



ANNUAL REPORT 2022



PEOPLE'S LEASING
And Financial Services Ltd.

ANNUAL REPORT 2022

27 YEARS OF JOURNEY
YEARS OF TOGETHERNESS



PEOPLE'S LEASING
And Financial Services Ltd.

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Letter of Transmittal

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

Annual Report for the year ended on December 31, 2022

Dear Sir(s),

On behalf of the Board of Directors of the Company, I am pleased to present “Annual Report 2022” together with audited financial statements for the year (January 01, 2022 to December 31, 2022) ended December 31, 2022. This annual report contains information and data as required by regulatory bodies.

It will be a pleasure for us if the content of this annual report gives you useful food for thought.

Thanking you.

Sincerely yours,



Md. Armia Fakir ACS

Company Secretary (in-charge)

Notice of the 27th Annual General Meeting

Notice is hereby given that pursuant to the Company Matter No. 210 of 2024 dated 24.11.2024 passed by the Hon'ble High Court Division, Supreme Court of Bangladesh the Board of Directors of People's Leasing and Financial Services Limited in its 72nd Meeting held on November 28, 2024 decided that 27th Annual General Meeting (AGM) of the Members of the Company will be held by using Hybrid System (Digital and In-person; pursuant to Directive No. BSEC/CMRRC/2009-193/08 dated 10th March 2021) digital platform through the following link:// plfs.bdvirtualagm.com and also for in-person at Pan Pacific Sonargaon, 107, Kazi Nazrul Islam Avenue, Dhaka on December 31, 2024, Tuesday at 10.30 A.M. to transact the following business and adopt necessary resolutions:

AGENDAS

1. To receive, consider and adopt the Audited Financial Statements of the Company along with the Auditor's Report & the Directors Report thereon for the year ended December 31, 2022.
2. To declare Dividend for the year ended December 31, 2022 as recommended by the Board of Directors.
3. To elect/re-elect Directors in place of those who shall retire by rotation of the Company.
4. To appoint the Statutory and Compliance Auditors for the year 2023 and to fix their remunerations

By Order of the Board of Directors



Md. Armia Fakir ACS
Company Secretary (In-charge)

Dhaka, November 30, 2024

Notes:

- a. The Record-date will be 19th December 2024. Members whose names will appear in the CDS/Register of Members on Record Date will be eligible to attend and vote in the Annual General Meeting through Hybrid System.
- b. A Member of the Company, eligible to attend and vote in the Annual General Meeting (AGM) may appoint a proxy to attend the meeting and vote in his/her behalf. The proxy form duly stamped with tk. 20.00 Revenue Stamp must be submitted at the Head office of the Company located at 12th Floor, Paramount Heights, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000 not later than 72 hours before the time fixed for the AGM.
- c. Notice of the Annual General Meeting (AGM), Annual Report 2022 and Proxy Form are available in the Company website-www.plfsbd.com.
- d. Pursuant to the Bangladesh Securities and Exchanges Commission's Directive No. BSEC/CMRRC/2009-193/08 dated 10th March 2021 the AGM will be held through Hybrid System, which will be conducted via live webcast.
- e. The Shareholders will join the AGM through Hybrid System. The Shareholders will be able to submit their questions/comments before commencement of the AGM and during the AGM. For login to the system, the Members need to click on the link <https://plfs.bdvirtualagm.com> and provide their 16 digit Beneficial Owner (BO) number, folio number and other credential as proof of their identity by visiting the link.
- f. All Shareholders are requested to update their respective BO Accounts with 12 digits Tax Payer's Identification Number (e-TIN), Bank Account Number, E-mail address, Cell Phone Number, Mailing Address and other related information through their respective Depository Participants (DP).
- g. As per Bangladesh Securities and Exchanges Commission's Circular No. SEC/CMRRC/2009-193/154 dated October 24, 2013 and the regulations 24(2) of the Stock Exchanges (listing) Regulations -2015 no benefit in cash or kind, shall be paid to the holders of equity securities for attending the 27th Annual general Meeting of the Company.

Vision

To be the best performing Financial Institution in the country for offering quality Financial solution.

Mission

- Create maximum value for our stakeholders under highest ethical dispensation.
- Pursue for customer satisfaction by providing best & quality services.
- Maximize Shareholders' value through a sustained return on their investment.
- Create an enabling environment for our employees with opportunities to build their career.
- Contribute to the well being of the society as a responsible corporate body in the country.
- To be an Institution helps/create wealth for the nation.
- To establish strong presence in the Financial Market of the country.

Corporate Philosophy

Perform our financial responsibilities with proper accountabilities for all our actions and result and bind ourselves to the ethical standards.

Core Values

PLFS attaches highest priority to the development of productive enterprises and industrial units consistent with the industrialization programme of the Government for ultimate economic development of the country.

PLFS employees are trained to be good professionals and genuine development partners of the entrepreneurs and thus achieve organizational excellence.

Strategic Objectives

- Develop a synergy of high quality and strategically balanced portfolio in the context of our socio-economic structure.
- Develop and provide wide range of financial solutions and services to our customers.
- Mobilize balanced sources of fund for our Marketing Operation.
- Ensure good corporate governance.



Code of Conduct & Professional Ethics

Individuals acting in a professional capacity take on an additional burden of ethical responsibility. For example, professional associations have code of ethics that prescribe required behavior within the context of a professional practice such as medicine, law, accounting or engineering. These written codes provide rules of conduct and standards of behavior based on the principles of Professional Ethics, which include:

DUE DILIGENCE

Our members also have a continuing responsibility to cooperate with each other to improve the art of accounting, maintain the public's confidence and carry out the profession's special responsibilities for self-governance. The collective efforts of all members are required to maintain and enhance the traditions of the profession.

Products & Services

DEBT PRODUCTS

- Home Loan
- Auto Loan
- SME Loan

LIABILITY PRODUCTS

- Term Deposit

Corporate Information

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.	005367126-0208
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	06
Number of Employees	40 (34 Executive and 06 support staff)
Number of Shareholders as on Record Date	28,849 as on November 30, 2024
Last AGM held	29 October 2023
Accounting Year	January - December
Auditor	M/S G. Kibria & Co. Chartered Accountants

Principal Bankers

Al-Arafah Islami Bank Ltd.	Investment Corporation of Bangladesh
Agrani Bank Ltd.	Sonali Bank Ltd.
Mercantile Bank Ltd.	IFIC Bank Ltd.
Bangladesh Development Bank Ltd.	Social Islami Bank Ltd.
NRB Global Bank Ltd.	ICB Islamic Bank Ltd.
National Bank Ltd.	Standard Bank Ltd.
Bangladesh Commerce Bank Ltd.	Janata Bank Ltd.
Dhaka Bank Ltd.	South Bangla Agricultural & Commerce Bank Ltd.
NRB Commercial Bank Ltd.	Mutual Trust Bank Ltd.
EXIM Bank Ltd.	Shahjalal Islami Bank Ltd.
One Bank Ltd.	Midland Bank Ltd.
Pubali Bank Ltd.	United Commercial Bank Ltd.
Farmers Bank Ltd.	Modhumoti Bank Ltd.
Jamuna Bank Ltd.	Uttara Bank Ltd.
Basic Bank Ltd.	NCC Bank Ltd.
Dutch Bangla Bank Ltd.	Prime Bank Ltd.
Premier Bank Ltd.	South East Bank Ltd.
Rupali Bank Ltd.	

Membership

Bangladesh Association of Finance Companies
Bangladesh Leasing & Finance Companies Association
Bangladesh Association of Publicly Listed Companies

Subsidiary Company

PLFS Investments Ltd

Company Milestone





Board of Directors & Sub-Committees

(As on Report Date)

Board of Directors

Chairman	: Mr. Hasan Shaheed Ferdous Master in Law (DU)
Member	: Dr. Kazi Anowarul Hoque
Member	: Barrister Reshad Imam
Member	: Barrister Prashanta Bhushon Barua
Member	: Barrister Muhammad Shafiqur Rahman
Member	: Mr. Mohammed Atiqur Rahman Atiq
Managing Director & Ex-officio Member	: Mr. Md. Sagir Hossain Khan

Executive Committee

Name	Position
Dr. Kazi Anowarul Hoque	Chairman
Barrister Reshad Imam	Member
Mr. Mohammed Atiqur Rahman Atiq	Member
Mr. Md. Sagir Hossain Khan	Member Secretary

Audit Committee

Name	Position
Barrister Reshad Imam	Chairman
Dr. Kazi Anowarul Hoque	Member
Barrister Prashanto Bhushon Barua	Member
Barrister Muhammad Shafiqur Rahman	Member
Mr. Mohammed Atiqur Rahman Atiq	Member
Mr. Md. Armia Fakir ACS	Member Secretary



Court Appointed Chairman
People's Leasing And
Financial Services Ltd.

MESSAGE

My dear Members of the Board of Directors, Shareholders, Guests, ladies and gentlemen, May I have the privilege to express my heartfelt gratitude to you all and welcome to the 27th Annual General Meeting of People's Leasing and Financial Services Limited (PLFSL).

This company is a Financial Institution under Finance Company Act, 2023 mainly to do business of lease financing and other ancillary non-banking financial activities. The company was established in 1996 and did its business fairly well till 2015. Then due to many reasons which are being investigated was sued for liquidation by Bangladesh Bank which is pending. The present Board of Directors of PLFSL was formed by the Company Court Order Nos. 96 and 143 dated July 12, 2021, May 25, 2023 and 15th November 2023 in Company Matter No. 1 of 2019. There are six members of the board who are functioning according to the directions of the Company Bench of the Supreme Court for restructuring the company to avoid liquidation due to insufficiency of sufficient funds to meet the creditors' claim. The payments to the creditors were held up by the Hon. Court. The parties to the litigation are well aware of the orders of the court, and the depositor's representative has been in the board of directors from the very beginning and is well aware of the day-to-day functioning of the company. In the process of reconstruction, the company took actions to recover money from the borrowers to raise the financial position of the company so that it could gain momentum and satisfy its creditors, who were in distress due to the illegal removal of the money from the company, for which multiple legal actions are pending. It is well known that money loan recovery from defaulters is very difficult, but the company is mainly using legal actions to improve its financial health. Various means are being adopted following the guidelines of Bangladesh Bank in rescheduling the loans. By this time, the company could realize about tk. 200 crore during the tenure of the court-appointed board of directors, who began to function on July 12, 2021, from the borrowers.

The Hon Court had directed the company to pay some money to the creditors on 'humanitarian grounds' and so far tk. 65 crore has been paid to the creditors. Moreover, the company is paying the full amount of their deposit to small depositors below tk. 5 lakh taka in their account and money to other depositors so far the ability of the company to meet the creditors demand. It can be mentioned here that to secure the position of the Company Fixed Deposit Receipts and Treasury Bills of about tk. 120 crore has been kept in renowned Banks and with Bangladesh Bank. The company has about 10 crore cash in hand. The company is going for lending business and tk. 60 crore have been earmarked for business. The company is now housed in its own premises and let out a floor yielding income. It conducts in which we expect to get back about 400 crore tk. for which 35 Law Officers and Panel Lawyers are engaged. General activities like rescheduling and settlements are ongoing, despite the default culture our recovery rate per month is about

Tk. 2 crore. We have also taken steps to open the share market so that the shareholders can trade freely. We have also taken steps to identify suspected money-laundering accounts under Bangladesh Bank guidelines. We hope the company will bounce back within a few years and can wholly meet the creditors, if we can bring capital-injection. Expert opinion on this point has been collected by a workshop held on the issue of Capital raising. Conversion of depositors to paid-up capital, issuing of bonds, raising of authorized capital to minimize the share-issuing ratio are also being worked upon. The officers and staff of the company are working hard to execute the decisions of the board.

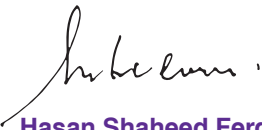
Regulatory requirements namely Bangladesh Bank, Bangladesh Security Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, Central Depository Bangladesh Limited and others are regularly complied. TAX and VAT applications have been filed. I would like to express my sincere gratitude to the officials of the Hon'ble Court, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC for their continued cooperation and support for the well running of the company.

NBFIs have a fairly large intermediation ARY role in the world and has immense possibility in Bangladesh where a great leap is going on in startup business. The wage earning has given rise to small capital in the hands of middle and lower middle class who can use NBFIs to make their small idle capitals into business for profit. As the Company Court is the ombudsman of corporate sector, we are in relentless effort to raise the state of affairs of this company which working in line with Court's objectives. I express my sincere thanks to our shareholders, clients, my colleagues on the Board of Directors and External Auditors of the company and others connected with the well-being of the company for their unstinted support and cooperation. My gratitude as directed to the management talents for their skills and expertise. The company can prosper well if all the stakeholders continue their relentless efforts for lease financing and other ancillary non-banking financial activities. The company was established and was sued for liquidation by Bangladesh Bank which is pending.

Supreme Court for restructuring the company to avoid liquidation due to insufficiency of sufficient funds to meet the creditors' claim. The payments to the creditors were held up by the Hon. day-to-day functioning of the company. In the process of reconstruction, the company took actions to recover money from the borrowers to raise the financial position of the company so that it could gain the company, for which multiple legal actions are pending. It is well known that money loan recovery from defaulters is very difficult, but the company is using mainly legal actions to improve its financial health. Various means are being adopted following the guidelines of Bangladesh Bank in rescheduling the loans. By this time, the company could realize about Tk. 200 crore during the tenure of the court-appointed board of directors, who began to function on July 12, 2021, from the borrowers. The Hon Court had directed the company to pay some money to the creditors on 'humanitarian grounds' and so far tk. 65 crore has been paid to the creditors. Moreover, the company is paying the full amount of their deposit to small depositors below tk. 5 lakh taka in their account and money to here that to secure the position of the Company Fixed Deposit Receipts and Treasury Bills of about tk. 120 crore has been kept in renowned Banks and with Bangladesh Bank. The company has about 10 crore cash in hand. The company is going for lending business and tk. 60 crore have been earmarked for business. The company is now housed in its own premises and let out a floor yielding income. It has reduced running costs by administrative reform. About 600 Artharin Court cases are being conducted in which we expect to get back about 400 crore tk. for which Law Officers and Lawyers are active. To expedite recovery from delinquent borrowers we have appointed a Third-Party recovery team as well. General activities like rescheduling and settlements are ongoing, despite the default culture our recovery rate per month is about Tk. 2 crore per month. We have also taken steps to identify suspected money-laundering accounts under Bangladesh Bank guidelines. We hope the company will bounce back within a few years and can wholly meet the creditors, if we can bring capital-injection. Expert opinion on this

point has been collected by a workshop held on the issue of Capital raising. Conversion of depositors to paid-up capital, issuing of bonds, raising of authorized capital to minimize the share-issuing ratio are also being worked upon. We hope to enhance the capital strength with concentrated efforts. Regulatory requirements namely Bangladesh Bank, Bangladesh Security Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, Central Depository Bangladesh Limited and others are regularly complied with. TAX and VAT applications have been filed with the authority. On this date the Annual General Meeting (AGM) was conducted on 29th October 2023 then the share Trading resumed in the DSE & CSE on 10th March 2024. I would like to express my sincere gratitude to the officials of the Hon'ble Court, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC for their continued cooperation and support for the well running of the company. I express my sincere thanks to our shareholders, clients, my colleagues on the Board of Directors, and External Auditors of the company and others connected with the well-being of the company for their unstinted support and cooperation. My gratitude as directed to the management talents for their skills and expertise. The company can prosper well if all the stakeholders continue their relentless efforts for its overall progress within a few years.

Warmest regards,



Hasan Shaheed Ferdous



Board of Directors' Profiles



Hasan Shaheed Ferdous
Chairman

Hasan Shaheed Ferdous (Former Sr. District and Session Judge at the rank of Secretary of government) is the Court-appointed Director and Chairman of People's Leasing And Financial Services Limited pursuant to the Hon'ble High Court Division's Company Bench Order No. 96, 132&; 143 dated 12.07.2021, 31.10.2022, 25.05.2023 and 15.11.23 respectively in the Financial Matter No. 1 of 2019. He was born on the 5th October in 1955 and hails from a respectable Muslim family of Dhaka. He studied at Mirzapur Cadet College and obtained a Bachelor's with Hons and a Master's in Law from Dhaka University with Economics and History Subsidiary subjects with distinctions.

He joined the Bangladesh Civil Service (Judicial) as an Assistant Judge in 1983 and retired as Senior District & Session Judge in 2015. Now he is an Advocate of the Supreme Court of Bangladesh, and Senior Consultant of LAW FOCUS, a

reputed law firm dealing with Business Law, in Gulshan. He started his legal career as a junior of eminent jurist Dr M Zahir. He holds degrees in International Law and Human Rights from the University of Strasbourg, France and Judicial Education from Canada. He was Project Director (PD)[Joint Secretary] and PD on various projects of the World Bank, DANIDA, and CIDA etc.

He was the founder Director-Training of the Judicial-Administration Training Institute. He was the founder of the Court Automation of the World Bank Pilot Project in Gazipur by developing the basic work of using technology in court (ICT).He visited India, Canada, Denmark, Thailand, Indonesia and Australia to represent the government on institutional development for the Ministry of Law. He is experienced in the restructuring of sick companies and authored a good number of books. He was associated with the historical struggle for national liberation in 1971.



DR. KAZI ANOWARUL HOQUE

Director

Dr. Kazi Anowarul Hoque is an accomplished career civil servant, having served as a former Additional Secretary to the Government of Bangladesh. He has extensive national and international experience in public policy formulation, implementation, and coordination. Since his retirement, Dr. Hoque has continued to provide advisory services on formulating priority knowledge products (KP) under various projects, including the My Village-My-Town Project, LGD, HCDP, European Union, and Developing South Asian Livable Cities facility program of the Asian Development Bank (ADB). In recognition of his vast experience working with development partners and engaging with the public sector Dr. Hoque has been appointed as Director of the PLFSL by the Honorable High Court Division.

Dr. Hoque is also widely recognized as a hardworking national trainer and academic consultant. He is also a

visiting resource person on economic diplomacy and South-South cooperation at various national and international universities. He has taught different foundational training courses for civil servants on project management and organizational development. As part of his commitment to national-level networking and communication Dr. Hoque efficiently coordinated seminars, workshops, dialogue and other events on a range of issues, including LDC graduation, COP review, Voluntarism, promoting SDGs, local government initiatives, and Rural Development.

Dr. Hoque holds a B.Sc. Ag. (Hons) and M.Sc. Ag. degree from Bangladesh Agricultural University, and a Doctor of Philosophy (Ph.D.) in Extension Education from the same University in collaboration with Pennsylvania State University, USA. Additionally, he has attended various professional training courses both in-country and abroad.



Barrister Reshad Imam

Director

Barrister Reshad Imam is court appointed Director of PLFSL. Former Independent Director of Phoenix Finance & Investments Limited, a leading financial institution in Bangladesh, in light of his expertise in the financial sector and corporate ethics. Director of Finance, Academy of Law and Policy (ALAP).

Reshad is a Partner at Akhtar Imam & Associates, one of the most respected law firms in Bangladesh, ranked in renowned legal directories like Chambers and Partners and Legal 500. He is an Advocate of the Supreme Court of Bangladesh. Upon completing his LLM from the University of Cambridge, he worked under the renowned politician and counsel, Dr. Abhishek Singhvi in Delhi, India before returning to Bangladesh. He also completed, LLB, University of Buckingham, UK and Barrister-at-Law, Hon'ble Society of Lincoln's Inn, UK. He has permission to practice in the Appellate Division, Supreme Court of Bangladesh.

His experience in Bangladesh has been acquired over 13 years. He specialises in Company and Commercial Law, Constitutional and Administrative Law, Banking, Finance and Securities Law and Labour and Employment Law. He regularly challenges decisions of government authorities through High Court proceedings (judicial review), appears on behalf of national and multinational companies in proceedings before the Company Bench, appears as counsel in domestic and international commercial arbitrations and provides corporate advisory services to private and public sector clients across diverse industries. He has built up a reputation as a dynamic litigator who always walks the extra mile for his clients. He has advised clients like British American Tobacco Bangladesh (BATB), Japan Tobacco International (JTI), Radiant Pharmaceuticals Ltd., GBB Power

Limited, Millennium Group, Aman Group, Britannia Group, Pubali Bank Ltd., Delta Life Insurance Ltd, Padma Bank Ltd., Premier Bank Ltd., Bangladesh Commerce Bank Ltd, VISA Inc., Facebook Inc., Marico Bangladesh, SSL Wireless, SSL Commerz and a host of other foreign and local companies over the years.

Reshad is one of the Founder Trustees and Director of Finance of the Academy of Law and Policy (ALAP), a registered trust set up with the lofty goals of, among others, dissemination of legal knowledge, research on and advocacy for much-needed law and policy reform and public interest litigation on pressing issues of national importance. He is also an independent director of Phoenix Finance & Investments Limited (PFIL), a leading financial institution in Bangladesh.

He advised different entities of Visa around the world (Bombay, Middle East, Australia, Singapore, etc.) on various corporate, commercial and financial matters including the following:

- Cross border money transfer into Bangladesh; impact, if any of the anti-money laundering rating of the sending country and sanctions, political or otherwise, against UAE or Saudi Arabia;
- Electronic signatures and contract formalities in Bangladesh;
- Anti-corruption & bribery laws of Bangladesh. And

Represented in Court and advised SSL Wireless, the first and the largest Merchant Solution Provider (MSP) in the country having 3500+ top e-Commerce merchants under coverage through its secure online Payment Gateway platform SSLCOMMERZ, on various legal issues arising from the ongoing e-commerce scandal in Bangladesh.



Barrister Prashanta Bhushan Barua
Director

Mr Prashanta Bhushan Barua is an Advocate of Bangladesh Supreme Court and a Media & Academic Practitioner. He is visiting Professor of Lloyds Law College in London. Mooting Judge of Oxford University, Price Media Law, Philip C and a Public Speaker on law, politics, history of Bangladesh & S. Asia.

Mr. Barua obtained his undergraduate and graduate degrees in law from the University of Dhaka. Having done his LL.M from the Queen Mary, University of London and he was called to the Bar from The Honourable Society of Lincoln's Inn.

Mr. Barua has expertise and experience in the UK HE sector for two decades and has extensive knowledge on UK QAA Quality Code, Matrix Service Standard. He is currently serving as Commonwealth Legal Education Association (CLEA) Asia-Bangladesh Secretary.



Barrister Muhammad Shafiqur Rahman
Director

Mr M. Shafiqur Rahman obtained his undergraduate and graduate degrees in law from the University of Dhaka in 1995 and 1997 respectively. Having done his LL.B. (Hons.) from the University of London in 2001 and Bar Vocational Course from University of Northumbria in 2002, he was called to the Bar from Lincoln's Inn in 2002. Back to Bangladesh, he joined the Chambers of Dr M. Zahir, a renowned corporate and constitutional lawyer (now deceased), and has been practising in the Supreme Court of Bangladesh since. His main areas of practice are: Admiralty, Corporate, Commercial, Securities, Banking, Insurance, Judicial Review (Writ) and International Arbitration. He advises and represents several Protection and Indemnity (P & I) Clubs, including Standard Club Europe, Standard Club Asia, Swedish Club Hong Kong and Japan P & I Club. He is the lawyer on retainer for Dhaka Stock Exchange, advising on capital market and securities law. He is also the lawyer on retainer for several other entities, including Popular Life Insurance Company (advising on insurance law and company affairs) and Epic Group (advising on commercial law and international trade). He acted as the Court-appointed Chairman of several companies for the purpose of holding annual general meetings. He is currently contributing to four companies as a Court-appointed independent director. He is frequently appointed "amicus curiae" by the Company Bench of the High Court Division in critical cases to assist the court in arriving at correct judicial decisions. He regularly contributes legal articles in the law journal "Bangladesh Legal Times".



CHAIRMAN
People's Leasing And
Financial Services Ltd.

MESSAGE

My dear Members of the Board of Directors, Shareholders, Guests, ladies and gentlemen, May I have the privilege to express my heartfelt gratitude to you all and welcome to the 27th Annual General Meeting of People's Leasing and Financial Services Limited (PLFSL).

This company is a Financial Institution under Financial Institution Act, 2023 mainly to do business of lease financing and other ancillary non-banking financial activities. The company was established in 1996 and did its business fairly will till 2015. Then due to many reasons which are being investigated was sued for liquidation by Bangladesh Bank which is pending.

The present Board of Directors of PLFSL was formed as per Court Order Nos. 96 and 143 dated July 12, 2021, May 25, 2023, and 15th November 2023 in Company Matter No. 1 of 2019. There are six members of the board who are functioning according to the directions of the Company Bench of the Supreme Court court 'for' restructuring the company to avoid liquidation due to insufficiency of sufficient funds to meet the creditors' claim. The payments to the creditors were held up by the Hon. Court. The parties to the litigation are well aware of the orders of the court, and the depositor's representative has been in the board of directors from the very beginning and is well aware of the day-to-day functioning of the company. In the process of reconstruction, the company took actions to recover money from the borrowers to raise the financial position of the company so that it could gain momentum and satisfy its creditors, who were in distress due to the illegal removal of the money from the company, for which multiple legal actions are pending. It is well known that money loan recovery from defaulters is very difficult, but the company is using mainly legal actions to improve its financial health. Various means are being adopted following the guidelines of Bangladesh Bank in rescheduling the loans. By this time, the company could realize about tk. 200 crore during the tenure of the court-appointed board of directors, who began to function on July 12, 2021, from the borrowers.

Support to the authorities' and courts to bring the perpetrators to face legal actions against them.

The Hon Court had directed the company to pay some money to the creditors on 'humanitarian grounds' and so far tk. 65 crore has been paid to the creditors. Moreover, the company is paying the full amount of their deposit to small depositors below tk. 5 lakh taka in their account and money to other depositors so far the ability of the company to meet the coeditors demand. It can be mentioned here that to secure the position of the Company Fixed Deposit Receipts of about tk. 120 crore has

been kept in renowned Banks. The company has about 10 crore cash in hand. The company is going for lending business and tk. 60 crore have been earmarked for business. The company is now housed in its own premises and let out a floor yielding income. It has reduced running costs by administrative reform. About 600 Artha rin Court cases are being conduct in which we expect to get back about 400 crore tk. for which Law Officers and Lawyers are active. To expedite recovery from delinquent borrowers we have appointed a Third Party recovery team as well. General activities like rescheduling and settlements are ongoing, despite the default culture our recovery rate per month is about Tk. 2 crore per month. We have also taken steps to identify suspected money-laundering accounts under Bangladesh Bank guidelines. We hope the company will bounce back within a few years and can wholly meet the creditors, if we can credit capital-Injection. Expert opinion on this point has been collected by a workshop held on the issue of Capital raising. Conversion of depositors to paid-up capital, issuing of bonds, rising of authorized capital to minimize the share-issuing ratio are also being worked upon. We hope to enhance the capital strength with concentrated efforts.

Regulatory requirements namely Bangladesh Bank, Bangladesh Security Exchange Commission, Dhaka Stock Exchange PLC, Chittagong Stock Exchange PLC, Central Depository Bangladesh Limited and others are regularly complied. TAX and VAT applications have been filed with the authority. On this time pending Annual General Meeting (AGM) were conducted on 29th October 2023 then the share Trading resumed in the DSE & CSE on 10th March 2024.

I would like to express my sincere gratitude to the officials of the Hon'ble Court, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange PLC and Chittagong Stock Exchange PLC for their continued cooperation and support for the well running of the company. I express my sincere thanks to our shareholders, clients, my colleagues on the Board of Directors, and External Auditors of the company and others connected with the well-being of the company for their unstinted support and cooperation. My gratitude as directed to the management talents for their skills and expertise. The company can prosper well if all the stakeholders continue their relentless efforts for its overall progress within a few years.

Warmest regards,


Hasan Shaheed Ferdous

Management Team



Md. Sagir Hossain Khan
Managing Director



Md. Monirul Islam Shamim
Head of Accounts & SVP



Md. Armia Fakir ACS
Company Secretary (In-Charge) & SAVP



Md. Jamal Uddin
In-Charge, IT Department



S. M Leaquat Ali
In-Charge, Credit & Marketing



SK. Rajwan Uddin
In-Charge, Business Department



Kismat Ara Mukta
Senior Assistant Manager, CIB-CIS



Md. Shahedul Islam
In-Charge, ICC



Md. Saiful Islam
In-Charge, HR & Admin



Farhana Ali
In-Charge, Treasury



Md. Mainuddin
Assistant Manager, Share Secretary & TDR

Management Committees

MANAGEMENT COMMITTEE (MANCOM)

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
Md. Monirul Islam Shamim	Head of Accounts & SVP	Member
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Member Secretary
Mohammad Jamal Uddin	In-Charge, IT	Member
S.M Leaquat Ali	In-Charge, Credit & Marketing, SAMD	Member
S.K Rajwan Uddin	In-Charge, Business Department	Member
Kismat Ara (Mukta)	Senior Assistant Manager, CIB-CIS	Member
Md. Shahedul Islam	In-Charge, ICC	Member
Mohammad Saiful Islam	In-Charge, HR & Admin	Member
Farhana Ali	In-Charge Treasury	Member
Md. Mainuddin	Assistant Manager, Share Secretary & TDR	Member

CREDIT COMMITTEE

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
Md. Monirul Islam Shamim	Head of Accounts & SVP	Member
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Member
S.M Leaquat Ali	In-Charge, Credit & Marketing, SAMD	Member Secretary
S.K Razwan Uddin	In-Charge, Business Department	Member

ASSET - LIABILITY COMMITTEE (ALCO)

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
Md. Monirul Islam Shamim	SVP & Head of Accounts	Member
S. M Leaquat Ali	In-Charge, Credit & Marketing, SAMD	Member
S.K Rajwan Uddin	In-Charge, Business Department	Member
Farhana Ali	In-Charge, Treasury	Member Secretary
Md. Saiful Islam	In-Charge, HR & Admin	Member
Md. Abdulla Al Mamun	Assistant Manager, Account & Finance	Member

Management Committees

ANTI MONEY LAUNDERING COMMITTEE

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head of Accounts	Chairman
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Member
S. M Leaquat Ali	In charge, C & M & SAMD	Member
Badiul Alam	In charge, Legal	Member
Md. Shahedul Islam	In charge - ICC	Member
Farhana Ali	In charge Treasury	Member

RISK MANAGEMENT FORUM

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head of Accounts	Chairman
Mohammad Jamal Uddin	In charge IT	Member
S. M Leaquat Ali	In charge, C & M & SAMD	Member
S.K Rajwan Uddin	In charge, Business Unit	Member

NATIONAL INTEGRITY STRATEGY (NIS) - INTEGRITY COMMITTEE

Name	Designation	Position
Md. Armia Fakir, ACS	Company Secretary (In-Charge) & SAVP	Chairman
Farhana Ali	In charge, Treasury	Member Secretary
Mohammad Saiful Islam	In charge HR & Admin	Member

SUSTAINABLE FINANCE COMMITTEE

Name	Designation	Position
Md. Monirul Islam Shamim	SVP & Head of Accounts	Chairman
Mohammad Jamal Uddin	In charge IT	Member
S. M Leaquat Ali	In-Charge, Credit & Marketing, SAMD	Member
S.K Rajwan Uddin	In-Charge, Business Department	Member
Farhana Ali	In charge, Treasury	Member
Md. Abdulla Al Mamun	Assistant Manager, Account & Finance	Member

Directors' Report to the Shareholders

Dear Shareholders

Good Morning,

This is an august occasion in the annals of Peoples Leasing and Finance Company Limited which was in hibernation and on the verge of liquidation, New life has been given by the Hon Supreme Court (Company Bench) to restructure the company and we are employing our effort to fulfil the desire of Court, I would like to express my sincere thanks and gratitude to you all for your support and cooperation reposed on us and welcome you all to the 27th Annual General Meeting of the company, on behalf of the Board of Directors. I, on behalf of the Board of Directors, am present the Directors' Report on the operational and financial activities of People's Leasing And Financial Services Limited (PLFS) together with the Audited Financial Statements for the year ended 31 December 2022 which also includes reports on business and strategy review, risk management, corporate governance, financial and operational highlights for your valued consideration, approval and adoption. This report has been prepared in compliance with the Companies Act 1994, Financial Institutions Act 1993 and the guidelines issued by the Bangladesh Securities and Exchange Commission (BSEC), Bangladesh Bank and other regulatory authorities. In spite of the low credit appetite in the market of Banks and NBFIs, PLFS has demonstrated its performance in all major Key Performance

Indicators. Its credit portfolio size also matched compared to the deposits. The results reflect our promise to deliver sustainable growth in our balance sheet and growing returns to our shareholders. Even as our company continues to grow rapidly, the Board remains extremely focused on ensuring that we have effective corporate governance, risk management and internal control systems in place which are essential for the long-term sustainability of the business.

Global Economic Outlook

The Overall Global Economic growth took an upturn in the year 2020 and the growth for 2021-2022 is projected to remain steady at the level of 5.6 per cent. The world was recovering the COVID-19 outbreak and the pandemic situation was covered upon all economical aspects which impact on every sector of economy. It is expected that the average GDP growth in Emerging Asia will stand at 6.1 per cent in the next few years which will be a major drive of world economic growth. The regional outlook for Southeast Asia is moderately favourable, but economic trends are highly divergent across countries. The GDP in Southeast Asia is forecast to grow around 5.2 per cent from 2018 to 2023. According to the Global Financial Stability Report (GFSR) of October 2022, global financial stability continues to strengthen supported by extraordinary policy measures, regulatory developments and a cyclical upturn in growth.

Directors' Report

Bangladesh Economy

The Bangladesh economy has an impressive track record of achieving steady growth of above 6.0% over the last six years and has entered a growth phase of above 7.0%. The economy of Bangladesh grew by 7.28 per cent in the financial year 2022, up from 7.1 per cent in the financial year 2021. The growth was mainly supported by industry and services sectors. Based on the sectoral developments and econometric estimates, the projection of GDP growth in the financial year 2022 in the range of 7.1 to 7.2 per cent. But the global economy has come to a standstill due to the COVID-19 pandemic which has also had a huge negative impact on the economy of Bangladesh.

The gross foreign exchange reserves of BB stood at USD 33.11 billion as of the end of April 2022. Fresh opening of import LCs during July-March 2017-18 increased by 56.87 per cent as compared to the same period as the previous year and stood at USD 55.96 billion. The sectoral distribution of LCs opening shows that during 2021-22, the share of total LCs opening of industrial raw materials is 26.52%, consumer goods 12.09%, capital machinery 9.27%, machinery for miscellaneous industry 8.22%, intermediate goods 6.64%, petroleum and petroleum products 4.74%. Investment relative to GDP increased marginally over the last few years. It increased to 30.51 per cent in the financial year 2022 from 29.65 per cent in the financial year 2021. Private investment increased slightly to 23.10 per cent in the financial year 2022 from 22.99 per cent in the financial year 2021 but public investment in GDP increased to 7.41 from 6.66 per cent over the same period. PLFS Performance in 2022 PLFS has

diversified its business and emerged as one of the biggest multi-product Non-Banking Financial Institutions (NBFIs) of the country with a balanced focus on the Corporate, Retail and SME sectors, while being engaged in providing a diverse bouquet of capital market services through its associated company - PLFS Investment Ltd.

Business Review

Total Business: In the year ended on December 31, 2022, the total exposure of the Balance Sheet stood at BDT 15,210.36 million as compared to BDT 14,659.19 million (restated) as of December 31, 2022.

Credit: As of the close of the year total credits of PLFS stood at BDT 12,310.18 million as against BDT 12,110.98 million as of December 31, 2022.

Investment in Shares: Investment in shares was BDT 235.27 million at the end of 2022 compared to BDT 235.27 million as of December 31, 2021.

Capital & Shareholders' Equity

Equity: Capital & Shareholders; equity stood at BDT (32,554.55) million as of December 31, 2022, as compared to BDT (32,589.49) million as of December 31, 2021.

Total Recovery of Loan: During the year 2022 total loan amount of Tk. 53.45 crore has been recovered from the loan accounts of the company.

SME Finance

As per guidelines and instructions of Bangladesh Bank the company did not finance any amount/Fund for SME financing purpose during the year 2022.

Explanation Regarding Qualified Opinion on Financial Statements by External Auditor

External auditor of People's Leasing & Financial Services Ltd. (PLFSL) provided qualified opinion on financial statements of 2022 and basis of qualified opinion has been incorporated in the audit report. Audit report was presented in the 22nd meeting of Audit Committee and Audit Committee of PLFSL discussed all points of qualified opinion. After discussion committee accepted the Audit Report and recommended it to the Board. Committee and Court-appointed Board of Directors wants to find out and to disclose all mismatches of figures, mismanagement, lack of implementation of automation system which were made in PLFSL before starting liquidation process on 14-7-2019. At the same time, the Board of directors has been advising the management for resolving the problems like mismatches of figures of loans and advances, bubble figures in books of accounts, consolidation of financial statements, claim and counter claim between PLFSL and PLFS Investment Ltd. regarding loan, tax and VAT issues, interest charge on term deposit and borrowings and other issues. In accordance to the Hon'ble Court Order (Financial matter no-1 of 2019) the Court appointed Board of Directors has been trying to the level best to revive the organization with all limitation and available recourses.

Financial Products and Services

PLFS has been offering the following financial products and services to accommodate the requirements of people of all classes since inception: Among them Short Term Deposits,

Term Deposits, Annual Profit Term Deposits, Cumulative Profit Term Deposits, Monthly Earner Deposits, Quarterly Earner Deposits, Double Money Schemes, Deposit Pension Schemes (DPS), Consumer Credit Schemes, Lease Finance, Home Loan Schemes, Syndicate Finance, Car/Vehicle Loan, Finance for Real Estate developers, Short Term Loan, Long Term Loan, Agro-based Loan, SME Loan, Women Entrepreneurs Loan, Working Capital, Project Finance, Lease Finance under Sale Leaseback, Factoring etc. has received wide acceptance among people.

Human Resources

Our Company determinedly reviews existing human resource policies and implements effective management policies and practices to enrich the quality of its employees. We provide training to our employees through opportunities offered by Bangladesh Bank, DSE, CSE, BLFCA, IBA and other external training program organizers to enhance their professional knowledge and skills. We also provide them good and congenial working atmosphere. We believe the policy of a satisfied worker is the greatest asset for a company and accordingly, we are offering the facilities of encashment of Earned Leave, Leave Fair Assistance, Maternity Leave of 6 months with pay, Performance Bonus, Target Bonus other than Festival Bonus to our employees.

Staff Strength

The staff position of the company as of December 31, 2022, was 24 as under: PLFS is an equal opportunity employer. Company's policy is to ensure equal opportunity for all in the cases of selection, recruitment,

development, training, promotion and rewards. PLFS always practices equal treatment to all employees irrespective of their age, race, religion, sect and gender. PLFS has adopted the policy circulated by the Government. On 39th National Integrity Strategy we are pursuing to implement the concepts and fundamentals as laid down in the policy in its fullest meaning.

Anti-Money Laundering

Anti-money laundering law reflects the effort made by the government to stop money laundering methods that involve financial institutions. Under the guidelines set forth by Anti-Money Laundering financial institutions are required to verify large sums of money passing through the institution, and they are required to report suspicious transactions. To prevent money laundering, the management of PLFSL has formed an Anti-money laundering committee which is performing its duty as per regulatory guidelines.

Risk Management

Risks of any financial institution are defined as the possibility of losses financial or otherwise. The risk management of the company covers 05 core risks i.e. Credit Risk, Asset-Liability Management Risk (Balance Sheet Risk), Money Laundering and Terrorist Financing Risk, Information Technology Risk and Internal Control Compliance Risk. Moreover, Operational Risk, Market Risk, Liquidity Risk, Reputational Risk and Sustainability Risk etc. are also taken into consideration. The company strictly follows the guidelines of Bangladesh Bank and the requirements of other regulatory bodies in all respects. A separate Risk Analysis Unit (RAU) and Risk Management Forum (RMF) are in

place. In addition to those PLFS has different committees namely, MANCOM, ALCO, Credit Committee etc. PLFS has a separate and independent Internal Control and Compliance Department under the supervision of the Audit Committee. The company has also adopted the principles of Green Banking Activities as a part of its compliance.

Compliance Status

We have complied with the rules and regulations imposed by the Bangladesh Securities and Exchange Commission (BSEC), Dhaka Stock Exchange (DSE) Limited and Chittagong Stock Exchange (CSE) Limited and have exerted a Report of Corporate Governance in this Annual Report detailing of compliance. The report has incorporated a brief resume of the Director and the nature of his/her expertise in specific functional areas, Names of companies in which the person holds the directorship and the membership of committees of the Board, Shareholders holding Ten percent (10%) or more voting interest in the company (name-wise details), Parent/Subsidiary/ Associated Companies and other related parties (name-wise details), Remuneration to Directors including Independent Directors, Basis for related party transactions. The system of internal control seems sound in design and has been effectively implemented and monitored as a going concern.

Risks and Concerns

Our business calculates risks and uncertainties not presently known or that are currently believed to be immaterial. Details of risk factors and determining how to best handle such events is embroidered in the relevant Reports.

Directors' Report

Supportive Disclosure

The Directors, in accordance with BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 confirms compliance with the reporting framework for the following;

- It is hereby confirmed that proper disclosures have been made in the Annual Report regarding: Basis for related party transactions.
- Remuneration to Directors including Independent Directors. The number of Board meetings held during the year and attendance by each Director.
- The pattern of shareholding by: »

Parent/Subsidiary/Associated Companies and other related parties (name-wise details).

- Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name-wise details).
- Disclosure on Executives (Top 5 salaried employees of the company, other than the Directors, CEO, Company Secretary, CFO and Head of Internal Audit Control).
- Shareholders holding ten per cent (10%) or more voting interest in the company (name-wise details).
- Disclosure on the appointment/re-appointment of Directors –
- Brief resumes of the Directors, Names of companies in which the person holds the directorship and the membership of committees of the board.

The Directors also confirm compliance with the financial reporting framework for the following;

- The financial statements prepared by the management present fairly the Company's state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards and International Financial Reporting Standards, as applicable in Bangladesh, have been followed in preparation of the financial statements.
- There is no extraordinary gain or loss during the year.
- Key Operating and Financial Highlights for preceding 05 years have been disclosed separately.
- Declaration by the Managing Director and Chief Financial Officer have been disclosed separately.
- The company had not enabled any of its directors to acquire benefits by means of acquisition of share or debentures of the company or anybody corporate.

The Pattern of Shareholdings

The Authorized Capital of People's Leasing Financial Services Limited is Tk.5,000,000,000 divided into 500,000,000 ordinary shares of Tk. 10

each. The paid-up Capital of the Company is Tk. 2,854,405,970 divided into 285,440,597 nos. ordinary shares of Tk. 10 each. The shareholding pattern of the Company as of December 31, 2022, is shown in this Annual Report as per Clause 1.5(xxiii) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated: August 07, 2012, in Annexure-V.

Board Meeting & Attendance of Directors

During the year a total number of 25(Twenty Five) Board Meetings were held and attendance of Directors and their remuneration paid during the year are given in the Directors Report in this Annual Report as per Clause 1.5(xxiii) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated: August 07, 2012, in Annexure-I.

Appointment of Statutory Auditor

The Auditors M/S. G Kibria & Co., Chartered Accountants are eligible as Statutory Auditors for the financial year to be ended on December 31, 2022 and the Board of Directors recommended to appointment M/S. G Kibria & Co., Chartered Accountants as Statutory Auditors of the Company for the financial year to be ended on December 31, 2023 at a remuneration of Taka 3,00,000 (Three Lac) only excluding VAT.

Appointment of Auditor for Special Audit

Pursuant to the Financial Matter No. 1 of 2019 dated 15.11.2023 passed by the Honorable High Court Division, Supreme Court of Bangladesh the Board of Directors of People's Leasing and Financial Services Limited has

been appointed MABS & J Co, Chartered Accountants for "Accordingly, this Court finds it proper to pass the following direction upon MABS & J Partners with regard to PLFSL:

- (1) MABS & J Partners, C.A firm of 21, Purana Paltan Line (4th & 7Th Floor), Dhaka -1000, is directed to carry out an in-depth forensic examination of the financial transaction of PLFSL and the assets and liabilities of the company, for the period beginning from 2009 until 2022; in particular, the audit firm shall verify, analyze and determine the following; (i) loans given by the company (including loans given for share trading done by PLFSL, and advances given to the company's former directors) (ii) loans taken by the company from depositors and other institutions, and (iii) total assets and liabilities of the company.
- (2) In carrying out the audit firm shall ascertain any financial irregularity or misappropriation of money done by former directors, stakeholders, managing director(s), employees, bank signatories, recipients of loans and so on.
- (3) For the purpose of this special audit the Court-appointed firm shall be at liberty to look into and touch upon any subjects which are usually done by professional auditors, and shall also look into and verify the propriety of the financial statements already audited in the subject years.
- (4) The Court-appointed audit firm perform its duty as per the laws, norms and practice of

Bangladesh as well as international standard of accounts.

- (5) The audit firm is directed to submit their report within 90 (ninety) days from the date of their engagement.
- (6) The company shall pay the fees of audit firm upon consultation with the firm."

Corporate Governance

Compliance Report; Certificate In accordance with the Bangladesh Securities Exchange Commission Notification No. BSEC/CMRRCD/2006-1581 admin/ 134/44 dated August 7, 2012, the Directors are required to confirm compliance with certain conditions. The notification was issued to ensure good governance practices in the listed companies. A statement on compliance of the BSEC conditions is given in this report. A Certificate from the relevant Auditor in compliance with the conditions as per clause 7(i) of Corporate Governance guidelines also has been shown in this Annual Report.

As per condition no. 9(3) and 1(5)(xxvii) of the Corporate Governance Code, the Directors of the Company are required to prepare a statement, in the prescribed format, whether the Company has complied with the conditions the corporate governance code or not and to disclose the same in the Directors' Report. Accordingly, a Statement on Status of Compliance of the Corporate Governance Code issued by BSEC has been incorporated in Annexure-C at page no: 44. As per condition no. 9(1) and 1(5)(xxvi) of the Corporate Governance Code, every listed company shall obtain a certificate from

a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.

As per condition no. 9(2), the professional who will provide such certificate shall be appointed by the shareholders in the Annual General Meeting. Accordingly, M/S Jesmin & Associates & Co., Chartered Secretaries was appointed as the Corporate Governance Compliance Auditors in the last Annual General Meeting. A Certificate submitted by M/S Jesmin & Associates & Co., Chartered Secretaries, for the year ended December 31, 2022 is enclosed in Annexure-B at page no: 43 Considering the conditions stated in the Corporate Governance Code, necessary expertise, the Board has recommended to appoint M/S Jasmin & Associates, Chartered Secretaries, as Corporate Governance Auditors of the Company for the financial year to be ended on December 31, 2023, subject to approval by the shareholders in the ensuing AGM.

Dividend

Considering the present condition, a huge amount of previous loss and the financial strength of the company, the Board of Directors has recommended NO DIVIDEND for the year ending December 31, 2023, subject to the approval of the shareholders in the 27th AGM. With this No dividend, the paid-up Capital of the company would remain the same i.e. BDT 2,854.4 million. We are feeling discomfort for not declaring any dividend this year to

Directors' Report

the shareholders. However, we are making our sincere efforts to improve the financial conditions of the company.

The Board herewith states that no stock dividend as interim dividend was considered during the year or will be considered in future.

Expectations in the year 2023

In the face of a sound macroeconomic environment and stable political outlook, private sector investment is expected to speed up in 2023. Private sector investment is expected to be well backed by strong domestic consumption and higher export volume. Therefore the economy is expected to remain buoyant in 2023. PLFS expects to build up the progress made in 2023. It expanded distribution coverage to come closer to the mass population and envisaged establishing itself as a strong financial brand in the country. In order to diversify and grow its credit portfolio, PLFS will aggressively drive affordable home loans and SME loans across the country. PLFS has made some remarkable tie-ups with key strategic partners to leverage distribution channels and gain operating and business synergies. It has revamped its product ranges to reach target customers. The recruitment of human resources and ongoing training programs in both business and support functions will continue to make sure that business growth is matched with the right organizational capabilities. In order to ensure sustainable growth in the Balance Sheet, PLFS will focus on securing long-term funds from retail deposits and going for floatation of long-term debt instruments. We will work to maintain sufficient capital reserve as per regulatory requirements, which will

allow the company to grow and absorb expected losses in the future. While growing, we will continue to take a prudent approach to assessing and approving credit and monitoring portfolios. We will invest in focused sectors of the country to grab business and bring operational efficiency. Improve management information system. PLFS will continue to patronize CSR initiatives through sponsorships, donations or any other support within its capacity. Our well-wishers remain at the central point of whatever we do for the long-term success of our business. Therefore, we are committed to giving the best services to our valued customers. We pledge to comply with all applicable laws and regulations, increase transparency and public disclosure and conduct our business in an ethical manner. This is deeply rooted in our employee values. In our journey, we try to engage our shareholders, customers, employees and other stakeholders to create a sustainable business model. We are proud to have one of the most vibrant working environments with passionate employees who work together to attain a common goal: to help our customers fulfil their dreams. Our business strategy, a strong culture of compliance and the unyielding commitment and dedication of the team management will translate into exceptional results in the year 2023, we hope.

Thanks, Gratitude

The Board of Directors takes the opportunity to express thanks gratitude to our valued shareholders, clients, bankers, depositors, lenders, business partners and other stakeholders for their continued support and cooperation. The Board would like to express gratitude to the Government of the People's Republic

of Bangladesh, Bangladesh Bank, Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange, Chittagong Stock Exchange, Registrar of Joint Stock Companies and Firms, Central Depository Bangladesh Limited (CDBL) the National Board of Revenue and other Government-non Government Agencies, Banks, and Financial Institutions for their continuous support, advice and cooperation for the betterment of the company.

We would also like to thank my colleagues on the Board, who have extended all sorts of cooperation to meet all internal and external situations for making 2022 another year of success for the Company. Finally, the Board would like to place on record their heartfelt gratitude and appreciation to the shareholders, customers, management and employees of all levels for their marvellous dedication and relentless efforts over the years, to place the company image in a respectable position.

On behalf of the Board of Directors



Hasan Shaheed Ferdous
Chairman
Board of Directors, PLFSL

Disclosures Under Pillar III – Market Discipline

A) Scope of application

Qualitative Disclosures:

- a) The name of the Financial Institutions
 - People's Leasing & Financial Services Ltd.
- b) An outline of differences in the basis of consolidation for accounting and regulatory purposes, with a brief description of the entities within the group (i) that are fully consolidated; (ii) that are given a deduction treatment; and (iii) that are neither consolidated nor deducted (e.g. where the investment is risk-weighted).
 - The PLFSL has a subsidiary: PLFS Investment Ltd.
- c) Any restrictions, or other major impediments, on transfer of funds or regulatory capital within the group.
 - Not applicable.

Quantitative Disclosures:

- d) The aggregate amount of capital deficiencies in subsidiary not included in the consolidation that are deducted and the name(s) of such subsidiary.
 - Not applicable.

B) Capital structure

Qualitative Disclosures

- a) Summary information on the terms and conditions of the main features of all capital instruments, especially in the case of capital instruments eligible for inclusion in Tier 1 or in Tier 2.
 - Tier 2 capital includes:
 - i) General provision up to a limit of 1.25% of Risk Weighted Asset (RWA) for Credit Risk;
 - ii) Revaluation reserves:
 - 50% Revaluation reserve for fixed assets;
 - 45% Revaluation reserve for securities;
 - iii) All other preference shares.

Conditions for maintaining regulatory capital:

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

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

Quantitative Disclosures:

- b) The amount of Tier 1 capital, with separate disclosure of:

Particulars	Amount in BDT
Paid up capital	2,854,405,970
Non-repayable share premium account	1,018,605,234
Statutory reserve	645,578,148
General reserve	
Retained earnings	(4007,31,42,361)
Minority interest in subsidiaries	
Non-cumulative irredeemable preference shares	
Dividend equalization account	
Total Tier 1 capital	=(355545,53,009)
(c) The total amount of Tier 2 capital	1151673950
(d) Other deductions from capital	
(e) Total eligible capital	(35402879059)

C) Capital Adequacy

Qualitative Disclosures

(a) A summary discussion of the FI's approach to assessing the adequacy of its capital to support current and future activities.

➤ **Risk Weighted Assets (RWA) and Capital Adequacy Ratio (CAR)**

PLFSL has adopted Standardized Approach for computation of Capital Charge for Credit Risk and Market Risk while Basic Indicator Approach for Operational Risk. Total Risk Weighted Assets (RWA) of the Company is determined by multiplying the capital charge for market risk and operational risk by the reciprocal of the minimum capital adequacy ratio i.e. 10% and adding the resulting figures to the sum of risk weighted assets for credit risk. Total RWA is then used as denominator while total Eligible Regulatory Capital as on numerator to derive Capital Adequacy Ratio.

➤ **Strategy to achieve the required Capital Adequacy:**

Operational level:

Immediate measures:

- Asking unrated corporate clients to have credit rating from External Credit Assessment Institutions (ECAIs) recognized by Bangladesh Bank;
- Rigorous monitoring of overdue contracts to bring those under 90 days overdue;
- Assessing incremental effect of capital charge over the expected net income from financing before sanctioning any appraisal, which could be one of the criteria for taking financing decision.

Continuous measures:

- Concentrating on SME clients having exposure up to BDT 1 crore as this will carry 75% fixed risk weight (for regular contracts only);
- Financing clients having good credit rating;
- Using benefit of credit risk mitigation by taking eligible financial collaterals against transactions;
- Focusing more on booking high spread earning assets and thus increasing retained earnings.

Strategic level:

- Injecting fresh capital by issuing right shares, if required.

	Quantitative Disclosures	Amount in BDT
(b)	Capital requirement for Credit Risk	1,021.45
	On-Balance Sheet	1,001.13
	Off-Balance Sheet	20.31
(c)	Capital requirement for Market Risk	0.00
(d)	Capital requirement for Operational Risk	-117.40

(e) Total and Tier 1 capital ratio:

- For the consolidated group; and
- For stand alone

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)		(391.60.00)%
CAR on Tier 1 capital basis (%)		(393.28)%

D) Credit Risk

Qualitative Disclosures

(a) The general qualitative disclosure requirement with respect to credit risk, including:

➤ **Definitions of past due and impaired (for accounting purposes)**

As per the Bangladesh Bank's Prudential Guideline on Capital Adequacy and Market Discipline for Financial Institutions, the unsecured portion of any claim or exposure (other than claims secured by residential property) that is past due for 90 days or more, net of specific provisions (including partial write-off) will be risk weighted as per risk weights of respective balance sheet exposures. For the purpose of defining the net exposure of the past due loan, eligible financial collateral (if any) may be considered for Credit Risk Mitigation.

➤ **Description of approaches followed for specific and general allowances and statistical methods;**

Specific and General provisions are maintained according to the relevant Bangladesh Bank guideline. For Example, 0.25% provision is maintained against SME-Standard loan/ lease, 1% provision is maintained against standard loans (other than SME-Standard loan/ lease), 5% against SMA loan/ lease, 20% against sub-standard loan/ lease, 50% against doubtful loan/ lease and 100% against bad/loss loan/ lease after deducting the amount of interest suspense and value of eligible securities from the outstanding balance of classified accounts.

- Discussion of the FI's credit risk management policy.
- Implementation of various strategies to minimize risk:
- To encounter and mitigate credit risk the following control measures are taken place at PLFSL:
- Looking into payment performance of customer before financing;
- Annual review of clients;
- Adequate insurance coverage for funded assets;
- Vigorous monitoring and follow up by Special Assets Management and collection Team;
- Strong follow up of compliance of credit policies by Credit Administration Department;
- Taking collateral and performing valuation and legal vetting on the proposed collateral;
- Seeking legal opinion from internal and external lawyer for any legal issues;
- Maintaining neutrality in politics and following arm's length approach in related party transactions;
- Regular review of market situation and industry exposure;
- Sector-wise portfolio is maintained within specific limits to ensure diversification of loan assets.

In addition to the industry best practices for assessing, identifying and measuring risks PLFSL also consider Guidelines for Managing Core Risks of financial institutions issued by the Country's Central Bank, Bangladesh Bank; vide FID Circular No. 10 dated September 18, 2005 for management of risks.

➤ **Approved Credit Policy by the Board of Directors**

The Board of Directors has approved the Credit Policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been described/stated in detail. Credit Policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

➤ **Separate Credit Risk Management (CRM) Department**

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

➤ **Special Assets Management and Collection Team**

A strong Law and Recovery Team monitors the performance of the loans & advances, identify early signs of delinquencies in portfolio, and take corrective measures to mitigate risks, improve loan quality and to ensure recovery of loans in a timely manner including legal actions.

➤ **Independent Internal Control and Compliances Department (ICC)**

Appropriate internal control measures are in place at PLFSL. PLFSL has also established Internal Control and Compliances Department (ICC) to ensure, compliance with approved lending guidelines, Bangladesh Bank guidelines, operational procedures, adequacy of internal control and documentation procedures. ICC frames and implements policies to encounter such risks.

➤ **Credit Evaluation**

The Credit Evaluation Committee (CEC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The CEC critically reviews projects considering the current global financial crisis and its probable impact on the project.

Risk Grading Model (RGM) helps a Financial Institution to understand the various dimensions of risks involved in transactions related to small business clients who are plying their businesses in various geographical locations across the country. PLFSL has been developing and managing RGM to promote the safety and soundness of the Company by facilitating informed decision-making. This model measures credit risk and differentiate individual credits and groups of credits by the risk they pose. This allows management and examiners to monitor changes and trends in risk levels. The process also allows the management to manage risk to optimize returns.

To mitigate credit risk, PLFSL search for credit report from the Credit Information Bureau (CIB) of Bangladesh Bank. The report is scrutinized by CRM and CEC to understand the liability condition and repayment behavior of the client. Depending on the report, banker's opinions are taken from client's banks. Suppliers' and buyers' opinion are taken to understand the market position and reputation of our proposed customers.

➤ **Credit Approval Process**

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

➤ **Credit Quality and Portfolio Diversification**

PLFSL believes in diversification in terms of products as well as sectors. To mitigate the Credit Risk, the company diversifies its loan exposure to different sectors confirming the Central Bank's requirements. Threshold limit is set for any sector so that any adverse impact on any industry has minimum effect on PLFSL's total return. Central Bank's instructions are strictly followed in determining Single Borrower/Large Loan limit. Significant concentration of credit in terms of groups or geographical location is carefully avoided to minimize risk.

➤ **Early Warning System**

Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.

➤ **NPL Management**

PLFSL measures its loan portfolio in terms of payment arrears. The impairment levels on the loans and advances are monitored regularly.

As per FID Circular No.3 dated March 15, 2007:

1. Loan/Lease, classified as bad/loss and with 100% provision, can only be written-off.
2. Approval from the Board of Directors has to be taken before write-off.
3. The financial institutions should constantly try to recover the loan/lease written-off amount. If legal action has not been taken against the client, legal charges should be placed before the write off.
4. To expedite the legal settlement or collection of the due amount, third party agents can be appointed by the financial institutions.
5. A separate ledger should be maintained for the written off loans/leases and the accumulated written off value should be disclosed separately under the heading of "notes to the account" in the annual report/balance sheet of the financial institutions.
6. Even if the loan/lease has been written off, the client should be classified as defaulter and reported to CIB accordingly.

Detail records for all such write off accounts are meticulously maintained and followed up.

➤ **Counter-party Credit Rating**

PLFSL is taking initiatives to rate the Corporate Clients of the company immediately by the External Credit Assessment Institutions (ECAIs)/Rating Agencies duly recognized by the Central Bank.

Methods used to measure Credit Risk

As per the directives of Bangladesh Bank, 'The Standardized approach' is applied by the company to measure its Credit Risk.

Quantitative Disclosures

(a) Total gross credit risk exposures broken down by major types of credit exposure.

Particulars	Amount in BDT
Leasing	1,053,699,739
Term Finance	11,256,485,853
Total	12,310,185,592

(b) Geographical distribution of exposures, broken down in significant areas by major types of credit exposure.

Area	Amount in BDT
Dhaka Division	12,297,259,897
Chittagong Division	1,231,019
Barisal Division	
Sylhet Division	
Khulna Division	11,694,676
Total	12,310,185,592

(c) Industry or counterparty type distribution of exposures, broken down by major types of credit exposure.

Sector	Amount in BDT
Agriculture	791,544,934
Electronics and Electrical Products	4,924,074
Food Production and Processing Ind.	104,636,578
Garments and Knitwear	142,798,153
Glass, Glassware and Ceramic Industries	-
Jutes & Jute related goods	119,408,800
Housing	642,591,688
Lather & Lather goods	20,927,316
Iron, Steel and Engineering	251,127,786
Paper, Printing and Packaging	-
Pharmaceuticals and Chemicals	108,329,633
Plastic Industry	-
Power & Energy	396,387,976
Telecommunication and IT	-
Textile	6,155,093
Transport and Aviation	902,336,604
Merchant bank	1,379,971,805
Trade & Commerce	1,115,302,815
Service	-
Others	6,323,742,339
Total	12,310,185,592

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

Particulars	Amount in BDT
Repayable on demand	123,101,856
Up to 1 month	
Over 1 month but not more than 3 months	246,203,712
Over 3 months but not more than 1 year	984,814,847
Over 1 year but not more than 5 years	2,954,444,542
Over 5 years	8,001,620,635
TOTAL	12,310,185,592

(a) Gross Non Performing Assets (NPAs)

Non-PerformingAssets (NPA) to Outstanding Loans & advances Movement of Non-PerformingAssets (NPAs)

Particulars	Amount in BDT
Sub-standard	706,000
Doubtful	4,587,000
Bad/Loss	12,198,181,592
Total	12,203,474,592

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	9,003,573,993
Provisions made during the period	-
Write-off	-
Write-back of excess provisions	-
Closing Balance	9,003,573,993

E) Equities: Banking book positions

Qualitative Disclosures

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

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

- Total equity shares holdings are for capital gain purpose.
Discussion of important policies covering the valuation and accounting of equity holdings in the banking book positions. This includes the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation as well as significant changes in these practices.
- Quoted shares are valued at cost prices and if the total cost of a particular share is lower than the market value of that particular share, then provision are maintained as per terms and condition of regulatory authority. On the other hand, unquoted share is valued at cost price or book value as per latest audited accounts.

Quantitative Disclosures

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

Particulars	Cost Price	Market Price
Quoted shares	31,300,420	6,96,94,383
Unquoted shares	203,975,410	203,975,410

- c) The cumulative realized gains (losses) arising from sales and liquidations in the reporting period.

➤ Capital Gain/(Loss) on sale of Share BDT

Particulars	Amount in BDT
Total unrealized gains (losses)	
Total latest revaluation gains (losses)	-
Any amounts of the above included in Tier 2 capital.	-

- d) Capital requirements broken down by appropriate equity groupings, consistent with the FI's methodology, as well as the aggregate amounts and the type of equity investments subject to any supervisory provisions regarding regulatory capital requirements.
- Specific Risk Market value of investment in equities is BDT 0.00 crore. Capital Requirement is 10% of the said value, which stand to BDT 0.00 crore.
 - General Risk Market value of investment in equities is BDT 27.08 crore. Capital Requirement is 10% of the said value which stand to BDT 2.70 crore.

All requirements are 10% of the said value, which stand to BDT 2.70 crore.

F) Interest rate in the banking book

Qualitative Disclosures

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

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

Quantitative Disclosures

- b) The increase (decline) in earnings or economic value (or relevant measure used by management) for upward and downward rate shocks according to management's method for measuring interest rate risk broken down by currency (as relevant).

Maturity wise Distribution of Assets-Liabilities

Amount in Crore BDT

Particulars	1 to 30/31 day (One month)	Over 1 month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to 1 year
1	2	3	4	5	6
A. Total Rate Sensitive Liabilities (A)	73.64	207.97	220.02	348.94	399.95
B. Total Rate Sensitive Assets (B)	3.69	10.12	27.05	89.70	211.88
C. Mismatch	(68.94)	(196.84)	(191.96)	(258.23)	(187.87)
D. Cumulative Mismatch	(68.94)	(265.78)	(457.74)	(715.97)	(903.84)
E. Mismatch (%)	(94.92)%	(95.11)%	(87.65)%	(74.22)%	(47.00)%

Interest Rate Risk-Increase in Interest Rate

Amount in crore BDT

Magnitude of Shock	Minor	Moderate	Major
	2%	4%	6%
Change in the Value of Bond Portfolio	0.00	0.00	0.00
Net Interest Income	(18.08)	(38.15)	(54.23)
Revised Regulatory Capital	(3261.64)	(3279.71)	(3297.79)
Risk Weighted Assets	1494.73	1494.73	1494.73
Revised CAR (%)	(218.21)%	(219.42)%	(220.63)%

G) Market risk

Qualitative Disclosures (a)

Views of BOD on trading/investment activities

All the Market Risk related policies/guidelines are duly approved by BOD. The BOD sets limit and review and updates the compliance on regular basis aiming to mitigate the Market risk.

Methods used to measure Market risk

Market Risk is the probability of losing assets in balance sheet and off- balance sheet position arising out of volatility in market variables i.e. interest rate, exchange rate and prices of securities. In order to calculate the market risk for trading book purposes the company uses Standardized (rule based) Approach where capital charge for interest rate risk, price and foreign exchange risk is determined separately.

Market Risk Management system

Policies and processes for mitigating market risk

A Policy for managing Market Risk has been set out by the Board of Directors of the company where clear instructions has been given on Loan Deposit Ratio, Whole Sale Borrowing Guidelines, Medium Term Funding, Maximum Cumulative Outflow, Liquidity Contingency Plan, Local Regulatory Compliance, Recommendation / Action Plan etc. Treasury manages the Market Risk with the help of Asset Liability Management Committee (ALCO) and Asset Liability Management (ALM) Desk in the following fashion:

Interest Risk Management

Treasury Division reviews the risks of changes in income of the Company as a result of movements in market interest rates. In the normal course of business PLFSL tries to minimize the mismatches between the duration of interest rate sensitive assets and liabilities. Effective Interest Rate Risk Management is done as under:

Market analysis

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

GAP analysis

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

Continuous Monitoring

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

Equity Risk Management

Equity Risk is the risk of loss due to adverse change in market price of equities held by the Company. Equity Risk is managed by the following fashion:

PLFSL minimizes the Equity Risks by Portfolio diversification as per investment policy of the company. The entire portfolio is managed by PLFSL Investments Limited.

Quantitative Disclosures (b)

The capital requirements for Market Risk:

Particular	Amount in crore BDT
Interest rate risk	-
Equity position risk	2.70
Foreign Exchange Position and Commodity risk (if any)	-

H) Operational Risk:

Qualitative disclosure (a)

Views of Board on system to reduce Operational Risk:

All the policies and guidelines of internal control and compliances are duly approved by the Board. The Board delegates its authority to Executive Committee and to MANCOM members as per company policy of delegation of authority. Audit Committee of the Board directly oversees the activities of internal control and compliance as per good governance guideline issued by Bangladesh Securities and Exchange Commission.

Performance gap of executives and staffs

PLFSL's recruitment strategy is based on retaining and attracting the most suitable people at all levels of the business and this is reflected in our objective approach to recruitment and selection. The approach is based on the requirements of the job (both now and in the near future), matching the ability and potential of the individual. Qualification, skills and competency form our basis for nurturing talent. We are proud to state that favorable job responsibilities are increasingly attracting greater participation from different level of employees in the PLFSL family. We aim to foster a sense of pride in working for PLFSL and to be the employer of choice. As such there exists no performance gap in PLFSL.

Potential external events

No such potential external event exists to raise operational risk of GSPB at the time of reporting.

Policies and procedures for mitigating operational risk:

PLFSL has also established Internal Control and Compliances Department (ICC) to address operational risk and to frame and implement policies to encounter such risks. ICC assesses operational risk across the Company as a whole and ensures that an appropriate framework exists to identify, assess and manage operational risk.

Approach for calculating capital charge for operational risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and system or from external events. PLFSL uses basic indicator approach for calculation capital charge against operational risk i.e. 10% of average positive annual gross income of the company over last three years.

Quantitative Disclosures (b)

Capital requirement for operational risk:

Particular	Amount in crore BDT
Capital requirement for operational risk:	(117.40)

STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by Bangladesh Securities and Exchange Commission (BSEC) per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3-June-2018 (Issued under Section 2CC of the Securities and Exchange Ordinance, 1969)

(Report under Condition No. 9.00 as on 31.12.2022)

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
1	BOARD OF DIRECTORS			
1(1)	Size of the Board of Directors			
	The total number of Members of the Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the Company's Board shall be Independent Directors; any fraction shall be considered to the next integer or whole number for calculating number of Independent Director(s).		✓	
1(2)(b)(i)	Independent Director does not hold any Share in the Company or holds less than one percent (1%) Shares of the total paid-up Shares of the Company.		✓	
1(2)(b)(ii)	The Independent Director is not a Sponsor of the Company or is not connected with the Company's any Sponsor or Director or Nominated Director or Shareholder of the Company or any of its Associates, Sister Concerns, Subsidiaries and Parents or holding entities who holds one percent (1%) or more Shares of the total paid-up Shares of the Company on the basis of family relationship and His/Her family members also shall not hold above mentioned Shares in the Company.		✓	
1(2)(b)(iii)	Independent Director has not been an Executive of the Company in the immediately preceding 2 (two) financial years.		✓	Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
1(2)(b)(iv)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the Company or its Subsidiary or Associated Companies.		✓	
1(2)(b)(v)	Independent Director is not a Member or TREC (Trading Right Entitlement Certificate) holder, Director or Officer of any Stock Exchanges.		✓	
1(2)(b)(vi)	Independent Director is not a Shareholder, Director excepting Independent Director or Officer of any Member or TREC holder of Stock Exchange or an intermediary of the Capital Market.		✓	
1(2)(b)(vii)	Independent Director is not a Partner or an Executive or was not a Partner or an Executive during the preceding 3 (three) years of the concerned Company's Statutory Audit Firm or Audit Firm engaged in internal Audit Services or Audit Firm conducting special Audit or Professional certifying compliance of this Code.		✓	
1(2)(b)(viii)	Independent Director is not an Independent Director in more than 5 (five) listed Companies.		✓	Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
1(2)(b)(ix)	Independent Director has not been convicted by a Court of competent jurisdiction as a defaulter in payment of any loan or any advance to a Bank or a Non-Bank Financial Institution (NBFI).		✓	

Status of Compliance of Corporate Governance Code

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.		✓	
1(2)(c)	Independent Director (s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM).		✓	
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.		✓	
1(2)(e)	The tenure of Office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.		✓	
1.3	Qualification of Independent Director (ID)		✓	
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and Corporate laws and can make meaningful contribution to the business.		✓	
1(3)(b)(i)	The Independent Director shall be a Business Leader who is or was a Promoter or Director of an unlisted Company having minimum Paid-up-Capital of TK.100.00 Million or any listed Company or a Member of any National or International Chamber of Commerce or Business Association;		✓	
1(3)(b)(ii)	The Independent Director shall be a Corporate Leader who is or was a top level Executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted Company having minimum Paid-up Capital of TK.100.00 million or of a listed Company; or		✓	
1(3)(b)(iii)	The Independent Director shall be a former Official of Government or Statutory or Autonomous or Regulatory Body in the position not below 5 th Grade of the National Pay Scale who has at least Educational background of Bachelor Degree in Economics or Commerce or Business or Law; or		✓	
1(3)(b)(iv)	The Independent Director shall be a University Teacher with Economics or Commerce or Business Studies or Law; or		✓	
1(3)(b)(v)	The Independent Director shall be a Professional like Advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant, Cost & Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.		✓	
1(3)(c)	The Independent Director shall have at least 10 (ten) years of experiences in any field mentioned in Clause (b).		✓	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:			
1(4)(a)	The positions of the Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the Company shall be filled by different individuals.	✓		Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed Company shall not hold the same position in another listed Company.	✓		dated 16.05.2023

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the Non-executive Directors of the Company.	✓		
1(4)(d)	The Board of Directors shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining Members may elect (1) one of themselves from Non-executive Directors as Chairperson for that particular Board's Meeting, the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.	✓		
1(5)	The Director's Report to Shareholders			
	The Directors of the Companies shall include the following additional Statements or disclosures in the Director's Report prepared under Section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):	✓		Not prepared Director's Report due to liquidation position, declared from court after July 14, 2019 to end this period (December 31, 2021).
1(5)(i)	Industry outlook and possible future developments in the Industry.	✓		
1(5)(ii)	The segment-wise or product-wise performance.	✓		
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment (if any).	✓		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable.	✓		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (Gain or Loss).	✓		
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related Party transactions.	✓		
1(5)(vii)	A Statement of utilization of proceeds raised through Public Issues, Rights Issues and/or any other instruments.	✓		
1(5)(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.	✓		
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements.	✓		
1(5)(x)	A Statement of remuneration paid to the Directors including Independent Directors.	✓		
1(5)(xi)	A Statement that the Financial Statements prepared by the Management of the issuer Company present fairly its state of affairs, the result of its Operations, Cash Flows and Changes in Equity.	✓		
1(5)(xii)	A Statement that proper Books of Accounts of the issuer Company have been maintained.	✓		
1(5)(xiii)	A Statement that appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the Accounting estimates are based on reasonable and prudent judgment.	✓		
1(5)(xiv)	A Statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation	✓		Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
	of the Financial Statements and any departure there from has been adequately disclosed.			
1(5)(xv)	A Statement that the system of Internal Control is sound in design and has been effectively implemented and monitored.	✓		
1(5)(xvi)	A Statement that Minority Shareholders have been protected from abusive actions by or in the interest of controlling Shareholders acting either directly or indirectly and have effective means of redress.	✓		
1(5)(xvii)	A Statement that there is no significant doubt upon the issuer Company's ability to continue as a going concern, if the issuer Company is not considered to be a going concern, the fact along with reasons thereof shall be disclosed.	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.	✓		
1(5)(xix)	A Statement where key operating and financial data of at least preceding five (5) years shall be summarized.	✓		
1(5)(xx)	An explanation on the reasons if the issuer Company has not declared Dividend (Cash or Stock) for the year.	✓		
1(5)(xxi)	Board's Statement to the effect that no Bonus Share or Stock Dividend has been or shall be declared as Interim Dividend.	✓		
1(5)(xxii)	The total number of Board Meetings held during the year and attendance by each Director.	✓		
1(5)(xxiii)	A Report on the Pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:-			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related Parties (Name wise details).	✓		Prepared Director's Report to end this period (December 31, 2021).
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their Spouses and minor Children (Name wise details).	✓		
1(5)(xxiii)(c)	Executives top 5 (five) salaried employees of the Company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance.	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company (Name wise details).	✓		
1(5)(xxiv)	In case of the appointment or re-appointment of a Director, to be disclosed the following information to the Shareholders:-			
1(5)(xxiv)(a)	A brief resume of the Director.			Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of Companies in which the Person also holds the directorship and the membership of Committees of the Board.	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the Company's position and operations along with a brief discussion of changes in the Financial Statements, among others, focusing on:	✓		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of Financial Statements.	✓		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on Financial performance or results and financial position as well as cash flows in absolute figure for such changes.	✓		

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of Financial performance or results and financial position as well as cash flows for current Financial Year with immediate preceding five (5) years explaining reasons thereof.	✓		
1(5)(xxv)(d)	Compare such Financial performance or results and Financial position as well as Cash Flows with the peer industry scenario.	✓		
1(5)(xxv)(e)	Briefly explain the Financial and economic scenario of the Country and the Globe.	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the Financial Statements, explaining such Risk and concerns mitigation plan of the Company; and	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for Company's operation, performance and Financial position, with justification thereof, i.e. actual position shall be explained to the Shareholders in the next Annual General Meeting (AGM).	✓		
1(5)(xxvi)	Declaration or Certification by the CEO and the CFO to the Board as required under Condition No. 3(3) shall be disclosed as per Annexure-A ; and	✓		
1(5)(xxvii)	The Report as well as Certificate regarding Compliance of Conditions of this Code as required under Condition No. 9 shall be disclosed as per Annexure-B and Annexure-C .	✓		
1(6)	Meetings of the Board of Directors	✓		
	The Company shall conduct its Board Meetings and record the Minutes of the Meetings as well as keep required Books and Records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a Code of Conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at Condition No. 6 for the Chairperson of the Board, other Board Members and Chief Executive Officer of the Company.			NRC is not yet formed due to Bangladesh Bank Guidelines per DFIM Circular No. 18, dated, 26-October-2011 and DFIM(P)1052/27/2021-2436
1(7)(b)	The Code of Conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent Conduct and behavior, confidentiality, conflict of interest, compliance with Laws, Rules and Regulations, prohibition of Insider Trading, Relationship with environment, Employees, Customers and Suppliers and Independency.			Do
2	GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY			
2(a)	Provisions relating to the composition of the Board of Directors of the holding Company shall be made applicable to the composition of the Board of Directors of the Subsidiary Company.		✓	The Subsidiary's Board of Directors constituted by Hon'ble court
2(b)	At least 1 (one) Independent Director on the Board of Directors of the holding Company shall be a Director on the Board of Subsidiary Company.		✓	
2(c)	The Minutes of the Board meeting of the subsidiary Company		✓	

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
	shall be placed for review at the following meeting of the Board of Directors of the holding Company.			
2(d)	The Minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the Subsidiary Company also;		✓	
2(e)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.		✓	
3	MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS)			
3(1)	Appointment			
3(1)(a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC).	✓		
3(1)(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different Individuals.	✓		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any Executive position in any other Company at the same time.	✓		
3(1)(d)	The Board of Directors shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s).	✓		
3(2)	Requirement to attend the Board of Directors Meetings			
	The MD or CEO, CS, CFO and HIAC of the Company shall attend the Meetings of the Board of Directors, provided that the CS, CFO and/or the HIAC shall not attend such part of a Meeting of the Board of Directors which involves consideration of an Agenda item relating to their personal matters.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that, they have reviewed Financial Statements for the year and that to the best of their knowledge and belief.			
3(3)(a)(i)	These Statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading and	✓		
3(3)(a)(ii)	These Statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the Code of Conduct for the Company's Board or its Members.	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
4	BOARD OF DIRECTORS' COMMITTEE			
	For ensuring good Governance in the Company, the Board shall have at least following Sub-Committees:			
4(i)	Audit Committee;	✓		
4(ii)	Nomination and Remuneration Committee.			NRC is not yet formed due to Bangladesh Bank Guidelines per DFIM Circular No. 18, dated, 26-October-2011 and DFIM(P)1052/27/2021-2436
5	AUDIT COMMITTEE			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The Company shall have an Audit Committee as a Sub-Committee of the Board of Directors.	✓		
5(1)(b)	The Audit Committee shall assist the Board of Directors in ensuring that the Financial Statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business.	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board of Directors, the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	Audit Committee shall be composed of at least 3 (three) members;	✓		
5(2)(b)	The Board of Directors shall appoint members of Audit Committee who shall be Non-Executive Directors' of the Company excepting Chairperson of the Board and shall include at least one (1) Independent Director;		✓	
5(2)(c)	All members of the Audit Committee should be 'financially literate' and at least one (1) member shall have accounting or related Financial Management background and 10 (ten) years of such experience;		✓	
5(2)(d)	When the term of service of the Committee member expires or there is any circumstance causing any Committee member to be unable to hold Office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee Member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee Meeting shall not constitute without at least 1 (one) Independent Director;		✓	
5(3)	Chairperson of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an Independent Director;		✓	Board of Directors constituted by Hon'ble court by Vide order no. 96

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under Condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the Minutes;	✓		dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
5(3)(c)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM). In absence of Chairperson of the Audit Committee, any other Member from the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the Minutes of AGM;	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its (4) four Meetings in a Financial Year;	✓		Board of Directors constituted by Hon'ble court by Vide order no. 96 dated 12.07.21 and FI Matter NO. 1 of 2019 dated 15.11.2023
5(4)(b)	The quorum of the Meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an Independent Director is a must.		✓	
5(5)	Role of the Audit Committee			
	The Audit Committee shall:			
5(5)(a)	Oversee the Financial Reporting process;	✓		Audit committee was formed on 21.12.2023 in 57th Court appointed Board meeting
5(5)(b)	Monitor, choice of Accounting policies and principles;	✓		
5(5)(c)	Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.;	✓		
5(5)(d)	Oversee hiring and performance of External Auditors;	✓		
5(5)(e)	Hold Meeting with the External or Statutory Auditors for review of the Annual Financial Statements before submission to the Board for approval or adoption;	✓		
5(5)(f)	Review along with the Management, the Annual Financial Statements before submission to the Board for approval.;	✓		
5(5)(g)	Review along with the Management, the Quarterly and Half-yearly Financial Statements before submission to the Board of Directors for approval;	✓		
5(5)(h)	Review the adequacy of Internal Audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		
5(5)(j)	Review Statement of all related Party transactions submitted by the Management;	✓		
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by Statutory Auditors;	✓		
5(5)(l)	Oversee the determination of Audit fees based on scope and magnitude, level of expertise deployed and time required for effective Audit and evaluate the performance of External Auditors; and	✓		
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant Offer Document or Prospectus approved by the Commission.	✓		

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings; if any;	✓		
5(6)(a)(ii)(a)	Report on conflicts of interests.	✓		
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the Internal Audit and compliance process or in the Financial Statements	✓		
5(6)(a)(ii)(c)	Suspected infringement of Laws, Regulatory Compliances including Securities related Laws, Rules and Regulations; and.	✓		
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	✓		
5(6)(b)	Reporting of the Authorities			
	If the Audit Committee has reported to the Board of Directors about anything which has material impact on the Financial condition and results of operation and has discussed with the Board of Directors and the Management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three (3) times or completion of a period of six (6) months from the date of first reporting to the Board of Directors, whichever is earlier.	✓		
5(7)	Reporting to the Shareholders and General Investors			
	Report on activities carried out by the Audit Committee, including any Report made to the Board of Directors under Condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the Annual Report of the issuer Company.		✓	Do
6	NOMINATION AND REMUNERATION COMMITTEE (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a Sub-committee of the Board of Directors.			NRC is not yet formed due to Bangladesh Bank Guidelines per DFIM Circular No. 18, dated, 26-October-2011 and DFIM(P)1052/27/2021-2436
6(1)(b)	The NRC shall assist the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and top level Executive as well as a policy for formal process of considering remuneration of Directors, top level Executive.			Do
6(1)©	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the Condition No. 6(5)(b).			Do
6(2)	Constitution of the NRC			

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
6(2)(a)	The Committee shall comprise of at least three Members including an Independent Director.			Do
6(2)(b)	All Members of the Committee shall be Non-Executive Directors.			Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board of Directors.			Do
6(2)(d)	The Board of Directors shall have authority to remove and appoint any member of the Committee.			Do
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board of Directors shall fill the vacancy within 180 (One Hundred Eighty) days of occurring such vacancy in the Committee.			Do
6(2)(f)	The Chairperson of the Committee may appoint or Co-opt any external Expert and/or Member(s) of Staff to the Committee as advisor who shall be Non-voting Member, if the Chairperson feels that advice or suggestion from such External Expert and/or Member(s) of Staff shall be required or valuable for the Committee.			Do
6(2)(g)	The Company Secretary shall act as the Secretary of the Committee.			Do
6(2)(h)	The quorum of the NRC Meeting shall not constitute without attendance of at least an Independent Director.			Do
6(2)(i)	No Member of the NRC shall receive, either directly or indirectly, any remuneration for any Advisory or Consultancy role or otherwise, other than Director's fees or honorarium from the Company.			Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board of Directors shall select 1 (One) member of the NRC to be Chairperson of the Committee, who shall be an Independent Director.			Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining Members may elect one of themselves as Chairperson for that particular Meeting; the reason of absence of the regular Chairperson shall be duly recorded in the Minutes.			Do
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the Shareholders. In absence of Chairperson of the NRC, any other Member from the NRC shall be selected to be present in the Annual General Meeting (AGM) for answering the Shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of AGM.			Do
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a Financial Year;			Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any Member of the NRC;			Do
6(4)(c)	The quorum of the meeting of the NRC shall be constituted in presence of either two Members or two third of the Members of the Committee, whichever is higher, where presence of an Independent Director is must as required under Condition No. 6(2)(h);			Do

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
6(4)(d)	The proceedings of each Meeting of the NRC shall duly be recorded in the Minutes and such Minutes shall be confirmed in the next Meeting of the NRC.			Do
6(5)	Role of the NRC			
6(5)(a)	NRC shall be Independent and responsible or accountable to the Board of Directors and to the Shareholders;			
6(5)(b)	NRC shall oversee, among others, the following matters and make Report with recommendation to the Board of Directors;			Do
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board of Directors, relating to the remuneration of the Directors, top level Executive, considering the following:			Do
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the Company successfully;			Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			Do.
6(5)(b)(i)(c)	Remuneration to Directors, top level Executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals;			Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;			Do
6(5)(b)(iii)	Identifying Persons who are qualified to become Directors and who may be appointed in top level Executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board of Directors;			Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of Independent Directors and the Board of Directors;			Do
6(5)(b)(v)	Identifying the Company's needs for Employees at different levels and determine their selection, transfer or replacement and promotion criteria; and			Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human resources and training policies;			Do
6(5)(c)	The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its Annual Report;			Do
7	EXTERNAL OR STATUTORY AUDITORS			
7(1)	The issuer Company shall not engage its external or Statutory Auditors to perform the following services of the Company, namely:-			
7(1)(i)	Appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	Financial Information Systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the Accounting records or Financial Statements;	✓		
7(1)(iv)	Broker-Dealer Services;	✓		
7(1)(v)	Actuarial Services;	✓		
7(1)(vi)	Internal Audit services or special Audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or Certification services on compliance of Corporate Governance.as required under Condition No. 9 (1); and	✓		
7(1)(ix)	Any other service that creates conflict of interest.	✓		

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		(Put ✓ in the appropriate column)		(If any)
		Complied	Not Complied	
7(2)	No Partner or Employees of the External Audit Firms shall possess any Share of the Company they Audit at least during the tenure of their Audit assignment of that Company; his or her Family Members also shall not hold any Shares in the said Company;	✓		
7(3)	Representative of External or Statutory Auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the Shareholders.	✓		
8	MAINTAINING A WEBSITE BY THE COMPANY			
8(1)	The Company shall have an official website linked with the website of the Stock Exchange.	✓		
8(2)	The Company shall keep the Website functional from the date of listing.	✓		
8(3)	The Company shall make available the detailed disclosures on its Website as required under the Listing Regulations of the concerned Stock Exchange(s).	✓		
9	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE			
9(1)	The Company shall obtain a Certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its Statutory Auditors or Audit Firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such Certificate shall be disclosed in the Annual Report.	✓		Certificate has been obtained from Jesmin & Associates Chartered Secretaries
9(2)	The Professional who will provide the Certificate on compliance of this Corporate Governance Code shall be appointed by the Shareholders in the Annual General Meeting.	✓		
9(3)	The Directors of the Company shall state, in accordance with the Annexure-C attached in the Director's Report whether the Company has complied with these conditions or not..	✓		

Certificate of Compliance

Jasmin & Associates
Chartered Secretaries

**Report to the Shareholders
of
People's Leasing And Financial Services Ltd.
on Compliance on Corporate Governance Code**

We have examined the Compliance status to the Corporate Governance Code by People's Leasing And Financial Services Ltd. for the year ended 31st December 2022. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and Verification thereof, we report that, in our opinion:

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column in Annexure-C approved by the Board of Directors;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory except as stated in the remarks column in the Corporate Governance Code Check list.

Place : Dhaka
Dated : December 04, 2024

For: **Jasmin & Associates**
Chartered Secretaries



Jasmin Akter, FCS
Chief Executive

Report on Compliance on Bangladesh Bank's Guidelines

ANNEXURE-XI

As per Bangladesh Bank instructions every Financial Institutions required to comply with the guidelines on Corporate Governance as per the DFIM circular no.7, Dated: September 25, 2007 PLFS taken appropriate steps to comply with the guidelines and implemented the same. Status report on compliance with those guidelines is given below:

Condition No.	Title	Compliance Status
01	Responsibilities and Authorities of Board of Directors: The responsibilities of the Board of Directors are mainly related to evaluation and developing strategy. Those are as follows -	Complied
A. Work-planning and Strategic Management		
i	The Board shall determine the vision/mission of the Company. Board shall also determine the strategy and work planning for enhancement of institutional efficiency and other policy matters on annual basis. The Board shall make necessary amendments on the strategy on quarterly basis.	Complied. Refer to the Directors Report of this Annual Report
ii	The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM).	Complied
iii	The Board shall determine Key Performance Indicators for Chief Executive along with other top level executives and re- assess on half yearly basis.	Complied
B. Formation of Sub - committee		
For making timely decision, Executive Committee can be formed. No alternative Director shall be included in this committee.		Complied Refer to 'Board and its committee' in this Annual Report
C. Financial Management		
i	Annual budget and statutory financial reports shall be authorized by the Board of Directors	Complied
ii	The Board shall review company's statement of income and expenses, statement of loan/lease, liquidity requirement, and capital adequacy, adequacy of provision, action taken for legal cases and recovery of default loan.	Complied. Refer to Director's Report of the Annual Report
iii	The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board.	Complied
iv	Bank account of the Company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007).	Complied
D. Loan/Lease/Investment Management		
i	The policies, strategies, procedures etc. in respect of appraisal of loan/lease/investment proposal, sanction, disbursement, recovery, rescheduling, and write off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/lease/investment and such delegate should desirably be made among the CEO and other top management of the company.	Complied
ii	No Director shall interfere directly or indirectly in the process of loan approval.	Complied
iii	Core Risk Management Guidelines shall be approved by the Board of Directors of the Company.	Complied

E. Risk Management		
Approval shall be taken from Board of Directors for syndicate loan/lease/ investment Complied and large loan, lease or investment.		Complied
F. Internal Control & Compliance		
Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/lease/investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.		Refer to Report of the Audit Committee of this Annual Report
G. Human Resources Management (HRM)		
Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman of the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the positions MD, DMD and SEVP or equivalent.		Refer to the Directors' Report of this Annual Report
H. Appointment of Managing Director and Increase of Salaries & Allowances		
Board of Directors shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director.		Complied
I. Benefits to Chairman		
Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business – in the interest of the company subject to the approval of the Board.		Complied
02. Responsibilities and Duties of Chairman		
i	Chairman shall not personally possess the jurisdiction to apply policy making or executive or authority. He shall not participate in or interfere into the administrative or operational and routine affairs of the Company.	Complied
ii	The minutes of the Board meetings shall be signed by the Chairman.	Complied
iii	Chairman shall sign off the proposal for appointment of Managing Director & increment of his salaries and allowances	Complied
03. Responsibilities of Managing Director or Chief Executive		
Officer of the company or whatever be called, shall work under the following area-		
i	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied
ii	Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant Circulars of Bangladesh Bank and other regulatory authorities.	Complied
iii	All recruitment, promotion & training of employees, except DMD, SEVP & equivalents shall be vested upon the Managing Director. He shall act in accordance with the approved HR Policy of the Company.	Complied
iv	Managing Director may re-schedule job responsibilities of employees.	Complied
v	Managing Director may take disciplinary actions against the employees.	Complied
vi	Managing Director may take disciplinary action against the employees except DMD.	Complied
vii	Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM Circular No.1 dated 29.02.2024 and Circular No. 3 dated 25.03.2024, if so authorized.	Complied

A. Meeting Information

Compliance Report On BSEC'S Notification (Section 1.5 (Xxi))

A) Shareholding Pattern of Board of Directors (As on Report Date)

Sl	Name of Directors	Status	No of Share	% of Share	Name of Spouse	No of shares held	% of Shares
1	Mr. Hasan Shaheed Ferdous	Chairman	Nil	Nil	Sawheli Parveen	Nil	Nil
2	Dr. Kazi Anowarul Hoque	Director	Nil	Nil	Dr. Nazmun Naher Karim	Nil	Nil
3	Brig Gen (Retd) Kazi Taufiqul Islam, BGBM, ndc, psc	Director	Nil	Nil	Ishrat Jahan Chowdhury	Nil	Nil
4	Barrister Reshad Imam	Director	Nil	Nil	Sheikh Faria Rahman	Nil	Nil
5	Mr. Mohammad Azizul Islam Rana FCA	Director	Nil	Nil	Sanjida Akhter	Nil	Nil
6	Mr. Mohammad Atiqur Rahman Atiq	Director	Nil	Nil	Late Mrs. Farida Yesmin Rahman	Nil	Nil
1	Anan Chemical Industries Ltd.		1,44,40,900	5.06%		Nil	Nil
	a) Mr Noug Chow Mong Nominated by Anan Chemical Industries Ltd.	Ex-Chairman*	Nil	Nil	Mr. Nai Aye Ching	Nil	Nil
	b) Mr. Uzzal Kumar Nandi, FCA Nominated by Anan Chemical Industries Ltd.	Ex-Director*	Nil	Nil	Mrs. Anita Kar	Nil	Nil
	c) Mrs Nai Aye Ching Nominated by Anan Chemical Industries Ltd.	Ex-Director*	Nil	Nil	Mr. Noug Chow Mong	Nil	Nil
2	Mr. Nizamul Ahsan	Ex-Vice Chairman*	57,09,417	2.00%	Mrs. Khaleda Yesmin	Nil	Nil
3	Mr. A. Q. Siddiqui	Independent Director	Nil	Nil	Mrs. Hosne Ara Siddiqui	Nil	Nil
4	Mr. Shekhar Kumar Halder FCA	Independent Director	Nil	Nil	Mrs. Sunanda Rani Biswas	Nil	Nil
5	Mr. Md. Iqbal Sayeed	Independent Director	Nil	Nil	Mrs. Ferdousi Haque	Nil	Nil
6	Mr. Sukumar Mridha	Independent Director	Nil	Nil	Mrs. Taposhi Rani Sikder	Nil	Nil
7	Engr. Amitav Adhikary	Independent Director	Nil	Nil	N/A	Nil	Nil

ATTENDANCE OF THE BOARD OF DIRECTORS DURING YEAR 2022

SL No.	Name of Directors	Board of Directors Meeting			Executive Committee Meeting			Audit Committee Meeting			Total Remuneration paid for the year 2018		
		Total Board Meeting held	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Tk.)	Total EC Meeting	Meeting Attended	Attendance as % of total meeting held	Remuneration paid for attending the meeting (Tk)	Total AC Meeting		Meeting Attended	Attendance as % of total meeting held
01.	Mr. Kamal Ul Alam	25	-	0%	-	-	0%	-	-	-	-	-	-
02.	Mr. MdAnwarul Islam Sikder	25	21	84%	14	11	78%	55,000	6	1	16%	5,000	9,10,000
03.	Mr. Hasan Shaheed Ferdous	25	25	100%	-	-	-	-	6	4	66%	20,000	9,45,000
04.	Mr. Abdul Halim Chowdhury	25	22	88%	14	13	92%	65,000	-	-	-	-	6,15,000
05.	Brigadier General (ret'd) Kazi Taufiqul Islam	25	22	88%	14	14	100%	70,000	6	1	16%	5,000	6,25,000
06.	Mr. Noor-E-Khoda Abdul Mobin	25	22	88%	14	11	78%	55,000	6	5	83%	25,000	6,30,000
07.	Mr. Moahadul Mowla	25	20	80%	14	3	21%	10,000	6	3	50%	10,000	5,30,000
08.	Dr. Nasihid Kamal	25	22	88%	-	-	-	-	-	-	-	-	5,50,000
09.	Dr. Md. Nurul Kabir	25	16	64%	-	-	-	-	6	3	50%	18,000	4,18,000
10.	Mr. Mainuddin Hasan	25	3	12%	14	1	7%	5,000	-	-	-	-	12,500
11.	Mr. Azizul Islam Rana	25	3	12%	-	-	-	-	6	1	16%	5,000	12,500
12.	Mr. Md. Atiqur Rahaman Atiq	25	3	12%	14	1	7%	5,000	6	-	-	-	5000

B. Shareholding Pattern of Board of Directors

ANNEXURE-V

COMPLIANCE REPORT ON BSEC'S NOTIFICATION (Section 1.5(xxii))

A) SHAREHOLDING PATTERN OF BOARD OF DIRECTORS (31st December 2022)

Sl.	Name of Directors	Status	Nos. of shares	% of shares	Name of Spouse	No. of shares held	% of shares
1	Anan Chemical Industries Limited- (a) Mr. Uzzal Kumar Nandi FCA (Nominated by Anan Chemical Industries Limited)	Chairman	14,440,900	5.06%	Mrs. Anita Kar	Nil	Nil
	(b) Mr. Nouring Chow Mong (Nominated by Anan Chemical Industries Limited)	Director	Nil	Nil	Mrs. Nai Aye Ching	Nil	Nil
	(c) Mrs. Nai Aye Ching (Nominated by Anan Chemical Industries Limited)	Director	Nil	Nil	Mr. Nouring Chow Mong	Nil	Nil
2	Mr. Md. Nizamul Ahsan	Vice-Chairman	57,09,417	2.00%	Mrs. Khaleda Yasmin	Nil	Nil
3	Mr. A. Q. Siddiqui	Independent Director	Nil	Nil	Mrs. Hosne Ara Siddiqui	Nil	Nil
4	Mr. Shekhar Kumar Halder FCA	Independent Director	Nil	Nil	Mrs. Sunanda Rani Biswas	Nil	Nil
5	Mr. Md. Iqbal Sayeed	Independent Director	Nil	Nil	Mrs. Ferdousi Haque	Nil	Nil
6	Mr. Sukumar Mirdha	Independent Director	Nil	Nil	Mrs. Taposhi Rani Sikder	Nil	Nil
7	Engr. Amitav Adhikary	Independent Director	Nil	Nil	N/A	Nil	Nil

ANNEXURE-VI

SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS

Sl.	Name	Status	Nos. of shares	% of shares
1	Nil	Nil	Nil	Nil

ANNEXURE-VII

SHARES HELD BY CEO, CFO, CS & HEAD OF INTERNAL CONTROL & COMPLIANCE

Sl.	Name	Status/Position	Shares held
1	Md. Jalal Uddin	Managing Director & CEO	Nil
2	Md. Armia Fakir ACS	Company Secretary (In-Charge)	Nil

ANNEXURE-VIII

SHARES HELD BY TOP SALARIED EMPLOYEES OTHER THAN DIRECTORS, CEO, CFO, CS & HEAD OF INTERNAL CONTROL & COMPLIANCE

Sl.	Name	Status/Position	Shares held
1	Nil	Nil	Nil

Related Party Disclosure

(BoD as on report date)

ANNEXURE-IX

Sl. No.	Name of Directors	Status in the Board	Name of the firms/ companies in which interested in the proprietor, partner, director, managing agent, guarantor, employee etc.
1	Mr. Noung Chow Mong	Chairman	1. Anan Chemical Industries Ltd
2	Mr. Md. Nizamul Ahsan	Vice Chairman	1. Meghna Group 2. Siam Bangla Industries Ltd. 3. Needle Drop (Garments) Ltd. 4. N. Ahsan & Co.
3	Mr. Uzzal Kumar Nandi FCA	Director (Nominated by Anan Chemical Industries Limited)	1. Northern Jute Manufacturing Ltd. 2. Anan Chemical Industries Ltd. 3. Clewiston Foods & Accommodation Limited 4. Simtex Industries Limited 5. Uzzal Nandi & Co. Chartered Accountants
4	Mrs Nai Aye Ching	Director (Nominated by Anan Chemical Industries Limited)	1. Anan Chemical Industries Ltd
5	Mr. Abdul Qader Siddiqui	Independent Director	-
6	Mr. Shekhar Kumar Halder, FCA	Independent Director	-
7	Mr. Md. Iqbal Sayeed	Independent Director	-
8	Mr. Sukumar Mridha	Independent Director	-
9	Engr. Amitav Adhikary	Independent Director	-

Key Operating Data

ANNEXURE-X

People's Leasing And Financial Services Ltd. Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2022	2021
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(35,554,553,009)	(32,589,498,156)
3	Capital Surplus	(38,408,958,979)	(35,443,904,126)
4	Total Assets	15,210,360,299	14,659,198,670
5	Total Deposits	29,226,380,808	26,417,695,713
6	Total loans & advances	12,310,185,592	12,110,980,979
7	Total contingent liabilities and commitments	325,000,000	325,000,000
8	Credit deposit ratio	42.12%	45.84%
9	Percentage of classified loans against total loans & advances	98.87%	98.87%
10	Profit after tax and provision	(3,163,308,753)	(3,999,710,350)
11	Amount of classified loans during the year	12,203,474,592	11,974,126,894
12	Provision kept against classified loans	9,007,200,324	9,007,200,324
13	Provision surplus against classified loans		-
14	Cost of fund	13.00%	15.42%
15	Interest earning assets	14,037,523,130	13,477,834,868
16	Non-interest earning assets	1,172,837,169	1,181,363,801
17	Return of investments (ROI)	(25.21)	(32.40)
18	Return on assets (ROA)	(20.80)	(27.64)
19	Income from loans & advances & investment	452,020,206	246,581,668
20	Earnings per share	(11.08)	(14.01)
21	Net income per share	(11.08)	(14.01)
22	Price earnings ratio	(0.27)	(0.21)

As per Annexure-A & Condition No.1(5)(xxvi) of the CG Code
People's Leasing & Financial Services Ltd. (PLFSL)
Declaration by Managing Director and Head of Accounts

Date: September 5, 2024

The Board of Directors
People's Leasing & Financial Services Ltd.
Paramount Heights (12th Floor), 65/2/1
Box Culvert Road, Purana Paltan, Dhaka-1000

Subject: Declaration on Financial Statements for the year ended December 31, 2022.

Dear Sir,

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Ad-min/80 dated-June 3, 2018 under Section 2CC of the Securities and Exchange Ordinance, 1969, we do here by declare that:

- 1) The Financial Statements of PLFSL for the year ended December 31, 2022 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- 3) The form and substance of transactions and the Company's statement of affairs have been reasonably and fairly presented in its financial statements;
- 4) To ensure above the Company has taken proper and adequate care in implementing a system of internal control and maintenance of accounting records;
- 5) Our Internal auditors have conducted periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed;
- 6) The Management use of the going concern basis of accounting in preparing the financial the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern;

In this regard, we also certify that:

- 1) We have reviewed the financial statements for the year ended on 31 December 2022 and that to the best of our knowledge and belief:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws;
- 2) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's board of directors or its members;

Sincerely yours



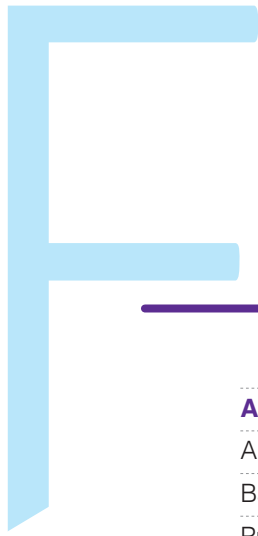
Md. Monirul Islam Shamim
HOA & SVP



Md. Sagir Hossain Khan
Managing Director

BAPLC Certificate





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2022

Auditors' Report and Financial Statements

People's Leasing And Financial Services Limited
For the Year Ended on December 31, 2022



G. KIBRIA & CO.
CHARTERED ACCOUNTANTS

YEARS OF TRUSTED SERVICE
40



Independent Auditor's Report

To the Shareholders of People's Leasing and Financial Services Ltd. Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of People's Leasing and Financial Services Ltd. (the "financial institution" or "Company") which comprise the balance sheets as at 31 December 2022 and the profit and loss accounts, statements of changes in equity and cash flow statements for the year then ended, and notes to the financial statements, including a summary of material accounting policies and explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements give a true and fair view of the balance sheets of the Company as at 31 December, 2022 and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), the Companies Act 1994, financial institution act 1993, Rules and regulations issued by Bangladesh Bank, the Securities and Exchange Rules 1987 and other applicable laws and regulations.

Basis for Qualified Opinion

1. We draw attention to note 2.10.29, the company/group has not consolidated its subsidiary, PLFS investments Limited and has not prepared any the consolidated financial statements. Had PLFS investments Limited been consolidated, many elements in the accompanying financial statements would have been materially affected. The effects on the financial statements due to the failure to consolidate have not been determined. Additionally, the audit report of PLFS investments Limited issued on 28 May 2023 by Islam Quazi Shafique & Co., Chartered Accountants, provided an adverse opinion incorporating some issues that martially impact on may elements of the company's financial statement which have not been incorporated in this financial statement.
2. The company reported a loan to subsidiary of BDT 1,503,939,425, but in the financial statement of the subsidiary, there was no loan received from parent. Instead, the subsidiary is claiming money from the parent. Though the subsidiary's audit report had a modified opinion based on this issue, it creates significant doubt weather this loan an asset or liability of the company. On the other hand, the investment made to this company represent 566% of the subsidiaries capital which is a noncompliance with the section 14(1) of the Financial Institution Act 1993.
3. In note 9 and note 13.3 the company reported the Advance Income Tax BDT 249,842,423 and the provision for corporate income tax BDT155,097,494 which have been carried for several years. But the company didn't provide us with year wise status of the unadjusted/unsettled tax. We have significant doubt about this balances, specially the excess asset of BDT94,744,929 (249,842,423 - 155,097,494). Due to lack of available information, we were unable to quantify the amount of discrepancy that has occurred due to this issue.
4. The company reducing the value of non-banking assets through charging depreciation. But as per the Bangladesh Bank guidelines, this balance should be adjusted with the market value. Since the market value of



Head Office: Sadharan Bima Sadan (5th Floor), 24-25 Dilkusha Commercial Area, Dhaka - 1000, Bangladesh

Branch Office: House 51, Road 14, Block-G, Niketon, Gulshan-1, Dhaka-1212

Email: gkibria@gkibriaandco.com, kibria03@hotmail.com, **Web:** http://gkibriaandco.com

Tel: +02-223-355-324, +02-4881-2331, +02-4881-2332



these assets was lower than the cost, the company should adjust this impairment loss in compliance with the Bangladesh bank Guidelines, not in the form of charging depreciation. The company didn't provide any disclosure of policy note or the basis of depreciation charging.

5. In note 7, the company reported loans & Advances BDT 12,310,185,592, but in the CL, the company shows BDT 10,950,108,190 which arise a difference of BDT 1,360,077,402. Due to the vast volume of the transaction involved and lack of available information, we were unable to quantify the amount of discrepancy that has occurred due to this issue. However, we have concluded based on our audit procedures that possible effects on the financial statements of this undetected discrepancy could be material.
6. The company have appointed us after the year end. So, we were unable to conduct any physical cash counting as of 31 December 2022.
7. Based on our details recalculation of loans & Advances, we found a short provision of BDT 281,198,584, which didn't recognize by the company in the financial Statement. Additionally, the management was unable to provide us with some valuation, loan statements and updated DVS enclosed client audited financial statements. We have significant doubt about classification and the valuation of those client. Due to lack of available information, we were unable to quantify the amount of discrepancy that has occurred due to this issue other than the mentioned short provision.
8. Due to lack of updated assets register of the fixed assets (latest list for the year 2017), we were unable to conduct any physical verification of the assets or any alternative audit procedures as of current dates. In addition, the value of company premises reported BDT 33,265,482, whereas based on the deed documents, the value is BDT 17,516,750.
9. Every Financial Institutions should submit a quarterly "Classification and provisioning of other assets" report to the Bangladesh Bank in compliance with DFIM Circular No-10 Date: 03 October 2021. But the management unable to provide us any documents for submission as on 31 December 2022 nor any calculation for the provision. Based on the documents available, our calculation indicates a shortfall in the provision for all other asset amounting to BDT 704,443,651 which was not recognized by the management.
10. In note 9, the management was unable to provide us sufficient appropriate evidence regarding the following balance other than the ledger. We have significant doubt about the accuracy of this balance. Due to lack of available information, we were unable to quantify the amount of discrepancy that has occurred due to this issue. This is considered as bad in the provision calculation.

Name of the head	Amount
Interest Receivable for loans & Advances	283,056,935
Other prepayment	18,670,848
Receivable against legal expenses-Loan/Lease	12,278,672

11. While verifying the balance of loan with other banks and financial institutions loan statements, we found a difference of BDT 1,190,911,890 which was understated in the financial statement.
12. We draw attention to note 12, regarding the Deposits & Other Accounts amount of BDT 29,226,380,295. Based on the company's internal records that we audited, the total balance of deposits and other accounts was BDT 29,026,451,858 which create a difference of BDT 199,928,438.
13. In note 13.12, the Company reported BDT 1,452,260,483 as unpaid TDS, VDS and Excise duty collected and deducted by the company. As per section 57 of income tax ordinance 1984, failure to remit collected or deducted taxes can result in an additional penalty of 2% per month. For this unpaid amount, an additional penalty of BDT 497,942,405 will be incurred, which the company has not recognized in the financial statement as on 31 December 2022.





14. The company has unclaimed divided amount of BDT 21,558,303 for several years without paying to the shareholder or the CMSF which is a noncompliance with the BSEC Notification no. BSEC/CMRRCD/2021-391/20/Admin/121 dated 01 June 2021. The management was also unable to provide us this unpaid amount maintaining in a designated bank account and provide year wise disclosure in the financial statement which is a noncompliance with BSEC directives no. BSEC/CMRRCD/2021-386/03 dated 14 January 2021.
15. During our audit, we found following different types of loan installment are recorded in liabilities without adjusting in the loan/advance. As per management explanation, they are still trying to adjust this. Such as;

Ledger account	Amount
Liabilities for Sundry Deposit	14,625,507
Loan/Lease Part Collection	97,850,130
Liabilities for Sundry Deposit against Loan/Lease	45,980,532
Payable Suspense Account	419,197,998
Interest Receivable (Suspense) for loans & Advances	14,680,546

16. Interest income and interest expense could not be confirmed in absence of required information.

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

Material Uncertainty related to Going Concern

We draw attention to Note 2.2 in the financial statements, which indicates that the Company incurred losses with an accumulated loss of BDT 40,073,142,361 for the year ended 31st December 2022, and overall negative equity BDT 35,554,553,009. The capital adequacy ratio (CAR) stands negative -391.60% and SLR requirements could not be met and 99.12% loan, lease and advance are classified. These events, along with other matters as set forth in Note 2.20, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Emphasis of Matters

We draw attention to note no. 10 and 13.10 regarding the sales of Non-Banking asset. The company already sold the non-banking asset and should derecognize from the financial statement. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matter described in the Basis for Qualified Opinion section and Material Uncertainty Related to Going Concern section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

Management is responsible for the other information. The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes





available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Management is responsible for the preparation and fair presentation of the financial statement of the Company in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), as explained in Note 2.00, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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





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

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

Report on other Legal and Regulatory Requirements

In accordance with the Companies Act, 1994, the Securities and Exchange Rules 1987, the Financial Institutions Act, 1993 and the rules and regulations issued by Bangladesh Bank, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, we also report that:

- i. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit and made due verification thereof;
- ii. in our opinion, proper books of accounts as required by law have been kept by the Company so far as it appeared from our examination of those books,
- iii. the balance sheet and profit and loss account together with the annexed notes dealt with by the report are in agreement with the books of account and returns,
- iv. the expenditures incurred were for the purpose of the Company's business for the year;
- v. the financial statements of the Company have been drawn up in conformity with the Financial Institutions Act, 1993 and in accordance with the accounting rules and regulations which were issued by Bangladesh Bank to the extent applicable to the Company;
- vi. adequate provisions have been made for loans, advances, leases, investment and other assets which are, in our opinion, doubtful of recovery and Bangladesh Bank's instructions in this regard have been followed properly;
- vii. the financial statements of the Company conform to the prescribed standards set in the accounting regulations which were issued by Bangladesh Bank after consultation with the professional accounting bodies of Bangladesh;
- viii. the records and statements which were submitted by the branches have been properly maintained and recorded in the financial statements;
- ix. statements sent to Bangladesh Bank have been checked on sample basis and no inaccuracy has come to our attention;
- x. taxes and other duties were collected and deposited in the Government treasury by the Company as per Government instructions found satisfactory based on test checking;
- xi. nothing has come to our attention that the Company has adopted any unethical means i.e. 'window dressing' to inflate the profit and mismatch between the maturity of assets and liabilities;
- xii. proper measures have been taken to eliminate the irregularities mentioned in the inspection report of Bangladesh Bank and the instructions which were issued by Bangladesh Bank and other regulatory authorities have been complied properly as disclosed to us by management;





- xiii. based on our work as mentioned above under the auditor's responsibility section, the internal control and the compliance of the Company is satisfactory, and effective measures have been taken to prevent possible material fraud, forgery and internal policies are being followed appropriately;
- xiv. the Company has complied with relevant laws pertaining to capital, reserve and net worth, cash and liquid assets and procedure for sanctioning and disbursing loans/leases found satisfactory;
- xv. we have reviewed over 80% of the risk weighted assets of the Company and we have spent around 1310 person hours for the audit of the books and accounts of the Company;
- xvi. the Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- xvii. the Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and
- xviii. all other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

Date: July 10, 2024
Dhaka, Bangladesh
DVC: 2407100392AS389077

A.K. Gulam Kibria, FCA, Partner
Enrolment no: 0392
G. KIBRIA & Co., Chartered Accountants



People's Leasing And Financial Services Ltd.

Balance Sheet

As on December 31, 2022

Particulars	Notes	Amount in Taka	
		Dec 31, 2022	Dec 31, 2021
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		41,459	61,459
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		43,916	45,496
		85,375	106,955
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		1,727,337,538	1,366,853,890
Outside Bangladesh		-	-
		1,727,337,538	1,366,853,890
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
		235,275,830	235,275,830
		235,275,830	235,275,830
Loans & Advances	7		
Lease Receivables		1,053,699,739	1,232,689,902
Advance for Lease Finance			
Direct/Term Finance		11,256,485,853	10,879,519,525
Secured Overdraft		-	(1,228,448)
Bills Discounted and Purchased		-	-
		12,310,185,592	12,110,980,979
Property, Plant & Equipment	8	54,530,787	60,993,894
Intangible Asset		-	-
Other Assets	9	857,713,185	855,394,044
Non-Banking Assets	10	25,231,992	29,593,078
Total Assets		15,210,360,299	14,659,198,670
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11	3,964,276,643	3,964,276,643
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		126,221,167	120,830,567
Bills Payable		514	514
Savings Bank Deposits		-	-
Term Deposits		29,033,861,055	26,230,413,760
Bearer Certificate of Deposits		-	-
Other Deposits		66,298,072	66,450,872
		29,226,380,808	26,417,695,713
Other Liabilities	13	17,574,255,858	16,866,724,469
Total Liabilities		50,764,913,308	47,248,696,824
Capital/Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,148	645,578,147
General Reserve	16	-	-
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18	(40,073,142,361)	(37,108,087,507)
Total Shareholders' Equity		(35,554,553,009)	(32,589,498,156)
Total Liabilities & Shareholders' Equity		15,210,360,299	14,659,198,670

People's Leasing And Financial Services Ltd.

Balance Sheet

As on December 31, 2022

Particulars	Notes	Amount in Taka	
		Dec 31, 2022	Dec 31, 2021

OFF-BALANCE SHEET ITEMS

Contingent liabilities

Letters of guarantee	19	-	150,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
			150,000,000

Other Commitments

Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		-	150,000,000

Nat Assets Value (NAV) per share

(124.56)

(114.17)

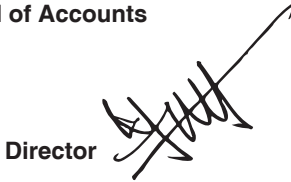
The annexed notes 1 to 49 are an integral part of these financial statements.


Company Secretary


Head of Accounts


Managing Director


Director


Director


Chairman

As per our report of even date

Date: July 10, 2024
Dhaka, Bangladesh
DVC: 2407100392AS389077


A.K. Gulam Kibria, FCA, Partner
Enrolment no: 0392
G. KIBRIA & Co., Chartered Accountants

People's Leasing And Financial Services Ltd.

Profit and Loss Account

For the Year ended December 31, 2022

Particulars	Notes	Amount in Taka	
		Dec 31, 2022	Dec 31, 2021
OPERATING INCOME			
Interest income	20	443,991,578	242,664,290
Interest paid on deposits, borrowings etc.	21	(3,507,567,599)	(3,259,231,176)
Net interest income		(3,063,576,021)	(3,016,566,886)
Income from investment	22	8,028,628	3,917,378
Commission, exchange and brokerage	23	-	-
Other operating income	24	39,978,142	11,202,230
Total operating income		(3,015,569,251)	(3,001,447,278)
OPERATING EXPENSES			
Salaries & allowances	25	14,767,323	9,535,748
Rent, taxes, insurance, electricity etc.	26	4,117,106	6,524,983
Legal Expenses	27	3,167,883	1,606,196
Postage, stamp, telecommunications etc.	28	653,675	516,616
Stationery, printing, advertisement etc.	29	1,561,443	150,274
Managing director's salary and fees	30	1,565,587	2,346,500
Directors' fees	31	7,045,500	3,484,500
Audit fee	32	1,035,000	-
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34	7,872,762	11,619,373
Other expenses	35	12,097,059	8,462,399
Total operating expenses		53,883,338	44,246,590
Profit before provision		(3,069,452,589)	(3,045,693,868)
Provision for loans & advances			
Specific provision	36	-	944,973,895
General provision	36	-	(4,611,305)
Provision for diminution in value of investments	36	75,078,600	-
Other provision		-	6,548,025
Total provision		75,078,600	946,910,615
Profit before taxes		(3,144,531,189)	(3,992,604,483)
Provision for tax			
Current tax	37	18,562,000	6,000,000
Deferred tax	38	215,564	1,105,867
Total provision		18,777,564	7,105,867
Profit after tax		(3,163,308,753)	(3,999,710,350)
Profit available for appropriations			
		(3,163,308,753)	(3,999,710,350)
Appropriations		-	-
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(3,163,308,753)	(3,999,710,350)
Earnings per share (EPS)	39	(11.08)	(14.01)

The annexed notes 1 to 49 an integral part of these financial statements.


Company Secretary


Head of Accounts


Managing Director



Director


Director


Chairman

As per our report of even date

Date: July 10, 2024
Dhaka, Bangladesh
DVC: 2407100392AS389077


A.K. Gulam Kibria, FCA, Partner
Enrolment no: 0392
G. KIBRIA & Co., Chartered Accountants

People's Leasing And Financial Services Ltd.

Statement of Cash Flows

For the year ended December 31, 2022

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
A CASH FLOW FROM OPERATING ACTIVITIES:		
Received (Interest+Principal) from loans and advances	534,537,353	242,664,290
Paid (Interest+Principal) to depositors	(166,983,178)	(3,095,960,823)
Dividend received	8,028,628	3,917,378
Payments to employees	(16,332,910)	(11,956,972)
Payments to suppliers	(16,545,607)	(1,846,547)
Payments of Income Tax	-	4,801,007
Received from other operating activities	39,978,142	11,202,230
Payments for other operating activities	(12,097,059)	(27,241,388)
Cash generated from operating activities	370,585,369	(2,874,420,826)
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	-	1,526,419,238
Other assets	(2,319,140)	147,612,008
Deposits from Banks	-	823,175,202
Deposits from customers	-	1,568,042,905
Other liabilities	(23,366,001)	(743,785,918)
	(25,685,141)	3,321,463,435
Net Cash from Operating Activities	344,900,228	447,042,609
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sales of Investment in securities	-	31,250,000
Purchase of property, plant and equipment	(192,000)	-
Proceeds from sale of property, plant and equipment	15,753,840	-
Net cash used in investing activities	15,561,840	31,250,000
C CASH FLOW FROM FINANCING ACTIVITIES:		
Drawdown of Term loan, Overdraft and Money Market	-	(36,000)
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	-	(36,000)
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	360,462,068	478,256,610
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	1,366,960,845	888,704,234
G Cash and cash equivalents at end of the year (D+E+F)	1,727,422,913	1,366,960,844
Cash and cash equivalents at end of the year		
Cash in hand	41,459	61,459
Balance with Bangladesh Bank and its agents bank(s)	43,916	45,496
Balance with other banks and financial institutions	1,727,337,538	1,366,853,890
Money at call and short notice	-	-
	1,727,422,913	1,366,960,845
Net Operating Cash Flow per share	1.21	1.57


Company Secretary


Head of Accounts


Managing Director


Director


Director


Chairman

As per our report of even date

Date: July 10, 2024
Dhaka, Bangladesh

People's Leasing And Financial Services Ltd.
Statement of Changes in Equity

For the Year ended December 31, 2022

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2022	2,854,405,970	645,578,147	-	1,018,605,234	(37,108,087,507)	(32,589,498,156)
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(37,108,087,507)	(32,589,498,156)
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(3,163,308,753)	(3,163,308,753)
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	198,253,899	198,253,899
Balance as on December 31, 2022	2,854,405,970	645,578,147	-	1,018,605,234	(40,073,142,361)	(35,554,553,010)

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2021	2,854,405,970	645,578,147	-	1,018,605,234	(33,193,518,322)	(28,674,928,971)
Adjustment for previous years loss	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(33,193,518,322)	(28,674,928,971)
Surplus/(deficit) on account of revaluation of properties	-	-	-	-	-	-
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	-	-
Currency translation differences	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	(3,999,710,350)	(3,999,710,350)
Net profit for the year	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	85,141,165	85,141,165
Balance as on December 31, 2021	2,854,405,970	645,578,147	-	1,018,605,234	(37,108,087,507)	(32,589,498,156)

Date: July 10, 2024
 Dhaka, Bangladesh


 Company Secretary


 Head of Accounts


 Managing Director


 Director


 Chairman

People's Leasing And Financial Services Ltd.

Liquidity Statement

As on December 31, 2022

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2022	2021
Cash	41,459	-	-	-	-	41,459	61,459
Balances with Bangladesh bank	43,916	-	-	-	-	43,916	45,496
Balances with other banks	547,879,142	-	350,000,000	829,458,396	-	1,727,337,538	1,366,853,890
Money at call and on short notice	-	-	-	-	-	-	-
Investments	31,300,420	-	75,690,410	128,285,000	-	235,275,830	235,275,830
Loans and advances	123,101,856	246,203,712	984,814,847	2,954,444,542	8,001,620,635	12,310,185,592	12,110,980,979
Property, plant & equipment	-	-	5,000,000	20,000,000	29,530,787	54,530,787	60,993,894
Other assets	192,250,472	154,460,205	185,352,246	225,203,665	100,446,596	857,713,184	855,394,044
Non-banking assets	-	-	-	25,231,992	-	25,231,992	29,593,078
Total assets	894,617,265	400,663,917	1,600,857,504	4,182,623,595	8,131,598,018	15,210,360,299	14,659,198,670
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	-	-	50,000,000	1,559,500,000	2,354,776,643	3,964,276,643	3,964,276,643
Deposit and other accounts	30,000,000	90,000,000	270,000,000	1,350,000,000	27,486,380,808	29,226,380,808	26,417,695,713
Provision and other liabilities	100,000,000	100,000,000	200,000,000	3,500,000,000	13,674,255,858	17,574,255,858	16,866,724,469
Total liabilities	130,000,000	190,000,000	520,000,000	6,409,500,000	43,515,413,309	50,764,913,309	47,248,696,825
Net Liquidity Gap	764,617,265	210,663,917	1,080,857,504	(2,226,876,405)	(35,383,815,291)	(32,554,553,009)	(32,589,498,154)

Date: July 10, 2024
Dhaka, Bangladesh


Company Secretary


Head of Accounts


Managing Director


Director


Director


Chairman

People's Leasing And Financial Services Ltd.

Notes to the Financial Statements

For the year ended December 31, 2022

1 General information

1.1 Legal status of the Company

People's Leasing And Financial Services Limited (PLFSL) is a Non-Banking Financial Institution established under the Financial Institutions Act, 1993. The Company was incorporated as a Public Limited Company on August 10, 1996 under the Companies Act, 1994. This Company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 26th August, 1996. It started operation after obtaining License from Bangladesh Bank on November 24, 1997. The Company went for public issue of shares in 2005, and listed with both Dhaka Stock Exchange Ltd. & Chittagong Stock Exchange Ltd. in Bangladesh on July 20, 2005.

The registered office of the company is located at Paramount Heights, (12th floor), 65/2/1 Box Culvert Road, Purana Paltan, Dhaka-1000. The operations of the company are being carried out through its four branches located in Dhaka and Chittagong.

1.2 Nature of business activities

The company offers diversified products and services, which include lease finance, term finance, housing finance, syndicated finance, bridge finance, real estate finance, SME finance, bill discounting, work order finance, personal finance, etc. The main focus is to identify and select emerging sector for financing and maintaining quality portfolio.

The company has launched a sound number of attractive deposit schemes to accommodate the requirement of several classes of people. Deposit schemes include Term Deposit, Double Money Deposit, Triple Money Deposit, Periodical Income Deposit, Monthly Saving Scheme (MSS), etc.

2 Basis of preparation and significant accounting policies

2.1 Statement of compliance

The Financial Reporting Council (FRC) was formed as per Financial Reporting Act, 2015. FRC adopted the International Financial Reporting Standard (IFRSs) issued by International Accounting Standard Board (IASB) which need to be followed by public interest entities in preparing their financial statement. The Financial Institutions Act, 1993 has been amended as required to comply for the preparation of their financial statements under such financial reporting standard.

As FRS is yet to be issued by FRC, as per the provisions of FRA (section-69), financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) as adopted by The Institute of Chartered Accountants of Bangladesh (ICAB) and, in addition to this, the FIs also complied with the requirements of the following laws and regulations from various Government bodies:

- i) The Companies Act, 1994
- ii) The Financial Institutions Act, 1993;
- iii) Bangladesh Securities and Exchange Rules, 2020;
- iv) Bangladesh Securities and Exchange Ordinance, 1969;
- v) Listing Regulations, 2015 of Dhaka & Chittagong Stock Exchanges; and
- vi) Other applicable laws and regulations.

In case the requirements of the Financial Institutions Act 1993, provisions and circulars issued by Bangladesh Bank differ with those of IFRSs, the requirements of the Financial Institutions Act 1993, provisions and circulars issued by Bangladesh Bank shall prevail, differences are as follows:

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
1.	Presentation and disclosure of Financial Statements and Financial Instruments	IAS 1 'Presentation of Financial Statements'	Other Comprehensive Income (OCI) is a component of financial statements or the elements of OCI are to be included in a single Other Comprehensive Income Statement.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which has been followed by all NBFIs. The templates of financial statements issued by Bangladesh Bank do not include Other Comprehensive Income (OCI) nor are the elements of Other Comprehensive Income allowed to include in a Single Comprehensive Income Statement.	Presentation of financial statements are not fully aligned with all the requirements of IAS.
2.	Current/Non-current distinction	IAS 1 'Presentation of Financial Statements'	As per Para 60 of IAS-1 "Presentation of Financial Statements" An entity shall present current and non-current assets and Current and non-current liabilities as separate classification in its statement of financial position.	As per DFIM Circular-11, Date-23 December 2009, Bangladesh Bank has issued templates for financial statements which is applicable for all the Financial Institutions. In these templates there is no current and non-current segmentation of assets and liabilities.	Presentation of financial statements is not fully aligned with all requirements of the IAS. Moreover, the liquidity statement shows the current & non-current portion of assets and Liabilities in this regards.
3.	Off-balance sheet items	IAS 1 'Presentation of Financial Statements'	There is no concept of non-financial institutional assets items in any IFRS; hence there is no requirement for disclosure of non-banking assets items on the face of the balance sheet.	As per DFIM Circular-11, Date-23 December 2009, off balance sheet items (e.g. letter of credit, letter of guarantee etc.) must be disclosed separately on the face of the balance sheet.	Presentation of financial statements are not aligned with the requirements of IAS 1. There is no financial impact for this departure in the financial statements.
4	None Banking Asset	IAS "Presentation of Financial Statements"	There is no concept of non-financial institutional assets items in any IFRS. Hence there is no requirement for disclosure of non-banking assets items on the face of balance sheet	As per DFIM Circular-11, Date -23 December 2009, non-banking assets must be disclosed separately on the face of the balance sheet.	Presentation of financial statements is not aligned with requirements of the IAS -1. There is no financial impact for this departure in the financial statements.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
5	Complete set of financial statements	IAS "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements" complete set of financial statements are i) statement of financial position, ii) statement of profit or loss and other comprehensive income, iii) statement of changes in equity, iv) statement of cash flows, v) notes, comprising significant accounting policies and other explanatory information and vi) statement of financial position at the beginning of preceding period for retrospective restatement.	As per DFIM Circular-11, Date-23 December 2009, complete set of financial statements are i) balance sheet, ii) profit and loss account, iii) statement of cash flows, iv) statement of changes in equity, v) statement of liquidity, vi) notes, comprising significant accounting policies and other explanatory information.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
6	Intangible asset	IAS 1 "Presentation of Financial Statements"	As per IAS 1 "Presentation of Financial Statements" para 54 the statement of financial position shall include separate line item for intangible assets	As per DFIM Circular-11, Date-23 December 2009, there is no option for separate line item for intangible asset in the balance sheet. We present intangible asset in the balance sheet as part of fixed assets and provide details in annexure- A I as separate line item.	Presentation of financial statements is not aligned with requirements of the IAS 1. There is no financial impact for this departure in the financial statements.
7	Presentation of cash and cash equivalent	IAS 7 "Statement of Cash Flows"	Cash equivalent are short term highly liquid investments that are readily convertible to known amounts of cash and only include those investments which are for a short tenure like: 3 months or less period. In the light of above, balance with Bangladesh Bank and fixed term deposits should be treated as investment asset rather than cash equivalent as it is illiquid asset and not available for use in day-to-day operations.	Bangladesh Bank has issued templates for financial statements vide DFIM Circular# 11 dated December 23, 2009 which has been followed by NBFIs the templates of financial statements provided detail of presentation of statement cash flows.	Presentation of financial statements is not fully aligned with the requirements of IAS. Thus items which should be presented as " investment activities-Balance with Bangladesh Bank (BB)" as per IAS is shown as cash & cash equivalent.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
8	Measurement of deferred tax asset	IAS 12 "Income Tax"	A deferred tax asset shall be recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized	As per DFIM circular No. 7 dated 31 July 2011, no deferred tax asset can be recognized for any deductible temporary difference against lease, loans and advances.	At the yearend specific provision against loan and advances amounts to BDT 7,154,904,451 and deferred tax assets of BDT 2,683,089,169 not recognized on this temporary difference as per BB circular.
9	Preparation of "Statement of Cash Flows"	IAS 7 "Statement of Cash Flows"	The Cash flow statement can be prepared using either the direct method or the indirect method. The presentation is selected to present these cash flows in a manner that is most appropriate for the business or industry. The method selected is applied consistently.	As per DFIM Circular-11, Date-23 December 2009, Cash flow statement has been guided by the Bangladesh Bank which is the mixture of direct and indirect method	Presentation of financial statements is not fully aligned with all requirements of the IAS.
10	Measurement of provision for leases, loans and advances (financial assets measured at amortized cost)	IFRS 9 "Financial Instruments"	IFRS: As per IFRS 9 an entity shall recognize an impairment allowance on loans and advances based on expected credit losses. At each reporting date, an entity shall measure the impairment allowance for loans and advances at an amount equal to the lifetime expected credit losses if the credit risk on these loans and advances has increased significantly since initial recognition whether assessed on an individual or collective basis considering all reasonable information, including that which is forward-looking. For those loans and	As per DFIM Master circular No. 04 dated 26 July 2021, a general provision at 0.25% to 5% under different categories of unclassified loan (good/standard loans) has to be maintained irrespective of objective evidence of impairment on lease, loans and advances. Loan classification status during the year ended 31 December 2021 has been determined as per DFIM Circular No. 33 dated 19 December 2021 and DFIM Master circular No. 04 dated 26 July 2021. Also, provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50%	Provision maintained against loans, advances and leases as at 31 December 2021 amounts to BDT 7,154,904,451.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			advances for which the credit risk has not increased significantly since initial recognition, at each reporting date, an entity shall measure the impairment allowance at an amount equal to 12 month expected credit losses.	and 100% respectively for investments depending on the duration of overdue.	
11	Valuation of Investments in quoted and unquoted shares	IFRS 9 "Financial Instruments"	As per requirements of IFRS 9: classification and measurement of investment in shares and securities will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Based on these factors it would generally fall either under "at fair value through profit and loss account" or under "at fair value through other comprehensive income" where any change in the fair value (as measured in accordance with IFRS 13) at the year-end is taken to profit and loss account or other comprehensive income respectively.	As per FID circular No. 08 dated 03 August 2002 investments in quoted shares and unquoted shares are revalued at the year-end at market price and as per book value of last audited balance sheet respectively. Provision should be made for any loss arising from diminution in value of investment; however, in case of any unrealized gain, no such gain can be recognized and investments are recognized at cost only.	100% provision has been maintained against unlisted equity investment and adequate provision has been maintained against listed equity investment as per the guidelines of Bangladesh Bank.
12	Recognition of interest income for SMA and classified lease, loans and advances	IFRS 9 "Financial Instruments"	IFRS: Loans and advances to customers are generally classified at amortized cost as per IFRS 9 and interest income is recognized by using the effective interest rate method to the gross carrying amount over the term of the loan. Once a loan subsequently	As per FID circular No. 03, dated 03 May 2006, once an investment on leases, loans and advances is termed as "Special Mention Account (SMA)", interest income from such investments is not allowed to be recognized as income, rather the respective amount needs to be credited as a liability	At year end, interest suspense account has decreased to BDT 771,523,529 from BDT 772,408,566 Resulting in decrease of BDT 885,037 of interest suspense. This amount has been shown as other liabilities in note 13.2.

S.L	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
			become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.	account like: interest suspense account.	
13	Presentation and disclosure of Financial Statements and Financial Instruments	IFRS-7 "Financial instruments: Disclosures"	IFRS 7 require specific presentation and disclosure relating to all financial instruments.	As per Bangladesh Bank guidelines, financial instruments are categorized, recognized and measured differently from those prescribed in IFRS 7. As such some disclosure and presentation requirements of IFRS 7 have not been made in the accounts.	Presentation of financial statements is not fully aligned with all requirements of IFRS.

The accounting heads mentioned in the prescribed form which are not applicable for the Financial Institutions have been kept blank in the Financial Statements.

2.2 Going concern assumption

The Company has an accumulated loss of BDT 40,073,142,361 for the year ended 31 December 2022; Negative equity of BDT 35,554,553,009 as at 31 December 2022; Negative Capital adequacy ratio of 393.57% as against minimum of 10%; almost 99% of investment of the Company is classified, CRR and SLR requirements could not be met throughout the year and investment disbursement is very poor.

These financial statements have been prepared on the basis of assessment of the PLFS's ability to continue as a going concern. PLFS has neither any intention to cease the operation nor any legal or regulatory compulsion to liquidate or curtail materially its operations.

We are to bring to notice that, following an application under section 29 of the Financial Institution Act-1993 filed by Bangladesh bank praying for winding up of People's Leasing And Financial Services Limited in Financial Institution Matter no. 01 of 2019, The Hon'ble High Court vide order dated 14.07.2019 admitted said application and put the company under Liquidation.

Subsequently the Honorable Company Bench of the High Court Division, Supreme Court of Bangladesh by the Order No.96 dated 12.07.2021 was pleased to recall order "Financial Institution Matter no. 01 of 2019" dated 14.07.2019 and formed a Board of Directors. Later, the Hon'ble Court passed an Order no. 132 with reconstructed the present Board of Directors and the Hon'ble Court expects that the PLFSL shall run the Company in full swing by investing money in the most secured businesses of this country. Now the Company has been functioning towards for revival. In this connection the following activities are performing:

- 1) Formulating a business plan;
- 2) Trying to recover money from borrowers;
- 3) Paying to depositors gradually;
- 4) Trying to invest in new business; etc.

2.3 Statement of cash flows

The statement of Cash Flows has been prepared in accordance with Bangladesh Bank DFIM Circular No.-11 dated December 23, 2009 which is a mixture of the direct and indirect methods.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with International Financial Reporting Standards (IFRS), requires management to make estimates and assumptions that affect certain reported amounts and disclosures. The estimates and associated assumptions are based on historical experience and various related factors that are believed to be reasonable under the circumstances, the result of which may differ from these estimates and judgments.

Significant areas requiring the use of management estimates in these financial statements are related to the useful life of depreciable assets and provisions for loans, advances and leases; investment, gratuity and income tax. However, the estimates and underlying assumption are reviewed on an ongoing basis and the actual result is recognized in the period in which the estimates are revised.

2.5 Date of Authorization

The Board of Directors has authorized these financial statements on 09/07/2024 of 67th BoD.

2.6 Directors' responsibility statement

The Board of Directors is responsible for the presentation of the financial statements under section 183 of the Companies Act, 1994 and as per the provision of 'The Framework for the Preparation and Presentation of Financial Statements'.

2.7 Risk and uncertainty for use of estimates

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the reported amounts of revenues and expenses, assets and liabilities, and disclosure requirements for contingent assets and liabilities during and the date of the financial statements. These financial statements contained information about the assumptions it made about the future and other major sources of estimation uncertainty at the end of the reporting period that have a significant risk of resulting in a material adjustment to the carrying amount of assets, liabilities, income and expenses within the next financial year. In accordance with the guidelines as prescribed by IAS 37: Provisions, Contingent Liabilities and Contingent Assets, provisions are recognized in the following situations:

- When the company has an obligation as a result of past events;
- When it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- Reliable estimate can be made of the amount of the obligation.

2.8 Compliance of International Financial Reporting Standards (IFRS)

IAS No.	Name of IAS	Applicability	Remarks
IAS 1	Presentation of financial statement	Applied with some departures	Note 2.1
IAS 2	Inventories	N/A	-
IAS 7	Statement of cash flows	Applied with some departures	Note 2.3
IAS 8	Accounting policies, changes in accounting estimates and errors	Applied	-
IAS 10	Events after the balance sheet date	Applied	-
IAS 11	Construction contracts	N/A	-
IAS 12	Income taxes	Applied	-
IAS 14	Segment reporting	N/A	-
IAS 16	Property, plant & equipment	Applied	-
IAS 17	Leases	N/A	-
IAS 18	Revenue	N/A	-
IAS 19	Employee benefits	Applied	-
IAS 20	Accounting of Government grants and disclosure of Government assistance	N/A	-
IAS 21	The effects of changes in foreign exchange rates	Applied	-
IAS 23	Borrowing costs	Applied	-
IAS 24	Related party disclosures	Applied	-
IAS 26	Accounting and reporting by retirement benefit plans	Applied	-
IAS 27	Separate financial statements	N/A	-
IAS 28	Investments in associates and joint venture	N/A	-
IAS 29	Financial reporting in hyperinflationary economics	N/A	-
IAS 31	Interest in joint ventures	N/A	-
IAS 32	Financial instruments: presentation	Applied with some departures	Note 2.1
IAS 33	Earnings per share	Applied	-
IAS 34	Interim financial reporting	Applied	-
IAS 36	Impairment of assets	Applied	-
IAS 37	Provisions, contingent liabilities and contingent assets	Applied	-
IAS 38	Intangible assets	Applied	-
IAS 39	Financial instruments: recognition and measurement	N/A	-
IAS 40	Investment property	N/A	-
IAS 41	Agriculture	N/A	-

IFRS No.	Name of IFRS	Applicability	Remarks
IFRS 1	First-time adoption of international financial reporting standards	N/A	-
IFRS 2	Share based payment	N/A	-
IFRS 3	Business combinations	N/A	-
IFRS 4	Insurance contracts	N/A	-
IFRS 5	Non-current assets held for sale and discontinued operations	N/A	-
IFRS 6	Exploration for and evaluation of mineral resources	N/A	-
IFRS 7	Financial instruments: disclosures	Applied	-
IFRS 8	Operating segments	N/A	-
IFRS 9	Financial instruments	Applied with some departures	Note 2.1
IFRS 10	Consolidated financial statements	N/A	-
IFRS 11	Joint arrangements	N/A	-
IFRS 12	Disclosure of interests in other entities	N/A	-
IFRS 13	Fair value measurement	Applied with some departures	Note 2.1
IFRS 14	Regulatory Deferral Accounts	N/A	-
IFRS 15	Revenue from Contracts with Customers	Applied with some departures	Note 2.1
IFRS 16	Leases	Not applied	Note 2.10.1
IFRS 17	Insurance Contracts	N/A	-

2.9 Consistency

In accordance with the IFRS framework for the presentation of financial statements, the company applies the accounting disclosure principles consistently from one period to next period, where selecting and applying new accounting policies, changes in accounting policies applied, correction of errors, the amounts involved are accounted for and disclosed retrospectively in accordance with the requirement of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.10 Significant accounting policies

2.10.1 Accounting for leases

The Company has not recognized 'Right of Use' assets and lease liabilities as per IFRS 16. This type of lease agreement is not present at the end of the year.

2.10.2 Comparatives and reclassification

Comparative information has been disclosed in respect of 2020 for all numerical information in the financial statements and also the narrative and descriptive information when it is relevant for understanding of the current period's financial statements.

2.10.3 Accounting for loans

Loans operation consists of term loans, housing finance and staff loans. Books of accounts are maintained based on the accrual method of accounting. However, interest income on Special Mention Account (SMA) and classified finance is not recognized as income but credited to interest suspense account as per Bangladesh Bank circulars and directives.

2.10.4 Investments

Investment in securities are classified broadly in two categories and accounted for as under:

Investment in quoted shares

Investments in quoted shares (listed securities) are carried at cost. Adequate provision has been made considering each individual investment (where cost is less than market priced) as guided by Bangladesh Bank. Unrealized gain is not recognized in the profit and loss account.

Investment in unquoted shares

Investment in unquoted shares/unlisted securities is reported at cost under cost method. Adjustment is given for any shortage of book value over cost for determining the carrying amount of investment in unlisted securities.

Stock dividends received against investment in shares are recorded at zero value in the books of accounts.

2.10.5 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with Bangladesh Bank and its agent bank(s) and balance with banks and other financial institutions in the form of current deposit, short term deposit and fixed deposits.

2.10.6 Liquidity statement (asset and liability maturity analysis)

Liquidity statement is prepared in accordance with First Schedule" (Section 38) of Bank Companies Act. 1991 on residual maturity term of assets and liabilities as on the reporting date based on the following basis:

- i) Balance with banks and other financial institutions, money at call and short notice, etc. are on the basis of their maturity term.
- ii) Investments are on the basis of their respective maturity.
- iii) Loans, advances and leases are on the basis of their repayment schedule.
- iv) Fixed assets are on the basis of their estimated useful lives.
- v) Other assets are on the basis of their realization/amortization.
- vi) Borrowing from banks, other financial institutions and agents, etc are as per their maturity/repayment terms
- vii) Term deposits and other deposits are on the basis of their maturity term and past trend of withdrawal by the depositors.
- viii) Other liabilities are on the basis of their payment/adjustments schedule.

2.10.7 Fixed assets including land, building, furniture & equipment

The cost of an item of property, plant and equipment is recognized as an asset if, it is probable that the future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Company's own fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses (if any). The cost of acquisition of any asset comprises of its purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use as per International Accounting Standard (IAS) 16 "Property, Plant and Equipment".

a) Subsequent expenditure on fixed assets

Subsequent expenditure, such as repairs and maintenance, on property, plant and equipment is normally charged off as revenue expenditure in the period in which it is incurred. In situation subsequent expenditure is only recognized as an asset when the expenditure improves the condition of the asset beyond its originally assessed standard of performance. All other costs are recognized to the profit and loss account as expenses. All up gradation/enhancement are generally charged off as revenue expenditure unless they bring similar significant additional benefits.

b) Disposal of fixed assets

On disposal of fixed assets, the cost and accumulated depreciation are eliminated and gain or loss on such disposal is reflected in the profit and loss account, which is determined with reference to the net book value of the assets and net sales proceeds.

c) Depreciation on fixed assets

Depreciation on Company's own fixed assets is charged to amortize the cost of assets throughout their estimated useful lives, using the reducing balance method - in accordance with International Accounting Standard (IAS) 16 "Property, Plant and Equipment's". Depreciation of an asset begins when it is available for use, ie when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale (or included in a disposal group that is classified as held for sale) in accordance with IFRS 5 and the date that the asset is derecognized. The rates of depreciation used are as under:

Sl. No.	Category of Fixed assets	Rate of Depreciation
1	Company Premises	10%
2	Motor Car & Vehicles	20%
3	Computer	20%
4	Telephone System	10%
5	Air Cooler	5%
6	Refrigerator	10%
7	Generator	10%
8	Office Equipment	20%
9	Furniture & Fixtures	5%
10	Crockery	20%

2.10.8 Impairment of assets

The company's assets are appraised at each balance sheet date for impairment. If there is any indication of impairment, the company estimates the recoverable amount of such assets; impairment losses if any, is recognized in the profit & loss account if the carrying amount of the asset exceeds its recoverable amount.

2.10.9 Provision for loans, advances and investments

Provision for loans, advances and investments is an estimate of the losses that may be sustained in the investment portfolio. The provision is based on two principles (1) IAS 37: Provision, Contingent Liabilities and Contingent Assets and (2) Bangladesh Bank guidelines. The methodology for measuring the appropriate level of the provision relies on several key elements, which include both quantitative and qualitative factors as set forth in the Bangladesh Bank guidelines. Provision for loans and advances are made on quarter basis as well as year-end review by management following instructions contained in FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 06, dated 20 August 2006 issued by Bangladesh Bank. DFIM Master circular No. 04 dated 26 July 2021, is the basis for calculating the provision for loans, advances and investments.

Loan classification status during the year ended 31 December 2021 has been determined as per DFIM Circular No. 33 dated 19 December 2021 and DFIM Master circular No. 04 dated 26 July 2021.

Also, provision for sub-standard investments, doubtful investments and bad losses has to be provided at 20%, 50% and 100% respectively for investments depending on the duration of overdue.

a) Write off of loans, advances and investments

In compliance with Bangladesh Bank DFIM circular no. 3 dated 8 April 2015 and DFIM circular no. 2 dated 1 April 2019 loans, advances and investment are written off to the extent that (i) there is 100% provision is maintained (ii) against which legal cases are pending and (iii) prior approval of board is required for write off. The item's potential return is thus cancelled and removed ("written off") from the Company's balance sheet. However, these write off will not undermine or affect the claim amount against the borrower. Recovery against the written off is credited to other operational income. Income is recognized where amounts are either recovered and/or adjusted against securities/properties or advances there against or are considered recoverable.

2.10.10 Other receivable

Other receivable includes accrued IDCP (Interest During Construction Period), accrued interest on fixed deposit. These receivables do not carry any interest and are stated at their nominal value and provision has been maintained against them as per Bangladesh Bank guidelines.

2.10.11 Provision for doubtful accounts

Provision has been made at estimated rates on outstanding exposures, based on aging and continuous review of the receivables, as per Bangladesh Bank guidelines. In addition, a general provision has also been made by the Company to cover unforeseen losses on all loans, advances and leases and investments excluding those for which a specific provision has been made. The provision is considered adequate to meet probable future losses.

2.10.12 Provisions and accrued expenses

Provisions and accrued expenses are recognized in the financial statement when the company has a legal or constructive obligation as a result of past event, it is probable that an outflow of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

2.10.13 Payment of dividend

Interim dividends are recognized when they are paid to shareholders. Final dividend is recognized when it is approved by the shareholders.

The proposed cash dividend is not recognized as a liability in the balance sheet in accordance with the IAS 10 "events after the balance sheet date". Dividend payable to the Company's shareholders are recognized as a liability and deducted from shareholders equity in the period in which the shareholders right to receive payment is established.

IAS 1 "presentation of financial statements" also requires the dividend proposed after the balance sheet date but before the financial statements are authorized for issue, be disclosed in the notes to the financial statements. Accordingly, the Company has disclosed the same in the notes to the financial statements.

Dividends cannot be declared by the Company until the Capital Adequacy shortfall disclosed in note 14.1 has been adjusted.

2.10.14 Revenue recognition

As per IFRS 15: Revenue from Contracts with Customers, an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Penal interest is recognized on cash basis as and when it is realised from the client.

a) Interest Income

Interest income comprises of interest income from lease, loans and advances and interest on placement of fund with banks and other financial institutions. Interest due is recognized on accrual basis using the effective interest method. Interest due over ninety days is not recognized as revenue rather it is recognized as interest suspense. Suspended interest is recognized as income on cash basis when it is received.

b) Income from leases

The excess of aggregate rentals receivable over the cost of the leased asset constitutes the total unearned lease income. The unearned lease income is recognized as revenue on an accrual basis over the lease terms, as per

Bangladesh Bank Guidelines. No lease income is accounted for as revenue where any lease rental is in arrears for 03 (three) months and above. In case of lease account for more than 5 (five) years period, no lease income is accounted for as revenue where any lease rental is in arrears for 06 (six) months and above.

c) Income from loans, advances

Interest on loans and advances is recognized when interest is accrued. No interest on loans and advances is accounted for as revenue where any portion of capital or interest is in arrears for 03 (three) months and above. In case of loans and advances for more than 5 (five) years period, no interest on loans is accounted for as revenue where any portion of capital or interest is in arrears for 06 (six) months and above.

d) Dividend income

Dividend income is recognized on cash basis in the period in which the dividend was received. Dividend income from preference share is recognized on accrual basis considering the establishment of right to receive the same.

e) Capital gain on sale of shares

Capital gain from sale of share/ securities is recognized on realized basis i.e. only when the securities are sold. Unrealized capital gain is not recognized as income.

f) Fee based revenue

Fee based revenues are recognized as income on cash basis i.e. as and when realized.

2.10.15 Bank loans

Interest bearing bank loans are recorded at the proceeds received. Interest on bank loans is accounted for on an accrued basis to profit and loss account under the head of financial expense at the implicit rate of interest. The accrued expenses are added to carrying amounts of the loans.

2.10.16 Borrowing costs

According to International Accounting Standard 23 "borrowing cost", all borrowing costs are recognized as expenses in the period in which they are incurred.

2.10.17 Interest suspense

As per Bangladesh Bank guidelines, lease income and interest on term finance overdue three months and above period are not recognized as revenue and credited to interest suspense account. In case of lease and loan account more than 5 years period and housing finance, lease income and interest income overdue six months and above period are not recognized as revenue and credited to interest suspense account.

2.10.18 Contingent liabilities and contingent assets

The company does not recognize contingent liability and contingent assets but discloses the existence of contingent liability in the financial statements in accordance with Bangladesh Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets". A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of uncertain future events not within the control of the company. The Contingent Liabilities of the Company have been disclosed in notes no 19.

2.10.19 Workers Profit Participation Fund and Welfare Fund

The company is yet to decide on the applicability of the sections 2 (65) of the Labour Code, 2006 and 232 of the Labor Act, 2006 hence no provision for workers profit participation and welfare fund has been made in the accounts.

2.10.20 Related party disclosure

The Company has entered into transactions with other parties in normal course of business that fall within the definition of related party as per International Accounting Standard 24 "Related Party Disclosure". The terms of related party transactions are not different from those that could have been obtained from third parties. Related party transactions are disclosed in the note no. 45 of this report.

2.10.21 Statutory reserve

Financial Institutions Regulations 1994 requires NBFIs to transfer 20 percent of its current year's profit to reserve fund until such reserve equals to its paid-up share capital. Due to loss for the year 2019 the Company has not transferred any amount to the statutory reserve.

2.10.22 Earnings per share (EPS)

The Company calculates earnings per share in accordance with International Accounting Standard (IAS) 33 "earnings per share", which has been shown in the face of profit & loss account and the computation is stated in note-39.

a) Basic earnings per share

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

b) Diluted earnings per share

Diluted earnings per share reflects the potential dilution that could occur if additional ordinary shares are assumed to be issued under securities or contracts that entitle their holders to obtain ordinary shares in future, to the extent such entitlement is not subject to unresolved contingencies. Effect of dilution to weighted average number of ordinary shares is given for potential ordinary shares. At 31 December 2019, there was no scope for dilution and hence no diluted EPS is required to be calculated.

c) Weighted average number of ordinary shares outstanding during the year

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

2.10.23 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax:

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years or are never taxable or deductible. Company's liability for current tax is calculated using tax rates that have been enacted the reporting period. Due to loss for the year 2022, Company provided minimum tax as per Income Tax Ordinance 1984 under section 82C.

Deferred Tax:

Deferred tax liability has been recognized on revaluation of land as per IAS 12 para 51b.

2.10.24 Employee benefit

The company maintained the following employee benefit plans in compliance with International Accounting Standard 19 "Employee Benefits":

a) Provident fund

The company operates a contributory provident fund scheme for its employee which is recognized by the National Board of Revenue (NBR) and administrated by a Board of Trustees. Both the company and employee contribute to the fund on equal basis at a predetermined rate.

b) Gratuity scheme

The company operates a non-funded gratuity scheme. Employees are entitled to gratuity benefit after completion 5 (five) years satisfactory service. The gratuity is paid on the basis of last basic pay drawn and is payable at the rate of one month's basic pay for every completed year of service. Provision for gratuity is made annually considering all its eligible employees available at the end of the year.

c) Pension fund

The company operates a non funded superannuation fund scheme. Employees are entitled to the following benefits:

i) Death Benefits: 100% of sum assured on death of an employee as per his/her category during the tenure of service prior to retirement is payable to his/her nominee and/or heirs.

ii) Survival Benefits: 100% of the amount on retirement after completion age of 57 years (58th Birthday) and/or being physically incapacitated during his services in the Company as per category of the employees.

d) Group life insurance scheme

The company has a Group Life Insurance Scheme for all its permanent employees.

e) Group hospitalization insurance scheme

The company has a group hospitalization insurance scheme for all its permanent employees.

f) Performance bonus

The employees of the company are entitled to annual performance bonus which is determined on the basis of company as well as individual employee's performance and subject to approval by the Board of Directors of the company.

g) Employee personal loan scheme

The company provides personal loan facility to its employee as per loan scheme of the company.

h) Other benefits

The employees of the company are also entitled to privilege leave encashment benefit, etc.

2.10.25 Policies and objectives adapted for financial risk management

The policies mentioned in this section are being applied in a very limited manner due to the Company's financial condition.

The Board of Directors guides and formulates the basic philosophy relating to optimal implementation of strategy to cater to the financial risk and capital deployed for investment.

In order to ensure maximum return to shareholders, the Company emphasizes on maintaining strong capital base to attain high credit rating, which enables growth, as well as portray good image and meet the regulatory requirements.

The management of the company takes account to the following factors, which affects the financial risks that are faced from time to time.

a) Credit risk

Credit risk arises when an obligor fails to perform its obligations under a trading or loan contract or when its ability to perform such obligations is impaired. This risk is compounded if the assigned collateral only covers the claim made to the clients or if its value is variable or uncertain. Credit risk does not arise only when a borrower defaults on payment of a loan but also when its repayment capability declines.

Mitigation Policy

Credit policies are designed to create, monitor and manage credit risk in a manner that complies with all applicable laws and regulations. The credit policies also include utilizing appropriate, accurate and timely tools to measure credit risk and maintaining acceptable levels if overall credit risk for the entire portfolio.

b) Liquidity risk

Liquidity risk is the current and prospective risk that the company, though solvent, either does not have sufficient financial resources available to meet its liability when they fall due or can secure them only at excessive cost. Liquidity risk arises from the inability to manage unplanned changes in funding sources.

Mitigation Policy

The policy of the company is to maintain and manage the fund in such a manner so that any short- and long-term commitment are not affected due to mismatch of tenure. The risks involved in liquidity are regularly looked after by the Treasury Department as per the guidance of the Asset Liability Management Committee (ALMC) from time to time.

c) Market risk

Market risk relates to potential loss arising from and adverse change in market risk factors, including commodity prices, interest rates, credit spreads and equity prices.

Mitigation Policy

The Assets Liability Management Committee (ALMC) of the company regularly meets to assess the change in interest rate, market conditions, carry out asset liability maturity gap analysis, re pricing of products and thereby takes effective measures to monitor and control interest rate risk.

Apart from major financial risks, the organization also faces non-financial risk among which following are prominent:

d) Operational risk

Operational risk is the risk of direct or indirect loss or damage resulting from inadequate or failed internal processes or systems or from human error or external events. Operational risk is therefore inherent in all activities within the company.

Mitigation Policy

Appropriate internal control systems can reduce operational risk within acceptable level. The Company established an effective and efficient internal control & compliance department (ICCD) to ensure the implement of policies and statutory requirements to encounter such risk. Internal Control and Compliance committee of the company works to ensure effective and efficient operations, reliable financial reporting and compliance with laws and regulations.

e) Information and communication technology risk

This risk may arise from malfunction of system, failure of network, lack of knowledge about the use of technology, virus attack, hacking etc.

Mitigation Policy

To manage IT related risk, the company has adopted excellent disaster recovery back up facilities in emergency situation. In addition, the company has check and balance system in every step of its standard procedures of operations.

f) Strong credit policy formulation by top management:

- The Board of Directors of the company guides and formulates the basic philosophy relating to optimal implementation of strategy to cater to the financial risk and capital deployed for investment.
- The Board of Directors has approved the credit policy for the company where major policy guidelines, growth strategy, exposure limits (for particular sector, product, individual company and group) and risk management strategies have been detailed.

g) Credit manual updated with recent industry information

- Credit policy is regularly updated to cope up with the changing global, environmental and domestic economic scenarios.

h) Thorough credit approval process:

- Meeting regulatory requirements and industry best practices: All credit facility comply regulatory requirements including Financial Institution Act and Bangladesh Bank guidelines & circulars as amended from time to time. The company considers Guidelines for managing core risks of financial institutions issued by the Country's central bank, Bangladesh Bank; vide FID circular no. 10 dated September 18, 2005 for management of risks.

i) Multilayer credit evaluation process:

To ensure both speedy service and mitigation of credit risk, the approval process is maintained through a multilayer system. Depending on the size of the loan, a multilayer approval system is designed. As smaller loans are very frequent and comparatively less risky, lower sanctioning authority is set to improve the turnaround time and associated risk. Bigger loans require more scrutiny as the associated risk is higher. So sanctioning authority is higher as well.

j) Rigorous due diligence process followed

- The Company downloads credit report from the credit information bureau (CIB) of Bangladesh Bank. The report is scrutinized by top management to understand the liability condition and repayment behavior of the client.
- The Company takes banker's opinions from client's banks as well as suppliers' and buyers' opinion to understand the market position and reputation of our proposed customers.
- The Company discourages financing to low net worth or highly leveraged customer; who might jeopardize their repayment commitment or even in worse situation may face liquidity problem.
- The Company evaluates customer repayment performance before providing credit facility though financial analysis, ensure adequate insurance coverage for funded assets, seeking external legal opinion and taking collateral security to reduce risk.
- The Company provides credit facility to productive and legitimate business activities, which are financially viable with strong focus on cash flow generation, have market demand and socially desirable; and will not invest for unproductive purposes or speculative ventures.

k) Constant credit monitoring and recovery process

- Existence of control mechanism for early warning: Performance of loans is regularly monitored to trigger early warning system to address the loans and advances whose performance show any deteriorating trend. It enables the company to grow its credit portfolio with ultimate objective to protect the interest of stakeholders.
- Continuous monitoring by top management: The Management Credit Committee (MCC) regularly meets to review the market and credit risk related to lending and recommend and implement appropriate measures to counter associated risks. The MCC critically reviews projects considering the current global economic situation and its probable impact on the project.
- Centralized Credit Administration: The Company has already established a centralized credit risk management department and a process manual. The Credit Risk Management (CRM) department regularly monitors and follows up credit risk related matter and recommend and implement appropriate measures to counter associated risk. The CRM time to time reviews projects from risk point of view and assists the management in creating a high-quality credit portfolio and maximize return from risk-based assets.

2.10.26 Basel II & its implementation

To cope with the international best practices and to make the capital more risk sensitive as well as more shock resilient, guidelines on Basel Accord for Financial Institutions (BAFI)' have been introduced from January 01, 2011 on test basis by Bangladesh Bank. At the end of test run period, Basel accord regime has started and the guidelines namely "Prudential Guidelines on Capital Adequacy and Market Discipline for Financial Institution (CAMD)" have come fully into force from January 01, 2012 with its subsequent supplements/ revisions. Instructions regarding Minimum Capital Requirement (MCR), Capital Adequacy Ratio (CAR), and disclosure requirement as stated in these guidelines have to be followed by all FIs for the purpose of statutory compliance.

The Company has a shortfall in Capital Adequacy as stated in note 14.1.

2.10.27 Reporting period

Financial statements of the company cover twelve months period from January 01, to December 31, consistently.

2.10.28 Offsetting

No assets or liability has been offsetted or reduced by any other assets unless a legal right for set-off exists and the offsetting presents the expectation as to the realization or settlement of the assets or liability.

2.10.29 Consolidated Financial Statements

People's Leasing & Financial Services Ltd. (PLFS) has a subsidiary namely PLFS Investment Ltd. PLFS has been given loan to PLFS Investment Ltd. during 2009 to 2015 and PLFS Investment Ltd. has been ensured partial payment of these loan to PLFS till mid of 2019. Even though, it was recorded of books of accounts of both companies accordingly which was duly audited by external auditors up to 2021. Moreover, this loan outstanding amount Tk. 152,65,18,944 (One Hundred Fifty Two Crore Sixty Five Lac Eighteen Thousand Nine Hundred Forty Four) only was renewed for further period of 156 months @ 10% p.a of 301st board of directors meeting of PLFS dated-March 3, 2016. In 2022 PLFS Investment Ltd. has made change their books of accounts and claim excess repayment of loan amount instead of their liabilities to PLFS.

PLFS Investment Ltd.'s claims to PLFS as on 31-12-2022 is Tk. 122,43,65,015 (One Hundred Twenty Two Crore Forty Three Lac Sixty Five Thousand Fifteen) only.

On the other hand, PLFS claims to PLFS Investment Ltd. as on 31-12-2022 is Tk. 150,39,39,424 (One Hundred Fifty Crore Thirty Nine Lac Thirty Nine Thousand Four Hundred Twenty Four) only. The issue is pending at present.

Therefore, preparation of consolidated financial statements is pending due to claim and counter claim between PLFS & PLFS Investment Ltd.

Amount in Taka	
Dec 31, 2022	Dec 31, 2021

3 Cash

Cash in hand (Note 3.1)

Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)

Total

41,459	61,459
43,916	45,496
85,375	106,955

3.1 Cash in hand

Cash in hand represents the amount under imprest system of petty cash to meet petty cash expenses for head office.

3.2 Balance with Bangladesh Bank

Balance with Bangladesh Bank is non-interest bearing and maintained to meet the Cash Reserve Requirement (CRR). CRR (note 3.3) and Statutory Liquidity Reserve (note 3.4) have been calculated and maintained in accordance with Financial Regulations 1994 and FID Circular No. 06 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.

3.3 Cash Reserve Requirement (CRR)

CRR has been calculated at the rate of 1.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).

Required reserve

Actual reserve held

Surplus / (Deficit)

277,081,907	245,255,456
43,915	106,955
(277,037,992)	(245,148,501)

SLR has been calculated at the rate of 5% of total liabilities, including CRR of 2.5% on Total Term Deposits. SLR is maintained in liquid assets in the form of Cash in Hand, balance with Bangladesh Bank, balance with other Banks & Financial Institutions, Investment at Call, unencumbered Treasury Bills, Prize Bond, Savings Certificates & any other assets approved by Bangladesh Bank.

Required reserve

Actual reserve held (note-3.4.1)

Surplus / (Deficit)

940,511,391	825,483,962
897,964,517	456,474,257
(42,546,874)	(369,009,705)

3.4.1 Actual Reserve held for SLR

Cash in hand

Balance with Bangladesh Bank and its agent bank(s)

Balance with other banks and financial institutions

41,459	61,459
43,916	45,496
897,879,142	456,367,302
897,964,517	456,474,257

4 Balance with other Banks and Financial Institutions in Bangladesh

Current Accounts & Short Term Deposits:

Al-Arafa Islami Bank Ltd.

Basic Bank

BDBL

Bank Asia

Dhaka Bank Ltd.

Dutch Bangla Bank Ltd.

EXIM Bank Ltd

ICB Islamic Bank Ltd.

Janata Bank Ltd

Mutual Trust Bank Ltd.

Midland Bank Ltd.

Modhumoti Bank Ltd

National Bank Ltd

NRB Commercial Bank Ltd.

NCC Bank Ltd.

One Bank Ltd.

Prime Bank Ltd.

Shahjalal Islami Bank Ltd.

Social Investment Bank Ltd.

Southeast Bank Ltd.

SouthBangla Agricultural Credit Bank Ltd.

The City Bank Ltd.

The Farmers Bank Ltd.

UCBL

Sub-Total

7,758	9,903
-	-
15,465	15,810
7,478	7,478
-	-
207,433,950	6,188,575
47,140	47,521
277	852
16,910	19,403
141,741	2,234,203
4,144	7,134
-	-
49,238	48,468
1,434	1,434
193,053	193,197
338,523,772	527,391,653
825,101	826,214
99,546	(99,505)
83,039	83,039
119,821	116,655
234,602	227,751
14,346	14,691
60,330	61,020
547,879,142	537,395,494

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
Fixed Deposits Receipts (FDR):		
Shimanto Bank Ltd.	150,000,000	-
Trust Bank Ltd	200,000,000	-
International Leasing	359,738,339	359,738,339
Premier Leasing	469,720,056	469,720,056
Sub-Total	1,179,458,395	829,458,395
Grand Total	1,727,337,538	1,366,853,890

Fund have been plased to Premier Leasing of Tk.46,97,20,056/= and International Leasing Tk.35,97,38,339 on the other hand they have been plased also the same amount to us, which is included in the Term Deposit Receipt. Note no 12. The said FDR is liened with Marcantile Bank Ltd. against overdraft facility.

4.1 Maturity grouping of Balance with other Banks and Financial Institutions

On demand	547,879,142	537,395,494
Less than 3 months	-	-
More than 3 months but less than 1 year	350,000,000	829,458,395
More than 1 year but less than 5 years	-	-
Above 5 years	-	-
Total	897,879,142	1,366,853,889

5 Money at Call and Short Notice

Banking Companies	-	-
Non-Banking Financial Institutions	-	-
Total	-	-

6 Investments

Treasury Bill	-	-
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Government Notes/ Bond	-	-
Prize Bond	-	-
Others	-	-
Sub Total	-	-

B. Other Investments

Preference Shares	-	-
Debenture and Bond	-	-
Other investments (Note 6.1)	235,275,830	235,275,830
Gold etc.	-	-
Sub Total	235,275,830	235,275,830

Total investments (A+B)

235,275,830 **235,275,830**

6.1 Other Investments

Quoted Investments	31,300,420	31,300,420
Unquoted Investments (Note 6.1.1)	203,975,410	203,975,410
	235,275,830	235,275,830

6.1.1 Unquoted Investments

E-SECURITIES LTD	69,978,600	69,978,600
GMG Airlines Ltd. Placement	50,000,000	50,000,000
Energy prima Ltd. Placement	13,585,000	13,585,000
MEB Poy Ltd. Placement	5,000,000	5,000,000
Scholastica Ltd. Placement	54,600,000	54,600,000
CDBL	5,711,810	5,711,810
People's Investment Ltd.	5,100,000	5,100,000
Sub Total	203,975,410	203,975,410

Note: Provision has made of Tk. 19,82,63,600/- against investment in unquoted shares.

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
6.2 Maturity grouping of Investments		
On demand	31,300,420	31,300,420
Less than 3 months	-	-
More than 3 months but less than 1 year	75,690,410	75,690,410
More than 1 year but less than 5 years	128,285,000	128,285,000
Above 5 years	-	-
Total	235,275,830	235,275,830
7 Loans & Advances		
Inside Bangladesh:		
Net Lease Receivables	1,053,699,739	1,232,689,902
Direct/ Term Finance	11,256,485,853	10,879,519,525
Secured Overdraft	-	(1,228,448)
Sub Total	12,310,185,592	12,110,980,979
Outside Bangladesh:		
Direct/ Term Finance	-	-
Secured Overdraft	-	-
Sub Total	-	-
Total	12,310,185,592	12,110,980,979

Note: Write-off amount of Tk. 72,28,92,579/- and in software "Loans and Advances" included have Tk. 52,46,38,680 although these amount should not be included in Loan & Advances. Amount of Tk. 72,28,92,579/- was deducted from Loans and Advances in 2019 instead of Tk. 52,46,38,680 mistakenly as well as it was adjusted with Retained Earnings in 2019 with same amount. Excess deducted amount of Tk. 19,82,53,899/- to be adjusted with Loans and Advances as well as Retained Earnings in 2022. However, entry to be passed in software in the year 2024 for write-off amount of Tk. 52,46,38,680/- because Software does not allow pass any entry in previous date.

7.1 Maturity grouping of loans & advances

On demand	123,101,856	242,219,620
Less than 3 months	246,203,712	484,439,239
More than 3 months but less than 1 year	984,814,847	2,179,976,576
More than 1 year but less than 5 years	2,954,444,542	6,539,929,728
Above 5 years	8,001,620,635	2,664,415,816
Total	12,310,185,592	12,110,980,979

7.2 Sector/ Industry-wise Loans & Advances

Agricultural sector	6.43%	791,544,934	778,736,077
Industrial sector:			
Textiles	0.05%	6,155,093	6,055,490
Garments	1.16%	142,798,153	140,487,379
Jutes & jute related goods	0.97%	119,408,800	117,476,515
Food items producer/processing industry	0.85%	104,636,578	102,943,338
Lather and lather goods	0.17%	20,927,316	20,588,668
Iron, steel and engineering	2.04%	251,127,786	247,064,012
Chemicals and pharmaceuticals	0.88%	108,329,633	106,576,633
Electronics and electrical goods	0.04%	4,924,074	4,844,392
Power, gas, water and sanitary	3.22%	396,387,976	389,973,588
Transport and communication	7.33%	902,336,604	887,734,906
Real estate and housing	5.22%	642,591,688	632,193,207
Merchant banking	11.21%	1,379,971,805	1,357,640,968
Trade & Commerce	9.06%	1,115,302,815	1,097,254,877
Others	51.37%	6,323,742,339	6,221,410,929
Total	100.00%	12,310,185,592	12,110,980,979

Particulars	Amount in Taka		
	Dec 31, 2022	Dec 31, 2021	
7.3 Geographical Location-wise Loans & Advances			
Inside Bangladesh			
Dhaka Division	99.90%	12,297,259,897	12,098,264,449
Chittagong Division	0.01%	1,231,019	1,211,098
Khulna Division	0.10%	11,694,676	11,505,432
Sub Total	100.00%	12,310,185,592	12,110,980,979
Outside Bangladesh	-	-	-
Total	100.00%	12,310,185,592	12,110,980,979

7.4 Details of Large Loans & Advances

As per DFIM circular No.-10, dated 5 September, 2011, Outstanding amount exceeding 15% of total capital of the company is treated as Large Loans & Advances.

Number of Clients	5	6
Outstanding Amount	4,334,745,000	4,331,308,000
Classified Amount	2,128,168,000	1,274,419,000
Measures taken for recovery	Filing of law suit - under process	Filing of law suit - under process

Note: Loan given to subsidiary company (PLFS Investment Ltd.) amount in Tk.1,055,332,974 from 2009 to 2015 (Present outstanding as on 31.12.2022 amount Tk. 1,503,939,424)

7.5 Particulars of Loans & Advances

1. Loans & advances considered good in respect of which the company is fully secured	2,284,300,000	2,284,300,000
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	9,173,301,000	9,173,301,000
3. Loans & advances considered good secured by the personal undertaking of one or more parties in addition to the personal guarantee of the debtors	-	-
4. Loans & advances adversely classified for which provision has not been maintained	-	-
5. Loans & advances due by the directors or officers of the company or any of them either separately or jointly with any other persons	938,654	938,654
6. Loans & advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	-	-
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
9. Due from other bank/FI companies	-	-
10. Information in respect of classified loans and advances:		
a. classified loans for which interest/profit not credited to income	-	-
b. Amount of provision kept against loans classified as bad/loss as at the balance sheet date	-	-
c. Interest credited to interest suspense account	-	-
11. Loans & advances written off:		
Opening Balance	722,892,579	722,892,579
a. Amount written-off during the year	-	-
b. Amount of collection from written-off during the year	-	-
c. Balance written-off loans and advances yet to be recovered	722,892,579	722,892,579
d. Amount of written off loans for which law suits have been filed	-	-

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
7.6 Bills Discounted and Purchased		
Inside Bangladesh	-	-
Outside Bangladesh	-	-
Total	-	-
7.7 Maturity grouping of Bills Discounted and Purchased		
Within 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	-	-
Over 6 months	-	-
Total	-	-
7.8 (A) Grouping of Loans, Lease and Advance as per classification rules of Bangladesh Bank		
Unclassified		
Standard	91,540,000	63,052,570
Special Mention Account (SMA)	15,171,000	64,929,335
	106,711,000	127,981,905
Classified		
Substandard(SS)	706,000	81,553,683
Doubtful (DF)	4,587,000	5,861,393
Bad & loss(BL)	12,198,181,592	11,895,583,998
	12,203,474,592	11,982,999,074
	12,310,185,592	12,110,980,979
7.9 List of Ex-Director Loan		
1) Shumsul Alamin Group	1,217,918,857	1,208,155,358
2) Motiur Rahman	882,540,847	880,429,497
3) Biswajit Kumar Roy	147,036,768	195,091,554
4) KHB Securities Limited	6,700,978	8,329,784
	2,254,197,450	2,292,006,193
7.10 Related Party Transaction		
PLFS Investment Ltd.		
Investment in Share Capital of PLFS Investment Ltd.	200,445,000	200,445,000
Loans & Advances	1,503,939,424	1,316,043,524
BO Accounts Balance	(1,827,961)	464,509
Interest on Loans & Advances	187,870,899	170,324,586
Excise duty	25,000	25,000
8 Property, Plant & Equipment (Details in Annexure-1)		
Own Finance		
A. Cost		
Company Premises	33,265,482	33,265,482
Motor Car & Vehicle	11,860,360	26,260,950
Computer	21,219,936	21,027,936
Telephone System	1,756,858	1,756,858
Air Cooler	10,880,664	11,880,664
Refrigerator	209,002	209,002
Office Equipment	4,779,581	4,779,581
Furniture & Fixtures	53,627,344	53,980,594
Crockery	39,106	39,106
Software	507,004	507,004
Total	138,145,337	153,707,177

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
B. Less: Accumulated Depreciation		
Company Premises	25,655,408	24,809,844
Motor Car & Vehicle	9,910,274	21,816,279
Computer	17,206,069	16,202,598
Telephone System	1,321,797	1,273,455
Air Cooler	3,122,957	3,714,657
Refrigerator	128,142	119,158
Office Equipment	4,208,000	4,065,105
Furniture & Fixtures	21,681,114	20,372,730
Crockery	35,003	33,978
Software	345,786	305,480
Total	83,614,550	92,713,283
C. Written Down Value at the end of the year (A-B)	54,530,787	60,993,894
Lease Finance		
D. Cost		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
Total	-	-
E. Less: Accumulated Depreciation		
Furniture & Fixtures	-	-
Office Equipments	-	-
Motor Vehicles	-	-
Total	-	-
F. Written Down value at the end of the year (D-E)	-	-
G. Total Property, Plant & Equipment (C+F)	54,530,787	60,993,894
8.1 Intangible asset - computer softwares		
Cost	-	-
Less: Accumulated amortization	-	-
Net book value at the end of the year	-	-

Note: Assets register of the Company is updated upto 2017. Due to liquidation process of the Company in 2019 the said register was not updated from 2018. Now we have been working for updating the Fixed Assets Register of the Company.

9 Other assets

Investment in shares of subsidiary companies:

In Bangladesh	200,445,000	200,445,000
Advance Vat/ Tax paid	249,842,423	246,141,942
Balance with BO account(s)	(1,827,961)	464,509
Interest receivable (FDR)	58,306,235	58,306,235
Advance for office rent	5,889,364	5,889,364
Advance for land purchase	30,121,907	30,121,907
Stationeries & Stamp in hand	19,750	4,770
Prepaid for Expenses	686,811	686,811
Interest Receivable for loans & Advances	283,056,935	283,056,985
Receivable against legal expenses Loan/Lease	12,278,672	12,282,472
Other prepayment	18,670,848	17,770,848
Security deposit	223,200	223,200
Deferred tax assets (note 9.1)	-	-
Total	857,713,184	855,394,044

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021

Note: Report regarding classification and provisioning of other assets did not submit to Bangladesh Bank due to liquidation process of the Company in 2019. Now we have been preparing and submitting this report from March 2024.

Automation system is in completed because management could not fully updated the Automation system before liquidation process of the Company in 2019. Hence, we could not segregate the account wise balance of interest receivable for loans and advances as well as other some heads. Now we have been working for updating automation system for overcoming the limitation of existing automation system of the Company.

On the other hand, the Company could not prepare and submit their tax return to LTU from 2018 to 2021 because, the Company was under liquidation process from mid of 2019 to mid of 2021. In the mean time, on 02-06-2024 we submitted tax return of 2018, 2019, 2020 and 2021 to LTU on the basis of audited financial statements for completion of company's tax assessment and advance tax to be adjusted in respect of tax assessment.

9.1 Deferred tax assets/(liabilities)

Opening Balance	(3,255,671)	(2,149,804)
Deffered Tax Expenses	215,564	1,105,867
Less: Adjustment during the year		
Total	(3,471,235)	(3,255,671)

Deferred Tax Liability is arrived at as follows:

Assets	Carrying amount at BS date (31 Dec 2022)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	54,530,787	46,363,175	(8,167,612)

Deferred Tax Asset/(Liability) as on 31 December 2022 @ 42.5% **(3,471,235)**

Less: Deferred Tax Liabilities as on 31 December 2021 **(3,255,671)**

Deferred Tax Expense for the year 2022 **215,564**

Assets	Carrying amount at BS date (31 Dec 2021)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	60,993,895	53,333,484	(7,660,411)

Deferred Tax Asset/(Liability) as on 31 December 2021 @ 42.50% **(3,255,675)**

Less: Deferred Tax Asset/(liability) as on 31 December 2020 **(2,149,807)**

Deferred Tax Expense for the year 2021 **1,105,868**

10 Non-Banking Assets

This amount represents two units of flats located at Assign Monihar Legend, Plot no. 39, Road no. 15, Rabindra Sharani, Sector 03, Uttara, Dhaka, which have been registered in the name of PLFS as a settlement of loan against share of Mrs. Lafifs Ishaque and includes registration costs as well.

A. Cost:

Opening Balance	58,558,336	58,558,336
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
Total	58,558,336	58,558,336

B. Depreciation:

Opening Balance	28,965,258	27,407,728
Add: Addition during the year	5,061,975	1,557,530
Less: Adjustment during the year	700,889	-
Total	33,326,344	28,965,258

C. Written down value at the end of the year (A-B)

25,231,992 **29,593,078**

Note: PLFSL has been received advance Tk. 2,58,80,000/- against sale proceed of the said flat. But sale proceed has not been completed till now. Because, PLFSL has received advance immediately before liquidation process in 2019. So, then management could not complete the sold out process of the said property. Present management have been trying to resolve the issue and communicating with the buyer whether it would be transfer to the respective buyer or retain ownership of the said property in favour of the Company because the Company have been trying to revive from liquidation verge as per Hon'ble Court Direction.

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
11 Borrowings from other Banks, Financial Institutions & Agents Inside Bangladesh:		
Refinance against SME loan from Bangladesh Bank	76,440,371	76,440,371
From other scheduled Banks (note 11.1)	3,887,836,272	3,887,836,272
Total	3,964,276,643	3,964,276,643
11.1 From other scheduled Banks & Financial Institutions		
Long term loan		
Al-Arafa Islami Bank Ltd.	639,472,507	639,472,507
Basic Bank Ltd.	17,560,121	17,560,121
Exim Bank Ltd.	85,695,180	85,695,180
Mutual Trust Bank Ltd.	230,071,435	230,071,435
Pubali Bank Ltd.	167,585,837	167,585,837
Social Islami Bank Ltd.	140,601,785	140,601,785
Standard Bank Ltd.	61,284,645	61,284,645
United Commercial Bank Ltd.	85,461,469	85,461,469
Uttara Bank Ltd.	87,666,276	87,666,276
NRBC	182,541,409	182,541,409
Mercantile Bank Ltd.	57,249,046	57,249,046
Modhumoti Bank Ltd.	195,047,427	195,047,427
Premier Bank Ltd.	149,402,539	149,402,539
UAE	19,021,295	19,021,295
Sub-Total	2,118,660,971	2,118,660,971
Overdraft and money at call short notice		
Mutual Trust Bank Ltd.	58,213,385	58,213,385
SBAC	(36,000.00)	(36,000.00)
Mercantile Bank	683,313,549	683,313,549
Short Term Loan	466,673,256	466,673,256
Janata Bank Ltd.	160,288,889	160,288,889
Rupali Bank Ltd.	160,288,889	160,288,889
Sonali Bank Ltd.	240,433,333	240,433,333
Agrani Bank Ltd.		
Sub-Total	1,769,175,302	1,769,175,302
Grand Total	3,887,836,273	3,887,836,273
Security against borrowings from other banks, financial institutions and agents		
Secured	3,403,265,531	3,403,265,531
Unsecured	561,011,112	561,011,112
Total	3,964,276,643	3,964,276,643
Maturity grouping of borrowings from other banks, financial institutions and agents		
Payable on demand	-	561,011,112
Up to 1 month	466,673,256	466,673,256
Over 1 month but within 3 months	(466,673,256)	741,490,934
Over 3 month but within 6 months	16,666,667	211,866,097
Over 6 months but within 1 year	33,333,333	423,732,194
Over 1 year but within 5 years	1,559,500,000	1,559,503,050
Over 5 years	-	-
Total	1,609,500,000	3,964,276,643

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021

Note: The Company was liquidation process in 2019 by the Hon'ble Court Order FM No. 1 of 2019 due to inability to meet up liabilities. Later, the Hon'ble Court passed an Order with some directions to regulators, directors as well as managing directors in 2021 and formed a board of directors. Now the Company have been trying to revive from liquidation by the Hon'ble Court appointed board of directors. At present, liability size is three or more times higher than assets. Furthermore, charging interest on deposit and borrowings will create unbearable burden to the Company and revival process may go remote. Eventhough, assets quality is very poor and inadequate to meet up total liabilities. In this situation, stop of charging interest on deposits and borrowings is one of the issue of revival. Board of Directors of their 55th meeting dated- 28-11-2023 have taken decision for not charging interest on deposits and borrowings of non-business period as a part of revival of the Company from liquidation verge.

12 Deposits & other accounts

Deposits from banks and financial institutions (note-12.1)
Deposits from customers

Sub-Total

Other deposit

Grand Total

10,342,274,288	9,438,594,040
18,691,586,767	16,912,650,801
29,033,861,055	26,351,244,841
66,298,072	66,450,872
29,100,159,127	26,417,695,713

12.1 Deposits from banks and financial institutions

Sonali Bank Ltd.
Janata Bank Ltd.
Agrani Bank Ltd.
Rupali Bank Ltd.
United Commercial Bank Ltd.
Bangladesh Development Bank Ltd.
IFIC Bank Ltd.
Bangladesh Commerce Bank Ltd.
ICB
Premier Leasing & Finance Ltd.
First Finance Ltd.
Fareast Finance & Investment Ltd.
International Leasing Ltd.
BIFFL

583,014,264	546,307,920
542,334,932	497,692,141
582,030,964	508,935,871
1,904,198,004	1,704,171,817
6,912,945	6,064,994
85,611,450	70,401,068
243,491,418	194,137,126
2,073,004,752	1,880,438,665
481,962,020	425,570,712
578,359,995	576,775,757
116,125,899	142,584,225
420,614,644	358,074,009
1,905,661,196	1,782,028,618
818,951,805	745,411,116
10,342,274,288	9,438,594,040

Note: Automation system is incompleted because management could not fully updated the Automation system before liquidation process of the Company in 2019. Hence, some limitations are existed in the Software. Now we have been working for updating automation system (software) for overcoming the limitation of existing automation system of the Company.

12.2 Maturity grouping of deposits & other accounts

Payable on demand
Up to 1 month
Over 1 month but within 6 months
Over 6 months but within 1 year
Over 1 year but within 5 years
Over 5 years but within 10 years
Over 10 years

Total

-	-
30,000,000	755,087,523
4,090,000,000	6,265,262,570
(2,730,000,000)	8,326,312,848
1,350,000,000	7,362,103,351
26,360,159,639	3,708,929,421
-	-
29,100,159,639	26,417,695,713

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
13 Other Liabilities		
Provision for Lease, loans and advances (note 13.1)	9,007,200,324	9,007,200,324
Provision for Investment Fluctuation in Shares (note 13.2)	198,263,600	123,185,000
Provision for corporate income tax (note 13.3)	167,659,494	149,097,494
Provision for Gratuity (note 13.4)	25,510,708	24,950,849
Provision for FDR(note13.5)	887,764,630	887,764,630
Provision for TDS (note 13.6)	22,022,848	22,022,848
Provision for Equity Investment in Subsidiary (note 13.7)	200,445,000	200,445,000
Interest Suspense Account (note 13.8)	2,126,052,211	2,111,256,529
Liabilities for financial expenses (note13.9)	1,504,113,270	1,328,296,322
Liabilities for sundry creditors (note13.10)	716,144,828	644,729,140
Liabilities for accrued expenses(note13.11)	136,281,885	136,281,885
Liabilities for TDS/VDS/ED(note13.12)	1,452,260,484	1,101,142,379
Dividend Payable	21,558,303	21,558,303
Deferred Tax Liabilities (note-9.1)	3,471,235	3,255,671
Client Receipt Account	161,652,185	161,652,186
Current account	114,491	114,491
Receivable Suspense Account	943,022,342	943,233,398
Liab. For advance rent	180,000	-
Staff Incentive	538,020	538,020
Total	17,574,255,858	16,866,724,469
13.1 Provision for Lease, loans and advances		
Opening Balance	9,007,200,324	8,066,837,734
Less: Provision no longer required (Write-off accounts)	-	-
Add: Recoveries from previously written-off loans & advances	-	-
Add: General provision provided during the year	-	(4,611,305)
Add: Specific provision provided during the year	-	944,973,895
Add: Specific provision for shortfall	-	-
Add: Net charge to profit and loss account	-	-
Closing balance	9,007,200,324	9,007,200,324
13.2 Provision for diminution in value of Investments		
Opening Balance	123,185,000	123,185,000
Add: Provision during the year	75,078,600	-
Less: Provision no longer required	-	-
Closing Balance	198,263,600	123,185,000
13.3 Provision for corporate income tax		
Opening Balance	149,097,494	143,097,494
Add: Provision made during the year	18,562,000	6,000,000
Less: Settlement during the year	-	-
Closing Balance	167,659,494	149,097,494
Note that, the Company could not prepare and submit their tax return to LTU from 2018 to 2021 because, the Company was under liquidation process from mid of 2019 to mid of 2021. In the mean time, on 02-06-2024 we submitted tax return of 2018, 2019, 2020 and 2021 to LTU on the basis of audited financial statements for completion of comany's tax assessment.		
13.4 Provision for Gratuity		
Opening Balance	24,950,849	24,950,849
Add: Provision during the year	559,859	-
Less: Adjustment	-	-
Closing Balance	25,510,708	24,950,849
13.5 Provision fro FDR		
Opening Balance	887,764,630	887,764,630
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
Closing Balance	887,764,630	887,764,630

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
13.6 Provision for TDS		
Opening Balance	22,022,848	15,474,823
Add: Addition during the year	-	6,548,025
Less: Adjustment during the year	-	-
Closing Balance	22,022,848	22,022,848
13.7 Provision for Equity Investment in Subsidiary		
Opening Balance	200,445,000	200,445,000
Add: Addition during the year	-	-
Less: Adjustment during the year	-	-
Closing Balance	200,445,000	200,445,000
13.8 Interest Suspense Account		
Opening Balance	2,111,256,529	2,085,826,666
Add: Addition during the year	14,795,682	25,429,863
Less: Adjustment during the year	-	-
Cecnalabgnisol	2,126,052,211	2,111,256,529
13.09 Liabilities for financial expenses		
Accrued Financial Expenses for Borrowings	120,082,616	91,693,727
Accrued Financial Expenses for Deposits & Other Accounts	798,402,625	679,898,841
Accrued Financial Expenses for Deposits from Banks/Financial Institutions	585,628,029	556,703,754
	1,504,113,270	1,328,296,322
13.10 Liabilities for sundry creditors		
Liabilities for Sundry Deposit	110,672,562	74,421,832
Liabilities for Sundry Deposit against Loan/Lease	45,980,532	82,009,021
Lease Obligations	473,060	473,060
Audit fee	1,035,000	-
Loan/Lease Part Collection	98,225,130	28,116,634
Payable Suspense Account	419,197,998	419,147,998
Liab. Sundry Deposit against Non Banking Assets	25,880,000	25,880,000
Interest Receivable (Suspense) for loans & Advances	14,680,546	14,680,595
	716,144,828	644,729,140
13.11 Liabilities for accrued expenses		
Liabilities for Expenses	114,377,595	114,377,595
Liabilities for PF Subscription	525,815	525,815
Liabilities for PF Contribution	584,735	584,735
Accounts Payable Account Deposit	13,493,944	13,493,944
Liability for Supplies	7,299,796	7,299,796
	136,281,885	136,281,885
13.12 Liabilities for TDS/VDS/ED		
Liability for AIT deducted at Source	1,374,787,830	1,037,380,011
Liability for VAT deducted at Source	236,332	462,470
Liability for Excise Duty Deduction	77,236,322	63,299,898
	1,452,260,484	1,101,142,379

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021

Note: The Company was liquidation process in 2019 by the Hon'ble Court Order FM No. 1 of 2019 due to inability to meet up liabilities. Later, the Hon'ble Court passed an Order with some directions to regulators, directors as well as managing directors in 2021 and formed a board of directors. Now the Company have been trying to revive from liquidation by the Hon'ble Court appointed board of directors. At present, liability size is three or more times higher than assets. Furthermore, charging interest on deposit and borrowings will create unbearable burden to the Company and revival process may go remote. Eventhough, assets quality is very poor and inadequate to meet up total liabilities. In this situation, stop of charging interest on deposits and borrowings is one of the issue of revival. Board of Directors of their 55th meeting dated- 28-11-2023 have taken decision for not charging interest on deposits of non-business period as a part of revival of the Company from liquidation verge. TDS is related with interest of deposits and this liability will reduce by not charging interest on deposits. Furthermore, we have been communicating with respective tax office about the issue.

14 Share Capital

Authorized Capital (500,000,000 shares of Tk. 10 each)

5,000,000,000

Issued, Subscribed & Paid-up Capital:

42,662,733 Ordinary Shares of Tk. 10 each issued for cash

426,627,330

426,627,330

233,661,200 Ordinary Shares of Tk. 10 each issued for bonus share

2,336,612,000

2,336,612,000

9,116,664 Ordinary Shares of Tk. 10 each issued as preference share

91,166,640

91,166,640

Total numbers of Shares: 285,440,597

2,854,405,970

2,854,405,970

Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Sponsors	66,244,423	66,244,423	23.21%	23.21%
General public including NRB	205,650,272	205,650,272	72.05%	72.05%
Financial Institutions	1,978,609	1,978,609	0.69%	0.69%
Investment companies	11,022,616	11,022,616	3.86%	3.86%
Foreigners	544,677	544,677	0.19%	0.19%
Total	285,440,597	285,440,597	100.00%	100.00%

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares	
	31.12.2022	31.12.2021	31.12.2022	31.12.2021
Less than 500	11,035	11,035	2,051,019	2,051,019
501 to 5,000	12,500	12,500	24,834,372	24,834,372
5,001 to 10,000	2,239	2,239	18,512,671	18,512,671
10,001 to 20,000	1,471	1,471	21,520,984	21,520,984
20,001 to 30,000	545	545	13,609,226	13,609,226
30,001 to 40,000	264	264	9,212,656	9,212,656
40,001 to 50,000	190	190	8,900,995	8,900,995
50,001 to 100,000	326	326	23,742,077	23,742,077
100,001 to 1000,000	255	255	61,361,500	61,361,500
Over 1000,000	25	25	101,695,097	101,695,097
Total	28,850	28,850	285,440,597	285,440,597

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021

Name of Directors and their share holdings as on December 31, 2022

SI. No.	Name of Directors	Status	31.12.2022	31.12.2021
1	Mr. Hasan Shaheed Ferdous	Chairman (Appointed by The Hon'ble Court)		
2	Mr. Anwarul Islam Sikder	Director (Appointed by the Hon'ble Court)	-	-
3	Brigadier General (retired) Kazi Taufiqul Islam	Director (Appointed by the Hon'ble Court)		
4	Mr. Mainuddin Hasan Chowdhury	Director (Appointed by the Hon'ble Court)	-	-
5	Mr. Mohammad Azizul Islam Rana FCA	Director (Appointed by the Hon'ble Court)	-	-
6	Mr. Md. Atiqur Rahman	Director (Appointed by the Hon'ble Court)	-	-

Name of Directors and their share holdings as on December 31, 2021

SI. No.	Name of Directors	Status	-	31.12.2022
1	Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by Anan Chemical Industries Ltd.)		
2	Mr. Nounng Chow Mong	Nominee Director (Nominated by Anan Chemical Industries Ltd.)	-	14,440,900
3	Ms. Nai Aye Ching	Nominee Director (Nominated by Anan Chemical Industries Ltd.)		
4	Mr. Md. Nizamul Ahsan	Vice Chairman	-	5,709,417
5	Mr. Abdul Qader Siddiqui	Independent Director	-	-
6	Mr. Shekhar Kumar Halder FCA	Independent Director	-	-
7	Mr. Md. Iqbal Sayeed	Independent Director	-	-
8	Mr. Sukumar Mridha	Independent Director	-	-
9	Engr. Amitav Adhikary	Independent Director	-	-

14.1 Capital adequacy

The company is subject to the regulatory capital requirement as stipulated in DFIM circular no. 05 dated 24 July, 2011 of Bangladesh Bank. The capital requirement for Non- banking financial institution is neither ratio-based nor risk based. The regulatory authority requires a Non- banking Financial Institutions to have minimum paid up capital of Tk 1,000.00 million.

Paid up capital	2,854,405,970	2,854,405,970
Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
Excess/(Shortage) capital	1,854,405,970	1,854,405,970

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
Capital Adequacy Ratio (CAR)		
As per DFIM circular No. 14 dated December 28, 2011 and article no. 2.6 and 2.7 of Prudential Guidelines on Capital Adequacy and Market Discipline (CAMD) for Financial Institutions issued by Bangladesh Bank, Capital Adequacy Ratio (CAR) of the company has been stood as follows:		
Tier-1 (Core Capital)		
Fully paid-up capital/ capital lien with BB	2,854,405,970	2,854,405,970
Statutory reserve	645,578,148	645,578,147
Non-repayable share premium account	1,018,605,234	1,018,605,234
General reserve	-	-
Retained earnings	(40,073,142,361)	(37,108,087,507)
Minority interest in subsidiaries	-	-
Non-cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	(35,554,553,009)	(32,589,498,156)
Deductions from tier-1 (Core capital)		
Book value of goodwill and any value of any contingent assets which are shown as assets	-	-
Shortfall in provisions required against classified assets	-	-
Shortfall in provisions required against investment in share	-	-
Remaining deficit on account of revaluation of investments in securities after netting off any other surplus on the securities	-	-
Any investment exceeding the approved limit	-	-
Investments in subsidiaries which are not consolidated	-	-
Other (if any)	-	-
SubTotal	-	-
Total eligible Tier-1 capital	(35,554,553,009)	(32,589,498,156)
2. Tier-2 (Supplementary capital)		
General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)	151,673,950	153,876,992
Assets revaluation reserves up to 50%	-	-
Revaluation reserve for securities up to 50%	-	-
All other preference shares	-	-
Other (if any item approved by Bangladesh Bank)	-	-
SubTotal	151,673,950	153,876,992
Deductions, if any	-	-
Total eligible Tier-2 capital	151,673,950	153,876,992
A Total capital	(35,402,879,059)	(32,435,621,164)
B Total risk weighted asset	9,040,500,000	14,947,300,000
C Required capital	1,000,000,000	1,494,730,000
D Surplus / (Deficit)	(36,402,879,059)	(33,930,351,164)
Capital adequacy ratio (CAR)	-391.60%	-217.00%
On core capital (Tier-1)	-393.28%	-218.03%
On supplementary capital (Tier-2)	1.68%	1.03%

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
15 Statutory reserve		
Opening balance	645,578,148	645,578,148
Add: Addition during the year	-	-
Closing balance	645,578,148	645,578,148
The company has to transfer 20% of net profit to statutory reserve as per the Financial Institutions Regulations, 1994.		
16 General reserve		
Opening Balance	-	-
Add: Addition during the year	-	-
Closing balance	-	-
17 Share premium		
Opening balance	1,018,605,234	1,018,605,234
Add: Addition during the year	-	-
Closing balance	1,018,605,234	1,018,605,234
18 Retained earnings		
Opening balance	(37,108,087,507)	(33,193,518,322)
Net profit during the year	(3,163,308,753)	(3,999,710,350)
Adjustment for During the year	198,253,899	85,141,165
Closing balance	(40,073,142,361)	(37,108,087,507)
Note: Write-off amount of Tk. 72,28,92,579/- and in software "Loans and Advances" included have Tk. 52,46,38,680 although these amount should not be included in Loan & Advances. Amount of Tk. 72,28,92,579/- was deducted from Loans and Advances in 2019 instead of Tk. 52,46,38,680 mistakenly as well as it was adjusted with Retained Earnings in 2019 with same amount. Excess deducted amount of Tk. 19,82,53,899/- to be adjusted with Loans and Advances as well as Retained Earnings in 2022. However, entry to be passed in software in the year 2024 for write-off amount of Tk. 52,46,38,680/- because Software does not allow pass any entry in previous date.		
19 Contingent liabilities & capital expenditure commitments Letter of guarantee:		
Money for which the company is contingently liable in respect of guarantees given favoring:		
Directors Government	-	-
Banks and other financial institutions	-	-
Others	-	-
Sub Total	-	150,000,000
Letter of credit:		
For import of equipments under lease finance	-	-
Sub-Total	-	-
Total	-	150,000,000
Note: PLFSL has issued a payment guarantee to First Security Islami Bank infavour of Galco Steel (Bangladesh) Ltd. against LC No. 228517020036 and 228517020037 which was matured on 22-12-2019. We received a letter on 04-07- 2024 from concern bank regarding no liability against the LC No. 228517020036 and 228517020037.		
20 Interest income		
Interest on Loan	232,743,173	209,543,309
Income from Lease Finance	380,210	5,582,574
Interest on Home Loan	6,942,721	13,791,272
Interest On Margin Loan	16,054,573	13,747,135
Interest On STL	187,870,901	-
Total	443,991,578	242,664,290

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
21 Interest paid on deposits, borrowings etc.		
Interest on deposits		
Interest on Term Deposit	3,479,178,710	3,229,231,272
Interest on MDS	-	1,611,015
Total	3,479,178,710	3,230,842,287
Interest on borrowings		
Interest on Call Loan	28,388,889	28,388,889
Interest on Term Loan	-	-
Interest on Overdraft	-	-
Interest on Short Term Loan	-	-
Other	-	-
Total	28,388,889	28,388,889
Adjustment	-	-
Total	3,507,567,599	3,259,231,176
22 Income from investment		
Income from Investment/Capital gain	-	-
Dividend income	8,028,628	3,917,378
Total	8,028,628	3,917,378
23 Commission, exchange and brokerage		
Commission on Bank Guarantee	-	-
Total	-	-
24 Other operating income		
Bank interest (SND/STD)	26,493,000	8,558,404
Interest on FDR	6,855,174	-
Profit from sale of assets	6,106,349	-
Rental income	300,000	-
Transfer Money	-	178,488
Miscellaneous income	223,619	2,465,337
Total	39,978,142	11,202,230
25 Salaries & allowances		
Salary	12,629,892	8,498,402
Bonus to Staff	1,577,572	1,037,346
Company's Contribution to Employees Provident Fund	-	-
Gratuity Expenses	559,859	-
Total	14,767,323	9,535,748
26 Rent, taxes, insurance, electricity etc.		
Office Rent	3,184,121	5,726,149
Tax, Rates	-	-
Insurance premium	-	-
Electricity	932,985	798,834
Total	4,117,106	6,524,983
27 Legal expenses		
Legal fees	3,167,883	1,606,196
Stamp & Couffees	-	-
Total	3,167,883	1,606,196
28 Postage, stamp, telecommunications etc.		
Postage	8,554	2,818
Telephone bill	81,689	48,191
Fax & Internet	563,432	465,607
Total	653,675	516,616

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
29 Stationery, printing, advertisement etc.		
Stationery & Printing	403,566	150,274
Advertisement	1,157,877	-
Computer expenses	-	-
Total	1,561,443	150,274
30 Managing director's salary and fees		
Salary		
Festival Bonuses	1,565,587	2,092,000
Total	-	254,500
31 Directors' Fees	1,565,587	2,346,500
Directors' fees	7,045,500	3,484,500
Others Benefits	-	-
Total	7,045,500	3,484,500
32 Audit fee	1,035,000	-
33 Loans & advances written-off		
Loans & advances written-off	-	-
Less: provision	-	-
Interest waived	-	-
Total	-	-
34 Repair, depreciation and amortizations of company's assets		
Repair of company's assets:		
Machine/Furniture Repair & Maintenance	-	312,585
Depreciation for Company Premises	845,564	
Depreciation for Motor Car & Vehicle	888,934	
Depreciation for Computer	1,003,471	
Depreciation for Telephone System	48,342	
Depreciation for Air Cooler	408,300	
Depreciation for Refrigerator	8,984	
Depreciation for Office Equipment	142,896	
Depreciation for Furniture & Fixture	1,681,384	
Depreciation for Crockries	1,025	
Generator Repair & Maintenance	-	5,978,397
Telephone Maintenance	-	93,996
Motor car Maintenance	-	1,944,544
Sub Total	5,028,900	8,329,522
Depreciation of company's assets		
Non-banking asset	2,803,555	3,201,683
Sub Total	2,803,555	3,201,683
Amortization of Software		
Computer software	40,307	88,168
Total repair and depreciation of company's assets	7,872,762	11,619,373

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
35 Other expenses		
Traveling & Conveyance Expenses	181,676	31,277
Entertainment	291,261	62,465
Security Services	1,269,587	1,939,491
Meeting Expenses	256,299	17,214
Fees & Subscription	600,000	1,339,000
Office Maintenance	3,695,941	1,162,443
Fuel ,Oil & Lubricant	462,558	43,447
Bank charges & commission	58,665	37,610
Excise duty	699,150	95,000
Donation (CSR)	100,000	-
CDBL charges	9,600	222,200
Trade Licence	131,770	-
Miscellaneous	4,340,552	3,512,252
Total	12,097,059	8,462,399
36 Provision for loans & advances		
Provision for classified loans & advances	-	944,973,895
Provision for classified loans & advances req. by Bangladesh Bank	-	-
Provision for unclassified loans & advances	-	(4,611,305)
Provision for diminution in value of investments	75,078,600	-
Provision for FDR	-	-
Provision for TDS	-	-
Provision for off-balance sheet items	-	6,548,025
Total	75,078,600	946,910,615
Note: Entry regarding provision for diminution in value of investment is passed in 2024		
37 Provision for tax		
Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 42.50% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2022. Note that, the Company could not prepare and submit their tax return to LTU from 2018 to 2021 because, the Company was under liquidation process from mid of 2019 to mid of 2021. In the mean time, on 02-06-2024 we submitted tax return of 2018, 2019, 2020 and 2021 to LTU on the basis of audited financial statements for completion of company's tax assessment.		
Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	18,562,000	6,000,000
Less: Settlement during the year	-	-
Closing balance	18,562,000	6,000,000
38 Provision for Deferred tax		
Deferred Tax expense	215,564	1,105,867
Deferred Tax Income	-	-
	215,564	1,105,867
39 Other Comprehensive Income/(Loss) for the period		
Unrealizable Gain/(Loss) for Own portfolio	-	-

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021
40 Earnings per share (EPS)		
Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with International Accounting Standards (IAS) No. 33 "Earnings Per Share".		
Basic Earnings Per Share has been calculated as follows:		
Earnings attributable to ordinary shareholders (Net Profit after Tax)	(3,163,308,753)	(3,999,710,350)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	(11.08)	(14.01)
No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
41 Net Assets Value (NAV) per share		
Net Assets (Total assets less Total Liabilities)	(35,554,553,009)	(32,589,498,156)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Assets Value (NAV) per share	(124.56)	(114.17)
42 Net Operating Cash Flows Per Share (NOCFPS)		
Net Cash flows from Operating Activities	344,900,228	447,042,609
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Operating Cash Flows Per Share (NOCFPS)	1.21	1.57
43 Reconciliation of Net Profit with Cash Flows from Operating Activities		
Net Profit after tax	(3,163,308,753)	(3,999,710,350)
Items not involved in cash movement		
Add: Depreciation	7,872,762	3,201,683
Add: Provisions for loans and investments	75,078,600	946,910,615
Add: Provisions for Taxation	18,777,564	7,105,867
Add/(Less): Accrued expenses	1,035,000	226,377,594
Add/(Less): Accrued Income	64,650,835	(58,306,235)
	(2,995,893,992)	(2,874,420,826)
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(192,804,911)	1,568,743,946
Other assets	(2,319,141)	148,903,462
Deposits from customers and others	3,559,284,273	2,391,218,107
Other liabilities	(23,366,001)	(787,402,079)
	3,340,794,220	3,321,463,436
Net Cash flows from/(used in) Operating Activities	344,900,228	447,042,610

Particulars	Amount in Taka	
	Dec 31, 2022	Dec 31, 2021

44 Others**44.1** For the Year ended December 31, 2022

Name of Court	No. of Suits	Suit Value/Claimed Amt. (in Lac)	Recovery against claim Amt. (in Lac)	Remarks
Artha Rin Adalat	91	43,958.86	46.39	-
Other Courts	162	25,536.64	474.23	-
Total	253	69,495.50	520.62	-

44.2 Unacknowledged debt

The Company has no claim against it which has not been acknowledged as debt at the balance sheet date.

44.3 Employees' information

A total number of 24 employees were employed in PLFS as of 31 December, 2022.

45 Written-off of accounts

During the year under review, no loans & advances has been written-off.

46 Directors' responsibility statement

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

47 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors on its 67th meeting held on 09-07-2024.

48 Discloser of Quick Summary of Bangladesh Bank Inspection report

Bangladesh Bank performed inspection on Calcification Loan (CL) for the year ended 2022 and provide a quick summary report for finalization of Financial Statement for 2022. In this regards we prepared Financial Statement for 2022 by considering the said quick summary report.

49 General

49.1 The figures appearing in this financial statements have been rounded off to the nearest integer.

49.2 Last year's figures have been restated and rearranged wherever it is found necessary to conform the current year's presentation.

49.3 The Company was liquidation verge from 14-7-2019 under the Hon'ble High Court Order and non-business period was late of 2023. So interest charge on any borrowings during this period is not justified and hinders for revival of the Company from liquidation verge. We prayed to Bangladesh Bank (BB) for relief from charging interest on term deposits and any borrowings as per decision of the 55th meeting of board of directors and interest amount around Tk. 1,300 (Thirteen Hundred) crore only upto 31 December 2022. If we get relief from charging interest on any borrowings and deposits then it would be adjusted with retained earnings/revised and respective liabilities will be deducted by waving interest amount. It effects will be both in software and Financial Statements in 2024. Mentionable that, management have also been trying to take waiver from charging interest on deposits and any borrowings of 2023 and onwards because liability size is three or more times higher than assets. Eventhough, assets quality is very poor and inadequate to meet up total liabilities.

Fixed Assets Schedule

As at December 31, 2022

Figures in Taka

Sl No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on December 31, 2022	
		Balance as on 1 Jan, 2022	Additions during the Year	Adjustment during the year		Balance as on December 31, 2022	Charged during the year	Adjustment during the year		Balance as on December 31, 2022
1	Company Premises	33,265,482	-	-	10%	24,809,844	845,564	-	25,655,408	7,610,074
2	Motor Car & Vehicle	26,260,950	-	14,400,590	20%	21,816,279	888,934	12,794,939	9,910,274	1,950,086
3	Computer	21,027,936	192,000	-	20%	16,202,598	1,003,471	-	17,206,069	4,013,867
4	Telephone System	1,756,858	-	-	10%	1,273,455	48,342	-	1,321,797	435,061
5	Air Cooler	11,880,664	-	1,000,000	5%	3,714,657	408,300	1,000,000	3,122,957	7,757,707
6	Refrigerator	209,002	-	-	10%	119,158	8,984	-	128,142	80,860
7	Generator	-	-	-	10%	-	-	-	-	-
8	Office Equipment	4,779,581	-	-	20%	4,065,103	142,897	-	4,208,000	571,581
9	Furniture & Fixtures	59,980,594	19,750	373,000	5%	20,372,733	1,681,381	373,000	21,681,114	31,946,230
10	Crockeries	39,106	-	-	20%	33,977	1,026	-	35,003	4,103
11	Software	507,004	-	-	20%	305,479	40,307	-	345,786	161,218
	As on 31 December, 2022	153,707,177	211,750	15,773,590		92,713,283	5,069,206	14,167,939	83,614,550	54,530,788
	As on 31 December, 2021	153,707,177	-	-		86,963,660	5,749,623	-	92,713,283	60,993,895

Non-Banking Assets

Sl No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on December 31, 2022	
		Balance as on 1 Jan, 2022	Additions during the Year	Adjustment during the year		Balance as on December 31, 2022	Charged during the year	Adjustment during the year		Balance as on December 31, 2022
1	Company Premises	58,558,336	-	-	10%	30,522,789	2,803,555	-	33,326,344	25,231,992
	As on 31 December, 2022	58,558,336	-	-		30,522,789	2,803,555	-	33,326,344	25,231,992
	As on 31 December, 2021	58,558,336	-	-		27,407,728	3,115,061	-	30,522,789	28,035,547

Fixed Assets Schedule

As at December 31, 2021

Figures in Taka

Sl No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on December 31, 2021	
		Balance as on 1 Jan, 2021	Additions during the Year	Adjustment during the year		Balance as on 1 Jan, 2021	Charged during the year	Adjustment during the year		Balance as on December 31, 2021
1	Company Premises	33,265,482	-	-	10%	23,870,328	939,516	-	24,809,844	8,455,638
2	Motor Car & Vehicle	26,260,950	-	-	20%	20,705,111	1,111,168	-	21,816,279	4,444,671
3	Computer	21,027,936	-	-	20%	14,996,260	1,206,338	-	16,202,598	4,825,338
4	Telephone System	1,756,858	-	-	10%	1,219,743	53,712	-	1,273,455	483,404
5	Air Cooler	11,880,664	-	-	5%	3,284,867	429,790	-	3,714,657	8,166,007
6	Refrigerator	209,002	-	-	10%	109,176	9,982	-	119,158	89,844
7	Generator	-	-	-	10%	-	-	-	-	-
8	Office Equipment	4,779,581	-	-	20%	3,886,484	178,619	-	4,065,103	714,478
9	Furniture & Fixtures	53,980,594	-	-	5%	18,603,898	1,768,835	-	20,372,733	33,607,861
10	Crockeries	39,106	-	-	20%	32,695	1,282	-	33,977	5,129
11	Software	507,004	-	-	20%	255,098	50,381	-	305,479	201,525
	As on 31 December, 2021	153,707,177	-	-		86,963,660	5,749,623	-	92,713,283	60,993,895
	As on 31 December, 2020	153,433,021	739,156	465,000		79,327,638	7,636,831	811	86,963,658	66,743,519

Non-Banking Assets

IAS 1.55

Figures in Taka

Sl No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on December 31, 2021	
		Balance as on 1 Jan, 2021	Additions during the Year	Adjustment during the year		Balance as on 1 Jan, 2021	Charged during the year	Adjustment during the year		Balance as on December 31, 2021
1	Company Premises	58,558,336	-	-	10%	27,407,728	3,115,061	-	30,522,789	28,035,547
	As on 31 December, 2021	58,558,336	-	-		27,407,728	3,115,061	-	30,522,789	28,035,547
	As on 31 December, 2020	58,558,336	-	-		20,101,627	3,845,671	749	23,946,549	38,456,709

People's Leasing And Financial Services Ltd.
Classification and provisioning of Loan, Lease and Advance
As on 31/12/2022

ANNEXURE-B

Classification status of Loan, Lease & Advance as on 31/12/2022	Amount of outstanding Loan Lease and Advance as on 31/12/2022	Base for Provision	Percentage (%) of provision required as per Bangladesh bank directive	Provision Required 31/12/2022
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General Provision

Standard Non SME	91,540,000	91,540,000	1%	915,400
StandardSME	-	-	0%	-
Special Mention Account (SMA)	15,171,000	726,000	5%	36,300

Total A	106,711,000	92,266,000	-	951,700
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Specific Provision

Sub Standard (SS)	706,000	123,000	20%	24,600
Doubtful (DF)	4,587,000	1,402,000	50%	701,000
Bad and Loss (BL)	12,198,181,592	8,118,966,000	100%	8,118,966,000

Total B	12,203,474,592	8,120,491,000	8,119,691,600
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G. Total (A+B)	12,310,185,592	8,212,757,000	8,120,643,300
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Provision Kept:

General	3,626,333
Specific	9,003,573,993
Total	9,007,200,326

People's Leasing And Financial Services Ltd.
Financial Highlights (Solo)

ANNEXURE-C

Sl. No.	Particulars	Amount in Tk.	
		2022	2021
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(35,554,553,009)	(32,589,498,156)
3	Capital Surplus	(38,408,958,979)	(35,443,904,126)
4	Total Assets	15,210,360,299	14,659,198,670
5	Total Deposits	29,226,380,808	26,417,695,713
6	Total loans & advances	12,310,185,592	12,110,980,979
7	Total contingent liabilities and commitments	325,000,000	325,000,000
8	Credit deposit ratio	42.12%	45.84%
9	Percentage of classified loans against total loans & advances	98.87%	95.41%
10	Profit after tax and provision	(3,163,308,753)	(3,999,710,350)
11	Amount of classified loans during the year	12,203,474,592	11,974,126,894
12	Provision kept against classified loans	9,007,200,324	9,007,200,324
13	Provision surplus against classified loans	-	-
14	Cost of fund	13.00%	15.42%
15	Interest earning assets	14,037,523,130	13,477,834,869
16	Non-interest earning assets	1,172,837,169	1,181,363,801
17	Return on Investments	(25.21)	(32.40)
18	Return on assets (ROA)	(20.80)	(27.64)
19	Income from loans & advances & investment	452,020,206	246,581,668
20	Earnings per share	(11.08)	(14.01)
21	Net income per share	(11.08)	(14.01)
22	Price earnings ratio	(0.27)	(0.21)



PEOPLE'S LEASING
And Financial Services Ltd.

Paramount Heights (12th Floor), 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000
PABX (Hunting): +880247118938

PROXY FORM

I/We.....
of.....
being a shareholder/member of **People's Leasing And Financial Services Limited** do hereby
appoint Mr./Mrs./Ms.....
of.....
as my/our Proxy, to vote for me/our behalf at the **27th Annual General Meeting (AGM)** of the Company
to be held on **December 31, 2024, Tuesday at 10.30 a.m. by Hybrid System** and at any adjournment
thereof or any ballot to be taken in consequence thereof.

Signed this Day of October 2024.

Signature of Proxy.....

Tk. 20/-
Revenue
Stamp

Signature of Shareholder.....

Folio/B.O A/c No.....

No. of Shares.....

IMPORTANT NOTE:

1. This form of proxy duly completed, must be deposited at least 48 hours before the meeting at the Company's Head Office. Proxy is invalid if not signed and stamped as explained above.
2. Signature of the Shareholder should agree with the Specimen Signature registered with the Company or B.O Account/CDBL Record.

Flash Back



23rd-26th AGM of PLFSL



Board Meeting of PLFSL



Workshop On Capacity Enhancement of PLFSL



Workshop On Capacity Enhancement of PLFSL



NIS Award 2022-2023



Celebration of Financial Literacy Day



Celebration of International Women's Day

PLFSL Employees



www.plfsbd.com



REGISTERED & HEAD OFFICE

Paramount Heights, Level-12 & 13 , 65/2/1, Box Culvert Road
Purana Paltan, Motijheel, Dhaka-1000, Bangladesh
Phone: +88 02 47119066, 47113826, Fax: +88 02 9562780