

Abridged Version of Prospectus

BANGLADESH INDUSTRIAL FINANCE CO. LTD. वाश्लादिन रेखाष्ट्रियान कारेनाज काम्भानी निमिटिए

Registered Office: 63, Dilkusha Commercial Area (1st Floor), Dhaka - 1000.

E-mail: bifc@bol-online.com; Fax: 88 02 9562636, Phone: 956 2636, 956 8441, 957 1304, 955 8039; Website: www.bifcol.com

11,09,595 Ordinary Shares of Tk. 100.00 each at par totaling Tk. 11,09,59,500.00

Subscription For General Public:

Closing date: August 24, 2006 Subscription For NRB Applicants:

Opening date: August 20, 2006

Closing date: September 02, 2006



MANAGER TO THE ISSUE

ICB CAPITAL MANAGEMENT LIMITED

8, DIT Avenue, Dhaka-1000 Tel: 7160326-27, Fax: 9555707, Website: www.icbcml.com.bd

BANKERS TO THE ISSUE

National Credit and

Commerce Bank Ltd.

3. Moulvibazar Br. Yakub Mansion

Opening date:

August 20, 2006

- **Dhaka Bank Limited** Local Office, Dhaka Foreign Exchange Br, Dhaka Banani Branch, Dhaka
- Kawranbazar Branch, Dhaka Dhanmondi Branch, Dhaka Uttara Branch, Dhaka Islampur Branch, Dhaka
- Bangshal Branch, Dhaka Narayanganj Br, Narayanganj 10. Laldighirpar Branch, Sylhet 11. Khatungani Branch, Ctg.
- 12. Agrabad Branch, Chittagong Mercantile Bank Limited 4. Islampur Branch, Dhaka Main Br., Dilkusha, Dhaka Mirpur Branch, Dhaka
- Elephant Rd. Branch, Dhaka Banani Branch, Dhaka Monakhhali Branch, Dhaka 6. Khatunganj Branch, Ctg. Rajshahi Branch, Rajshahi
- 8. Sylhet Branch, Sylhet Southeast Bank Limited Principal Br., 1 Dilkusha C/A, Dhaka.
- Dhanmondi Branch, Dhaka. 3. New Estakan Br, Ramna, Dhaka.
- 4. Uttara Branch, Dhaka. 5. Bangshal Br, North South Rd, Dhaka. 6. Bandar Bazar Br. (Islami
- banking), Sylhet Cox's Bazar Br. (Islami banking), Bazar Ghat, Cox Bazar. Khulna Br, Sir Igbal Rd, Khulna. Halishahar Br. Halishahar
- Housing Estate, Ctg.

PARTICULARS

Sources of Funds: Shareholders' Equity:

Share Money Deposit

Share Capital

Stock Dividend

Statutory Reserve

General Reserve

Retained Earnings

Long Term Liabilities:

Security Deposit on Lease Finance

Total of Long Term Liabilities and Shareholders Equity

Advance for Lease Finance

House Building Loan-Net of Current Maturity

Investment in Shares

Term Finance-Net of Current Maturity

Placement of Fund

Deferred Taxation

Benevolent Fund

Application of Funds:

Lease Finance: -Net Lease Rental Receivable-Net of Current Maturity

Direct Finance:

Sylhet Road, Moulvibazar 4. Jessore Br, M. K. Road, Jessore 5. Jubilee Road Br, Chittagong 6. O.R. Nizam Road Br., Ctg. National Bank Limited Dilkusha Branch, Dhaka. Elephant Road Branch, Dhaka. 3. Foreign Ex. Branch, Dhaka Uttara Branch, Dhaka Rajshahi Branch, Rajshahi Khatunganj Branch, Ctg. Rangpur Branch, Rangpur 9. Bogra Branch, Bogra 10. Sylhet Branch, Sylhet **Prime Bank Limited** Motijheel Br., 119-120, Motijheel C/A, Dhaka Gulshan Br., 28, Gulshan North C.A. Dhaka Dhanmondi Br., H#99,R#11/A Dhanmondi R/A, Dhaka Kawran Bazar Br., Dhaka 5. Gonakbari Br, Savar, Dhaka

AUDITORS

A. WAHAB & CO. CHARTERED ACCOUNTANTS. Hotel Purbani, Annex - 2, (4th Floor), Dilkusha C/A, Dhaka 1000, Telephone: 7161517, 7169268

BALANCE SHEET

62.756.462 62.714.957

41,325,374 8,718,480

26,450,545 19,266,600

28,056,542 40,728,048

Long Term Loan - Net of Current Maturity 461,437,513 223,763,486 213,944,679 102,247,067 113,869,220

Term Deposit -Net of Current Maturity 380,478,387 227,481,315 163,222,905 83,988,651 241,747,033

Lease Advance -Net of Current Maturity 25,638,759 20,384,467 19,426,496 21,058,464 15,862,724

4,082,153 3,752,680

9,000,000 4,000,000

12.091

79,500

Fixed Assets - At cost less Depreciation 37.716.166 1.213.836 1.377.518

609.137

42,000

677,787

82.757.257 5.150.000 5.150.000

Balance Sheet As of

31-12-2005 31-12-2004 31-12-2003 31-12-2002 31-12-2001

210,911,614 175,629,622 76,528,569 58,716,150 45,030,003

52,310,600 43,592,400 43,592,400 43,592,400 25,000,000

5,994,740

11,218,592

609.137

15,113,700

880,716,312 479,423,948 399,979,080 227,631,182 391,481,977

3,364,000

21,000

1,091,627,926 655,053,570 476,507,649 286,347,332 436,511,980

529,119,691 360,471,490 270,168,439 248,194,34 254,566,860

495,374,782 344,526,291 269,347,171 243,719,711 205,921,604

33,744,909 15,945,199 821,268 4,474,634 48,645,256

178,811,115 155,337,560 104,781,515 38,374,387 29,991,077

923,787

178,542,248 154,659,773 103,857,728 36,691,060 28,107,746

(14,996,301) (12,105,000) (10,166,000) (6,236,000) (5,055,000)

1,098,601,415 643,748,515 346,094,172 181,114,447 238,710,535

224,799,568 156,803,549 139,455,644 117,325,625

402 15,366,453

3,758,833

609,137

295,580

3,000

1.883.331

7,460,019

609.137

79,408

325,000

12,000

1,683,327

3.500.000

20.000.000 20.000.000

2.252.434 2.634.787

- Agrabad Br., Chamber House, 38, Agrabad Ctg. Jubille Rd Br., 214, Jubilee Rd. Chittagong Jessore Br., 47, Netajee Subash Chandra Rd. Jessore Khulna Br., 76, Khan -A-Sabur Rd., Khulna
- Shantinagar Branch, Dhaka. Motifieel Br. 6, Motifieel C/A, Dhaka | 2. Narayangonj Br, Narayangonj 2. Dilkusha Br. 43, Dilkusha C/A, Dhaka 3. Sylhet Branch, Sylhet Comilla Branch, Comilla Barisal Branch, Barisal Mymensingh Br, Mymensingh The City Bank Limited 1. Principal Br, Jibon Bima Tower, Dhaka. 2. Dhaka Chamber Br., Dhaka New Market Branch, Dhaka. Mirpur Branch, Dhaka Shaymoli Branch, Dhaka 6. Comilla Branch, Comilla 7. Mymensingh Br , Mymensingh 8. Barisal Branch, Barisal 9. Agrabad Branch, Chittagong 10. Khatungong Br., Chittago **Investment Corporation** of Bangladesh 1. Head Office, BSB Building (13th, 14th, 15th & 16th floor), 8, Rajuk Avenue, Dhaka. 2. Local Office Br., Kashfia Plaza, 33/C, Naya Paltan, VIP Road, Dhaka. 3. Chittagong Br., Pine view, 100, Agrabad C/A, Chittagong 4. Rajshahi Br., Gaffar Plaza, Shaheb Bazar, Rajshahi 5. Khulna Br., Shilpa Bank Bhaban, 25-26, KDA C/A, Khelna, 6. Barishal Br., 87-88, Hemayat Uddin Road, Barisal. 7. Sylhet Br., Chamber Building, Jail Road, Sylhet 8. Bogra Br., Islamic Studies Group Bhaban, Station Road

Satmatha, Bogra

IFIC Bank Limited

Federation Branch, Dhaka,

PROFIT AND LOSS STATEMENT

		for the year ended					
PA	ARTICULARS	31-12-2005 BDT	31-12-2004 BDT	31-12-2003 BDT	31-12-2002 BDT	31-12-2001 BDT	
A.	Operational Revenue	144,258,700	126,316,258	92,508,546	74,351,874	46,841,889	
	Income from Lease Finance	96,312,926	86,563,135	68,051,079	59,843,954	26,429,778	
	Interest on Direct Finance	40,696,326	35,838,510	21,977,033	5,607,630	3,969,991	
	Income from Deposit	6,604,789	2,891,596	1,509,422	7,907,976	15,343,466	
	Other Operational Income	644,659	1,023,017	971,012	992,314	1,098,654	
B.	Operational Expenses	113,018,364	87,231,732	71,858,006	56,835,943	37,683,406	
	Depreciation on Fixed Assets	212,003	228,267	277,203	440,022	524,234	
	Financial Expenses	93,531,402	70,858,390	57,139,425	47,999,880	29,181,938	
	General & Administrative Expenses Provision for Bad &	16,138,706	14,096,352	9,947,520	7,125,232	4,599,663	
	Doubtful Leases/Loans	3,033,234	1,939,000	4,185,741	1,181,000	3,254,260	
	Other Operational Expenses	103,019	109,723	308,117	. 89,809	123,311	
C.	Income from Operation: (A-B)	31,240,336	39,084,526	20,650,540	17,515,931	9,158,483	
D.	Non Operational Income:	9,682,991	1,155,512	726,000	990,000	808,294	
	Gain on Sale of Investment in Shares	9,658,991		HITCH HELD	Recipioni Se	1201001112	
	Gain on Disposal of Fixed Assets		26,912	TO TO THE LAND	16000 000-1	PRINCE N	
	Miscellaneous Income	Total Control		HIVE SO -		8,294	
	Dividend Income	24,000	1,128,600	726,000	990,000	800,000	
E.	Income Tax Provision:	40,923,327	40,240,038	21,376,540	18,505,931	9,966,777	
	Current Tax	(3,600)		(2,583,675)	(8,046,133)	(3,986,711)	
	Deferred Tax	(5,000,000)	(4,000,000)	P. 17	10 151		
		35,919,727	36,240,038	18,792,865	10,459,798	5,980,066	
	Adjustment for Tax Provision (Shor						
	provision for Asstt. year 2004-05)	(679,240)	6,140,798			(141,547)	
F. G.		35,240,487	42,380,836	18,792,865	10,459,798	5,838,519	
	beginning of the year	40,728,048	15,113,700	79,408	295,580	200,416	
	Transferred from General Reserve	597,326					
	Profit Available for	New York	4935 00293		AND ADDRESS OF		
J.	Appropriation (F+G+H) Appropriation:	76,565,861	57,494,536	18,872,273	10,755,378	6,038,935	
	Stock Dividend	(41,325,374)	(8,718,480)	-	(6,974,784)	(3,750,000)	
	Statutory Reserve	(7,183,945)	(8,048,008)	(3,758,573)	(3,701,186)	(1,993,355)	
		(48,509,319)	(16,766,488)	(3,758,573)	(10,675,970)	(5,743,355)	
N.	Retained Earnings at the	20 000 040	40 700 040	45 440 700	70 477	000 000	
	end of the year (I-J)	28,056,542	40,728,048	15,113,700	79,408	295,580	

CASH FLOW STATEMENT For the year ended December 31, 2005

Particulars		31-12-2005
CASH FROM OPERATING ACTIVITIES:		
Operational Revenue		144,258,700
Non Operational Revenue		9,682,991
Operational Expenses		(109,915,060)
Increase in Advance and Receivables	Diameter Control	(19,076,983)
Income Tax Provision Paid/Adjustment	the age was to see	(3,472,870)
Increase of Payable & Accrued Expenses		16,568,339
Net cash from Operating Activities	The second of the second	38,045,117
CASH FROM INVESTING ACTIVITIES:		
Increase in Lease Finance		(218,844,510)
Purchase of Fixed Assets		(36,714,333)
Disposal of Fixed Assets		Total Barrer
Increase in Advance for Lease Finance		(17,799,710)
Increase in Term Finance-Including House Building Loan		(163,198,527)
Investment in Fixed Deposits		(578,000,000)
Encashment of Fixed Deposits		353,500,000
Purchase of Shares	The and the same of	(96,801,232)
Disposal of Shares		19,193,975
Net Cash used in Investing Activities		(738,664,337)
CASH FROM FINANCING ACTIVITIES:		
Receipt of Long Term Loan		496,291,865
Repayment of Long Term Loan		(184,084,918)
Short Term Loan		33,507,852
Receipt of Term Deposit		805,956,057
Repayment of Term Deposit		(152,958,985)
Receipt of Lease Advances		11,003,970
Repayment of Lease Advances		(3,909,172)
Receipt of Security Deposit on Lease Finance		329,473
Receipt of Share Money Deposit	COLUMN TO SERVICE SERV	8,015,305
Repayment of Share Money Deposit		(7,973,800)
Receipt of Money at Call & Short Notice		175,000,000
Repayment of Money at Call & Short Notice		(475,000,000)
Decrease in Lease/Loan Margin	ACCURATE STREET	(2,540,318)
Net Cash Provided by Financing Activities		703,637,329
Net Increase/(Decrease) in Cash and Cash Equivalents		3,018,109
Cash and Cash Equivalents at the Beginning		8,052,433
Cash and Cash Equivalents at the Closing		11,070,542

KEY FINANCIAL RATIOS

1.	Liquidity Ratios:					
SL	Financial Ratios	31-12-2005	31-12-2004	31-12-2003	31-12-2002	31-12-2001
(i)	Current Ratio (in times)	1.34	1.29	1.44	1.00	2.84
(ii)	Quick Ratio (in times)	1.33	1.21	1.27	0.90	2.56
(111)	Times Interest Earned Ratio (in times)	1.44	1.57	1.37	1.39	1.34
(iv)	Debt to Equity Ratio (in times)	7.70	5.26	7.83	6.22	8.73
II.	Operating Ratios:				100000	USANUS
SL.	Financial Ratios ,	31-12-2005	31-12-2004	31-12-2003	31-12-2002	31-12-2001
(v)	Accounts Receivable				167650 See	
	Turnover Ratio (times)	3.09	3.17	2.81	4.18	1.54
(vi)	Inventory Turnover Ratio (times)	N/A	N/A	N/A	N/A	N/A
(vii)	Assets Turnover Ratio (times)	- 0.08	0.11	0.13	0.14	0.06
III.	Profitability Ratios:					
SL	Financial Ratios	31-12-2005	31-12-2004	31-12-2003	31-12-2002	31-12-2001
(viii)	Gross Margin Ratio (%)	35.16	43.90	- 37.21	27.76	7.35
(ix)	Operating Income Ratio (%)	21.66	30.94	21.03	14.46	(19.64)
(x)	Net Income Ratio (%)	24.43	33.55	20.65	15.74	18.54
(xi)	Return On Assets Ratio (%)	1.84	3.67	2.62	2.24	1.11
(xii)	Return On Equity (%)	16.71	24.13	24.56	17.81	11.97
(xiii)	Earnings Per Share Ratio (EPS)	67.37	97.22	43.11	23.99	23.35

SHORT DESCRIPTION OF THE SPONSORS ALONG WITH THEIR INVOLVEMENT WITH OTHER LISTED COMPANIES AS DIRECTORS (IF ANY):

Short Description of the Sponsors: Major (Retd.) Abdul Mannan

Major (Retd.) Abdul Mannan, nominated Director of Pioneer Dresses Limited, aged about 63, is the Chairman of Sunman Group. Starting business in 1980, he established himself as a prominent industrialist in export oriented RMG and textile sectors. He is also involved in Beverage, Insurance and Airline businesses. Presently, he is the Chairman of Bangladesh Industrial Finance Company Limited, Eastern Insurance Co. Ltd. and Sunflower Life Insurance Co. Ltd. Major (Retd.) Abdul Mannan was elected Member of Parliament (MP) from Dhaka 10 constituency in 1991 and 2001 and was Minister for State in the Ministry of Textiles and Civil Aviation & Tourism during 1991-1996.

Mr. Chan Sze Hung Mr. Chan Sze Hung, nominated Director of Five Continents Credit Limited, Hongkong, aged about 60, is a Chinese Citizen, settled in Hongkong. A lawyer by profession, he started his business by establishing a Financial Institution in Hongkong, Five Continents Credit Limited (FCCL). He has been the Director of BIFC since inception.

Mr. A N M Jahangir Alam, aged about 50, is an experienced and well established businessman for last 20 years. After graduation, he started his business in 100% export oriented garment industry. Presently, he is the Director of Jhuman Textile Limited, Chittagong. He has been Director of Bangladesh Industrial Finance Company Limited (BIFC) since the year 2000. At present, he is also the Chairman of the "Audit Committee of Board" of BIFC

Mr. Mohiuddin Ahmed

Mr. Mohiuddin Ahmed, aged 38, is an experienced businessman. After graduation, he started his business career in 100% export oriented textile and garment industry since 1991. Presently, he is the Director of Noakhall Export Processing Zone Ltd., Sunman Shoes Ltd., Sunman Textiles Ltd. and Sunman Spinning Mills Ltd. Mr. Ahmed is also Director of Sunflower Life Insurance Co. Ltd. and Eastern Insurance Company Ltd.

Mr. Rais Uddin Ahmed

Mr. Rais Uddin Ahmed, aged 36, is an established businessman. After graduation, he started his business career in 1993 in import of industrial machinery and spare parts. In 1997, he got involved in textile and export oriented garment industry. Presently, he is the Director of Sunflower Life Insurance Co. Ltd., Eastern Insurance Company Ltd., South Asian Airlines Ltd., Sunman Shoes Ltd. and Top Ten Ltd.

Mrs. Rokeya Ferdous

Mrs. Rokeya Ferdous, nominated Director of Pioneer Dresses Limited, aged about 37, is an established businesswoman. After doing her MA, she got involved in export and general trading for the last 10 years. Presently, she is the Director of Sunflower Life Insurance Co. Ltd., Eastern Insurance Company Ltd., AIA Power Company Ltd. and Top Ten Ltd. Mr. Jaroslav M. Vyskovsky

Mr. Jaroslav M. Vyskovsky, nominated Director of Tees Mart Inc., USA, a US Citizen, aged about 65, is a highly educated gentleman. After completing his Phd., he worked in many business houses in the USA. Presently, he is the Director of Tees Mart Inc. USA, a shareholder of Bangladesh Industrial Finance Company Ltd. (BIFC).

Mr. John A. Morris Mr. John A. Morris, representing Merrill & Forbes Inc., USA, a US Citizen, aged about 52, is a well established person in apparel industry in USA

Mr. Abdul Aziz Khan Mr. Abdul Aziz Khan, aged about 62, is a established businessman. After graduation, he started his business in

SI. No	Name	Involvement with other listed Companies as Director
1.	Pioneer Dresses Limited Represented by i) Major (Retd.) Abdul Mannan ii) Mrs. Rokeya Ferdous	Chairman, Eastern Insurance Company Limited. Director, Eastern Insurance Company Limited.
2.	Mr. Mohiuddin Ahmed	Director, Eastern Insurance Company Limited
3.	Mr. Rais Uddin Ahmed	Director, Eastern Insurance Company Limited

CREDIT RATING

Long Term	Short Term		
BBB -	ST 4		
Credit Rating Information and			

PURPOSE/USE OF PROCEEDS OF PUBLIC OFFERING

The company offers its share to the public in terms of the regulations under the Financial Institutions Act 1993. The proceeds of the present issue (11,09,595 ordinary shares of Tk. 100.00 each aggregating Tk.11,09,59,500.00) to be raised through public issue, are planned to be utilized for meeting the company's operational activities (lease finance and term financing), which would commence upon receipt of IPO fund.

APPLICATION FORM AND THE FULL VERSION OF PROSPECTUS MAY BE OBTAINED FROM

Contact Person

Tel. No.

Website of the SEC Website of DSE www. dsebd.org Website of CSE www.csebd.com Website of Issuer Company : www. bifcol.com Website of Issue Manager www.icbcml.com.bd And also from the offices of

Name & Address

Issuer Company

	Bangladesh Industrial Fianance Co. Ltd. 63, Dilkusha C/A (1st floor) Dhaka-1000.	Mr. Ansar Uddin Ahmed Managing Director	9562636 9568441
	Issue Manager		
	ICB Capital Management Ltd. 8, DIT Avenue, Dhaka-1000	Mr. Md. Iftikhar-Uz-Zaman Chief Executive Officer	7160326-27
	Underwriters		
1.	ICB Capital Management Ltd. 8, DIT Avenue, Dhaka-1000	Mr. Md. Iftikhar-Uz-Zaman Chief Executive Officer	7160326-27
2.	Prime Bank Limited 119-120, Motijheel C/A, Dhaka-1000.	Mr. Sheikh Mortuza Ahmed Senior Assistant Vice President and Head of Merchant Banking and Investment Division.	9565094 9567265
3.	Mercantile Bank Limited 61, Dilkusha C/A., Dhaka-1000.	Mr. Md. Shawkat Jahan Khan Head of Treasury	9559333
4.	Dhaka Bank Limited 100, Motijheel C/A., Dhaka-1000.	Mr. Ashim Chowdhury Head of CMS	01713011424, 9553518
5.	Bangladesh Mutual Securities Limited 100, Motijheel C/A., Dhaka-1000.	Mr. Abul Bashar, Managing Director	7169428, 9570624
6.	Grameen Capital Management Limited Grameen Bank Bhahan, Mimur-2, Dhaka-1216	Mr. Shieadul Morsalin	8057618,

Granicen Bank Bhaban, Milipur-2, Dhaka-1216.	Deputy Manager	9000501-08
Stock Exchanges		
Dhaka Stock Exchange Limited (DSE) 9/F, Motijheel C/A, Dhaka-1000.	DSE Library	9564601-7 9666944-8
Chittagong Stock Exchange Limited (CSE) CSE Building, 1080 Sheikh Mujib Road, Ctg.	CSE Library	031-714632-3 031-720871-3

SPECIAL NOTE:

Special Note: Please read the Prospectus carefully which includes 'Risk Factors' before taking your investment decision.

Provision for Bad & Doubtful Leases/ Loans Current Assets:

Net Assets:

Current Maturity of Lease Rental Receivable Current Maturity of Term Finance Current Maturity of House Building Loan Advance & Receivable Investment in Fixed Deposits Cash and Cash Equivalents Less: Current Liabilities: Current Maturity of Long Term Loan Current Maturity of Term Deposit Current Maturity of Lease Advance Short Term Loan Payable and Accrued Expenses Lease/Loan Margin

Provision for Taxation Interest Suspense Proposed Dividend

11,070,542 8,052,433 14,038,943 3,367,386 820,381,417 498,762,831 240,897,995 180,852,281 184,125,038 109,592,118 107,560,900 103,934,816 500,000,000 5,705,816 3,865,310 3,374,491 1,726,352 9,453,836 33,406,879 16,876,040 47,204 2,587,522 47,204 112,704 53.088 2,843,118 8,440,024 10.440.024 3,535,540 2,998,723 1,021,540 1,576,221 Money at Call & Short Notice 60,000,000 360,000,000 111,000,000 55,000,000 Net Current Assets: 278,219,998 144,985,684 105,196,177

253,531,267 113,806,295 134,783,681 26,290,036 175,755 96,000 96,000 71,104,038 51,490,238 47,315,904 24,631,400 25,971,152 538,000,000 313,500,000 10,500,000 9,500,000 209,000,000 87,836,279 8,062,164 17,977,171 7,642,868

1,091,627,926 655,053,570 476,507,649 286,347,332 436,511,980

4,524,013 3,942,227 3,750,000 50,000,000 262,166 150,874,256