
Standard Bank Limited
The Premier Bank Limited
United Commercial Bank Limited
Uttara Bank Limited

Chairman

Mr. Md. Ashraful Moqbul
Nominated By Bangladesh Securities and
Exchange Commission (BSEC)

Managing Director

Mr. Muhammad Ali Zaryab

Head of Finance

Mr. Md. Anwar Hussain

Company Secretary (CC)

Md. Mehedi Hasan Khan

Business Hours

10.00 a.m. to 6.00 p.m.
(Sunday to Thursday)

BOARD OF DIRECTORS

- **Mr. Md. Ashraful Moqbul**
Chairman & Independent Director
Nominated by BSEC
- **Mr. Ihsanul Aziz**
Independent Director
Nominated by BSEC
- **Professor Dr. Md. Mosharraf Hossain**
Independent Director
Nominated by BSEC
- **Sheikh Nazmul Hoque Saikot**
Independent Director
Nominated by BSEC
- **Mr. AKM Shahiduzzaman**
Independent Director
Nominated by BSEC
- **Mr. Muhammad Ali Zaryab**
Managing Director

BRIEF PROFILE OF THE DIRECTORS



Mr. Md. Ashraful Moqbul
Chairman & Independent Director
Nominated by BSEC

The Chairman, Board of Directors of Fareast Finance & Investment Limited, completed his graduation and post-graduation both in English Language and Literature from University of Dhaka. Thereafter, he got an M.S. on Interdisciplinary Studies Specializing on Project Management in 1985 from American University, Washington D.C. USA. He served the Government of the People's Republic of Bangladesh in different important positions for more than 38 years. He is the former Chairman of Board of Directors of Sonali Bank Limited [July 2016-July 2019], Senior Secretary at Bangladesh Parliament Secretariat [September 2013 to December 2015], Secretary, Ministry of Textile & Jute [July 2009-August 2013] and Chairman, Land Appeal Board [July 2008-July 2009].



Mr. Ihsanul Aziz
Independent Director
Nominated by BSEC

Mr. Ihsanul Aziz, former Additional Managing Director of Social Islami Bank Limited, completed his graduation and post-graduation both in Economics from University of Dhaka. Thereafter, he got an MBA from Southeast University. He also worked in The Premier Bank Limited and Al-Arafah Islami Bank Limited as Deputy Managing Director. Mr. Aziz started his banking career with Agrani Bank Limited and served there for more than 26 years in different important roles including Deputy General Manager & Head of International Division.



Professor Dr. Md. Mosharraf Hossain
Independent Director
Nominated by BSEC

Dr. Md. Mosharraf Hossain is presently working as a Professor & Chairman of Management Department, University of Dhaka. Mr. Hossain completed B.Com (Hons) and M.Com in Management and PhD from University of Dhaka. Professor Hossain has specialization in Insurance & Risk Management, Organization Development, Motivation & Leadership, Quality of Work Life, Industrial Relations, Human Resource Management and Bank Management. He is the author and co-author of the books "Insurance and Risk Management" and "Organization Development" respectively. He is also the Director of Management Consultancy Services [2017 to Present] and Secretary of Dhaka University Management Alumni Association [2016 to Present]. Professor Dr. Md. Mosharraf Hossain also acted as Vice President of Dhaka University Teachers Club [2015-2016]. Professor Hossain was awarded with "President & Chancellor [Government of the People's Republic of Bangladesh] Award (1984) for 2nd Merit Position in the Cumilla Board", "Birsresto Matiur Rahman Shadinota Podok 2008 as Best Writer for Creative Book Shatrojibone Shofolotar Upay, 8th Biennial Lee Kuan Yew Global Business Plan Competition (Finalist) 2015, Usosi Gunijon Podok (2018). Professor Hossain attended a number of national and international conferences.



Sheikh Nazmul Hoque Saikot
Independent Director
Nominated by BSEC

Mr. Sheikh Nazmul Hoque Saikot is a renowned journalist and media personality. He is a Member of the Executive Committee of the Bangladesh Federal Union of Journalists [BFUJ], National Press Club and Editor-in-Chief of Kingsnews24.Com. Mr. Saikot was the Head of News of My TV [a private television channel], Special Correspondent of Bangladesh Journal [a daily newspaper], Chief Reporter of ATN Bangla [first private television channel in Bangladesh] and APS of Late Sheikh Md. Abdullah, State Minister of Ministry of Religious Affairs. Mr. Saikot completed his graduation and post-graduation both in Management from Jagannath University (the then Jagannath University College).



Mr. AKM Shahiduzzaman
Independent Director
Nominated by BSEC

Mr. Shahid Zaman is the Managing Director of Business Climate, one of the prominent Business Development Consultancy Firms as well as Training Providers; working for both public, private and development sectors. Mr. Shahid during his long 26 years career worked for different national and international organizations including couple of banks, private sectors, United Nations, I/NGOs and Government organizations. He acted as consultant to the World Bank Projects while he was also Private Sector Expert as well as Business Advisor to government and non-government organizations. Mr. Shahid is an MBA from Institute of Business Administration (IBA), University of Dhaka. Currently Mr. Shahid acts as Senior Financial Analyst as well as Corporate Speaker for businesses and development projects.



Mr. Muhammad Ali Zaryab
Managing Director

Mr. Muhammad Ali Zaryab joined Fareast Finance & Investment Limited as Managing Director on 31st August 2020.

A post-graduate in Finance & Banking from the University of Dhaka, Mr. Zaryab has been in the banking industry for 28 years, a career that began in January 1996 with the Eastern Bank Limited as 2nd Batch Probationary Officer. During his banking career, Mr. Zaryab managed a number of functional areas covering Credit, Treasury, Corporate Banking, Credit Risk Management, Syndication & Structured Finance, Branch Management, Financial Administration, Bank Operations, Branding & Marketing, Law & Recovery, Trade Services, Bank Management etc.

Prior to this assignment, Mr. Zaryab was the Deputy Managing Director [DMD] at Padma Bank Limited [former The Farmers Bank Limited], Chief Risk Officer [CRO] at GSP Finance Company (Bangladesh) Limited, Head of Corporate Credit Risk Management and Syndication & Structured Finance at Premier Bank Limited, Branch Manager at One Bank's Dhanmondi Corporate Branch, Head of Financial Control & Accounts Division at Trust Bank Limited, Fund Manager, HO-FAD Treasury at EASTERN Bank Limited. He also discharged various important responsibilities in these financial institutions.

COMMITTEES OF THE BOARD & MANAGEMENT

Executive Committee (EC)

- Mr. Md. Ashraful Moqbul**
Independent Director
Chairman
- Prof. Dr. Md. Mosharraf Hossain**
Independent Director
Member
- Sheikh Nazmul Hoque Saikot**
Independent Director
Member
- Mr. AKM Shahiduzzaman**
Independent Director
Member

Board Audit Committee

- Mr. Ihsanul Aziz**
Independent Director
Chairman
- Prof. Dr. Md. Mosharraf Hossain**
Independent Director
Member
- Sheikh Nazmul Hoque Saikot**
Independent Director
Member
- Mr. AKM Shahiduzzaman**
Independent Director
Member

Management Committee (MANCOM)

- Mr. Muhammad Ali Zaryab**
Managing Director
Chairman
- Mr. Md. Anwar Hussain**
SVP and Head of Finance & HR
Member
- Mr. Ha Mim Hamidullah**
SAVP and Head of ICC
Member
- Mr. Md. Iqbal Haque Choudhury**
Senior Manager & Treasury In-charge
Member
- Mr. Md. Rafiqul Islam**
Manager, Credit
Member
- Mr. Md. Mehedi Hasan Khan**
Manager and Company Secretary (CC)
Member Secretary
- Mr. Md. Jahidul Haque**
Assistant Manager & In-charge, Legal Affairs
Member

Management Recruitment Committee (MRC)

- Mr. Muhammad Ali Zaryab**
Managing Director
Chairman
- Mr. Md. Anwar Hussain**
SVP and Head of Finance & HR
Member
- Mr. Ha Mim Hamidullah**
SAVP and Head of ICC
Member
- Mr. Md. Mehedi Hasan Khan**
Manager and Company Secretary (CC)
Member Secretary

Risk Management Forum (RMF)

- Mr. Muhammad Ali Zaryab**
Managing Director
Chairman
- Mr. Md. Anwar Hussain**
SVP and Head of Finance & HR
Chief Risk Officer
- Mr. Ha Mim Hamidullah**
SAVP and Head of ICC
Member
- Mr. Md. Iqbal Haque Choudhury**
Senior Manager & Treasury In-charge
Member
- Mr. Md. Rafiqul Islam**
Manager, Credit
Member
- Mr. Md. Mehedi Hasan Khan**
Manager and Company Secretary (CC)
Member Secretary

Asset Liability Management Committee (ALCO)

Mr. Muhammad Ali Zaryab
Managing Director
Chairman

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Member

Mr. Ha Mim Hamidullah
SAVP and Head of ICC
Member

Mr. Md. Iqbal Haque Choudhury
Senior Manager & Treasury In-charge
Member Secretary

Mr. Md. Rafiqul Islam
Manager, Credit
Member

Mr. Md. Mehedi Hasan Khan
Manager and Company Secretary (CC)
Member

Risk Analysis Unit (RAU)

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Chairman

Mr. Md. Rafiqul Islam
Manager, Credit
Member

Mr. Md. Rasel Al Mamun
Assistant Manager, Credit
Member

Mr. Md. Nazmus Sadat
Assistant Manager, Credit
Member

Mr. Md. Khalaqujjaman Jewel
Senior Officer, ICC
Member Secretary

ICT Committee

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Chairman

Mr. Ha Mim Hamidullah
SAVP and Head of ICC
Member

Mr. Md. Mehedi Hasan Khan
Manager, Corporate Affairs
Member

Mr. Abdur Rashid
Manager, ICT
Member

Ms. MuhtasimTahiya
Senior Officer, Credit
Member

Central Compliance Unit (CCU)

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Chairman & CAMLCO

Mr. Ha Mim Hamidullah
SAVP and Head of ICC
Member

Mr. Md. Iqbal Haque Choudhury
Senior Manager & Treasury In-charge
Member & DCAMLCO

Mr. Md. Mehedi Hasan Khan
Manager and Company Secretary (CC)
Member Secretary

Mr. Md. Khalaqujjaman Jewel
Senior Officer, ICC
Member

Ethics Committee

Mr. Muhammad Ali Zaryab
Managing Director
Chairman

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Member & Focal Point

Mr. Ha Mim Hamidullah
SAVP and Head of ICC
Member

Mr. Md. Mehedi Hasan Khan
Manager and Company Secretary (CC)
Member

Mr. Md. Iqbal Haque Choudhury
Senior Manager & Treasury In-charge
Member

Mr. Md. Tahsinur Rahman
MTO, Finance & HR
Member Secretary

Sustainable Finance Committee

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Chairman

Mr. Ha MimHamidullah
SAVP and Head of ICC
Member

Mr. Md. Iqbal Haque Choudhury
Senior Manager & Treasury In-charge
Member

Mr. Md. Rafiqul Islam
Manager, Credit Member
Secretary

Mr. Md. Mehedi Hasan Khan
Manager and Company Secretary (CC)
Member

Mr. Md. Khalaqujjaman Jewel
Senior Officer, ICC
Member

Sustainable Finance Unit

Mr. Md. Rafiqul Islam
Manager
Credit Head

Mr. Md. Mehedi Hasan Khan
Manager, Corporate Affairs
Focal Point Official

Mr. Md. Rasel Al Mamun
Assistant Manager, Credit
Fallback Person

Mr. Md. Nazmus Sadat
Assistant Manager, Credit
Member

Ms. Muhtasim Tahiya
Senior Officer, Credit
Member

Central Customer Service and Complaints Management Cell (CCS & CMC)

Mr. Md. Anwar Hussain
SVP and Head of Finance & HR
Chairman

Mr. Ha Mim Hamidullah
SAVP and Head of ICC
Member

Mr. Md. Iqbal Haque Choudhury
Senior Manager & Treasury In-charge
Member

Mr. Md. Mehedi Hasan Khan
Manager and Company Secretary (CC)
Member

Mr. Md. Jahidul Haque
Assistant Manager, Legal Affairs
Member Secretary

Shareholding Statement

Shareholding composition of the company as on 31 December 2023 was as follows:

Holding by Sponsors and Directors

Sl No	Shareholders	No. of Shares	Taka	%
1	Sponsors	6,51,99,164	65,19,91,640	39.74%
	Sub-total	6,51,99,164	65,19,91,640	39.74%

Holding by other Shareholders

Sl No	Shareholders	No. of Shares	Taka	%
1	Company	2,64,88,239	26,48,82,390	16.14%
2	General Public	7,22,94,176	72,29,41,760	44.07%
3	Non-Resident Bangladeshi	81,751	8,17,510	0.05%
	Sub-total	9,88,64,166	98,86,41,660	60.26%
	Grand Total	16,40,63,330	164,06,33,300	100.00%

ফারইষ্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর

পরিচালকমন্ডলীর পক্ষে

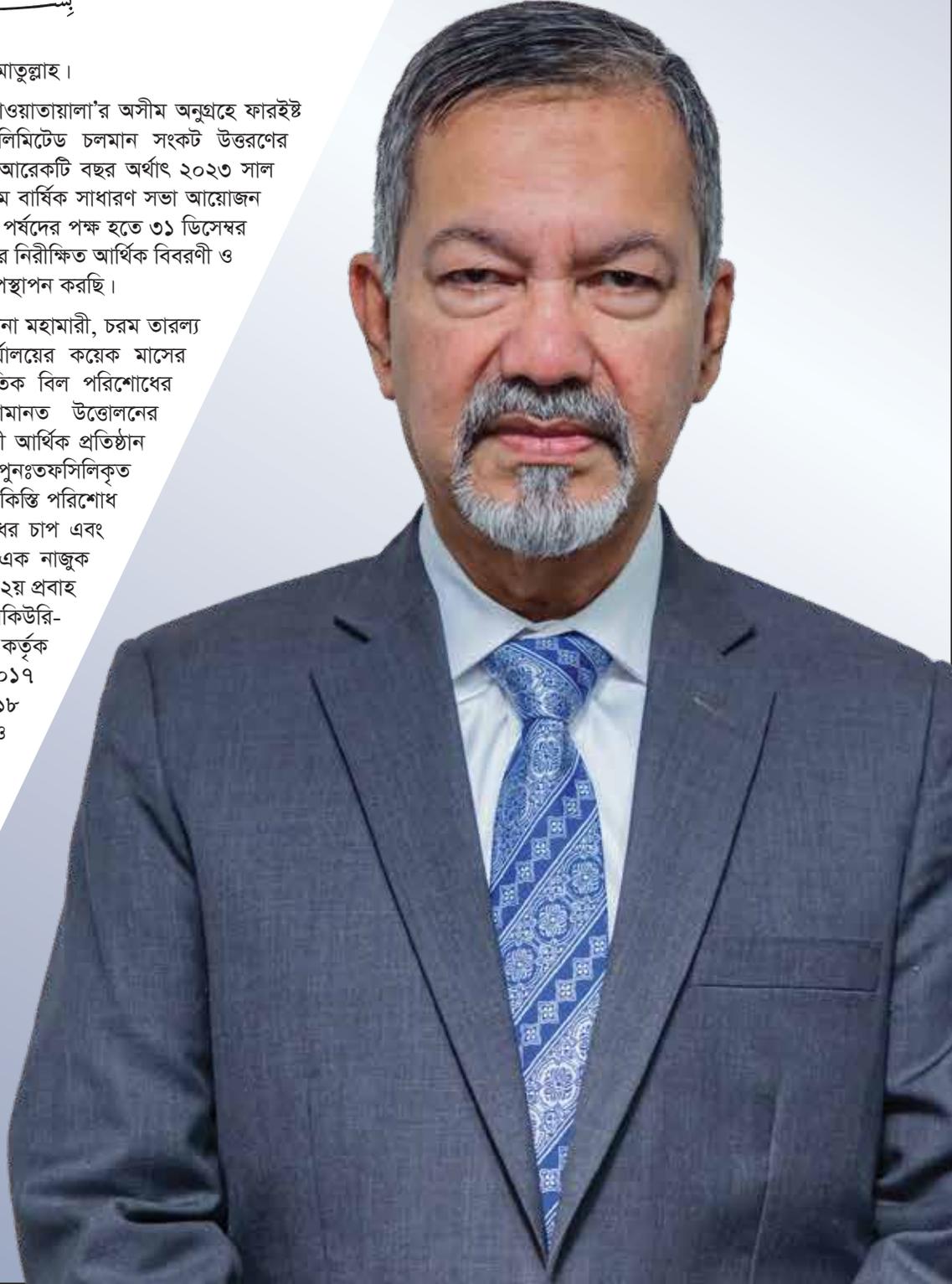
চেয়ারম্যান মহোদয়ের বক্তব্য

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

সম্মানিত শেয়ারহোল্ডারবৃন্দ,
আসসালামু আলাইকুম ওয়া রহমাতুল্লাহ।

পরম করুণাময় আল্লাহ সুবহানাওয়াতায়ালা'র অসীম অনুগ্রহে ফারইষ্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড চলমান সংকট উত্তরণের পথ-পরিক্রমায় সমস্যাসংকুল আরেকটি বছর অর্থাৎ ২০২৩ সাল অতিক্রম করে যথাসময়ে ২৩তম বার্ষিক সাধারণ সভা আয়োজন করেছে। প্রতিষ্ঠানের পরিচালনা পর্ষদের পক্ষ হতে ৩১ ডিসেম্বর ২০২৩ ইং তারিখে সমাপ্ত বছরের নিরীক্ষিত আর্থিক বিবরণী ও পরিচালকমন্ডলীর প্রতিবেদন উপস্থাপন করছি।

২০২০ সালের শুরু থেকে করোনা মহামারী, চরম তারল্য সংকট, ঢাকা ও চট্টগ্রাম কার্যালয়ের কয়েক মাসের অপরিশোধিত ভাড়া ও বৈদ্যুতিক বিল পরিশোধের চাপ, আমানতকারিগণের আমানত উত্তোলনের অস্বাভাবিক চাপ, ঋণপ্রদানকারী আর্থিক প্রতিষ্ঠান ও ব্যাংক কর্তৃক বারংবার পুনঃতফসিলিকৃত ঋণের বিপরীতে অপরিশোধিত কিস্তি পরিশোধ ও শ্রেণীকৃত ঋণস্থিতি পরিশোধের চাপ এবং আইনী জটিলতাসহ তৎকালীন এক নাজুক পরিস্থিতিতে করোনা মহামারীর ২য় প্রবাহ চলাকালীন সময়ে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ২৯/০৩/২০২১ ইং তারিখে ২০১৭ সাল হতে লোকসানী এবং ২০১৮ সাল হতে 'জেড' ক্যাটাগরী ও 'রেড' জোনে পতিত ফারইষ্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর পরিচালনা পর্ষদ পুনর্গঠিত হয়।



করোনা মহামারীর ২য় প্রবাহ পরবর্তীতে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নিয়োগকৃত অডিট ফার্ম কর্তৃক কোম্পানীর সূচনালগ্ন হতে সংঘটিত বিভিন্ন অনিয়ম বিষয়ে অডিট কার্য সম্পাদিত হয়। পরবর্তীতে বাংলাদেশ ব্যাংক কর্তৃক নিয়োগপ্রাপ্ত পৃথক আরেকটি অডিট ফার্ম কোম্পানীতে সংঘটিত বিভিন্ন অনিয়ম বিষয়ে অডিট কার্য সম্পাদন করেন। সংঘটিত বিভিন্ন অনিয়ম বিষয়ে দুর্নীতি দমন কমিশনে অভিযোগ দায়ের, সম্পূর্ণ কর্মকর্তা-কর্মচারীদের বিরুদ্ধে প্রশাসনিক শাস্তিমূলক ব্যবস্থা গ্রহণ, ঋণ নথিপত্র হালনাগাদকরণ, সহায়ক জামানতের সঠিকতা যাচাই ও মূল্যায়ন, আত্মগোপনকৃত খেলাপী ঋণগ্রহীতাদের খুঁজে বের করা, ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহণ, খেলাপী ঋণ আদায়ে 'এনআই এ্যাক্ট ১৮৮১' ও 'অর্থ ঋণ আদালত আইন ২০০৩' মোতাবেক মামলা রুজুকরণ, পূর্বে রুজুকৃত মামলাসমূহ পুণরায় কার্যতালিকাভুক্তকরণসহ যাবতীয় কাজ সম্পাদনে পরিচালনা পর্ষদ প্রয়োজনীয় দিক নির্দেশনা প্রদানসহ সার্বিক সহযোগিতা করেছেন। পরিচালনা পর্ষদ সুশাসন, সততা ও দক্ষতার ভিত্তিতে কোম্পানী পরিচালনায় সবিশেষ গুরুত্ব আরোপ করেছেন।

প্রসংগত উল্লেখ্য, অস্তিত্বহীন সহায়ক জামানত, ক্রেটিয়ুক্ত অপর্যাপ্ত সহায়ক জামানত এবং জামানতবিহীন বিতরণকৃত ঋণ, খেলাপী ঋণ, অতি উচ্চ সুদ হারে গৃহীত আমানত, বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠান হতে গৃহীত ঋণ, নিয়মবহির্ভূতভাবে সহযোগী প্রতিষ্ঠান বরাবর প্রদানকৃত ঋণ, প্রভিশন ঘাটতি ও প্রভিশন রিভার্সালের মাধ্যমে মুনাফা প্রদর্শন ইত্যাদি হতে উদ্ভূত কারণে কোম্পানীর সার্বিক আর্থিক সূচকে অবনতির ক্ষেত্রে বর্তমান ব্যবস্থাপনা এবং পরিচালনা পর্ষদ এর কোনরূপ সম্পৃক্ততা নাই। বর্তমান ব্যবস্থাপনা এবং পরিচালনা পর্ষদের সমরোপযোগী সিদ্ধান্ত ও অব্যাহত প্রচেষ্টা না থাকলে কোম্পানীর সার্বিক আর্থিক সূচকে আরো অবনতির সমূহ আশঙ্কা ছিল।

২০১৭ সাল হতে লোকসানী এবং ২০১৮ সাল হতে 'জেড' ক্যাটাগরী ও 'রেড' জোনে পতিত প্রতিষ্ঠান ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এ বর্তমানে কোন প্রভিশন ঘাটতি নাই, দ্রুততর সময়ের মাধ্যমে আদালতে দায়েরকৃত মামলার রায়/ডিক্রী অর্জন ও বাস্তবায়নসহ খেলাপী ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহণ ও প্রচেষ্টা চলমান আছে এবং ২০২১ পরবর্তী সময়ে কোম্পানীর নীট লোকসান উল্লেখযোগ্য মাত্রায় হ্রাস পাচ্ছে।

ঋণ/লীজ হতে আদায়ের হার সন্তোষজনক পর্যায়ে উন্নীতকরণের লক্ষ্যে ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড কর্তৃক গৃহীত দ্রুত ও কার্যকরী ব্যবস্থাসমূহ -

- ১) ঋণ গ্রহীতাদের নিকট হতে ঋণ আদায়ে নিয়মিত যোগাযোগ, মৌখিক অনুরোধ ও লিখিত তাগাদা পত্র প্রেরণ,
- ২) প্রয়োজনীয় ডকুমেন্টস সংগ্রহ, ঋণ/লীজ ফাইলসমূহ হাল নাগাদকরণের মাধ্যমে ঋণের গুণগত মান উন্নয়ন করা,
- ৩) পরিদর্শনের মাধ্যমে হদিসবিহীন গ্রাহকদের বর্তমান অবস্থান খুঁজে বের করা,
- ৪) ঋণের বিপরীতে প্রদত্ত বন্ধকী সম্পত্তির মালিকানা নিশ্চিতকরণসহ প্রকৃত অবস্থান অনুসন্ধান ও মূল্য নির্ধারণে তালিকাভুক্ত সার্ভেয়ার নিয়োগ,
- ৫) সংশ্লিষ্ট তহসীল ও ভূমি অফিস হতে সম্পত্তির দলিলাদি সংগ্রহের মাধ্যমে সহায়ক জামানতসমূহ নিয়মিতকরণ,
- ৬) অর্থঋণ আদালত আইনের ১২ ধারা মোতাবেক বন্ধকী সম্পত্তি বিক্রয়ের উদ্দেশ্যে নিলাম বিজ্ঞপ্তি প্রকাশ,
- ৭) নেগোশিয়েবল ইন্সট্রুমেন্ট অ্যাক্ট ১৮৮১ এবং অর্থঋণ আদালত আইন ২০০৩ এর অধীনে খেলাপী ঋণ গ্রহীতাদের বিরুদ্ধে মামলা দায়ের,
- ৮) তত্ত্বাবধান, মনিটরিং ও মামলা দায়ের প্রক্রিয়ার মাধ্যমে ঋণ আদায় কার্যক্রমকে শক্তিশালীকরণ,
- ৯) গৃহীত পদক্ষেপ সমূহের নিবিড় তদারকি এবং আইনী প্রক্রিয়ার পাশাপাশি শ্রেণীকৃত ঋণ আদায়ে সর্বাঙ্গিক প্রচেষ্টা অব্যাহত রাখা।

মামলা পরিচালনার দায়িত্বে অভিজ্ঞ আইনজীবী প্যানেল নিয়োগ করা হয়েছে। চলমান মামলাসমূহ দ্রুত নিষ্পত্তির লক্ষ্যে সংশ্লিষ্টদের সাথে নিবিড় যোগাযোগ রাখা হচ্ছে। চলমান মামলাসমূহ দ্রুত নিষ্পত্তির লক্ষ্যে মামলা পরিচালনাকারী আইনজীবীদের মৌখিক ও লিখিত নির্দেশনা প্রদানের পাশাপাশি এতদবিষয়ক অগ্রগতি নিয়মিত মনিটর করা হচ্ছে। গৃহীত পদক্ষেপ সমূহের নিবিড় তদারকি, দ্রুততর সময়ের মধ্যে আদালতে দায়েরকৃত মামলার রায় ও ডিক্রী অর্জন ও বাস্তবায়নসহ খেলাপী ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহণ ও প্রচেষ্টা চলমান আছে।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, এ প্রতিষ্ঠান আপনাদের, আমরা কোম্পানী তথা আপনাদের বিনিয়োগ-আমানত সুরক্ষায় অর্পিত দায়িত্ব নিষ্ঠা ও সততার সাথে পালন করছি।

৩১/১২/২০১৯ ইং তারিখে ২.৩৯ কোটি টাকা নগদ জমার স্থলে উল্লেখযোগ্য পরিমাণ ঋণ আদায়ের ফলশ্রুতিতে কোম্পানী ৩৯.০৯ কোটি টাকা নগদ জমা নিয়ে ২০২৩ সাল সমাপ্ত করে। ৩০/০৬/২০২৪ ইং তারিখে কোম্পানীর নগদ জমা ছিলো ৩৮.৭২ কোটি টাকা।

২০২০-২০২৩ সময়কালে শ্রেণীকৃত ঋণের বিপরীতে নতুন করে প্রভিশন সংরক্ষণ করা হয়েছে ৫৩৪.৬১ কোটি টাকা এবং শ্রেণীকৃত অন্যান্য সম্পদের বিপরীতে প্রভিশন সংরক্ষণ করা হয়েছে ৫৩.৪১ কোটি টাকা অর্থাৎ ৫৮৮.০২ কোটি টাকা নতুন প্রভিশন সংরক্ষণ করা হয়েছে।

তালিকাভুক্ত সার্ভেয়ার দ্বারা জরিপকালীন সময়ে সহায়ক জামানতের অস্তিত্ব খুঁজে না পাওয়ায় এবং মালিকানা ক্রেটিয়ুক্ত পাওয়ায় ২০২৩ সালে ৭.৮৬ কোটি এবং পিপলস লিজিং, বিআইএফসিএল, ফাস ফাইন্যান্স এ রক্ষিত আমানত মন্দ ও ক্ষতিমানে শ্রেণীকৃত হওয়ায় ৩২.৫৪ কোটি অর্থাৎ মোট ৪০.৪০ কোটি টাকা ২০২৩ সালে অতিরিক্ত প্রভিশন সংরক্ষণ করতে হয়।

আয়কর পরিশোধ বাবদ প্রকৃত ব্যয় খাত ডেবিট করে পর্যাপ্ত প্রভিশন সংরক্ষণ না করার বিষয় উদঘাটিত হলে ২০২৩ সালে ব্যয় খাত ডেবিট পূর্বক ১৪.৬৬ কোটি আয়কর প্রভিশন ঘাটতি পূরণ করা হয়।

বর্তমানে কোম্পানীর কোন প্রভিশন ঘাটতি নাই।

২০২০ সাল হতে ৩১/০৫/২০২৪ ইং তারিখ পর্যন্ত মোট ঋণ আদায় হয়েছে ২৪৮.১৭ কোটি টাকা যার মধ্যে শ্রেণীকৃত ঋণ হতে আদায় ১২৪.০১ কোটি টাকা, অশ্রেণীকৃত ঋণ আদায় ১২০.৮৭ কোটি টাকা এবং অবলোপনকৃত ঋণ আদায় ৩.২৯ কোটি টাকা।

মোট ঋণের ৮৯.৬২% সহায়ক জামানতবিহীন ও ৯৭.৯৬% খেলাপী ঋণ যা ২০০১-২০১৮ সময়কালে অনুমোদিত, বিতরণকৃত এবং বারংবার পুনঃতফসিলীকৃত।

সহযোগী প্রতিষ্ঠান ফারইষ্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত জামানতবিহীন ঋণস্থিতি বাংলাদেশ ব্যাংক আর্থিক প্রতিষ্ঠান পরিদর্শন বিভাগ কর্তৃক ৩১/১২/২০১৯ ইং তারিখ হতে নিম্ন-মানে শ্রেণীকরণ করা হয় যা ২০২১ সালে মন্দ ও ক্ষতিমানে শ্রেণীকৃত হয়।

২০২১ সালে কোম্পানীর লোকসান বৃদ্ধির মূল কারণ সহযোগী প্রতিষ্ঠান ফারইষ্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত মন্দ ও ক্ষতি মানে শ্রেণীকৃত ঋণস্থিতির বিপরীতে শতভাগ প্রতিশন সংরক্ষণ।

২০১০-২০১১ সালে সহযোগী প্রতিষ্ঠান ফারইষ্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত জামানতবিহীন ঋণ এবং মূলধন বিনিয়োগ বাবদ ৩৬২.০০ কোটি (অনারোপিত সুদসহ ৫৬১.১৭ কোটি) টাকা হতে কোম্পানীর কোন আয় নাই। উপরন্তু, সহযোগী প্রতিষ্ঠানের লোকসান হেতু প্রতিবছর বিনিয়োগকৃত মূলধন হ্রাস পাচ্ছে।

২০১৫-২০১৮ সালে পিপলস লিজিং, বিআইএফসিএল, ফাস ফাইন্যান্স এ রক্ষিত আমানত, বিও একাউন্টে রক্ষিত নগদ জমা, শেয়ার বিনিয়োগ ইত্যাদি বাবদ প্রতিশন সংরক্ষণ এবং উল্লেখিত আর্থিক প্রতিষ্ঠানে রক্ষিত আমানতের বিপরীতে সুদ বাবদ ৩১.২৯ কোটি টাকা আয়খাতে যোগ না করতে পারাও লোকসান বৃদ্ধির অন্যতম কারণ।

২০১৯-২০২০ সালে নামমাত্র ডাউন পেমেন্ট গ্রহন পূর্বক ঋণ পুনঃতফসিলীকরণ, করোনা মহামারীর ১ম প্রবাহ হেতু ঋণ গ্রহীতাদের প্রদত্ত বিশেষ সুবিধার আওতায় খেলাপী শ্রেণীভুক্ত না করা, অপরিশোধিত কিস্তি পরিশোধে ডেফারেল সুবিধা প্রদান এবং সেই সব ঋণ হিসাবের সুদ আয় খাতে নেওয়ার দরুন ২০২০ সালে শ্রেণীকৃত ঋণ হ্রাস পায় এবং একইসাথে লোকসানও হ্রাস পায়।

২০২১ সালে করোনা মহামারীর ২য় প্রবাহের কারণে আগস্ট মাস পর্যন্ত কঠোর শাটডাউন এর ফলে আদালত এবং কোম্পানীর সার্বিক কার্যক্রমে অচলাবস্থা বিরাজমান থাকায় শ্রেণীকৃত ঋণ আদায় হ্রাস পায়। অপরদিকে ২০২১ সালে করোনা মহামারীর ২য় প্রবাহ হেতু অপরিশোধিত কিস্তির কেবলমাত্র ১৫% জমা পূর্বক ২০২০ সালে বিশেষ সুবিধাপ্রাপ্ত ঋণগ্রহীতাগন ২০২১ সালে অশ্রেণীকৃত থাকার বিশেষ সুবিধা গ্রহনে ব্যর্থতার দরুন শ্রেণীকৃত ঋণ বিপুল হারে বৃদ্ধি পায়।

৩০/০৬/২০২৪ ইং তারিখ ভিত্তিক শ্রেণীকৃত ঋণ আদায়ের লক্ষ্যে এনআই এ্যাক্ট এর অধীনে চলমান চেক ডিজঅনারের মামলা সংখ্যা ৩১২টি যার বিপরীতে বিজড়িত টাকা ৩২৮.৫০ কোটি। অর্থ ঋণ আদালত আইন ২০০৩ এর অধীনে দায়েরকৃত অর্থ ঋণ মামলা সংখ্যা ৬৬টি যার বিপরীতে বিজড়িত টাকা ৭৬১.১০ কোটি টাকা। উক্ত সময়ে নিষ্পত্তিকৃত এবং/অথবা দায়েরকৃত মামলার বিপরীতে আদায় ১২.৩৪ কোটি টাকা।

বিগত সময়ে যথাযথভাবে মামলা রুজু না করায় সার্বিক ঋণ আদায় প্রক্রিয়া ব্যহত হয়েছে। উপরন্তু, আদালত হতে রায় প্রাপ্তি সত্ত্বেও খেলাপী ঋণ গ্রহীতাদের বিদেশে অবস্থান/ঠিকানা পরিবর্তন/ভুল ঠিকানা ব্যবহারের দরুন ঋণ আদায় কার্যক্রম প্রশ্নাতীতভাবে সমস্যার সম্মুখীন। বর্তমানে ২৭ জন খেলাপী ঋণগ্রহীতার ঠিকানা খুঁজে না পাওয়ায় ৫৬.৩৮ কোটি টাকা আদায়ে অনিশ্চয়তা বিদ্যমান।

বিশেষভাবে উল্লেখ্য যে,

- রাজশাহী কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেড নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ৩০/০৫/২০২২ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ১৬/১১/২০২৩ ইং তারিখে ৮.৪৩ কোটি টাকার রায় ও ডিক্রি পাওয়া গেছে।
- বাকলিয়া ট্রেডার্স নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ১৩/০৪/২০২৩ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ১১/০২/২০২৪ ইং তারিখে ০.৬৮ কোটি টাকার রায় ও ডিক্রি পাওয়া গেছে।
- বায়েজিদ স্টীল ইন্ডাস্ট্রিজ লিমিটেড নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ১০/০৭/২০২৩ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ২৩/০৫/২০২৪ ইং তারিখে ২৭.৬০ কোটি টাকার রায় ও ডিক্রি পাওয়া গেছে।
- এসহাক ব্রাদার্স ইন্ডাস্ট্রিজ লিমিটেড নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ১৬/১০/২০২৩ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ১৬/০৫/২০২৪ ইং তারিখে ৩৭.৬৮ কোটি টাকার রায় ও ডিক্রি পাওয়া গেছে।
- ৪ টি অর্থ ঋণ মামলায় অতিক্রান্ত সময়ে ৭৪.৩৯ কোটি টাকার চূড়ান্ত ডিক্রী পাওয়া গেছে।
- ১০ টি চেকের মামলায় ২০২৪ সালে খেলাপী ঋণ গ্রহীতাদের ১ বছর কারাদন্ডসহ ১২.২৬ কোটি টাকা পরিশোধের চূড়ান্ত রায় পাওয়া গেছে যা সংশ্লিষ্ট থানার মাধ্যমে কার্যকর করার প্রচেষ্টা অব্যাহত আছে।
- এছাড়াও, উল্লেখযোগ্য সংখ্যক মামলার রায় ২০২৪ সালের মধ্যেই পাওয়া যাবে।

এত স্বল্প সময়ে অর্থ ঋণ মামলার নিষ্পত্তি এবং ডিক্রী প্রাপ্তি নজিরবিহীন যা কোম্পানী ব্যবস্থাপনার দক্ষতা, কঠোর সুপারভিশন ও মনিটরিং এর পরিচায়ক।

২০২০ হতে ৩০/০৬/২০২৪ ইং তারিখ পর্যন্ত ১৪৮.৯৫ কোটি টাকা আমানতকারীগনকে পরিশোধ করা হয়েছে এবং ৯০.০৫ কোটি টাকা বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠান হতে গৃহীত ঋণের বিপরীতে পরিশোধ করা হয়েছে অর্থাৎ সর্বমোট ২৩৯.০০ কোটি টাকা ঋণ ও আমানত পরিশোধ করা হয়েছে।

৭৪৪ টি আমানত হিসাবের টাকা সুদ সহ সম্পূর্ণরূপে পরিশোধ করা হয়েছে যার ফলশ্রুতিতে ২০২০ সালে করোনা মহামারীর ১ম প্রবাহ পরবর্তী সময়ে শত শত আমানতকারীগণের কোম্পানী কার্যালয়ে প্রতিদিন উপস্থিতি এবং অনাকাঙ্ক্ষিত পরিস্থিতি সামাল দেয়া সম্ভব হয়েছে।

সাউথ বাংলা এগ্রিকালচারাল ব্যাংক লিমিটেড হতে গৃহীত ২২ কোটি টাকার মেয়াদী আমানত এবং ৩.৭৫ কোটি টাকা স্বল্পমেয়াদী ঋণ এর বিপরীতে ৯% হারে অপরিশোধিত সুদ বাবদ ২.৬২ কোটি টাকার স্থলে ১.৯১ কোটি টাকা পরিশোধ পূর্বক নিয়মিত করন ও ৬% সুদ হারে নবায়ন করে কোম্পানীর ০.৭১ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।

এনআরবি ব্যাংক লিমিটেড হতে গৃহীত ১২.২১ কোটি টাকা স্বল্পমেয়াদী ঋণ এর বিপরীতে ১০% হারে অপরিশোধিত সুদ বাবদ ২.১৪ কোটি টাকার স্থলে ১.২৮ কোটি টাকা পরিশোধ পূর্বক নিয়মিত করন ও ৬% সুদ হারে নবায়ন করে কোম্পানীর ০.৮৬ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।

আইসিবি হতে গৃহীত ৭৩.০০ কোটি টাকা মেয়াদী আমানত এর বিপরীতে ১১.৩৩% হারে অপরিশোধিত সুদ বাবদ ১০.৪৯ কোটি টাকার স্থলে ৯.১২ কোটি টাকা নির্ধারণ পূর্বক নিয়মিত করন ও ৯% সুদ হারে নবায়ন করে কোম্পানীর ১.৩৭ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।

মিডল্যান্ড ব্যাংক লিমিটেড হতে গৃহীত ২৯.০০ কোটি টাকা মেয়াদী আমানত এর বিপরীতে ১১.৭৫% হারে অপরিশোধিত সুদ বাবদ ১৪.৫৬ কোটি টাকার স্থলে ৭.১৯ কোটি টাকা নির্ধারণ পূর্বক নিয়মিত করন ও ৯% সুদ হারে নবায়ন করে কোম্পানীর ৭.৩৭ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।

২০২১ সালে নীট লোকসান ছিল ৪১৯.১২ কোটি টাকা যা ২০২২ সালে হ্রাস পেয়ে দাঁড়ায় ২৩০.৬৫ কোটি টাকা, ২০২৩ সালে ১১২.৩২ কোটি টাকা এবং ৩১/০৩/২০২৪ ইং তারিখ ভিত্তিক ১৮.৪১ কোটি টাকা যা বছরান্তে কম বেশি ৭৩.৬৪ কোটি টাকা হওয়ার সম্ভাবনা আছে।

২০১৭ সাল হতে লোকসানী এবং ২০১৮ সাল হতে 'জেড' ক্যাটাগরী ও 'রেড' জোনে পতিত প্রতিষ্ঠান ফারইন্স্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এ বর্তমানে কোন প্রভিশন ঘাটতি নাই, দ্রুততর সময়ের মাধ্যমে আদালতে দায়েরকৃত মামলার রায়/ডিক্রী অর্জন ও বাস্তবায়নসহ খেলাপী ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহন ও প্রচেষ্টা চলমান আছে এবং ২০২১ পরবর্তী সময়ে কোম্পানীর নীট লোকসান উল্লেখযোগ্য মাত্রায় হ্রাস পাচ্ছে।

২০১৯ সাল হতে ফারইন্স্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর সার্বিক আর্থিক অবস্থা এবং বর্তমান ব্যবস্থাপনা পরিচালক ও পরিচালনা পর্ষদ দায়িত্ব গ্রহণ পরবর্তী সময়ের অগ্রগতি নিম্নে বিভিন্ন সারণীতে উপস্থাপন করা হল:

সারণী - ১

'কোটি টাকা'

ক্রমিক	বিবরণ	৩১/১২/১৯	৩১/১২/২০	৩১/১২/২১	৩১/১২/২২	৩১/১২/২৩	৩০/০৬/২৪
১)	নগদ জমা (চলতি এবং এসএনডি)	২.৩৯	৩১.৮৭	১৭.৬৭	২৮.৭৭	৩৯.০৯	৩৮.৭২
২)	মোট ঋণ	৯০৭.৬৩	৯৪০.৯১	৯৬৯.১৭	৯৪৩.৮০	৮৯৯.৮৪	৮৯১.৪৪
৩)	সহযোগী প্রতিষ্ঠান ফারইন্স্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত জামানতবিহীন ঋণ	২৭৫.৪৬	৩০২.৪৮	৩০২.৪৮ (অনারোপিত সুদসহ ৩৫৩.৭৮ কোটি)	৩০২.৪৮ (অনারোপিত সুদসহ ৪০৬.৮৫ কোটি)	৩০২.৪৮ (অনারোপিত সুদসহ ৪৬৭.৮৮ কোটি)	৩০২.৪৮ (অনারোপিত সুদসহ ৫০১.৬৫ কোটি)
৪)	সহযোগী প্রতিষ্ঠান ফারইন্স্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড এ মূলধন বিনিয়োগ	৬২.০১	৬১.৪৩	৬১.২৭	৬০.৫৬	৫৯.৭১	৫৯.৫২
৫)	শ্রেণীকৃত ঋণ	৫১৩.৮৫	৪৮৮.৩৭	৮৭১.৭২	৮৯০.৩৭	৮৭৬.৭২	৮৭৩.২৮
৬)	শ্রেণীকৃত ঋণ %	৫৬.৬১%	৫১.৯০%	৮৯.৯৫%	৯৪.৩৪%	৯৭.৪৫%	৯৭.৯৬%
	ঋণের বিপরীতে চলতি বছরে সংরক্ষিত প্রভিশন	৩৪.৯০	১৭.৩৩	৩৬৩.৬৩	১৪৫.৭৯	৭.৮৬	(১.২১)
৭)	পিপলস লিজিং, বিআইএফসিএল, ফাস ফাইন্যান্স এ রক্ষিত আমানত, বিও একাউন্টে রক্ষিত নগদ জমা, শেয়ার বিনিয়োগ ইত্যাদি বাবদ চলতি বছরে সংরক্ষিত প্রভিশন	২.১৯	(০.১১)	২.১৪	১৮.৮৪	৩২.৫৪	(০.৭৫)
৮)	পুঞ্জীভূত প্রভিশন	১৩০.৩৭	১৪৭.৬০	৫১৩.৩৭	৬৭৭.৯৯	৭১৮.৩৯	৭১৭.৯৪
৯)	পুঞ্জীভূত প্রভিশন ঘাটতি	৭৫.৬৫	৫৬.৭৪	৩৭.৮৩	১৮.৯১	০.০০	০.০০
১০)	শ্রেণীকৃত ঋণের বিপরীতে পুঞ্জীভূত স্থগিত সুদ	৪৪.৮৪	৭১.১১	১১১.২৬	১৩৩.৮২	১৩১.৮৪	১৩১.২০
১১)	পরিশোধিত আয়কর বাবদ প্রকৃত ব্যয় খাত ডেবিট না করে ২০০১ সাল হতে 'অগ্রিম আয়কর পরিশোধ খাত' ডেবিট করে প্রদানকৃত আয়কর প্রকৃত ব্যয় খাত ডেবিট পূর্বক সংশোধন	০.০০	০.০০	০.০০	০.০০	১৪.৬৬	০.০০
১২)	নীট মুনাফা/(লোকসান)	(৭১.৮০)	(২৮.৫৫)	(৪১৯.১২)	(২৩০.৬৫)	(১১২.৩২)	(৩৭.৩১)

সারণী - ২

‘কোটি টাকা’

ক্রমিক	বিবরণ	৩০/০৬/২৪
১)	মোট ঋণ	৮৯১.৪৪
২)	জামানতবিহীন ঋণ	৭৯৮.৯০
৩)	জামানতবিহীন ঋণ %	৮৯.৬২%
৪)	শ্রেণীকৃত ঋণ	৮৭৩.২৮
৫)	শ্রেণীকৃত ঋণ %	৯৭.৯৬%

সারণী - ৩

‘কোটি টাকা’

ক্রমিক	বিবরণ	২০২০	২০২১	২০২২	২০২৩	৩০/০৬/২৪	মোট
১)	শ্রেণীকৃত ঋণ আদায়	৬.৮৮	১.৭২	৪২.১১	৬১.৫৭	১১.৭৩	১২৪.০১
২)	অশ্রেণীকৃত ঋণ আদায়	৫১.৯১	৪১.৩৬	২০.৫৭	৪.৮০	২.২৩	১২০.৮৭
৩)	অবলোপনকৃত ঋণ আদায়	১.৫৭	০.০০	০.২৩	০.৫৭	০.৯২	৩.২৯
মোট ঋণ আদায়		৬০.৩৬	৪৩.০৮	৬২.৯১	৬৬.৯৪	১৪.৮৭	২৪৮.১৭

সারণী - ৪

‘কোটি টাকা’

ক্রমিক	বিবরণ	২০২০	২০২১	২০২২	২০২৩	৩০/০৬/২৪	মোট
১)	প্রাতিষ্ঠানিক আমানত ফেরত প্রদান	৩১.৪৩	১৪.৩২	১৫.২৯	২৪.৯৭	৬.১২	৯২.১৩
২)	ব্যক্তি আমানত ফেরত প্রদান	২০.০১	১৮.৬৬	১০.৪৫	৫.৫৬	২.১৪	৫৬.৮২
৩)	মোট আমানত ফেরত প্রদান	৫১.৪৪	৩২.৯৮	২৫.৭৪	৩০.৫৩	৮.২৬	১৪৮.৯৫
৪)	সম্পূর্ণরূপে পরিশোধিত আমানত হিসাব সংখ্যা	২৯৩	২৭৩	১১২	৪৬	২০	৭৪৪ টি
৫)	ঋণ পরিশোধ	১৫.৬৫	২৪.০১	২৭.২৮	২০.০২	৩.০৯	৯০.০৫
মোট পরিশোধিত আমানত ও ঋণ		৬৭.০৯	৫৬.৯৯	৫৩.০২	৫০.৫৫	১১.৩৫	২৩৯.০০

সারণী - ৫

‘কোটি টাকা’

ক্রমিক	বিবরণ	৩০/০৬/২৪
১)	শ্রেণীকৃত ঋণ আদায়ের লক্ষ্যে দায়েরকৃত এনআই এ্যাক্ট/চেকের মামলা (সংখ্যা)	৩১২ টি
২)	শ্রেণীকৃত ঋণ আদায়ের লক্ষ্যে দায়েরকৃত এনআই এ্যাক্ট/চেকের মামলা (টাকার অংক)	৩২৮.৫০ কোটি টাকা
৩)	নিষ্পত্তিকৃত এনআই এ্যাক্ট/চেকের মামলা হতে আদায় (টাকার অংক)	৫.৩১ কোটি টাকা
৪)	শ্রেণীকৃত ঋণ আদায়ের লক্ষ্যে দায়েরকৃত অর্থঋণ মামলা (সংখ্যা)	৬৬ টি
৫)	শ্রেণীকৃত ঋণ আদায়ের লক্ষ্যে দায়েরকৃত অর্থঋণ মামলা (টাকার অংক)	৭৬১.১০ কোটি টাকা
৬)	নিষ্পত্তিকৃত অর্থঋণ মামলা হতে আদায় (টাকার অংক)	৭.০৩ কোটি টাকা
৭)	মোট চলমান মামলা সংখ্যা	৩৭৮ টি
৮)	মোট মামলা বিজড়িত অর্থ	১০৮৯.৬০ কোটি টাকা
৯)	আদায়	১২.৩৪ কোটি টাকা

সারণী - ৬

‘কোটি টাকা’

ক্রমিক	বিবরণ	৩০/০৬/২৪
১)	সাউথ বাংলা এগ্রিকালচারাল ব্যাংক লিমিটেড হতে গৃহীত ২২ কোটি টাকার মেয়াদী আমানত এবং ৩.৭৫ কোটি টাকা স্বল্পমেয়াদী ঋণ এর বিপরীতে ৯% হারে অপরিশোধিত সুদ বাবদ ২.৬২ কোটি টাকার স্থলে ১.৯১ কোটি টাকা পরিশোধ পূর্বক নিয়মিত করণ ও ৬% সুদ হারে নবায়ন করে কোম্পানীর ০.৭১ কোটি টাকা ব্যয় সাশ্রয়।	০.৭১ কোটি
২)	এনআরবি ব্যাংক লিমিটেড হতে গৃহীত ১২.২১ কোটি টাকা স্বল্পমেয়াদী ঋণ এর বিপরীতে ১০% হারে অপরিশোধিত সুদ বাবদ ২.১৪ কোটি টাকার স্থলে ১.২৮ কোটি টাকা পরিশোধ পূর্বক নিয়মিত করণ ও ৬% সুদ হারে নবায়ন করে কোম্পানীর ০.৮৬ কোটি টাকা ব্যয় সাশ্রয়।	০.৮৬ কোটি
৩)	আইসিবি হতে গৃহীত ৭৩.০০ কোটি টাকা মেয়াদী আমানত এর বিপরীতে ১১.৩৩% হারে অপরিশোধিত সুদ বাবদ ১০.৪৯ কোটি টাকার স্থলে ৯.১২ কোটি টাকা নির্ধারণ পূর্বক নিয়মিত করণ ও ৯% সুদ হারে নবায়ন করে কোম্পানীর ১.৩৭ কোটি টাকা ব্যয় সাশ্রয়।	১.৩৭ কোটি
৪)	মিডল্যান্ড ব্যাংক লিমিটেড হতে গৃহীত ২৯.০০ কোটি টাকা মেয়াদী আমানত এর বিপরীতে ১১.৭৫% হারে অপরিশোধিত সুদ বাবদ ১৪.৫৬ কোটি টাকার স্থলে ৭.১৯ কোটি টাকা নির্ধারণ পূর্বক নিয়মিতকরণ ও ৯% সুদ হারে নবায়ন করে কোম্পানীর ৭.৩৭ কোটি টাকা ব্যয় সাশ্রয়।	৭.৩৭ কোটি
মোট ব্যয় সাশ্রয়		১০.৩১ কোটি

পরিচালনা পর্ষদ ব্যবস্থাপনা পরিচালক এর সততা, দক্ষতা, সময়োপযোগী, সাহসী, বিচক্ষণ ও প্রশংসনীয় সিদ্ধান্ত গ্রহণ এবং কোম্পানীর সার্বিক উন্নয়নে আন্তরিকতা ও প্রতিশ্রুতিবদ্ধতায় সন্তুষ্ট এবং আশাবাদী। প্রতিকূল পরিস্থিতি মোকাবেলায় নিরলস পরিশ্রমের জন্য আমি প্রতিষ্ঠান ব্যবস্থাপনাকে বিশেষভাবে ধন্যবাদ জানাচ্ছি।

বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, ঢাকা স্টক এক্সচেঞ্জ পিএলসি, চট্টগ্রাম স্টক এক্সচেঞ্জ পিএলসি, রেজিস্ট্রার অব জয়েন্ট স্টক কোম্পানীজ এন্ড ফার্মস, জাতীয় রাজস্ব বোর্ড এবং অন্যান্য নিয়ন্ত্রণকারী কর্তৃপক্ষকে তাঁদের মূল্যবান দিক নির্দেশনা প্রদানের জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছি।

প্রতিষ্ঠানের সম্মানিত শেয়ারহোল্ডারগণ, আমানতকারীগণ, সম্পৃক্ত ব্যাংক সমূহ এবং অন্যান্য সংশ্লিষ্ট সংস্থাসমূহকে তাদের ধৈর্য্য, সহমর্মিতা, দৃঢ় আস্থা ও সদয় সহযোগিতার জন্য আন্তরিক ধন্যবাদ ও কৃতজ্ঞতা জ্ঞাপন করছি। একই সাথে নিরীক্ষকগণকে যথাসময়ে তাদের নিরীক্ষা প্রতিবেদন উপস্থাপন করার জন্য ধন্যবাদ জানাচ্ছি।

পরিচালনা পর্ষদের পক্ষে,



মোঃ আশরাফুল মকবুল

(অবসরপ্রাপ্ত সিনিয়র সচিব এবং

সাবেক চেয়ারম্যান, সোনালী ব্যাংক পিএলসি)

চেয়ারম্যান

ব্যবস্থাপনা পরিচালকের বক্তব্য

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

সম্মানিত শেয়ারহোল্ডারগন,
السَّلَامُ عَلَيْكُمْ وَرَحْمَةُ اللَّهِ وَبَرَكَاتُهُ

আমাদের একমাত্র উপাস্য, একমাত্র সাহায্যকারী, একমাত্র সমৃদ্ধি ও কল্যাণদাতা, সমগ্র সৃষ্টি জগতের মালিক, সর্বজ্ঞাতা, সর্বশক্তিমান মহান করুণাময় আল্লাহ সুবহানাতায়ালার অসীম দয়া ও মেহেরবানীতে ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড চলমান সংকট উত্তরণের পথ-পরিক্রমায় সমস্যাসংকুল আরেকটি বছর অর্থাৎ ২০২৩ সাল অতিক্রম করে যথাসময়ে ২৩তম বার্ষিক সাধারণ সভা আয়োজন করছে।

উল্লেখ্য যে, মাত্র ২.৩৯ কোটি টাকা নগদ জমা নিয়ে কোম্পানী ২০১৯ সাল সমাপ্ত করে। ২০২০ সালের শুরু থেকে করোনা মহামারি, চরম তারল্য সংকট, ঢাকা ও চট্টগ্রাম কার্যালয়ের কয়েকমাসের অপরিশোধিত ভাড়া ও বৈদ্যুতিক বিল পরিশোধের চাপ, আমানতকারিগণের আমানত উত্তোলনের অস্বাভাবিক চাপ, ঋণ প্রদানকারী আর্থিক প্রতিষ্ঠান ও ব্যাংক কর্তৃক বারংবার পুনঃতফসিলিকৃত ঋণের বিপরীতে অপরিশোধিত কিস্তি পরিশোধ ও শ্রেণীকৃত ঋণস্থিতি পরিশোধের চাপ এবং আইনী ব্যবস্থা মোকাবিলাসহ তৎকালীন এক নাজুক পরিস্থিতিতে আমি ৩১ আগস্ট ২০২০ ইং তারিখে ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর ব্যবস্থাপনা পরিচালক হিসেবে দায়িত্বভার গ্রহণ করি। যোগদান পরবর্তী সময়ে আমি সংকট উত্তরণের লক্ষ্যে ধৈর্য, সততা, অভিজ্ঞতা ও পেশাদারিত্বের সাথে সার্বিক পরিস্থিতি মোকাবিলা করতে সচেষ্ট থেকেছি।

৩১/১২/২০১৯ ইং তারিখে ২.৩৯ কোটি টাকা নগদ জমার স্থলে কোম্পানীতে যোগদান পরবর্তী সময়ে উল্লেখযোগ্য পরিমাণ ঋণ আদায়ের ফলশ্রুতিতে কোম্পানী ৩১.৮৭ কোটি টাকা নগদ জমা নিয়ে ২০২০ সাল সমাপ্ত করে এবং এরই ধারাবাহিকতায় ৩৯.০৯ কোটি টাকা নগদ জমা নিয়ে ২০২৩ সাল সমাপ্ত করে।

৩০/০৬/২০২৪ ইং তারিখে কোম্পানীর নগদ জমা ছিলো ৩৮.৭২ কোটি টাকা।



২০২০-২০২৩ সময়কালে শ্রেণীকৃত ঋণের বিপরীতে নতুন করে প্রভিশন সংরক্ষণ করা হয়েছে ৫৩৪.৬১ কোটি টাকা এবং শ্রেণীকৃত অন্যান্য সম্পদের বিপরীতে প্রভিশন সংরক্ষণ করা হয়েছে ৫৩.৪১ কোটি টাকা অর্থাৎ ৫৮৮.০২ কোটি টাকা নতুন প্রভিশন সংরক্ষণ করা হয়েছে। তালিকাভুক্ত সার্ভেয়ার দ্বারা জরিপকালীন সময়ে সহায়ক জামানতের অস্তিত্ব খুঁজে না পাওয়ায় এবং মালিকানা ট্রেটিয়ুক্ত পাওয়ায় ২০২৩ সালে ৭.৮৬ কোটি এবং পিপলস লিজিং, বিআইএফসিএল, ফাস ফাইন্যান্স এ রক্ষিত আমানত মন্দ ও ক্ষতিমানে শ্রেণীকৃত হওয়ায় ৩২.৫৪ কোটি অর্থাৎ মোট ৪০.৪০ কোটি টাকা ২০২৩ সালে অতিরিক্ত প্রভিশন সংরক্ষণ করতে হয়। আয়কর পরিশোধ বাবদ প্রকৃত ব্যয় খাত ডেবিট করে পর্যাপ্ত প্রভিশন সংরক্ষণ না করার বিষয় উদ্ঘাটিত হলে ২০২৩ সালে ব্যয় খাত ডেবিট পূর্বক ১৪.৬৬ কোটি আয়কর প্রভিশন ঘাটতি পূরণ করা হয়। বর্তমানে কোম্পানীর কোন প্রভিশন ঘাটতি নাই।

২০২০ সাল হতে ৩১/০৫/২০২৪ ইং তারিখ পর্যন্ত মোট ঋণ আদায় হয়েছে ২৪৮.১৭ কোটি টাকা যার মধ্যে শ্রেণীকৃত ঋণ হতে আদায় ১২৪.০১ কোটি টাকা, অশ্রেণীকৃত ঋণ আদায় ১২০.৮৭ কোটি টাকা এবং অবলোপনকৃত ঋণ আদায় ৩.২৯ কোটি টাকা। মোট ঋণের ৮৯.৬২% সহায়ক জামানতবিহীন ও ৯৭.৯৬% খেলাপী ঋণ যা আমি ব্যবস্থাপনা পরিচালক হিসেবে কোম্পানীতে যোগদানের পূর্বে অর্থাৎ ২০০১-২০১৮ সময়কালে অনুমোদিত, বিতরণকৃত এবং বারংবার পুনঃতফসিলীকৃত।

সহযোগী প্রতিষ্ঠান ফারইস্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত জামানতবিহীন ঋণস্থিতি বাংলাদেশ ব্যাংক আর্থিক প্রতিষ্ঠান পরিদর্শন বিভাগ কর্তৃক ৩১/১২/২০১৯ ইং তারিখ হতে নিম্ন-মানে শ্রেণীকরণ করা হয় যা ২০২১ সালে মন্দ ও ক্ষতিমানে শ্রেণীকৃত হয়। ২০২১ সালে কোম্পানীর লোকসান বৃদ্ধির মূল কারণ সহযোগী প্রতিষ্ঠান ফারইস্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত মন্দ ও ক্ষতি মানে শ্রেণীকৃত ঋণস্থিতির বিপরীতে শতভাগ প্রভিশন সংরক্ষণ।

২০১০-২০১১ সালে সহযোগী প্রতিষ্ঠান ফারইস্ট স্টকস্ এন্ড বন্ডস্ লিমিটেড বরাবর প্রদত্ত জামানতবিহীন ঋণ এবং মূলধন বিনিয়োগ বাবদ ৩৬২.০০ কোটি (অনারোপিত সুদসহ ৫৬১.১৭ কোটি) টাকা হতে কোম্পানীর কোন আয় নাই। উপরোক্ত, সহযোগী প্রতিষ্ঠানের লোকসান হেতু প্রতিবছর বিনিয়োগকৃত মূলধন হ্রাস পাচ্ছে।

২০১৫-২০১৮ সালে পিপলস লিজিং, বিআইএফসিএল, ফাস ফাইন্যান্স এ রক্ষিত আমানত, বিও একাউন্টে রক্ষিত নগদ জমা, শেয়ার বিনিয়োগ ইত্যাদি বাবদ প্রভিশন সংরক্ষণ এবং উল্লেখিত আর্থিক প্রতিষ্ঠানে রক্ষিত আমানতের বিপরীতে সুদ বাবদ ৩১.২৯ কোটি টাকা আয়খাতে যোগ না করতে পারাও লোকসান বৃদ্ধির অন্যতম কারণ।

২০১৯-২০২০ সালে নামমাত্র ডাউন পেমেন্ট গ্রহণ পূর্বক ঋণ পুনঃতফসিলীকরণ, করোনা মহামারীর ১ম প্রবাহ হেতু ঋণ গ্রহীতাদের প্রদত্ত বিশেষ সুবিধার আওতায় খেলাপী শ্রেণীভুক্ত না করা, অপরিশোধিত কিস্তি পরিশোধে ডেফারেল সুবিধা প্রদান এবং সেই সব ঋণ হিসাবের সুদ আয় খাতে নেওয়ার দরুন ২০২০ সালে শ্রেণীকৃত ঋণ হ্রাস পায় এবং একইসাথে লোকসানও হ্রাস পায়।

২০২১ সালে করোনা মহামারীর ২য় প্রবাহের কারণে আগস্ট মাস পর্যন্ত কঠোর শাটডাউন এর ফলে আদালত এবং কোম্পানীর সার্বিক কার্যক্রমে অচলাবস্থা বিরাজমান থাকায় শ্রেণীকৃত ঋণ আদায় হ্রাস পায়। অপরদিকে ২০২১ সালে করোনা মহামারীর ২য় প্রবাহ হেতু অপরিশোধিত কিস্তির কেবলমাত্র ১৫% জমা পূর্বক ২০২০ সালে বিশেষ সুবিধাপ্রাপ্ত ঋণগ্রহীতাগন ২০২১ সালে অশ্রেণীকৃত থাকার বিশেষ সুবিধা গ্রহণে ব্যর্থতার দরুন শ্রেণীকৃত ঋণ বিপুল হারে বৃদ্ধি পায়।

৩০/০৬/২০২৪ ইং তারিখ ভিত্তিক শ্রেণীকৃত ঋণ আদায়ের লক্ষ্যে এনআই এ্যাক্ট এর অধীনে চলমান চেক ডিজঅনারের মামলা সংখ্যা ৩১২টি যার বিপরীতে বিজড়িত টাকা ৩২৮.৫০ কোটি। অর্থ ঋণ আদালত আইন ২০০৩ এর অধীনে দায়েরকৃত অর্থ ঋণ মামলা সংখ্যা ৬৬টি যার বিপরীতে বিজড়িত টাকা ৭৬১.১০ কোটি টাকা। উক্ত সময়ে নিষ্পত্তিকৃত এবং/অথবা দায়েরকৃত মামলার বিপরীতে আদায় ১২.৩৪ কোটি টাকা। বিগত সময়ে যথাযথভাবে মামলা রুজু না করায় সার্বিক ঋণ আদায় প্রক্রিয়া ব্যহত হয়েছে। উপরোক্ত, আদালত কর্তৃক রায় প্রাপ্তি সত্ত্বেও খেলাপী ঋণ গ্রহীতাদের বিদেশে অবস্থান/ঠিকানা পরিবর্তন/ভূয়া ঠিকানা ব্যবহারের দরুন ঋণ আদায় কার্যক্রম প্রশ্নাতীতভাবে সমস্যার সম্মুখীন। বর্তমানে ২৭ জন খেলাপী ঋণগ্রহীতার ঠিকানা খুঁজে না পাওয়ায় ৫৬.৩৮ কোটি টাকা আদায়ে অনিশ্চয়তা বিদ্যমান।

বিশেষভাবে উল্লেখ্য যে,

- রাজশাহী কেমিক্যাল ইন্ডাস্ট্রিজ লিমিটেড নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ৩০/০৫/২০২২ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ১৬/১১/২০২৩ ইং তারিখে ৮.৪৩ কোটি টাকার রায় পাওয়া গেছে।
- বাকলিয়া ট্রেডার্স নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ১৩/০৪/২০২৩ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ১১/০২/২০২৪ ইং তারিখে ০.৬৮ কোটি টাকার রায় পাওয়া গেছে।
- বায়েজিদ স্টীল ইন্ডাস্ট্রিজ লিমিটেড নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ১০/০৭/২০২৩ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ২৩/০৫/২০২৪ ইং তারিখে ২৭.৬০ কোটি টাকার রায় পাওয়া গেছে।
- এসহাক ব্রাদার্স ইন্ডাস্ট্রিজ লিমিটেড নামক খেলাপী ঋণ গ্রহীতার নিকট হতে খেলাপী ঋণ আদায়ের লক্ষ্যে গত ১৬/১০/২০২৩ ইং তারিখে দায়েরকৃত অর্থ ঋণ মামলায় ১৬/০৫/২০২৪ ইং তারিখে ৩৭.৬৮ কোটি টাকার রায় পাওয়া গেছে।
- ৪ টি অর্থ ঋণ মামলায় অতিক্রান্ত সময়ে ৭৪.৩৯ কোটি টাকার চূড়ান্ত ডিক্রী পাওয়া গেছে।

- ১০ টি চেকের মামলায় ২০২৪ সালে খেলাপী ঋণ গ্রহীতাদের ১ বছর কারাদন্ডসহ ১২.২৬ কোটি টাকা পরিশোধের চূড়ান্ত রায় পাওয়া গেছে যা সংশ্লিষ্ট থানার মাধ্যমে কার্যকর করার প্রচেষ্টা অব্যাহত আছে।
- এছাড়াও, উল্লেখযোগ্য সংখ্যক মামলার রায় ২০২৪ সালের মধ্যেই পাওয়া যাবে।
- এত স্বল্প সময়ে অর্থ ঋণ মামলার নিষ্পত্তি এবং ডিক্রী প্রাপ্তি নজিরবিহীন যা কোম্পানী ব্যবস্থাপনার দক্ষতা, কঠোর সুপারভিশন ও মনিটরিং এর পরিচায়ক।

২০২০ হতে ৩০/০৬/২০২৪ ইং তারিখ পর্যন্ত ১৪৮.৯৫ কোটি টাকা আমানতকারীগনকে পরিশোধ করা হয়েছে এবং ৯০.০৫ কোটি টাকা বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠান হতে গৃহীত ঋণের বিপরীতে পরিশোধ করা হয়েছে অর্থাৎ সর্বমোট ২৩৯.০০ কোটি টাকা ঋণ ও আমানত পরিশোধ করা হয়েছে।

৭৪৪ টি আমানত হিসাবের টাকা সুদ সহ সম্পূর্ণরূপে পরিশোধ করা হয়েছে যার ফলশ্রুতিতে ২০২০ সালে করোনা মহামারীর ১ম প্রবাহ পরবর্তী সময়ে শত শত আমানতকারীগনের কোম্পানী কার্যালয়ে প্রতিদিন উপস্থিতি এবং অনাকাঙ্ক্ষিত পরিস্থিতি সামাল দেয়া সম্ভব হয়েছে।

- সাউথ বাংলা এগ্রিকালচারাল ব্যাংক লিমিটেড হতে গৃহীত ২২ কোটি টাকার মেয়াদী আমানত এবং ৩.৭৫ কোটি টাকা স্বল্পমেয়াদী ঋণ এর বিপরীতে ৯% হারে অপরিশোধিত সুদ বাবদ ২.৬২ কোটি টাকার স্থলে ১.৯১ কোটি টাকা পরিশোধ পূর্বক নিয়মিত করন ও ৬% সুদ হারে নবায়ন করে কোম্পানীর ০.৭১ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।
- এনআরবি ব্যাংক লিমিটেড হতে গৃহীত ১২.২১ কোটি টাকা স্বল্পমেয়াদী ঋণ এর বিপরীতে ১০% হারে অপরিশোধিত সুদ বাবদ ২.১৪ কোটি টাকার স্থলে ১.২৮ কোটি টাকা পরিশোধ পূর্বক নিয়মিত করন ও ৬% সুদ হারে নবায়ন করে কোম্পানীর ০.৮৬ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।
- আইসিবি হতে গৃহীত ৭৩.০০ কোটি টাকা মেয়াদী আমানত এর বিপরীতে ১১.৩৩% হারে অপরিশোধিত সুদ বাবদ ১০.৪৯ কোটি টাকার স্থলে ৯.১২ কোটি টাকা নির্ধারণ পূর্বক নিয়মিত করন ও ৯% সুদ হারে নবায়ন করে কোম্পানীর ১.৩৭ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।
- মিডল্যান্ড ব্যাংক লিমিটেড হতে গৃহীত ২৯.০০ কোটি টাকা মেয়াদী আমানত এর বিপরীতে ১১.৭৫% হারে অপরিশোধিত সুদ বাবদ ১৪.৫৬ কোটি টাকার স্থলে ৭.১৯ কোটি টাকা নির্ধারণ পূর্বক নিয়মিত করন ও ৯% সুদ হারে নবায়ন করে কোম্পানীর ৭.৩৭ কোটি টাকা ব্যয় সাশ্রয় করা সম্ভব হয়েছে।

বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক ২৯/০৩/২০২১ ইং তারিখে অর্থাৎ বর্তমান ব্যবস্থাপনা পরিচালক হিসেবে কোম্পানীতে যোগদানের ৬ মাসের মধ্যেই ২০১৭ সাল হতে লোকসানী এবং ২০১৮ সাল হতে 'জেড' ক্যাটাগরী ও 'রেড' জোনে পতিত ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর পরিচালনা পর্ষদ পুনর্গঠিত হয়। করোনা মহামারীর ২য় প্রবাহ পরবর্তীতে বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন কর্তৃক নিয়োগকৃত অডিট ফার্ম কর্তৃক কোম্পানীর সূচনালগ্ন হতে সংঘটিত বিভিন্ন অনিয়ম বিষয়ে অডিট কার্য সম্পাদিত হয়।

পরবর্তীতে বাংলাদেশ ব্যাংক কর্তৃক নিয়োগপ্রাপ্ত অডিট ফার্ম কোম্পানীতে সংঘটিত বিভিন্ন অনিয়ম বিষয়ে অডিট কার্য সম্পাদন করেন। সংঘটিত বিভিন্ন অনিয়ম বিষয়ে দুর্নীতি দমন কমিশনে অভিযোগ দায়ের, সংঘটিত বিভিন্ন অনিয়ম-দুর্নীতির সাথে সম্পৃক্ত কর্মকর্তা-কর্মচারীদের বিরুদ্ধে প্রশাসনিক শাস্তিমূলক ব্যবস্থা গ্রহণ, ঋণ নথিপত্র হালনাগাদকরণ, সহায়ক জামানতের সঠিকতা যাচাই ও মূল্যায়ন, আত্মগোপনকৃত খেলাপী ঋণগ্রহীতাদের খুঁজে বের করা, ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহণ, খেলাপী ঋণ আদায়ে 'এনআই এ্যাক্ট ১৮৮১' ও 'অর্থ ঋণ আদালত আইন ২০০৩' মোতাবেক মামলা রুজুকরণ, পূর্বে রুজুকৃত মামলাসমূহ পুনরায় কার্য তালিকাভুক্তকরণসহ যাবতীয় কাজ পরিচালনা পর্ষদের সাথে আলোচনাপূর্বক করা হচ্ছে।

২০২১ সালে নীট লোকসান ছিল ৪১৯.১২ কোটি টাকা যা ২০২২ সালে হ্রাস পেয়ে দাঁড়ায় ২৩০.৬৫ কোটি টাকা, ২০২৩ সালে ১১২.৩২ কোটি টাকা এবং ৩১/০৩/২০২৪ ইং তারিখ ভিত্তিক ১৮.৪১ কোটি টাকা যা বছরান্তে কম বেশি ৭৩.৬৪ কোটি টাকা হওয়ার সম্ভাবনা আছে।

২০১৭ সাল হতে লোকসানী এবং ২০১৮ সাল হতে 'জেড' ক্যাটাগরী ও 'রেড' জোনে পতিত প্রতিষ্ঠান ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এ বর্তমানে কোন প্রভিশন ঘাটতি নাই, দ্রুততর সময়ের মাধ্যমে আদালতে দায়েরকৃত মামলার রায়/ডিক্রী অর্জন ও বাস্তবায়নসহ খেলাপী ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহণ ও প্রচেষ্টা চলমান আছে এবং ২০২১ পরবর্তী সময়ে কোম্পানীর নীট লোকসান উল্লেখযোগ্য মাত্রায় হ্রাস পাচ্ছে।

ঋণ/লীজ হতে আদায়ের হার সন্তোষজনক পর্যায়ে উন্নীতকরণের লক্ষ্যে ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড কর্তৃক গৃহীত দ্রুত ও কার্যকরী ব্যবস্থা সমূহ

- ১) ঋণ গ্রহীতাদের নিকট হতে ঋণ আদায়ে নিয়মিত যোগাযোগ, মৌখিক অনুরোধ ও লিখিত তাগাদা পত্র প্রেরণ,
- ২) প্রয়োজনীয় ডকুমেন্টস সংগ্রহ, ঋণ/লীজ ফাইলসমূহ হাল নাগাদকরণের মাধ্যমে ঋণের গুণগত মান উন্নয়ন করা,

- ৩) পরিদর্শনের মাধ্যমে হৃদিসবিহীন গ্রাহকদের বর্তমান অবস্থান খুঁজে বের করা,
- ৪) ঋণের বিপরীতে প্রদত্ত বন্ধকী সম্পত্তির মালিকানা নিশ্চিতকরণসহ প্রকৃত অবস্থান অনুসন্ধান ও মূল্য নির্ধারণে তালিকাভুক্ত সার্ভেয়ার নিয়োগ,
- ৫) সংশ্লিষ্ট তহসীল ও ভূমি অফিস হতে সম্পত্তির দলিলাদি সংগ্রহের মাধ্যমে সহায়ক জামানতসমূহ নিয়মিতকরণ,
- ৬) অর্থঋণ আদালত আইনের ১২ ধারা মোতাবেক বন্ধকী সম্পত্তি বিক্রয়ের উদ্দেশ্যে নিলাম বিজ্ঞপ্তি প্রকাশ,
- ৭) নেগোশিয়েবল ইন্সট্রুমেন্ট অ্যাক্ট ১৮৮১ এবং অর্থঋণ আদালত আইন ২০০৩ এর অধীনে খেলাপি ঋণ গ্রহীতাদের বিরুদ্ধে মামলা দায়ের,
- ৮) তত্ত্বাবধান, মনিটরিং ও মামলা দায়ের প্রক্রিয়ার মাধ্যমে ঋণ আদায় কার্যক্রমকে শক্তিশালীকরণ,
- ৯) গৃহীত পদক্ষেপ সমূহের নিবিড় তদারকি এবং আইনী প্রক্রিয়ার পাশাপাশি শ্রেণীকৃত ঋণ আদায়ে সর্বাঙ্গিক প্রচেষ্টা অব্যাহত রাখা।

মামলা পরিচালনাকারী অভিজ্ঞ আইনজীবী প্যানেল নিয়োগ করা হয়েছে। চলমান মামলা সমূহ দ্রুত নিষ্পত্তির লক্ষ্যে সংশ্লিষ্টদের সাথে নিবিড় যোগাযোগ রাখা হচ্ছে। চলমান মামলা সমূহ দ্রুত নিষ্পত্তির লক্ষ্যে মামলা পরিচালনাকারী আইনজীবীদের মৌখিক ও লিখিত নির্দেশনা প্রদান করা হচ্ছে এবং নিয়মিত তদারকি করা হচ্ছে। গৃহীত পদক্ষেপ সমূহের নিবিড় তদারকি, দ্রুততর সময়ের মাধ্যমে আদালতে দায়েরকৃত মামলার রায় ও ডিক্রী অর্জন ও বাস্তবায়নসহ খেলাপি ঋণ আদায়ে সর্বাঙ্গিক পদক্ষেপ গ্রহণ ও প্রচেষ্টা চলমান আছে।

অস্তিত্বহীন সহায়ক জামানত, ত্রুটিযুক্ত অপরিষ্কৃত সহায়ক জামানত এবং জামানতবিহীন বিতরণকৃত ঋণ, খেলাপি ঋণ, অতি উচ্চ সুদ হারে গৃহীত আমানত, বিভিন্ন ব্যাংক ও আর্থিক প্রতিষ্ঠান হতে গৃহীত ঋণ, নিয়মবহির্ভূতভাবে সহযোগী প্রতিষ্ঠান বরাবর প্রদানকৃত ঋণ, প্রতিশন ঘাটতি ও প্রতিশন রিভার্সালের মাধ্যমে মুনাফা প্রদর্শন ইত্যাদি হতে উদ্ভূত কারণে কোম্পানীর সার্বিক আর্থিক সূচকে অবনতির ক্ষেত্রে বর্তমান ব্যবস্থাপনা পরিচালক এবং পরিচালনা পর্ষদ এর কোনরূপ সম্পৃক্ততা নাই। উপরোক্ত তথ্য-উপাত্ত হতে প্রতীয়মান হয় যে, বর্তমান ব্যবস্থাপনা এবং পরিচালনা পর্ষদের সময়োপযোগী সিদ্ধান্ত ও অব্যাহত প্রচেষ্টা না থাকলে কোম্পানীর সার্বিক আর্থিক সূচকে আরো অবনতির সমূহ আশঙ্কা ছিল।

প্রতিকূল পরিস্থিতি মোকাবেলায় ফারইস্ট ফাইন্যান্স এন্ড ইনভেস্টমেন্ট লিমিটেড এর সম্মানিত চেয়ারম্যানসহ পরিচালকমণ্ডলীকে তাঁদের সার্বিক সহযোগিতা ও মূল্যবান দিক-নির্দেশনা প্রদানের জন্য আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি। নিরলস পরিশ্রমের জন্য আমি বিশেষভাবে কৃতজ্ঞতা প্রকাশ করছি আমার সহকর্মীদের কাছে। আমি আন্তরিক কৃতজ্ঞতা জ্ঞাপন করছি বাংলাদেশ ব্যাংক, বাংলাদেশ সিকিউরিটিজ এন্ড এক্সচেঞ্জ কমিশন, জাতীয় রাজস্ব বোর্ড, অন্যান্য নিয়ন্ত্রক সংস্থাসহ কোম্পানীর বহিঃনিরীক্ষক প্রতিষ্ঠানসমূহের প্রতি।

সম্মানিত শেয়ারহোল্ডারবৃন্দ, এ প্রতিষ্ঠান আপনাদের, আমরা কোম্পানী তথা আপনাদের বিনিয়োগ-আমানত সুরক্ষায় অর্পিত দায়িত্ব নিষ্ঠা ও সততার সাথে পালন করছি।

আপনাদের সকলের সুস্বাস্থ্য ও নিরাপদ জীবন কামনা করছি।

مع السلامة

আপনাদের বিশ্বস্থ,



মুহাম্মাদ আলী জারিয়াব

ব্যবস্থাপনা পরিচালক

Performance at a Glance

Company's performances over the last five years are presented below to know the company in a nutshell:

Taka in million

Description	2019	2020	2021	2022	2023
	Taka	Taka	Taka	Taka	Taka
I. Business performances					
Contracted					
Lease finance	0.00	0.00	0.00	0.00	0.00
Term finance	8.30	6.44	1.50	0.28	0.00
Total	8.30	6.44	1.50	0.28	0.00
Disbursed					
Lease finance	0.00	0.00	0.00	0.00	0.00
Term finance	18.34	6.44	1.50	0.28	0.00
Total	18.34	6.44	1.50	0.28	0.00
II. Financial performances					
Operational income	771.70	796.01	285.30	100.95	142.62
Operational expenses	1,119.65	907.84	818.61	760.49	713.28
Income from operation	(347.95)	(111.83)	(533.31)	(659.54)	(570.66)
Net profit after tax	(718.00)	(285.46)	(4,191.21)	(2,306.51)	(1,123.22)
Investment in leases	283.27	256.00	254.37	243.89	234.80
Term finances	8,793.01	9,153.13	9,437.29	9,194.15	8,763.61
Investment in shares	122.16	122.48	94.98	71.49	71.49
Total outstanding portfolio	9,198.44	9,531.61	9,786.64	9,509.53	9,069.90
Cumulative total assets	10,883.98	11,457.87	11,528.24	11,348.54	10,910.39
Paid up capital	1,640.63	1,640.63	1,640.63	1,640.63	1,640.63
Shareholders' equity	466.86	181.39	(4,009.81)	(6,316.32)	(7,439.54)
III. Financial ratios					
Financial expenses coverage ratio	(0.14)	0.45	(7.66)	(4.15)	(1.68)
Debt equity ratio (X)	17.03	43.60	N/A	N/A	N/A
Return on asset (%)	(6.32)	(2.56)	(36.47)	(20.16)	(10.09)
Return on average equity (%)	(86.94)	(88.07)	N/A	N/A	N/A
Earning per share (%)	(43.76)	(17.40)	(255.46)	(140.59)	(68.46)
Dividend per share (%)	0.00	0.00	0.00	0.00	0.00
IV. Employee performance					
Operational income per employee	12.06	21.51	9.84	3.74	4.75
Value added per employee	(10.19)	(6.39)	(143.39)	(84.32)	(31.56)

Value Added Statement

For the year 2023, company's value addition to different sectors was as follows:

Description	2023	2022
	Taka	Taka
Value added		
Operational income	142,624,424	100,951,024
Financial expenses	(670,356,186)	(716,268,544)
Provision for investments	(404,025,381)	(1,646,271,181)
Operational expenses excluding salary and depreciation	(15,111,617)	(14,971,303)
Total	(946,868,760)	(2,276,560,004)
Distribution of value addition		
Shareholders as dividend	0	0
Employees as salary and allowances	27,575,350	28,381,577
Government as taxes	148,536,909	690,530
Total	176,112,259	29,072,107
Retained in business		
As statutory reserve	0	0
As retained earnings	(1,123,224,372)	(2,306,505,487)
As depreciation	243,353	873,376
Total	(1,122,981,019)	(2,305,632,111)
Total	(946,868,760)	(2,276,560,004)
Employee statistics		
Number of employees at the year end	30	27
Operational income per employee	4,754,147	3,738,927
Value added per employee	(31,562,292)	(84,317,037)

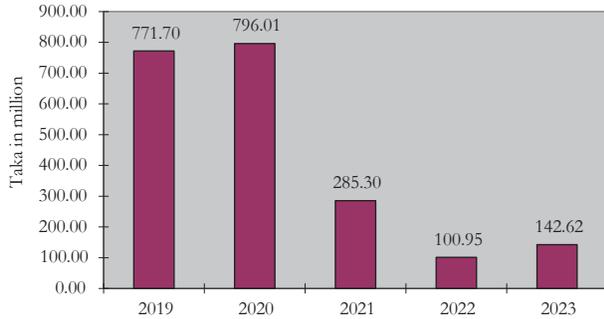
Market Value Added Statement

The difference between the market value of outstanding shares and the equity describes the contribution to the investor's value. Market Value Added (MAV) statement is a reflection of the market through company's share's market price. It is a tool that is used to measure the management's performance. Positive MVA is a sign that the company has added value to its investors and the negative one indicates that the company has destroyed the investor's value. MVA of Fareast Finance & Investment Limited for the last two years is presented below:

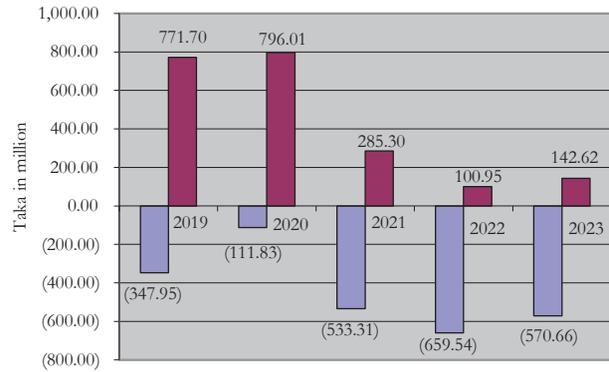
Description	2023	2022
	Taka	Taka
Number of Shares Outstanding at the end of the year	164,063,330	164,063,330
Market Value Per Share	5.90	6.10
Market Value of Shares Outstanding at the end of the year	9,67,973,647	1,000,786,313
Capital Contributed by the Shareholders at the end of the year	(7,439,542,461)	(6,316,318,089)
Market Value Added	(6,471,568,814)	(5,315,531,776)

Graphical Presentation

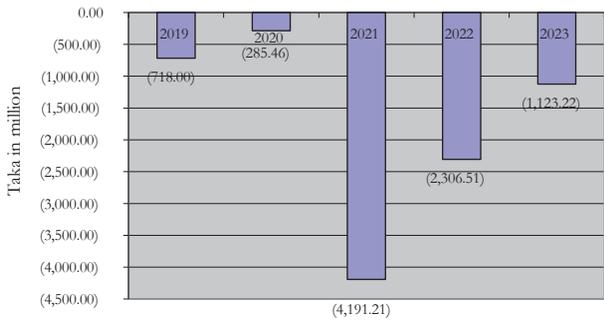
Year wise operational income



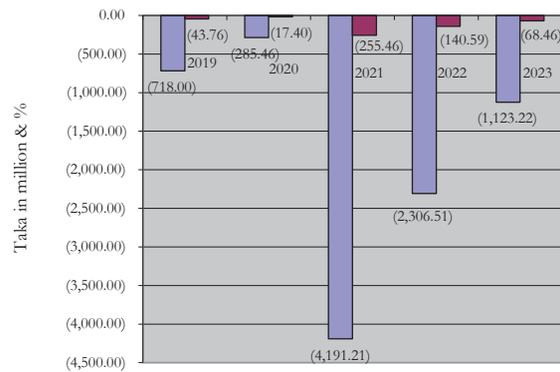
Income from operation against operational income



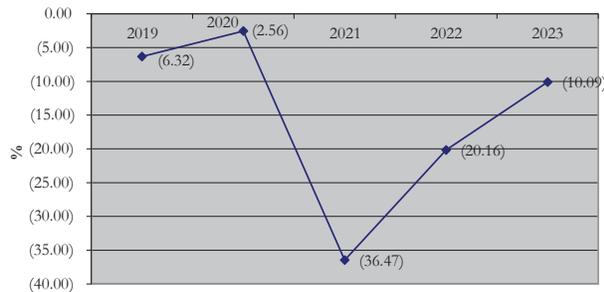
Year wise net profit after tax



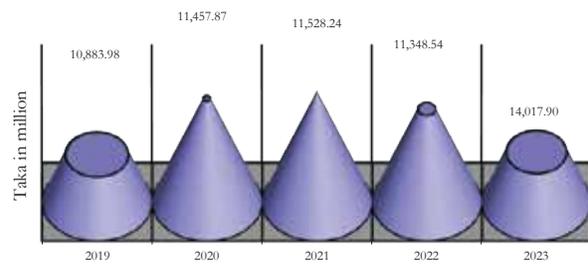
Net profit & EPS



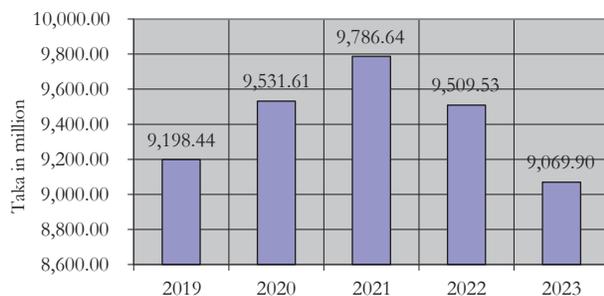
Return on Assets



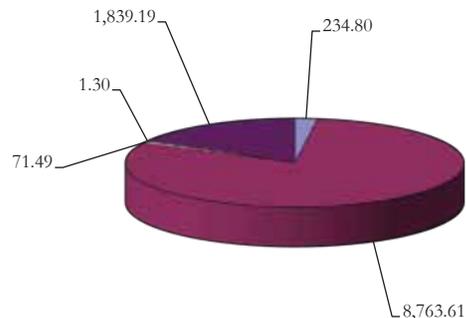
Cumulative assets



Cumulative outstanding portfolio



Asset mix as on 31 December 2023



Directors' Report

Bismillahir Rahmanir Rahim
Distinguished Shareholders,
Assalamu Alaikum

On behalf of the Board of Directors of Fareast Finance & Investment Limited, I feel privileged to welcome you all here today in this 23rd Annual General Meeting of the Company and to present the 23rd Annual Report inclusive of the audited Financial Statements of the Company for the year ended December 31, 2023 and the Auditor's Report thereon, for consideration and approval of the esteemed shareholders. Thank you all for your presence here today, and for your continued support and encouragement that is crucial to the survival and success of our Company.

This report has been prepared in compliance with Section 184 of the Companies Act 1994, BSEC's Notification dated June 03, 2018, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and the guidelines provided by Bangladesh Bank and other regulatory authorities. The Financial Statements were reviewed and approved by the Board of Directors of the Company on August 11, 2024.

Relevant disclosures and explanations relating to certain issues have been given by the Directors, which they consider important to ensure transparency and good governance practices. We believe that it is comprehensive enough to understand the operational procedures and overall performance of the company at a glance during the year under reporting.

Principal Activities of the Company

- Corporate Finance
- SME Finance
- Consumer Finance
- Agriculture Finance
- Syndication Finance
- Housing/Real Estate Finance
- Equity Finance
- Others

Economic Review

World Economy: The baseline forecast for the world economy is to continue growing at 3.2 to 3.3 percent during 2024 to 2025, at the same pace as in 2023. A slight acceleration for advanced economies—where growth is expected to rise from 1.6 percent in 2023 to 1.7 percent in 2024 and 1.8 percent in 2025—will be offset by a modest slowdown in emerging market and developing economies from 4.3 percent in 2023 to 4.2 percent in both 2024 and 2025. The forecast for global growth five years from now—at 3.1 percent—is at its lowest in decades. Global inflation is forecast to decline steadily, from 6.8 percent in 2023 to 5.9 percent in 2024 and 4.5 percent in 2025, with advanced economies returning to their inflation targets sooner than emerging market and developing economies. Core inflation is generally projected to decline more gradually. The global economy has been surprisingly resilient, despite significant central bank interest rate hikes to restore price stability. The changes in mortgage and housing markets over the pre-pandemic decade of low interest rates moderated the near-term impact of policy rate hikes. In emerging market and developing economies, recent policy divergences highlight the need to manage the risks of currency and capital flow volatility. Given that economic fundamentals remain the main factor in dollar appreciation, the appropriate response is to allow the exchange rate to adjust, while using monetary policy to keep inflation close to target. Foreign reserves should be used prudently and preserved to deal with potentially worse outflows in the future, in line with the IMF's Integrated Policy Framework. To the extent possible, macroprudential policies should mitigate vulnerabilities from large exposures to foreign-currency-denominated debt.

(Source: <https://www.imf.org/en/Publications/WEO/Issues/2024/07/16/world-economic-outlook-update-july-2024>)

Bangladesh Economy: The year 2023 was indeed one of the most difficult ones in the recent history of Bangladesh economy, as it exhibited its weaknesses on various fronts. Supply disruptions and the spike in the prices of fuels and other commodities in the global market—caused by global events—pushed up costs

worldwide, leading to high inflationary pressure. However, although several countries have now been successful in reining in inflation through appropriate policy measures, Bangladesh is still struggling to do the same. Additionally, the country is now faced with multiple challenges such as a fragile banking sector, financial account deficit, volatility in the exchange rate, and depleting foreign exchange reserves. Due to these challenges, the macroeconomic stability that Bangladesh enjoyed for a long time due to high growth, relatively low inflation rate and strong external sector has been weakened. Though external factors initially had some contributions to the economic challenges, there was delay in taking corrective measures to control inflation and exchange rate volatility. There are also several structural issues that have been ignored by our policymakers for long. Absence of appropriate and effective policies, poor implementation, and a lack of capacity to implement essential reforms domestically have exacerbated these challenges. Globally, uncertainties will continue, which will affect growth. The International Monetary Fund (IMF) has projected global growth to be 2.9 percent for 2024. The growth outlook for Bangladesh for the 2023-24 fiscal year by international organizations is projected to be lower than that by the government. Notably, the government ambitiously projected that GDP growth would be 7.5 percent for FY24 even though there were difficulties towards the end of FY23. However, the IMF projected that our GDP growth would be six percent, while the World Bank estimated it would be 5.6 percent in FY24. (Source: <https://www.thedailystar.net/opinion/views/macro-mirror/news/what-expect-bangladesh-economy-2024-3507371>).

The scenario may end up being still more volatile by events of student-led mass uprising in Bangladesh during late July & early August of 2024

Inflation Rate: The monthly average inflation is 9.73 percent as of June 2024. In October 2023, there were significant increases in both food and non-food inflation rates—at 12.56 percent and 8.3 percent, respectively—and the overall inflation stood at 9.93 percent. During the year of 2023-2024 inflation rate in the emerging markets and developing economies is 7.5 percent.

Capital Market Activities: Stumbled by the macro-economic challenges, the DSEX index dropped by 8.1% and Daily Average Turnover (DAT) slid by 34.9% YoY to BDT 9.6bn in 2022. To check the free fall in the market, the regulator re-imposed the floor price in March 2023. This restrictive measure on price movement of stocks affected the liquidity scenario in the market. Therefore, the DAT further plunged by 39.8% YoY to only BDT 5.8bn in 2023. Furthermore, the potential tail stemming from the geo-political uncertainty ahead of national election loosened the investors' confidence in the market. As the majority of the large cap stocks were stuck on their floors, the trading activities centered on the micro and small cap speculative stocks in 2023. Moreover, the rising yield of treasury securities incentivized the investors to shy away from the equity market. Overall, the market remained flat in 2023 with +0.6% change in DSEX index. On the other hand, private and public sector credit growth, displayed moderate trajectories. The private sector credit growth slightly increased to 10.20% YoY in Dec-23, settled below the central bank's target of achieving 10.90% private credit growth as projected in MPS H1'24. Similarly, public sector credit growth inched down to 18.0% YoY falling short of the central bank's target of 37.90% public sector credit growth in MPS H1'24 (Source: Bangladesh Bank). The shortfall can be attributed to the prevailing liquidity stress in the banking sector, rising non-performing loans and the government's continued borrowing from the banking channel.

Industry Outlook: In Bangladesh, Finance Companies are constituted under the Finance Company Act, 2023. At present 35 licensed Finance Companies are functioning in the country. Out of 35 Finance Companies, 3 are Government owned, 13 are joint venture and the rest 19 are locally private owned. The number of branches of Finance Companies stood 274 as on 30 June 2023. 5 (five) new branches were opened, and 2(two) were closed during FY23. Among the branches, 80 are set up in the district of Dhaka and the rest 194 are located in 36 districts across the country. Total 23 numbers of Finance Companies are listed with stock exchanges. Finance Companies are investing in different sectors of the economy. Sector wise composition of Finance Companies in investment at the end of June 2023 (provisional) was Trade and commerce 15.30 percent, industry 45.43 percent, agriculture 2.28 percent, housing 18.44 percent, financial corporation 6.61 percent, service 6.74 percent, consumer finance 3.52 percent and others 1.60 percent. Finance Companies are allowed to invest in the capital market up to 25 percent of their paid up capital and reserve as per section 26 (1) of Finance Company Act, 2023. As of June 2023 Finance Companies total investment in capital market stood at TK. 48.80 billion which accounted for 4.90 percent of the total assets of all Finance Companies. At the end of June 2023, total deposit of Finance Companies stood at TK. 477.22 billion. The total liability of the industry increased to TK. 859.22 billion at the end of December 2022 from TK. 823.96 billion in December 2021. At the end of June 2023, the total liability further increased to TK. 983.19 billion. The year 2023 was unpleasant for the Finance Com-

panies industry. The Finance Companies are mainly dependent on banks and customer deposits for their funds. Confidence in financial sector was almost totally missing and people rushing often daily to withdraw their deposited money. The Finance Company sector started facing problems since the middle of 2017 when the banking sector felt the pinch of liquidity crisis. At the end of first half of 2023, total classified loan/lease of Finance Companies stood at TK. 199.51 billion which is 27.65 percent of the total loan/lease.

Company's Overview: Fareast Finance & Investment Limited was established on June 21, 2001 as a non-banking financial institution. Now the company's Head Office is situated at Simpletree Lighthouse (10th Floor), Plot No. 53, Road No. 21, Block-B, Kemal Ataturk Avenue, Banani, Dhaka-1213 Bangladesh and it has one branch office at Chattogram.

Highlights-2023

- For the year 2023, the Company suffered Net Loss after Income Tax of Taka 1,123.22 million, which was Net Loss of Taka 2,306.50 million at the end of 31st December 2022;
- As on December 31, 2023 the Earnings Per Share of the Company was Taka (6.85) which was Taka (14.06) at the end of the year 2022;
- As on December 31, 2023, Total Loans, Advances and Leases amounted at Taka 8,998.41 million which was Taka 9,438.04 million as on December 31, 2022;
- Total deposits stood at Taka 4,560.77 million as on December 31, 2023 against Taka 4,567.78 million as on December 31, 2022;
- As on December 31, 2023, classified loans, advances and leases stood at Taka 8,767.21 million, which was Taka 8,903.71 million at the end of the year 2022;
- As on December 31, 2023, provision kept against classified other assets (BO Account Balance), fixed deposits, loans, advances and leases was Taka 6,592.58 million against requirement of Taka 6,592.58 million with no deficit.
- Cost of Borrowing was 9.61 percent as against 8.96 percent in the previous year;
- As on December 31, 2023, Return on Assets was negative 10.09 percent, which was negative 20.16 percent at the end of the year 2022.

Product Wise Performance: As on 31st December 2023, the sector-wise outstanding position of total portfolios of the Company was as following:

Sl No	Particulars	No. of Accounts	Amount BDT in Million	Percentage (%)
1	Trade and Commerce	15	103.60	1.15
2	Industry:	94	5,082.43	56.49
	A) Garments and Knitwear	15	521.53	5.80
	B) Textile	5	142.79	1.59
	C) Jute and Jute-Products	4	64.43	0.72
	D) Food Production and Processing Industry	9	299.50	3.33
	E) Plastic Industry	2	35.18	0.39
	F) Leather and Leather-Goods	0	0.00	0.00
	G) Iron, Steel and Engineering	5	1004.00	11.16
	H) Pharmaceuticals and Chemicals	19	206.90	2.30
	I) Cement and Allied Industry	1	819.65	9.11
	J) Telecommunication and Information Technology	5	241.34	2.68
	K) Paper, Printing and Packaging	3	151.61	1.69
	L) Glass, Glassware and Ceramic Industry	2	287.84	3.20
	M) Ship Manufacturing Industry	3	586.11	6.51
	N) Electronics and Electrical Products	4	224.54	2.50
	O) Power, Gas, Water and Sanitary Service	1	57.29	0.64
	P) Transport and Aviation	16	439.72	4.89
3	Agriculture	2	12.60	0.14
4	Housing	21	626.12	6.96
5	Others	7	3,172.29	35.26
	A) Merchant Banking	0	0.00	0.00
	B) Margin Loan	1	3,024.79	33.62
	C) Others	6	147.50	1.64
Total		139	8,997.04	100.00

Key Operating and Financial Data: Key operating and financial information over the last five years of the Company has been presented on Page No. 22 in this Annual Report as per clause no.1 (5) (xix) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

Management Discussion and Analysis: Management discussion and analysis have been highlighted in the Managing Director's statement in Page No. 22 of this Annual Report.

Risk Management: Risk and uncertainties are essential elements of the financing business. To mitigate and manage these risks, Fareast Finance & Investment Limited has different committees namely, Management Committee, Credit Committee (CC), Asset and Liability Committee (ALCO), Risk Management Forum, Risk Analysis Unit. The committees/units regularly meet to review the market, credit and liquidity risk related factors and recommend and implement suitable measures to counter these risks. Appropriate and effective internal control systems are also in place to address operational risks. The Company has also taken steps to further strengthen its Internal Control and Compliance functions.

Corporate Social Responsibility (CSR): Fareast Finance & Investment Limited has a commitment towards all stakeholders to engage in ethical practices. As a financial institution, we recognize our responsibilities towards the society and participate actively in CSR activities including promotion of staff-welfare activities.

Environmental Issues: Fareast Finance & Investment Limited is very sincere regarding environmental issues and continuously reviews such issues. It ensures that the clearance certificate from the regulators have been obtained at the time of providing lease or loan facilities wherever necessary. We are equally mindful about maintaining good environment in the office.

Human Resources of the Company: Fareast Finance & Investment Limited continuously reviews its human resource policies and implements effective management policies and practices to enrich its employees. We believe that our human resources possess competitive advantage in terms of their experience and professional expertise. Considering this, we strive to recruit the best suited persons for the right positions, provide them with adequate training and implement programs to develop and retain them. Fareast Finance & Investment Limited carefully looks into the motivational aspects, health and safety of its employees. Capacity building activities are being encouraged and promoted by the company.

Corporate & Financial Reporting Framework: The Directors of Fareast Finance & Investment Limited, in accordance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/ 80 dated June 3, 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements prepared by the management of Fareast Finance & Investment Limited present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- Proper books of accounts of the Company have been maintained;
- Appropriate accounting policies have been applied in preparation of the financial statements and the accounting estimates are based on reasonable and prudent judgment;
- International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh, have been applied in preparation of the financial statements and any departure from there are adequately disclosed;
- Internal Control Process have been properly designed and effectively implemented and monitored;
- Based on the financial parameters and auditors' findings & opinion, there is reasonable apprehension about the company's ability to continue as a going concern.

Managing Director and Head of Finance's Declaration Certificate: The Managing Director and Head of Finance's declaration to the Board is enclosed in Annexure - A on Page No. 37 in this Annual Report as per Clause No. 1(5) (xxvi) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

The Pattern of Shareholding: The Authorized Capital of Fareast Finance & Investment Limited is Taka 2,000,000,000 divided into 200,000,000 ordinary shares of Taka 10 each. The present Paid-up Capital of the Company is Taka 1,640,633,300 divided into 164,063,330 ordinary shares of Taka 10 each. The shareholding pattern of the Company as on December 31, 2023 is shown on page 15 in this Annual Report as per clause no. 1(5) (xxiii) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

Minority Interests: In compliance with condition no. 1(5)(xvi) of the Corporate Governance, the Board hereby confirms that the interests of the minority shareholders have been duly protected in the Company.

Board Meeting Attendance & Remuneration of Directors: During the year ended on December 31, 2023 a total number of 09 Board Meetings were held and attendance of the Directors are presented in Annexure-I on page 51 and their remuneration paid during the year are given in Notes 32 of Financial Statements 2023 as per clause no.1(5)(xxii) & 1(5)(x) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

Related Party Transactions: In the ordinary course of business, a number of transactions with other entities that fall within the definition of related party are contained in BAS 24: “Related Party Disclosures”. The Company extends leases/loans to related parties including its Directors and related Companies. A statement of related party transactions along with their basis has been presented in Note 46 of the Financial Statements. Besides, Directors’ name and their interest in different organizations are also disclosed in Annexure-C attached to the Financial Statements as per clause no. 1 (5) (Vi) of the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

Compliance Report on Corporate Governance Code: Status of the compliance of the conditions of Corporate Governance Code imposed by Bangladesh Securities and Exchange Commission’s Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018, along with a Certificate from a practicing Chartered Secretary has been enclosed in Annexure- B on page 38 in this Annual Report.

We also enclose a statement of compliance on the good governance guidelines issued by the Bangladesh Bank as Annexure- III on Page No. 53 in this Annual Report.

Appropriations of Retained Earnings: According to Rule 6 of The Financial Institutions Regulation 1994, the Company is required to keep 20% of its After Tax Profit as Statutory Reserve. In 2023, Fareast Finance & Investment Limited made Net Loss after Income Tax of Taka 1,123.22 million. Consequently, no amount needs to be transferred to Statutory Reserve as the Company incurred loss in the year 2023.

Dividend: The Board of Directors recommended no dividend on the ordinary shares of the Company's paid up capital for the year 2023 as the Company incurred Loss. In the year 2023, Fareast Finance & Investment Limited suffered loss of Taka 1,123.22 million and at the end of 2023, retained earnings of the company was a negative figure of Taka 9,428.63 million. As per regulatory requirement, the dividend is payable only out of profits of the company. If there is no profit, there can be no distribution of dividend. Accordingly, the company cannot pay any stock dividend with its negative retained earnings.

Interim Dividend: No bonus share or stock dividend has been or shall be declared as interim dividend.

Directors Resume and Line of Expertise: A brief resume of Directors are appended in Page No. 10 & 11 in this Annual Report which includes his/her nature of expertise and qualifications.

Directors Retirement and Re-Appointment: As per Corporate Governance Code 2018, the rotation is not required for retirement and reappointment for any Independent Director. So, no Director will be eligible for retirement and reappointment for the 23rd AGM of the Company.

Board Sub-committees: In compliance with the requirements of Bangladesh Bank DFIM Circular No. 13, dated 26 October 2011 and Bangladesh Securities and Exchange Commission’s Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018; the Board of Fareast Finance formed 2 (two) sub-committees named Executive Committee and Audit Committee.

Going Concern: Based on the financial parameters and auditors’ findings & opinion, there is reasonable apprehension about the company’s ability to continue as a going concern. The reconstituted Board of Directors together with efficient management has been working relentlessly towards sustainability of the company despite the colossal impact of novel corona virus, unpredictable situations and unique & critical market and company specific challenges. FFIL is following zero tolerance policy to irregularities & corruption, taking administrative & disciplinary actions against the persons involved in irregularities & corruption, improving asset quality through collecting necessary documents & updating loan/lease files,

strengthening recovery drive through supervision, monitoring and filing suits. FFIL is focused on good governance, reconstruction and sailing the ship ahead with a view to bringing the best for our stakeholders and the economy as a whole.

Auditors' Report: The Auditors M/s Zoha Zaman Kabir Rashid & Co., Chartered Accountants carried out the audit on the Financial Statements (FSs) of the Company for the year ended 31 December 2023 and report thereon along with the Financial Statements, as required by the Companies Act 1994, is given as an integral part of this Report. The Auditor's issued qualified opinion on the audit report on page 2. The management of the Company acknowledged the issue and has taken steps to resolve it.

Auditors: Appointment/ Re-appointment of Auditors: The Company's Auditors "Zoha Zaman Kabir Rashid & Co, Chartered Accountants" have completed its consecutive three years 2021 to 2023 with the Company. In line with that the Board in its 253rd meeting held on August 11, 2024, recommended to appoint "G. Kibria & Co, Chartered Accountants" having address at Sadharan Bima Sadan (5th Floor) 24-25, Dilkusha Commercial Area, Dhaka- 1000, Bangladesh, for appointment as Statutory Auditor for the year 2024 at a fee of Taka 5,00,000/- (Taka Five Lac) only including VAT & Tax as applicable subject to prior approval of Bangladesh Bank. That will also be placed before the 23rd Annual General Meeting of the Shareholders of the Company for final approval.

Compliance Auditors: Upon expression of interest of the Corporate Governance Auditors, ASM & Associates, Chartered Secretaries having address at 15/A Jhigatola Main Road, Hafizullah Green Tower, 1st Floor, Dhanmondi, Dhaka 1209 Bangladesh, the Board recommended for their appointment subject to approval in the 23rd Annual General Meeting of the Shareholders of the Company for providing the Certificate on Compliance of Corporate Governance Code for the year 2024 at a fee of Taka 25,000 (Taka Twenty Five Thousand) only excluding VAT.

Acknowledgement: The Board of Directors of the Company would like to extend sincere thanks and gratitude to its Stakeholders, Customers, Financiers, Government of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, Registrar of Joint Stock Companies & Firms, National Board of Revenue and other regulatory authorities for their continued guidance, co-operation and support.

The Board of Directors of the Company also likes to express appreciation to the employees for their co-operation, all-out efforts and commitment for salvaging the company and protecting interest of the honorable stakeholders as well. I also extend my heartfelt thanks and gratitude to our honorable shareholders for their trust in the Board of Directors of Fareast Finance & Investment Limited.

Thank you again.

On behalf of the Board of Directors



Md. Ashraful Moqbul
Chairman & Independent Director

August 11, 2024

Report of the Audit Committee

The Audit Committee as a Sub-Committee of the Board of Directors of the Company assists the Board of Directors to ensure that standard of corporate reporting, control and compliance are achieved through effective implementation of the procedure and policies as per regulations. The most significant role of Audit Committee is to monitor and review the effectiveness of the internal control system. The Committee is also responsible to ensure that the financial statements reflect true and fair view of the state of affairs of the Company. The roles and functions of the Audit Committee are regulated by the rules and regulations issued by the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank from time to time.

Composition of the Audit Committee

The Board Audit Committee comprising of the following members having adequate knowledge of the rules and regulations of Corporate & Financial Control and Reporting:

Sl	Name of the Members	Position in the Committee	Position in the Board
1	Mr. Ihsanul Aziz	Chairman	Independent Director
2	Prof. Dr. Md. Mosharraf Hossain	Member	Independent Director
3	Sheikh Nazmul Hoque Saikot	Member	Independent Director
4	Mr. AKM Shahiduzzaman	Member	Independent Director

Scope of Work of the Audit Committee

The scope of the Audit Committee of Fareast Finance & Investment Limited is determined by its Terms of Reference (TOR) which, in turn, are shaped by the directives from Bangladesh Bank and Bangladesh Securities and Exchange Commission (BSEC). These include, but are not limited to, overseeing the followings:

- The Internal Control System of the Company
- Corporate and Financial Reporting
- The Internal Control and Compliance Department
- Compliance with Regulatory Requirements

The Committee is authorized to investigate any matter within its terms of reference, access to all documents and information of the company, seek information from any director or employee of the company and co-opt any resource (including external professional assistance) it sees fit in order to fulfill its duties. However, the committee has no executive function and its primary objective is to review and recommend, rather than assuming responsibility for any matters within its limit.

Meetings of the Audit Committee

The Committee held 4 (four) meetings during the year 2023. The proceedings of the Audit Committee meetings are regularly reported to the Board of Directors.

Activities of the Audit Committee

The Audit Committee carried out the following activities:

- The Audit Committee reviewed the Annual Financial Statements and placed the same with recommendations to the Board of Directors.
- Reviewed with the external auditors and management prior to finalization of Financial Statements for the year ended December 31, 2023 as per Clause No. 2 (kha -2) of Circular Number 13, dated October 26, 2011 issued by the Department of Financial Institutions and Markets (DFIM), Bangladesh Bank.

- Reviewed the Financial Statements of Fareast Finance & Investment Limited for the year ended December 31, 2023 as per Clause No. 5.5 (f) of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission dated June 03, 2018.
- Reviewed and Recommended to the Board for appointment of external auditors for the year 2023.
- Reviewed the Report of the Audit Committee for 2023 prior to its publication in the Annual Report 2023.
- Reviewed the Compliance Status of Management Report issued by the external auditors Zoha Zaman Kabir Rashid & Co, Chartered Accountants, based on their Annual Audit of the Financial Statements of Fareast Finance & Investment Limited for the year ended December 31, 2023.

Acknowledgement

The Chairman of the Board Audit Committee would like to express sincere thanks and gratitude to the Members of the Board of Directors, Members of the Audit Committee, Management, Auditors and all employees for their co-operation, support, dedication and efforts during the year 2023.

Thank you,
On behalf of the Audit Committee



Ihsanul Aziz
Chairman
Audit Committee

August 11, 2024

[Certificate as per Condition No. 1(5) (xxvi)]

Fareast Finance & Investment Limited

Declaration by Managing Director and Head of Finance

The Board of Directors
Fareast Finance & Investment Limited
Head Office
Simpletree Lighthouse (10th Floor)
Plot No. 53, Road No. 21, Block-B
Kemal Ataturk Avenue
Banani, Dhaka-1213
Bangladesh

August 11, 2024

Subject: DECLARATION ON FINANCIAL STATEMENTS FOR THE YEAR ENDED ON DECEMBER 31, 2023

Pursuant to the Condition No. 1(5) (xxvi) of Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018 under section 2CC of the Securities and Exchange Ordinance 1969, we do hereby declare that:

- 1) The Financial Statements of Fareast Finance & Investment Limited for the year ended on December 31, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a 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 care in setting up 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 followed; and
- 6) Based on the financial parameters and auditors' findings & opinion, there is reasonable apprehension about the company's ability to continue as a going concern. FFIL management, under the guidance & support of the Board of Directors, has been working relentlessly towards sustainability of the company despite the unescapable impact of novel corona virus, unsolicited situations and unique & critical market and company specific challenges.

In this regard, we also certify that:

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

Sincerely yours,



Muhammad Ali Zaryab
Managing Director



Md. Anwar Hussain
Head of Finance & HR

Jasmin & Associates
Chartered Secretaries

**Report to the Shareholders of
Fareast Finance & Investment Limited
on Compliance on Corporate Governance Code**

We have examined the Compliance status to the Corporate Governance Code by Fareast Finance & Investment Limited for the year ended 31st 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 the 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:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column in Annexure-C;
- (b) 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;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

For: **Jasmin & Associates**
Chartered Secretaries



Jasmin Akter, FCS
Managing Partner

Place : Dhaka
Dated : August 29, 2024

55/B Noakhali Tower (10th Floor), Suite : 11-F, Purana Paltan, Dhaka-1000, www.jasminandassociates.com
E-mail: jasminandassociates@gmail.com, jasminmizan123@yahoo.com, Phone : 02-9574125, 01712644440, 01711-076815

[Certificate as per Condition No. 1(5) (xxvii)]

Compliance Report on Corporate Governance Code by BSEC

Status of Compliance with the Corporate Governance Code (CGC) as on December 31, 2023. 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:

(Report under Condition No. 9)

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors			
1(1)	Size of the Board of Directors: (number of the Board members- minimum 5 and maximum 20)	✓		
1(2)	Independent Directors			
1(2) (a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		All Independent Directors appointed by BSEC vide Letter No. SEC/SRMIC/2021/part-Z/89 dated 29/03/21
1(2)(b)	Independent Director means :			
1(2)(b)(i)	who does not hold any share or holds less than 1% shares of the total paid-up shares of the company	✓		
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company.	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		

1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	who is 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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not 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)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) : Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:	✓		
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
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)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
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; or	✓		
1(3) (b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;			N/A

1(3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	/		
1(3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			No such deviation occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	/		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	/		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	/		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	/		Such option is permitted by the Articles of the Company
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	/		
1(5)	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):			
1(5)(i)	Industry outlook and possible future developments in the industry;	/		
1(5)(ii)	Segment-wise or product-wise performance;	/		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	/		
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			N/A
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			No such item exists
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	/		
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5) (vi ii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			N/A
1(5)(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.	/		
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	/		

1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (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)	A statement that 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)	A statement that there is 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)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		In the year 2023, Fareast Finance & Investment Limited incurred loss of Taka 1,123.22 million and at the end of 31st December, 2023 the retained earnings of the company was negative Taka 9,428.63 million only. As per regulatory requirement, the dividend is payable only out of profits of the company. If there is no profit, there can be no distribution of dividend. Moreover, the company cannot pay any stock dividend with its negative retained earnings.
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	✓		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each director shall be disclosed.	✓		
1(5)(xxiii)	The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		

1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit 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).	✓		No such shareholder exists
1(5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-			
1(5)(xxiv) (a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements			
1(5)(xxv) (a)	Accounting policies and estimation for preparation of financial statements	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		
1(5)(xxv) (d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv) (e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company;	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	✓		
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.	✓		
1(6)	Meetings of the Board of Directors			
	Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB), in so far as those standards are not inconsistent with any condition of this Code.;	✓		

1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer		
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		Same as condition # 4(ii)
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; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency		Same as condition # 4(ii)
2	Governance of Board of Directors of Subsidiary Company		FFIL has no subsidiary
2(a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.		
2(b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the 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 also.		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)		
3(1)	Appointment		
3(1)(a)	The Board shall appoint a MD or CEO, CS, CFO and HIAC;	✓	
3(1)(b)	The positions of the MD or CEO, CS, CFO and HIAC shall be filled by different individuals;	✓	Appointment of CFO is under process
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;”	✓	
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓	
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓	
3(2)	Requirement to attend Board of Directors' Meetings:		
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters	✓	
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)		
3(3)(a)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓	
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓	
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓	

3(3)(b)	The MD or CEO and CFO shall also certify that 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 or its members;	✓	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in this Annual Report;	✓	
4	Board of Directors' Committee		
	The Board shall have at least following sub-committees:		
	(i) Audit Committee; and	✓	
	(ii) Nomination and Remuneration Committee.		As per Bangladesh Bank DFIM Circular Letter No. 07, dated 25.09.2007 FI's are allowed to form only Audit Committee & Executive Committee as the sub-committee of the Board. However, Bangladesh Bank has further advised through their letter ref. no. DFIM (P) 1052/27/201-2436 dated November 04, 2021 that the Financial Institutions are not allowed to form NRC.
5	AUDIT COMMITTEE:		
5(1)	Responsibility to the Board of Directors		
5(1)(a)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓	
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.	✓	
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓	
5(2)	Constitution of the Audit Committee		
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	✓	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) Independent 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 management background and 10 (ten) years of such experience	✓	
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;			
5(2)(e)	The company secretary shall act as the secretary of the Committee	/		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without Independent Director	/		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	/		
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	/		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM): Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	/		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	/		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.	/		
5(5)	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process	/		
5(5)(b)	Monitor choice of accounting policies and principles	/		
5(5)(c)	Monitor Internal Control Risk management process	/		
5(5)(d)	Oversee hiring and performance of external auditors	/		
5(5)(e)	Hold the meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	/		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	/		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	/		
5(5)(h)	Review the adequacy of internal audit function	/		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in this Annual Report ;	/		
5(5)(j)	Review statement of significant related party transactions submitted by the management	/		
5(5)(k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	/		
5(5)(l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors	/		

5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission: Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results: Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in this Annual Report along with the comments of the Audit Committee.			N/A
5(6)	Reporting of the Audit Committee:			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of interests;	✓		No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;	✓		No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		No such event occurred
5(6)(a)(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		No such event occurred
5(6)(b)	Reporting to the Authorities Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation	✓		No such event occurred

5(7)	Reporting to the Shareholders and General Investors Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition #5(6)(a)(ii)	✓		No such event occurred
6	Nomination and Remuneration Committee (NRC)			Refer to condition # 4(ii)
6(1)	Responsibility to the Board of Directors			
6(1)(a)	Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;			
6(1)(c)	ToR of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b);			
6(2)	Constitution of the NRC			Refer to condition # 4(ii)
6(2)(a)	The Committee shall comprise of at least three members including an independent director;			
6(2)(b)	At least 02 (two) members of the Committee shall be non-executive directors;			
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;			
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee			
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee			
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			
6(2)(g)	The company secretary shall act as the secretary of the Committee			
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company			
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders			
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			

6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h)			
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC;			
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks;			
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 objectives appropriate to the working of the company and its goals;			
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board			
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board			
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies			
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report			

7	External or Statutory Auditors			
7(1)	The issuer Company shall not engage its external or statutory auditors to perform the following services of the company, namely:-	✓		
7(1)(i)	appraisal or valuation services or fairness opinions	✓		
7(1)(ii)	financial information systems design and implementation	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	✓		

7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange;	✓		
8(2)	The company shall keep the website functional from the date of listing;	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s);	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in this Annual Report .	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	✓		The agenda will be placed in the 23rd AGM. Refer to the notice of the AGM, on Page No. 04 of this Annual Report.
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		

Annexure - I

Compliance of Section 1(5) (xxii)

Meeting of the Board of Directors and its Sub- Committees held during the year and attendance:

Name of Directors	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting	
	Meeting held	Attended	Meeting held	Attended	Meeting held	Attended
Mr. Md. Ashraful Moqbul, Independent Director & Chairman (Nominated by BSEC)	9	9	-	-	-	-
Mr. Ihsanul Aziz, Independent Director (Nominated by BSEC)	9	9	-	-	4	4
Professor Dr. Md. Mosharraf Hossain Independent Director (Nominated by BSEC)	9	9			4	4
Mr. Sheikh Nazmul Hoque Saikot, Independent Director (Nominated by BSEC)	9	9	-	-	4	4
Mr. AKM Shahiduzzaman, Independent Director (Nominated by BSEC)	9	9			4	4

Compliance of Section 1(5) (xxiii)
The Pattern of Shareholding:
a) Parent or Subsidiary or Associated Companies and other related party:

Name	Relation	Shares held
Nil		Nil

b) Directors, Chief Executive Officer/Managing Director, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children:

Name	Relation	Shares Held (nos)
Mr. Md. Ashraful Moqbul	Chairman & Independent Director Nominated by BSEC	None
Mr. Ihsanul Aziz	Independent Director Nominated by BSEC	None
Professor Dr. Md. Mosharraf Hossain	Independent Director Nominated by BSEC	None
Sheikh Nazmul Hoque Saikot	Independent Director Nominated by BSEC	None
Mr. AKM Shahiduzzaman	Independent Director Nominated by BSEC	None
Mr. Muhammad Ali Zaryab	Managing Director	None
Mr. Md. Anwar Hussain	SVP & Head of Finance & HR	None
Mr. Ha Mim Hamidullah	Head of Internal Audit and Compliance	None
Mr. Md. Mehedi Hasan Khan	Manager & Company Secretary (CC)	None

c) Executives (top five salaried employees of the company, other than Directors, CEO, CFO, Company Secretary and Head of Internal Audit & Compliance):

Designation	Name	Shares Held
Senior Manager and Treasury In-charge	Mr. Md. Iqbal Haque Choudhury	None
Manager	Mr. Md. Rafiqul Islam	None
Manager	Mr. Abdur Rashid	None
Assistant Manager	Mr. Md. Jahidul Haque	None
Senior Officer	Mr. Md. Khalaqujjaman Jewel	None

d) Shareholders holding ten percent (10%) or more voting interest in the company:

Name of Shareholder	Percentage	Shares held (nos.)

Statement of Compliance with Good Governance Guidelines issued by the Bangladesh Bank

In terms of DFIM Circular No. 7 dated September 25, 2007 of Bangladesh Bank, Financial Institutions are required to comply with the policy on role and responsibility of the Board of Directors, Chairman and Chief Executive Officer. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines and implemented the same.

A status report on compliance with those guidelines is given below:

Sl. No.	Particulars	Compliance Status
1.	(a) Work-planning and Strategic Management:	
	(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.	Complied
	(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.	Complied
	(iii) The Board will set the Key Performance Indicators (KPI) for the Managing Director / CEO and other senior executives and will evaluate half yearly / yearly basis.	Complied
	(b) Formation of Sub-committee:	
	Executive Committee may be formed in combination with directors (excluding any alternate Directors) of the Company only for rapid settlement of emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities.	Complied
	(c) Financial Management:	
	(i) Annual Budget and statutory financial statements shall be adopted finally with the approval of the Board.	Complied
	(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.	Complied
	(iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget to the maximum extend.	Complied
	(iv) The Board shall adopt the operation of bank accounts. Groups may be formed among the management to operate bank accounts under joint signatures.	Complied
	(d) Management of Loan/Lease/Investments:	

	(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.	Complied
	(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.	Complied
	(iii) Any syndicated loan/lease/investment proposal must be approved by the Board.	Complied
	(e) Risk Management:	
	Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly.	Complied
	(f) Internal Control and Compliance Management:	
	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.	Complied
	(g) Human Resource Management:	
	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.	Complied
	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.	Complied
	(h) Appointment of Managing Director / CEO:	
	The Board shall appoint a competent Managing Director / CEO for the Company with the approval of the Bangladesh Bank and shall approve any increment of his salary and allowances.	Complied
	(i) Benefits offer to the Chairman:	
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the Company subject to the approval of the Board.	Complied
2.	Responsibilities of the Chairman of the Board of Directors:	
	(a) 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;	Complied
	(b) The minutes of the Board Meetings shall be signed by the Chairman;	Complied
	(c) Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances;	Complied
3.	Responsibilities of Managing Director:	
	(a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management;	Complied
	(b) Managing Director shall ensure compliance of Finance Company Act 2023 and other relevant circulars of Bangladesh Bank and other regulatory authorities;	Complied

	(c) All recruitment/promotion/training, except recruitment/promotion/training of DMD / GM, shall be vested upon the Managing Director. He shall act such in accordance with the approved HR policy of the Company;	Complied
	(d) Managing Director may re-schedule job responsibilities of employees;	Complied
	(e) Managing Director may take disciplinary actions against the employees except DMD / GM (as equivalent to EVP);	Complied
	(f) Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM Circular No. 2 dated 06 January 2009 if so authorized by the Managing Director.	Complied

Dividend Distribution Policy

Fareast Finance & Investment Limited has formulated a Dividend Distribution Policy in line with the Directive of Bangladesh Securities and Exchange Commission (BSEC) vide No. BSEC/CMMRRCD/2021-386/03 dated on January 14, 2021 and this policy seeks to lay down a broad framework for the distribution of dividend by the company to its shareholders. It includes the details of preface, objectives and scope of the policy, mode of dividend, determinates of dividend policy, impact of key financials, process of dividend declaration, tax calculation and deduction, utilization of retained earnings, unclaimed dividend distribution and compliance, review and amendment in line with the said directives of Bangladesh Securities and Exchange Commission (BSEC). In addition, Fareast Finance & Investment Limited ensures timely adaption of any directive and circular stipulated by Bangladesh Securities and Exchange Commission, Dhaka and Chittagong Stock Exchanges regarding dividend distribution and management from time to time.

Disclosures on CAMD of FFIL

Capital Adequacy in accordance with BASEL II

Basel accords are the international standards for creating regulations about how much capital is needed to put aside to guard against the types of financial and operational risks that Financial Institutions (FIs) face. According to Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions, Fareast Finance & Investment Limited discloses the framework of the company containing the key information on the assets, risk exposures, risk assessment processes, capital adequacy through qualitative as well as quantitative measures.

All the disclosures are made on the basis of the audited financial statements of Fareast Finance & Investment Limited as at and for the year ended December 31, 2023 prepared under relevant accounting and financial reporting standards as adopted by the Institute of Chartered Accountants of Bangladesh and related circulars/instructions issued by Bangladesh Bank from time to time.

The disclosures are made to present relevant information on adequacy of capital in relation to overall risk exposures of the company; so that the market participants can assess the position and direction of the company in making economic decisions.

A. Scope of Application

Qualitative Disclosures	a)	Fareast Finance & Investment Limited incorporated in Bangladesh as a public limited company with limited liability, on 21 June 2001 under The Companies Act, 1994. The company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 21 June 2001. The company obtained license from Bangladesh Bank as a financial institution under The Financial Institutions Act, 1993 on 3 July 2001 to operate as a leasing and financing company as provided under the relevant law.
	b)	The company obtained permission from Bangladesh Bank on 20 January 2015 for opening its Chattogram and Banani Branches. Fareast Finance & Investment Limited applies "Solo Basis" framework as there is no subsidiary of the company. Fareast Finance & Investment Limited has an associate company named Fareast Stocks and Bonds Limited which is a brokerage house having membership of both Dhaka and Chittagong Exchanges in Bangladesh.
	c)	Fareast Finance and Investment Limited is following latest Bangladesh Bank circular in determining maximum amount of finance to all clients of the company.
Quantitative Disclosures	d)	Not Applicable.

B. Capital Structure

Qualitative Disclosures	a)	<p>As per "PRUDENTIAL GUIDELINES ON CAPITAL ADEQUACY AND MARKET DISCIPLINE FOR FINANCIAL INSTITUTIONS" introduced by Bangladesh Bank, Tier-1 and Tier-2 capital consisted as follows:</p> <p>Tier - 1 Capital (Core): i) Paid up Capital, ii) Non-repayable Share Premium Account, iii) Statutory Reserve vi) General Reserve, v) Retained Earnings, vi) Minority Interest in Subsidiaries vii) Non-cumulative Irredeemable Preference Shares, viii) Dividend Equalization Account.</p> <p>Tier - 2 Capital (Supplementary): i) General Provision up to a Limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk ii) 50% of Revaluation Reserves for Fixed Assets and 45% of Revaluation Reserves for Securities, Revaluation Reserve for Equity Instruments up to 10% Eligible for Tier 2 Capital, iii) All other Preference Shares.</p> <p>Fareast Finance & Investment Limited complied with Bangladesh Bank's directives as per guidelines, the amount of Tier 2 Capital limited to 100% of the amount of Tier 1 Capital. FFIL maintains capital to RWA Ratio CAR (67.80) % where Minimum capital to RWA Ratio (CAR) required 10% as per guidelines.</p>						
	Quantitative Disclosures	b)	<table border="1"> <tr> <td>Fully Paid up Capital</td> <td>164.06</td> </tr> <tr> <td>Statutory Reserve</td> <td>26.89</td> </tr> <tr> <td>Non-repayable Share Premium Account</td> <td></td> </tr> </table>	Fully Paid up Capital	164.06	Statutory Reserve	26.89	Non-repayable Share Premium Account
Fully Paid up Capital	164.06							
Statutory Reserve	26.89							
Non-repayable Share Premium Account								

		General Reserve	
		Retained Earnings	(920.67)
		Minority Interest in Subsidiaries	
		Non-Cumulative Irredeemable Preferences Shares	
		Dividend Equalization Account	
		Other (if any item approved by Bangladesh Bank)	
		Tier 1 Capital	(729.71)
	c)	Tier 2 Capital	13.87
	d)	Other deductions from Capital	
	e)	Total Eligible Capital	(715.85)

C. Capital Adequacy

Qualitative Disclosures	a)	<p>It is mentionable that for assessing Capital Adequacy, Fareast Finance & Investment Limited (FFIL) has adopted standardized approach for credit risk measurement, standardized approach for market risk measurement and basic indicator approach for operational risk measurement. FFIL focused on strengthening risk management and control surroundings rather than increasing capital to cover up weak risk management and control practices.</p> <p>According to BASEL II accord, capital adequacy ratio (CAR) of Fareast Finance stood at (67.80) % as well as Tier-1 (Core Capital) was (729.71) crore and Tier-2 (Supplementary Capital) was Taka 13.87 crore. The capital adequacy ratio exhibits our capital strength which is not up to the mark in terms of maintaining adequate capital for minimum capital requirement.</p>
Quantitative Disclosures	b)	Capital requirement for Credit Risk Taka 1045.65 crore
	c)	Capital requirement for Market Risk Taka 10.25 crore
	d)	Capital requirement for Operational Risk Taka 0.00 crore
	e)	<p>Tier-1 (Core Capital) Taka (729.71) crore Tier-2 (Supplementary Capital) Taka 13.87 crore Total eligible Capital Taka (715.85) crore Total Risk Weighted Assets (RWA): Taka 1055.90 crore</p> <p>Capital Ratio</p> <p>Capital Adequacy Ratio (CAR) (67.80) % Core Capital to RWA (69.11) % Supplementary Capital to RWA 1.31 %</p>

D. Credit Risk

Qualitative Disclosures	a)	<p>Credit risk is the probability that counterparty fails to meet obligation in accordance with agreed terms. It includes both uncertainty involved in repayment of the dues and repayment of dues on time. The default usually occurs because of inadequate income or business failure. But often it may be willful because the borrower is unwilling to meet its obligations despite having adequate income. Credit risk also denotes the volatility of losses on credit exposures in two forms- the loss in the credit asset's value and the loss in the current & future earnings from the credit.</p> <p>Fareast Finance & Investment Limited (FFIL) maintains classification and provisioning as per Bangladesh Bank circulars issued from time-to-time. In this regard, all the loans and advances/investments are grouped: Lease (Less than 5 years), Lease (More than 5 years), Term Loan (Less than 5 years), Term Loan (More than 5 years), Housing Loan, Others Loan, and Investment in Shares.</p> <p>The FI follows Bangladesh Bank circular and guidelines to define past due and impairment. It may be necessary to account for a loan that is considered to be impaired for risk mitigation. Specific provisions for classified loans and general provisions for unclassified loans are measured following BB prescribed provisioning rates as mentioned below:</p> <p>Rate of Provision:</p> <p>Unclassified Standard Loans and Advances (except SME) 1.00% Unclassified Standard Loans to SME 0.25% Unclassified SMA Loans and Advances 5.00% Substandard Loans and Advances 20.00% Doubtful Loans and Advances 50.00% Bad & Loss Loans and Advances 100.00%</p> <p>Fareast Finance management has taken the following steps to manage credit risk at a minimum level:</p>
-------------------------	----	---

		<ul style="list-style-type: none"> Independent Credit Risk Management Unit; Multi-tier Term/Lease Approval Process; In depth analysis of the borrower in view of financial strength, managerial capacity, industry prospect and macroeconomic scenario; Credit Department ensures that all documentations are properly completed and monitor the repayment performance on regular basis; Disbursement is made upon independent recommendation by the compliance department; <p>The Credit Committee regularly meets to review new credit proposals as well as performance of existing portfolios.</p>	
Quantitative Disclosures	b)	Total Gross Credit Risk Exposures broken down by major types of Credit Exposure (Risk Weighted):	
		Exposure Type	RWA Taka in Crore
		Cash & Cash Equivalents	0.00
		Claims on Bangladesh Govt. & Bangladesh Bank	0.00
		Claims on Banks and NBFIs	17.45
		Claims on Corporate	16.32
		Claims on Corporate Retail & SME	0.00
		Claims fully secured by Residential & Commercial Property	0.00
		Consumer Finance	0.00
		Past Due Claims	915.08
		All other assets	96.79
	Total:	1045.64	
	c)	Geographical Distribution of exposures, broken down in significant areas by major types of Credit Exposure:	
		Name of Divisions	Total Portfolio (without netting eligible collateral) Taka in Crore
		Dhaka	667.05
		Chattogram	214.17
		Khulna	11.62
		Rajshahi	7.00
		Barisal	0.00
		Sylhet	0.00
		Rangpur	0.00
		Mymensingh	0.00
			Total
	d)	Industry or Counterparty type Distribution of exposures, broken down by major types of Credit Exposure:	
		Particulars	Taka in Crore
		Trade and Commerce	10.36
		Industry:	
		a) Garments and Knitwear	52.15
		b) Textile	14.28
		c) Jute and Jute-Products	6.44
		d) Food Production and Processing Industry	29.95
		e) Plastic Industry	3.52
		f) Leather and Leather-Goods	0.00
		g) Iron, Steel and Engineering	100.40
		h) Pharmaceuticals and Chemicals	20.69
		i) Cement and Allied Industry	81.97
		j) Telecommunication and IT	24.13
k) Paper, Printing and Packaging	15.16		
l) Glass, Glassware and Ceramic Industry	28.78		

	m) Ship Manufacturing Industry	58.61
	n) Electronics and Electrical Products	22.46
	o) Power, Gas, Water and Sanitary Service	5.73
	p) Transport and Aviation	43.97
	Agriculture	1.26
	Housing	62.61
	Others	
	a) Merchant Banking	0.00
	b) Margin Loan	302.48
	c) Others	14.89
	Total	899.84
e)	Residual Contractual Maturity break down of the whole portfolios, broken down by major types of credit exposure of Fareast Finance and Investment Limited as follows:	
	Particulars	Taka in Crore
	Repayable on Demand	0.00
	Not more than 3 months	1.03
	Over 3 month but not more than 1 year	8.93
	Over 1 year but not more than 5 years	11.97
	Over 5 years	877.91
	Total	899.84
f)	General Provision Taka 1.03 crore and Specific provision 658.22 crore as on December 31, 2023	
g)	Movement of Non-Performing Assets (NPAs)	
	Particulars	Taka in Crore
	Opening Balance	890.37
	Addition during the year	0.00
	Reduction during the year	13.65
	Closing Balance	876.72
	Movement of Specific Provision for (NPAs)	
	Particulars	Taka in Crore
	Opening balance	647.76
	Provision made during the year	10.46
	Write-off	0.00
	Write-back of Excess Provisions	0.00
	Closing Balance	658.22

E. Equities: Banking Book Positions

Qualitative Disclosures	a)	Investment in equity securities are broadly categorized into two parts: i) Quoted Securities (Common or Preference Shares & Mutual Fund) and ii) Unquoted Securities include Shares of Central Depository Bangladesh Limited (CDBL) Fareast Finance & Investment Limited (FFIL) invests in the securities mentioned above for the purpose of capital gain by selling them in future or held for dividend income. Dividends received from securities are accounted for as and when received. Both Quoted and Un-Quoted equity securities are valued at cost and necessary provisions are maintained as per Bangladesh Bank directives if the prices fall below the cost price.		
Quantitative Disclosures	b)	Amount in Crore		
		Particulars	Cost Price	Market Price
		Total Equity Investment in Unquoted Share	22.90	0.00
		Total Investment in Quoted Share excluding Director Equity Shares	7.15	5.12
	Total Equity Investment in Unquoted Share as Director Share	0.00	0.00	
	c)	The cumulative realized gains (losses) arising from sales and liquidations in the reporting period: Taka 0.22 crore.		
	d)	Total Unrealized Gains (Losses): Taka (1.89) crore Total Latent Revaluation Gains (Losses) : Taka Nil Any amounts of the above included in Tier 2 Capital : Taka Nil		
	e)	Capital Charges for Specific Risk (10% of market value of shares) Taka 0.51 crore Capital Charge for General Market Risk (10% of market value of shares) Taka 0.51 crore		

F. Interest Rate Risk in the Banking Book Position

Qualitative Disclosures	a)	Interest Rate Risk is concerned with borrowed funds of short term and long term maturity. Volatility in money market and increased demand for loan/investment raise the rate of interest. Increase in interest rate of borrowings could narrow or eliminate the spread, or result in a negative spread and could adversely affect the business and future financial performance resulting from high cost of fund of a company. Company's investments are generally structured at fixed rates for a specified term. But, in case of exigency like unusual and abrupt increase in borrowing rate, the company has a scope to increase the lending rate which mitigates the risk. Again company always tries to reduce the interest rate risk by diversifying the borrowing from different sources at different rates.						
Quantitative Disclosures	b)	Amount in Crore						
		<i>Particulars</i>	<i>1 to 30/31 day</i>	<i>Over 1-2 months</i>	<i>Over 2-3 months</i>	<i>Over 3- 6 months</i>	<i>Over 6 months to 1 year</i>	
		Total Rate Sensitive Liabilities (RSL)	510.31	36.63	32.76	15.80	60.66	
		Total Rate Sensitive Assets (RSA)	49.39	0.35	0.35	3.44	15.48	
		Mismatch	-460.93	-36.29	-32.41	-12.36	-45.18	
		Cumulative Mismatch	-460.93	-497.21	-529.62	-541.98	-587.17	
		Mismatch (%)	-90.32%	-99.06%	-98.93%	-78.21%	-74.48%	
		Interest Rate Risk						
		Magnitude of Shock		Minor 2%	Moderate 4%	Major 6%		
		Changes in the Value of Bond Portfolio (BDT in crore)		0.00	0.00	0.00		
		Net Interest Income (BDT in Crore)		-11.74	-23.49	-35.23		
		Revised Regulatory Capital (BDT in Crore)		-727.59	-739.33	-751.08		
		Risk Weighted Assets (BDT in Crore)		1055.90	1055.90	1055.90		
Revised CAR (%)		-68.91%	-70.02%	-71.13%				

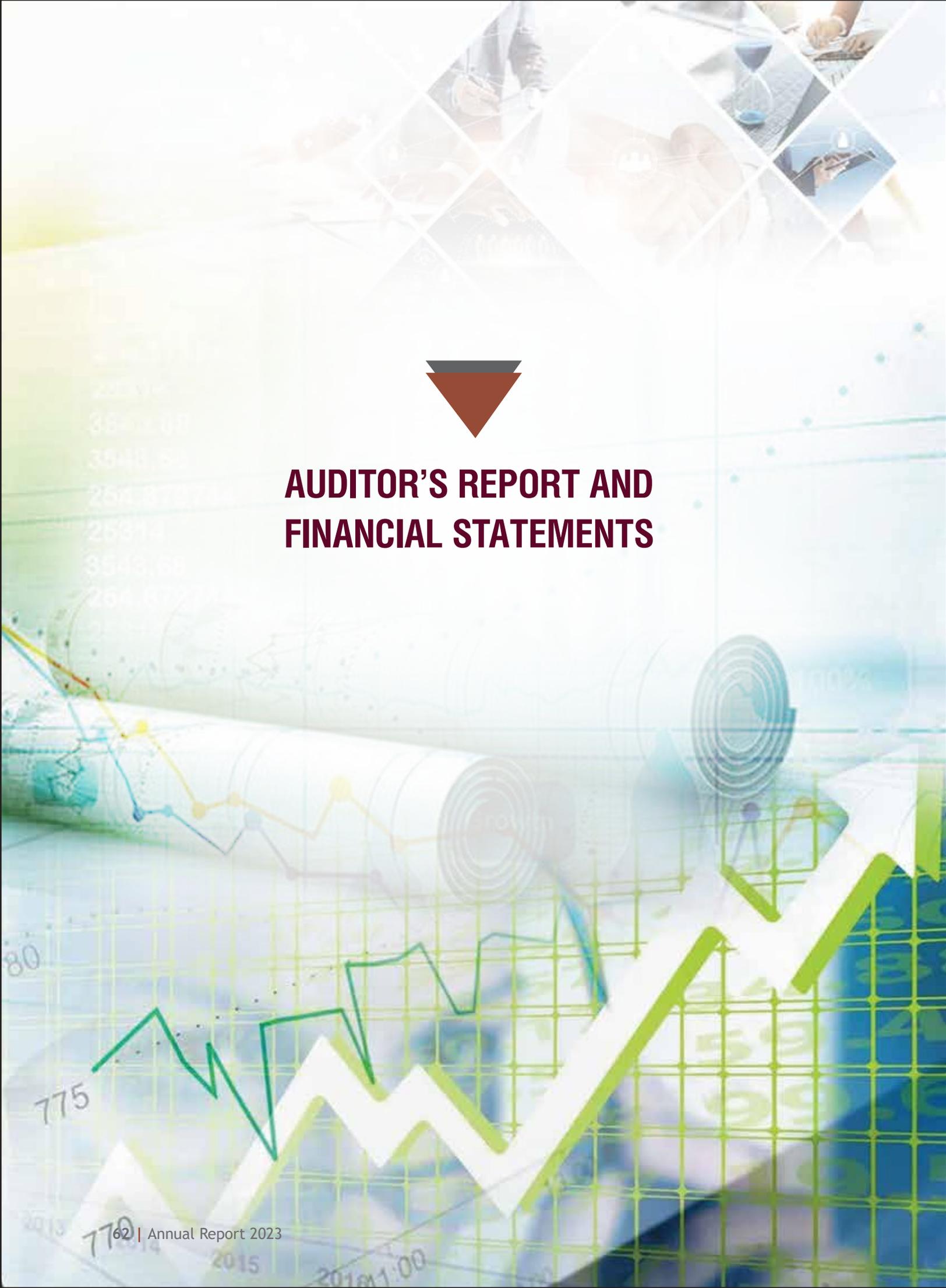
G. Market Risk

Qualitative Disclosures	a)	Market risk is the risk that may hamper Fareast Finance's earnings and capital due to changes in the market level of interest rates, securities, equities as well as the volatilities of those prices. Volatility of money market, which ultimately imposes upward pressure on interest rate structure, may erode the Company's profitability. Devaluation of local currency against major international currencies affects business performance of import based companies or companies borrowed in foreign currency adversely. Inability to offer on to a proactive and competitive posture due to lack of market access and inability to offer competitive products will hinder the Company's growth potential. The company is trying to be less dependent on short-term borrowings rather depends on term deposit and line of credit facilities from commercial banks or other sources for funding its business activities. The renewal rate of its maturing deposits mitigates the interest rate risk. As far as interest on term loan is concerned, rise in interest rate of borrowing results in increase of lending rate to clients. Fareast Finance does not have any foreign currency loan. Moreover, since it is a leasing company it can import equipment, plant & machinery etc. to lease out to the prospective clients. In case of currency fluctuation it is the prospective client who ultimately takes the risk. The treasury department reviews and prepares a report on the trend of market interest rate movement and carry out asset liability gap analysis. To manage the market risk, Fareast Finance has managed to arrange the funding facilities with competitive interest rate to match with maturity. Fareast Finance with its strong earning capacity, favorable credit rating and market goodwill can access to money market with a competitive rate.
-------------------------	----	---

Quantitative Disclosures	b)	Amount in Crore			
		Details	Capital Charges for Specific Risk (10% of market value of shares)	Capital Charge for General Market Risk (10% of market value of shares)	Total Capital Charge for Market Risk
		1	2	3	4=(2+3)
	A. Interest Rate Related Instruments		0.00	0.00	0.00
	B. Equities		0.51	0.51	1.02
	C. Foreign Exchange Position		0.00	0.00	0.00
	Total (A+B+C):				1.02

H. Operational Risk

Qualitative Disclosures	a)	<p>Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. It includes legal risk, but excludes strategic and reputation risk. Operational risk occurs in all day to day company's activities. This risk arises in almost all the department of a financial institution like credit, investment, treasury, information technology etc. Operational risk addresses the risk associated with fraud, forgery, unauthorized activities, error, omission, system failure and external events among others. Some more operational events are including operational errors, non-compliance with internal regulations, non-compliance of legal requirements, launching new products without adequate operational support etc.</p> <p>In order to monitor and manage the risk arising from all operational activities, an appropriate organizational structure is second to none. The Board of Directors (BoD) sets policies and delegates authority to the management for setting procedures, which together has structured the risk management framework in the FI. The Credit Policy Manual contains the core principles for identifying, measuring, approving, and managing credit risk in the FI. Fareast Finance's Management manages to place proper organizational structure with proper segregation of duties and delegation of authorities. Fareast Finance has independent Credit Risk Management (CRM) Department, independent Treasury Department, independent Compliance Department, independent Finance & Administration Department and independent Information technology Department for technical services to operate the organization smoothly as per Bangladesh Bank's directives.</p> <p>Fareast Finance & Investment Limited always believes that overcoming the challenges are not a hard works for the company rather depends on the move forward collectively. Existence of the correlation of the human capital of the company from top to bottom level is the strength of Fareast Finance & Investment Limited which will produce quality business for the shareholders, increase the assets of the company.</p>															
Quantitative Disclosures	b)	<p>Capital Charge on Operational Risk:</p> <table border="1"> <thead> <tr> <th colspan="5">Taka in Crore</th> </tr> <tr> <th>Operational Risk</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>Capital Charge</th> </tr> </thead> <tbody> <tr> <td>Gross Income</td> <td>(22.91)</td> <td>(42.22)</td> <td>(51.79)</td> <td>-</td> </tr> </tbody> </table> <p>Fareast Finance & Investment Limited measures the capital charge for operational risk with a fixed percentage (denoted by alpha) of average positive annual gross income of the FI over the past three years under the Basic Indicator Approach (BIA). Figures for any year in which annual gross income is negative or zero, should be excluded from both the numerator and denominator when calculating the average. The capital charge may be expressed as follows:</p> $K = [(GI_1 + GI_2 + GI_3) * \alpha] / n$ <p>Where,</p> <p>K = capital charge under the Basic Indicator Approach</p> <p>GI = only positive annual gross income over the previous three years (i.e. negative or zero gross income if any shall be excluded)</p> <p>$\alpha = 15\%$, n = number of the previous three years for which gross income is positive.</p> <p>Gross income: Gross Income (GI) is defined as "Net interest income" plus "net noninterest income". It is intended that this measure should -</p> <ol style="list-style-type: none"> be gross of any provisions (includes interest suspense) be gross of operating expenses, including fees paid to outsourcing service providers exclude realized profits/losses from the sale of securities held to maturity in the banking book. exclude extraordinary or irregular items as well as categorize exclude income derived from insurance. 	Taka in Crore					Operational Risk	2021	2022	2023	Capital Charge	Gross Income	(22.91)	(42.22)	(51.79)	-
Taka in Crore																	
Operational Risk	2021	2022	2023	Capital Charge													
Gross Income	(22.91)	(42.22)	(51.79)	-													



**AUDITOR'S REPORT AND
FINANCIAL STATEMENTS**



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

জোহা জামান কবির রশীদ এ্যান্ড কোং
চার্টার্ড একাউন্টেন্টস

Independent Auditor's Report
To the Shareholders of Fareast Finance & Investment Limited
Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Fareast Finance & Investment Limited (the "Company"), which comprise the Balance Sheet as at 31 December 2023, Statement of Profit and Loss accounts, Statement of Changes in Equity and Cash Flows Statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for effect of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements of the Company give a true and fair view of the financial position of the Company and the financial position of the Company and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note no. 02 where practicable and comply with Finance Company Act 2023, the Securities and Exchanges Rules 2020, the Companies Act 1994 along with the rules & regulations issued by Bangladesh Bank and applicable rules & regulations.

Basis for Qualified Opinion

- The company holds investments in Fixed Deposit Receipts (FDR) with Bangladesh Industrial Finance Co. Ltd., FAS Finance & Investment Limited and People's Leasing and Fin. Services Ltd. amounting to BDT 100,000,000, BDT 36,116,092 and BDT 345,605,000 respectively. These investments collectively represent 55.20% of the Balance with Other Banks and Financial Institutions.

In the financial year, the company did not receive any interest income from its investments in FAS Finance and Investment Limited and People's Leasing and Fin. Services Ltd. This situation poses a significant financial risk for the company as both of these investments are non-performing.

- The Company acquired a commercial floor space measuring 5,483 square feet located at 'Simpletree Lighthouse,' Plot: 53, Road: 21, Block: B, Kemal Ataturk Avenue, Banani Model Town, Dhaka-1213, Bangladesh. Since October 2020, this property has been serving as the corporate office. However, despite its use as the corporate office, the property has not been officially registered under the name Fareast Finance & Investment Limited. Instead, it is recorded in note 11.1 as an advance paid to Spacezero Ltd. Due to the absence of legal registration and ownership, the company has refrained from charging any depreciation on the property. This approach is not in compliance with the requirements outlined in paragraph 55 of IAS 16, which states that "Depreciation of an asset begins when it is available for use," meaning when it is in the location and condition necessary to operate as intended by the management. Since the property is being used but not officially registered, depreciation should have been charged in accordance with the accounting standards.
- The company provided a loan to its associate company, namely Fareast Stocks & Bonds Limited. Based on the available documents and the CL statement of Fareast Finance & Investment Limited as of December 31, 2023, the outstanding loan amount is recorded as BDT 3,024,788,933. However, Fareast Stocks & Bonds Limited could not confirm us the loan outstanding balance. This discrepancy in the reported loan amounts raises concerns about the recoverability of the term loan, which may lead to doubts regarding the company's ability to recover the full amount and could result in additional expected credit losses. This lack of confirmation further adds to the uncertainty surrounding the loan's status and potential credit risks for the company.
- Note 11.3 Investment in Associate and Note 25.00 other Operating Income, subhead Income from

EST.
1982

Zoha Zaman Kabir Rashid & Co., partnership firm registered in Bangladesh and member firm of MSI Global Alliance, a leading international association of independent legal and accounting firms.
Corporate Office : House 6/B, Road 32, Level 7 & 8, Gulshan 1, Dhaka 1212, Bangladesh.
Tax Office : Rupayan Karim Tower, 80 Kakrail, Level-7, Suite # 7A, Dhaka-1000, Bangladesh
T : +8809609-006260, E-mail: info@zzkrca.com, Web: www.zzkrca.com

A member of

Independent legal & accounting firms



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Associate report figures of BDT 597,082,019 and BDT (8,502,870), respectively. These figures are unaudited because Fareast Stocks & Bonds Limited has not yet conducted their statutory audit. Consequently, the figures are derived from the management accounts, signed by the Chief Executive Officer of the company.

- Referring to note no. 16.6, it is mentioned that as per Section-4 (Gha) of The Financial Institutions Rules, 1994 and Bangladesh Bank's DFIM Circular # 5 dated 24 July 2011, the minimum paid-up capital of a financial institution should be Tk. 100 crore. However, it is also specified that the sum of paid-up capital and reserves must not be less than the minimum capital required under the Risk-Based Assets of the company, as determined by the Bangladesh Bank. During the year ended December 31, 2023, the eligible capital of the company is reported as BDT (7,380,381,724). However, this amount falls short of the regulatory required capital, which amounts to BDT (8,436,279,060) compared to the minimum requirement. This indicates that the company currently has a shortfall of BDT (8,436,279,060) in meeting the minimum capital requirement set by the regulatory authorities.
- In accordance with note no. 8.1.2.1, the category of "Loan, Advance, and Leases" includes a term finance provided to Fareast Stocks & Bonds Limited, with an outstanding amount of BDT 3,024,788,933. During the 161st meeting of the Board of Directors held on 10th August 2015, the financial position of Fareast Stocks & Bonds Limited was taken into consideration. As a result of this evaluation, the board approved the abandonment of interest income on the loan facility. Subsequently, no interest has been charged on the outstanding loan amount, which stood at BDT 2,895.22 million, starting from 01st July 2015.

To comply with Bangladesh Bank's recommendations concerning the repayment of over-limit investments in subsidiaries, the company's Board of Directors convened their 185th meeting on 21st May 2018. During this meeting, they made the decision to re-fix the repayment schedule and devise a time-bound strategy to ensure complete repayment by the year 2025. Following this decision, the company submitted the time-bound repayment strategy to Bangladesh Bank, and the bank provided its approval through letter #DFIM(S)/1055/49/2018-1597, dated 23rd July 2018. Subsequently, in the company's 208th Board of Directors meeting held on 8th March 2020, it was decided to impose an interest rate of 13.90% per annum on the outstanding amount from 20th March 2020. This interest rate would apply to the remaining balance of the over-limit investments in subsidiaries to facilitate timely repayment as per the approved strategy.

The term finance provided to Fareast Stocks & Bonds Limited, with an outstanding amount of BDT 3,024,788,933, has been classified as a "bad loss." This classification indicates that the company has recognized the loan as potentially irrecoverable and has accounted for it as a loss in their financial statements. Furthermore, it's worth noting that the company has not taken any collateral security against this credit facility. This means that there is no specific asset or guarantee provided by Fareast Stocks & Bonds Limited to secure the repayment of the loan. As a result, the company is exposed to a higher level of risk, given the absence of collateral to mitigate potential losses in case of default or non-repayment.

- Term finance and lease finance are considered the core products of the company. In the current year, the outstanding amount of Loans, Advances, and Leases is BDT 8,998,413,791. Out of this total, BDT 8,767,210,759, which accounts for 97.43% of the portfolio, is classified as a loan. Within the loan portfolio, the following classifications have been made based on the level of risk: Bad/Loss: BDT 8,723,898,554, representing 96.95% of the loan portfolio. Doubtful: BDT 43,312,205, representing 0.48% of the loan portfolio. Sub-Standard: BDT 0, representing 0% of the loan portfolio. These classifications indicate the level of credit risk associated with the loans and reflect the portion of



Zoha Zaman Kabir Rashid & Co. Chartered Accountants

the outstanding amount that is considered to have varying degrees of uncertainty in terms of repayment. The high percentage of loans classified as bad/loss is particularly concerning, as it represents a substantial portion of the loan portfolio with a high likelihood of irrecoverable losses.

- Land and buildings were used as mortgage collateral for loans, advances, and leases without any valuation conducted by a Valuation Firm or a Third Party. Instead, the valuation was carried out by FFIL employees during the sanctioning process. The valuation amount was assumed, presented to the board, approved, and subsequently used as eligible collateral in CL.
- In accordance with note no. 46.4 the Company has made multiple requests to Fareast Stocks & Bonds Limited (FSBL) for the withdrawal of the available brokerage house ledger balance, which amounts to BDT 90,613,589 in BO Account No. 1204690000134328. However, FSBL has failed to honor the withdrawal request. Furthermore, FSBL has conducted unauthorized and fraudulent debits, deducting BDT 90,624,892 from the available ledger balance. Consequently, Fareast Finance & Investment Limited (FFIL) has not received any amount from the brokerage house ledger. In FFIL's financial statements, the company shows an entry under the sub-head "Amount receivable against shares sold" amounting to BDT 90,613,589. This amount includes the brokerage house ledger balance of BDT 0. However, due to FSBL's unauthorized debits and non-payment to FFIL, there is a reasonable apprehension that FSBL may not be able to return the deducted amount from the brokerage house ledger balance. As a result, this situation represents a financial loss for the company, and there is uncertainty regarding the recovery of the amount. In summary, FSBL's actions have led to financial loss and raised doubts about the company's ability to recover the debited amount, creating uncertainty and concerns for Fareast Finance & Investment Limited.
- The Board of Directors of the Company, in its 230th meeting, approved a plan to downsize the office space of the Chattogram branch by sharing the floor space with Fareast Stock & Bonds Limited (FSB) Chattogram branch. This move aims to reduce operating expenses. Currently, FFIL Chattogram branch is utilizing 850 sq. ft. at a rate of BDT 55 per sq. ft., and the rent agreement is currently under process. Therefore, the company has not yet implemented IFRS 16 Lease and is treating this expense as rent expense under the category of Rent, Rate, and Taxes.

We conducted our audit in accordance with International Standards on Auditing (ISAs), our responsibilities under those standards are further described in the auditor's 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), Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Institute of Chartered Accountants of Bangladesh (ICAB) Bye Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

- As per the quick summary by Bangladesh Bank dated 10 June 2024 for the year ended 31 December 2023, total shortfall of BDT 27.80 Crore has arisen as a provision shortfall under the heads Loans, Advances & Leases and Investment in FDR. This shortfall that has been adjusted during the year is BDT 7.61 for loans, leases and advances and for investment in share of BDT 13.61 in the respected heads. The shortfall of BDT 27.80 Crore does not include the liquid eligible securities of loans, advances, and leases such as Advance Installment, Suspense Receipt, and FDR of the respective clients. Subsequently, the provision maintained against loans, advances, and leases has been considered in light of these factors.



- In the board meeting held on 11 August 2024 the Board of Directors has declared that no dividend will be distributed to the shareholders based on the financial performance of the year 2023. This decision indicates that the company's financial results for the specified period did not meet the criteria or expectations to warrant the distribution of dividends to its shareholders. As a result, no dividend payout will be made, and the retained earnings or profits will likely be retained within the company for other purposes or future investments.

Our opinion is not modified in respect of those matters mentioned above.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements for 2023. These matters were addressed in the context of the audit of the financial statements, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatements of the financial statements. These results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Risk	Our response to risk
Measurement of Provision for Leases, Loans & Advances	
<p>The process for estimating the provision for leases, loans and advances (Investments) portfolio associated with credit risk is significant and complex.</p> <p>For the individual analysis, these provisions consider the estimates of future business performance and the market value of collateral provided for credit transactions.</p> <p>For the collective analysis, these provisions are manually processed that deals with voluminous databases, assumptions and calculations for the provision estimates of complex design and implementation.</p> <p>At year end of 2023 the Company reported total gross leases, loans and advances (Investments) of BDT 8,998,413,791 (2022: 9,438,041,064) and it represents 82.47% of total assets. Provision for leases, loans and advances was of BDT 6,592,576,991 (2022: BDT 6,513,958,266).</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none">• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;• Identification of loss events, including early warning and default warning indicators;• Reviewed quarterly Classification of Loans (CL); <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none">• Reviewed the adequacy of the companies general and specific provisions in line with Bangladesh Bank guidelines;• Assessed the methodologies on which the provision amounts based, recalculated the provisions and tested the completeness and accuracy of the underlying information;



	<ul style="list-style-type: none"> Assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines; and Finally compared the amount of loan provision and lone classification disclosed in the financial statements with the quick summary report prepared by Bangladesh Bank. <p>The said BB Circular has also instructed to consider all installments payable during the period from 1 January 2020 to 31 December 2020 as deferred and reschedule the number of installment and amount from 01 January 2021. As a result, the number of installments unpaid during January to December 2020 shall be added with the revised repayment schedule.</p> <p>No penal interest or additional fee/charge/commission shall be imposed on these deferred installments.</p> <p>We have verified as compliance of above Bangladesh Bank instructions. However, due to the current uncertainty of the overall economic situation both in Bangladesh and Globally there are inherent risk that the judgment applied by management in assessing recoverability of interest income may be different than the actual situation in future.</p>
<p>See note no 08 & 15.02 to the financial statements</p>	
<p>Provision for diminution in value of investment in share</p>	
<p>At the year-end of 2023 investments comprise of marketable ordinary shares of BDT 71,485,572 (2022: BDT 71,485,572) and it represents 0.66% of total assets. Provision for diminution in value of investment of BDT 18,982,236 (2022: BDT 18,821,986).</p> <p>This was an area for our audit and significant audit effort was directed.</p> <p>Invested in quoted shares and unquoted shares are valued at cost. However, the company made provision for diminution in value of investment as per FID circular no 08, dated 03 August 2002.</p> <p>We focused on this area because of the significance of the investments in the financial statements, and departure from the recognition and</p>	<p>Our audit approach was a combination of test of internal control and substantive procedures.</p> <ul style="list-style-type: none"> We obtained sufficient audit evidence to conclude that the inputs and methodologies used for the valuation of the investments are within a reasonable range and that valuation policies were consistently applied by the management of the company. We assessed the design and operating effectiveness of the Group's key controls supporting the identification, measurement and oversight of valuation risk of financial assets. <p>We tested the calculations of provision for diminution in value of investment and checked the presentation and disclosure of investment in compliance with FID circular no. 8 dated 3 August 2002.</p>



<p>presentation criteria of IFRS 9, IFRS 7 & IAS 32 to comply the above circular of Bangladesh Bank for determining the valuation methodology and presentation to be applied by the management of the company.</p>	
<p>See note no 07 & 15.03 to the financial statements</p>	
<p>Deposits and Other Accounts</p>	
<p>Term Deposit of BDT 4,560,765,879 which is decreased by 0.15% from the last year (2022: BDT 4,567,785,898)</p> <p>Significant judgment is required for Term Deposit, which has a vice-versa relation with interest income on interest expense on deposits.</p>	<p>We have tested operating effectiveness of key controls on the following:</p> <ul style="list-style-type: none"> ● Tested the deposit attraction policy and procedure. ● Identification of reinvestment rate of with the combination of deposit receiving rate. ● Tested the investment maturities ladder compile with deposit tenure. ● Conducted analysis for understanding industry practice on deposit interest rate compare to inflation rate. ● Tested penalty practice on early settlement of deposit. <p>Finally assess the reinvest appropriateness in against of the receiving deposit.</p>
<p>See note no. 14 to the financial statement</p>	
<p>Measurement of Deferred Tax Assets</p>	
<p>The Company reports net deferred tax assets (DTA) BDT 1,500,759 as at 31 December 2023. Deferred tax expense accounted for during the year 2023 BDT 1,103,571 (Deferred tax expense in 2022: BDT 65,527)</p> <p>Significant judgment is required in relation to deferred tax assets/ liabilities as their recoverability is dependent on forecasts of future profitability over a number of years.</p>	<p>We obtained an understanding, evaluated the design and have tested the operational effectiveness of the Company’s key controls over the recognition and measurement of DTAs and the assumptions used in estimating the Company’s future taxable income.</p> <p>We also assessed the completeness and accuracy of the data used for the estimations of future taxable income.</p> <p>We involved tax specialists to assess key assumptions, controls, recognition and measurement of DTAs.</p> <p>Finally assessed the appropriateness and presentation of disclosures against “IAS-12” Income Tax.</p>



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

See note no. 11.4 & 39 to the financial statements	
Revenue	
<p>Interest Income of BDT 142,630,580 & Investment Income of BDT 2,222,897 is recognized in the Statement of Profit or Loss and Other Comprehensive Income of the Company. This was an area of focus for our audit and significant audit effort was directed. Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Our audit procedures included obtaining our understanding of the process of interest income, investment income, brokerage commission, profit on investment ascertaining the balance and the interest charged over the financial year.</p> <p>Additionally,</p> <ul style="list-style-type: none">• Carried out cut-off testing to ensure the income was recognized in correct period.• Reviewed the carrying balance of the total figure.• Our audit approach was a combination of test of internal control and substantive procedures.• We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.• In addition, we performed substantive analytical to understand how the revenue has trended over the year among other parameters, we performed a detailed testing on transactions around the year-end, ensuring revenues were recognized in the correct accounting period. We also tested journal entries recognized to revenue focusing on unusual or irregular transactions.• Evaluate the Company's work to implement "IFRS-15" and assessed whether accounting principles comply with the new accounting standard.
See note no. 21 & 23 to the financial statements	
Going Concern	
<p>The company incurred a net loss of BDT 1,123,224,372 during the year ended 31 December 2023 and as at that date, the company's liabilities exceeded its total asset by BDT 7,439,542,461 and Retained earnings of the company shows a negative balance of BDT 9,428,625,159 based on the financial information so that under this condition, we foresee a significant risk about the company's ability to continue as going concern.</p>	<p>Our audit procedure included the following</p> <ul style="list-style-type: none">• We have obtained an understanding of the process of management assessment of going concern and also assessed the same.• We read the management assessment in note 2.40 which states Management is taking various initiatives for reduction of debt & increases of profit.



<p>Furthermore, the company has prepared cash flow forecast for the next twelve months which involves judgment and estimation around sources of funds to meet the financial obligations and cashflow requirements over the next twelve months. Considering the above, we have identified the assessment of going concern assumption as a key audit matter considering that the Company has net current liabilities & accumulated loss.</p>	<ul style="list-style-type: none"> • We have obtained the future cash flows of the Company. We have considered the same for our assessment of the Company's capability to meet its financial obligation falling due within next twelve months. • We have assessed the disclosure made by the Company in relation to this matter.
<p>See note no. 2.40 to the financial statement</p>	
<p>IT systems and controls</p>	
<p>Our audit procedures have a focus on IT systems and controls due to the pervasive nature and complexity of the IT environment, the large volume of transactions processed in numerous locations daily and the reliance on automated and IT dependent manual controls.</p>	<p>We tested the design and operating effectiveness of the Company's IT access controls over the information systems that are critical to financial reporting.</p> <p>We tested IT general controls (logical access, changes management and aspects of IT operational controls). This included testing that requests for access to systems were appropriately reviewed and authorized.</p> <p>We tested the Company's periodic review of access rights and reviewed requests of changes to systems for appropriate approval and authorization.</p> <p>We considered the control environment relating to various interfaces, configuration and other application layer controls identified as key to our audit.</p>

Other Information

Management is responsible for the other information. The other information comprises of all the information in the annual report other than the financial and auditors' report thereon.

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

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

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS), and for such internal control as man-



agement determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Finance Company Act 2023, the Securities and Exchange Rules 2020, the Companies Act 1994 along with the rules & regulations issued by Bangladesh Bank and applicable rules & regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with ISAs, we exercise professional judgement 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, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



Zoha Zaman Kabir Rashid & Co. Chartered Accountants

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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.

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 auditor's 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 2020, the Finance Company Act 2023 and the rules and regulations issued by Bangladesh Bank, we also report the following:

- 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 account as required by law have been kept by the Company so far as it appeared from our examination of those books;
- iii. the balance sheet and consolidated profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns;
- iv. the expenditures incurred and payments made were for the purpose of the Company's business for the year;
- v. the financial statements of the Company have been drawn up in conformity with the Finance Company Act 2023 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- vi. adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Banks instructions in this regard have been followed properly;



Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

- vii. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- ix. statement sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- x. nothing has come to our attention that the Company has adopted any unethical means i.e. "Window dressing" to inflate the profit and mismatch between the maturity of assets and liabilities;
- xi. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;
- xii. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- xiii. the Company has complied with relevant laws pertaining to capital, reserve, and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/ leases found satisfactory;
- xiv. we have reviewed over 83% of the risk weighted assets of the Company and we have spent around 1930 person hours for the audit of the books and accounts of the Company;
- xv. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- xvi. the Company has complied with the "First Schedule" of the Finance Company Act 2023 in preparing these financial statements; and
- xvii. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Place: Dhaka
Date: 11 August 2024


Harun-Ur-Rashid FCA
Managing Partner, Enrolment No. 312 (ICAB)
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2408130312AS448360



Fareast Finance & Investment Limited

Balance Sheet
As at 31 December 2023

Particulars	Note	Amount in Taka	
		31-12-2023	31-12-2022
PROPERTY AND ASSETS			
Cash	4	23,210,616	23,211,106
In Hand (including Foreign Currencies)		-	-
Balance with Bangladesh Bank and its Agent Banks (including Foreign Currencies)		23,210,616	23,211,106
Balance with Other Banks and Financial Institutions	5	872,671,646	769,445,501
In Bangladesh		872,671,646	769,445,501
Outside Bangladesh		-	-
Money at Call and Short Notice	6	-	-
Investments	7	71,485,572	71,485,572
Government		-	-
Others		71,485,572	71,485,572
Loans, Advances and Leases		8,998,413,791	9,438,041,064
Loans, Cash Credits, Overdrafts, Leases, etc.	8	8,998,413,791	9,438,041,064
Bills Purchased and Discounted	9	-	-
Fixed Assets including Premises, Furniture and Fixtures	10	1,296,747	919,147
Other Assets	11	934,881,352	1,037,003,519
Non-Business Assets	12	8,433,997	8,433,997
Total Assets		10,910,393,721	11,348,539,906
LIABILITIES AND CAPITAL			
Liabilities			
Borrowings from Other Banks, Financial Institutions and Agents	13	3,503,302,765	3,452,887,890
Deposits and Other Accounts	14	4,560,765,879	4,567,785,898
Current Deposits		-	-
Bills Payable		-	-
Savings Deposits		-	-
Term Deposits		4,560,765,879	4,567,785,898
Bearer Certificate of Deposit		-	-
Other Deposits		-	-
Other Liabilities	15	10,285,867,538	9,644,184,207
Total Liabilities		18,349,936,182	17,664,857,995

Particulars	Note	Amount in Taka	
		31-12-2023	31-12-2022
Capital/Shareholders' Equity		(7,439,542,461)	(6,316,318,089)
Paid up Capital	16	1,640,633,300	1,640,633,300
Statutory Reserve	17	268,954,085	268,954,085
Revaluation Reserve	11.3.1	79,495,313	79,495,313
Retained Earnings	18	(9,428,625,159)	(8,305,400,787)
Total Liabilities and Shareholders' Equity		10,910,393,721	11,348,539,906
OFF-BALANCE SHEET ITEMS			
Contingent Liabilities	19.1	-	-
Acceptances and Endorsements		-	-
Letter of Guarantee		-	-
Irrevocable Letter of Credit		-	-
Bills for Collection		-	-
Other Contingent Liabilities		-	-
Other Commitments	19.2	-	-
Documentary Credits and Short Term Trade related Transactions		-	-
Forward Assets Purchased and Forward Deposits Placed		-	-
Undrawn Note Issuance and Revolving Underwriting Facilities		-	-
Spot and Foreign Exchange Rate Contract		-	-
Undrawn Formal Standby Facilities, Credit Lines and Other Commitments		-	-
Total Off-Balance Sheet Items including Contingent Liabilities		-	-
Net Asset Value Per Share	41	(45.35)	(38.50)

The annexed notes 1 to 53 form an integral part of these financial statements.


Md. Ashraful Moqbul
Chairman & Independent Director


Ihsanul Aziz
Independent Director


Professor Dr. Md. Mosharraf Hossain
Independent Director


Muhammad Ali Zaryab
Managing Director


Md. Anwar Hussain
Head of Finance & HR


Md. Mehedi Hasan Khan
Company Secretary (CC)

As per our annexed report of same date.


Harun-Ur-Rashid FCA
Managing Partner, Enrolment No. 312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants
DVC: 2408130312AS448360

Place: Dhaka
Date: 11 August 2024

Fareast Finance & Investment Limited

Profit and Loss Account

For the year ended 31 December 2023

Particulars	Note	Amount in Taka	
		2023	2022
Interest Income	21	142,630,580	102,827,338
Interest Expenses on Borrowings, Deposits, etc.	22	(670,356,186)	(716,268,544)
Net Interest Income		(527,725,606)	(613,441,206)
Investment Income	23	2,222,897	4,051,336
Commission, Exchange and Brokerage	24	-	-
Other Operating Income	25	(2,229,053)	(5,927,650)
Total Operating Income		(527,731,762)	(615,317,520)
Salary and Allowances	26	20,955,350	21,761,577
Rent, Taxes, Insurance, Electricity, etc.	27	1,057,951	1,481,178
Legal Expenses	28	5,007,613	1,607,370
Postage, Stamp, Telecommunication, etc.	29	623,089	521,951
Stationery, Printing, Advertisements, etc.	30	1,792,536	1,117,326
Managing Director's Salary and Allowances	31	6,620,000	6,620,000
Directors' Fees	32	492,800	774,400
Auditors' Fees	33	957,400	2,260,600
Charges on Losses regarding Loans, Advances and Leases		-	-
Depreciation and Repairs of Company's Assets	34	441,069	1,361,178
Other Operating Expenses	35	4,982,512	6,720,676
Total Operating Expenses		42,930,320	44,226,256
Profit/(Loss) before Provisions		(570,662,082)	(659,543,776)
Provisions for Loans, Advances and Leases:	36	78,618,725	1,457,881,244
Provision for the Diminution in the Value of Investments	37	160,250	(769,863)
Other Provisions	38	325,246,406	189,159,800
Total Provisions		404,025,381	1,646,271,181
Profit/(Loss) before Income Tax		(974,687,463)	(2,305,814,957)
Provision for Income Tax			
Current Tax Expense	39	147,433,338	625,003
Deferred Tax Expense/(Income)	39	1,103,571	65,527
		148,536,909	690,530
Net Profit/(Loss) after Income Tax		(1,123,224,372)	(2,306,505,487)

Particulars	Note	Amount in Taka	
		2023	2022
Appropriations			
Statutory Reserve	17	-	-
General Reserve		-	-
		-	-
Retained Surplus			
	18	(1,123,224,372)	(2,306,505,487)
Earnings Per Share (EPS)	40	(6.85)	(14.06)

The annexed notes 1 to 53 form an integral part of these financial statements.


Md. Ashraful Moqbul
 Chairman & Independent Director


Ihsanul Aziz
 Independent Director


Professor Dr. Md. Mosharraf Hossain
 Independent Director


Muhammad Ali Zaryab
 Managing Director


Md. Anwar Hussain
 Head of Finance & HR


Md. Mehedi Hasan Khan
 Company Secretary (CC)

As per our annexed report of same date.

Place: Dhaka
 Date: 11 August 2024


Harun-Ur-Rashid FCA
 Managing Partner, Enrolment No. 312
Zoha Zaman Kabir Rashid & Co.
 Chartered Accountants

Fareast Finance & Investment Limited

Cash Flow Statement

For the year ended 31 December 2023

Particulars	Amount in Taka	
	2023	2022
Cash Flows from Operating Activities		
Interest Received	133,808,292	104,883,033
Interest Paid	(586,228,331)	(749,461,075)
Dividend Received	2,222,897	3,125,015
Fees and Commission Received	-	-
Recoveries of Loan Previously Written-off	8,770,560	5,712,205
Income Taxes Paid	(5,938,022)	(2,039,273)
Received from Other Operating Activities	5,997,058	1,228,322
Payments for Other Operating Activities	(41,124,251)	(39,881,497)
Cash Generated from Operating Activities before Changes in Operating Assets and Liabilities	(482,491,797)	(676,433,270)
Increase/Decrease in Operating Assets and Liabilities		
Statutory Deposit	-	-
Trading Securities	-	-
Loans, Advances and Leases	439,627,273	253,622,765
Other Assets	480,547	511,252
Deposit and Other Accounts	(7,020,019)	(60,924,960)
Net Drawdown of Short Term Loans	(362,926,535)	20,502,238
Other Liabilities on Account of Customers	112,722,927	77,286,492
Trading Liabilities	-	-
Other Liabilities	(10,163,957)	211,143,544
	172,720,236	502,141,331
Net Cash from Operating Activities	(309,771,561)	(174,291,939)
Cash Flows from Investing Activities		
Proceeds from Sale of Securities	-	24,420,830
Payments for Purchase of Securities	-	-
Purchase of Fixed Assets including Premises, Furniture and Fixtures	(620,980)	(749,556)
Proceeds from Sale of Fixed Assets including Premises, Furniture and Fixtures	276,786	-
(Increase)/Decrease regarding Purchase and Sale of Subsidiary	-	-
Net Cash Used in Investing Activities	(344,194)	23,671,274
Cash Flows from Financing Activities		
Receipt of Borrowings from Other Banks, Financial Institutions and Agents	589,001,992	400,466,268
Repayment of Borrowings from Other Banks, Financial Institutions and Agents	(175,660,582)	(138,846,944)
Receipt against Issue of Share Capital	-	-
Increase/(Decrease) in Revaluation Reserve	-	-
Dividend Paid in Cash	-	-
Net Cash from Financing Activities	413,341,410	261,619,324

Particulars	Amount in Taka	
	2023	2022
Net Increase/(Decrease) in Cash and Cash Equivalents	103,225,655	110,998,659
Effects of Exchange Rate Changes on Cash and Equivalents	-	-
Cash and Cash Equivalents at Beginning of the year	792,656,607	681,657,948
Cash and Cash Equivalents at the End of the year	895,882,262	792,656,607
Cash and Cash Equivalents at the End of the year		
Cash in Hand (including Foreign Currencies)	-	-
Balance with Bangladesh Bank and its Agent Banks (including Foreign Currencies)	23,210,616	23,211,106
Balance with Other Banks and Financial Institutions	872,671,646	769,445,501
Money at Call and Short Notice	-	-
	895,882,262	792,656,607
Net Operating Cash Flows Per Share (NOCFPS) (Note-42)	(1.89)	(1.06)


Md. Ashraful Moqbul
Chairman & Independent Director


Ihsanul Aziz
Independent Director


Professor Dr. Md. Mosharraf Hossain
Independent Director


Muhammad Ali Zaryab
Managing Director


Md. Anwar Hussain
Head of Finance & HR


Md. Mehedi Hasan Khan
Company Secretary (CC)

As per our annexed report of same date.

Place: Dhaka
Date: 11 August 2024


Harun-Ur-Rashid FCA
Managing Partner, Enrolment No. 312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Fareast Finance & Investment Limited

Statement of Changes in Equity

For the year ended 31 December 2023

Particulars	Paid up Capital	Statutory Reserve	Revaluation Reserve	Retained Earnings	Total
	Taka	Taka	Taka	Taka	Taka
Balance at 01 January 2022	1,640,633,300	268,954,085	79,495,313	(5,998,895,300)	(4,009,812,602)
Changes in Accounting Policy(s)	-	-	-	-	-
Restated Balance	1,640,633,300	268,954,085	79,495,313	(5,998,895,300)	(4,009,812,602)
Surplus/Deficit on Account of Revaluation of Properties	-	-	-	-	-
Surplus/Deficit on Account of Revaluation of Investments	-	-	-	-	-
Currency Translation Differences	-	-	-	-	-
Net Gains and Losses not Recognized in the Profit and Loss Account	-	-	-	-	-
Net Profit for the year	-	-	-	(2,306,505,487)	(2,306,505,487)
Cash Dividend	-	-	-	-	-
Dividend (Bonus Shares)	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-
Appropriations during the year	-	-	-	-	-
Revaluation of Fareast Stocks & Bonds Ltd. (Note-11.3.1)	-	-	-	-	-
Balance as at 31 December 2022	1,640,633,300	268,954,085	79,495,313	(8,305,400,787)	(6,316,318,089)
Balance at 01 January 2023	1,640,633,300	268,954,085	79,495,313	(8,305,400,787)	(6,316,318,089)
Changes in Accounting Policy(s)	-	-	-	-	-
Restated Balance	1,640,633,300	268,954,085	79,495,313	(8,305,400,787)	(6,316,318,089)
Surplus/Deficit on Account of Revaluation of Properties	-	-	-	-	-
Surplus/Deficit on Account of Revaluation of Investments	-	-	-	-	-
Currency Translation Differences	-	-	-	-	-
Net Gains and Losses not Recognized in the Profit and Loss Account	-	-	-	-	-
Net Profit for the year	-	-	-	(1,123,224,372)	(1,123,224,372)
Cash Dividend	-	-	-	-	-
Dividend (Bonus Shares)	-	-	-	-	-
Issue of Share Capital	-	-	-	-	-
Appropriations during the year	-	-	-	-	-
Revaluation of Fareast Stocks & Bonds Ltd. (Note-11.3.1)	-	-	-	-	-
Balance as at 31 December 2023	1,640,633,300	268,954,085	79,495,313	(9,428,625,159)	(7,439,542,461)



Md. Ashraful Moqbul
Chairman & Independent Director



Ihsanul Aziz
Independent Director



Professor Dr. Md. Mosharraf Hossain
Independent Director



Muhammad Ali Zaryab
Managing Director



Md. Anwar Hussain
Head of Finance & HR



Md. Mehedi Hasan Khan
Company Secretary (CC)

As per our annexed report of same date.



Harun-Ur-Rashid FCA
Managing Partner, Enrolment No. 312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: 11 August 2024

Fareast Finance & Investment Limited

Liquidity Statement

(Analysis of Maturity of Assets and Liabilities)

For the year ended 31 December 2023

Particulars	Up to 1 Month	1-3 Months	3-12 Months	1-5 Years	Above 5 Years	Total
	Taka	Taka	Taka	Taka	Taka	Taka
Assets						
Cash in Hand (including Balance with Bangladesh Bank)	-	-	23,210,616	-	-	23,210,616
Balance with Other Banks and Financial Institutions	492,671,646	-	100,000,000	280,000,000	-	872,671,646
Money at Call and Short Notice Investments	-	-	-	-	-	-
Loans, Advances and Leases	3,364,050	6,965,138	89,256,163	119,680,333	8,779,148,107	8,998,413,791
Fixed Assets including Premises, Furniture and Fixtures	-	-	-	-	1,296,747	1,296,747
Other assets	95,794,490	1,500,000	240,004,843	-	597,582,019	934,881,352
Non-Business Assets	-	-	-	-	8,433,997	8,433,997
Total Assets	663,315,758	8,465,138	452,471,622	399,680,333	9,386,460,870	10,910,393,721
Liabilities						
Borrowings from Other Banks, Financial Institutions and Agents	2,105,076,359	63,111,099	321,418,891	633,301,689	380,394,727	3,503,302,765
Deposits and Other Accounts	3,443,473,618	630,815,219	443,259,042	42,755,000	463,000	4,560,765,879
Provision and Other Liabilities	1,335,731,306	290,675,116	127,687,470	59,120,375	8,472,653,271	10,285,867,538
Total Liabilities	6,884,281,283	984,601,434	892,365,403	735,177,064	8,853,510,998	18,349,936,182
Net Liquidity Gap	(6,220,965,525)	(976,136,296)	(439,893,781)	(335,496,731)	532,949,872	(7,439,542,461)



Md. Ashraful Moqbul
Chairman & Independent Director



Ihsanul Aziz
Independent Director



Professor Dr. Md. Mosharraf Hossain
Independent Director



Muhammad Ali Zaryab
Managing Director



Md. Anwar Hussain
Head of Finance & HR



Md. Mehedi Hasan Khan
Company Secretary (CC)

As per our annexed report of same date.



Harun-Ur-Rashid FCA
Managing Partner, Enrolment No. 312
Zoha Zaman Kabir Rashid & Co.
Chartered Accountants

Place: Dhaka
Date: 11 August 2024

Fareast Finance & Investment Limited

Notes to the Financial Statements and Significant Accounting Policies

For the year ended 31 December 2023

(Forming an Integral Part of the Financial Statements)

1. Legal Status and Nature of the Company

1.1 Domicile, Legal Form, Country of Incorporation and Status of the Company

Fareast Finance & Investment Limited ("the Company") was incorporated in Bangladesh as a public limited company with limited liability on 21 June 2001 under the Companies Act, 1994. The company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 21 June 2001. The company obtained license from Bangladesh Bank as a Financial Institution under the Financial Institutions Act, 1993 to operate as a Leasing and Financing Company on 03 July 2001.

1.2 Address of Registered Office and Place of Business of the Company

The Registered Office of the Company is at Simpletree Lighthouse (10th Floor), Plot-53, Road No. 21, Block-B, Kemal Ataturk Avenue, Dhaka-1213, Bangladesh. Company's Principal Office is also situated at the same address and at present, the company has one branch office at Chattogram in Bangladesh.

1.3 Principal Activities of the Company

The company concentrates its activities for full payout leases and term finances extended on the basis of recovering the full capital cost of the asset/finance, plus imputed interest charges. The company eventually will seek to broaden its leasing and financing services by entering into vendor programs with asset suppliers, underwriters, brokers, leveraged leases, lease syndications, sale and lease back finances, financing for business expansions and temporarily financed assets. The company may extend guarantees for lease/finance obligations to other institutions/companies subject to the Laws and Rules of the Government of the Peoples' Republic of Bangladesh.

1.4 Nature of Operation of the Company

The company extends lease finance for all types of machinery, equipment, household durables including vehicles for the purpose of industrial, commercial, agricultural and personal use in Bangladesh and also term finance to its clients within the purview of law.

1.5 Information regarding Associate Company

The company has 1 (one) associate company namely Fareast Stocks & Bonds Limited (holding fifty percent shares), was incorporated on 03 September 2009 as a private limited company under The Companies Act, 1994 with authorized share capital of Taka 150,00,00,000 only. The company had started its operation from 27 April 2010. The main business of the company is to carry on the business as a stock broker, stock dealer in stocks and dealing in securities, commercial papers, bonds, debentures, foreign currencies, treasury bills/bonds and/or any financial instruments. Subsequently it has been converted into public limited company on 17 October 2012.

1.6 Number of Employees of the Company

The number of employees of the company was thirty and twenty seven at the end of the year 2023 and 2022 respectively.

2. Basis of Preparation and Significant Accounting Policies

2.1 Basis of Preparation

The Financial Statements have been prepared on the basis of going concern concept under historical cost conventions in accordance with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB).

2.2 Basis of Measurement

The Financial Statements have been prepared using the accrual basis of accounting except for the cash flow information where the material class of similar item has been presented separately. The accounting policies have been consistently applied by the company and are consistent with those of the previous year.

2.3 Statement of Compliance

The Financial Statements have been prepared in compliance with the requirements of the Finance Company Act 2023, the rules and regulations issued by Bangladesh Bank, the Companies Act 1994, the Securities and Exchange Ordinance 1969, the Securities and Exchange Rules 2020, the Listing Regulations of Dhaka and Chittagong Stock Exchanges and other applicable laws and regulations.

2.4 Basis of Presentation

The presentation of Financial Statements has been made in accordance with the DFIM Circular No. 11 dated 23 December 2009 issued by the Department of Financial Institutions and Markets of Bangladesh Bank. All financial information presented in Bangladesh Taka (BDT) which has been rounded off to the nearest Taka.

2.5 Uncertainties for Use of Estimates in Preparation of Financial Statements

The preparation of Financial Statements in conformity with the International Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of other information at the date of the Financial Statements and revenues and expenses during the period reported. Actual results may differ from those estimates. Estimates are used for accounting of certain items such as depreciation on fixed assets, accrued expenses and income taxes in respect of Note No. 10, 15.1 and 15.5 respectively.

2.6 Disclosure of Deviations from Few Requirements Of IAS/IFRS due to Mandatory Compliance of Bangladesh Bank's Requirements

Bangladesh Bank is the prime regulatory body for all Non-Banking Financial Institutions in Bangladesh. Some of the requirements of Bangladesh Bank's rules and regulations contradict with those of financial instruments and general provision standards of IAS/IFRS. To comply with Bangladesh Bank's rules and regulations, the company has departed from those contradictory requirements of IAS/IFRS.

2.7 Cash Flow Statement

Cash flow statement is prepared in accordance with IAS-7: "Cash Flow Statement", DFIM Circular No. 11 dated 23 December 2009 and as recommended by the Securities and Exchange Rules 1987. The cash flow statement shows the structure of and changes in cash and cash equivalents during the financial year. Cash and cash equivalents include notes and coins on hand, unrestricted balance held with Bangladesh Bank and its agent bank including balances with other commercial banks. It is broken down into operating activities, investing activities and financing activities. The direct method is used to show the operating activities. According to IAS-7: "Cash Flow Statements", cash comprises cash in hand and demand deposits and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Considering the provisions of IAS-7 and IAS-1, cash in hand, fixed deposits and bank balances have been considered as cash and cash equivalents.

2.8 Statement of Changes in Equity

The statement of changes in equity is prepared in accordance with IAS-1: "Presentation of Financial Statements" and DFIM Circular No. 11 dated 23 December 2009.

2.9 Liquidity Statement

The liquidity statement of assets and liabilities as on the reporting date has been prepared in accordance with the guidelines issued by Bangladesh Bank through DFIM Circular No. 11 dated 23 December 2009 as per following bases:

- a) Balance with other banks and financial institutions are on the basis of their maturity term.
- b) Investments are on the basis of their residual maturity term.
- c) Loans, advances and leases are on the basis of their repayment/maturity schedule.
- d) Fixed assets are on the basis of their useful lives.
- e) Other assets are on the basis of their adjustment terms.
- f) Borrowings from other banks, financial institutions and agents as per their maturity/repayment terms.
- g) Deposits and other accounts are on the basis of their maturity term and behavioral past trends.
- h) Other liabilities are on the basis of their settlement terms.

2.10 Contingent Liabilities and Contingent Assets

The Company does not recognize contingent liabilities and contingent asset but discloses the existence of contingent liability in the Financial Statements. A contingent liability is a probable obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.

2.11 Proposed Dividend

Proposed dividend has not been recognized as a liability in the balance sheet in accordance with IAS-10: "Events after the Reporting Period".

2.12 Events after the Reporting Period

All material events occurring after the reporting period has been considered and where necessary, adjusted for or disclosed in Note No. 51.

2.13 Provision for Income Tax

IAS-12: "Income Taxes" and the Income Tax Act 2023 have been used for the calculation of deferred tax and current tax expenses respectively. Provision for income tax represents the sum of the current tax expense and deferred tax expense.

a) Current Tax Expense

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in succeeding years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

b) Deferred Tax Expense

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which such differences can be utilized. Deferred tax is calculated at the tax rates, which are expected to apply in the period when the liability is settled or the asset is realized. Deferred tax is charged or credited to profit and loss account.

2.14 Fixed Assets

All fixed assets are stated at cost less accumulated depreciation as per IAS-16: "Property, Plant and Equipment". The cost of acquisition of an asset comprise its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use inclusive of inward freight, duties and non-refundable taxes. The company recognizes in the carrying amount of an item of property, plant and equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied with the item will flow to the Company and the cost of the items can be measured reliably. Normal expenditure incurred after the assets have been put into operation such as repairs and maintenance other than major replacements, renewals and or betterment of the as sets are charged off as revenue

expenditure in the period in which it is incurred. Depreciation on Additions of fixed assets has been charged when it is available for use and ceases when it is classified as held for sell. Depreciation on all assets is computed to write off over the estimated useful economic lives of the assets. Depreciation on fixed assets under Company's own use is charged on straight-line method throughout the estimated useful lives of the assets. The annual depreciation rates applicable to the class of assets are as follows:

Item of Assets	Rate (%)
Furniture	18
Office Equipment	20
Office Software	20
Office Crockery	20
Motor Vehicle	20

2.15 Impairment of Assets

In each year the management assess whether there is any indication that the assets may be impaired in accordance with IAS-36: "Impairment of Assets" considering the current economic situations. Management concludes that there is no such indication exists.

2.16 Accounts Receivable

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

2.17 Cash and Cash Equivalentents

Cash and cash equivalentents comprise cash in hand, balance with Bangladesh Bank and its agent bank, balance with other banks and financial institutions, term deposits and investments in call loan that are readily convertible to a known amount of cash and that are subject to an insignificant risk of change in value.

2.18 Accounting for Investment in Leases

As per IFRS-16: "Leases", the Company recognizes leased assets in the balance sheet and presents them as receivable at an amount equal to the net investment in the lease. Under a finance lease all the risks and rewards incident to legal ownership are transferred by the Company, and thus the lease payment receivable is treated as repayment of principal and finance income to reimburse and reward for its investment and services. The recognition of finance income is based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease.

2.19 Accounting for Term Finances

As per IFRS-7: "Financial Instruments: Disclosures", term finances given by the Company are recognized as financial asset on its balance sheet when and only when, the Company becomes a party to the contractual provisions of the finances and have a contractual right to receive cash or another financial asset from the finance. Subsequently, the financial assets are presented in the balance sheet at amortized cost using the effective interest rate method.

2.20 Accounting for Investment in Associates

An associate is an entity in which the company has significant influence and which is neither a subsidiary nor a joint venture. The company's investment in associate is accounted for in the Financial Statements using the equity method in accordance with IAS-28: "Accounting for Investment in Associates". Such investments are classified as other assets in the balance sheet and the share of profit/loss of such investment is classified under other operating income in the profit and loss account.

2.21 Recognition of Leased Assets

Company's leased assets are stated at the gross lease receivables less the unearned lease income. Lease payments relating to the accounting period are applied against the gross investment in the lease to reduce both the principal and the unearned lease income.

2.22 Recognition of Term Finances

Term Finances are stated at the initial investment less accumulated principal amortization calculated under effective interest rate method. Initial investment represents principal finance and capitalization of interest accumulated before starting repayment and amortization rate under effective interest rate method represents the rate that exactly discounts the expected stream of future cash payments through maturity.

2.23 Recognition of Investment in Associate

Recognition of income on the basis of distributions received from associate may not be an adequate measure of the income earned by the company on an investment in an associate because the distributions received may bear little relation to the performance of the associate. Because of the company has influence over the associate; the company has an interest in the associate's performance and as a result the return on investment. The company's accounts for this interest by extending the scope of its Financial Statements to include its share of profit/loss of such an associate. As a result application of the equity methods provides more informative reporting of the net asset and profit or loss of the investor.

2.24 Provision for Loans, Advances and Leases

A provision is recognized in the balance sheet when the company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations. No provision is recognized for any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or any present obligation that arises from past events and it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimates of the amount of obligation cannot made. The company evaluates its loans, advances and leases portfolio on regular intervals and maintains its provision requirement at a level adequately considering the identifiable and unforeseen losses in the portfolio and also the quality of the portfolio commensurate with changes in the economic conditions. The following three principles are followed to estimate the company's provision requirements:

- Bangladesh Bank guidelines relating to classification and provisioning of loans, advances and leases.
- IAS -37: "Provisions, Contingent Liabilities and Contingent Assets".
- Management consideration regarding the quality of portfolio.

Provision has been recognized as on the date of the balance sheet and charged to the profit and loss accounts on incremental basis.

2.25 Write-off

Write-off refers to an investment from which recovery becomes difficult and legal proceedings are started against the investment. Through write-off investment is removed from the company's balance sheet. Recovery against debts written off is credited to revenue.

2.26 Lease Asset and Liabilities

IFRS-16 requires lessees to adopt a uniform approach to the presentation of leases. Correspondingly, assets must be recognized for the right of use received and liabilities must be recognized for payment obligations entered into for all leases. The company currently expects to transition to IFRS-16 in accordance with the modified retrospective approach. For leases that have to date been classified as operating leases in accordance with IAS-17, the lease liability will be carried at the present value of the remaining lease payments, discounted using the lessees incremental borrowing rate at the time the standard is first applied. The right-of-use asset will generally be measured at the amount of the lease liability.

2.27 Investment in Shares

Investment in shares are treated as financial asset as per IAS-32: "Financial Instruments: Presentation", classified as financial asset at fair value through profit and loss as per IFRS-9: "Financial Instruments: Recognition and Measurement" and are recognized as current investment

and shown in the Balance Sheet under the current assets and investments head. Investment in shares has been shown at fair value considering the Bangladesh Bank guidelines and SEC notifications in this regard. Provision has been made for reduction in market price of shares as on the date of the balance sheet and charged to the profit and loss accounts on incremental basis.

2.28 Borrowings from Other Banks, Financial Institutions and Agents

In conformation to DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank, borrowings from other banks, financial institutions and agents are placed into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date.

2.29 Deposits and Other Accounts

The Company takes term deposits from banks, financial institutions and general public at various rates against issuance of fixed deposits receipts within the parameters set by Bangladesh Bank through different circulars. The Company places the deposits and other accounts into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date considering the DFIM Circular No. 11 dated 23 December 2009 issued by Bangladesh Bank.

2.30 Interest Suspense Account

According to Bangladesh Bank's guidelines relating to classification and provisioning of loans, advances and leases, interest included in the overdue having status other than standard are not recognized as income rather transferred to interest suspense account. Recovery of overdue balances credited to interest suspense account is recognized as income on cash basis.

2.31 Revenue Recognition

The revenue is recognized after satisfying all the conditions for revenue recognition as provided IFRS-15: "Revenue from Contracts with Customers". Detailed income wise policy for revenue recognition is as under:

a) Interest Income on Loans, Advances and Leases

Interest on loans is recognized as income at the time of its becoming receivable from the client. Lease income are recognized as income based on a pattern reflecting a constant periodic rate of return on the net investment outstanding in respect of the finance lease. Interest included in the installments against the loans, advances and leases, which are in standard status as per Bangladesh Bank's guidelines relating to classification and provisioning of loans, advances and leases are recognized as income irrespective of received or not. In case of loans, advances and leases, which are in status other than standard mentioned above, interest included in the overdue installments are not recognized as income. Interest accrued on loans, advances and leases for the period from the due date in December to the balance sheet date is recognized as income (on time proportion basis).

b) Capital Gain

Capital gain on sale of shares listed in the stock exchanges is recognized on cash basis. Company does not recognize the unrealized capital gain in the profit and loss account.

c) Dividend Income

Dividend income has been accounted for when the right to receive the dividend is established.

d) Commission Income

Commission income has been accounted for on cash basis.

e) Other Operating Income

Income classified as fee has been accounted for on cash basis. Profit or loss on sale of leased assets has been accounted for on completion of sale basis at the time of sale of the respective leased asset. Profit or loss on sale of fixed assets has been accounted for on completion of sale basis at the time of sale of the respective fixed asset as per IAS-16: "Property, Plant and Equipment". Income from associate has been accounted for using the equity method under IAS-28: "Accounting for Investment in Associates".

2.32 Post Employment Benefits to the Employees

The retirement benefits accrued for the employees of the company as on the reporting date have been accounted for in accordance with the provisions of IAS-19: “Employee Benefit”. Bases of enumerating the retirement benefits schemes operated by the company are outlined below:

a) Provident Fund

There is a provident fund scheme under the defined contribution plan. The fund is operated by a separate Board of Trustees. All eligible employees contribute 10% of their basic pay to the fund. The company also contributes equal of employee’s contribution to the fund. Benefits from the fund are given to eligible employees at the time of retirement/resignation as per approved rules of the fund. The Financial Statements are duly prepared for the provident fund as per requirements of IAS-26: “Accounting and Reporting by Retirement Benefit Plans”.

b) Staff Gratuity

The company has a separate Board of Trustees for operating the staff gratuity fund. Employees of the company, who served the company for five years or above is entitled to get gratuity benefit at rates determined by the approved rules of the fund. The Financial Statements are duly prepared for the gratuity fund as per requirements of IAS-26: “Accounting and Reporting by Retirement Benefit Plans”.

2.33 Other Benefits to The Employees

Other benefits to the employees of the company are as follows:

a) Group Life Insurance Scheme and Hospitalization Assurance Plan

The Company operates a group life insurance scheme and Hospitalization assurance plan for its permanent employees.

b) Employee Transport Facility

The Company provides car as well as car loan facility to the employee as per Transport Policy of the Company. This policy is made to provide transport facilities and transport loan and assistance to the entitled employees as per terms of employment and also to facilitate procurement and maintenance of vehicle for the entitled employees of the company. This policy is applicable for the employees in the following three ways:

- Vehicle Facility under Company Management.
- Vehicle Facility under Loan Facility.
- Vehicle Facility under Pool Service.

c) Mobile Facilities

The company provides monthly bill for using mobile within the limit as per Policy for Mobile Phone Facilities to its confirmed employees starting from officers.

d) Payment of Professional Fees

The company makes payment of all kind of professional fees relating to the professional institutes to all professional degree holder employees of the Company as per Policy for payment of professional fees of the Company.

e) Home Loan Policy for the Employees

The company has home loan facilities for its permanent employees. An employee must serve the company for a continuous period of at least six years as confirmed employee to get the facility.

2.34 Foreign Currency Transaction

a) Functional and Presentational Currency

Financial Statements of the company are presented in Taka, which is the company’s functional and presentational currency.

b) Foreign Currency Translation

Foreign currency transactions are converted into equivalent Taka currency at the ruling exchange

rates on the respective date of such transaction as per IAS-21: “The Effects of Changes in Foreign Exchange Rates”.

2.35 Borrowing Costs

Interest on borrowings of fund from different sources is recognized as financial expenses according to IAS-23: “Borrowing Costs”. Interest amount represents the amount paid and accrued up to the end of the year.

2.36 Related Party Transactions

The management identified the party/parties related to the company and disclose the transactions of the related party in Note No. 46 as per IAS-24: “Related Party Disclosures”.

2.37 Earnings Per Share (EPS)

The company calculates Earnings Per Share (EPS) in accordance with IAS 33: “Earnings Per Share” shown on the face of the profit and loss account while, the computation of EPS is stated in Note-40.

Basic Earnings Per Share

This has been calculated by dividing the basic earnings by the weighted average number of ordinary shares outstanding during the year. For calculation of basic earnings and weighted average number of ordinary shares outstanding during the year, the following formulas have been used:

Basic Earnings

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

Weighted Average Number of Ordinary Shares Outstanding During the Year

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

Diluted Earnings Per Share

No diluted earnings per share are required to be calculated for the year, as there was no scope for dilution during the year under review.

2.38 Provision for Liabilities

According to IAS-37: “Provision, Contingent Liabilities and Contingent Assets” the company recognizes the provision in the balance sheet when the Company has a legal or constructive obligation as a result of past event and it is probable that an outflow of economic benefit will be required to settle the obligations.

2.39 Derivatives

According to IFRS-7: “Financial Instruments: Disclosures”, the Company was not a party to any derivative contract (financial instruments) at the Balance Sheet date, such as forward exchange contracts, currency swap agreement or contract to hedge currency exposure related to import of capital machinery to be leased to lessees in future.

2.40 Going Concern

Based on the financial parameters, there is reasonable apprehension about the company’s ability to continue as a going concern. The reconstituted Board of Directors together with efficient management has been working relentlessly towards sustainability of the company despite the colossal impact of novel corona virus, unpredictable situations and unique & critical market and company specific challenges. FFIL is following zero tolerance policy to irregularities & corruption, taking administrative & disciplinary actions against the persons involved in irregularities & corruption, improving asset quality through collecting necessary documents & updating loan/lease

files, strengthening recovery drive through supervision, monitoring and filing suits. FFIL is focused on good governance, reconstruction and sailing the ship ahead with a view to bringing the best for its stakeholders and the economy as a whole.

2.41 Risk Management

Risk and uncertainties are essential elements of the financing business. To mitigate and manage these risks, Fareast Finance & Investment Limited has different committees namely, Management Committee, Credit Committee (CC), Asset and Liability Committee (ALCO), Risk Management Forum, Risk Analysis Unit. The committees/units regularly meet to review the market, credit and liquidity risk related factors and recommend and implement suitable measures to counter these risks. Appropriate and effective internal control systems are also in place to address operational risks. The company has also taken steps to further strengthen its Internal Control and Compliance functions.

The major risks that are faced by Fareast Finance & Investment Limited as a financial institution are as follows:

a) Credit Risk

FFIL Credit Committee, with the help & assistance of Credit Officers and Credit Admin Officers, analyzes, supervises, reviews risks associated with existing as well as potential loans, advances & lease accounts/borrowers and suggests mitigations. The committee meets regularly.

b) 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.

c) 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.

d) Operational Risk

In order to monitor and manage the risk arising from all operational activities, an appropriate organizational structure is second to none. Fareast Finance's Management manages to place proper organizational structure with proper segregation of duties and delegation of authorities. Fareast Finance has independent Credit Risk Management (CRM) Department, independent Treasury Department, independent Internal Control & Compliance Department, independent Finance & HR Department and independent Information & Communication Technology Department for technical services to operate the organization smoothly as per Bangladesh Bank's directives.

e) Money Laundering and Terrorist Financing Risk

In FFIL, money laundering and terrorist financing risk takes two broad dimensions:

- a) Business risk which is the risk that FFIL may be used for money laundering or for the financing of terrorism and
- b) Regulatory risk which is the risk that FFIL fails to meet regulatory obligations under the Money Laundering Prevention Act, 2012 (subsequently amended in 2015) and the Anti-Terrorism Act, 2009 (subsequently amended in 2012 and 2013).

To mitigate the risks, FFIL, while adhering to various guidelines and circulars issued by the Bangladesh Financial Intelligence Unit (BFIU), has in place a strict compliance program consisting of the following components:

- a) Internal policies, procedures and controls, which are continually updated as and when required, to identify and report instances of money laundering and terrorism financing.

- b) A dedicated structure and sub-structure within the organization, headed by a Central Compliance Unit (CCU), for proactively managing AML and CFT compliance.
- c) Appointment of an AML/CFT Compliance Officer, known as the Chief Anti Money Laundering Officer (CAMLCO), to lead the CCU.
- d) Independent audit functions, including internal and external audit, to test the programs.
- e) Ongoing employee training programs.

Additional risks required to be addressed under regulatory requirements

DFIM Circular No.03 of 2016, introduced the Integrated Risk Management Guidelines for Financial Institutions ("the guidelines"). These guidelines supplement, and do not replace, existing risk management guidelines. The Integrated Risk Management Guidelines for Financial Institutions specify a number of additional risks that financial institutions are now required to manage in a more structured manner. Key among these are:

Strategic Risk

The company has a clear strategic vision as to what it wants to be and a mission statement that states what it will do to achieve its vision. Strategic issues are discussed at a variety of forums including meetings of the Management Committee and of the FFIL Board.

Compliance Risk

In general, compliance risk management is embedded in the day to day to business processes and practices of the company. Concerned departments are kept informed of latest legal and regulatory requirements by the ICC and Corporate Affairs departments. A consideration of compliance (or any potential non-compliance) with laws and regulations is a standard part of the company's regular decision-making processes. Wherever deemed necessary, appropriate legal advice is sought from qualified internal and/ or external legal counsel.

ICT Risks

Risks arising due to system breakdown, non-availability of systems, errors and disruptions or not keeping pace with the technological changes, there was continuous monitoring of employees and users of ICT systems to ensure strict adherence to information security policies, pertaining to safeguard confidentiality of information and to secure accuracy of information.

3. Additional Information on Financial Statements

3.1 Responsibility for Preparation and Presentation of Financial Statements

The Board of Directors is responsible for the preparation and presentation of the Financial Statements under Section 183 of the Companies Act 1994.

3.2 Components of the Financial Statements

Following the IAS-1: "Presentation of Financial Statements", the company's complete set of Financial Statements include the following components:

- a) a statement of financial position (Balance Sheet) as at 31 December 2023
- b) a statement of comprehensive income (Profit and Loss Account) for the year ended 31 December 2023
- c) Cash Flow Statement for the year ended 31 December 2023
- d) Statement of Changes in Equity for the year ended 31 December 2023
- e) Liquidity Statement as at 31 December 2023
- f) Notes to the Financial Statements and significant accounting policies.

3.3 Comparative Information

As per paragraph 38 of IAS-1: "Presentation of Financial Statements" the company has disclosed comparative information in respect of the previous period for all amounts reported in the current period's Financial Statements and also the narrative and descriptive information when it is relevant for understanding of the current year's Financial Statements. Figures of the previous period have been rearranged whenever considered necessary to ensure comparability with the current year.

3.4 Compliance with IFRS and IAS

The Financial Statements have been prepared in compliance with the requirements of the following IFRS and IAS:

Sl. No.	IFRS & IAS	Name of IFRS and IAS	Status
1	IFRS 2	Share-based Payment	Not applicable
2	IFRS 3	Business Combinations	Not applicable
3	IFRS 4	Insurance Contracts	Not applicable
4	IFRS 5	Non-current Assets Held for Sale and Discontinued Operations	Not applicable
5	IFRS 6	Exploration for and Evaluation of Mineral Resources	Not applicable
6	IFRS 7	Financial Instruments: Disclosures	Applied*
7	IFRS 8	Operating Segments	Not applicable
8	IFRS 9	Financial Instruments	Applied*
9	IFRS 10	Consolidated Financial Statements	Not applicable
10	IFRS 11	Joint Arrangements	Not applicable
11	IFRS 12	Disclosure of Interest in Other Entities	Not applicable
12	IFRS 13	Fair Value Measurement	Applied*
13	IFRS 14	Regulatory Deferral Accounts	Not applicable
14	IFRS 15	Revenue from Contracts with Customers	Applied
15	IFRS 16	Leases	Applied
16	IAS 1	Presentation of Financial Statements	Applied*
17	IAS 2	Inventories	Not applicable
18	IAS 7	Cash Flow Statements	Applied*
19	IAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	Applied
20	IAS 10	Events after the Reporting Period	Applied
21	IAS 12	Income Taxes	Applied*
22	IAS 16	Property, Plant and Equipment	Applied
23	IAS 19	Employee Benefits	Applied
24	IAS 20	Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
25	IAS 21	The Effects of Changes in Foreign Exchange Rates	Applied
26	IAS 23	Borrowing Costs	Applied
27	IAS 24	Related Party Disclosures	Applied
28	IAS 26	Accounting and Reporting by Retirement Benefit Plans	Not applicable
29	IAS 28	Investments in Associates	Applied
30	IAS 32	Financial Instruments: Presentation	Applied*
31	IAS 33	Earnings Per Share	Applied
32	IAS 34	Interim Financial Reporting	Applied
33	IAS 36	Impairment of Assets	Applied
34	IAS 37	Provisions, Contingent Liabilities and Contingent Assets	Applied
35	IAS 38	Intangible Assets	Applied
36	IAS 40	Investment Property	Not applicable
37	IAS 41	Agriculture	Not applicable

*As the regulatory requirements differ with the standards, relevant disclosures are made in accordance with Bangladesh Bank's requirements (please see Note No. 2.6).

3.5 Reporting Period

Financial Statements of the Company cover one calendar year from 01 January to 31 December 2023 consistently.

		Amount in Taka	
		31-12-2023	31-12-2022
4.	Cash		
4.1	Cash in Hand (including Foreign Currencies)		
	currency	-	-
	currency	-	-
		-	-
4.2	with Bangladesh Bank and its Agent Banks (including Foreign Currencies)		
	In local currency	23,210,616	23,211,106
	In foreign currency	-	-
		23,210,616	23,211,106
4.3	Cash Reserve Requirement (CRR) and Statutory Liquidity Ratio (SLR)		
	Cash Reserve Requirement @ 1.5% and Statutory Liquid Ratio @ 5% have been calculated and maintained in accordance with DFIM Circular No. 03 dated 21 June 2020 and FID Circular No. 06 dated 31 May 2001 respectively. Details calculation are as follows:		
a)	Cash Reserve Requirement		
	Required reserve	17,977,567	19,062,693
	Actual reserve maintained	23,210,616	23,211,106
	Surplus/(deficit)	5,233,049	4,148,413
b)	Statutory Liquidity Ratio		
	Required reserve (including CRR)	164,947,287	160,240,033
	Actual reserve maintained (including CRR) (Note-4.3.1)	692,247,312	705,324,940
	Surplus/(Deficit)	527,300,025	545,084,907
4.3.1	Actual Reserve Maintained (including CRR)		
	Cash in hand	-	-
	Balance with Bangladesh Bank and its agent banks as per bank statement	23,210,616	23,211,106
	Balance with other banks and financial institutions as per bank statement	669,036,696	682,113,834
		692,247,312	705,324,940
5.	Balance with Other Banks and Financial Institutions		
	In Bangladesh		
	Current accounts (Note-5.1)	1,100,820	5,029,989
	Short term deposit accounts (Note-5.2)	389,849,734	282,694,420
	Savings accounts (Note-5.3)	-	-
	Fixed deposit accounts (Note-5.4)	481,721,092	481,721,092
		872,671,646	769,445,501
	Outside Bangladesh	-	-
		-	-
	The company does not maintain any account outside Bangladesh.		
5.1	Current Accounts		
	Bank Asia Limited	347	(348)
	BRAC Bank Limited	1,002,503	995,253
	Jamuna Bank Limited	28,960	29,650
	National Bank Limited	3,118	3,808
	Southeast Bank Limited	62,818	3,999,507
	Southeast Bank Limited	2,105	-
	Uttara Bank Limited	969	2,119
	Savar Branch	347	(348)
	Graphics Building Branch	1,002,503	995,253
	Moulovi Bazar Branch	28,960	29,650
	Gulshan Branch	3,118	3,808
	R. K. Mission Road Branch	62,818	3,999,507
	Motijheel Branch (Islamic Banking)	2,105	-
	Local Office	969	2,119
		1,100,820	5,029,989

		Amount in Taka		
		31-12-2023	31-12-2022	
5.2	Short Term Deposit Accounts			
	Bangladesh Commerce Bank Limited	Dilkusha Branch	36,062	36,772
	Bank Asia Limited	Principal Office Branch	1	1
	BASIC Bank Limited	Dilkusha Branch	78,820	77,755
	BASIC Bank Limited	Bashundhara Branch	52,001	52,001
	Dutch-Bangla Bank Limited	Bashundhara Branch	1,406	2,492
	Export Import Bank of Bangladesh Ltd	Motijheel Branch	-	-
	Islami Bank Bangladesh Limited	Foreign Exchange Branch	31,647	32,017
	Jamuna Bank Limited	Elephant Road Branch	841	1
	Mercantile Bank Limited	Main Branch	37,563	39,303
	Midland Bank Limited	Dilkusha Corporate Branch	26,214	-
	Mutual Trust Bank Limited	Dilkusha Branch	581,161	2,306,106
	Mutual Trust Bank Limited	Dilkusha Branch	110,469	1,001,876
	Mutual Trust Bank Limited	Dilkusha Branch	139,919	700,420
	Mutual Trust Bank Limited	Dilkusha Branch	102	4,958
	NCC Bank Ltd.	Motijheel Main Branch	1,307,695	-
	NRB Commercial Bank Ltd.	Principal Branch	(37,734)	1,576
	One Bank Limited	Principal Branch	382,652,023	273,531,391
	One Bank Limited	Principal Branch	-	-
	Prime Bank Limited	IBB Dilkusha Branch	-	-
	Social Islami Bank Limited	Principal Branch	7,945	9,082
	Social Islami Bank Limited	Babu Bazar Branch	1	1
	Southeast Bank Limited	Corporate Branch	267,628	409,581
	Southeast Bank Limited	Principal Branch	53,265	53,844
	Standard Bank Limited	Principal Branch	3	3
	The City Bank Limited	Principal Office	4,501,957	4,435,239
	United Commercial Bank Limited	Tejgaon Branch	745	1
			389,849,734	282,694,420
5.3	Savings Accounts		-	-
	The company does not maintain any savings account.		-	-
5.4	Fixed Deposit Accounts			
	Bangladesh Industrial Finance Co. Ltd.	Head Office	100,000,000	100,000,000
	FAS Finance & Investment Limited	Head Office	36,116,092	36,116,092
	People's Leasing and Fin. Services Ltd.	Head Office	345,605,000	345,605,000
			481,721,092	481,721,092
5.5	Maturity Grouping of Balance with Other Banks and Financial Institutions			
	Up to 1 month		492,671,646	389,445,501
	Over 1 month but not more than 3 months		-	-
	Over 3 months but not more than 1 year		100,000,000	100,000,000
	Over 1 year but not more than 5 years		280,000,000	280,000,000
	Over 5 years		-	-
			872,671,646	769,445,501
6.	Money at Call and Short Notice		-	-
7.	Investments			
7.1	Investment Classified as per Nature			
	Government securities (Note-7.1.1)		-	-
	Others investments (Note-7.1.2)		71,485,572	71,485,572
			71,485,572	71,485,572

		Amount in Taka	
		31-12-2023	31-12-2022
7.1.1	Government Securities		
	Treasury bills	-	-
	National investment bonds	-	-
	Bangladesh Bank bills	-	-
	Government notes/bonds	-	-
	Prize bonds	-	-
	Others	-	-
		-	-
7.1.2	Others Investments		
	Investment in shares (Annexure-A)	71,485,572	71,485,572
	Debenture and bonds	-	-
	Other investment	-	-
	Gold, bullion etc.	-	-
		71,485,572	71,485,572
7.2	Residual Maturity Grouping of Investments		
	Repayable on demand	71,485,572	71,485,572
	Up to 1 month	-	-
	Over 1 month but not more than 3 months	-	-
	Over 3 months but not more than 1 year	-	-
	Over 1 year but not more than 5 years	-	-
	Over 5 years	-	-
		71,485,572	71,485,572
8.	Loans, Advances and Leases		
8.1	a) Inside Bangladesh		
	Investment in Leases (Note-8.1.1)	234,805,465	243,890,069
	Term Finances (Note-8.1.2)	8,763,608,326	9,194,150,995
		8,998,413,791	9,438,041,064
	b) Outside Bangladesh		
	Total	-	-
		8,998,413,791	9,438,041,064
8.1.1	Investment in Leases		
	Principal outstanding	137,211,096	141,604,057
	Accounts receivable	97,594,369	102,286,012
	Advance against lease finance	-	-
	Total	234,805,465	243,890,069
8.1.2	Term Finances		
	Principal outstanding	5,668,094,397	6,038,484,131
	Accounts receivable	3,095,513,929	3,155,666,864
	Total	8,763,608,326	9,194,150,995

8.1.2.1 The Board of Directors of the company in their 161th meeting held on 10 August 2015, considered the financial position of Fareast Stocks & Bonds Limited and approved abandonment of interest income against the loan facility. Based on the decision no interest has been charged on the outstanding loan amount of Tk.2,895.22 million from 01 July 2015.

In order to follow Bangladesh Bank's suggestions regarding repayment of over limit investment in subsidiaries, the Board of Directors of the company in their 185th meeting held on 21 May 2018 decided to re-fix the repayment schedule and set a time bound strategy to complete the repayment within 2025. Subsequently the time bound strategy for repayment has been duly submitted to Bangladesh Bank and they also provide their approval through letter #DFIM(S)/1055/49/2018-1597 dated 23 July 2018. Subsequently, Company's Board of Directors in their 208th meeting held on 08 March 2020 decided to impose interest rate on the outstanding amount @ 13.90% per annum from 20 March 2020 and onward.

		Amount in Taka	
		31-12-2023	31-12-2022
8.2	Sector Wise Loans, Advances and Leases		
	Public sector	-	-
	Co-operative sector	-	-
	Private sector	8,998,413,791	9,438,041,064
		8,998,413,791	9,438,041,064
8.3	Residual Maturity Grouping of Loans, Advances and Leases		
	Repayable on demand	-	-
	Not more than 3 month	10,329,188	65,486,424
	Over 3 months but not more than 1 year	89,256,163	196,142,520
	Over 1 year but not more than 5 years	119,680,333	272,041,263
	Over 5 years	8,779,148,107	8,904,370,857
		8,998,413,791	9,438,041,064
8.4	Loans, Advances and Leases on the Basis of Significant Concentration		
	a) Loans, advances and leases to Directors and organizations related to Directors	3,160,598,019	3,160,598,019
	b) Loans, advances and leases to Chief Executive Officer and other senior executives	3,406,279	2,534,515
	c) Loans, advances and leases to customer groups:		
	i) Loans	5,599,604,028	6,031,018,461
	ii) Leases	234,805,465	243,890,069
		8,998,413,791	9,438,041,064
	d) Loans, Advances and Leases on Sector Basis:		
	1. Trade and Commerce	103,599,409	114,612,530
	2. Industry:		
	i) Garments and Knitwear	521,525,643	546,879,075
	ii) Textile	142,793,805	142,793,805
	iii) Jute and Jute-Products	64,426,120	64,426,120
	iv) Food Production and Processing Industry	299,501,302	299,501,302
	v) Plastic Industry	35,183,086	35,183,086
	vi) Leather and Leather-Goods	-	-
	vii) Iron, Steel and Engineering	1,004,008,671	1,016,716,818
	viii) Pharmaceuticals and Chemicals	206,899,159	229,177,495
	ix) Cement and Allied Industry	819,649,791	819,649,791
	x) Telecommunication and Information Technology	241,335,557	237,285,854
	xi) Paper, Printing and Packaging	151,607,421	183,212,321
	xii) Glass, Glassware and Ceramic Industry	287,839,814	287,839,814
	xiii) Ship Manufacturing Industry	586,111,765	586,111,765
	xiv) Electronics and Electrical Products	224,542,093	219,612,405
	xv) Power, Gas, Water and Sanitary Service	57,291,789	57,291,789
	xvi) Transport and Aviation	439,716,764	449,401,069
	3. Agriculture	12,603,617	154,633,777
	4. Housing	626,123,146	819,350,566
	5. Others:		
	i) Merchant Banking	-	-
	ii) Margin Loan	3,024,788,933	3,024,788,933
	iii) Others	148,865,906	149,572,749
	Total	8,998,413,791	9,438,041,064
8.5	Details of Large Loans, Advances and Leases		
	Number of clients	6	6
	Amount of outstanding loans, advances and leases	5,331,916,627	5,331,916,627
	Amount of classified loans, advances and leases	5,331,916,627	5,331,916,627
	Measures taken for recovery:		

The management of Fareast Finance & Investment Limited has undertaken all possible timely and judicious steps to recover the large classified loans/advances/leases by expediting the pace of monitoring, lawsuits and deploying third party recovery agent if necessary. Fareast Finance &

Amount in Taka
31-12-2023 31-12-2022

Investment Limited has filed several law suits under the Negotiable Instruments Act, 1881 and Artha Rin Ain, 2003 against the classified borrowers. Besides regular business premises visit along with continuous verbal and written communication is the continuous process of Fareast Finance & Investment Limited against the classified borrowers.

The amount represents the sum of total investments to each group of customer exceeding 15% of Total Capital (Paid up Capital and Reserves) of the Company. Total Capital (Paid up Capital and Reserves) of the Company was Tk.1,989,082,698 as at 31 December 2023 (Tk.1,989,082,698 as at 31 December 2022).

8.6 Loans, Advances and Leases on Geographical Basis
Inside Bangladesh
Urban

Dhaka Division	6,411,523,140	6,836,332,300
Chattogram Division	2,101,741,857	2,119,597,938
Khulna Division	116,222,451	116,222,451
Rajshahi Division	12,563,617	12,563,617
Barishal Division	-	-
Sylhet Division	-	-
Rangpur Division	-	-
Mymensingh Division	-	-
	8,642,051,065	9,084,716,306

Rural

Dhaka Division	258,960,483	254,246,525
Chattogram Division	39,939,522	41,615,512
Khulna Division	-	-
Rajshahi Division	57,462,721	57,462,721
Barishal Division	-	-
Sylhet Division	-	-
Rangpur Division	-	-
Mymensingh Division	-	-
	356,362,726	353,324,758
	8,998,413,791	9,438,041,064

Outside Bangladesh

Total	8,998,413,791	9,438,041,064
-------	----------------------	----------------------

8.7 Loans, Advances and Leases on Security Basis

Collateral of moveable and immovable assets	2,813,577,707	2,641,079,505
Fixed deposit receipts	1,070,958,503	1,207,565,497
Shares of listed public limited companies	6,504,202	14,512,311
Corporate guarantee	86,388,913	56,731,366
Personal guarantee	315,256,481	405,134,927
Other securities	4,705,727,985	5,113,017,458
	8,998,413,791	9,438,041,064

8.8 Classification of Loans, Advances and Leases
Unclassified

Standard	150,807,656	8,473,617
Special mention account	80,395,376	525,851,422
	231,203,032	534,325,039

Classified

Sub-standard	-	60,963,799
Doubtful	43,312,205	351,089,877
Bad/Loss	8,723,898,554	8,491,662,349
	8,767,210,759	8,903,716,025
Total	8,998,413,791	9,438,041,064

			Amount in Taka	
			31-12-2023	31-12-2022
8.9	Provision for Loans, Advances and Leases			
	Status	Base for Provision	Rate (%)	
	Provision for unclassified loans, advances and leases-General provision			
	Standard	150,807,656	0.25/1	1,508,076
	Special mention account	77,033,090	5	3,851,654
				5,359,730
	Special provision			11,442,573
	Provision for classified loans, advances and leases-Specific provision			
	Sub-standard	-	20	-
	Doubtful	13,571,409	50	6,785,705
	Bad/Loss	6,568,988,983	100	6,568,988,983
				6,575,774,688
	Required provision for loans, advances and leases			6,592,576,991
	Total provision maintained (Note-15.2)			6,592,576,991
	Excess/(short) provision as at 31 December			-

According to Bangladesh Bank's DFIM Circular Letter No.-33 dated 19 December 2021 and DFIM Letter having reference No.-DFIM(P)1052/27/2022-12 dated 2 January 2022, 2% special provision amounting Tk.11,442,573 was maintained against loans, advances and leases.

According to Bangladesh Bank's DFIM Circular No.-04 dated 26 July 2021, rate of general provision for standard facilities under CMSMEF sector loans, advances and leases is 0.25%, financing to the Subsidiaries and/or Sister Concerns/Brokerage House/Merchant Banks/Stock Dealers is 2% and all other loans/leases/housing finances/staff loans is 1%.

8.9.1 Shortfall of Provision for Loans, Advances and Leases, Other Assets and Balance with Other Banks and Financial Institutions

According to the company's request, Bangladesh Bank has given 5 (five) years time i.e. 2019, 2020, 2021, 2022 and 2023 for maintaining equally the required provision/provision shortfall of Tk.94.57 crore as on 31 December 2019 for loans, advances and leases, other assets and balance with other banks and financial institutions as per the letter # DFIM(C)1054/09/2020-1420 dated 25 August 2020. Details of shortfall of provision as on 31 December 2023 are as follows:

Provision for loans, advances and leases	-	-
Other assets	-	-
Balance with other banks and financial institutions	-	189,130,314
Total	-	189,130,314

8.10 Net Loans, Advances and Leases

Total loans, advances and leases (Note-8.1)	8,998,413,791	9,438,041,064
Less:		
Non-performing loans, advances and leases (Note-8.8)	8,767,210,759	8,903,716,025
Interest suspense (Note-15.5)	1,318,436,337	1,338,162,534
Provision for loans, advances and leases (Note-15.2)	6,592,576,991	6,513,958,266
	16,678,224,087	16,755,836,825
	(7,679,810,296)	(7,317,795,761)

8.11 Particulars of Loans, Advances and Leases

a) Loans, advances and leases considered good in respect of which the financial institution is fully secured	8,596,768,397	8,976,174,771
b) Loans, advances and leases considered good against which the financial institution holds no security other than the debtors personal guarantee	315,256,481	405,134,927
c) Loans, advances and leases considered good secured by personal undertaking of one or more parties in addition to the personal guarantee of the debtors	86,388,913	56,731,366
	8,998,413,791	9,438,041,064

	Amount in Taka	
	31-12-2023	31-12-2022
d) Loans, advances and leases adversely classified: provision not maintained there against	-	-
e) Loans, advances and leases due by directors or officers of the financial institution or any of them either separately or jointly with any other person	3,406,279	2,534,515
f) Loans, advances and leases due from companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	3,160,598,019	3,160,598,019
g) Maximum total amount of loans, advances and leases, including temporary advances made at any time during the year to the directors or managing directors or officers of the financial institution or any of them either separately or jointly with any other person	-	-
h) Maximum total amount of loans, advances and leases, including temporary advances granted during the year to companies or firms in which the directors of the financial institution have interest as directors, partners, managing agents or in case of the private companies, as members	-	-
i) Due from banks and other financial institutions	-	-
j) Classified loans, advances and leases:		
i) Classified loans, advances and leases on which no interest has been charged	8,767,210,759	8,903,716,025
ii) Provision on classified loans, advances and leases	6,575,774,688	6,471,004,697
iii) Provision kept against loans, advances and leases classified as bad debts	6,568,988,983	6,323,977,553
iv) Interest credited to interest suspense account (Note-15.5)	1,318,436,337	1,338,162,534
k) Cumulative amount of written-off of loans, advances and leases		
Opening balance	396,334,445	396,334,445
Add: Amount written-off during the year	-	-
Less: Adjustment against realised written-off amount	-	-
	396,334,445	396,334,445
Amount realized against loans, advances and leases previously written-off	8,770,560	5,712,205
Amount relating to written-off/classified loans, advances and leases for which law suites has been filed excluding late payment interest and other charges	5,321,595,338	1,665,577,270

8.12 Suites Filed by the Company

As at 31 December 2023, Fareast Finance & Investment Limited filed 62 suits against 62 clients under Artha Rin Adalat Ain 2003. Total suit amount was Tk.7,038,132,162 only.

9. Bills Purchased and Discounted

Payable in Bangladesh	-	-
Payable outside Bangladesh	-	-
	-	-

As at 31 December 2023, Fareast Finance & Investment Limited was not involved in any transactions relating to bills purchase and or discount made.

10. Fixed Assets including Premises, Furniture and Fixtures Cost

Balance as at 01 January	36,831,934	36,082,378
Add: Additions during the period	620,980	749,556
Less: Disposals/adjustments during the period	7,019,085	-
Balance as at 31 December	30,433,829	36,831,934

	Amount in Taka	
	31-12-2023	31-12-2022
Accumulated Depreciation		
Balance as at 01 January	35,912,787	35,039,411
Add: Charge for the period	243,353	873,376
Less: Disposals/adjustments during the period	7,019,058	-
Balance as at 31 December	29,137,082	35,912,787
Net Book Value of the Asset as at 31 December (Annexure-B)	1,296,747	919,147
11. Other Assets		
Advances, Deposits and Prepayments (Note-11.1)	240,587,684	332,631,591
Interest and Commission Receivable (Note-11.2)	1,325,925	1,274,197
Investment in associate (Note-11.3)	597,082,019	605,584,889
Amount receivable against shares sold	90,631,990	90,650,737
Deferred tax assets (Note-11.4)	1,500,759	2,604,330
Right of use of assets (Note-11.5)	-	-
Miscellaneous	3,752,975	4,257,775
	934,881,352	1,037,003,519
11.1 Advances, Deposits and Prepayments		
Advance corporate income tax	86,904,084	178,990,991
Advance to Spacezero Ltd.-Floor purchase for Head Office	151,600,000	151,600,000
Advance to CDBL-Refundable security deposit	500,000	500,000
Advance to Charu Kaj-Interior works of Company's Head Office	1,500,000	1,500,000
Miscellaneous	83,600	40,600
	240,587,684	332,631,591
11.2 Interest and Commission Receivable		
Guarantee commission receivable	-	-
Interest accrued on fixed deposit receipts	-	-
Interest accrued on loans, advances and leases	1,325,925	1,274,197
	1,325,925	1,274,197
11.3 Investment in associate		
<p>Considering the IAS-28: "Investment in associates", investment in associate is recorded under the equity method. As per the equity method, the investment in the associate is carried in the balance sheet at cost plus post-acquisition changes in the company's share of net assets of the associate. Losses in excess of the cost of the investment in an associate are recognised when the company has incurred obligations on its behalf. Profit and loss account reflects the company's share of the results of operations of the associate. Where there has been a change recognised directly in the equity of the associate, the company recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Fareast Finance & Investment Limited has got one associate under its umbrella namely Fareast Stocks & Bonds Limited (having 50% shareholding) on the date of reporting.</p> <p>Movement of investment in associate is as follows:</p>		
Balance at 01 January	605,584,889	612,740,861
Investment/(Adjustment)	-	-
Revaluation reserve	-	-
Prior year adjustment	-	-
Share of profit/(loss) for the year (Un-audited)	(8,502,870)	(7,155,972)
Cash dividend	-	-
Balance at 31 December	597,082,019	605,584,889

11.3.1 Revaluation Reserve

Revaluation reserve includes proportionate revaluation reserve of Fareast Stocks & Bonds Limited (FSBL). In the year 2010, FSBL revalued its membership of Dhaka Stock Exchange (DSE) and Chittagong Stock Exchange (CSE) based on the prevailing market price. In the year 2012, FSBL again reassessed its membership of DSE and CSE. In the year 2018, FSBL further adjusted the revaluation reserve and hence, proportionate revaluation decrease is reduced from investment in associate. Details are as follows:

	Amount in Taka	
	31-12-2023	31-12-2022
Balance as at 01 January	79,495,313	79,495,313
Increase/(decrease) in revaluation reserve	-	-
Balance as at 31 December	79,495,313	79,495,313

11.4 Deferred Tax Asset

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 BAS 12: "Income Taxes". Deferred tax asset is arrived at as follows:

Particulars	Carrying Amount at Balance Sheet	Tax Base	(Taxable)/ Deductible Temporary Difference
Assets			
Fixed assets net of depreciation excluding land	1,296,747	5,298,771	4,002,024
Liabilities			
	-	-	-
Total	1,296,747	5,298,771	4,002,024
Applicable tax rate			37.50%
Deferred Tax Asset as on 31 December 2023			1,500,759

11.5 Right of Use of Assets

Balance at 01 January	-	-
Less: Amortization/expenses on right of use of assets	-	-
Balance as at 31 December	-	-

11.6 Divisions of Other Assets

Income generating other assets	598,407,944	606,859,086
Non income generating other assets	336,473,408	430,144,433
	934,881,352	1,037,003,519

11.7 Maturity Grouping of Other Assets

Repayable on demand	-	-
Up to 1 month	95,794,490	-
Over 1 month but not more than 3 months	1,500,000	153,640,600
Over 3 months but not more than 1 year	240,004,843	22,710,098
Over 1 year but not more than 5 years	-	-
Over 5 years	597,582,019	860,652,821
	934,881,352	1,037,003,519

12. Non-Business Assets

Name of the Clients	Possession Date		
Pick & Drop Cargo Services ¹	29-Sep-2011	5,485,000	5,485,000
Patriot Fashion Limited ²	8-Aug-2018	2,948,997	2,948,997
		8,433,997	8,433,997

¹ The purchase value of 366.00 decimals of land at Sherpur, Bogura was adjusted against the liabilities of Pick & Drop Cargo Services, which was subsequently informed to Artha Rin Adalat. Purchase value along with related costs is considered as the booking value of the property.

² Fareast Finance & Investment Limited (FFIL) had booked properties of 16.50 decimals at Joydevpur, Gazipur as it's non-business assets which the honorable court had given the ownership of mortgage properties of Patriot Fashion Limited in accordance with section 33(7) of the Artha Rin Adalat Ain 2003. Subsequently FFIL muted the properties in it's name and update the government rent. For booking the non-business assets in the financial statement FFIL considered the mouza value or decreetal amount in Artha Rin Suit whichever is minimum.

	Amount in Taka	
	31-12-2023	31-12-2022
13. Borrowings from Other Banks, Financial Institutions and Agents		
In Bangladesh (Note-13.1)	3,503,302,765	3,452,887,890
Outside Bangladesh (Note-13.2)	-	-
	3,503,302,765	3,452,887,890
13.1 In Bangladesh		
Long Term Loans:		
Bangladesh Bank	-	-
Bank Asia Limited	123,874,478	110,060,824
BASIC Bank Limited	162,831,503	161,793,678
Dutch-Bangla Bank Limited	189,077,735	213,742,088
Dhaka Bank Limited	27,467,533	29,078,109
Jamuna Bank Limited	36,795,407	35,386,840
Midland Bank Limited	170,408,544	261,624,810
Modhumoti Bank Limited	236,920,389	213,281,996
Mutual Trust Bank Limited	309,937,716	11,698,601
NCC Bank Limited	112,361,507	100,492,033
NRB Commercial Bank Limited	188,503,327	144,290,072
Shahjalal Islami Bank Limited	405,920,991	418,148,136
Social Islami Bank Limited	236,170,698	221,289,279
Southeast Bank Limited	122,571,848	109,487,838
Standard Bank Limited	37,673,053	34,466,811
The Premier Bank Limited	361,431,644	267,577,073
United Commercial Bank Limited	145,762,222	131,108,928
Uttara Bank Limited	89,325,766	80,165,835
Total Long Term Loans	2,957,034,361	2,543,692,951
Short Term and Call Loans:		
Short Term Loans:		
Mutual Trust Bank Limited	-	286,618,138
National Housing Finance and Investment Limited	12,000,000	12,000,000
NRB Bank Limited	122,100,000	122,100,000
NRB Commercial Bank Limited	45,900,000	69,481,588
Pubali Bank Limited	100,907,542	100,907,542
South Bangla Agriculture & Commerce Bank Limited	37,500,000	37,500,000
The Premier Bank Limited	-	52,726,809
United Commercial Bank Limited	(39,138)	(39,138)
Total	318,368,404	681,294,939
Call Loans:		
NRB Bank Limited	81,100,000	81,100,000
Sonali Bank Limited	146,800,000	146,800,000
Total	227,900,000	227,900,000
Total Short Term and Call Loans	546,268,404	909,194,939
Total Borrowings	3,503,302,765	3,452,887,890
13.2 Outside Bangladesh	-	-
	-	-
As at 31 December 2023, the company does not have any borrowing from outside Bangladesh.		
13.3 Security against Borrowings from Other Banks, Financial Institutions and Agents		
Secured	3,275,402,765	3,224,987,890
Unsecured	227,900,000	227,900,000
	3,503,302,765	3,452,887,890
Borrowings from other banks, financial institutions and agents are secured by floating charges on		

	Amount in Taka	
	31-12-2023	31-12-2022
all movable and immovable assets of the company ranking Pari-Passu among the lenders.		
13.4 Maturity Grouping of Borrowings from Other Banks, Financial Institutions and Agents		
Payable on demand	227,900,000	227,900,000
Up to 1 month	1,877,176,359	718,034,651
Over 1 month but not more than 3 months	63,111,099	-
Over 3 month but not more than 1 year	321,418,891	463,794,939
Over 1 year but not more than 5 years	633,301,689	1,419,034,699
Over 5 years	380,394,727	624,123,601
	3,503,302,765	3,452,887,890
14. Deposits and Other Accounts		
Current deposits (Note-14.1)	-	-
Bills payable (Note-14.2)	-	-
Savings deposits (Note-14.3)	-	-
Term deposits (Note-14.4)	4,560,765,879	4,567,785,898
Bearer certificate of deposit (Note-14.5)	-	-
Other deposits (Note-14.6)	-	-
	4,560,765,879	4,567,785,898
14.1 Current Deposits	-	-
	-	-
To conform the Bangladesh Bank's guidelines regarding deposits, the company does not operate any current deposit account.		
14.2 Bills Payable	-	-
	-	-
As at 31 December 2023, the company does not have any bills payable.		
14.3 Savings Deposits	-	-
	-	-
To conform the Bangladesh Bank's guidelines regarding deposits, the company does not operate any savings deposit account.		
14.4 Term Deposits		
Deposits from other banks and financial institutions (Note-14.4.1)	3,385,354,061	3,328,615,142
Deposits from customers (Note-14.4.2)	1,175,411,818	1,239,170,756
	4,560,765,879	4,567,785,898
14.4.1 Deposits from Other Banks and Financial Institutions		
Agrani Bank Limited	600,000,000	600,000,000
Bangladesh Infrastructure Finance Fund Limited	424,567,756	405,119,048
Investment Corporation of Bangladesh	742,286,305	703,496,094
Janata Bank Limited	400,000,000	400,000,000
Midland Bank Limited	288,500,000	290,000,000
NRB Commercial Bank Limited	50,000,000	50,000,000
Rupali Bank Limited	400,000,000	400,000,000
Sonali Bank Limited	150,000,000	150,000,000
South Bangla Agriculture & Commerce Bank Limited	220,000,000	220,000,000
United Finance Limited	110,000,000	110,000,000
	3,385,354,061	3,328,615,142
14.4.2 Deposits from Customers		
Deposits from General Public	368,242,618	369,032,373
Deposits from Companies	807,169,200	870,138,383
	1,175,411,818	1,239,170,756
14.4.3 Rate of Interest		
Rate of interest on term deposit receipts ranges from 5.00% to 12.50%.		

		Amount in Taka	
		31-12-2023	31-12-2022
14.5	Bearer Certificate of Deposit	-	-
	To conform the Bangladesh Bank's guidelines regarding deposits, the company does not have any bearer certificate of deposit.		
14.6	Other Deposits	-	-
	As at 31 December 2023, the company does not have any other deposit account.		
14.7	Maturity Grouping of Deposits and Other Accounts		
	Payable on demand	-	-
	Up to 1 month	3,443,473,618	3,873,285,379
	Over 1 month but not more than 6 months	706,495,007	485,397,784
	Over 6 month but not more than 1 year	367,579,254	146,447,885
	Over 1 year but not more than 5 years	42,755,000	62,275,850
	Over 5 years but not more than 10 years	463,000	379,000
	Over 10 years	-	-
		4,560,765,879	4,567,785,898
15.	Other Liabilities		
	Expenditure and other payables (Note-15.1)	1,409,770,800	1,324,080,229
	Provision for loans, advances and leases (Note-15.2)	6,592,576,991	6,513,958,266
	Provision for the diminution in the value of investments (Note-15.3)	18,982,236	18,821,986
	Provision for other assets (Note-15.4)	572,387,440	247,141,034
	Provision for income tax (Note-15.5)	112,753,091	63,344,682
	Interest suspense account (Note-15.6)	1,318,436,337	1,338,162,534
	Advance rental/installment against loans, advances and leases	24,740,885	25,583,205
	Received from clients against partial rental/installment	220,799,258	107,234,011
	Unpaid dividend	-	3,199,067
	Lease liability (Note-15.7)	-	-
	Income Tax, VAT and Excise Duty deducted at source	15,420,500	2,659,193
		10,285,867,538	9,644,184,207
15.1	Expenditure and Other Payables		
	Accrual of leave encashment	1,530,313	1,260,777
	Accrued interest on borrowings from other banks, financial institutions and agents	278,828,357	190,458,262
	Accrued interest on deposits and other accounts	1,119,931,751	1,124,173,991
	Salary and allowances	1,408,730	1,387,916
	Auditors' fee	2,562,200	2,782,400
	Office utilities	4,123,413	3,534,832
	Office rent	701,250	291,390
	Servicing and repairing of office motor vehicle	-	150,000
	Telephone and mobile bill	24,934	27,661
	Subscription	600,000	-
	Others	59,852	13,000
		1,409,770,800	1,324,080,229
15.2	Provision for Loans, Advances and Leases		
	This represents the amount arrived at after calculation as per circulars issued by the Bangladesh Bank in this context in order to cover all the required provisions of the company as at 31 December 2023. Total provision is made up as follows:		
	General provision on unclassified loans, advances and leases	10,371,012	36,313,456
	Specific provision on classified loans, advances and leases	6,582,205,979	6,477,644,810
	Balance at 31 December	6,592,576,991	6,513,958,266
	Movements in General Provision on Unclassified Loans, Advances and Leases		
	Balance at 01 January	36,313,456	26,951,729
	Add: Provision made during the year	(25,942,444)	9,361,727
	Balance at 31 December	10,371,012	36,313,456

	Amount in Taka	
	31-12-2023	31-12-2022
Movements in Specific Provision on Classified Loans, Advances and Leases		
Balance at 01 January	6,477,644,810	5,029,125,293
Less: Fully provided debts written-off during the year	-	-
Add: Recoveries of amount previously written-off	-	-
Add: Provision made during the year	104,561,169	1,448,519,517
Less: Provision no longer required	-	-
Add: Net charge to profit and loss account	104,561,169	1,448,519,517
Balance at 31 December	6,582,205,979	6,477,644,810
Total	6,592,576,991	6,513,958,266
15.3 Provision for the Diminution in the Value of Investments		
Balance at 01 January	18,821,986	19,591,849
Add: Provision made during the year	160,250	(769,863)
Balance at 31 December (Annexure-A for detail)	18,982,236	18,821,986
15.4 Provision for Other Assets		
Balance at 01 January	247,141,034	57,981,234
Add: Provision made during the year	325,246,406	189,159,800
Balance at 31 December	572,387,440	247,141,034
15.5 Provision for Income Tax		
The company calculated its tax liability considering the BAS 12: "Income Taxes". Details calculation of tax liability as at 31 December 2023 is as follows:		
Balance at 01 January	63,344,682	62,719,679
Add: Provision made during the year (Note-39)	147,433,338	625,003
Less: Settlement of previous years' tax liability	98,024,929	-
Balance at 31 December	112,753,091	63,344,682
Current tax liability represents tax calculated @ 37.50% on profit before tax less advance tax paid.		
15.6 Interest Suspense Account		
This represents interest on loans and lease income not recognized as income according to Bangladesh Bank's FID Circular No. 03 of 2006. Details are as follows:		
Balance at 01 January	1,338,162,534	1,112,640,202
Add: Amount transferred to interest suspense account during the year	17,153,514	285,318,935
Less: Amount recovered from interest suspense account during the year	36,879,711	59,796,603
Less: Amount written-off during the year	-	-
Balance at 31 December	1,318,436,337	1,338,162,534
Amount recovered from interest suspense account during the year is also included in interest income (Note-21).		
15.6.1 Details of Interest Suspense Account		
Interest Suspense for Unclassified Loans, Advances and Leases		
Standard	1,362,324	-
Special mention account	3,362,286	21,563,167
	4,724,610	21,563,167
Interest Suspense for Classified Loans, Advances and Leases		
Sub-standard	-	4,342,227
Doubtful	3,487,937	41,757,815
Bad/Loss	1,310,223,790	1,270,499,325
	1,313,711,727	1,316,599,367
Total	1,318,436,337	1,338,162,534

	Amount in Taka	
	31-12-2023	31-12-2022
15.7 Lease Liability		
Balance at 01 January	-	-
Add: Interest charge on lease obligation	-	-
Less: Payment and advances adjusted	-	-
Balance at 31 December	-	-
15.8 Maturity Grouping of Other Liabilities		
Repayable on demand	-	-
Up to 1 month	1,335,731,306	1,650,871,463
Over 1 month but not more than 3 months	290,675,116	280,461,643
Over 3 months but not more than 1 year	127,687,470	113,862,192
Over 1 year but not more than 5 years	59,120,375	41,135,895
Over 5 years	8,472,653,271	7,557,853,014
	10,285,867,538	9,644,184,207
16. Share Capital		
16.1 Authorized Capital		
200,000,000 ordinary shares of Tk.10 each	2,000,000,000	2,000,000,000
16.2 Issued, Subscribed and Fully Paid up Capital		
Ordinary shares: 164,063,330 ordinary shares of Tk.10 each	1,640,633,300	1,640,633,300
Share premium	-	-
Preference shares	-	-
Total	1,640,633,300	1,640,633,300

The company did not issue any share other than cash on the basis of any agreement.

16.3 Raising of Share Capital

Fareast Finance & Investment Limited raised its share capital as follows:

Date of Issue	Type of Issue of Paid up Capital	Number of Share	Face Value per Share	Value of Share	Cumulative Paid up Capital
21-Jun-2001	Opening capital	500,000	100	50,000,000	50,000,000
25-May-2004	Bonus share	75,000	100	7,500,000	57,500,000
12-Aug-2004	Right share	875,001	100	87,500,100	145,000,100
23-Apr-2006	Bonus share	290,000	100	29,000,000	174,000,100
24-Jul-2007	Bonus share	217,500	100	21,750,000	195,750,100
23-Sep-2010	Bonus share	1,174,500	100	117,450,000	313,200,100
23-Nov-2010	Right share	5,000,000	10	50,000,000	363,200,100
23-Dec-2010	Right share	50,848,010	10	508,480,100	871,680,200
29-Mar-2011	Bonus share	17,433,604	10	174,336,040	1,046,016,240
16-May-2012	Bonus share	10,460,162	10	104,601,620	1,150,617,860
14-Aug-2013	IPO share	45,000,000	10	450,000,000	1,600,617,860
25-Mar-2015	Bonus share	4,001,544	10	40,015,440	1,640,633,300
Total		164,063,330		1,640,633,300	

Face value of the share has been denominated to Tk.10 from Tk.100 per share by the shareholders in their third Extra Ordinary General Meeting held on 20 October 2010.

The shares were listed with Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. on 15 September 2013 and quoted at Taka 5.90 and Taka 6.00 at Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. respectively at 28 December 2023.

Amount in Taka	
31-12-2023	31-12-2022

16.4 Composition of Shareholders by Shareholding as at 31 December 2023

Particulars	No. of Holders	Holding (%)
Sponsors (Institutions)	-	-
Sponsors (Individuals)	11	39.74
General Public (Institutions)	37	16.14
General Public (Individuals)	7,271	44.12
Total	7,319	100.00

16.5 Distribution of Shareholders by Shareholding as at 31 December 2023

Holding of Shares	No. of Holders	Holding (%)
Less than 500 shares	1,221	0.13
500 to 5,000 shares	4,933	3.57
5,001 to 10,000 shares	481	2.26
10,001 to 20,000 shares	298	2.73
20,001 to 30,000 shares	136	2.07
30,001 to 40,000 shares	64	1.36
40,001 to 50,000 shares	36	1.00
50,001 to 100,000 shares	69	3.06
100,001 to 1,000,000 shares	55	10.41
Over 1,000,000 shares	26	73.41
Total	7,319	100.00

16.6 Capital Adequacy Requirement

As per Section-4(Gha) of The Financial Institutions Rules, 1994 and Bangladesh Bank's DFIM Circular # 5 dated 24 July 2011, the minimum paid up capital of a Financial Institution shall be Tk.100 crore; provided that the sum of paid up capital and reserves shall not be less than the minimum capital required under the Risk Based Assets of the company, criteria determined by the Bangladesh Bank. Details are as follows:

A. Tier-1 (Core Capital)	(7,519,037,774)	(6,395,813,402)
Paid up capital (Note-16.2)	1,640,633,300	1,640,633,300
Statutory reserve (Note-17)	268,954,085	268,954,085
Retained earnings (Note-18)	(9,428,625,159)	(8,305,400,787)
B. Tier-2 (Supplementary Capital)	138,656,050	147,296,669
General provision maintained against unclassified loans, advances and leases up to specified limit as per Bangladesh Bank guideline	130,706,518	139,347,137
Revaluation reserve up to 10% of equity instruments	7,949,531	7,949,531
C. Total Eligible Capital (A+B)	(7,380,381,724)	(6,248,516,733)
D. Total Risk Weighted Assets (RWA)	10,558,973,360	11,250,781,013
E. Required Capital based on RWA (10% of D)	1,055,897,336	1,125,078,101
F. Minimum Capital Requirement (MCR)	1,055,897,336	1,125,078,101
G. Capital Surplus/(Deficit) (C-F)	(8,436,279,060)	(7,373,594,835)
H. Capital Adequacy Ratio (CAR) (C/D)*100	(69.90)	(55.54)
I. Core Capital to RWA (A/D)*100	(71.21)	(56.85)
J. Supplementary Capital to RWA (B/D)*100	1.31	1.31

17. Statutory Reserve

According to the Rule 6 of The Financial Institutions Regulation, 1994, the company transfers 20% of its net profit for the respective year to statutory reserve. Detailed movement of the reserve is as follows:

Balance at 01 January	268,954,085	268,954,085
Add: Transferred during the year	-	-
Balance at 31 December	268,954,085	268,954,085

	Amount in Taka	
	31-12-2023	31-12-2022
18. Retained Earnings		
Balance at 01 January	(8,305,400,787)	(5,998,895,300)
Less: Cash dividend paid	-	-
Less: Issue of bonus shares	-	-
Add: Net profit for the year	(1,123,224,372)	(2,306,505,487)
Less: Transfer to statutory reserve	-	-
Add: Prior year adjustment of Fareast Stocks & Bonds Ltd. (Note-11.3)	-	-
Balance at 31 December	(9,428,625,159)	(8,305,400,787)
19. Contingent Liabilities and Commitments		
19.1 Contingent Liabilities		
Acceptances and endorsements	-	-
Letter of guarantee (Note-19.1.1)	-	-
Irrevocable letter of credit	-	-
Bills for collection	-	-
Other contingent liabilities	-	-
	-	-
19.1.1 Letters of Guarantee		
Claims lodged with the company which is not recognized as loan	-	-
Money for which the company is contingently liable in respect of the following:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	-	-
	-	-
19.2 Other Commitments		
Documentary credits and short term trade related transactions	-	-
Forward assets purchased and forward deposits placed	-	-
Undrawn note issuance and revolving underwriting facilities	-	-
Spot and foreign exchange rate contract	-	-
Undrawn formal standby facilities, credit lines and other commitments	-	-
	-	-

		Amount in Taka	
		2023	2022
20.	Income Statement		
	Income		
	Interest, discount and similar income (Note-20.1)	142,630,580	103,753,659
	Dividend income (Note-23)	2,222,897	3,125,015
	Commission, exchange and brokerage (Note-24)	-	-
	Gains less losses arising from dealing in securities	-	-
	Gains less losses arising from investment in securities	-	-
	Gains less losses arising from dealing in foreign currencies	-	-
	Income from non-business assets	-	-
	Other operating income (Note-25)	(2,229,053)	(5,927,650)
	Profit less losses on interest rate changes	-	-
		142,624,424	100,951,024
	Expenses		
	Interest expenses on deposits, borrowings, etc. (Note-22)	670,356,186	716,268,544
	Charges on losses regarding loans, advances and leases	-	-
	Administrative expenses (Note-20.2)	37,704,455	36,632,204
	Other operating expenses (Note-35)	4,982,512	6,720,676
	Depreciation on company's fixed assets (Note-34)	243,353	873,376
		713,286,506	760,494,800
		(570,662,082)	(659,543,776)
20.1	Interest, Discount and Similar Income		
	Interest income (Note-21)	142,630,580	102,827,338
	Capital gain on sale of shares (Note-23)	0	926,321
		142,630,580	103,753,659
20.2	Administrative Expenses		
	Salary and allowances (Note-26)	20,955,350	21,761,577
	Rent, taxes, insurance, electricity, etc. (Note-27)	1,057,951	1,481,178
	Legal expenses (Note-28)	5,007,613	1,607,370
	Postage, stamp, telecommunication, etc. (Note-29)	623,089	521,951
	Stationery, printing, advertisement, etc. (Note-30)	1,792,536	1,117,326
	Managing Director's salary and allowances (Note-31)	6,620,000	6,620,000
	Directors' fees (Note-32)	492,800	774,400
	Auditors' fees (Note-33)	957,400	2,260,600
	Repairs of company's fixed assets (Note-34)	197,716	487,802
		37,704,455	36,632,204
21.	Interest Income		
	Interest on term finances	115,590,841	77,208,667
	Lease income	15,187,833	13,974,220
	Total interest income on loans, advances and leases	130,778,674	91,182,887
	Interest on balance with banks and other financial institutions	11,851,906	11,644,451
		142,630,580	102,827,338

To reduce single borrower exposure limit with subsidiary and associate company, as was prescribed by Bangladesh Bank vide the DFIM circular letter no. 14 dated 31st December, 2013, the Board of Directors of the company in their 161st meeting held on August 10, 2015 considered the financial position of Fareast Stocks & Bonds Limited and approved not to charge any interest on outstanding loan of Tk.2,895.21 million from July 25, 2015 and decided for abandonment of interest income against this loan facility extended to Fareast Stocks & Bonds Limited. Subsequently company's Board of Directors in their 208th meeting held on 08 March 2020 decided to impose interest rate on the outstanding amount @ 13.90% per annum from 20 March 2020.

As per Bangladesh Bank's Instruction through Letter # FIID/I-08(02)/2019/2020-324 dated 23 June 2020, interest receivable on fixed deposit accounts with other financial institutions amounting Tk.312,868,309 was reversed from interest income.

Interest income includes amount recovered from interest suspense account during the year (Note-15.6).

		Amount in Taka	
		2023	2022
22.	<i>Interest Expenses on Borrowings, Deposits, etc.</i>		
	a) Interest Expenses on Borrowings		
	Interest on term loans	287,701,119	249,036,092
	Interest on call loan	16,342,851	12,130,927
	Interest on secured overdrafts	35,770,203	42,824,392
	Interest charge on lease obligation	-	-
	Bank charges	983,531	345,105
		340,797,704	304,336,516
	b) Interest Expenses on Deposits		
	Total	329,558,482	411,932,028
		670,356,186	716,268,544
23.	<i>Investment Income</i>		
	Capital gain/(loss) on sale of shares	-	926,321
	Dividend income	2,222,897	3,125,015
		2,222,897	4,051,336
24.	<i>Commission, Exchange and Brokerage</i>		
	Guarantee commission	-	-
	Realization of L/C commission	-	-
		-	-
25.	<i>Other Operating Income</i>		
	Income from associate (Un-audited)	(8,502,870)	(7,155,972)
	Documentation fees	1,000	-
	Early settlement fees	4,776,113	95,896
	Profit/(loss) on disposal of fixed assets	276,759	-
	Profit/(loss) on disposal of leased assets	197,000	40,000
	Miscellaneous earnings	1,022,945	1,092,426
		(2,229,053)	(5,927,650)
	N.B.:		
	Fareast Finance & Investment Limited follows equity method in recognizing results (profit/loss) of its associate company. Typically, this time too, the only associate company, namely, Fareast Stocks & Bonds Limited, wherein Fareast Finance & Investment Limited holds 50% shares, is not yet submitted their Audited Financial Statements. As a result, the company incorporated the proportionate share of profit/(loss) of its associate company based on Un-audited Financial Statements for the same period in its Financial Statements.		
26.	<i>Salary and Allowances</i>	20,955,350	21,761,577
	Salary and allowances include company's contribution to recognized provident fund and approved gratuity fund amounting Tk.816,288 and Tk.0 respectively (Tk.803,471 and Tk.0 respectively in the year 2022).		
27.	<i>Rent, Taxes, Insurance, Electricity, etc.</i>		
	Rent, rate and taxes	583,671	899,729
	Insurance	-	-
	Power and electricity	474,280	581,449
		1,057,951	1,481,178
28.	<i>Legal Expenses</i>		
	Professional fees	3,031,861	1,364,450
	Other charges	1,975,752	242,920
		5,007,613	1,607,370
29.	<i>Postage, Stamp, Telecommunication, etc.</i>		
	Postage	13,559	14,425
	Telegram, telex, fax, and e-mail	-	-
	Data communication	399,892	302,088
	Telephone-office	209,638	205,438
	Telephone-residence	-	-
		623,089	521,951

		Amount in Taka	
		2023	2022
30.	Stationery, Printing, Advertisement, etc.		
	Office stationery	336,755	264,369
	Computer consumable stationery	44,915	54,155
	Publicity and advertisement	1,410,866	798,802
		1,792,536	1,117,326
31.	Managing Director's Salary and Allowances		
	Basic pay	3,000,000	3,000,000
	Allowances	3,120,000	3,120,000
	Bonus	500,000	500,000
	Company's contribution to recognized provident fund	-	-
	Approved gratuity fund	-	-
	Annual membership subscription paid to professional bodies	-	-
		6,620,000	6,620,000
<p>Besides, total perquisites of Tk.183,314 in the year 2023 (Tk.468,897 in the year 2022) was paid in relation to the Managing Director of the company.</p>			
32.	Directors' Fees		
	Fees		
	Board of Directors	352,000	580,800
	Board Audit Committee	140,800	193,600
	Executive Committee	-	-
		492,800	774,400
	Other Benefits	-	-
		492,800	774,400
<p>Other disclosures regarding the Board and Committee meetings are as follows:</p>			
a) In the year 2023 the following meetings were held:			
	Name of Meetings	Number of Meetings	
	Board of Directors	9	12
	Board Audit Committee	4	5
	Executive Committee	-	-
b) Directors did not take any honorarium from the company during the year.			
c) No amount of money was expended by the company for compensating any member of the Board for special services rendered.			
d) Tk.8,000 per person per meeting was paid to the Directors of the company as attendance fee.			
33.	Auditors' Fees		
	Auditors' fees including VAT @ 15.00%	880,900	2,235,600
	Auditors' certificate fees	76,500	25,000
		957,400	2,260,600
34.	Depreciation and Repairs of Company's Assets		
	Depreciation on company's fixed assets (Annexure-B)	243,353	873,376
	Repairs of company's fixed assets	197,716	487,802
		441,069	1,361,178
35.	Other Operating Expenses		
	Office maintenance	1,675,845	3,985,064
	Travel and conveyance	226,129	95,942
	Motor vehicle expenses	572,174	635,037
	Meeting expenses	39,604	59,693
	Training expenses	-	19,998
	Books and periodicals	6,994	5,524
	Share business expense	18,747	12,488
	Subscription	1,996,900	1,526,300
	Entertainment and public relation	51,069	59,080
	Annual General Meeting	395,050	321,550
		4,982,512	6,720,676

Amount in Taka	
2023	2022

Tk.349,562 was spent for the year 2023 (Tk.472,941 for the year 2022) for the vehicle used by the Chairman following of Bangladesh Bank's guidelines.

36. Provision for Loans, Advances and Leases

General provision on unclassified loans, advances and leases (Note-15.2)	(19,719,349)	9,603,484
Special provision	(6,223,095)	(241,757)
Specific provision on classified loans, advances and leases (Note-15.2)	104,561,169	1,448,519,517
	78,618,725	1,457,881,244

Special provision maintained as per Bangladesh Bank's DFIM Circular Letter No.-33 dated 19 December 2021 and DFIM Letter having reference No.-DFIM(P)1052/27/2022-12 dated 2 January 2022.

37. Provision for Investment in Shares

Balance at 01 January	18,821,986	19,591,849
Add: Provision made during the year (Note-15.3)	160,250	(769,863)
Balance at 31 December (Annexure-A for detail)	18,982,236	18,821,986

38. Provision for Other Assets

Balance at 01 January	247,141,034	57,981,234
Add: Provision made during the year (Note-15.4)	325,246,406	189,159,800
	572,387,440	247,141,034

39. Provision for Income Tax

This represents amount provided for income tax on profit before tax for the year ended 31 December 2023. The amount has arrived as follows:

Amount provided on current year's profit	869,121	625,003
Add: Shortfall of provision for income tax	146,564,217	-
Amount Provided for Current Tax	147,433,338	625,003
Amount provided for deferred tax	1,103,571	65,527
Total	148,536,909	690,530

Shortfall of Provision for Income Tax represents cumulative shortfall amount due to not making provision by debiting "Expenses for Income Tax" during the previous years and/or debiting Provision and crediting the amount to "Expenses for Income Tax". Insignificant amount of shortfall took place in 2020-2022 due to assessment and submission of returns at actual basis rather than minimum tax basis. Accounting Effect has been given in 2023 for the cumulative shortfall amount (Taka 146,564,217) of previous years in accordance with "Para-36 of IAS-8: Accounting Policies, Changes in Accounting Estimates and Errors".

40. Earning Per Share (EPS)

Earnings Per Share as shown in the face of the Profit and Loss Account is calculated in accordance with International Accounting Standard (IAS) -33: "Earnings Per Share (EPS)".

Basic Earnings Per Share

Basic earnings per share is calculated based on weighted average number of ordinary shares outstanding for the period ended 31 December 2023 and profit for the same period.

Net profit/(loss) after income tax (A)	(1,123,224,372)	(2,306,505,487)
Weighted average number of outstanding shares (B)	164,063,330	164,063,330
Earnings Per Share (Basic) (A/B)	(6.85)	(14.06)

Diluted Earnings Per Share

No diluted earnings per share are required to be calculated for the period ended 31 December 2023, as there was no scope for dilution during the period under review.

Amount in Taka	
2023	2022

Reason for changes in Earning Per Share (EPS)

Earning Per Share (EPS) of the Company for the period ended 31 December 2023 is Taka (6.85), which was Taka (14.06) in the same period of previous year. The primary reason behind this deviation is the proportionate decrease in provisions for loans, advances and leases and other assets (decreased by Taka 1,243,175,913). On the other hand, increase in provision for income tax (increased by Taka 147,846,379).

41. Net Asset Value (NAV) Per Share

Net asset (total assets less total liabilities) (A)	(7,439,542,461)	(6,316,318,089)
Total number of ordinary shares outstanding (B)	164,063,330	164,063,330
Net Asset Value (NAV) Per Share (A/B)	(45.35)	(38.50)

42. Net Operating Cash Flows Per Share (NOCFPS)

Net cash flows from operating activities (A)	(309,771,561)	(174,291,939)
Total number of ordinary shares outstanding (B)	164,063,330	164,063,330
Net Operating Cash Flows Per Share (NOCFPS) (A/B)	(1.89)	(1.06)

Reason for changes in Net Operating Cash Flows Per Share (NOCFPS)

Net Operating Cash Flows Per Share (NOCFPS) of the Company for the period ended 31 December 2023 is Taka (1.89), which was Taka (1.06) in the same period of previous year. The primary reason behind this deviation is the proportionate decrease in Interest Payment by Taka 163,232,744, increase in Loans, Advances and Leases by Taka 187,366,832, decrease in Net Drawdown of Short Term Loans by Taka 383,428,773 and decrease in Other Liabilities by Taka 222,669,825.

43. Reconciliation of Profit/(Loss) before Income Tax with Cash Flows from Operating Activities

Profit/(loss) before income tax	(974,687,463)	(2,305,814,957)
Less: Profit from sale of shares of securities	-	(926,321)
Less: Income taxes paid	(5,938,022)	(2,039,273)
Add: Adjustments for non-cash items:		
Depreciation of company's assets	243,353	873,376
Provisions for loans, advances and leases	78,618,725	1,457,881,244
Provision for the diminution in the value of investments	160,250	(769,863)
Provision for other assets	325,246,406	189,159,800
(Increase)/decrease in loans, advances and leases	439,627,273	253,622,765
(Increase)/decrease in other assets	480,547	511,252
Increase/(decrease) in deposit and other accounts	(7,020,019)	(60,924,960)
Increase/(decrease) in net drawdown of short term loans	(362,926,535)	20,502,238
Increase/(decrease) in other liabilities on account of customers	112,722,927	77,286,492
Increase/(decrease) in other liabilities	(10,163,957)	211,143,544
Increase/(decrease) in accruals	93,864,954	(14,797,276)
Net cash flows from operating activities	(309,771,561)	(174,291,939)

44. Number of Employees

At the end of the year the number of employees drawing Tk.3,000 or above per month was thirty (twenty seven in 2022).

45. Assets Pledged as Security for Liabilities

As at 31 December 2023, all the fixed and floating assets of the company were pledged as security under pari-passu security sharing agreement with lenders.

46. Related Party Disclosures

46.1 Name of Directors and Their Interest in Different Organizations

According to the International Accounting Standard-24 "Related Party Disclosures" and DFIM Circular No. 11 dated 23 December 2009, directors' name and their interest in different organizations are presented in Annexure-C.

Amount in Taka
2023 **2022**
46.2 Significant Contracts where Company is a Party and wherein Directors have Interest

The company has 1 (one) associate company namely Fareast Stocks & Bonds Limited (fifty percent shareholding), was incorporated on 03 September 2009 as a private limited company under The Companies Act, 1994 with authorized share capital of Tk.1,500,000,000.

46.3 Shares Issued to Directors and Executives without Consideration or at a Discount

Till 31 December 2023, no shares were issued to the directors and executives of the company without having any consideration or at a discount.

46.4 Related Party Transactions

As per International Accounting Standard-24 “Related Party Disclosures” and DFIM Circular No. 11 dated 23 December 2009, no transaction was made with the related parties and on balance sheet date there is no balance outstanding excluding the following transactions in the ordinary course of business at normal commercial interest rate:

Name of Related Party	Nature of Transactions		
Fareast Stocks & Bonds Limited	Investments	597,082,019	605,584,889
	Term loan given ¹	3,024,788,933	3,024,788,933
	Receivable against shares sold ²	90,613,589	90,625,337
		3,712,484,541	3,720,999,159
PFI Properties Limited	Housing finance given	135,809,086	135,809,086
Prime Insurance Company Limited	Term deposit received	5,596,342	4,512,500
Fareast Islami Properties Limited	Term deposit received	42,651,536	37,109,277
Shahriar Khaled Rousseau	Term deposit received	6,244,480	6,244,480
Rubaiyat Khaled Tashfin	Term deposit received	3,084,922	3,084,922
Sarwat Khaled Simin	Term deposit received	5,000,000	5,000,000
Sabiha Khaleque	Term deposit received	1,250,000	1,250,000
Bangladesh Institute for Prof. Dev. Ltd.	Term deposit received	14,197,040	14,197,040

¹Fareast Stocks & Bonds Limited (FSBL) reported less (by Taka 1,546,259,997) Term Loan amount taken from Fareast Finance & Investment Limited (FFIL) in the Financial Statements for the year ended on 31 December 2022 despite the fact that the Managing Director of FFIL, as a representative Director in the Board of Directors of FSBL, repeatedly raised the issue in the Board Meetings since appointed by BSEC on 30/05/2021.

Besides, as advised by Bangladesh Bank, the Board of Directors of Fareast Finance & Investment Limited in its 208th meeting approved charging interest on outstanding Term Loan Balance of Taka 2,754,580,768 (as on 31/12/2019) @ 13.90% p.a. (cost of fund plus 1%) with effect from 20/03/2020 which had been duly informed to the Chief Executive Officer of FSBL vide Letter No. FFIL/F-10(A)/2020/657 dated 11/03/2020 (duly received).

Despite furnishing up-to-date loan balance by FFIL to Fareast Stocks & Bonds Limited, they have been knowingly reporting less amount of Term Loan Outstanding in their Financial Statements and recording more profit or less loss in their books for last couple of years. As a result of such misreporting, FFIL’s accounts [as holding 50 percent shares and booking profit/loss on equity method] have been impacted significantly.

²Despite repeated requests of Fareast Finance & Investment Limited (FFIL) for withdrawal of the available ledger balance of Taka 90,613,589 in the BO Account No. 1204690000134328 maintained with Fareast Stocks & Bonds Limited (FSBL), FSBL is yet to honor the claim for withdrawal. Moreover, on 29 December 2022 FSBL unauthorizedly and fraudulently debited by Taka 42,000,000 and Taka 48,624,892.91 from the available ledger balance of the BO Account of FFIL without making any payment to FFIL. Hence, there is reasonable apprehension that FSBL will not be able to return the amount.

Amount in Taka

2023	2022
------	------

46.5 Status of Transactions done with Related Parties

As at 31 December 2023, there is no balance outstanding to the related parties other than disclosed in Note-46.4.

46.6 Business with Related Parties

As at 31 December 2023, the company does not have any business with related parties under section 18(2) of the Bank Companies Act 1991.

46.7 Transactions with the Securities of Related Parties

As at 31 December 2023, the company holds the shares of the following related parties:

Name of Related Party	Number of Shares
Fareast Stocks & Bonds Limited	45,479,437

46.8 Transaction with Key Management Personnel

As per paragraph 16 and 17 of IAS-24 "Related Party Disclosures", the compensation of key management personnel are given below:

46.8.1 Compensation of Key Management Personnel

a) Short Term Employee Benefits		
Basic pay and allowances	13,351,404	12,994,905
Bonus	1,148,151	1,055,794
Annual leave encashment	369,849	279,170
Motor vehicle expenses	172,153	460,028
Telephone, mobile and other allowances	52,517	47,475
	15,094,074	14,837,372
b) Post-Employment Benefits		
Company's contribution to provident fund	344,053	303,931
Retirement benefit and gratuity	183,066	183,066
	527,119	486,997
c) Other Long Term Benefits	-	-
d) Termination Benefits	-	-
e) Share-based Payments	-	-
Total	15,621,193	15,324,369

46.8.2 Other Transactions with Key Management Personnel

Home loan given under "Home loan policy for the employees of FFIL"	3,406,279	2,534,515
--	-----------	-----------

47. Disclosure on Board Audit Committee
47.1 Particulars of Board Audit Committee

According to the guidelines of Bangladesh Bank, the Board of Directors of Fareast Finance & Investment Limited (FFIL) constituted the Board Audit Committee of the company. Details of the Committee members are as follows:

Name of Committee Members	Status with FFIL	Status with Committee	Educational Qualification
Mr. Ihsanul Aziz [Nominated by BSEC]	Independent Director	Chairman	MBA, MA in Economics
Professor Dr. Md. Mosharraf Hossain [Nominated by BSEC]	Independent Director	Member	PhD., M.Com.
Mr. Sheikh Nazmul Hoque Saikot [Nominated by BSEC]	Independent Director	Member	M.Com.
Mr. AKM Shahiduzzaman [Nominated by BSEC]	Independent Director	Member	MBA (IBA)

47.2 Meetings held by the Committee during the year

In the year 2023 the Committee met four times.

Meeting Number	Held on
97th	15-Mar-2023
98rd	22-Jun-2023
99th	17-Aug-2023
100th	23-Oct-2023

47.3 Activities of the Audit Committee during the year

In the year 2023 the Board Audit Committee carried out the following activities:

- a) Reviewed the financial reporting system ensuring that the appropriate accounting policies were applied as per requirement of International Accounting Standards and Bangladesh Bank and the true and fair financial information were provided to the stakeholders.
- b) Reviewed that appropriate disclosures and information presented in the financial statements.
- c) Reviewed quarterly and half yearly financial statements and recommended to place the same before the Board for approval as per requirement of Bangladesh Securities and Exchange Commission's notifications no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018.
- d) Reviewed the draft financial statements and audit report thereon.
- e) Examine the audit procedure of the financial statements of the company.
- f) Regular monitoring of the company's portfolio.
- g) Reviewed and recommendation to the Board regarding the delinquent portfolio against which litigation started by the company.
- h) Reviewed the company's overdue position with the objective of reduction in amount and quality.
- i) Reviewed the Quarterly Operations Reports prepared by the Internal Control and Compliance Department of the company.
- j) Monitored the internal control system of the company and its compliance.
- k) Reviewed the procedure of appointment of external auditor of the company.
- l) Reviewed the existence of practice of the acts, rules and regulation within the company.
- m) Reviewed the computerization and MIS status in the company.
- n) Reviewed the implementation of Bangladesh Bank's report focusing on loans/lease against whom suit filed by the company and suit filed against the company.
- o) Reviewed the CAMELS rating of Fareast Finance & Investment Limited prepared by Bangladesh Bank.

47.4 Effective Internal Control and Security Documentation of the Company

Having assessed the internal financial controls, information system and reporting models, the committee is in the opinion that:

- a) The management followed the procedure and activities for internal control of the company were within the manual set by the management in line with Bangladesh Bank's guidelines are satisfactory.
- b) Company's assets are reasonably safeguarded through proper documentation preserving under safe custody and the financial position of the company is sound enough.
- c) The management presented the overdue and litigation position of the company reflects the true and fair view.
- d) Quarterly operations report prepared by the Internal Control and compliance department directly submitted to the Board Audit Committee for reporting the overall effective internal control system.

Amount in Taka
2023 **2022**
48. Disclosure on Executive Committee

To conform the Bangladesh Bank guidelines, the Board of Directors of Fareast Finance & Investment Limited constituted the Executive Committee of the company comprising members from the Board and management of the company. In the year 2023, no executive committee meeting was held.

49. Disclosure regarding Branch

As at 31 December 2023, the company has two branches in Bangladesh.

50. Highlights

Highlights of the company for the year 2023 and 2022 is presented below:

Sl. Particulars

1	Paid up capital	1,640,633,300	1,640,633,300
2	Total capital	1,989,082,698	1,989,082,698
3	Capital surplus/(deficit)	(8,436,279,060)	(7,373,594,835)
4	Total assets	10,910,393,721	11,348,539,906
5	Total deposits	4,560,765,879	4,567,785,898
6	Total loans, advances and leases	8,998,413,791	9,438,041,064
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio (%)	197.30	206.62
9	% of classified loans, advances and leases against total loans, advances and leases	97.43	94.34
10	Profit after provisions and income tax	(1,123,224,372)	(2,306,505,487)
11	Classified loans, advances and leases	8,767,210,759	8,903,716,025
12	Provision kept against classified loans, advances and leases	6,582,205,979	6,477,644,810
13	Provision surplus/(deficit)	-	-
14	Cost of borrowing fund (%)	9.61	8.96
15	Interest earning assets	10,540,978,953	10,885,831,223
16	Non-interest earning assets	369,414,768	462,708,683
17	Return on investments (ROI) (%)	(3.28)	(16.48)
18	Return on assets (ROA) (%)	(10.09)	(20.16)
19	Income from investments	2,222,897	4,051,336
20	Earnings per share	(6.85)	(14.06)
21	Net income per share	(6.85)	(14.06)
22	Price earnings ratio (times)	(0.86)	(0.43)

51. Subsequent Events Disclosure under IAS-10 “Events after the Reporting Period”

The Board of Directors of Fareast Finance & Investment Limited in its 253rd meeting held on 11 August 2024 recommended to the shareholders no dividend based on financial performance of the year 2023.

52. Risk Factors Disclosure under IFRS-7 “Financial Instruments: Disclosures”

- Management believes that the fair value of all the assets and liabilities approximate their carrying value.
- As on Balance Sheet date, the company has no borrowing in foreign currency and hence there is no rate fluctuation risk.
- The company made its investment in a wide range of portfolios and the management believes that concentration of investment risk is negligible.

53. General

53.1 Business

The detail of businesses done by the company are as follows:

Description	2023		2022	
	Contracted Taka	Disbursed Taka	Contracted Taka	Disbursed Taka
Term finances	-	-	280,000	280,000
Leases	-	-	-	-
Total	-	-	280,000	280,000

53.2 Interim Financial Statements

The company publishes its interim financial statements quarterly as per the Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRCD/2006-158/208/Admin/81 dated 20 June 2018.

53.3 Office Space

Fareast Finance & Investment Limited entered into an agreement on 26 May, 2015 with Spacezero Limited having its office at House # 106, Road # 25, Block-A, Banani Model Town, Dhaka-1213 to buy office space at 9th and 10th floor of the multi-storied Commercial Building at House # 53, Road # 21, Block-B, Kemal Ataturk Avenue, Banani, Dhaka-1213 measuring approximately 5,403 square feet (considering 3 car parks for ground and 1st floor each and balance car parks equally distributed into all other floors) and 5,483 square feet (considering 3 car parks for Ground & 1st floor each and balance car parks equally distributed into all other floors) respectively at a rate of Tk.27,000 per square feet. Subsequently, on 06 August 2019, Fareast Finance & Investment Limited signed a Deed of Cancellation Agreement with Spacezero Limited regarding (i) to cancel the allotment of 9th floor, (ii) to adjust Tk.148,041,000 only out of the payment made by the company as full and final payment against the allotment of 10th floor, and (iii) to refund the remaining amount of Tk.58,559,000 only. Subsequently, FFIL received back TK. 55,000,000 and remained Tk.3,559,000 is under realisation as shown in Note-11.1.

The Board of Directors of the Company in its 230th meeting held on 31 March 2022 approved the proposal for downsizing the office space of FFIL Chattogram Branch by way of sharing with FSBL Chattogram Branch in view of reducing operating expenses. In line with Board's decision, on October 2022 FFIL Chattogram Branch has been shifted by way of sharing with FSBL Chattogram Branch premises at Ayub Trade Center (2nd Floor) at Agrabad, Chattogram. The FFIL Chattogram Branch is using 850 sft @ Taka 55 per sft.

53.4 Declarations

The Board of Directors of Fareast Finance & Investment Limited adopted the Financial Statements of the company for the year ended 31 December 2023 in their 253rd meeting held on 11 August 2024 and recommended to the shareholders for approval.



Md. Ashraful Moqbul
Chairman & Independent Director



Ihsanul Aziz
Independent Director



Professor Dr. Md. Mosharraf Hossain
Independent Director



Muhammad Ali Zaryab
Managing Director



Md. Anwar Hussain
Head of Finance & HR



Md. Mehedi Hasan Khan
Company Secretary (CC)

Fareast Finance & Investment Limited

Annexure-A

Investment in Shares As at 31 December 2023

Sl. No.	Name of the Company	Type of Shares	Face Value	Number of Shares	Cost/Present Value of Holdings	Average Cost	Quoted Rate Per Share as at 31 Dec. 2023	Total Market Value as at 31 Dec. 2023	Estimated Commission on Sale of Shares	Fair Value as at 31 Dec. 2023	Provision Required as at 31 Dec. 2023
			Taka		Taka	Taka	Taka	Taka	Taka	Taka	Taka
1	Golden Harvest Agro Ind. Ltd.	A	10	112,320	2,729,197	24.30	17.50	1,965,600	4,952	1,960,648	768,549
2	IDLC Finance Ltd.	A	10	23,152	1,636,615	70.69	46.50	1,076,568	3,230	1,073,338	563,277
3	IFAD Autos Ltd.	A	10	11,781	1,309,576	111.16	44.10	519,542	1,559	517,983	791,592
4	LR Global BD Mutual Fund One	A	10	68,000	552,452	8.12	6.40	435,200	1,306	433,894	0
5	MBL 1st Mutual Fund	A	10	184,100	1,605,352	8.72	6.70	1,233,470	3,700	1,229,770	20,159
6	MJL Bangladesh Ltd.	A	10	182,227	19,942,923	109.44	86.70	15,799,081	47,397	15,751,684	4,191,239
7	Runner Automobiles Ltd.	A	10	7,566	540,439	71.43	48.40	366,194	1,099	365,096	175,344
8	The ACME Laboratories Ltd.	A	10	214,945	23,291,180	108.36	85.00	18,270,325	54,339	18,215,986	5,075,194
9	The City Bank Ltd.	A	10	341,647	10,126,417	29.64	21.40	7,311,246	21,934	7,289,312	2,837,105
10	Green Delta Mutual Fund	A	10	100,000	1,000,000	10.00	6.90	690,000	1,380	688,620	150,000
11	Popular Life 1st Mutual Fund	A	10	299,086	1,999,958	6.69	5.10	1,525,339	3,051	1,522,288	0
12	EXIM Bank Ltd.	A	10	23,540	504,933	21.45	10.40	244,816	367	244,449	260,484
13	Summit Alliance Port Ltd.	A	10	34,305	2,413,014	70.34	27.20	933,096	1,400	931,696	1,481,317
14	United Airways Limited	Z	10	123,057	1,976,295	16.06	1.90	233,808	351	233,458	1,742,838
15	FAR Chemical Ind. Ltd.	A	10	13,310	1,161,000	87.23	28.20	375,342	1,126	374,216	786,784
16	Southeast Bank Ltd.	A	10	42,071	696,219	16.55	13.30	559,544	1,679	557,866	138,354
16	Total as at 31 December 2023			1,781,107	71,485,572			51,539,171	148,868	51,390,304	18,982,236
	Total as at 31 December 2022			1,799,411	71,485,572			51,654,081	149,068	51,505,012	18,821,986

Fareast Finance & Investment Limited

Annexure-B

Schedule of Fixed Assets As at 31 December 2023

Particulars	Cost				Depreciation				Net Book Value as at 31 December 2023
	Opening Balance as at 01 January 2023	Additions during the year	Disposals/ Adjustments during the year	Total Balance as at 31 December 2023	Opening Balance as at 01 January 2023	Charge for the year	Disposals/ Adjustments during the year	Total Balance as at 31 December 2023	
	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka	Taka
Land	-	-	-	-	-	-	-	-	-
Furniture and fixture	9,164,771	-	3,742,591	5,422,180	8,650,984	102,693	3,742,588	5,011,089	411,091
Office equipment	11,325,008	-	3,272,494	8,052,514	10,990,005	107,510	3,272,471	7,825,044	227,470
Office software	1,940,725	-	4,000	1,936,725	1,870,396	22,800	3,999	1,889,197	47,528
Crockeries	61,430	-	-	61,430	61,405	-	-	61,405	25
Motor vehicle	14,340,000	620,980	-	14,960,980	14,339,997	10,350	-	14,350,347	610,633
Total as at 31 December 2023	36,831,934	620,980	7,019,085	30,433,829	35,912,787	243,353	7,019,058	29,137,082	1,296,747
Total as at 31 December 2022	36,082,378	749,556	-	36,831,934	35,039,411	873,376	-	35,912,787	919,147

Annexure-C

Fareast Finance & Investment Limited

Name of Directors and their Interest in Different Organizations

Sl. No.	Name of Directors	Status in FFIL	Entities where They have Interest	Status in Interested Entities	% of Holding/Interest in the Concern as 31 Dec. 2023
1	Mr. Md. Ashraful Moqbul [Nominated by BSEC]	Chairman & Independent Director	Nil.		
2	Mr. Ihsanul Aziz [Nominated by BSEC]	Independent Director	Nil.		
3	Professor Dr. Md. Mosharraf Hossain [Nominated by BSEC]	Independent Director	Nil.		
4	Mr. Sheikh Nazmul Hoque Saikot [Nominated by BSEC]	Independent Director	Nil.		
5	Mr. AKM Shahiduzzaman MBA (IBA, DU) [Nominated by BSEC]	Independent Director	Nil.		

Environmental issues

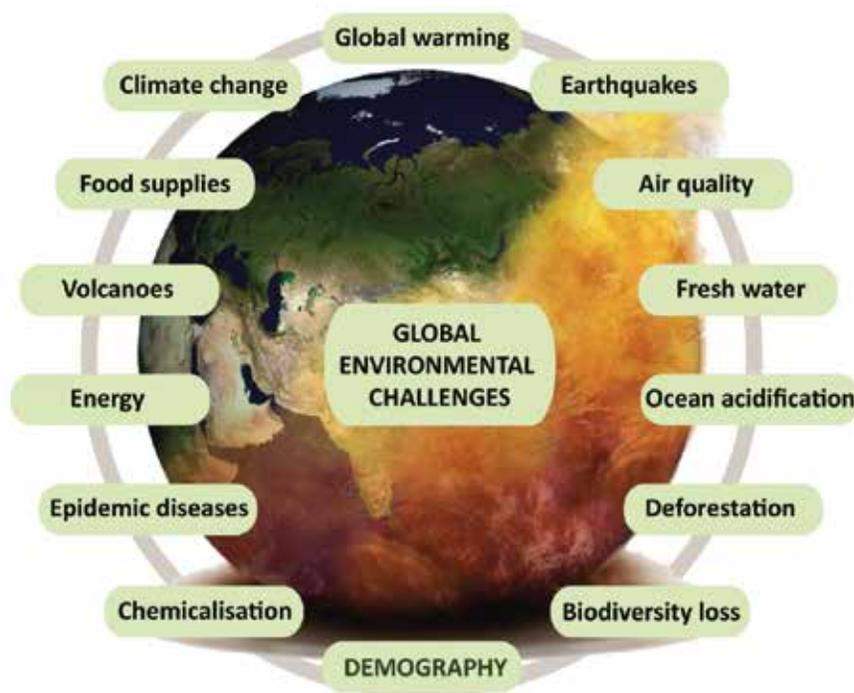
Climate change is a burning issue for the whole world especially for the countries like us. To stop such devastating environmental changes and to avoid the adverse effect of such changes to our business and to our society as a whole we have to address the environmental issues very seriously. Fareast Finance believes that each small step to “Go Green” will take Bangladesh to a long way in building a better future. Based on the guidelines issued by the Bangladesh Bank, Fareast Finance & Investment Limited designed its products and service in such a way that:

- Ensure that it does not have any negative impact on the economic, social and environmental issues;
- Ensure that it mitigates the negative impacts and bolster the benevolent impacts;
- Ensure that its action programs and community investments reduces social exclusion and inequality and addresses the keys to sustainable development challenges;
- Select borrowers in scrutiny of the environmental and social impacts of their proposed undertakings.

Re-use and recycle where possible and disposing-off non-recyclable items responsibly are emphasized, which minimizes the impact on the environment. It is expected that by adopting straightforward, environment friendly initiatives, the company will raise awareness amongst stakeholders and the wider community.

The Company regularly reviews its environmental policy to ensure that it reflects changes in regulations and best practices. In line with the growing global environmental consciousness, Fareast Finance & Investment Limited has always been keen on portraying a brand image that promotes environmental sustainability. Detailed due diligence is performed by Company’s relationship managers and credit risk analysts to identify environmental impacts of projects with possible critical environmental implications.

Client compliance with Environmental Conservation Act, 1995 and Environmental Conservation Rules, 1997 is thoroughly investigated during the project appraisal process. Besides, a report on environmental checklist prepared by the company’s Internal Control and Compliance department is regularly presented before the company’s risk management forum’s meeting.



"PLANT A TREE AND PLANT A HOPE FOR FUTURE"

Fareast Finance & Investment Limited

Head Office
Simpletree Lighthouse Simpletree Lighthouse (10th Floor)
Plot No. 53, Road No. 21, Block-B
Kemal Ataturk Avenue
Dhaka-1213
Bangladesh

Affix revenue
stamp of
Taka 20.00

PROXY FORM

I/We.....
of.....being a member of Fareast Finance & Investment
Limited do hereby appoint
Mr. /Mrs.....
of.....(or his/her failure)
Mr. /Mrs.....
of.....as my/our proxy
to attend and vote for me/us and on my/our behalf at the 23rd Annual General Meeting of the company
to be held on Monday, September 30, 2024 at 10:00 a. m. and at any adjournment thereof.
Signed this.....day of.....2024.

Detail of proxy	Detail of member
Signature:	Signature:
Name:	Name:
BO ID No. (if any):	BO ID No.:

Notes:

- Proxy form duly completed must be deposited at the registered office of the company 48 hours before the time appointed for the meeting.
- Signature of the member should agree with the specimen signature registered with the company.

Attendance Slip

Detail of proxy	Detail of member
Signature:	Signature:
Name:	Name:
BO ID No. (if any):	BO ID No.:

I/we hereby record my/our presence at the 23rd Annual General Meeting of Fareast Finance & Investment Limited held on **Monday, September 30, 2024 at 10:00 a. m.** using Hybrid System through the link <https://ffil.bdvirtualagm.com> for digital platform and at the RAOWA Complex (Anchor Hall), VIP Road, Mohakhali, Dhaka-1206, Bangladesh for in-person.



FAREAST FINANCE & INVESTMENT LIMITED

service with smile



Head Office and Principal Branch:

Simpletree Lighthouse (10th Floor), Plot No. 53, Road No.21
Block-B, Kemal Ataturk Avenue, Banani, Dhaka-1213, Bangladesh
Phone & Fax: +88 02 55033328-30, 5503334
Mobile: +88 01977 334539
E-mail: ffil@bdcom.net, website: www.ffilbd.com

Chattogram Branch:

Ayub Trade Centre (level-2), 1269/B Sheikh Mujib Road
Agrabad Commercial Area, Chattogram-4100, Bangladesh
Mobile: +88-01977334538