

BANGLADESH FILM DEVELOPMENT CORPORATION
Tejgaon, Dhaka-1208, Bangladesh.

AUDITORS' REPORT
AND
AUDITED FINANCIAL STATEMENTS
For the year ended 30 June 2023

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Independent Auditors' Report
to the Shareholders of Bangladesh Film Development Corporation
Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bangladesh Film Development Corporation (the Company), which comprise the Statement of Financial Position as at 30 June, 2023 and the Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended 30 June, 2023 and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly in all material respects, the statement of financial position of Bangladesh Film Development Corporation as at 30 June 2023 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. Note No. 04.00 Property, Plant and Equipment: Tk. 546,871,957.00

The company could not provide us with sufficient appropriate evidence of Property, Plant and Equipment as per the statement of financial position as at 30 June 2023 amounting to Tk. 546,871,957.00 We are unable to satisfy ourselves as to the physical existence of Property, Plant and Equipment through other audit procedures.

2. Note No. 05.00 Capital-in-Progress : Tk. 12,946,018.00

The value of digital sound equipment has also been carried forward in the accounts since 2007. We have been informed that due to a dispute with the importer regarding the quality of the goods supplied, which has not yet been settled, the total amount shown under this heading has not been adjusted and transferred to fixed assets. However, we have been informed that litigation against the importer is pending before the court. We note that the equipment supplied is obsolete and not in a usable condition. No provision has been made in the accounts for any loss.

3. Note No. 07.00 Accounts Receivables: Tk. 221,705,374.00

- i. As per note no. 07.00 Under Production Film: Tk. 190,360,779.00 We have not been provided with the ageing schedule of the above amount of receivables from film in production (shown in Annexure-I). It is our understanding that the majority of this amount is long past due. In the absence of aging, we could not assess the material risk of the above amount, whether the amount is realisable or not.
- ii. As per note no. 07.00 On Released Film: Tk. 49,439,665.00 it should be noted that a large part of the above amount has been carried forward for a long time (shown in Annexure-J) and a large part of the amount appears to be doubtful of realization for which no provision has been made in the accounts.
- iii. The balance confirmation letters against receivables have been sent on sample basis. No confirmation against such letters has been received during our audit period.



4. Note No. 07.00 and 08.01 provision for bad debts: Tk 18,095,070.00 & 500,000.00

Provision for bad debts amounting to Tk. 18,095,070.00 against Account Receivable & Tk.500,000.00 Advance & Deposits which has been netted against receivables & advances, deposits & prepayments since long. We have not received any evidence.

5. Note No. 07.00 Under Production Film: Tk. 190,360,779.00

We have not been provided with the ageing schedule of the above amount of receivables from film in production (shown in Annexure-I). It is our understanding that the majority of this amount is long past due. In the absence of aging, we could not assess the material risk of the above amount, whether the amount is realisable or not.

6. Note No. 09.00 Raw films and chemical : Tk. 54,029,105.00 and 4,791,711.00

Raw film and chemical, the company had shown Tk. 54,029,105.00 and Tk. 4,791,711.00 respectively. During our audit, we found that the inventories were obsolete and damaged. The management did not report the inventories at the lower of cost and net realisable value but only at cost, which is a deviation from IFRS. The company's records indicate that inventories should be written down to their net realisable value (NRV). If the company had reported the inventories at NRV, cost of sales would have been increased and income taxes, net profit and equity would have been reduced.

7. Note No. 08.01.03 Blocked Account: Tk. 24,400.00

It represents demonetised notes that could not be encashed by Bangladesh Bank in time and this amount is considered bad and unrealisable.

8. Note No. 15.00 Loan from Government: Tk. 476,548,111.00

A sum of Tk. 476,548,111.00 is shown under the head "Loan from Government" as Long-Term Liabilities in the Note no.15.00 to the financial statements, which has been carried forward since long without any adjustment. The breakup is given below:

(Amount in Taka)

SL	Particulars	Note	2022-2023	2021-2022
1	Expansion and Modernization Project	15.01	65,814,200.00	65,814,200.00
2	BMRE Project	15.02	135,733,911.00	135,733,911.00
3	Govt. loan for revenue expenditure	15.03	220,000,000.00	220,000,000.00
	Total		421,548,111.00	421,548,111.00

The management has been able to provide us only the documents of amount of Tk. 55,000,000. received against Govt. Loan for Revenue Expenditure during the year under audit.

9. Note No. 16.00 Accounts Payable: Received from Elevated Express Way: Tk. 65,943,348.00.

The Corporation has received the net amount of Tk. 65,943,348.00 against the sale of Tk. 70,116,531.00 of acquired Land by the Government in favor of BFDC to the Elevated Express Way. Our observations are as follows:

- The difference amount of Tk. 4,173,183.00 (70,116,531.00 - 65,943,348.00) between net received amount and Sale amount is Tax & VAT deducted at source as informed to us by the management against which Challans for Govt. Deposits/Certificate has not been provided to us.
- The sale deed has not been provided to us during the course of our audit.
- Whether any amount of such acquired land was accounted for in the accounts against land & land development cost has not been provided to us.
- As such, the net received amount of Tk. 65,943,348.00 against the sale of acquired Land by the Government in favor of BFDC has been shown under the head of accounts payable which is the violation of accounting principle.



10. Note No. 16.01 Sundry Creditors: Tk.16,367,193.00

The breakup of Sundry Creditors is as follows:

(Amount in Taka)

Particulars	Annexures	30-06-2023	30-06-2022
On Underproduction Film	Annexure-L	6,720,776.00	7,008,406.00
On Released Film	Annexure-M	9,646,417.00	9,659,797.00
Total		16,367,193.00	16,668,203.00

Our observation of the above is as follows:

- Year wise breakup & Consolidated Ledger details of on Underproduction Film as per **Annexure-L** has not been provided to us during the course of our audit.
- Year wise breakup of on Released Film as per **Annexure-M** has not been provided to us during the course of our audit.

11. Note No. 19.00 Provision for Income Tax: Tk. 8,596,773.00

The financial statements, an amount of Tk. 8,596,773.00 has been shown under the head "Provision for Income Tax" without any movement since 2006. No provision has been made in financial statements from 2006 to till the year of our audit. As a result, net profit has been overstated corresponding understatement of liabilities since 2006.

12. Note No. 20.00 Provision for Interest on Government Loan: Tk. 510,871,939.00

The financial statements under the head "Provision for Interest on Government Loan", an amount of Tk. 510,871,939.00 is included in Note no. 20.01, 20.02 and 20.03 of notes to the financial statements as Current Liabilities against loan taken from government amounting to Tk. 421,548,111 The breakup is given below:

(Amount in Taka)

SL	Particulars	Note	2022-2023	2021-2022
1	Expansion and Modernization Project	20.01	274,341,685	271,050,975
2	BMRE Project	20.02	189,814,691	183,027,995
3	Govt. loan for revenue expenditure	20.03	46,715,564	35,112,824
	Total		510,871,939	489,191,793

It is mentionable that the interest provision amount has exceeded its principal amount by Tk. 89,323,828 due to the charging of 5% interest for each year as an expense from year after year since 1997. Steps may be taken to obtain approval from Govt. for allowing of the exemption of such interest.

13. Note No. 21.00 Bank Interest Payable of BSMFC (F-1): Tk. 870,794.00

Bank Interest Payable of BSMFC (F-1) of Tk. 870,794.00 is shown in the statement of Financial Position as on 30th June 2023 has been carrying forward since long. But we have been not provided supporting documents of during our audit period.

14. Material uncertainty related to going concern

The Corporation has been incurring loss year after year. Its accumulated loss was Tk. **(1,629,020,484.00)** as at 30 June 2023 and, as of that date the Corporation current liabilities exceeded its current assets by Tk. 479,285,343 Under the circumstances, the corporation should take strategic plan to make it profitable concern. These continuing conditions or events indicate that a material uncertainty exists that may cast significant doubt on the Corporation ability to continue its operation in foreseeable future.



We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code 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.

Other Matters

The audits for the year then ended 30 June, 2023 have been conducted jointly by Mahfel Huq & Co., Chartered Accountants and Shafiq Basak & Co., Chartered Accountants. Mahfel Huq & Co., has conducted Liability & Equity and Income side and Shafiq Basak & Co., has conducted Assets and Expenditure side of the financial statements for the year ended June 30, 2023.

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

Management is responsible for the preparation and fair presentation of the financial statements of the Company in accordance with IFRSs 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 judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, 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.
- 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to



the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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



Md. Ashraful Haque, FCA

Partner

Shafiq Basak & Co.

Chartered Accountants

ICAB Enrolment No. 0976

DVC: 2510290976AS904909



Tariquzzaman Khan, FCA

Partner

Mahfel Huq & Co.

Chartered Accountants

ICAB Enrolment No. 0687

DVC: 2510300687AS558151

Date: 29 OCT 2025
Dhaka




Bangladesh Film Development Corporation
Statement of Financial Position
As at 30 June 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Assets :			
Non - currents asset :		559,817,975	608,035,613
Property, Plant and Equipment	4.00	546,871,957	595,089,595
Capital Work-in-Progress	5.00	12,946,018	12,946,018
Investment :		60,000,000	60,000,000
Investment in FDR	6.00	60,000,000	60,000,000
Current Assets :		358,169,385	378,354,692
Accounts Receivable	7.00	221,705,374	224,294,174
Advances, Deposits and Prepayments	8.00	61,650,937	54,165,184
Inventories	9.00	71,253,610	71,248,610
Cash and Cash Equivalents	10.00	3,559,464	28,646,724
Total assets		977,987,360	1,046,390,304
Equity & Liabilities :			
Equity:		(336,015,479)	(130,248,482)
Share Capital	12.00	82,000,000	82,000,000
Retained Earnings	13.00	(1,629,020,484)	(1,423,253,487)
Government Grant	14.00	1,211,005,006	1,211,005,006
Long Term Loan :			
Loan from Government	15.00	476,548,111	421,548,111
Current Liabilities :		837,454,728	755,090,675
Accounts Payable	16.00	284,977,886	249,648,040
Bank Overdraft	17.00	25,461,009	-
Security Deposit & Earnest Money	18.00	6,676,327	6,783,275
Provision for Income Tax	19.00	8,596,773	8,596,773
Provision for Interest on Govt. Loan	20.00	510,871,939	489,191,793
Bank Interest Payable of BSMFC (F-1)	21.00	870,794	870,794
Total Equity & Liabilities		977,987,360	1,046,390,304

The annexed notes form an integral part of these financial statements


Director মম্মদ রাশেদ
(উপসচিব)
পরিচালক (প্রশাসন ও অর্থ)
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্তৃপক্ষ


Managing Director

মাসুমা রহমান তানি
ব্যবস্থাপনা পরিচালক
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্তৃপক্ষ
তেজগাঁও, ঢাকা-১২০৮


Md. Ashraf Haque, FCA
Partner
Shafiq Basak & Co.
Chartered Accountants
ICAB Enrolment No. 0976
DVC: ২৫১০২৯০৯৭৬৫৯৯০৪৯০৯
Date: ২৩ OCT ২০২৩
Dhaka



Tariquzzaman Khan, FCA
Partner
Mahfel Huq & Co.
Chartered Accountants
ICAB Enrolment No. 0687
DVC: ২৫১০৩০০৬৮৭৫৫৫৮১৫১



Bangladesh Film Development Corporation
Statement of Profit or Loss and Other Comprehensive Income
For the year ended 30 June 2023

Particulars	Notes	Amount in Taka	
		30-Jun-23	30-Jun-22
Sales of Raw Film		-	-
Add : Service Charges Received	22.00	29,178,650	39,650,399
		29,178,650	39,650,399
Less : Cost of Goods Sold	23.00	59,452,990	65,348,676
Gross Profit/(Loss) (A-B)		(30,274,341)	(25,698,277)
Less : Administrative Expenses	24.00	169,995,725	181,530,513
Operating Profit/(Loss)		(200,270,066)	(207,228,790)
Less : Financial Expenses	25.00	22,665,621	19,762,337
		(222,935,687)	(226,991,127)
Add : Non-Operating Income	26.00	17,168,690	14,736,912
Profit/(Loss) before Tax		(205,766,997)	(212,254,215)
Less : Provision for Income Tax		-	-
Profit/(Loss) after Tax		(205,766,997)	(212,254,215)

The annexed notes form an integral part of these financial statements


কামাল হোসেন
Director
(উপসচিব)
পরিচালক (প্রশাসন ও অর্থ),
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্পোরেশন

Signed in terms of our separate report of even date annexed


Managing Director
Masuma Rahman Tani
Managing Director
Bangladesh Film Development Corporation
Tejgaon, Dhaka-1208


Md. Ashraful Haque, FCA
Partner
Shafiq Basak & Co.
Chartered Accountants
ICAB Enrolment No. 0976
DVC: ২৫১০২৯০৭৭৬AS৯০৪৯০৭


Tariquzzaman Khan, FCA
Partner
Mahfel Huq & Co.
Chartered Accountants
ICAB Enrolment No. 0687
DVC: ২৫১০৩০০৬৮৭AS৫৫৮১৫১

Date: 29 OCT 2025
Dhaka



Bangladesh Film Development Corporation
Statement of Changes in Equity
As at 30 June 2023

Particulars	Share Capital	Govtment Grant	Retained Earnings	Total
Balance as at June 30, 2021	82,000,000	1,155,505,250	(1,211,349,684)	26,155,566
Add: Additon during the year	-	55,499,756	-	55,499,756
Add: Profit & Loss Account	-	-	(212,254,215)	(212,254,215)
Prior year Adjustment	-	-	350,411	350,411
Balance as at June 30, 2022	82,000,000	1,211,005,006	(1,423,253,487)	(130,248,482)
Add: Additon during the year	-	-	-	-
Add: Profit & Loss Account	-	-	(205,766,997)	(205,766,997)
Prior year Adjustment	-	-	-	-
Balance as at June 30, 2023	82,000,000	1,211,005,006	(1,629,020,484)	(336,015,479)

Director
কামাল মোহাম্মদ রাশেদ
(উপসচিব)
পরিচালক (প্রশাসন ও অর্থ),
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্পোরেশন

Managing Director

মাহফেলা হুগ
কনসাল্ট্যান্ট
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্পোরেশন
তেজগাঁও, ঢাকা-১২০৮



Bangladesh Film Development Corporation
Statement of Cash Flows
For the year ended 30 June 2023

Particulars	Amount in Taka	
	30-Jun-23	30-Jun-22
A. Cash Flows from Operating Activities :		
Profit/(Loss) after Tax	(205,766,997)	(212,254,214)
Depreciation	48,323,384	53,496,931
Accrued Interest on FDR	(3,441,986)	(576,986)
(Increase)/Decrease in Stock-in-Trade	(5,000)	56,965
(Increase)/Decrease of Accounts Receivable	2,588,800	(1,048,537)
(Increase)/Decrease in Advance Deposit	44,552,339	(131,666)
(Increase)/Decrease in Advance Income Tax	(48,596,106)	(112,318)
Increase/(Decrease) in Accounts Payable	35,329,846	83,286,510
Increase/(Decrease) in provision for Income Tax	-	-
Increase/(Decrease) in Provision for Interest Payable	-	-
Increase/(Decrease) in Security Deposit & Earnest Money	(106,948)	89,700
Increase/(Decrease) in Interest on Govt. Loan	21,680,146	19,762,337
Prior year adjustment	-	350,411
Net Cash in Flow/used by Operating Activities	(105,442,522)	(57,080,867)
B. Cash Flows from Investing Activities :		
Acquisition to Property, Plant & Equipment	(105,746)	(1,946,660)
Capital Work-in-Progress	-	-
Investment in FDR	-	(60,000,000)
Net Cash used in Investing Activities	(105,746)	(61,946,660)
C. Cash Flows from Financing Activities :		
Loan from Government	55,000,000	60,000,000
Bank Overdraft	25,461,009	(139,645)
Received from Government Grants	-	55,499,756
Net Cash Provided from Financing Activities	80,461,009	115,360,111
D. Net Increase/(Decrease) in Cash & Cash Equivalents (A+B+C)	(25,087,259)	(3,667,417)
E. Cash and Cash Equivalent at the beginning of the year	28,646,724	32,314,140
F. Cash and Cash Equivalent at the end of the year	3,559,464	28,646,724



Director

কামাল মোহাম্মদ রাশেদ
(উপসচিব)
পরিচালক (প্রশাসন ও অর্থ,
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্পোরেশন)




Managing Director
মাহফেল হুগ
স্বাক্ষরিত
বাংলাদেশ চলচ্চিত্র উন্নয়ন কর্পোরেশন
তেজগাঁও, ঢাকা-১২০৮

