

Plan of Action Of

People's Leasing and Financial Services Limited (PLFSL)

Prepared By

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Chairman

On 30th June 2022

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Strategic Plan for Strengthening of People's Leasing and Financial Services Ltd.

The Great Fall:

People's Leasing faces liquidation

The government has directed the central bank to liquidate People's Leasing and Financial Services (PLFSL), a non-bank financial institution, due to deterioration of its financial health in the last several years.

If the liquidation goes through -- in line with the Financial Institutions Act, 1993 -- it will be a first in Bangladesh's financial sector

Previously, two banks -- Bank of Credit and Commerce International and Oriental -- that were on their last legs were restructured but not liquidated.

Liquidation of PLFSL means closing its operations permanently and the government will take actions to settle liabilities by selling off its assets. But the central bank as the regulator has to take approval from the High Court before liquidation.

Earlier on June 27, the finance ministry instructed the central bank to shutter the NBFi for its failure to improve its conditions, said Asadul Islam, senior secretary of the banking division.

The ministry arrived at the decision after going through a detailed central bank report on the NBFi.

The NBFi has failed to repay the depositors' money despite maturity of the funds, found the Bangladesh Bank report. Default loans and net losses have recently escalated as well.

Sami Huda, managing director of PLFSL, however, said the central bank is yet to take a call on the NBFi's liquidation.

"A special team of the Bangladesh Bank is auditing us for the last few days. A final decision will come after this audit report," he told The Daily Star yesterday.

The NBFi's problems came to the surface in 2013-14, when some of its directors made off with more than Tk 1,000 crore by way of submitting fake documents, according to the central bank inspection report.

In 2015, the central bank had removed five directors for their involvement in the financial scandal.

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But it was not enough. Since then the bank has been on a downward spiral. For instance, in the first nine months of last year PLFSL's operating expenses stood at Tk 22.48 crore against the operating income of Tk 2.05 crore.

PLFSL sometimes failed to pay the wages to its employees because of the severe liquidity crunch, some officials told this correspondent.

Last year, to get deposits the NBFI offered more than 12 percent interest rate, when many other lenders were paying the highest of 6-7 percent, said a BB official.

"The central bank is now working on the issue. We are looking whether any systemic risk will be created in the banking sector after closing the business operation of the NBFI."

Sources said some banks and other NBFIs and public have Tk 2,000 crore as deposits with PLFSL.

If PLFSL is liquidated, depositors and shareholders may not get their money back. Latest data shows, nearly 68 percent shares of the NBFI is with the public and 23 percent with sponsors and directors.

Each PLFSL share traded at Tk 4 yesterday against the face value of Tk 10. The company last paid dividends in 2014. Many clients have already sought the central bank's intervention to recover their money, the BB official added.

Some 34 financial institutions are now operating in Bangladesh after securing licenses from the central bank. But many of them are struggling to survive in the absence of corporate governance.

Earlier in 2018, the central bank also sought recommendation from the finance ministry to liquidate another NBFI -- Bangladesh Industrial Finance Company (BIFC) -- which was also facing severe liquidity crunch stemming from loan scams.

But the government did not give any opinion to this end.

[AKM Zamir Uddin](#)

Tue Jul 9, 2019 12:00 AM Last update on: Tue Jul 9, 2019 10:36 AM

Leasing Companies in Bangladesh: Overview: Lease financing is becoming increasingly important and getting prominence as a mode of finance with the expansion of the economy of Bangladesh. Lease financing has some unique features that might be more favorable than other types of financing. Lease financing can support the expansion of SME sector which is considered to be the engine for the growth in Bangladesh.

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Lease financing has given the SMEs the opportunities to accumulate funds in easy terms and conditions. Large organizations of Bangladesh are also utilizing lease financing as a mode of finance.

The leasing companies in Bangladesh are providing leasing activities and also they are involved in stock market related activities such as underwriting, issue management, private placement, trust management, portfolio investment and mutual fund operation. Leasing companies in Bangladesh are facing competition with banks and they have some problems and limitations to compete with banks. This research has attempted to find out the reasons behind the competition between banks and leasing companies in Bangladesh. It is also important to reveal whether leasing is the substitute of term financing in Bangladesh at present or not. This research has also attempted to know why some of the borrowers in Bangladesh prefer lease financing to term loan. Banks and leasing companies are not providing operating lease in Bangladesh. It is also essential to identify the reasons behind the absence of operating lease in Bangladesh and the future prospect of operating lease in the country. The thesis has started with the introduction chapter. Lease financing in Bangladesh has been described in this chapter. This chapter also includes problem statement, research issues, research objectives, scope of the study, sampling design and the benefit of the study.

The second chapter is 'Financial Market and The Economy of Bangladesh'. Descriptions about the financial market of Bangladesh and its components have been included in the chapter. The economic sectors of Bangladesh have also been described in this chapter. Third chapter is Literature Review. Summaries of different articles are included in this chapter. Methodology of the research study has been spelt out in the fourth chapter. The study has used several inferential statistical tools and techniques including Data Envelopment Analysis (DEA) and Factor Analysis Model. Data Envelopment Analysis (DEA) has been used to measure the allocative efficiencies, technical efficiencies and cost efficiencies as well of leasing companies over the period of 2006 to 2011. Factor Analysis has also been used to identify the reasons for preference of leasing over term financing by borrowers in Bangladesh. Whether leasing is a substitution of term financing for different types of firms has also been tested in the context of Bangladesh.

Reasons and problems of competition have been measured by key informant's interview and lending institutional survey. Key informants interviews have been used to identify the reasons behind the absence of operating lease in Bangladesh and the prospects of operating lease in Bangladesh. Herfindhal-Hirschman Index (H.H.I) has been used to measure the degree of competition and concentration of the banks and leasing companies. Weighted Average Cost of Capital (W.A.C.C) of leasing companies and banks has been estimated to reflect the cost of capital being used by these institutions. Fifth chapter is Competition between banks and leasing companies in Bangladesh. It describes the reasons behind the competition between banks and leasing companies in Bangladesh. Banks are providing term loan and as well as lease financing. For that reason the competition exists between banks and leasing companies. Banks can provide short term loan but leasing companies are prohibited to provide short term loan.

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It has been found that both banks and leasing companies have increased their marketing expenses. Marketing expenses has increased the demand for the products of both banks and leasing companies. Leasing companies can provide faster service for financial solution than banks. Technological advancement has increased the competition of banks and leasing companies. Transaction cost have been minimized by both banks and leasing companies.

Flexibility of terms and conditions of loan and lease has increased the competition between banks and leasing companies. Competition of banking sector and as well as leasing sector can be measured by using Herfindhal-Hirschman Index (H.H.I). H.H.I can be found by squaring the market share of each firm competing in the market, and then summing the resulting number. High concentration means less competition. It has been found by H.H.I that banks have more competition among themselves than leasing companies in Bangladesh. Banks can collect short term deposits but the leasing companies cannot collect short term deposits. As a result, the cost of capital of banks is low as compared to leasing companies. Leasing companies have less qualified personnel than banks. High cost of capital is the most challenging issues for leasing companies in Bangladesh.

Leased asset recovery problem is another challenging issue for leasing companies. There is a risk of capital losses due to obsolesce of the equipments or machines. Leasing companies have to pay high interest for the commercial loan to banks. Due to manpower shortage, the leasing companies in Bangladesh are facing challenges. It has been observed that the WACC of leasing companies are higher than the WACC of banks. Banks can collect demand deposits but leasing companies cannot collect demand deposits. As a result the WACC of banks is lower than WACC of leasing companies. The banks can utilize the low cost of fund by investing more in profitable sectors. Different profitable sectors should be identified and invested by the banks as their cost of fund is low compared to leasing companies. Banks should try to motivate their employees. The transaction cost of banks could be minimized to utilize the low cost of funds and to increase profit. Sixth chapter is Efficiency analysis of leasing companies in Bangladesh through D.E.A. Data Envelopment Analysis (DEA) is a nonparametric method for the estimation of production frontiers. DEA is a linear programming methodology to calculate the efficiency of different firms from multiple inputs and outputs of firms. Utilizing the selected variables, such as unit cost and output, DEA software searches for the points with lowest unit cost for a given output and can form the efficiency frontier. Any company which is not on the frontier is considered as inefficient.

A numerical coefficient is given to each firm, defining its relative efficiency. Data Envelopment Analysis (D.E.A) has been used to measures the technical efficiencies, allocative efficiencies and as well as cost efficiencies of 17 leasing companies for the period of 2006 to 2011 assuming variable return to scale and constant return to scale. Optimum level of inputs for efficient production assuming both variable return to scale and constant return to scale have been identified in this research study. Technical Efficiencies and its decompositions have been identified for the period of 2006 to 2011. Output slacks and input slacks have also been identified in the study.

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Output slacks are created when the hypothetical firm on the efficient frontier belongs in a position that the firm can increase its output by the slack quantity without increasing inputs. Input slacks can also be explained as the output slacks. The firms are compared to a hypothetical firm that belongs on the efficient frontier.

When a hypothetical firm belongs in a position on the production frontier that the firm yet can reduce the inputs by the slack quantity without reducing outputs. Seventh chapter is comparison between lease financing and term financing in Bangladesh.

Lease financing has some advantages that some of the borrowers prefer lease financing than term loan in Bangladesh. Leasing companies face some problems to conduct their business in Bangladesh. Though lease financing has some advantages, it has some disadvantages also. Provision of collateral, no third party guarantee for lease, faster service, less documentation etc. are the advantages for lease financing. Higher interest rate, restriction on equipment use, loss of residual value etc. are the disadvantages for lease financing. 50 firms capital structure for 5 years that have taken lease financing from banks or leasing companies has been collected. From the capital structure of these firms, proportion of loan and proportion of lease have been analyzed. Proportion test has been used to find out whether there is any significant difference between the proportion of loan and proportion of lease of 50 firms for 5 years or not.

It has been found that the Z value for the proportion of loan and proportion of lease is 2.386 which is more than the critical value of 1.96. Based on Z value, it has been observed that the proportion of loan and lease of 50 firms have significant difference at 5 percent level of significance. Depending on Z value, it can be said that the lease financing is not the substitution of term loan at present in Bangladesh.

Eighth chapter is preference of lease financing over term loan in Bangladesh. Different high official's interviews from banks and leasing companies have been taken to detect the reasons of preference of lease financing over term loan by some of the borrowers in Bangladesh. Provision of collateral, the time of lease repayment, E.M.I (Equal Monthly Installment) for lease, longer grace period for lease, no secondary security for lease, no third party guarantee for lease, lack of funds to choose lease financing, faster service for lease financing, less procedural complexity for lease financing, fewer documentation and submission of documents in one package, avoidance of many restrictive covenants, lease financing for low cost assets, sale and leaseback arrangements and total financing for lease are the reasons for the preference of lease financing over term loan by some of the borrowers in Bangladesh. Factor analysis has been used to detect different factors and their correlated variables.

From the overall factor analysis (Borrowers who takes lease from banks as well as leasing companies) it has been revealed that under first factor the correlated variables are less procedural complexity for lease financing, fewer documentation and submission of documents in one packages and avoidance of many restrictive covenants. The percentage of variation is 14.10. It means that these three variables explain 14.10 percent of total influencing variables. Ninth chapter is operating lease in Bangladesh.

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In chapter nine, causes for the absence of operating lease and the future prospects of operating lease have been described. The operating lease is not much popular in Bangladesh.

The culture of using operating lease has not been developed yet in Bangladesh. Because of low technological development, the risk of becoming obsolete of the equipment or machine is comparatively low in Bangladesh. People can easily handle and use financial lease for a long period of time. Operating lease should be handled by the professional persons. Workshop/service centre is needed for the after sale service of leased assets. Proper maintenance, Pools of assets, skilled operators and service centers are essential for operating lease. In Bangladesh, there is lack of proper set up for operating lease.

Weak legal framework is another problem for operating lease to be developed in the country. Operating lease is becoming popular day by day in the context of Bangladesh. Bangladesh is moving towards the industrial development. Infrastructural development is taking place within the country. Power backup, truck, escalator etc. are needed for the expansion of infrastructure. Those organizations which are involved in the infrastructural development process like operating lease asset for shorter time period. For that reason, there is the chance for the development of operating lease in Bangladesh. As because of the expansion of the economy, operating lease has a prospective future in Bangladesh. Summary, recommendations and conclusion have been described in the tenth chapter. Finally, future scope of research has been described in the eleventh chapter.

Overview: People's Leasing and Financial Services Limited (PLFSL) is a financial institution established within the ambit of Financial Institutions Act-1993 and was incorporated as a Public Limited Company under Companies Act-1994 on August 12, 1996. Company obtained license from Bangladesh Bank on November 24, 1997 to carry on lease finance business. Authorized Capital of the Company is Tk. 500 million divided into 50 million ordinary shares of Tk. 10/- each while Paid-up Capital as on September 30, 2017 stands at Tk. 285 million subscribed by the sponsors.

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PEOPLE'S LEASING At a Glance:

Company Name	People's Leasing And Financial Services Limited
Company Registration Information	Incorporated in Bangladesh on August 12, 1996 under the companies Act 1994.
Company Registration No. (RJSC)	No. C-31162 (283)/96
Commencement of Business	August 26, 1996
Bangladesh Bank Permission as a Non-Banking Financial Institution	November 24, 1997
Bangladesh Bank Permission No.	02067406
Legal Status	Public Limited Company Listed with Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd.
Registered Office	Paramount Heights, Level-12th, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000, Bangladesh.
Company E-mail	email@plfsbd.com
Company website	www.plfsbd.com
E-TIN	112718581076
VAT Registration No.	19081101959
Authorized Capital	BDT 500,00,00,000.00 (five hundred crore)
Paid up Capital	BDT 285, 44, 05, 970.00
Face Value per share	Tk. 10.00
Board of Directors	10
Number of Employees	24 (18 Executive and 06 support staff)
Number of Shareholders as on Record Date	30,591 as on Record Date August 07, 2018
Last AGM held	18 September, 2018
Accounting Year	January - December
Auditor	M. J. Abedin & Co. Chartered Accountants

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Hon'ble Court's various directions:

Wed Jul 14, 2021 The High Court has thrown a lifeline to People's Leasing and Financial Services Ltd (PLFSL) as it constituted a 10-member board to run the troubled non-bank financial institution, thus saving it from potential liquidation.

On June 28, the HC bench of Justice Muhammad Khurshid Alam Sarkar said it would pass an order to revive PLFSL instead of winding it up as its 201 depositors collectively filed an application seeking restructuring of the company. In the full text of the order released on Monday, the court also issued several directives on the board, borrowers, and the Anti-Corruption Commission (ACC) to smoothly run the company. PLFSL, which commenced its operation in 1996, faced a wide range of financial scams from 2004, which forced the central bank to appoint an observer in 2015. In addition, the central bank removed five directors of the NBFIL in 2015 for their alleged involvement in the embezzlement of Tk 358 crore. Despite that, the central bank failed to restore corporate governance in PLFSL.

In the meantime, the financial health of the NBFIL continued to worsen. The liquidation process began after the board of PLFSL informed the BB in April 2019 about its inability to pay back the depositors' money despite the maturity of the deposits. The HC has ordered the managing director to take over all the movable and immovable properties, cash in hand, shares, debentures, fixed deposit receipts, receivables, equipment, keys, documents, cars, and other objects provisional liquidator (now defunct).

The chairman of the ACC has been directed to deal with the criminal cases in connection with the transactions or businesses of PLFSL and must extend all-out cooperation to the board for its smooth functioning, the order said. The court directed all the borrowers to contact the head office of PLFSL to have their loans rescheduled as per laws by making a down-payment within 30 days. If they fail to start making payments, they will be under an obligation to appear before the court in person to explain their position, the order said. The HC directed the board chairman to call, hold, and conduct the board's first meeting as per the convenience of all the members and the provisional liquidator Md Asaduzzaman Khan. With the help of Khan, the chairman must temporarily appoint a company secretary from the present officers and ensure that a copy of the audit report prepared by ACNABIN, a chartered accountancy firm, has been disseminated to each director for their perusal and consideration before the first meeting. On August 25, 2019, the HC bench appointed ACNABIN to conduct a special audit into all types of transactions and activities of PLFSL. The managing director shall appoint the necessary workforce as quickly as possible, the order said. The MD shall consider reappointing the previous officers and employees with good standing and who were not associated with PK Halder, his cohorts and other defaulter directors, it said. Khan's lawyer Mejbahur Rahman told The Daily Star that the HC appointed the board and delivered the orders under the relevant provisions of the Companies Act, 1994.

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The High Court has constituted a 10-member board to manage the People's Leasing and Financial Services (PLFSL) Limited, a non-banking financial institution. The government, however, had directed the central bank to liquidate the PLFSL due to decay in its financial health in the last several years. The company has been saved from the liquidation as the High Court decided that the company must be restructured, not liquidated.

The High Court on Tuesday finally constituted a 10-member board to manage People's Leasing and Financial Services Limited. The HC bench of Justice Mohammad Khurshid Alam Sarkar disclosed the names of the board members in its written order. As per the HC's decision, Barrister Kamal Ul Alam, a senior lawyer of the Supreme Court, has become chairman of the board formed to revive the PLFSL who has recently tendered his resignation. The Court passed an Order to appoint a Chairman of the Company. Accordingly the present Chairman was appointed by the Board by a majority decision of the Board of Directors on 15.6.2022 with a direction to prepare a Work- Plan for the Company.

The other members of the board are former Secretary Anwarul Islam Shikder, former senior District and Sessions Judge (secretary) Hasan Shahed Ferdous, former Managing Director of Pubali Bank Ltd. Abdul Halim Chowdhury, Brigadier General (Retd) Kazi Tawfiqul Islam, Nur-e-Khoda Abdul Mobin FCA and Maula Mohammad. The depositors' representative of the company Dr Nasheed Kamal, chairman of the finance department of North South University Dr Nurul Kabir and former managing director of Ansar VDP Development Bank Mohammad Jalaluddin were also kept on the board. The newly appointed chairman of the board was directed to convene the first meeting. He was also asked to prepare an audit report and present the directions of the court to the board members and determine all the functions. The court also issued a separate direction on board members and depositors. Earlier on June 28, the High Court decided to revive the company instead of winding it up. The HC bench passed the order after holding a hearing on a petition filed by 201 depositors of the PLFSL for revival or restructuring of the institution.

The depositors filed the petition through their lawyer Shamim Ahmed Mehedi with the High Court seeking its directive to revive or reconstruct the institution. The finance ministry on June 26 in 2019 allowed the Bangladesh Bank to go for liquidation of the PLFSL due to its failure in repaying depositors' money following massive irregularities in loan disbursement. It was the first liquidation process in Bangladesh's financial sector in line with the Financial Institutions Act, 1993.

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Financial Scam:

People's Leasing holds 22nd AGM

September 19, 2018 00:00:00

Chairman of People's Leasing and Financial Services Limited Uzzal Kumar Nandi, FCA, presiding over the 22nd annual general meeting (AGM) of the company in the city on Tuesday

The 22nd annual general meeting (AGM) of People's Leasing and Financial Services Limited was held in the city on Tuesday, according to a statement.

Uzzal Kumar Nandi, FCA, Chairman of the company presided over the meeting. The directors, guests and a large number of distinguished shareholders attended the meeting.

The chairman informed the shareholders that amid different economic parameters like diversification of investment, development of capital market and tight money market situation, the company tried hard to run its business operation in proper track for sustainable development during the year 2017.

The company also took actions to increase investments and reduce impaired assets.

The chairman also presented agenda wise topics to the shareholders like audit report and audited financial statements for the year 2017, directors retirement and re-election etc. and also placed the Annual Report-2017, including Director's Report.

Newspapers reported Proshanta Kumar Halder alias PK Halder had played tricks on four non-bank financial institutions in such a way that no one could suspect anything before around Tk 10,000 crore were siphoned from those. Halder put his men at the helm of the financial institutions so that he could easily take loans from those and misappropriate the funds.

This was stated in a confessional statement by Uzzal Kumar Nandi, chairman of People's Leasing and Financial Services (PLFSL), one of the four financial institutions defrauded by Halder.

Halder took loans from the financial institutions against at least two dozen non-existent companies created by him. In some cases, he used part of the funds to repay instalments of loans taken against his several fictitious firms. Halder used the tricks to conceal misappropriation of the funds, Uzzal said in his confessional statement to a metropolitan magistrate in Dhaka on Monday.

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Earlier this month, Rashedul Haque, former managing director of International Leasing and Financial Services Ltd (ILFSL) from which Halder and his cohorts siphoned around Tk 2,500 crore, gave his confessional statement to a Dhaka court. Rashedul admitted that he had disbursed crores of taka as loan to a number of non-existent companies as per Halder's directive.

He and his accomplices allegedly siphoned around Tk 10,000 crore from four financial institutions -- PLFSL, ILFSL, FAS Finance, and Reliance Finance -- between 2009 and 2019.

The four institutions have been in dire straits since then, and one of those -- PLFSL -- fell in the process of liquidation. A number of banks are also facing difficulties in recovering their funds deposited with three of the financial institutions. For instance, private lender Bangladesh Commerce Bank and state-run Janata Bank kept several hundred crores of taka with PLFSL, FAS Finance and ILFS a few years ago. The two banks requested Bangladesh Bank to intervene to help them get the money. But the BB is yet to act in this regard.

In his statement, Uzzal said, "I did not actually have the capacity to become the PLFSL chairman. But Halder put me in the position so that he could control the institution to embezzle money." Halder, was allegedly involved in embezzlement of around Tk 3,000 crore from PLFSL. Uzzal alleged that Halder persuaded Capt. (retd) Moazzam Hossain, who served as PLFSL chairman between 2013 and 2015, to leave the post by giving him Tk 12 crore in bribe. "He [Moazzam] left the post and I assumed the position in 2015." Uzzal started his career at Industrial and Infrastructure Development Finance Company Limited, a non-bank financial institution, in 2008. He joined Golden Insurance as its chief financial officer in 2010. Uzzal left the firm in 2013. He got close to Halder while working as a freelance consultant. Halder was managing director of Reliance Finance at that time. Before his appointment as the PLFSL chairman, Halder made Uzzal chairman of Northern Jute Manufacturing Company in 2013. Northern Jute took a loan of Tk 38 crore from ILFSL in 2016. Of the amount, Tk 16.81 crore was used to adjust loans taken by two of Halder's non-existent companies -- Borno and Arabi Enterprise -- from Reliance Finance, according to Uzzal.

The rest of the fund was transferred to Northern Jute's account with Karwanbazar branch of Shahjalal Islami Bank. Later, the money was transferred to different accounts belonging to Halder and his associates, he mentioned. "The loan was never repaid." Halder paid me Tk 5 lakh as monthly salary. I could not realise then that he would use me for loan forgery," Uzzal claimed. The Anti-Corruption Commission arrested Uzzal on January 25. The following day, ACC Deputy Director Gulshan Anowar Prodhan filed five cases against 33 people, including Halder and Uzzal, for laundering over Tk 350 crore from ILFSL. In his statement, Uzzal said that upon Halder's directive, he started disbursing funds in breach of the rules and regulations soon after his appointment as PLFSL chairman.

For instance, he played a role in giving loans to Diya Shipping and MTB Marine -- two of Halder's non-existent companies. "Later, I came to know that Diya Shipping existed only on paper and the money did not go to the accounts of Diya or MTB Marine," he said. The funds were used to adjust loans taken by Halder's non-existent firms from FAS Finance.

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Uzzal alleged that the PLFSL board of directors, led by the then chairman Moazzam, had also been involved in the scams. The then board pocketed about Tk 111 crore by way of engineering PLFSL' financial statements."To cover up the misdeed, a deputy governor and a general manager of the central bank and others were given Tk 1 crore a year between 2009 and 2015."The total amount of bribe stood at Tk 6.5 crore, he said. Contacted, Moazzam rejected the allegation of taking bribes from Halder."I did not take bribes. I sold my shares for Tk 15 crore. But I am yet to get Tk 6 crore of the amount. I have also served a legal notice to this end," he said. Asked about bribes to BB officials to conceal anomalies during his tenure, he said, "The then MD, DMD and CFO [chief financial officer] of PLFSL should be able to say about it. I was not involved in any such thing. Moazzam also claimed that he had been trying to bring Uzzal and Halder to book by giving information to different agencies. "That is why they are trying to tarnish my image," he added. In his confessional statement, Uzzal alleged that Shah Alam, the then general manager of the Department of Financial Institutions and Markets (DFIM), a BB wing responsible for monitoring non-bank financial institutions, was involved in the scams.

Shah Alam, an executive director of the BB, was relieved of his duties at the DFIM and the Department of Banking Inspection-2, on February 4 over his alleged links with Halder. Contacted yesterday, he said, "What Uzzal said about me in the statement is completely baseless..."He claimed that Uzzal tried to protect himself by giving misleading information."Uzzal gave the confessional statement describing episodes that took place between 2009 and 2015. But I joined the department as general manager in September 2013."A general manager cannot make a big decision alone as it involves all the officials concerned ranging from assistant director to the governor, he said.

- Stockbrokers said Halder's embezzlement devastated the balance sheets of the two non-bank financial institutions (NBFIs) and his arrest made some investors arguably optimistic about some accountability of the scammer. International Leasing shares shot up 9.1% to Tk6 each on Monday on the Dhaka Stock Exchange (DSE), while FAS Finance shares soared 9.8% to Tk5.6 with the highest trading volume in the last five months. Share trading of Peoples Leasing and Financial Services Ltd, the other NBFI that collapsed due to deceptive schemes of PK Halder and his allies, has been suspended by the securities regulator since late 2019 following the government's move to liquidate the firm. The Company has done anything to reopen the share-trading.

The board of directors of the Dhaka Stock Exchange and the Chittagong Stock Exchange took the decision to suspend the trading from September 29 to October 20

Suspension of trading of Peoples Leasing and Financial Services (PLFSL) shares has been extended for 15 more working days, as the liquidation process of the non-bank financial institution is underway. This is the fourth time that the period of suspension of company share transactions has been extended. During this period the shares of the company will not be traded in the bourses in Dhaka and in Chattogram.

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The board of directors of the Dhaka Stock Exchange and the Chittagong Stock Exchange took the decision to suspend the trading from September 29 to October 20. Earlier, trading of shares of the company was suspended for 45 days in three phases. Golam Faruk, acting director of Chittagong Stock Exchange, told the Business Standard that PLFSL's liquidation process is underway. So, trading of the company's shares has been suspended to protect investors' interest. PLFSL's accumulated losses are more than Tk2,324 crore. The capital deficit of the financial institution has crossed Tk2,000 crore, and 66 percent of the loans disbursed by the company is at default.

As per Rule 51 of the Listing Regulations, 2015 of Dhaka Stock Exchange Limited, a company's shares may be delisted for several reasons. One of those reasons is the company stopping 'its commercial operation/production/exploration for a period of three years'. Other grounds for mandatory delisting includes not holding the annual general meetings or declaring dividends or failing to pay the annual listing fees or failure to comply with regulatory orders. At the outset, it should be noted that the DSE enjoys a discretionary power which is clear from the wording in Rule 51 that any listed securities may [implying it may not be as well] be de-listed, if it falls under the various grounds of forced delisting. However, even when the power is discretionary, it should be used consistently. It is even more so in the context of a market, like the share market, where the action of regulators may have a bearing on the loss or profit of innumerable shareholders and other stakeholders of the company.

However, despite the DSE's action being in line with the law, it cannot remain unnoticed that its approach has sometimes lacked consistency. If the regulators follow a flexible approach in delisting or suspending trading i.e. some companies continue trading for years after violating the listing requirements and others being removed almost immediately or within a very short span, the traders' faith in the regulators would take a further beating. For instance, on 7 August 2018, the DSE declared that it would review the performance of 13 listed companies because of their failure to declare dividends for five consecutive years.

However, it would seem that as per Rule 51 of the Listing Regulations, they can be delisted without any review. This is apparent from the wording in Rule 51(2) of the Listing Regulations that "instead of suspending trade of any listed securities instantly upon closure of operation of the issuer, the Exchange shall regularly disseminate on the trading monitor to the effect that if the situation of the issuer which failed to hold its Annual General Meeting(s) and issue Annual Report(s), and simultaneously the operation of the issuer remains closed for more than six months, is not improved within the next six months from the 1st date of such dissemination, the Exchange shall de-list the securities upon completion of the said six months of dissemination.' It would appear that when a listed company has failed to declare a dividend, it may be delisted subject to the fulfillment of condition spelt out in Rule 51(3) requiring that it has been given an opportunity of being heard." The apparent rationale would be that failure to declare a dividend is a simple self-evident factual issue and upon fulfillment of this, no further inquiry should be needed to decide on the delisting. It is also an important question whether or not all of these 13 companies would be subjected to the same regulatory treatment if they are to be found in a similar situation.

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One ostensible reason cited by the DSE for suspending the trading of shares of companies has been to investigate possible price manipulation induced by insider trading. However, it is not at all clear how the suspension of trading for a period can be the effective response of regulators to insider trading. If insider trading is taking place, it is the job of the DSE and Bangladesh Securities and Exchange Commission (BSEC) to act against the responsible persons.

BSEC asks for People's appoint a special auditor to learn the details of the past anomalies within the firm and what its current situation is Leasing's business revival plan.

The Bangladesh Securities and Exchange Commission (BSEC) has asked the new board of directors of People's Leasing and Financial Services to submit its plan regarding the business revival of the scam-hit non-bank financial institution (NBFI).

It happened in a meeting between the securities regulator and the board members of the listed NBFI.

Court had earlier instructed the BSEC to support the company's revival. BSEC Commissioner Shaikh Shamsuddin Ahmed told The Business Standard that the commission also asked the NBFI to conduct the statutory audit of its financial accounts. BSEC, as the protector of shareholders' rights, will also appoint a special auditor to learn the details of the past anomalies within the firm and what its current situation is."The company would submit a report on how it is planning to resume its business to pay back the depositors and protect shareholders' interest," said Shaikh Shamsuddin Ahmed. Earlier in mid-2019, the finance ministry instructed the central bank to initiate the liquidation of the NBFI as it was failing to repay its depositors due to extremely mounted default loans and aggregated losses. Amid a large number of depositors' cries for their savings, the High Court later asked for revival initiatives instead of liquidation.

A member of People's Leasing's new board told TBS on Monday, as per the court order depositors would not force the NBFI for their money until the end of January. People's Leasing has been able to recover over Tk 2 crore per month from their defaulted clients recently, and it has a monthly inevitable cost of Tk 1 crore.

As per the court order, it is giving back a total of Tk 1 crore per month to the critically ill, senior citizen, or freedom fighters depositors.

A 10% of the deposit or Tk5 lakh whichever is higher is the ceiling for the ongoing money-back programme in humanitarian consideration of the court.

People's Leasing, which needs Tk. 2,000-Tk. 2,500 crore of funding to resume its commercial operations successfully, has three options ahead, said the member of the new board who sought anonymity.

It may have bailout funding by the government or any sound lender, or it may be merged with a healthy competitor or the firm may be sold out to new investors.

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How long the firm may take to resume commercial operations that include deposit collection and lending is still unclear.

However, in the meeting with BSEC, the company officials said that they might be working with a six-month plan for the business revival.

The BSEC halted trading of People's Leasing shares in the bourses in January 2020. At the last session, the shares having a face value of Tk10 each tumbled to Tk3 as there was no buyer following the news of liquidation moves by the finance ministry.

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Need For Strategic Planning for the Company:

Strategic planning is an organization's process for defining their strategy so that they can accomplish specific goals and objectives. Strategic planning may be utilized on a large scale, such as planning for business growth over several years or to help a nonprofit or governmental organization reach its stated mission. A strategic plan can also be used on a smaller scale, such as crafting a marketing plan or developing strategy for the goals of one department within a business or organization.

It is important to note that strategy is distinct from planning: While strategy looks at why certain steps should be taken, a plan outlines how to enact those steps. Strategic planning marries these two concepts in order to determine the best possible course of action. The purpose of strategic planning is to provide a thoughtful, deliberate approach to reaching objectives based on an in-depth analysis of both internal and external factors affecting an organization.

A strategic plan often covers multiple years, addressing both short- and long-term goals. It also provides a way of tracking progress and measuring success. However, it's not a document that is fixed in stone — instead, it's wise to revisit and adjust a strategic plan periodically based on the evolving vision, objectives, needs, and resources of a business or institution.

Depending on the scope of your plan, you may be working with a team of multiple stakeholders during the strategic planning process. To keep the process running smoothly, make roles and responsibilities clear. Different parties may be responsible for providing data, reviewing the plan, or authorizing strategic decisions. As you prepare for planning, make sure all participants understand what's involved in the process and have received any relevant information prior to meeting.

Benefits of Strategic Planning

There are benefits of strategic planning, including the following:

- Align the goals of a department or project with larger business goals
- Provide clear communication to team members, stakeholders, or clients
- Clearly define the vision and mission of an organization
- Provide clarity on how to deal with internal or environmental changes

Parts of a Strategic Plan

One way to think about strategic planning is that it identifies any gaps between a current state and desired future state, and then dictates how to close those gaps — how you get from where you are to where you want to be. To that end, various factors are taken into consideration in order to formulate an effective plan. Here are some of the elements often included in a strategic plan.

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- **Introductory Statement:** The introductory statement should briefly describe why the strategic plan was developed and for what time period, and list the authors of the plan.
- **Background Statement:** This section may provide information about the organization, such as history, management structure, and supporting partners or agencies. Alternatively, you could use this section as a brief business statement — more of an elevator pitch—to concisely describe your business.
- **Organizational Structure:** Include this information if it's relevant to evaluate how your business or organization operates and is structured, from governing board to staffing.
- **Vision:** A vision statement should briefly describe what a company wants to achieve or become. This is one of the primary organizational tenets to consider, along with values and mission.
- **Values:** These are the principles that an organization stands for and abides by. Many businesses create core value statements to guide company culture.
- **Mission Statement:** A mission statement describes the purpose of a business or organization. This is distinct from a vision statement because it is not a projected goal for the future.
- **Problem Statement:** Some plans include a problem statement, which can outline key or discrete issues that need to be addressed.
- **SWOT Analysis:** A SWOT analysis provides a foundation and context for developing strategy by examining the strengths and weaknesses within and organization as well as external opportunities and threats.
- **Goals:** As stated earlier, a strategic plan may include long-term as well as short-term (i.e, monthly or quarterly) goals. Objectives should be measurable and broken down into actionable steps, and the action plan for each goal should specify who is responsible for implementing the strategy, a timeline for starting and ending the action, and how the outcome will be evaluated.
- **Evaluation:** Methods for evaluation should be spelled out in the strategic plan. This could include tracking key performance indicators (KPIs) and documenting the progress of action steps on an ongoing basis.
- **Executive Summary:** This final summary helps employees, investors, or other readers quickly understand your plan.

No matter what type of strategic plan you are working on, using a template provides a simple and quick outline to organize your process. In the following sections, you'll find free, downloadable planning templates for business, nonprofit, human resources, marketing, IT strategic planning, and more.

Problems of Leasing in Bangladesh

Leasing has immense potential in Bangladesh. However, leasing in Bangladesh faces serious handicaps which may mar its growth in future. The following are some of the problems.

1. Unhealthy Competition:

The market for leasing has not grown with the same pace as the number of lessors. As a result, there is over supply of lessors leading to competitor. With the leasing business becoming more competitive, the margin of profit for lessors has dropped from four to five percent to the present 2 to 3 percent. Bank subsidiaries and financial institutions have the competitive edge over the private sector concerns because of cheap source of finance.

2. Lack of Qualified Personnel:

Leasing requires qualified and experienced people at the helm of its affairs. Leasing is a specialized business and persons constituting its top management should have expertise in accounting, finance, legal and decision areas. In Bangladesh, the concept of leasing business is of recent one and hence it is difficult to get right man to deal with leasing business. On account of this, operations of leasing business are bound to suffer.

3. Tax Considerations:

Most people believe that lessees prefer leasing because of the tax benefits it offers. In reality, it only transfers; the benefit i. the lessee's tax shelter is lessor's burden. The lease becomes economically viable only when the transfer's effective tax rate is low. In addition, taxes like sales tax, wealth tax, additional tax, surcharge etc. add to the cost of leasing. Thus, leasing becomes more expensive form of financing than conventional mode of finance such as hire purchase.

4. Stamp Duty:

The states treat a leasing transaction as a sale for the purpose of making them eligible to sales tax. On the contrary, for stamp duty, the transaction is treated as a pure lease transaction. Accordingly, a heavy stamp duty is levied on lease documents. This adds to the burden of leasing industry.

5. Delayed Payment and Bad Debts:

The problem of delayed payment of rents and bad debts add to the costs of lease. The lessor does not take into consideration this aspect while fixing the rentals at the time of lease agreement. These problems would disturb prospects of leasing business.

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6. Generally-bad economic environment:

Over past couple of years, the economy itself has done pretty badly. The demand for capital equipment has been at one of the lowest ebbs. Automobile sales have come down; corporate have found themselves in a general cash crunch resulting into sticky loans.

7. Tax-based credits:

In most of the cases of frauds or hopelessly-wrong credit decisions, there has been a tax motive responsible for the transaction. Bangladesh has something which many other countries do not- a 100% first year depreciation on several assets. Apparently, the list of such assets is limited and the underlying fiscal rationale quite holy and sound – certain energy saving devices, pollution control devices etc. qualify for such allowance. But that being the law, it is left to the ingenuity of our extremely competent tax consultants to widen the range with innovative ideas of exploiting these entries in the depreciation schedule. Thus, there have been cases where domestic electric meters have been claimed as energy saving devices, and the captive water softener in a hotel has been claimed as water pollution control device! As leasing companies were trying to exploit these entries, a series of fraudsters was successful in exploiting, to the hilt, the propensity of leasing companies to surpass all caution and all lending prudence to do one such transaction to manage its taxes, and thus, false papers for non-existing wind mills and never-existing bio-gas plants were fabricated to lure leasing companies into losing the whole of their money, to save the part that would have gone as government taxes!

8. Resource Crunch:

The sources of finance available to leasing companies are: (a) equity share capital; (b) reserves and surplus; (c) debentures; (d) long-term loans; (e) public deposits; (f) bank loans; and (g) inter-corporate deposits and other sources. Of late, looking at the performance and prospects, investors seem to have lost confidence in leasing companies. This is reflected in the fact that the shares of most leasing companies are quoted at an extremely lower price, compared to the book-value and per value. Therefore, it is becoming difficult for the leasing companies to raise equity share capital in the existing conditions. It is also not possible for them to issue either fully or partly convertible debentures because these are closely linked with the net worth and trading of equity shares in the market.

9. Inadequate Tax Benefits:

Unfortunately, the tax benefits which leasing companies enjoy in the developed countries are not available to the BD leasing companies. Tax benefits arising out of depreciation, investment allowance of deposit scheme, etc., are not conducive to the growth and promotion of leasing companies. Investment allowance was abolished from 1 April 1987, and in its place an investment deposit scheme has been introduced. Under this scheme, the amount of deduction is limited to 20 per cent of the profit of eligible business or profession as per the audited accounts. However, this scheme excludes certain categories of leasing.

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Leasing companies face some challenges in Bangladesh or there are some challenging issues for leasing companies in Bangladesh. High cost of fund is the most challenging issue for leasing companies in Bangladesh. As because leasing companies cannot collect demand deposits from the depositors, their cost of fund is higher than the banking institutions. Their paid-up capital is lower than banks in Bangladesh. For lower paid up capital, they cannot expand their business-like banks. Lease amount and also the leased asset recovery problem is another challenging issue for leasing companies. Lack of government assistance and lack of government rules and regulations are also challenging issues for leasing companies in Bangladesh. The transaction cost (documentation fee, processing fee etc.) of leasing companies is a bit higher than banks. Dhaka University Institutional Repository 88 Banks are also providing same services as leasing companies and also, they have limited investment sectors than banks. Leasing companies are not as popular as banks in Bangladesh. Lack of popularity is also a challenging issue for leasing

10. No secondary security for lease:

In case of lease financing of a product, it is owned by the leasing company. The company has better security on the finance of the lessee. It means that it is unlikely to need any further security for lease financing.

11. No third-party guarantee for lease:

In case of lease financing, no third-party guarantee is required. If the lease financing is to acquire equipment, in that case the possession of the equipment remains to the leasing company up to the completion of the lease rental payment.

12. Lack of funds to choose lease financing:

Acquisition of assets through a leasing arrangement is particularly beneficial to small firms which cannot afford to raise their capacity on account of scarcity of financial resources. The biggest advantage of leasing equipment is that the cost is spread over a number of years. It is not needed to pay the entire amount for the acquisition of the equipment. This can significantly help to maintain cash flow which is critical to all businesses. Poor cash flow is the main cause of small business failures, and leasing can help to keep it under better control.

13. Faster service for lease financing:

It has generally been found that acquisition of assets under leasing arrangement is cheaper and faster as compared to acquisition of assets through other sources of financing. For lease financing, additional security like property mortgage, land security is not required. So, leasing process and documentation is generally faster than term loan.

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14. Less procedural complexity for lease financing:

Lessors have more equipment related knowledge and expertise. They have also equipment procurement related expertise. The lessors have direct relation with the local sellers or agents of the equipment. As a result, the procedural complexity of lease is less.

15. Fewer documentation and submission of documents in one package:

Generally, there are few terms and conditions for lease financing. For that reason, less documentation is needed for lease financing and the submission of documents is in one package. Usually, ownership agreement, lease contract agreement etc. are needed in lease financing.

16. Avoidance of many restrictive covenants:

The financial institutions while lending money usually attach several restrictions on the borrowers as regards management, debt-equity norms, declaration of dividends etc. Such restrictions are absent in the case of lease financing.

17. Lease financing for low cost assets:

Usually, term loans for corporate entities are for huge amount deals. For small equipment purchase, lease is more preferred and convenient. For that reason, small firms which need small equipment generally prefer lease financing.

18. Sale and leaseback arrangements:

In lease financing, there is option for sale and leaseback arrangements. An asset can be sold and again leased back. In this way, an organization can meet up the cash flow problem. When an asset is sold, the cash inflow can be used to other purposes for an organization.

19. Total financing for lease:

Leasing provides total financing of an asset or equipment. In case of traditional lending, a substantial down payment is required. Leasing arrangements provides a firm with the use and control over the assets without incurring huge capital expenditure and require making only periodical rental payments. Down payment is not required in case of lease financing. Thus, leasing saves funds for alternative uses.

Companies- Delay in lease payment and lack of qualified employee make leasing companies facing Challenges in Bangladesh- There is a risk of capital losses due to obsolescence of the equipment's or Machines- Leasing companies have to pay high interest for the commercial loan to banks. Due to Manpower shortage, the leasing companies in Bangladesh are facing challenges.

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Prospectus of Leasing in Bangladesh:

1. Provision of collateral:

Collateral is not needed in case of lease financing. When term loan is acquired from banks or on-bank financial institutions, generally assets as collateral is required as a security of the lending institution.

Provision of collateral is a determinant factor to select lease financing for some of the borrowers in Bangladesh

2. The time of repayment:

Sometimes the time of loan repayment in lease financing is shorter than term loan. Generally, the Maximum repayment time of equipment lease is five years. In case of term loan for equipment purchase, the time for loan repayment might be more than that. Shorter time of loan repayment is also a determinant factor for the selection of lease over term loan from banks or NBFIs. It offers the flexibility of the repayment period being matched to the useful life of the equipment.

3. E.M.I (Equal Monthly Installment) for lease:

The repayment pattern of lease financing is generally E.M.I (Equal Monthly Installment). Financial planning for E.M.I is easier because of fixed amount payment. It is also easy to assess the future cash flow of the firm for E.M.I. In case of loan repayment, the payment pattern is not generally E.M.I. Some of the borrowers prefer lease financing over term loan for E.M.I in Bangladesh. The smaller, regular payments required by a lease agreement facilitate businesses with limited capital to handle their cash flow more effectively and adapt quickly to changing economic conditions.

As a lease agreement is almost always a fixed contract, it is relatively easy to make budget and forecast it. Business budget can be maintained with these fixed amounts much more easily than an irregularly occurring lump sum; allowing to keep a much better control over current and future cash flow.

4. Longer grace period for lease:

Sometimes the grace period of lease is longer than term loan. Sometimes the rental payment of lease is tagged to the cash inflows from the underlying lease assets. Usually it takes some time for the lessee to generate cash flows and hence the lessee is allowed a grace period for starting the rental payments.

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5. No secondary security for lease:

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Recovery of NPL PLAN-A

1. Preview

a) Borrowers become reluctant to repay for various reasons. Some of the borrowers incur loss in their businesses resulting disruption of cash inflow and fails to repay Bank's dues. Some borrowers divert their fund to other business. Furthermore, there are some willful defaulting borrowers as well.

b) Depending on the nature of the borrower, the style of persuasion may differ. But it should be kept in mind that the ultimate aim is to recover and settle defaulting loan within the shortest possible time with a view to ensuring maximum return for the Bank. Various modes of persuasion are as under:

2. Issuance of Letters/Reminders:

In case of continuous loans like Cash Credit (Hypo), Cash Credit (Pledge), Secured Overdraft etc. Letters/ Reminders are to be sent two months ahead of expiry of limit to get response of the borrower whether they want to renew the limit.

In case of unsatisfactory performance of the account, a letter must be issued to the concerned borrower allowing 30(thirty) days time to repay Bank's dues with up to date interest. In case of Term Loan Accounts, such letters shall be sent to the borrowers as soon as one installment remains unpaid urging them to regularize their account. Copy of such letters shall be endorsed to the Guarantors/Mortgagors, if any. Reminders are required to be sent on fortnightly/monthly intervals. Constant follow up through letters shall be made to the borrowers availing Demand Loan/PAD/LIM and for LTR outstanding to regularize their accounts and to avoid classifications.

3. Inspections / Site-visits:

Concerned Branch / RM (Relationship Manager) shall collect information regarding reasons of default through personal contact, visit etc. Stock report submitted by the borrower shall be verified constantly. Branch Officials shall inspect the shop /godown / factory / residential address of the borrower to ascertain the position of their business and reason of failure. They will submit report along with their findings. On the basis of their report and information provided by the borrower, Branch Relationship Manager shall ascertain the reasons of default. RM (Relationship Manager) shall also assess the valuation of securities held against the advance, if such information is not updated.

4. Negotiation:

Branch Manager / Relationship Manager will start persuasion / negotiation with the borrower and try to resolve the issue. In the process of negotiation, following measures may be considered subject to approval of the competent authority:

- Possibility of adjustment within a shorter time frame.
- Rescheduling of existing limits after realization of required down payment.
- Restructuring of the limit with provision for gradual adjustment on monthly/quarterly basis.
- Longer period and period without provision for gradual adjustment must be declined.
- Permitting additional time reasonable and acceptable to both Bank and the borrower.

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Before going for recovery, we should to know the techniques involved here.

Techniques for the recovery of Stuck-up advances depend on various factors related to that credit. Drive strength depends on 'Gravity of the problem:

1. Is the borrower a willful defaulter?
 2. Is the security missing or there is no security at all?
 3. Is the business suffering down turn?
 4. What is the amount / size of loan?
 5. CL Status? Whether loan is Sub-standard /Doubtful /Bad & Loss?
 6. Is the loan taken fraudulently?
 7. Is the borrower preparing to leave the country or going to be declared Bankrupt?
 7. Some Style and Techniques for the Recovery:
 - a) Serving notice in case of borrower failure & does not adjust the accounts as expected. It is advisable to serve notice through bank messenger.
 - b) It would be better to contact /personal persuasion at first by the dealing staff /Officer than Manager.
 - c) Consultation with borrower and offer "how can we help you".
 - d) Consult guarantor/ 3rd party who has given security.
 - e) Consult close relatives: father/mother/wife/joint family member/father-in-law.
 - f) If any advances allowed against the request/recommendation of influential person(s) then contact him/them.
 - g) Sought help from respectable persons of the locality where the borrower resides-School Teacher, Imam Saheb at all.
 - h) Contact without fail on the next commitment date (no chance for excuse).
 - i) Place the matter with request to local business forum /Bazaar Committee.
 - j) Apply political influence if possible.
 - k) If there is a scope, sought help from OC/DC.
 - l) If possible consult with ex-sanctioning /disbursing authority & query about actual business /security location, side business etc.
 - m) In case of unscrupulous borrower make appointment along with Regional /Area Chief.
- Reasons behind "Untraceable":
- 1) Long gap of communication from Bank;
 - 2) Change of Business and Business address;
 - 3) Temporary Address shown as permanent address;
 - 4) Borrower known by nick name but borrowed in real name;

5. Following steps to be taken to trace out the borrower:

- 1) Sought help of Introducer;
- 2) Sought help of the Business Community;
- 3) Try to find out the permanent address;
- 4) Publication of photo of the borrower etc.

It will be very wise to take the help of Govt. Registered /licensed holder "Surveyor" paying proper fees to trace out 'untraceable' collateral security-Land /Building.

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6. Recovery through rescheduling of loans

If any borrower wants to regularize their default loans through Rescheduling, Branch shall follow the guidelines for Rescheduling of loans designed by Bangladesh Bank vide BRPD Circular No. 08, dated June 14, 2012.

7. Recovery through amicable settlement:

Recovery through Court case is very expensive, time consuming and a cumbersome process. Therefore, endeavor should be made to settle the cases amicably outside the court. Bank may go for Amicable Settlement before filing suit or even after filing suit. Amicable Settlement before Filing Suit:

It is always preferable to settle the cases amicably instead of going for litigation.

Therefore, Bank should try to convince the borrower for an amicable settlement. Bank may offer some package relief to the defaulting borrowers such as re-scheduling of loans, waiver of interest accrued but not charged considering strength & weakness of securities and merit of the case. It should be kept in mind that such relief can be extended only when the borrower comes forward for instant adjustment of the outstanding liabilities. In the event borrower found to be reluctant, immediate steps should be taken for encashment of securities held and filing of suit accordingly. Since Artha Rin Adalat Ain has laid down rules of charging simple interest @ 12% per annum on the decreed amount for the period from the day of filing suit till the day of realization, defaulting borrower may be allowed such concession provided repayment period is shorter (not exceeding 6/12 months).

Period of Repayment:

Some defaulting borrowers may not be in a position to pay the dues immediately due to practical reasons. As such, Bank may allow reasonable period acceptable to both Bank and the Borrower. While allowing time following indicators shall be taken into consideration:-

- a) Borrower's repayment capacity and generation of cash flow as per proposed arrangement.
- b) Shorter period of repayment to be proposed.
- c) Longer period of repayment may be considered, provided that borrower pays interest at a reasonable rate.
- d) It should be ensured that further repayment period in no way shall weaken the case which may jeopardize the Bank's interest.

8. Settlement by Allowing Waiver of Interest:

Interest is the prime source of income of a Banks. Bank's yield on fund and profit mainly depend on such income. If Bank fails to recover loan amount and interest due against loan default, income reduced significantly. As such any waiver of interest is bound to affect the profitability of the Bank. However, but under certain circumstances, Bank is compelled to waive a portion of interest. So while accepting proposal for waiver of interest Bank must examine each case prudently and judiciously and on genuine grounds. Bank may initiate negotiation with the borrower/guarantor/ mortgagor before allowing waiver of interest to get back its investment.

It should be kept in mind that waiver facility can be allowed only in cases of having adequate reasons. All & sundry should not be considered for similar waiver facility, rather waiver should be allowed on case to case basis depending on the merit of the case and subject to approval of the Board of Directors of the Bank.

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Waiver facility will be determined considering the grounds for waiver, position of

9. Securities held and repayment period.

Waiver may be allowed in the following manners:

Portion or entire interest accrued but not charged.

Portion or entire post suit interest accrued but not charged.

Portion of charged interest amount kept in Interest Suspense Account.

While examining proposal for waiver of interest, it must be ensured that the Principal Amount and charged interest which has been credited to Income Account are not waived. Grounds for waiver of interest must be genuine based on the facts & figures to be verified by the Branch Incumbent.

Following criteria may be taken into consideration for allowing waiver:

- a) Borrower/Proprietor is dead or physically incapable and business stands closed and legal heirs are unable to pay the entire dues.
- b) Borrower has incurred huge loss in the business and/or out of business.
- c) Exposure not covered by collateral security and chance of recovery is bleak.
- d) Inadequate collateral security without scope of attachment of other properties.
- e) Disposal of security seems to be difficult i.e. the security is located at very remote area.
- f) That the security seems to be fake / forged.
- g) Borrower is untraceable and guarantor/mortgagor has no means to adjust entire liabilities.
- h) Borrower incurred irreparable loss due to flood, cyclone or any other natural calamities. Possibility of restoring normalcy in business unlikely. Or any other factor that creates deterrent for recovery of classified loan & advances.

10. Approval Authority:

Approval for waiver of interest shall remain at the discretion of the Board of Director of the Bank. Competent Authority can also exercise the power for waiver of interest, if amicable settlement is agreed as authorized by the Board. There are cases where chance for recovery of stuck up loan is bleak. In such cases, the Bank may require to extend additional concessions apart from those stipulated in the Recovery Policy. Cases, where suit has been filed, written-off, BL for 5(five) years or above and Recovery Agent also failed to recover dues as per norms of the policy, should be settled at the discretion of the Board of Directors of the Bank on case to case basis depending on the merits of each case.

11. Recovery through disposal of Primary and Collateral security:

Following steps to be taken in case of disposal of Primary & Collateral Security after getting approval from Legal Matters & Recovery Division:

Step-1: Serving Notice to the Borrower for making payment of overdue loans:

- a) Notice to the Borrower / Reminder 1st / 2nd / 3rd.
- b) Final Notice to served allowing 30 days time.
- c) Legal Notice to be served through Bank's Panel Lawyer.

Step-2: Assessments of Stock / Security:

- a) Quantity, Quality, Expiry, Book Value, Market Value (as per last Stock Report);
- b) Controlling over security – possession;
- c) Assessments of collateral security – Market Value.

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d) Fill up “Revised Information” with specific recommendations of the Branch Incumbent and send it to Legal Matters & Recovery Division for Auction Sale Permission.

Step-3: Auction Sale Procedures:

- Step-3: a) Formation of Auction Sale Committee (Committee Structure at different level);
b) Preparation of ‘Auction Sale Notice’ as per Artha Rin Adalat Ain-2003 (under section 2(i)–(viii) & 33(1)–(viii) in consultation with panel lawyer.
c) Publish Auction Sale Notice in the Local & National Daily News Paper.

Step-4: Tender / Bid selection & processing:

- a) Scrutiny of dropped Tender;
b) Selection of Highest Bidder.
c) Rejection of all Bids if not acceptable;
d) Formal offer letter to the highest Bidder;
e) Realization of full bid amount;
f) Call 2nd highest bidder if 1st one is failed.

Step-5: Call Re-tender if all bids are rejected.

Step-6: If there is any shortfall after selling the Primary & Collateral Security, bank have to file suit for recovery of shortfall amount.

Step-7: Legal Action and suit filing procedures for realization of stuck up loans & advances. Before filing suits all documents must be checked & verified by the branch as per bank’s Instruction Circular # 378/2011 dated June 19, 2011, if found any lapses necessary preventive measures to be taken.

13. Amicable Settlement after filing Suit:

Bank can initiate negotiation with the borrower/guarantor/mortgagor for amicable settlement and such settlement can be informed to the Court as per Section 38 and 45 of Artha Rin Adalat Ain. To make the defaulting borrowers agreeable to an amicable settlement, Bank may allow several concessions viz reasonable time for repayment, waiver of a portion of interest, concession in interest rate, delay in repayment period, rescheduling, declassification etc. Borrowers having genuine intention to liquidate Bank’s dues with justified grounds of default may be allowed one or more concession depending on the expected amount of recovery and period of recovery, etc.

14. Recovery of Written-off Loans

Some borrowers do not make of payment of their loans and become default.

Despite persuasion loan may turn non-performing and gradually classified as Special Mention Account (SMA), Sub-Standard (SS), Doubtful (DF) and ultimately Bad Loan (BL). Chance of recovery of certain cases remains uncertain. Bank shall keep adequate provision against such loans. Such loans are required to be written-off as per international practice. After writing-off such loans, Bank’s right to recover the loan through legal action are fully protected by the law of the land. In order to check necessary and artificial inflation of balance sheet, Bangladesh Bank has issued prudential guidelines for writing-off loans.

Guidelines for Recovery of Written-off Loans and Advances

•Branches shall follow-up and monitor written-off accounts closely and keep the borrower/guarantor/mortgagor under vigorous persuasion for adjustment of the liabilities. In this respect, Branch (RM) may apply various recovery techniques such as personal contacts with the

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borrower/guarantor/mortgagor, taking recourse of legal proceedings, creating social pressure and utilizing the services of private recovery agents appointed by Bank, etc.

- Since the Bank always prefers amicable settlement of cases outside court, door of negotiation should always kept open for settlement of the accounts.

Bank may allow waiver of a portion of interest to the defaulting borrowers in consultation with Head Office Management to make them settle the accounts depending on the merits of the cases. • In the light of above criteria Branch/RM may negotiate with the borrower and for that purpose they can arrange meetings with the defaulting borrower/guarantor/mortgagor at 9 Head Office level for amicable settlement of the liabilities.

- Besides, Branch (RM) shall explore all opportunity provided in the Artha Rin Adalat Ain-2003 for quick disposal of suits. To expedite the legal proceedings Branch and Legal Matters & Recovery Division of Head Office shall closely follow-up and monitor the pending Court Cases.

- Branch (RM) may also utilize the services of private recovery agents appointed by the Bank and entrust the difficult cases to them for their recovery with prior approval from Head Office.

- The progress of recovery of written-off accounts entrusted to private recovery agents shall be followed up and monitored regularly. In case of failure by a particular recovery agent, the case can be entrusted to another recovery agent with prior approval from Head Office.

- Branch officials shall make routine visits to the defaulting borrowers of written-off advances and report the progress to Head Office periodically for further perusal and guidance.

- Branches having substantial number of written-off accounts shall form a Debt Collection Unit for recovery of written-off loans and advances. Debt Collection Unit will report the progress of recovery of written-off accounts on monthly basis to Impaired Management (IAM) Division, Head Office to evaluate the recovery performances of the Branches and give proper guidance.

- To gear up recovery drive, executives working in Impaired Management (IAM) Division, Head Office will pay frequent visit to branches and advise branches to take Effective measures for utilizing recovery techniques.

- Emphasize recovery of written-off loans and advances at discussion meeting with Branch Manager/Officials.

- Reflection of outstanding of written off accounts shall not be available in Books of Accounts. As such the same shall be maintained in a separate ledger (Memorandum Ledger, Annexure-A) upon written-off. Any recovery from written-off loan account shall be sent to FAD, Head Office through IBCA for crediting provision A/c under intimation to Impaired Asset Management Division, Head Office except cost of suit which upon recovery shall be credited to respective head of accounts.

- Branch shall also pass required entries relating to reserved amount in the Memorandum Ledger to reflect recovery against the written-off account(s).

15. Recovery through Recovery Agent

There are various Recovery Agents functioning in the market to accelerate recovery of long overdue liabilities. Considering background and performance of such Agents Bank may make arrangement with Recovery Agents for recovery of stuck-up loan cases.

Grounds for entrusting to Recovery Agents:

It is prudent to entrust recovery of those accounts to Recovery Agents where chance of recovery is bleak and where regular follow-up of the cases is necessary.

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Cases which are to be entrusted to external agents shall have any or all of the 10 following aspects: -

- The account remains unadjusted as classified loan despite repeated persuasion/follow-up by the Branch.
- The account which is time-barred and chance of recovery is remote.
- The borrower is untraceable / not available at recorded address.
- The borrower is traceable but unwilling to settle the account.
- There is no collateral security against the dues.
- The security held is defective / inadequate.
- That disposal of the security seems to be difficult.
- The security is located at very remote area.
- The security seems to be fake / forged.

But in case the borrower does not respond even after all-out persuasion, Bank shall serve Final Notice followed by legal notices upon the borrower and consider the option of encashment of securities and initiating legal proceedings under Artha Rin Adalat Ain-2003.

Reporting by Recovery Agent:

Recovery Agent shall submit progress report and they will receive commission from Bank as per agreement executed between Bank and the Agent. Such commission is to be paid by Expenditure A/c Misc. Expenses.

Monitoring of Performance of Recovery Agent:

In case Recovery Agent is not found vigilant for recovery of particular account and/or give up its responsibility, the case shall be handed over to another Recovery Agent. Impaired Asset Management (IMD) / Recovery Division, Head Office shall co-ordinate the issue in consultation with the Branches. If the Bank fails to recover the long stuck-up liabilities despite all out efforts, it should file case under Bankruptcy Act to declare the Borrower bankrupt after obtaining approval from the Head Office.

16. Recovery of NPL through Legal Action

(Filing Suit & follow-up process as per Artha Rin Adalat Ain-2003 with latest amendment).

Steps before filing the Suits:

Reminder letter(s) to be issued to the borrower /mortgagor /guarantor for making payment of outstanding default loan. In case of failure, final notice to be served allowing them reasonable time (normally 30 days) to repay the dues. If these procedures fail then legal notice is to serve through the panel lawyer of the Bank allowing the borrower 30 days' time to repay.

When the above process is completed without the defaulting borrower paying back the dues then Artha Rin Suit has to be filed but before filing the suit whether power of attorney was taken or not, mortgaged property or hypothecated/pledged goods, if any, shall be sold in auction as per provision of section -12, sub-section (i-iii) & procedure of section 33, sub-section (i-iv) of Artha Rin Adalat Ain – 2003.

Auction process may be initiated for more than one & where any shortfall amount is assessed after the sale or where sale in auction becomes fruitless then Artha Rin Suit is to be filed. Before filing suits all documents must be checked by the dealing Officer, if any lapses are found then necessary preventive measures to be taken to avoid the legal complicity.

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Filing of Suits:

Branches of NCC Bank Ltd. of Dhaka districts are scheduled for filing of Artha Rin Suits at Artha Rin Court No.3, Dhaka. For other districts there are Artha Rin Courts. Artha Rin Suit is initiated by filing plaint at Artha Rin Court. In a plaint the following particulars are to be mentioned:

- a) Name of the plaintiff, address, place of work etc.
- b) Name of the defendants, address, place of work & residential address etc.
- c) All particulars relating to plaintiff's claim.
- d) Cause of action, place & date.
- e) Value of suit & Court fees.
- f) Particulars regarding jurisdiction of the Court.
- g) Remedy sought.

In addition the plaintiff has to include the following information: -

- a) A comparative statement showing position of total amount of loan granted the amount of loan paid by the borrower / defendant and the amount claimed by the plaintiff.
- b) A schedule showing detailed particulars and description of the mortgaged deed along with the evaluation sheet, if any to be exhibited on the basis of which loan has been sanctioned.
- c) Attested copies or photocopies of documents in support of the claim of the plaintiff.
- d) Any documents on which the plaintiff aspires to establish the claim but not in his possession has to submit the list of the said documents with a note as to with whom the documents are available.
- e) No suit will be filed imposing claim upon a loan A/c interest of which is above 200% (100+200=300) of the principal amount.
- f) An affidavit shall be submitted in support of the subject matter and documents submitted thereto and with the ad-valorem Court fee.
- g) Third party mortgagor or third party guarantor shall be included as defendants like the principal debtor provided they were involved in loan agreement.

Settlement of Disputes in the Alternative Manner:

(Chapter - V of Artha Rin Adalat Ain, 2003).

Section 22-25 of Chapter-V of the Artha Rin Adalat Ain, 2003 deals with the settlement of disputes in the alternative manner, the details of the same are described as follows:

Section 22 (Arbitration):

(I) notwithstanding anything contained in the Chapter-4 regarding the provisions for trial in the cases in the general manner after submitting of the Written Statement by the defendant in the cases which is filed under this Act, the Court considering as it thinks fit subject to the provision of Section- 24, shall send the suit to the engaged lawyers or if no lawyer is engaged to the parties for making attempt for disposal of that dispute through Arbitration (sub-section i).

(II) In the suit under sub-section-i, the engaged lawyers shall take part in consultation with the parties and their mutual consent shall appoint lawyer who is not engaged by any party or a retired judge, retired officer of Bank or financial institution or any other appropriate person as arbitrator for the purpose of disposal of the case. Provided that, a person who is appointed in an office of profit in the service of the republic shall not be fit for appointment as an arbitrator (sub-section ii).

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(III) Proceedings of arbitration shall become into end within 60 days of initiating attempt from the order passing date in order to settle the dispute through arbitration, unless the written prayer bearing requests of the parties or the court itself mentioning the reasons extend that time limit for further 30 days (sub-section v).

(IV) Within ten days of order of arbitration under sub-section (I), the parties shall bring into Courts concern in writing the name of arbitrator and if the parties fail to engaged an arbitrator within this period then Court shall appoint an arbitrator (sub-section vi).

(V) While sending a suit for taking attempt in order to dispose of the suit through arbitration, the Court shall not fix the fees of arbitrator & the procedure of arbitration; the concerned lawyers, parties and arbitrator shall fix the fees and procedure for arbitration through their mutual consent (sub-section iii).

(VI) The Arbitrator shall submit a statement on the arbitration's proceedings to the Court, without capsizing any harm to the confidentiality of the parties, if the dispute of the suit is settled through arbitration, such arbitration shall be noted down in above stayed statement and this shall consider as an agreement and the signature of thumb impression of left hand's of the parties and as the case may be signature of the arbitrator and lawyers shall be witness (sub-section iv).

(VII) Confidentiality shall be maintained in respect of the proceeding of arbitration under this section, lawyers engaged by them, agent and any discussion or advice amongst the parties, any evidence adduced, any admission, statement or comment shall be considered confidential and nothing of them shall be mentioned in any stage of hearing of that case or any other proceedings of shall be admissible as evidence (sub-section viii).

(VIII) No appeal or revision shall be made under this section in the higher Court against the order which has been passed by this court through arbitration settlement based (sub-section x).

(IX) If the attempt for settlement of the dispute through arbitration fails, the court shall hear the case from the primary stage of arbitration (sub-section xi).

Section 23 (Attempt to setting dispute once again):

If the attempt for settlement of the dispute through arbitration fails under section 22, before an order or decree passed by the Court in accordance with the provision of Chapter IV, at any stage of the suit both the parties with the approval of the Court settled the concerned dispute under section 22, sub-section (2), (3) and (4) (sub-section-i).

With a view to setting disputes under the above sub-section (i) shall not make difference with the time limit mentioned in section 17 under this Act (sub-section ii).

Section 24: (Delegation of Powers upon the Local state officers in the arbitration for playing effective role):

On desire to settle dispute of the suit through alternative process of arbitration, the financial institution may delegate process to the control, religion or local level efficient officers for the exercise of the delegated power resolving in the meeting of Board of Directors may issue and appropriate order or circular accordingly published (sub-section-i).

Section 25 (Settlement of Dispute through alternative process by receding approval in respect of suit of general claim):

In respect of a statement of demanding more than taka 5 (five) Crore setting through alternative proceeding of arbitration under this Act, the Court shall inform the matter to the Chief Executive Officer, whatever bearing the name of the said financial institution.

Execution / Artha Jari case :

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Filing period: If the Judgment debtor fails to repay the decretal amount within the stipulated period then execution case has to be filed against him within 01 year from the date of passing the decree, provided time allowed by the Court to repay the dues is excluded (S- 28, 29).

At the time of filling the Artha Jari case up dated interest to be calculated on the account (@ 12% simple interest on the original suit value). **Service of notice:** If the usual process for serving the notices is failed or in addition or at the desire of the plaintiff the Court may publish such notice in a wide circulated news paper and in addition to that if necessary then in a daily local newspaper. (S-30)

Sale in auction: Against the A/cs where there are collaterals that can be sold in auction in the following ways-

(i) Notice of auction to be published in one widely circulated daily Bengali newspaper, if the court deems proper may order to publish in another local Bengali newspaper in addition to the same, if any, for justice. [S-33 (i)]

(ii) If sale in auction U/S-33(i) is not possible then that can be tried again U/S-33 (iv) and in this stage notice of auction is to be published at least in two widely circulated national Bengali newspapers and in addition to that in one local newspapers, if necessary.

Some provisions of auction U/S - 12 (i-iii) & 33 (i-iv):

Deposit of security money –

i. When bid money is up to Tk.10.00 Lac then 20%, if accepted, the rest amount to be paid within next 30 days.

ii. When bid money is Tk.10.00 to Tk.50.00 Lac then 15%, if accepted, the rest amount to be paid within next 60 days.

iii. When bid money is more than Tk.50.00 Lac then 10%, if accepted, the rest amount to be paid within Next 90 days.

iv. If the decree holder agrees then the stipulated period for payment of rest bid money may be extended for further 60 days.

v. After selling the property in auction if there is any shortfall amount then second Artha Jari Case to be filed against the judgment debtor within 1(one) year of such auction sale.

Provision regarding obtaining certificate:

i) Certificate of possession, enjoyment & sale is issued U/S-33 (5) and right of ownership is issued U/s -33 (7).

ii) When sale in auction U/s -33 (1) is failed and liability of the A/c is adjustable with the market price of the property then it is better to obtain certificate U/S - 33 (7) otherwise to obtain it U/S - 33 (5).

Disposal of the properties obtained U/s -33 (5) & 33 (7):

i) Where right to sell, possession & enjoyment is vested U/S-33(5), in that case Bank shall try to sell the property through auction. If the Bank fails to do that and where any shortfall amount is assessed by deducting the reasonable market price of the mortgaged property from the up dated liability of the Judgment debtor then second Artha Jari Case to be filed within one year of issuance of certificate.

If the Bank fails to sell the property within 6 (six) years from issuance of certificate U/S-33 (5) of Artha Rin Adalat Ain – 2003, then after expiry of this period ownership of that property will be vested to the Bank automatically. Bank may also obtain the right of ownership of that property within the stipulated period (six years) by placing a prayer to the concerned Court.

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ii) Where certificate of ownership is issued in Bank's favor U/S-33 (7) of Artha Rin Adalat Ain - 2003, Bank can sell the property straight way to any purchaser available.

Mentionable that, as per Bank companies Act-1991 no Bank company shall possess any immovable property acquired at any means, other than it's own necessary use for any period exceeding 07 (seven) years from the acquisition thereof. Bangladesh Bank may extend the time for another 05 (five) years considering the interest of the depositors.

Civil imprisonment:

After filing of Artha Jari Case if there is no movable or immovable property of the Judgment debtors salable in auction then a petition may be filed to the Court for issuing warrant and, therefore, order for civil imprisonment against the judgment debtors. Even where the liability is not adjusted by selling the property then prayer can be placed to the Court for issuing order of imprisonment against the Judgment debtors for nonpayment of shortfall amount (Sec.34). Mentionable that if a borrower is confined to jail for a period of 6 months at a time then he will not be arrested further for the liability of the same loan account.

Compromise at execution stage:

The parties in dispute may arrive at a settlement at any stage of the execution process of the decree and may communicate the same to the Court. (S-38).

Time limit for disposal of execution process:

Artha Jari cases are to be disposed within 90 days from filing of petition and in failing to do so the Court may enhance the time limit for a maximum period of further 60 days.

Appeal and Revision:

Party aggrieved by and dissatisfied with the order or decree, may appeal to the High Court Division within 60 days if and the amount of decree exceeds Tk.50.00 Lac and if it is less than Tk.50 Lac then to the Court of District Judge within 30 days.

For filing of appeal Tk.50% of the decreed amount will be deposited but this is not applicable for the plaintiff financial institutions (S-41).

The Appellate Court shall dispose the appeal within 90 days, if fails then within next 30 days.

Against the Judgment or decree of the Appellate Court, Revision may be filed for which 75% of the decreed money to be deposited to the Court.

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Non-traceability of the Borrower:

a) Unless it is a fictitious loan, the address of the borrower is always available in the bank record like Account Opening Form / loan application and loan sanction letter. So, these documents should be carefully examined to find out the permanent address of the borrower from which it will be possible to establish some link about present whereabouts of the borrower.

b) Above all, the Manager whose tenure the loan was sanctioned must be able to indicate the proper identity of the borrower and the circumstances under which the loan was sanctioned. In fact, there are rare instances where a person has been granted loan that who is not directly or indirectly acquainted to some of the functionaries of the bank either at the branch level or at the Head Office level. In case of untraceable borrowers, when all other methods have failed, all these relevant officers should be brought together each of whom will remember the story and their combined information will ultimately unravel the full story and the correct identity of the borrower. This should be done at the Head Office level.

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c) It is not uncommon that one borrower after taking loan from our bank has left the bank and has been carrying on business with some other bank or even with our bank at a different locality. So, attempts should be made to discuss the problems of the loan with

Fellow bankers in the area some of whom might be able to give clues about the borrower. According to the bank's rules, the Branch Manager is supposed to take the permanent address of the borrower and of each of the Partners / Directors of a partnership firm / Private Limited Company. If the Branch Manager has failed to register such address, he should be compelled to trace out the borrower. If the permanent address is available, we should ask the Branch Manager of our nearest branch in the locality of that address to institute a search for the person concerned in the locality. If the borrower's whereabouts can be secured, but the borrower remains in hiding, the Branch Manager should start a criminal case with the local police under intimation to the branch wherefrom the loan was taken. As soon as a criminal case is started with the police, the person can be compelled to appear through the issuance of court warrant against him.

Proper identity of the borrower and the circumstances under which the loan was sanctioned. In fact, there are rare instances where a person has been granted loan that who is not directly or indirectly acquainted to some of the functionaries of the bank either at the branch level or at the Head Office level. In case of untraceable borrowers, when all other methods have failed, all these relevant officers should be brought together each of whom will remember the story and their combined information will ultimately unravel the full story and the correct identity of the borrower. This should be done at the Head Office level.

d) It is not uncommon that one borrower after taking loan from our bank has left the bank locality. So, attempts should be made to discuss the problems of the loan with fellow bankers in the area some of whom might be able to give clues about the borrower.

According to the bank's rules, the Branch Manager is supposed to take the permanent address of the borrower and of each of the Partners / Directors of a partnership firm / Private Limited Company. If the Branch Manager has failed to register such address, he should be compelled to trace out the borrower. If the permanent address is available, we should ask the Branch Manager of our nearest branch in the locality of that address to institute a search for the person concerned in the locality. If the borrower's whereabouts can be secured, but the borrower remains in hiding, the Branch Manager should start a criminal case with the local police under intimation to the branch wherefrom the loan was taken. As soon as a criminal case is started with the police, the person can be compelled to appear through the issuance of court warrant against him.

Customers, the BM is the one who has the potential to diffuse the situation or to exacerbate it. He is capable of making even the most difficult customers happy so that he can retain the customers and the business can grow.

3. Integrity and Trustworthiness – Bank Management always want to hire a Manager who is going to be someone that they think that they can trust. By hiring someone that Management believes is trustworthy, they will reduce the stress of placing the growth of the bank in the hands of someone else.

4. A Team Player: He is committed to working with a team of worker for the improvement of the bank as a whole. He is understood & interested in growing the bank because it is going to be to his benefit as well as to the benefit of the other members working with him in the bank. A SBM is a middle-man who has to work with both the higher management and the lower level of employees. So it's highly important that his person is really a Team Player.

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5. Conflict Resolution Abilities – He is someone who can spot problems as they form and solve them as well as he can deal with bigger conflicts when they do arise.
6. Knowledge of banking business – The SBM is capable of answering the questions of customers, clients and staff members. He is ideal person of the branch who already has advanced or specialized experience in the bank.
7. Dependability – A dependable Manager always shows up to work on time, does not slack off on the job and is capable of being counted on to stay late when there are times at the office that require him to do so.
8. Ability to remain calm – There is a lot of stress involved in the daily tasks of branch management. A calm manager will keep the entire office calm which will lead to increase productivity and a better workplace overall which will ultimately grow the banking business.
9. Optimistic Attitude – A SBM approach each work day with an optimistic attitude. He will come in smiling and will express genuinely good feeling about the work that he is doing with his team. This will help to keep morale in the business high which leads to satisfy employees and growth of the business.
10. Leadership skills - SBM has strong leadership skills. He is confident in his ability to lead a team. He is a good speaker and he can delegate tasks appropriately for which team member will feel comfortable taking directions from him.

PLAN-B

Execution: The High Court has issued arrest warrants against 14 defaulters of scam-tainted People's Leasing and Financial Services Limited (PLFSL).

The court has directed the inspector general of police to arrest the 14 defaulters and produce them before the court on 9 January, 2022.

The High Court bench of Justice Muhammad Khurshid Alam Sarkar passed the order on Thursday after holding a hearing on the updates of the new board of the non-bank financial institution.

According to the report filed by the new board, the 14 individuals neither repaid the loans nor appeared before the court even after the HC summons.

The board said the original list of the defaulters included 21 names, but six of them started the repayment later on.

Earlier in July, the High Court set up a board to reimburse the customers of People's Leasing. The board is responsible for returning the money invested by the customers, recouping loans from borrowers, and keeping the company afloat.

HC summons 280 loan defaulters of PLFSL

[M Moneruzzaman](#) | Published: 00:30, Jan 22, 2021

The High Court on Thursday summoned 280 loan defaulters of People's Leasing Financial Services Limited, a non-banking financial institution, against which the Bangladesh Bank filed a prayer of liquidation.

The online company bench of Justice Muhammad Khurshid Alam Sarkar asked the loan defaulters to appear before it on February 23 to explain why they failed to pay back their loans of above Tk 5 lakh to the company.

The company court summoned the 280 loan defaulter after People's Leasing submitted to it a list of 497 loan recipients as per the court order issued in November 2020.

People's Leasing's lawyer Mejbahur Rahman told the court that the 280 defaulters owed Tk 1,655 crore to the company. Each of these defaulters took out a loan of an amount above Tk 5 lakh, he added.

The court summoned the defaulters during a hearing of an application filed by the Bangladesh Bank in January 2020 seeking a directive to wind up the company.

The court on Thursday observed that it did not want to wind up the company as after liquidation the general depositors would not get the return on their savings.

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Another High Court bench of Justice Md Nazrul Islam Talukder and Justice Mohi Uddin Shamim asked the Bangladesh Bank to submit to it on February 15 names, addresses and posts of the Bank officers who had been involved in audits, inspections in the period between 2008 and 2020.

The court asked the central bank to submit the list of the officers to find out whether their negligence, involvement or instigation had contributed to the laundering of money abroad.

The court, however, refused to the prayer of the company to lift the international travel ban earlier slapped on former education secretary NI Khan for his alleged connection with the absconding loan swindler, Prashanta Kumar Halder.

NI Khan, the incumbent chairman of International Leasing and Financial Services Limited, filed an appeal in the Appellate Division seeking a stay on the High Court order relating to the ban.

NI Khan's appeal might be listed for hearing by the chamber judge Justice Md Nuruzzaman on Sunday, his lawyer Mehedi Hasan Chowdhury told New Age.

NI Khan is among the 25 people against whom the court slapped an international travel ban on January 5.

The High Court in its order of January 5 also asked the Anti-Corruption Commission to interrogate the 25 persons, including former Bangladesh Bank governor SK Sur and NI Khan, if required, for the purpose of investigation into the allegations.

PK Halder is facing an allegation of embezzling over Tk 10,000 crore, which he took out as loans from different financial institutions in the name of companies owned by him and his family members.

3. 2019 12:00 AM Last update on: Fri Aug 30, 2019 12:06 AM

The Supreme Court yesterday upheld a High Court order that directed the Bangladesh Bank to freeze the accounts of people who were directors of People's Leasing and Financial Services (PLFSL) till 2015 and to confiscate their properties.

A six-member bench of the Appellate Division headed by Chief Justice Syed Mahmud Hossain dismissed a leave to appeal petition filed by M Moazzem Hossain, a former director of PLFSL, challenging the HC order.

Bangladesh Bank's lawyer Barrister Tanjib-Ul Alam told The Daily Star that the accounts and properties of former directors of the non-bank financial institution (NBFI) would remain frozen and confiscated following the apex court order.

The HC order was passed on July 14 following a BB petition this year.

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Earlier on June 27, the finance ministry reportedly instructed the central bank to shutter the NBFIL for its failure to improve its conditions, in a first in the country's financial sector.

The problems of PLFSL began in earnest in 2013-14, when some of its directors made off with more than Tk 1,000 crore by way of submitting fake documents, according to a central bank inspection report.

In 2015, the central bank removed five directors for their involvement in the financial scandal.

Barrister Ajmalul Hossain and advocates Quamrul Haque Siddique and AM Aminuddin appeared for Moazzem.

4. The High Court has summoned 64 loan defaulters of the People's Leasing and Financial Services Limited (PLFSL), a non-bank financial institution, for not complying with its order to reschedule their defaulted loans with the lending company.

The defaulters have been asked to appear before the court on April 11, 12, and 19 this year, in failing which the court will issue an arrest warrant against them, said the court.

The High Court bench of Justice Muhammad Khurshid Alam Sarkar passed the order on Monday after hearing a petition filed by the court-appointed board of directors of the PLFSL.

Barrister Mejbahur Rahman who appeared in the court hearing for the board of directors of the PLFSL said, "The court in an order passed on July 12 in 2021 reconstituted the PLFSL body and asked the loan defaulters to reschedule their loan by depositing a down payment. However, many of the borrowers including these 64 did not comply with the court order for rescheduling the loans nor made any response."

"In this circumstance, we prayed to the court in three steps to pass direction regarding the loan defaulters. After hearing the petitions the court asked 64 loan defaulters to appear before it on April 11, 12 and 19," added the lawyer.

The court ordered the chairman, managing director, and other directors of Nahar International Company to appear before the court on April 11 on behalf of their company. The other borrowers will appear on April 12 and 19.

Following a petition filed by the depositors of the PLFSL, the High Court on July 12 in 2021 reconstituted the Board of Directors of the People's Leasing and Financial Services Limited in a bid to revive it instead of winding up.

Attachments of properties: In this respect cautious steps are being taken so that the right to property is saved and undue restriction of beneficial user of property.

Corporate Responsibility: The Company is acting under Directive of the High Court on grievances on Humanitarian Ground. It was a difficult matter to define the proposition. About 10 crore Tk has been disbursed to sick, old, freedom fighters and other categories of claimant-depositors.

Our Guide to debt recovering, restructuring, insolvency to solvency:

As the economy enters the "new normal", the many governments in world have been adjusting its industrial and credit-related policies and strengthening regulation of Chinese financial institutions. A large number of non-performing loans (NPLs) as well as actual loan defaults have started to surface. The risks associated with rising levels of NPLs require banks to enhance their ex ante and ex post credit risk management practices. They also need to strategically and effectively navigate complex domestic and cross-border loan recovery, debt restructuring and insolvency processes.

Careful planning and effective decision-making is required for banks to manage their NPLs and strategically engage in debt restructuring and insolvency processes. Our recent experience in advising Chinese banks in connection with NPLs indicates that, while insufficient cash flow is the main cause of a borrower's inability to repay its debts, certain other events may also adversely affect the borrower's overall business and financial condition, such as:

- misappropriation of the borrower's funds by its controlling shareholder;
- poor local management; and
- domestic or foreign government investigations involving the controlling shareholder or the borrower's other affiliates.

Although these events may not immediately result in a payment default, they may constitute breaches of representations or undertakings under the finance documents, which may trigger defaults under the loan in question or cross-defaults under other financing arrangements.

Drawing on our extensive experience in domestic and cross-border NPL recovery, security perfection, enforcement, debt restructuring and insolvency matters, this article provides a high-level, step-by-step guide on how Chinese banks can effectively manage their NPLs, develop a strategy for loan recoveries and navigate complex multi-jurisdictional debt structuring and insolvency processes.

Step 1: Review finance documents

Banks should actively monitor their outstanding loans and, at the first sign of trouble in respect of a particular borrower, guarantor, security provider (**each an "Obligor"**) or any of their material affiliates, a bank (**hereafter referred to as the "lender"**) should assess:

1. the amount of all outstanding debts including how much has become due and payable and how much is not yet due for payment;

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2. whether all finance documents were duly executed and whether the existing deal structure and security package are sufficient to protect the lender's interests as a creditor;
3. whether the relevant signatories of the finance documents were duly authorized at the time of execution;
4. cross-default clauses in the finance documents;
5. whether an event of default has occurred and if so, whether to immediately send an event of default notice to the Obligors and to accelerate some or all of the outstanding debt;
6. whether the lender is entitled to (and whether it should) prevent:
 - further draw downs under the facility; and/or
 - further dealings with the secured property (such as preventing withdrawals from the relevant bank accounts); and
7. in cases involving a syndicated loan, the lender's voting rights and voting percentage and whether it needs to work with other lenders in order to instruct the agents as the majority lender.

Step 2: Assess the existing security package

The lender should assess:

1. whether it has effective control over the secured property under existing security arrangements;
2. whether the securities have been duly perfected under applicable laws;
3. whether any security has not yet been registered, and if so whether the lender has everything it needs (including any power of attorney granted to the lender) to complete such registration under applicable laws; and
4. whether the lender should immediately notify banks, securities brokers and other custodians to freeze relevant bank accounts, securities accounts or other secured property belonging to each Obligor.

Step 3: Actively monitor the Obligors and conduct due diligence on their assets and current financial position

The lender should:

1. consider the extent to which each Obligor's controlling shareholder or authorized signatory is cooperative and able to sign additional documents, and whether the relevant company seal is readily available and accessible to that person;

2. assess whether the controlling shareholder or authorized signatory can travel abroad to execute foreign securities documents and attend foreign securities registration (where onsite and in-person signing and notarization are required under applicable foreign laws);
3. determine whether any Obligor intends to convene a board meeting or shareholder meeting and pass resolutions to dispose of material assets (if so, the lender should consider notifying the attendees or attending the meeting to state its rights); and
4. conduct litigation and insolvency searches as well as other legal and financial due diligence in respect of each Obligor and its material assets.

Step 4: Obtain additional security or initiate debt restructuring

The lender should:

1. Conduct legal and financial due diligence in respect of each Obligor to determine whether it has valuable assets (e.g. shares, real estate, receivables, equipment, other contractual rights and projects which can generate cash flow) that could be used to provide additional security to the lender;
2. Review the applicable legal requirements for perfection of security and any relevant restrictions imposed by the Obligor's articles of association or agreements to which the Obligor is a party. In some foreign jurisdictions, the process for granting and perfecting security over bank accounts, securities and certain other types of movable property may be relatively straightforward, whereas the process in respect of real property may be more complicated. Notarization and certification requirements may also apply to certain types of collateral;
3. Where an Obligor has valuable assets or projects, the lender may work with the Obligor to dispose of them at a reasonable market price (or even at a premium), and the sale proceeds would be used to repay the borrower's debt. It may also be possible for a third party to acquire equity or debt interests in the borrower in order to be involved in the borrower's debt restructuring process; and
4. Assess the risk of insolvency proceedings being initiated against an Obligor and possibility of claw-back or similar claims in relation to any payments received by the lender, any additional security provided by the Obligor or any asset disposals by the Obligor.

Step 5: Develop effective litigation strategies

The lender should, at an early stage, engage its in-house and external legal teams to:

1. Investigate whether an Obligor is engaged in any fraudulent activity, and take preventative measures (including court proceedings) where appropriate;
2. Investigate whether any Obligor is implicated in criminal activities such as loan fraud or money laundering, and take into account the impact of potential criminal proceedings involving the Obligor and their interaction with civil proceedings to recover debt or enforce security;

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3. Develop specific litigation strategies with respect to each Obligor, including tailored asset preservation and enforcement strategies; and
4. Prepare relevant litigation materials in advance so the lender stands ready at any time to commence civil proceedings (or report suspected criminal activity to the relevant authorities).

Step 6: Formulate effective insolvency strategies

1. Prepare a list of key jurisdictions where insolvency proceedings may be commenced against an Obligor; and
2. With the assistance of external counsel, investigate how different stages of an insolvency proceeding may affect the lender's rights, including:
 - before the commencement of insolvency proceedings (e.g. whether transactions entered into by the Obligor prior to insolvency might be subject to challenge by an insolvency official, creditor or other third party)
 - understanding the position immediately after the commencement of insolvency proceedings (e.g. whether creditors' rights may be subject to a moratorium)
 - understanding the position during the medium to long-term (some insolvency proceedings can last many years)

In some jurisdictions, courts are not actively involved in the insolvency process, and a group of creditors (e.g. a creditors' committee) will need to make important decisions. The lender should consider which senior officers within its organization should be authorized to make decisions for the lender and who should represent the lender on the creditors' committee.

3. Formulate strategies against potential insolvency proceedings

Step 7: Effectively dealing with other creditors

The lender should:

1. determine whether the borrower has other major creditors and obtain key information about the borrower's other debts (e.g. amount, due date, whether in default and the security package);
2. closely monitor the protective and enforcement measures that other creditors have taken or are taking in relation to the Obligors or collateral, and assess whether other creditors are likely to initiate insolvency proceedings against any Obligor; and
3. consider whether it is strategically advantageous for the lender to work with other creditors (e.g. similarly situated lenders or other members of the loan syndicate) to achieve win-win outcomes for these creditors (including the lender).

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In addition to the steps outlined above, we recommend that lenders consider whether there are instances of non-compliance with respect to its credit and lending processes and conduct internal investigations into relevant procedures and personnel. This may help the lender understand and gather relevant evidence for potential legal proceedings.

Debt restructuring, asset recovery, enforcement and insolvency proceedings are fast-moving and incredibly complex, especially if they involve cross-border elements and multiple legal jurisdictions. These processes require close cooperation and coordination at all levels within the bank. They also demand decisive decision-making from the bank's leadership and swift execution and implementation of those decisions.

External counsel play a critical role in helping banks navigate these complex processes. In addition to their expertise in banking and finance matters and familiarity with the finance documents, external counsel can also provide strategic and practical advice in connection with domestic and foreign security perfection, enforcement, and litigation and insolvency proceedings. With the able assistance of external legal and other advisers, Chinese banks can effectively manage their NPLs, maximize loan recoveries and minimize potential or actual losses.

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Strategic Planning Using SMART, SWOT:

Writing a dynamic strategic plan and evaluating your organization should involve established analysis tools.

"Strategic planning is a systematic approach by a given organization to make decisions about issues which are of fundamental and crucial importance to its continuous long-term health and vitality" (Steiss).

Here are 3 analysis tools your organization should consider:

SMART: Specific, measurable, achievable, realistic, and time-bound

SOAR: Strengths, opportunities, aspirations, and results

SWOT: Strengths, weaknesses, opportunities, and threats

SMART

Specific Measurable Achievable Realistic Time-bound

SOAR

Strengths Opportunities Aspirations Results

SWOT

Strengths Weaknesses Opportunities Threats

Writing SMART Objectives

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Are your organization's goals written in the form of “SMART” objectives? Are they “specific,” “measurable,” “achievable,” “relevant,” and “time-bounded?” Example: By June 30, 2021, 100% of employees will have successfully completed OSHA's safety course.

SMART objectives are important for strategic planning since they focus on the effectiveness of the organization. Goals and objectives that are clear, efficient, and effective will transcend the organization and inspire management and employees to follow suit.

Consider these three goal areas: Service delivery, human resources, and resource development. Write goals for these three areas following the SMART format. Your resource development goals should seek to increase volunteers and contributions. Write the goals so they are quantifiable and achievable.

Components of a Strategic Plan

- Write clear goals and objectives.
- Establish reasonable time frames.
- Measure productivity, quality improvement, and provide cost analysis.
- Seek collaboration, inspire innovation, and measure the impact of community benefits.
- Write a budget that is linked to grant requirements. This would allow for more quantifiable performance measures as well as cost-benefit analysis.
- Identify the executive role in change management and overall organizational control.
- Evaluate your organization's direction and purpose.
- Identify and quantify performance measures.
- Your plan should emphasize improving the relationship with the client.

SWOT Analysis

Are strengths, weaknesses, opportunities, and threats identified? SWOT analysis is a widely accepted performance evaluation tool. However, it should be more than a list generating exercise (Kearns). Thoroughly evaluate your organization using the four analysis tools.

Focus on identifying more strengths than weaknesses of your organization. Keep in mind that research and experience show that, "focusing on the strengths of individuals and organizations is much more powerful and effective than dwelling on deficiencies." (O'Neill).

Identify your organization's opportunities for success. Some organizations are tempted to focus **only** on opportunities and develop them at length while strengths, weaknesses, and threats are not given as much attention. Focusing on opportunities gives a sense of foresight for the organization and inspires hope and pride.

Develop all four categories adequately and as balanced as possible.

University Strategic Plan Outline:

This template provides an outline for university strategy planning. The actual strategic plan may cover multiple pages and provide an in-depth analysis and detailed mission and vision statements. Strategic planning is an opportunity for universities to look closely at campus needs, institutional values, infrastructure, long-term goals, important obstacles, and more. The strategic plan will be a guiding document that is reviewed and updated regularly.

What Is Strategic Planning?

Strategic planning is an organization's process for defining their strategy so that they can accomplish specific goals and objectives. Strategic planning may be utilized on a large scale, such as planning for business growth over several years or to help a nonprofit or governmental organization reach its stated mission. A strategic plan can also be used on a smaller scale, such as crafting a marketing plan or developing strategy for the goals of one department within a business or organization.

It is important to note that strategy is distinct from planning: While strategy looks at why certain steps should be taken, a plan outlines how to enact those steps. Strategic planning marries these two concepts in order to determine the best possible course of action. The purpose of strategic planning is to provide a thoughtful, deliberate approach to reaching objectives based on an in-depth analysis of both internal and external factors affecting an organization.

A strategic plan often covers multiple years, addressing both short- and long-term goals. It also provides a way of tracking progress and measuring success. However, it's not a document that is fixed in stone — instead, it's wise to revisit and adjust a strategic plan periodically based on the evolving vision, objectives, needs, and resources of a business or institution.

Depending on the scope of your plan, you may be working with a team of multiple stakeholders during the strategic planning process. To keep the process running smoothly, make roles and responsibilities clear. Different parties may be responsible for providing data, reviewing the plan, or authorizing strategic decisions. As you prepare for planning, make sure all participants understand what's involved in the process and have received any relevant information prior to meeting.

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Benefits of Strategic Planning:

There are benefits of strategic planning, including the following: Align the goals of a department or project with larger business goals

- Provide clear communication to team members, stakeholders, or clients
- Clearly define the vision and mission of an organization
- Provide clarity on how to deal with internal or environmental changes

Parts of a Strategic Plan

One way to think about strategic planning is that it identifies any gaps between a current state and desired future state, and then dictates how to close those gaps — how you get from where you are to where you want to be. To that end, various factors are taken into consideration in order to formulate an effective plan. Here are some of the elements often included in a strategic plan.

- **Introductory Statement:** The introductory statement should briefly describe why the strategic plan was developed and for what time period, and list the authors of the plan.
- **Background Statement:** This section may provide information about the organization, such as history, management structure, and supporting partners or agencies. Alternatively, you could use this section as a brief business statement — more of an elevator pitch — to concisely describe your business.
- **Organizational Structure:** Include this information if it's relevant to evaluate how your business or organization operates and is structured, from governing board to staffing.
- **Vision:** A vision statement should briefly describe what a company wants to achieve or become. This is one of the primary organizational tenets to consider, along with values and mission.
- **Values:** These are the principles that an organization stands for and abides by. Many businesses create core value statements to guide company culture.
- **Mission Statement:** A mission statement describes the purpose of a business or organization. This is distinct from a vision statement because it is not a projected goal for

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the future.

- **Problem Statement:** Some plans include a problem statement, which can outline key or discrete issues that need to be addressed.
- **SWOT Analysis:** A SWOT analysis provides a foundation and context for developing strategy by examining the strengths and weaknesses within and organization as well as external opportunities and threats.
- **Goals:** As stated earlier, a strategic plan may include long-term as well as short-term (i.e, monthly or quarterly) goals. Objectives should be measurable and broken down into actionable steps, and the action plan for each goal should specify who is responsible for implementing the strategy, a timeline for starting and ending the action, and how the outcome will be evaluated.
- **Evaluation:** Methods for evaluation should be spelled out in the strategic plan. This could include tracking key performance indicators (KPIs) and documenting the progress of action steps on an ongoing basis.
- **Executive Summary:** This final summary helps employees, investors, or other readers quickly understand your plan.

No matter what type of strategic plan you are working on, using a template provides a simple and quick outline to organize your process. In the following sections, you'll find free, downloadable planning templates for business, nonprofit, human resources, marketing, IT strategic planning, and more.

Simple, powerful project management with Smartsheet. See for yourself.

Smart sheet is a cloud-based platform that allows teams and organizations to plan, manage, and report on projects, helping you move faster and achieve more.

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Economic
Sociological
Technological
Legal
Environmental

What Are the Driving Forces of PESTLE Analysis?

SOAR Analysis

Similar to SWOT analysis, SOAR is a reasonable alternative for your plan. Both of the two planning and evaluation tools ask your organization to identify strengths and opportunities. However, SOAR invites your organization to identify aspirations and results. Merriam Webster defines aspiration as, “A strong desire to achieve something.”

SOAR is important to strategic management because it inspires innovation. What are the organization's aspirations and ambitions? Are there new approaches to your business process that should be considered? Can new methods be ventured? If new ideas were incorporated, what was gained? What were the results? Innovations and results should be quantifiable.

Demographic and Economic Factors

It is particularly important to consider demographic and economic factors since they are the most dynamic variables in planning. Strategic management objectives should be time-bound and should include both short-term and long-term goals. Are various demographic and economic factors projected for a defined period of time? (Steiss). While many mission statements are written in a 3-5 year time frame, consider longer term, 20-30 year vision statements. Consider market data as part of your organization's economic assessment. Determine and provide census data.

Collaboration and Social Innovation

Does your organization incorporate collaboration as well as social enterprises as mechanisms to promote greater social innovation? Productivity and quality improvement are best measured by how well the organization collaborates with other entities. Is your organization able to measure social innovation? It could include inspiring community input to identify ways to improve the social conditions of the area. Organizations tend to identify the use of collaboration in the role of program services. Some programs boast cutting-edge, state of the art practices. These components also need to be quantifiable.

Community Benefits and Impact Measures

Does your organization provide information about those who directly benefit from those activities (clients and members) as well as impact measures that aim to reflect the net benefit for the broader community? Examine the outputs and outcomes of the organization. Identify benefits that can be evaluated using cost-benefit analysis. As an alternative, identify and analyze impact measures. Some organizations provide underlying service assumptions. Here is an example of a vague statement found in a report from a non-profit organization: “Engaging and participating in community life has a positive impact on people with disabilities.” We assume that the plan has a positive impact but there are no statistics provided. This also can be seen as a deficiency particularly if required to do grant reporting of impact measures. The organization could have stated, “In 2020, 405 persons with disabilities received our services. 375 were able to find part-time jobs.”

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Budget, Grant and Process Objectives

Provide a formal budget. Does the budget establish a working financial plan for the project so that progress and performance of the personnel administering the funds can be measured and reported? Typically, grant specifications will require personnel to conduct performance measures. Every income source and expenditure must be clearly documented. Provide specifics about funding sources. Avoid vague statements like, "Government contracts are still a significant source of funding." Identify and quantify the source of funding. For example, list the organizations that were contracted with said government entity and state the amount of funding in dollars. If any grant monies were used to establish or sustain the organization, provide the data. A lack of documentation might be a further deficiency for the organization during a grant evaluation.

Grant requirements should be included in your strategic plan. Further, does the budget directly link to the methods (process objectives) and evaluation components within the grant specifications and requirements? It is important to link the budget to the process objectives for improved cost-effectiveness and efficiency.

Some organizations identify fundraising efforts as part of the financial and strategic planning. Avoid vague statements like, "There is an increase by 25% in the number of contributions that support the operating budget." Identify the amount budgeted for fundraising so that anyone can calculate the 25% increase. Another example of a vague statement found in a strategic plan: "We have a \$1 million endowment fund." More details are needed regarding how the endowment fund is set up. Your strategic plan needs to include a copy of the budget and link it to the process objectives.

Example of Grant Requirements

Effective Communication

Does your organization's administration widely communicate the need for change and how change can be accomplished successfully? It is important to demonstrate that broad communication can be accomplished effectively and profitably. If your organization is going through change, what communication process is used? How is it managed or controlled? While change is anticipated by many organizations, the control, and communication of it needs to be well-developed in the plan.

Management Commitment to Change

If change is implemented into a new management system, does it result in or is there evidence of executive commitment, an open and trusting culture, and employee empowerment? While these might be hard to identify and measure, does the strategic plan discuss or offer insight as to whether the executives are committed? Is the culture one that goes beyond a working relationship and inspires hope, conviction, and confidence in the organization and one another?

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Employee empowerment might be shown by how much input and buy-in is considered and the degree of leeway that they enjoy. How much latitude is given to each employee?

Some organizations adhere to a set of core operating values. Does your organization promote a caring attitude, responsiveness, respectfulness, individualized support, diversity, integrity and accountability, state of the art practices, partnerships, advocacy, and financial sustainability? If so, how are they measured? Service agencies should focus on the relationship with their clients. Focus on the employee-management relationship. A well-written strategic plan will also include employee empowerment.

Recommendations

While there are a variety of criteria that can be used to accurately evaluate your strategic plan, make sure to include these key evaluation markers:

Budget

Your plan should include a budget. Provide information about grant requirements and any government funding. Include the amounts. Link the budget to the plan. This in turn would allow for measurable performance standards.

Goals and Objectives

Goals and objectives should clearly follow the “SMART” criterion. Make sure goals are measurable. Provide data to calculate a cost-benefit ratio. Provide quantifiable inputs, outputs, outcomes and impacts.

Employee engagement

Management should establish a positive work environment by fostering team input. This is especially crucial in a service agency so that agents can effectively reach out to those in need with a sense of pride and innovation.

Summary

A well-balanced strategic plan will seek to incorporate all three planning and analysis methods (SMART, SWOT, and SOAR). It should be written in such a way that would allow for the correction of any deficiencies. The plan should provide budget information as well as grant requirements. Accentuate strengths and opportunities. Acknowledge threats and weaknesses. Be open to change and consider your plan dynamic. Following these initiatives will enable your organization to navigate through our ever-changing times.

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University Strategic Plan Outline:

UNIVERSITY STRATEGIC PLAN OUTLINE

ABOUT US	
PAST - where we have been	
TODAY - where we are now	
VISION - where we should go and why	
MISSION - who we are, how we work toward our vision, what makes us unique	
CORE VALUES - guiding principles of our work and how we operate	
GOALS	
OBSTACLES - what could prevent us from realizing our vision	
LONG-TERM GOALS - what we will do to realize our vision	

Overcome the challenges faced by the leasing companies:

Nov 6, 2019

[Egidius Plynius](#)

The leasing business volume is on the rise states the annual **Global Leasing Report 2019** by the *White Clarke Group* and the *World Leasing Yearbook*. The report says that North America (the US, Canada, and Mexico), Europe, and Asia accounted for US\$1,282.73bn (95%) of the global leasing business volume in 2017. It was increased by close to US\$183bn from 2016 – a 16.6% growth. This North American marker is followed immediately by China (US\$265.68bn), UK (US\$92.45bn), Germany (US\$78.32bn), Japan (US\$60.47bn), and France (US\$49.78bn). Other regions that have their share of the pie include Australia/New Zealand (US\$31.5bn), South America (US\$17bn), and Africa (US\$5.7bn).¹

Does this tremendous growth mean leasing is easy?

Absolutely not. Many challenges plague the sector: thin margins due to rising competition, increasing customer demand for greater flexibility and convenience, evolving regulatory and legislative requirements, mounting operating costs, inefficient processes and need for necessitating innovation.

Additionally, the companies might be using slow, scattered, and disparate tools (systems) for managing their leasing process and contracts. Various departments might be logging in and entering (and re-entering) the same data manually in different systems. Because of which, the time taken to apply for client's sign off on the deal might be delayed. Moreover, the sales force might be dedicating too much time for "internal formalization" of the contract rather than searching for new customers and growing the revenue.

The leasing sector lacked innovation until the recent adoption of digital technologies. The digital transformation involves automation of customer journeys, partnership processes, payment schedules, financing contract signature, customer's verification, and so on. Therefore, the solution deployed should provide easy launch, integration and configuration possibilities to support fast-changing market trends.

There could be a complete service solution offered

Digital technologies can help companies manage the entire lease/loan lifecycle process from the proposal stage to the expiry/termination. It can help open more sales growth opportunities through solution's adjustment to various types of leasing services as well as possibilities to expand the product portfolio. It can enable to make better business decisions due to operative and accurate real-time information and clearly defined processes.

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With only one solution you can increase customer satisfaction and loyalty due to flexible, rapid accurate care and support. You can have all in one – cover and optimize both – leasing and back office – processes: contracts' management, purchase management, monthly invoicing, coverage of receivables, reporting and other processes.

2. The leasing companies do not get funds from Government at lower rate of interest. Other problems include **repossession problem, default culture, intense competition from traditional financing source and competition among leasing firms.**
3. What are the problems of leasing industry?

The lease becomes economically viable only when the transfer's effective tax rate is low. In addition, taxes like sales tax, wealth tax, additional tax, surcharge etc. add to the cost of leasing. Thus leasing becomes more expensive form of financing than conventional mode of finance such as hire purchase. However, in case of long-term lease contracts, the lessee is generally given the option to buy the leased asset or renew the lease contract. The three major types of leases are the **operating lease, financial/capital lease and the direct financing lease.**

Problems of Leasing

Leasing has great potential in India. However, leasing in India faces serious handicaps which may mar its growth in future. The following are some of the problems.

1. Unhealthy Competition:

The market for leasing has not grown with the same pace as the number of lessors. As a result, there is over supply of lessors leading to competitor. With the leasing business becoming more competitive, the margin of profit for lessors has dropped from four to five percent to the present 2.5 to 3 percent. Bank subsidiaries and financial institutions have the competitive edge over the private sector concerns because of cheap source of finance.

2. Lack of Qualified Personnel:

Leasing requires qualified and experienced people at the helm of its affairs. Leasing is a specialized business and persons constituting its top management should have expertise in accounting, finance, legal and decision areas. In India, the concept of leasing business is of recent one and hence it is difficult to get right man to deal with leasing business. On account of this, operations of leasing business are bound to suffer.

3. Tax Considerations:

Most people believe that lessees prefer leasing because of the tax benefits it offers. In reality, it only transfers; the benefit i.e. the lessee's tax shelter is lessor's burden. The lease becomes economically viable only when the transfer's effective tax rate is low. In addition, taxes like

sales tax, wealth tax, additional tax, surcharge etc. add to the cost of leasing. Thus leasing becomes more expensive form of financing than conventional mode of finance such as hire purchase.

4. Stamp Duty:

The states treat a leasing transaction as a sale for the purpose of making them eligible to sales tax. On the contrary, for stamp duty, the transaction is treated as a pure lease transaction. Accordingly a heavy stamp duty is levied on lease documents. This adds to the burden of leasing industry.

5. Delayed Payment and Bad Debts:

The problem of delayed payment of rents and bad debts add to the costs of lease. The lessor does not take into consideration this aspect while fixing the rentals at the time of lease agreement. These problems would disturb prospects of leasing business.

Note: The current problems of Indian leasing could be listed as follows, again without any order of listing:

- **Asset-liability mismatch:** Most non-banking finance companies in India had relied extensively on public deposits -this was not a new development, as the RBI itself was constantly encouraging and supporting the deposit-raising activities of NBFCs. If the resulting asset-liability mismatch, to everybody's agreement, is the surest culprit of all NBFC woes today, it must have been a sudden realization, because over all these years, each Governor of the RBI has passed laudatory remarks on the deposit-mobilization by NBFCs knowing fully well that most of these deposits were 1-year deposits while the deployment of funds was mostly for longer tenures. It is only the contagion created by the CRB-effect that most NBFCs have realized that they were sitting on gun-powder all these years. The sudden brakes put by the RBI have only worsened the mismatch.
- **Generally-bad economic environment:** Over past couple of years, the economy itself has done pretty badly. The demand for capital equipment has been at one of the lowest ebbs. Automobile sales have come down; corporate have found themselves in a general cash crunch resulting into sticky loans.
- **Poor and premature credit decisions in the past:** Most NBFCs have learnt a very hard way to distinguish between a good credit prospect and a bad credit prospect. When a credit decision goes wrong, it is trite that in retrospect, it invariably seems to be the silliest mistake that ever could have been made, but what Indian leasing companies have suffered are certainly problems of infancy. Credit decisions were based on a pure financial view, with asset quality taking a back-seat.
- **Tax-based credits:** In most of the cases of frauds or hopelessly-wrong credit decisions, there has been a tax motive responsible for the transaction. India has something which many other countries do not- a 100% first year depreciation on several assets. Apparently, the list of such assets is limited and the underlying fiscal rationale quite holy

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and sound – certain energy saving devices, pollution control devices etc qualify for such allowance. But that being the law, it is left to the ingenuity of our extremely competent tax consultants to widen the range with innovative ideas of exploiting these entries in the depreciation schedule. Thus, there have been cases where domestic electric meters have been claimed as energy saving devices, and the captive water softener in a hotel has been claimed as water pollution control device! As leasing companies were trying to exploit these entries, a series of fraudsters was successful in exploiting, to the hilt, the propensity of leasing companies to surpass all caution and all lending prudence to do one such transaction to manage its taxes, and thus, false papers for non-existing wind mills and never-existing bio-gas plants were fabricated to lure leasing companies into losing the whole of their money, to save the part that would have gone as government taxes!

- **Extraneous problems – frauds, closures and regulation:** As they say, it does not rain, it pours. Several problems joined together for leasing companies – the public antipathy created by the CRB episode and subsequent failures of some good and several bad NBFCs, regulation by the RBI requiring massive amount of provisions to be created for assets that were non-performing, etc. It certainly was not a good year to face all these problems together.

5. A Bailout Challenge:

A bailout is when a business, an individual, or a government provides money and/or resources (also known as a [capital injection](#)) to a failing company. These actions help to prevent the consequences of that business's potential downfall which may include [bankruptcy](#) and default on its financial obligations.

Businesses and governments may receive a bailout which may take the form of a [loan](#), the purchasing of bonds, stocks or cash infusions, and may require the rescued party to reimburse the support, depending upon the terms.

Bailouts are typically only for companies or industries whose bankruptcies may have a severe adverse impact on the [economy](#), not just a particular market sector. For example, a company that has a considerable workforce may receive a bailout because the economy could not sustain the substantial jump in unemployment that would occur if the business failed. Often, other companies will step in and acquire the failing business, known as a bailout takeover.

People's Leasing's sickness can have adverse affect on the economy as Liquidation in a country exposes weakness of overall economy.

The U.S. government has a [long history of bailouts](#) going back to the Panic of 1792. Since that time, the government has assisted financial institutions during the 1989 savings and loan bailout, rescued insurance giant American International Group ([AIG](#)), funded the government-sponsored home lenders Freddie Mac and Fannie Mae, and stabilized banks during the 2008 "too big to fail" bailout, officially known as the [Emergency Economic Stabilization Act of 2008](#) (EESA).

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6. Advantages and Disadvantages of Leasing

- Balanced Cash Outflow.
- Quality Assets.
- Better Usage of Capital.
- Tax Benefit.
- Off-Balance Sheet Debt.
- Better Planning.
- Low Capital Expenditure.

- No-Risk of Obsolescence.

How debt can be an alternative source of funding

For decades, the [debt](#) instrument has not been the common [financing](#) avenue for startups, as most lenders shy away from risky innovative ideas and business models. However, this is no longer the case.

In recent years, as technology companies have gained more attention from mainstream financial institutions, cheaper debt funds have become available for startups to fuel their growth, along with traditional [venture capital](#) funding.

In [equity financing](#), a company uses shares (equity) in exchange for accessing funds for overall business operations. It then ideally pays back investors with the investment multiple by selling its shares (through an [acquisition](#) or IPO). In debt financing, the company uses collateral in exchange for accessing funds for a specific business activity and pays it back over a defined period.

Typically, when a founder is deciding to [raise debt](#) in order to finance their business operations, there are two key questions to consider:

1. What will the money be used for and how long do I need it?
2. What **collateral** do I have that I can pledge to the lender?

Understanding which debt instrument is most applicable to you and your company will depend on your answers to the above questions. To help you work through these considerations, we've outlined a few hypothetical scenarios in which debt instruments play a critical role in the company's growth. In each scenario, we describe the situation, the venture's objective for financing and the types of suitable collateral a venture would require in obtaining debt financing from each loan facility.

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Some may argue that these scenarios can be financed by raising equity from [venture capital](#). However, the reality is many startups may not receive venture capital funding in a timely manner because of investors' subjective judgment regarding the market and/or tech, or the lack of a personal relationship with the founder. Therefore, depending on the stage of your company, debt financing may be a more relevant financing option — as long as you have the right type of collateral.

Scenario 1: A short-term working capital loan (less than one year) to leverage purchase-order financing for delivering a contract

Hardtech Inc., a two-year hardware startup, has five employees and recently secured a \$300,000 contract after launching a [minimum viable product](#) last quarter. It takes 15 days to source materials, and one month to manufacture and deliver products. Most of the cash in the company was spent on R&D, and now cash is needed to start the production and deliver on the contract.

Objective	Collateral	Suitable facility	Loan duration
<ul style="list-style-type: none"> Deliver on the contract 	<ul style="list-style-type: none"> Commercial contracts R&D tax credits 	<ul style="list-style-type: none"> Accounts receivable Purchase-order financing 	<ul style="list-style-type: none"> 45 to 60 days

Scenario 2: A short-term working capital loan to leverage monthly recurring revenue to act as a bridge for a fundraising event

Power Tech is a B2B SaaS company and has five people on the team. They are hoping to close a [Series A](#) round in three months, getting soft commitment from VCs, but have not yet identified the lead investor. The current monthly recurring revenue is \$10,000 and steadily heading toward \$50,000. [Customers](#) are continuing to sign up on the platform, and there are several engineers pending to be hired. Competition is strong, and several key functions need to be developed. Cash is tight: there is a three-month runway left in the bank account.

Objective	Collateral	Suitable facility	Loan duration
<ul style="list-style-type: none"> Continue fuelling growth while waiting for VC funding 	<ul style="list-style-type: none"> Monthly recurring revenue Hiring Commercialization grants R&D tax credits 	<ul style="list-style-type: none"> SS financing facility SR&ED tax credit facility 	<ul style="list-style-type: none"> Three months

Scenario 3: A long-term loan for an R&D project to be completed within one year

SuperDeep.ai is a three-year healthcare company spun out of the University of Supercool. The team consists of three people, including the CEO (a well-known researcher), CTO and CSO. The CEO is on the road to raise their [first round](#) from [angel investors](#) and seed-stage VCs. The company has been benefiting from government research grants to complete the R&D and build a prototype and is now waiting for FDA approval, pre-revenue. There is no other source of cash, other than three projects with a one- to three-year duration in the pipeline that are funded by government grants.

Objective	Collateral	Suitable facility	Loan duration
<ul style="list-style-type: none"> ● Raising funds (pre-revenue) ● Prepare to go to market 	<ul style="list-style-type: none"> ● Fixed assets ● Government grant commitment or contract 	<ul style="list-style-type: none"> ● Term loans ● Equity investment ● Grant financing 	<ul style="list-style-type: none"> ● One to three years

Founders always have an alternative financing source

A final take-away is that a founder always has an alternative financing source. It's a matter of picking the right type of debt facilities that work for each business case. If you're a tech founder considering raising funds through debt, the first place to start is to think about what assets you will need as collateral for financing.

Common assets used as collateral

- Personal guarantee
- Fixed assets & property
- Inventory
- Government grant agreement
- Quality sales contract, account receivables
- Monthly recurring revenue
- Tax credit

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Shares of Peoples Leasing

The board of directors of Dhaka Stock Exchange (DSE) has suspended the trading of shares of People's Leasing and Financial Services from Sunday.

The prime bourse has decided to suspend its share trading in accordance with Regulation 50 of the Dhaka Stock Exchange (Listing) Regulations, 2015, said an official disclosure on Sunday.

The decision was taken at a board meeting held on Thursday last at the DSE board room, said the disclosure.

According to the DSE board decision, the non-bank financial institution's share trading will be suspended until getting confirmation from Bangladesh Bank on liquidation of the company.

Recently, the government has directed the central bank to liquidate People's Leasing and Financial Services (PLFSL), a non-bank financial institution, due to deterioration of its financial health in the last several years.

Liquidation of PLFSL means closing its operations permanently and the government will take actions to settle liabilities by selling off its assets. But the central bank as the regulator has to take approval from the High Court before liquidation.

Earlier on June 27, the finance ministry instructed the central bank to shutter the NBFIs for its failure to improve its conditions, finance ministry officials said.

The ministry arrived at the decision after going through a detailed central bank report on the NBFIs.

The NBFIs have failed to repay the depositors' money despite maturity of the funds, found the Bangladesh Bank report. Default loans and net losses have recently escalated as well. If the liquidation goes through -- in line with the Financial Institutions Act, 1993 -- it will be a first in Bangladesh's financial sector.

Each People's Leasing share closed at Tk 3.0 on Thursday last, losing 25 per cent within a week following the liquidation news.

The company failed to pay dividend in the past four years and last paid dividends in 2014.

The company's paid-up capital is Tk 2.85 billion, authorised capital is Tk 5.0 billion and the total number of securities is 285.44 million.

The sponsor-directors own 23.21 per cent stakes in the company, while institutions 9.50 per cent, foreign investors 0.19 per cent and the general public 67.10 per cent as of June 30, 2019, the DSE data shows.

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Expert Opinion on NBFIs:

‘No need for so many non-bank financial institutions’

NBFIs are losing a grip on their customer base. The Business Standard sat down with Dr. Saleh Uddin Ahmed, the former Governor of Bangladesh Bank, for a clearer view of the implication of the situation

The non-bank financial institutions - commonly known as NBFIs - may have become exposed to market volatilities because of their overdependence on a small number of large investors and debtors.

According to Bangladesh Bank, 56.2 percent of all deposits in NBFIs were between Tk1 crore to Tk50 crore. Moreover, only 5,019 depositors across the entire NBFI establishment were responsible for these deposits. In terms of loans, 60.6 percent of total funds were distributed among only 6,587 borrowers. Pundits fear that if a large chunk of these large depositors withdraws their funds for some unforeseen economic shock (like the Covid-19 pandemic) or a dip in confidence in the market, the NBFIs may face a liquidity crisis. Given the rather contentious track record of the NBFIs, such fears may not be totally unwarranted. For instance, in 2019, People's Leasing and Financial Services (PLFSL), a non-bank financial institution, barely avoided liquidation owing to an order from the High Court ignoring a plea from the central bank. Previously, the Government of Bangladesh had ordered the central bank to liquidate the NBFI for deteriorating financial performance for protracted periods.

On top of that, in 2021, Bangladesh Bank declared that 13 out of the 34 NBFIs currently operating in Bangladesh had slipped into the red zone by the end of 2020. The number used to be 10 back in 2019.

Generally, infection rate, defined as the ratio of non-performing loans to total distributed loans is the main metric for categorizing financial institutions into three zones: red, yellow and green, with the colours corresponding to weak, moderate and satisfactory performance, respectively.

Experts cite systemic problems such as a high degree of non-performing loans and lack of oversight from the central bank as some of the issues plaguing the NBFI sector.

The Business Standard wanted to get a more refined understanding of the inner workings of the NBFI industry and seek a potential way out for the NBFIs. So, we asked **Dr Saleh Uddin Ahmed**, the former Governor of Bangladesh Bank, to share his two cents on the matter.

After four decades of operation, the lending and borrowing activities of the NBFIs remain confined to a few thousand large debtors and creditors. Why haven't the NBFIs been able to expand their operation to an expected degree?

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This problem is not exclusive to non-bank financial institutions. All financial institutions, bank or non-bank, are overexposed. Whether we talk about the banks or the NBFIs, the main problem is their tendency to run after large debtors and creditors while ignoring the small business debtors.

They do this because by distributing large amounts of loans to a small number of clients, they hope to remain in control while generating a considerable amount of revenue, despite putting in very little effort. While the larger banks do have the capacity to monitor their debtors, most NBFIs have limited resources and cannot do so. This is probably why they prefer keeping a relatively smaller and manageable roster compared to typical financial institutions like banks.

According to Bangladesh Bank, 56% of all deposits in the NBFIs belong to only 5,019 creditors. It is feared that a wholesale withdrawal of these deposits or the failure of large debtors to repay their loans may leave the NBFIs vulnerable to potential shocks. Is this fear reasonable?

The NBFIs are currently held hostage by large debtors. They understand that financial institutions rely on them for both lending and borrowing. As a result, debtors tend to take out multiple different loans from different financial institutions at different periods in time.

For instance, if they have to repay their loans at a bank, they would take out another large loan from an NBFI to repay the other one. The NBFIs cannot do anything about this as they have to compete with other financial institutions to get these clients and their reluctance to comply with the client's request would drive the clients away.

Moreover, most NBFIs - even if they were willing to - do not have the capability or human resources to monitor their clients. To make matters worse, there are many reports of irregularities within the NBFI establishment like their directors being corrupt or being involved in shady practices. All of these factors together exposed these institutions to the risks you mentioned.

Do you believe that the recent scandals in the banking as well as the NBFI sector, such as the liquidation of People's Leasing and Financial Services (PLF), have adversely affected the confidence of the customers in the NBFIs?

There are too many NBFIs currently operating in Bangladesh. But people only know and trust a handful of them. They either never heard of the other ones or do not have confidence in their operations.

Moreover, the NBFIs are not as strictly regulated by Bangladesh Bank as other financial institutions. They do not have to strictly abide by the CRR (Cash Reserve Ratio: The percentage of total funds a financial institution is required to keep as cash to prevent a liquidity crisis) announced by the central bank.

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In short, the typical norms in the financial industry do not always apply to them. That's another reason creditors do not trust them very much. Scandals like the PLFSL liquidation only worsen this situation.

Bangladesh Bank says that the greatest failure of the NBFIs is in releasing expedient products. Do you agree?

Currently, there isn't a market for so many NBFIs in Bangladesh and most of these institutions aren't even trying to diversify their products or introduce packages that would attract new customers and expand the market. From the beginning, they should have focused their operations to serve small and medium enterprises. But instead, they choose the easy way out by picking and choosing some large debtors and creditors to manage their operations and generate revenue.

These NBFIs do not diversify their portfolio nor do they pursue other measures of offsetting risks such as hedging (a risk management strategy that offsets losses by taking an opposite position in a related asset), risk-sharing and securitization of debts. In short, they are neither diversifying their clientele nor their products. They put all of their eggs in one basket and we are observing the result of that decision now.

On top of that, many banks have invested large sums of money in the NBFIs and due to their poor performance; many banks have also become exposed to the risk of these NBFIs going belly up.

How can the NBFIs sector reach its true potential? What steps should be taken by the central bank and the GOB to achieve this goal?

There are many NBFIs in name only, which do not contribute much to the financial sector. When I was the Governor of Bangladesh Bank, I saw many of these NBFIs could not even properly pay the salaries of their employees. So, I would recommend withdrawing the licence of these institutions and merging those with poor performance with larger ones with better track records.

In the case of the large financial institutions in trouble, bail them out of this situation and restructure their management. Some may argue in favor of liquidation, but such measures will not solve the problem.

The next step would be to improve the financial management and financial reporting system. Assuming that financial institutions exhibit prudent management and reporting, they can release shares in the stock market to raise their capital base. Without the injection of new capital, it is unlikely that the NBFIs will be able to expand beyond their current capacity.

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WORK-PLAN Skeleton Brief:

1. Holding past and Present AGMs by July-2022. Activity: Application for Condonation of Delay for Regularization.
2. Judicial Recovery from Borrowers. Arbitration Decree and Execution of Decrees Passed. Activity: A direction by High Court to expedite disposal the pending cases.
3. Continuation and increasing of Social corporate Responsibility. To continue with Grievance Committee recommended depositors.
4. To pursue with the request for Aid from Government through Bangladesh Bank.

Activity: A High Meeting to resolve the pressure by issuing Drawing Right by BB.

5. Open Stock Exchange Market with help of BSEC and DSE urgently.
5. Strengthening of HR Part of the Company with adequate pay and Allowances.
6. Office Shifting: The Company is shifting to its Registered Office as imminent need which is cutting of time.
7. Maintain the current two Crore taka In-Flows of fund and with projection of 3 crore by next Quarter.
8. Increase the amount of FDR from 20 crore to 50 crore.
9. Begin Lending by Bailing out strengthening debt into resource by 2023.

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PLAN-A

1.1 Introduction:

PLFSL Ltd. is a 24 years old Non-Bank Financial Institution operating its business under the Financial Institution Act 1993 and the Companies Act 1994 as Public Limited Company with the license from Bangladesh Bank. The Company was authorized to commence its business in Bangladesh as per Certificate of Commencement dated 26th August, 1996. The Company went for Public Issue in the year 2005 and its shares were listed at both Dhaka & Chittagong Stock Exchange on July 20, 2005.

Corporate Information:

- Company formation : August 12, 1996
- Bangladesh Bank Licensee as NBFI : November 24, 1997
- Initial Paid up Capital : Tk. 49,99 lac
- Initial Public Offering (IPO) : Year 2005
- Current Authorized Capital : Tk. 500.00 Crore
- Current Paid-up Capital : Tk. 285.44 Crore
- Current Face value /share : Tk. 10.00
- Gulshan, Dhaka Branch operation started: October 2007
- Agrabad, Chottogram Branch started : December 2014

Change in the Board of Directors:

- Special Inspection conducted by Bangladesh Bank in Year 2015
- Bangladesh Bank appointed Observer in the Board in June 09, 2015
- Bangladesh Bank removed 05 nos. Directors of previous Board in July 9 & 13, 2015
- New Board been appointed in November 2015

Features of Restructuring Scheme:

Introduction:

PLFSL Ltd. is a 24 years old Non-Bank Financial Institution operating its business under the Financial Institution Act 1993 and the Companies Act 1994 as Public Limited Company with the license from Bangladesh Bank. The Company was authorized to commence its business in Bangladesh as per Certificate of Commencement dated 26th August, 1996. The Company went for Public Issue in the year 2005 and its shares were listed at both Dhaka & Chittagong Stock Exchange on July 20, 2005.

Corporate Information:

- Company formation : August 12, 1996
- Bangladesh Bank Licensee as NBFI : November 24, 1997
- Initial Paid up Capital : Tk. 49,99 lac
- Initial Public Offering (IPO) : Year 2005
- Current Authorized Capital : Tk. 500.00 Crore
- Current Paid-up Capital : Tk. 285.44 Crore
- Current Face value /share : Tk. 10.00
- Gulshan, Dhaka Branch operation started: October 2007
- Agrabad, Chottogram Branch started : December 2014

Change in the Board of Directors:

- Special Inspection conducted by Bangladesh Bank in Year 2015
- Bangladesh Bank appointed Observer in the Board in June 09, 2015
- Bangladesh Bank removed 05 nos. Directors of previous Board in July 9 & 13, 2015
- New Board been appointed in November 2015

Special Audit/Inspection and Observations:

Audit by Huda Vasi Chowdhury (HVC) and Co.:

After resuming new BoD, a special management audit conducted by Audit firm HVC upon appointment given by new Board of Directors to find out actual anomalies in the financial position. HVC pointed out a lot of financial discrepancies in their report.

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They report among others a financial gap of Taka 923.89 crore which arisen through understatement of Liabilities of Tk. 613.3 crore and overstatement of Assets Tk. 310.59 crore in previous financial statements.

Inspection by FIID, Bangladesh Bank:

FIID inspection team of Bangladesh Bank also pointed out Provision shortfall Tk. 1,725.56 Crore and Capital shortfall Tk. 1,354.94 Crore in their inspection report for the year ended on December 31, 2015.

We have analyzed and prepared restructuring schemes by assuming different conditions. Restructuring scheme tenure may have been fixed for 15 year in three (3) phases as follows:

<u>Particulars</u>	<u>Phase 1 (1 to 5 years)</u>	<u>Phase 2 (6 to 10 years)</u>	<u>Phase 3 (11 to 15 years)</u>																																								
Fresh Injection of Fund	Taka 600 crore by issuing Redeemable Bond @ 4% repayable in 5 years starting after 10 years																																										
Repayments of Principal amount of deposit Tk. 1,875.54 crore in Phase 1 and 2.	<div>Retail Individual depositors amount of Tk. 373 crore shall be repayable of 2803 nos of depositor within 5 years which is 85% of total depositor as follows:</div> <table><tr><th>Year</th><th>Tk in Cr</th><th>No. of Depositor</th><th>%</th></tr><tr><td>1st</td><td>80.50</td><td>1,766</td><td>54%</td></tr><tr><td>2nd</td><td>77.63</td><td>501</td><td>15%</td></tr><tr><td>3rd</td><td>91.63</td><td>314</td><td>10%</td></tr><tr><td>4th</td><td>61.8</td><td>111</td><td>3.5%</td></tr><tr><td>5th</td><td>61.8</td><td>111</td><td>3.5%</td></tr><tr><td>Total</td><td>373.28</td><td>2803</td><td>85%</td></tr></table>	Year	Tk in Cr	No. of Depositor	%	1st	80.50	1,766	54%	2nd	77.63	501	15%	3 rd	91.63	314	10%	4th	61.8	111	3.5%	5th	61.8	111	3.5%	Total	373.28	2803	85%	<div>Repayable amount of rest Individual depositors and Organizational depositor's amount of Tk. 535 crore shall be repayable from 6th year to 10th year.</div> <div>390 nos. of depositor will get back their deposit which is 12% of total depositor.</div>	<div>Repayment of rest deposits and Borrowings</div> <table><tr><th>Year</th><th>Tk in Cr</th><th>No. of Depositor / Lender</th></tr><tr><td>Deposits</td><td>966</td><td>74*</td></tr><tr><td>Borrowings</td><td>203</td><td>15</td></tr><tr><td>Total</td><td>1169</td><td>89</td></tr></table> <div>*Only 3% of total depositor</div>	Year	Tk in Cr	No. of Depositor / Lender	Deposits	966	74*	Borrowings	203	15	Total	1169	89
Year	Tk in Cr	No. of Depositor	%																																								
1st	80.50	1,766	54%																																								
2nd	77.63	501	15%																																								
3 rd	91.63	314	10%																																								
4th	61.8	111	3.5%																																								
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Total	373.28	2803	85%																																								
Year	Tk in Cr	No. of Depositor / Lender																																									
Deposits	966	74*																																									
Borrowings	203	15																																									
Total	1169	89																																									
Repayment of Bond			Repayment of Bond principal amount along with interest.																																								

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Advantages

1. 85% of depositor shall get back their principal deposit amount in phase 1. i.e. All small depositor shall get release within 5 years.
2. All depositor and lender shall get back their principal investment as per schedule,
3. Existing management can expedite collection of classified loan of tk 450 crore out of tk 680 crore. Where most of the classified loan are receivable from ex-directors,
4. About 80-90 existing employees and their families can save themselves from unemployment,
5. 25/30 thousands of small investors shall get back their investments in the capital market,
6. Image of leasing industry will be saved and public confidence shall be restored.
7. All the stakeholders will be benefitted if the company run again by restructuring.

Disadvantages

1. It may take long time to realise cash from loan client as a result depositor shall be in uncertain situation to get back their deposit,
2. Assets are significantly inadequate to repay the liabilities. Only 20% of liabilities may be repaid by liquidate all assets,
3. Small depositors may not priority for getting back their deposit. As a result they might be looser,
4. Bank may claim their right as priority basis because they have charge creation as against term loan,
5. Negative image for leasing industry

Assumptions:

1. Only principal amount of deposit shall be repayable after restructuring, i.e. no further interest shall be charged thereon.
2. In case of borrowing from Bank and FI in term loan, only outstanding principal amount will be paid in phase 2. The entire installment amount paid earlier shall be considered as principal repayment.
3. In case of borrowing from Bank and FI in the mode of short term loan, overdraft and Money at call short notice, only outstanding principal amount will be paid in phase 2. No further interest shall be charged thereon.
4. Reducing operating costs by at least 50% of its existing expenses through applying various cost cutting measures.

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5. Formation of a strong and effective credit management team for disbursing and collection loans and advances.
6. Accelerating recovery from non-performing loans and advances, recovery from written off-loans etc.
7. Formation of a strong legal wing to expedite pending cases and file new cases to recover default loan within the shortest possible time.
8. Tax holiday facilities during the period of restructuring scheme.
9. No dividend shall be paid out during tax holiday period.

Conversion option of deposits into ordinary share may be given to depositors Banks and FIs as per their willingness. But it will abnormally increase paid capital of the company which will not be viable from the shareholders point of view for the future period.

Comments: As a public Interest entity, PLFSL ltd. shall be able to repay the depositor's and lenders investment only when it shall run successfully. The company may be operating subject to injection of fresh fund and new good investment for generating profit in future. As there is a huge gap between interest earnings assets and interest bearing liabilities, there is no other option but to stop charging interest on deposits and other borrowings. It may assume that, within the 10 years of scheme the company shall be able repay principal amount of 97% depositors' money. During 11th to 15th years of phase 3, PLFSL shall be able to repay all of its outstanding liabilities including Bond. And after successful continuation of business in subsequent years, PLFSL shall also be able to absorb its retained loss also.

Liabilities position of PLFSL have been analysed as under:

Total liability (including interest) of PLFSL is Tk. 2,410.82 crore out of which borrowing is Taka 391.69 crore and deposit is Tk. 2,019.12 crore. Exposure with Bank and FI is Tk. 1,160.41 crore and Individual & Organizational deposit is Tk. 1,250.40 crore.

Total Outstanding

Amount Tk. in crore

Exposure with Bank & FI	LTL	STL	Call	OD	Deposit	Total Liability	Percentage
Govt. Bank	1.76	28.52	56.10	-	418.42	504.80	43.50%
Govt. FI	-	-	-	-	101.10	101.10	8.71%
Pvt. Bank	210.95	7.96	-	74.15	16.31	309.38	26.66%
Pvt. FI	1.90	10.35	-	-	232.89	245.13	21.12%
	<u>214.61</u>	<u>46.83</u>	<u>56.10</u>	<u>74.15</u>	<u>768.72</u>	<u>1,160.41</u>	

Principal Outstanding

Amount Tk. in crore

Exposure with Bank & FI	LTL	STL	Call	OD	Deposit	Total Liability	Percentage
Govt. Bank	-	27.69	56.00	-	384.60	468.29	40.36%
Govt. FI	-	-	-	-	90.00	90.00	7.76%
Pvt. Bank	36.73	7.60	-	64.32	15.48	124.13	10.70%
Pvt. FI	0.90	9.88	-	-	198.00	208.78	17.99%
	<u>37.63</u>	<u>45.17</u>	<u>56.00</u>	<u>64.32</u>	<u>688.08</u>	<u>891.21</u>	

Interest amount not to pay

176.98

1.66 **0.10** **9.83** **80.63** **269.20**

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Amount Tk. in crore

Deposits	Total Outstanding		Principal Outstanding	Interest amount not to pay
	Deposit Amount	No. of Depositor		
Individuals	785.41	3009	757.41	28.00
Organizations	464.99	261	430.04	34.95
	1,250.40	3,270	1187.45	62.95
Bank and Financial Institutions	768.72	15	688.08	80.64
Total Deposits including Bank and FI	2,019.12	3,285	1875.53	143.59

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Principal amount of Deposit has been analysed in terms of amount as under:

Amount Tk. in crore

Deposit Class	<= 5 Lakh		<5 Lakh to 10 Lakh		<10 Lakh to 20 Lakh		<20 Lakh to 30 Lakh		<30 Lakh to 40 Lakh		<40 Lakh to 80 Lakh		<80 Lakh to 2 Crore		Above 2 Crore		Total	
	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep	Tk.	No. of Dep
Individual	33.57	1,200	46.93	566	77.63	501	52.85	206	38.78	108	123.52	222	192.87	157	191.27	49	757.42	3009
Organization	0.93	27	2.83	34	5.11	33	5.52	21	5.18	14	20.75	36	54.82	43	334.90	51	430.04	261
Bank-FI	-	-	-	-	-	-	-	-	-	-	0.48	1	-	-	687.60	14	688.08	15
Total	34.49	1,227	49.76	600	82.73	534	58.37	227	43.96	122	144.75	259	247.69	200	1,213.78	755	1,875.54	3,285

Projected Financial Performance

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Interest Income on Loan	812	1,086	1,310	1,494	1,645	1,769	1,871	1,884	1,895	1,904	1,911	1,917	1,922	1,926	1,929
Interest Income on Money Market Placement	631	562	527	581	649	705	784	897	1,010	1,128	995	864	738	405	82
Interest Exp on Bond	240	240	240	240	240	240	240	240	240	240	192	144	96	48	-
Net Interest Income	1,203	1,408	1,598	1,836	2,054	2,234	2,415	2,541	2,665	2,792	2,714	2,637	2,564	2,283	2,011
Other Operating Income	40	60	150	150	150	150	150	150	150	150	150	175	175	175	200
Admin Exp	80	84	88	93	97	102	107	113	118	124	130	137	144	151	158
Profit before Taxes	1,163	1,384	1,659	1,893	2,107	2,282	2,458	2,579	2,697	2,818	2,734	2,676	2,595	2,307	2,053
Cumulative Earnings	1,163	2,547	4,206	6,099	8,206	10,488	12,946	15,525	18,222	21,040	23,774	26,450	29,045	31,352	33,405

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Projected Financial Position

Amount in Million

Liabilities	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Total Deposit	18,751	17,946	17,169	16,253	15,635	15,018	14,053	13,089	11,933	10,773	9,662	8,551	7,370	6,188	3,094	(0)
Total Borrowing	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	2,031	1,625	1,219	812	406	-
Bond	600	6,240	6,480	6,720	6,960	7,200	7,440	7,680	7,920	8,160	8,400	6,720	5,040	3,360	1,680	-
	26,782	26,217	25,681	25,004	24,627	24,249	23,525	22,800	21,882	20,965	20,093	16,896	13,628	10,361	5,180	(0)

Interest Earnings Assets

Interest Earnings Loan	3,798	3,798	4,754	6,358	7,674	8,753	9,637	10,362	10,957	11,035	11,099	11,151	11,194	11,229	11,258	11,281
Other Investable fund		5,738	5,110	4,795	5,286	5,896	6,411	7,130	8,158	9,186	10,258	9,047	7,857	6,707	3,681	743
	3,798	9,536	9,864	11,154	12,960	14,649	16,049	17,493	19,115	20,221	21,357	20,198	19,051	17,936	14,939	12,024

Projected Fund flow statement

Amount in Million

	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Opening balance of fund		5,738	5,110	4,795	5,286	5,896	6,411	7,130	8,158	9,186	10,258	9,047	7,857	6,707	3,681
Issuing Bond	6,000														
Collection from Performing Loan	1,044	1,396	1,685	1,921	2,115	2,275	2,405	2,422	2,436	2,448	2,457	2,465	2,471	2,476	2,481
Collection from classified loan	888	730	595	486	264	238	214	192	173	156	141	126	113	101	90
Capital Gain	40	60	150	150	150	150	150	150	150	150	150	175	175	175	200
Interest Income	812	1,086	1,310	1,494	1,645	1,769	1,871	1,884	1,895	1,904	1,911	1,917	1,922	1,926	1,929
Other Operating Income	40	60	150	150	150	150	150	150	150	150	150	175	175	175	200
Total Fund Inflow	8,823	9,070	9,000	8,997	9,611	10,478	11,202	11,928	12,962	13,994	15,067	13,905	12,714	11,560	8,581
Disbursement	2,000	3,000	3,000	3,000	3,000	3,000	3,000	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500
Investment in Capital Market	200	100	200												
Deposit Repayment	805	776	916	618	618	964	964	1,158	1,158	1,111	1,111	1,181	1,181	3,094	3,094
Borrowing Repayment											406	406	406	406	406
Bond Repayment											1,872	1,824	1,776	1,728	1,680
Administrative Expenses	80	84	88	93	97	102	107	113	118	124	130	137	144	151	158
Total Fund outflow	3,085	3,960	4,205	3,710	3,715	4,066	4,072	3,770	3,776	3,735	6,020	6,048	6,007	7,879	7,839
Net Fund Flow	5,738	5,110	4,795	5,286	5,896	6,411	7,130	8,158	9,186	10,258	9,047	7,857	6,707	3,681	743

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Key Assumptions:

Amount in Million

	Amount	Rate	Repayable in	Grace period
Raising Fund by issuing Bond	6,000	4%	15 years	10 years

	Total Amount	NPL Amount	NPL %	Recovery from NPL
Loans and Advance	10,598	6,800	64%	
Loan/Lease	7,398	3,600	49%	2,790
Margin Loan	3,200	3,200	100%	1,717

1. Average rate of return considered @ 14% on loans and advances,
2. No further borrowing required from any other sources,
3. All classified and unclassified loan from ex-directors shall be realized.

Conclusion: Considering the various scenarios stated in above The Company may be restructuring subject to injection of fresh fund and new good investment for generating profit in future. It may assume that, within the 10 years of scheme the company shall be able repay principal amount of all deposit and borrowings. And after successful continuation of business in subsequent years, PLFSL shall also be able to absorb its previous year's loss also.

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PLAN- B

Restructuring/ Re-constitute the process of People's Leasing And Financial Services Limited.

Reference: By the order of Supreme Court of Bangladesh High Court Division's order no. 96 dated 12.07.2021 formed a new Board and reconstitute to inject money by the help of Government fund.

1. Total liabilities of Tk. 2,588.00 Crore (approx.) as on July 21, 2019 which is mentioned below:

(Amount in Crore)		
Sl. No.	Particulars of Liability	Outstanding of Liabilities
1	Term Deposit (Individual)	800.00
2	Term Deposit (Organization)	420.00
3	Term Deposit (Bank/Financial)	770.00
4	Term Loan (Bank/Financial)	212.00
5	Call Money	56.00
6	Short Term Loan (Treasury Line)	47.00
7	Bangladesh Bank Re-finance	8.00
8	Bank Overdraft	75.00
9	Others (Tax, fees, etc.)	200.00
Total Outstanding Liability		2,588.00

2. At present company's recoverable amount of Lease/Loan Tk. 650.00 Crore approximately. So the deficiency between liabilities and recoverable assets amount stand at Tk. 1,938.00 (2,588-650) Crore.
3. Considering the above situation, current Management is considering the following matters for bringing the company in functional:

- (1) All Credit Line facilities with Government and non-Government commercial Bank and Financial Institution like Call Money, Short Term Loan, Term Loan, Term Deposit, Overdraft facilities should be interest free from 2019.
- (2) Payment arrangement of liabilities of Government and non-Government commercial Bank and Financial Institution's liabilities like Call Money, Short Term Loan, Term Loan, Term Deposit, Overdraft facilities should be arranged over a period of time. (Annexure-1)

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- (3) Institutional Term Deposit should be interest free and payment will be made within a stipulated time. (Annexure-2)
- (4) Individual Term Deposits should be paid 10% of deposit amount and be issued a new TDR instrument for remaining amount claim. (Annexure-2)
- (5) Relief from liabilities of Bangladesh Bank, DSE, CSE, NBR etc.

Source of fund for the Company:

4. The said deficit of liabilities and asset deficit of the company can be arranged in the following ways:

- (1) To raise share capital for the company by forfeiting all the shares of the sponsor shareholders share i.e. 8.60 crore share (Approx. 30%) and reissue/sales those shares in a new way between government and non government individuals and organizations. Shares can be issued or sold between government and non government individuals and organization in the following manner:-

(Amount in

Crore)

SL. No.	Particulars	Number of Shares	Share Price (Each)	Total Price (Crore)
1	Re-issue the shares between prospective buyers	5.60	100	560.00
2	Re-issue share between different Government Organizations	3.00	100	300.00
Total				860.00

It will be possible to take the business activities of the company forward by the new management under the close monitoring of the regulator up to a certain period (minimum 5 years) and this will help to maintain the stability of the financial sector in the country.

Book value per share is Tk. 10.00 and remaining amount Tk. 90.00 per share is premium.

- (2) Financial assistance from Bangladesh Bank Tk. 750.00 Crore under incentive package and moratorium period will be 15 years and thereafter repayment will start.
- (3) Financial assistance Tk. 500.00 Crore through from Government as an Aid.
- (4) The total amount will raise:

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(Amount in Crore)

SL. No.	Particulars	Amount
1	Share re-issue	860.00
2	Bangladesh Bank	750.00
3	Ministry of Finance	500.00
Total		2,110.00

People's Leasing And Financial Services Limited
Payment Schedule of Liability

(Annexure-1)

(Amount in Crore.)

Sl	Particulars	Total Outsta nding	Year					
			2023	2024	2025	2026	2027	2028
			10%	15%	15%	15%	15%	30%
1	Term Deposit Individual	800.00	80.00	120.00	120.00	120.00	120.00	240.00
2	Term Deposit Corporate	420.00	42.00	63.00	63.00	63.00	63.00	126.00
Total		1,220.00	122.00	183.00	183.00	183.00	183.00	366.00

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People's Leasing And Financial Services Limited

Payment Schedule of Liability

(Annexure-2)

(Amount in Crore)

SI	Particulars	Total Outsta nding	Year					
			2028	2029	2030	2031	2032	2033
			10%	15%	15%	15%	15%	30%
1	Term Deposit (Bank/FI)	770.00	77.00	115.00	115.00	116.00	116.00	231.00
2	Term Loan (Bank/FI)	212.00	21.00	32.00	32.00	32.00	32.00	63.00
3	Call Money	56.00	5.60	8.40	8.40	8.40	8.40	17.00
4	Sort Term Loan (Treasury Line)	47.00	4.70	7.05	7.05	7.05	7.05	14.10
5	Bangladesh Bank Refinance	8.00	0.80	1.20	1.20	1.20	1.20	2.40
6	Bank Overdraft	75.00	7.50	11.25	11.25	11.25	11.20	22.50
7	Others	200.00	20.00	30.00	30.00	30.00	30.00	60.00
Total		1,368.00	136.60	204.90	204.90	205.90	205.85	410.00

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People's Leasing and Financial Services Ltd.									
Balance Sheet (Provisional)									
As on June 30, 2022									
Particulars					Amount in Taka				
					June 30, 2022	December 31, 2021			December 31, 2020
PROPERTY & ASSETS									
	-								
Cash & Cash Equivalents	-								
In Hand (including foreign currencies)		1,459			1,459				1,459
Balance with Bangladesh Bank and its Agent Banks									
(including foreign currencies)		45,954			45,495				47,576
		47,413			46,954				49,035
Balance with other Banks and Financial Institutions									
Inside Bangladesh		1,480,055,473			1,380,540,706				888,655,199
Outside Bangladesh									-
		1,480,055,473			1,380,540,706				888,655,199
Money at Call and Short Notice									-
Investments									
Government									-
Others		235,225,830			235,225,830				266,475,830
		235,225,830			235,225,830				266,475,830
Loans & Advances									
Lease Receivables		-			1,440,465,982				1,426,211,948
Advance for Lease Finance									-
Direct/ Term Finance		24,305,982,695			22,184,884,173				22,122,255,522
Secured Overdraft		-			(1,683,942)				(2,016,117)
Bills Discounted and Purchased									-
		24,305,982,695			23,623,666,213				23,546,451,353
Property, Plant & Equipment		59,556,489			59,556,489				66,743,518
Intangible Asset									-
Other Assets		(88,470,724)			(88,470,724)				(1,123,030,414)
Non-Banking Assets		29,593,078			29,593,078				31,150,608

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Total Assets	26,021,990,254	25,240,158,546	23,676,495,129
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	3,964,312,641	3,964,312,641	3,964,312,643
Deposits & Other Accounts			
Current deposits & Other Accounts, etc		120,830,567	123,156,804
Bills Payable		514	514
Savings Bank Deposits			-
Term Deposits	27,124,648,039	26,248,115,157	23,488,307,528
Bearer Certificate of Deposits			-
Other Deposits		66,942,534	67,166,357
	27,124,648,039	26,435,888,772	23,678,631,203
Other Liabilities	19,124,341,639	19,124,341,639	18,611,652,315
Total Liabilities	50,213,302,319	49,524,543,052	46,254,596,161
Capital/ Shareholders' Equity			
Paid-up Capital	2,854,405,970	2,854,405,970	2,854,405,970
Statutory Reserve	645,578,147	645,578,147	645,578,147
General Reserve	-	-	
Share Premium	1,018,605,234	1,018,605,234	1,018,605,234
Retained Earnings	(28,709,901,416)	(28,802,973,857)	(27,096,690,383)
Total Shareholders' Equity	(24,191,312,065)	(24,284,384,506)	(22,578,101,032)
Total Liabilities & Shareholders' Equity	26,021,990,254	25,240,158,546	23,676,495,129

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