



ANNUAL REPORT 2023



PEOPLE'S LEASING
And Financial Services Ltd.

ANNUAL REPORT 2023

28 YEARS OF JOURNEY
YEARS OF TOGETHERNESS



PEOPLE'S LEASING
And Financial Services Ltd.

Contents

ANNUAL REPORT 2023

▶ Letter of Transmittal	4
▶ Notice of AGM	5
▶ General Information	
Vision & Mission	6
Corporate Philosophy	6
Core Values	6
Strategic Objectives	6
Company Milestone	7
Products & Services	8
Code of Conduct & Professional Ethics	9
Corporate Information	10
▶ Board of Directors & Management Team	
Board of Directors' & Sub-Committees	12
Chairman's Message	13
Board of Directors' Profile	16
MANCOM Members	22
Management Committees	23
▶ Corporate Governance	
Directors' Report	25
Disclosures Under Pillar III - Market Discipline	35
Statement of Compliance of Corporate Governance Guidelines	43
Certificate on compliance of conditions of Corporate Governance Guidelines	54
Report on Compliance on Bangladesh Bank's Guidelines	55
▶ Annexures	
A. Meeting Information	
ANNEXURE- I : Shareholding Pattern of Board of Directors	57
ANNEXURE- II : Meeting Information	58
B. Shareholding Patterns	
ANNEXURE-III : Shareholders holding 10% or more voting rights	59
C. ANNEXURE-IV : Related Party Disclosure	60
D. ANNEXURE-V : Key Operating Data	61
▶ Declaration by Managing Director and Head of Accounts	62
▶ Financial Statements	
Auditors Report & Audited Financial Statements	65
▶ Proxy Form & Attendance Slip	117

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, 2023

Dear Sir(s),

On behalf of the Board of Directors of the Company, I am pleased to present “Annual Report 2023” together with audited financial statements for the year (January 01, 2023 to December 31, 2023) ended December 31, 2023. 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 28th Annual General Meeting

Notice is hereby given that the Board of Directors of People's Leasing and Financial Services Limited in its 72nd Meeting held on November 28, 2024 decided that 28th 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/CMRRCD/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 11.30 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, 2023.
2. To declare Dividend for the year ended December 31, 2023 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 2024 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 2023 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/CMRRCD/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/CMRRCD/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 28th 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 Best-Practice

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.

Company Milestone



Products & Services

DEBT PRODUCTS



Home Loan



Auto Loan



SME Loan

LIABILITY PRODUCTS



Term Deposit

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.

Making Integrity Part of our Business Strategy

Eliminating Corruption: Corruption is a national problem and combating such acts is a challenge. The allegation of corruption in this company became headlines in newspapers. Corruption is bad for society and bad for business, posing severe financial, operational and reputational risks. Now more than ever, companies are taking action to implement serious and effective anti-corruption measures and policies within their strategies and operations. People's Leasing and Financial Services Limited is committed to eliminate corruption.

Here are six ways you can promote transparency and accountability in a company:

1. Commit: Make anti-corruption part of your company culture and operations. Show your employees, customers and suppliers that your company has a zero-tolerance policy on bribery & corruption
2. Assess: Know your risks and prepare for them. Recognize opportunities to improve your business by improving compliance
3. Define: Define what success means for your company. Develop goals, strategies and policies and get buy-in from colleagues by clearly showing the importance of these policies
4. Implement: Make anti-corruption programmes and policies integral throughout your company, including your value chain
5. Measure: What gets measured gets done. Monitor and measure the impact of your anti-corruption policies to identify what's working and what still needs work
6. Communicate: Consistently communicate your progress to stakeholders, always striving for continuous improvement

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	31st December 2024
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



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



Hasan Shaheed Ferdous
Chairman, PLFS

CHAIRMAN'S 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 28th Annual General Meeting of People's Leasing and Financial Services Limited (PLFSL).

Conjunctural and structural developments in the global financial system over the past decade have increased the reliance on market-based intermediation. Non-bank Financial Institution (NBFI) has grown to almost half of global financial assets and become more diverse. As a result, the importance of NBFI for the financing of the real economy has increased. However, the experience of the 2008 global financial crisis, the March 2020 market turmoil, and more recent episodes of market stress demonstrated that NBFI can also create or amplify systemic risk. Drawing on the lessons from these events, the intervention of the central bank to reduce excessive spikes in the demand for liquidity; enhance the resilience of liquidity supply in stress; and enhance risk monitoring and the preparedness of authorities and market participants. To date, these policies have involved largely repurposing existing policy tools rather than creating new ones, given the extensive micro-prudential and investor protection toolkit already available. The law of NBFI has been enhanced. The NBFI Act 1993 has been replaced and the new law Financial Company Act, 2023 has been given effect. The law has given wide power to Bangladesh Bank but it has omitted the provision relating to liability of the distress.

This company is a Financial Institution under the 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 that are being investigated was sued for liquidation by Bangladesh Bank which is pending. The present The 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 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, rising 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 role in the world and have immense possibilities 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 the 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 the corporate sector, we are in relentless effort to raise the state of affairs of this company which working in line with the 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 is 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 action 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 that 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 there 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, and 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 the 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, and 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 is 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
Chairman, PLFS



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".



Mohammed Atiqur Rahman Atiq
Director

Mr. Mohammed Atiqur Rahman Atiq is a politician and by profession a businessmen having ownership and control over the reputed firms. He was born in reputed Muslim family in Sylhet on 18th August 1960. He is a court appointed Director of PLFSL since October 2022. The lead person representing the depositors' who was applicant to the Company Bench of Supreme Court High Court Division against the liquidation order vide number of Financial Matter No 1 of 2019. The Hon'ble Court pursuant to their application instead of liquidation was kind enough to take recourse to restructuring of the Company.

Mr. Mohammed Atiqur Rahman Atiq has devoted his wholehearted efforts to the best interest of the Company



Md. Sagir Hossain Khan
Managing Director

Md. Sagir Hossain Khan Joined People's Leasing and Financial Services Ltd. (PLFSL) as Managing Director in May 2023. Prior to joining PLFSL, he was the Chief Operating Officer (COO) of Bangladesh Infrastructure Finance Fund Limited (BIFFL), a fully government owned Non Bank Financial Institution (NBFI). He also served as Chief Risk Officer (CRO) and Chief Anti Money Laundering Compliance Officer (CAMLCO) of BIFFL. Before joining BIFFL, he served Saudi Bangladesh Industrial and Agricultural Investment Company Limited (SABINCO) as Deputy Managing Director & CRO. He also served The City Bank Limited as Head of Special Asset Management and Head of Credit Administration.

He started his career with Rupali Bank Limited as Senior officer in 1986 through the recruitment of Bankers Recruitment Committee (BRC) of Bangladesh Bank. He also worked for National Bank of Pakistan, Faisal Islamic Bank of Bahrain and Bank Alfalah Limited in different mid level management positions in Credit during the period of 1996-2007.

He did his Master of Business Administration (MBA) from Institute of Business Administration (IBA) of University of Dhaka. He is an Associate of Institute of Bankers, Bangladesh (IBB).

MANCOM Members



From left: Md. Saiful Islam, Md. Fokhrul Islam, Ms. Kismat Ara, SK Rajwan Uddin, S.M. Ieaquat Ali, Md. Sagir Hossain Khan (Managing Director), Md. Armia Fakir ACS, Md. Monirul Islam Shamim, Md. Mainuddin, Ms. Farhana Ali, Md. Jamal Uddin

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	Senior Manager, ICT, In Charge	Member
S.M Leaquat Ali	Credit & Marketing & SAMD, In-Charge	Member
SK Rajwan Uddin	Business Department, In-Charge	Member
Kismat Ara (Mukta)	Senior Assistant Manager, CIB-CIS	Member
Md. Shahedul Islam	ICC, In-Charge	Member
Mohammad Saiful Islam	HR & Admin, In-Charge	Member
Farhana Ali	Treasury, In-Charge	Member
Md. Mainuddin	Assistant Manager, TDR	Member
Mohammad Fukhrul Islam	Assistant Manager, Legal	Member

CREDIT COMMITTEE

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
S.M Leaquat Ali	Credit & Marketing & SAMD, In-Charge	Member Secretary
SK Rajwan Uddin	Business Department, In-Charge	Member
Farhana Ali	Treasury, In-Charge	Member
Mohammad Fukhrul Islam	Assistant Manager, Legal	Member

ASSET - LIABILITY COMMITTEE (ALCO)

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
S. M Leaquat Ali	Credit & Marketing & SAMD, In-Charge	Member
SK Rajwan Uddin	Business Department, In-Charge	Member
Farhana Ali	Treasury, In-Charge	Member Secretary
Mohammad Saiful Islam	HR & Admin, In-Charge	Member
Md. Abdullah Al Mamun	Assistant Manager, Account & Finance	Member

Management Committees

ANTI MONEY LAUNDERING COMMITTEE

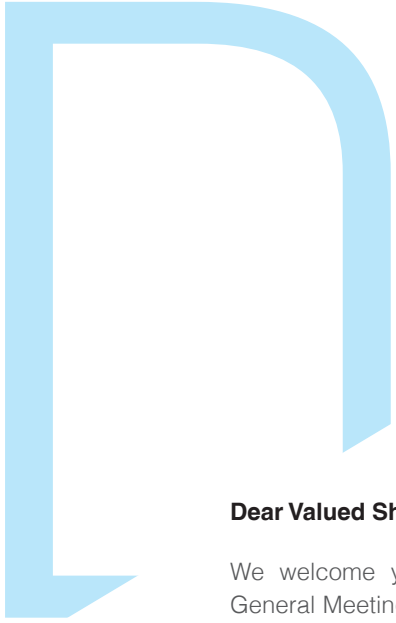
Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
S. M Leaquat Ali	Credit & Marketing & SAMD, In-Charge	Member
Md. Shahedul Islam	ICC, In-Charge	Member
Farhana Ali	Treasury, In-Charge	Member
Mohammad Fukhrul Islam	Assistant Manager, Legal	Member

NATIONAL INTEGRITY STRATEGY (NIS) - INTEGRITY COMMITTEE

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
Farhana Ali	Treasury, In charge	Member Secretary
Mohammad Saiful Islam	HR & Admin, In charge	Member

SUSTAINABLE FINANCE COMMITTEE

Name	Designation	Position
Md. Sagir Hossain Khan	Managing Director	Chairman
S. M Leaquat Ali	Credit & Marketing & SAMD, In-Charge	Member
SK Rajwan Uddin	Business Department, In-Charge	Member
Farhana Ali	Treasury, In-Charge	Member
Md. Abdullah Al Mamun	Assistant Manager, Account & Finance	Member



Directors' Report to the Shareholders

Dear Valued Shareholder,

We welcome you all to the 28th Annual General Meeting (AGM) of People's Leasing and Financial Services Limited. In line with the requirements of Section 184 of the Companies Act, 1994, stock exchange regulations and Bangladesh Securities and Exchange Commission Order no. BSEC/CMRRCD/2006- 58/207/Admin/80 dated June 03, 2018; I have the pleasure to place before you the Directors' Report for your consideration. The report briefly presents the overall performance of the company in a year of very competitive and eventful non-banking industry environment. The size of the NBFIs sector decreased in 2023 – the first notable decrease since 2009, which can be largely attributed to the impact of higher interest rates on asset valuations. This report describes broad trends in financial intermediation across 29 jurisdictions that account for around 85% of global GDP. The report mainly covers developments in 2023, when most economies experienced a rising rate environment in response to inflationary pressures. Amid lower asset valuations, total global financial assets decreased 0.4% in 2023, following years of continued and rapid growth. The size of the NBFIs sector decreased in 2023 – the first notable decrease since 2009, which can be largely attributed to the impact of higher interest rates. Total financial assets of the NBFIs sector declined 5.2% in 2023 compared to 2022, to \$217.9 trillion, mainly reflecting valuation losses in market-to-market asset

portfolios, in particular in investment funds. The relative share of total global financial assets held by the NBFIs sector decreased to 47.2%. Since 2017 investment funds have driven changes in NBFIs asset levels, and this continued to be the case in 2023, as investment funds led the decline in NBFIs assets. The decrease in the assets of other investment funds (OIFs) – defined as funds other than money market funds (MMFs), hedge funds and real estate investment trusts and funds – accounted for approximately two-thirds of the overall decline in NBFIs sector assets in 2023. Insurance corporations and pension funds collectively accounted for almost all of the rest of the decline. MMFs experienced different trends to other types of funds: inflows over 2023 increased their assets under management non-banks continued to be net recipients of funding from the NBFIs sector, although this funding has been decreasing since 2013. In contrast, some NBFIs entities' use of funding from bank's has increased. Enhancements in this year's report reduced unspecified linkages across all non-bank entity types and were most notable in the case of pension funds, where identified linkages increased 25 – 30 percentage points with regard to both claims and liabilities. The narrow measure of the NBFIs sector decreased 2.9% to \$63.1 trillion in 2023, representing 28.9% of total NBFIs assets and 13.9% of total global financial assets. The narrow measure reflects an activity-based “economic function” (EF) assessment of risks.

Directors' Report

In Bangladesh the NBFIs in general not have been able to show positive out turn except some companies, The NBFIs require significant talent-combination motivated to positive business. Most of the NBFIs are not adequately responding to the trends of the market. First NBFi in Bangladesh was in 1981 aimed at bridging the country's financial deficiencies. At present those are positive and negative aspects of these institutions –revealing a persistent gap between expectations and accomplishments. People's Leasing and Financial Services Limited was on the verge of liquidation. The Hon'ble Company Court vide order no. 96 dated 12.07.2021 passed the order vide reconstitution. A Board of Directors was formed which after several changes that is now functioning. The company is in the stock market again and trading has resumed. The short fall is quite large. It was Court's Direction to the government and other bodies to provide aid to the company, yet to come. The company is now emphasizing on doing business hopefully in a few years we can bounce book and resume its normal business.

The financial industry isn't the easiest one to understand. There are many different factors and sectors to get to grip with, each with their own set of rules and criteria involved. NBFIs are one such financial factor which often requires further insight in order to fully understand. A non-bank financial institution is a company that offers financial services, but does not hold non-banking licenses and therefore cannot accept deposits. NBFIs are does not supervised by a national or international banking regulatory agency but in Bangladesh they are under Bangladesh Bank, therefore operations of non-bank financial

institutions are often still cover under the country's non-banking regulations, along with Bangladesh Security Exchange Commission and Dhaka Stock Exchange PLC as our company is a public limited company and listed in the Stock Exchanges. NBFIs are generally praised within the financial sector for offering a greater range of choice to people with financial opportunities and concerns. Esteemed US economist Alan Greenspan spoke about how the role of NBFIs has worked to strengthen the economy, as they provide "multiple alternatives to transform an economy's savings into capital investment which act as backup facilities should the primary form of intermediation fail." For most people, the company is the first port of call when seeking out financial aid or advice. However, many people also find that the services offered by the bank don't adequately meet their requirements, leaving them at a loss for what to do next. While banks tend to offer a set of financial services as part of a clear packaged deal, NBFIs unbundle these offers and tailor their services to meet the needs of the specific client. Therefore, many people who can't find help at the bank can find it with an NBFi. The role of NBFIs is generally to allocate surplus resources to individuals and companies with financial deficits, allowing them to supplement companys. By unbundling financial services, targeting them and specializing in the needs of the individual, NBFIs work to enhance competition in the financial sector.

NBFIs offer services that often included:

- Loans
- Credit facilities
- Retirement planning
- Education funding

- Underwriting stocks and shares
- Money market trading
- TFCs (Term Finance Certificates)
- Wealth management
- Portfolio of stocks and shares management
- Discounting services

The number of non-bank financial institutions has increased greatly in recent years, as retail companies, industrial companies and venture capital companies have entered the lending business. NBFIs frequently specialize in the support of property investments, preparing feasibility, market or industry studies for companies. The kinds of services offered by non-bank financial institutions generally fall in one of three categories, which we have outlined in further detail below. These are organizations such as insurance companies which underwrite economic risks associated with a series of factors, including illness, death, damage and risk of loss. In return for collecting an insurance premium, these organizations provide a promise of economic protection in case of loss. There are two key kinds of insurance companies: general insurance and life insurance. The former tends to be a short-term agreement, while life insurance can be agreed on a much longer-term basis. This category refers to organizations such as pension funds and mutual funds. These are the institutions which trade securities in volumes that qualify for lower commissions. These are also known as contractual savings institutions. Mutual funds can be either open ended or closed ended.

Bangladesh's economy in 2023 not only boasted several achievements but also had to endure countless challenges, reflecting the nation's

ongoing endeavours towards development. The country has been recognized for its stable economic growth and successful integration in to the global economy over the past two decades, positioning it as a remarkable model for economic development in the Asia-Pacific region. The country's growth trajectory suggests it is poised to become one of the fastest-growing economies in this dynamic region. However, recent global events, including disruptions in supply chains and significant spikes in fuel and commodity prices, contributed to inflationary pressures worldwide. Unlike some larger and more resilient economies that managed inflation effectively, Bangladesh encountered challenges in stabilizing prices, alongside internal issues such as a turbulent non-banking sector, financial account deficits, exchanger ten volatility, and declining foreign exchange reserves. In 2022-23, the Gross Domestic Product (GDP) at current prices amounted to BDT 44,908 billion, representing an increase of BDT 5,191 billion or 13.07% compared to the previous year. Similarly, the Gross National Income (GNI) at current prices for the same period was BDT 46,700 billion, showing a rise of BDT 5,410 billion or 13.1% from the previous year.

On the positive side, notable milestones emerged, signalling progress in critical sectors. Initiatives reduce reliance on the US dollar. Meanwhile, infrastructure developments like the opening of the Bangabandhu tunnel and Dhaka's first elevated expressway promised enhanced connectivity and transportation efficiency. Additionally, projects like the third terminal at Hazrat Shahjalal International Airport and the Cox's Bazar rail station aimed to bolster trade and tourism.

However, amidst these advancements, challenges persisted. Inflation surged to record levels, posing hardships for consumers, especially with essentials like food and eggs witnessing steep price hikes. Despite efforts to address labor concerns with increased minimum wages for garment workers, wage growth lagged behind inflation, exacerbating economic disparities. Moreover, the non-banking sector faced scrutiny and reforms, with the passing of the Finance Company (Amendment) Bill 2023 aimed at enhancing governance and accountability.

In fiscal year 2023 (which ended on June 30, 2023), Bangladesh experienced a moderation in economic growth due to monetary tightening in advanced economies, which affected external demand for its exports. Despite these macroeconomic headwinds, the ADB projects that GDP expansion will gradually accelerate in the coming years. This outlook is supported by resilient export growth and the government's commitment to implementing structural reforms aimed at improving economic stability and competitiveness. Looking ahead, the ADB forecasts that Bangladesh's GDP growth will increase to 6.1% in fiscal year 2024 and further to 6.6% in fiscal year 2025. This growth will be primarily driven by resilient export performance, particularly from the industry and services sectors. In terms of inflation, the ADB expects a gradual moderation, with inflation rates averaging around 8.4% in fiscal year 2024 and 7.0% in fiscal year 2025. One significant milestone on Bangladesh's economic horizon is its progress towards graduating from the group of least-developed countries (LDCs) by 2026. While this transition represents a positive step towards economic advancement, it also

presents challenges that will require sustained efforts in implementing reforms to enhance competitiveness, improve economic fundamentals, and ensure sustained growth beyond the LDC status.

The year 2023 proved to be a tumultuous period for Bangladesh's capital market, characterized by gloomy performance and widespread disappointment among investors. The average turnover and foreign investment hit unprecedented lows, reminiscent of the market collapse in 2010, signalling a grim situation rarely witnessed by stakeholders. Despite efforts to stabilize the market, such as the reinstatement of the floor price by the stock market regulator, the core index of the Dhaka Stock Exchange (DSE) dipped to 6,246 at the end of December, 2023.

The country's broad market index, known as the Dhaka Stock Exchange (DSEX), witnessed a very meagre growth of only 0.64%, the main index of the stock market in Bangladesh remained relatively unchanged over the past fiscal year as most stocks were stuck at their floor price. Equity-based securities worth 60% of the total stock market value have remained trapped on the floor this year.

The year of 2023 ended with an index of 6,246 mark on 31st December, reflecting dwindling investor confidence. This shows that even though the index registered multiple ups and downs but most of its time was spent hanging around the 6,250-mark.

Throughout the year, the DSE's MoM and Daily average turnover plummeted by over 39%. Average daily turnover in the premier bourse dropped to Tk 578 crore in 2023 from Tk 960 crore in 2022, underscoring the

Directors' Report

stark decline in market activity compared to the previous year. Moreover, the market capitalization to GDP ratio experienced a notable decrease, further highlighting the markets.

Market experts emphasized the challenges faced by the market, citing the detrimental impact of the floor price on trade volume and investor returns. The stagnant market conditions and lack of new investment exacerbated the decline in income for all stakeholder groups, posing significant constraints on the market's capacity to recover. However, concerns lingered regarding political uncertainties, currency depreciation, inflation and liquidity shortages in the financial sector, which deterred foreign investment and contributed to ongoing market stagnation. Additionally, disappointing performances of fundamental and multinational companies further dampened investor sentiment, with many stocks remaining stuck at floor prices for prolonged periods, exacerbating liquidity crises. The imposition of floor prices by the Bangladesh Securities and Exchange Commission (BSEC) aimed to protect small investors' interests but inadvertently exacerbated market challenges. Despite calls for regulatory intervention and scrutiny of price manipulators, the market remained mired in uncertainty, exacerbated by global economic strains stemming from the Russia-Ukraine war.

Money Market

The money market in Bangladesh in 2023 witnessed a tumultuous journey characterized by a blend of regulatory reforms, liquidity challenges, and inflationary pressures. Against the backdrop of global economic

uncertainties stemming from the aftermath of the COVID-19 pandemic and the Russia-Ukraine conflict, Bangladesh grappled with its own set of macroeconomic challenges. The Central Bank, Bangladesh Bank (BB), responded with a series of policy measures aimed at stabilizing the financial sector and steering the economy towards sustainable growth. However, persistent inflationary pressures and exchange rate instability continued to pose formidable obstacles.

At December 2023, the yield on 91 days, 182 days and 364 days T-bills was 11.35%, 11.40% and 11.50%, increased yield rates from previous year end, i.e., 7.3%, 7.5% and 8%. On the other hand, yield on 2 years T. Bond, 5 years T. Bond and 10 years T. Bond settled at 12.00%, 12.10% and 12.15% in December 2023. A year ago, the rates were 7.57%, 7.91% and 8.33%. Bank rate remained 4.00% while Bangladesh Bank increased the Repo Rate by 50 basis points to 7.75% in November 2023. Call Money Rate rose to 9.16% at the end of 2023, which was 5.8% at the end of 2022.

Throughout 2023, Bangladesh Bank pursued a proactive approach to address the country's economic challenges, with a particular focus on containing inflation. These measures aimed to elevate the cost of borrowing, there by restraining consumer price index (CPI) inflation. Moreover, BB introduced several key policy initiatives to foster a conducive lending environment and promote exchange rate stability. The adoption of a market-driven reference lending rate, SMART (six-month moving average rate of Treasury bill), aimed to enhance competitiveness in the banking sector and facilitate lending to businesses and individuals. Additionally, the shift

towards a unified and market-driven single exchange rate regime sought to promote stability in the foreign exchange market, aligning with international best practices.

Despite these measures, the accompanying sector grappled with liquidity stresses exacerbated by high non-performing loans (NPLs) and forex volatility, non-bank, faced with liquidity shortages, turned to short-term borrowing from the call money market and central bank facilities, reflecting the challenges of mobilizing funds amid rising interest rates. The liquidity crunch not only strained the non-banking sector but also underscored the need for structural reforms to enhance regulatory oversight and restore investor confidence. Looking ahead, the effectiveness of Bangladesh Bank's policy measures and the government's commitment to fiscal reforms will be crucial in navigating the challenges posed by inflationary pressures and exchange rate volatility. With concerted efforts towards structural reforms, regulatory enhancements, and prudent monetary policies, Bangladesh can bolster the resilience of its money market and foster sustainable economic growth in the years to come. PLFSL has always strived to have good corporate governance practices put in place and to ensure that the highest standards of business integrity are regular part of its activities. The non-bank adheres strictly to the regulatory guidelines on corporate governance. The disclosures on corporate governance are provided in the chapter on "Corporate Governance" of this Annual Report.

Risk Management

The prime objective of risk management is to appropriately

balance the trade-off between risk and return. PLFSL carefully ensures optimum return on its assets and equities while streamlining a wide array of risks it faces during its day-to-day operation.

The main concern of the non-bank is to manage risks, prudently and efficiently, to ensure profitability, capital adequacy and liquidity in a balanced manner. Strategically, PLFSL Board of Directors, through the Board Risk Management Committee (BRMC) and the senior management team, sets up risk governance structure and risk philosophy, endorses risk strategies and reviews and approves risk policies as well as the risk threshold in line with the non bank's risk appetite. These limits are continuously monitored by an experienced risk management team and overseen by BRMC. PLFSL has put in place a number of risk management policies, some of which are-

- Fraud Risk Management Policy
- PLFSL Security Policy
- PLFSL Fire Safety and Firefighting Policy
- Earthquake Emergency Procedure
- PLFSL Procurement Manual
- Business Continuity Plan
- COVID 19 Risk Management Policy.

Details of the policies and activities are given in the Risk Management chapter of this Annual Report.

Further discussion on internal and external risk factors, Threat to sustainability and initiative to reducing negative impacts on environment is included under the section Sustainability Analysis and

Management Discussion and Analysis, also in chapters Operating Framework & Risk Management, Macroeconomic Features Affecting the Industry.

Developing Human Capital

PLFSL has been working persistently with a view to transforming PLFSL into human capital through exposure to appropriate training courses and development programs. It has created a congenial environment, where employees enjoy coming to work. The PLFSL Code of Conduct, unveiled in 2010, is being strictly practiced in order to ensure complete transparency and integrity in all its operations.

Even during the pandemic like COVID 19, PLFSL continued on sharpening its human capital with utmost diligence. Virtual training platform was adopted and regular training was provided using digital amenities throughout the year.

Corporate Social Responsibility (CSR)

In respect of corporate sustainability, PLFSL has focused on a few key areas like extending support to the community and protection of the environment.

Adequate Accounting Records

PLFSL maintains all books of accounts and other records in accordance with the prevailing rules and regulations

- The Companies Act, 1994, The Company Companies Act, 1991, (amended up to date), Tax Ordinance and Rules, VAT Act, BSEC and DSE rules and regulations and Bangladesh non bank guidelines.

The Board of Directors is responsible for ensuring good governance within the non bank and does supervise Management for the preparation and fair presentation of the Bank's annual financial statements, incorporating its Balance Sheet as at 31 December 2023, Profit and Loss Account, Statement of Cash Flow, Statement of Changes in Equity during the year along with the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes in accordance with International Financial Reporting Standards (IFRS) and in the manner required by the Companies Act, 1994.

The directors' responsibilities also include supervision for designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud and error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Financial Statements Related Risk Mitigation

Financial statements are prepared to present a depiction of the activities of an organization to its stakeholders. Often the statements are used by both internal and external parties to evaluate the performance and make financial decisions. There are risks that the presented Financial Statement is not accurate and has material errors. Such risk canaries from various sources such as i) Key processes of an organization are not defined ii) Finance staffs (Financial analysts) do not have clear idea on functions of the organization iii) Financial activities are not well differentiated iv) Unclear & inadequate policies and formal processes v) Data base is not unified and use of manual, semi manual systems.

Directors' Report

With the view to mitigate the risk of misrepresentation in the financial statements, PLFSL has clearly defined operational and financial policies set to standardize the activities. Also, the people working in the finance department are skilled enough and well aware about the operations and they have well defined segregation of responsibilities. The PLFSL is always concerned about making the system well integrated, customized and automated with monitoring access from the finance department.

Internal Control and Compliance (ICC) System

PLFSL Board of Directors has the responsibility to make significant policies to ensure compliance at all levels in the PLFSL's day-to-day activities. The ICC Division ensures internal control structure in the company with appropriate assignments, accountability of the personnel and delegation of authorities to functional management to create control and ensures a compliance culture within the organization under the active guidance and supervision of the Senior Management and the Board of Directors. Financial Institution Act 1993, requires some changes in the reporting line and organogram of the ICC Division. Meanwhile, the reporting line has been changed and the organogramme revamped, to ensure that internal audit functions are dealt with independently from the ambit of management and its report is submitted to the Board Audit Committee of the Company.

Money Laundering Risk Management

Money laundering and terrorist financing are global phenomena, apparent in almost every part of the world. Emerging sophisticated

techniques of moving illicit money are compelling the financial intermediaries to make their compliance program more rigorous. PLFSL, as a compliant company, is determined not to let money launderers and terrorists or perpetrators to use the company as a channel to launder money or finance terrorism in any possible way.

PLFSL envisions itself as one of the most compliant NBFIs in the country, with our regulators consistently guiding us toward that objective. Hence, PLFSL has its own anti-money laundering (AML) & combating financing of terrorism (CFT) compliance program. It has been designed considering the range of activities, complexity of operations and the nature and degree of money laundering and terrorist financing risks faced by the company. PLFSL has a set of directives for its employees comprising of Guidelines, Circulars, Standard Operating Procedures (SOP) etc. That are designed in line with the prevailing laws i.e., The Money Laundering Prevention Act, 2012 (Amended 2015), The Anti-Terrorism Act, 2009 (Amended 2013), relevant rules i.e., The Money Laundering Prevention Rules, 2019, The Anti-Terrorism Rules, 2013, Bangladesh Financial Intelligence Unit (BFIU) guidelines i.e., Money Laundering and Terrorist Financing Risk Management Guidelines, Guidelines for Prevention of Trade Based Money Laundering, Money Laundering and Terrorist Financing Risk Assessment Guidelines, circulars, guidance notes, instructions and international standards. PLFSL applies risk-based Customer Due Diligence (CDD) measures, monitors business relationships and suspicious transactions/ activities strengthening its commitment towards fight against money laundering and terrorist financing.

Standards of Reporting

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by The Institute of Chartered Accountants of Bangladesh, the Financial Institution Act 1993, (as amended up to date), applicable provisions of the Companies Act, 1994; Bangladesh Securities and Exchange Commission rules and regulations, and Bangladesh Bank's Circular including guidelines published time to time.

The Directors of PLFSL, in conformance with the BSEC Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018, confirm compliance with the financial reporting framework for the following:

- The financial statements, prepared by the management of PLFSL make a fair presentation of its activities, operational details and results, cash flow information and changes in equity structure.
- Proper books and accounts of the Company have been maintained.
- Appropriate accounting policies, including International Accounting Standards (IAS)/ International Financial Reporting Standards (IFRS) as applicable/adopted in Bangladesh, have been consistently applied in preparation of the financial statements. Any change or deviation has been adequately disclosed.
- Accounting estimates are based on reasonable and prudent judgment.
- Internal control processes have been properly designed and effectively implemented and monitored.

- Minority shareholders have been duly protected as have effective means of redress.
- No significant doubt exists upon the Company's ability to continue as a going concern.
- Comparative analysis of significant deviations have been highlighted and reasons have been explained in the sections above.

Review Report on PLFSL Operations, Products and Services

A review on the company's operational activities is given in detail in the later part of this Annual Report. Brief review reports of the company as follows:

Financial Analysis

This section depicts performance and position for the year 2023. Explanation is provided, if there is any significant deviations from the last years operating results, which might arise due to any of the internal and external reasons. There has not been any significant change in the financial performance and position from quarterly financial performance.

Total Assets

Total assets of PLFSL stood at BDT 15181 million in 2023 compared to BDT 15210 million in 2022, with a down of 1%.

Investments

PLFSL's consolidated investments increased during the year under review by BDT 110 million. The Institution purchased government treasury bills and bonds to cover the increased statutory liquidity requirement and also due to capitalizing from the scopes available in G-Sec market. PLFSL, as a primary

dealer company, had to purchase and participate in government securities auctions set by Bangladesh Company.

Liabilities

The consolidated total liabilities of the company stood at BDT 53915 million in 2023 compared to BDT 50764 million in 2022. The increase in liability was mainly due to growth in deposits interest.

Remuneration of Directors

As per the DFIM Circular No. 09 dated 19/09/1996, the Chairman of the company may be provided a car, telephone, office and private secretary. However, PLFSL pays only fees to its directors for attending the meetings of the Board of Directors, Executive Committee, Risk Management Committee and Audit Committee. Managing Director is paid a salary and allowances, as per direction of the Hon'ble Court.

The statement of 'remuneration paid to the directors including independent directors' is available under 'Corporate Governance Report'.

Shareholding Pattern:

A report on the pattern of shareholding disclosing the aggregate number of shares' is available at page 186 under 'Corporate Governance Report'.

'Details of Directors, Chief Executive Officer, and Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children' are available at page 186 of 'Corporate Governance Report' as well as under the 'Related Party Transaction'. Details of the executives are stated at page 442 under the same Report.

Board of Directors' Profile

Brief profile depicting the nature of expertise in specific functional area so fall the directors is available under "Board of Directors' Profile"

A statement detailing 'the name of companies in which the directors of the company have interest' is available at page 65 under the segment 'Financial Statements'

Declaration (certification) by the CEO and CFO has been published under corporate governance report.

Contribution to National Exchequer

PLFSL made significant contribution to the government in boosting its revenue collection which will help in developing the society and the country as a whole. As per the prevailing law of the country, the company being a corporate citizen pays tax and VAT on its own income. Besides, the company collects tax, VAT and excise duty at source from clients, deposits and suppliers. All the collected amounts are deposited to the national exchequer in due time. During the year 2023, the company contributed BDT 72171 to national exchequer as against BDT 00 in the previous year.

Related Party Transaction

The details of transactions of related parties of the company have been given in Note 7.10 of the Financial Statements.

Insider Trading

The members of the board of PLFSL, or its sub – committee, or its senior management and their family members did not involve in any insider trading and did not violate the provision with regard to insider trading.

Directors' Report

Shareholders' Value

PLFSL remains fully committed to delivering higher shareholder value. The high profitability track record underpins the value the shareholders derived from investing in the shares of the company. The Earnings Per Share (EPS) stood at BDT -11.14 on 2023.

PLFSL keeps full caution in terms of maintaining that interest of minority shareholders is protected against any direct and indirect abusive effect arising from actions taken by the company. The company encourages participation of every shareholder in the AGMs so that they can raise any concern regarding reserving their rights.

Meeting of the Board of Directors of PLFSL

21 meetings of the Board of Directors of PLFSL were held in 2023. Total number of meetings attended and the amount of remuneration received by board members are stated at page- under corporate governance report.

Appointment of Auditors

The Board of Directors of the company in its 27th Annual General Meeting held on December 31, 2024 appointed G. Kibria & Co., Chartered Accountants as External Auditor of the company for the year 2023.

Appointment of Corporate Governance Auditors

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 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, 2023 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.

Annual General Meeting

The PLFSL Annual General Meeting (AGM) will be held on Tuesday, December 31, 2024 at 11.30 a.m. through Hybrid System. The financial statements were approved at 72nd meeting of the Board of Directors of PLFSL, held on November 28, 2024 for presentation to the shareholders.

Compliance of Corporate Governance Check list:

PLFSL has complied with corporate governance conditions in line with the Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Company (BB).

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 2023 and basis of qualified opinion has been incorporated in the audit report. Audit report was presented in the 24th 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.

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, company 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."

Justification for preparing the Financial Statements on Solo basis instead of consolidated Financial Statements:

PLFS Investment Ltd. the company which is operating as Merchant Company and 83% of stakes of this company is owned by People's Leasing and Financial Services Limited (PLFSL) till 2021 we could prepare the consolidated Financial Statements combining the Accounts of PLFS Investment Ltd.

We could not prepare the consolidated Financial Statements of PLFSL for the year ended 2022 since the Audited Financial Statements of PLFS Investment Ltd. as of December 31, 2022 has not been adopted in their 25th Annual General Meeting (AGM) by the Shareholders as because there are several adverse remarks in there Auditors Report on the audit of the financial position of the company for the year ended December 31, 2022.

Expectations in the year 2024:

In the face of a sound macro-economic environment and

stable political outlook, private sector investment is expected to speed up in 2024. 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 2024. PLFS expects to build up the progress made in 2024. 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 flotation 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

Directors' Report

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 2024, we hope.

Vigilance Functions & Activities: Surgical Audited in PLFSL Functions

Vigilance is a key management tool that should take organization forward in higher growth trajectory. Its function should not be viewed as impediment

in achieving the objective of the company rather it should be viewed as facilitator in accomplishing its objective. Its function should emphasize more on sensitizing employees of the organization to bring awareness among the employees towards transparency in day to day activity keeping in mind the Rules & Regulations.

The vigilance functions to be performed by the authorities are wide in scope and include collecting intelligence about corrupt practices committed, or likely to be committed by the employees of his organization: investigating or causing an investigation to be made into verifiable allegations reported to him; processing investigation reports for further consideration of the disciplinary authority concerned; referring the matters to the commission for advice wherever necessary, taking steps to prevent Commission of improper practices/misconduct, etc. This company was beset with corruptions by some of the office-holders which are being investigated by way of surgical audit. However the company is employing its effort to maintain

proactive vigilance. It is creating awareness and educating all the employees on anti-corruption measures, simplification of rules and procedures, plugging loop holes in the system. To conduct Vigilance awareness programme to educate all to take clean, honest, effective and transparent decisions.

I would like to thank all our shareholders, board members, regulators, depositors, clients and the authorities for helping us in our journey. Thank you.

On behalf of the Board of Directors



Hasan Shaheed Ferdous
Chairman

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	(43,251,808,953)
Minority interest in subsidiaries	
Non-cumulative irredeemable preference shares	
Dividend equalization account	
Total Tier 1 capital	=(38,733,219,601)
(c) The total amount of Tier 2 capital	895,580
(d) Other deductions from capital	
(e) Total eligible capital	(38,732,324,021)

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	1,516.99
	On-Balance Sheet	1,507.61
	Off-Balance Sheet	9.38
(c)	Capital requirement for Market Risk	38.19
(d)	Capital requirement for Operational Risk	-435.90

(e) Total and Tier 1 capital ratio:

- For the consolidated group; and
- For stand alone

Particular	Consolidated	Stand Alone
CAR on Total capital basis (%)		(346.05)%
CAR on Tier 1 capital basis (%)		(346.05)%

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 ensures, 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	1,040,987,532
Term Finance	11,140,699,768
Total	12,181,687,300

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

Area	Amount in BDT
Dhaka Division	12,168,896,528
Chittagong Division	1,218,169
Barisal Division	
Sylhet Division	
Khulna Division	11,572,6603
Total	12,181,687,300

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

Sector	Amount in BDT
Agriculture	783,282,493
Electronics and Electrical Products	4,872,675
Food Production and Processing Ind.	103,544,342
Garments and Knitwear	141,307,573
Glass, Glassware and Ceramic Industries	-
Jutes & Jute related goods	118,162,367
Housing	635,884,077
Lather & Lather goods	20,708,868
Iron, Steel and Engineering	248,506,421
Paper, Printing and Packaging	-
Pharmaceuticals and Chemicals	107,198,848
Plastic Industry	-
Power & Energy	392,250,331
Telecommunication and IT	-
Textile	6,090,844
Transport and Aviation	892,917,679
Merchant bank	1,365,567,146
Trade & Commerce	1,103,660,869
Service	-
Others	6,257,732,766
Total	12,181,687,300

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

Particulars	Amount in BDT
Repayable on demand	121,816,873
Up to 1 month	
Over 1 month but not more than 3 months	243,633,746
Over 3 months but not more than 1 year	974,534,984
Over 1 year but not more than 5 years	2,923,604,952
Over 5 years	7,918,096,745
TOTAL	12,181,687,300

(a) Gross Non Performing Assets (NPAs)

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

Particulars	Amount in BDT
Sub-standard	1,403,000
Doubtful	1,834,000
Bad/Loss	12,104,745,300
Total	12,107,982,300

Movement of specific provisions for NPAs

Particulars	Amount in BDT
Opening balance	9,003,573,993
Provisions made during the period	27,79,42,993
Write-off	-
Write-back of excess provisions	-
Closing Balance	8,275,631,000

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 3.82 crore. Capital Requirement is 10% of the said value which stand to BDT 3.82 crore.

All requirements are 10% of the said value, which stand to BDT 3.82 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)	30.00	23.00	27.00	48.00	52.00
B. Total Rate Sensitive Assets (B)	25.44	30.00	30.00	35.00	40.00
C. Mismatch	(4.56)	7.00	3.00	(13.00)	(12.00)
D. Cumulative Mismatch	(4.56)	2.44	5.44	(7.56)	(19.56)
E. Mismatch (%)	(15.20)%	(30.43)%	(11.11)%	(27.08)%	(23.07)%

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	(18.90)	(37.81)	(56.71)
Revised Regulatory Capital	(3810.52)	(3829.43)	(3848.33)
Risk Weighted Assets	1119.28	1119.28	1119.28
Revised CAR (%)	(340.44)%	(342.13)%	(343.82)%

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	3.82
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:	(43.59)

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Commission's Notification No.SEC/CMRRCD/2006-158/207/ Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance 1969:

(Report under Condition No.9)

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	BOARD OF DIRECTORS:			
1(1)	Board's Size			
	The number of the Board members of the Company shall not be less than 5 (five) and more than 20 (twenty).	√		
1(2)	Independent Directors			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);		√	Board constituted by Hon'ble Court vide order no. 96 dated 12.07.2021
1(2)(b)(i)	Who either does not hold share in the Company or holds less than one (1%) shares of the total paid up shares of the Company;		√	
1(2)(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;		√	
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;		√	
1(2)(b)(iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;		√	
1(2)(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;		√	
1(2)(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;		√	
1(2)(b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;		√	
1(2)(b)(viii)	Who shall not be an independent director in more than 5 (Five) listed companies;		√	
1(2)(b)(ix)	who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for non-payment of any loan or advance or obligation to a bank or a financial institution; and"		√	

Status of Compliance of Corporate Governance Code

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.		√	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;		√	
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days.		√	
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only:		√	
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws regulatory requirements and can make meaningful contribution to business;		√	Board constituted by Hon'ble Court vide order no. 96 dated 12.07.2021
1(3)(b)(i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or		√	
1(3)(b)(ii)	Corporate Leader who is or was a top-level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or		√	
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or		√	
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or		√	
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;		√	
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.		√	

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	√		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	√		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive 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			
1(5)(i)	An 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 Extra-Ordinary activities and their implication (gain or loss);			No such matter
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;			No such matter
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.;			No such matter
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 account of the issuer Company have been maintained.	√		

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1(5)(xiii)	A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	√		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5)(xvii)	A statement that there are no significant doubts 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 should be disclosed;			No such matter
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 should be explained;	√		
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5)(xx)	An explanation on the reasons If the issuer company has not declared dividend (cash or stock) for the year;			No such matter
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)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details);	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name wise details);	√		
1(5)(xxiii)(c)	Executives;	√		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1(5)(xxiv)(a)	A brief resume of the director;	√		
1(5)(xxiv)(b)	Nature of his / her expertise in specific functional areas;	√		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board;	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 AGM;	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C;	√		
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√		
1(6)	Meetings of the Board of Directors; 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;		√	
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.		√	
2	Governance of Board of Directors of Subsidiary Company.			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;		√	
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;		√	
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;		√	

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;"	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	√		
3(2)	Requirement to attend Board of Directors' Meetings The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	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;	√		

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	√		
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; and	√		
4(ii)	Nomination and Remuneration Committee		√	
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)	The Audit Committees shall be composed of at least 3 (three) members;		√	
5(2)(b)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the Company and shall include at least 1 (one) Independent Director;		√	
5(2)(c)	All members of the Audit Committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;		√	
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;		√	
5(2)(e)	The company secretary shall act as the secretary of the Committee;		√	
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without independent director.		√	
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;		√	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	√		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year;	√		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.		√	
5(5)	Role of Audit Committee The Audit Committee shall:-			
5(5)(a)	Oversee the financial reporting process;	√		
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 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 or 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:			No such matter
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.	√		
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such matter
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;			No such matter
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			No such matter

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 to the Authorities; If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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 for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			No such matter
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 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.	√		
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;		√	NRC is not yet formed due to DFIM Circular No.18 dated 26.10.2011
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		√	Do
6(1)(c)	The Terms of Reference (To R) 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			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;		√	Do
6(2)(b)	At least 02 (two) 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;		√	Do
6(2)(d)	The Board 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 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

Statement of Compliance of Corporate Governance Guidelines

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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 shall select 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;		√	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 must as required under condition No.6(2)(h);		√	Do
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 and to the shareholders;		√	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;		√	Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;		√	Do

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
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.	√		
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(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(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 directors' 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 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission.

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

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

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

- (a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission except as stated in the remarks column in Annexure-C 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.

For: **Jasmin & Associates**
Chartered Secretaries



Jasmin Akter, FCS
Chief Executive

Place : Dhaka
Dated : November 29, 2024

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

Report on Compliance of 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. Shareholding Pattern of Board of Directors

ANNEXURE-I

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

B. Meeting Information

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	Remuneration paid for attending the meeting (Tk)				
01.	Mr. Hasan Shaheed Ferdous	21	21	100%	930000	-	0	-	-	-	-	-	-	-	-	9,30,000	
02.	Mr. Md Anwarul Islam Sikder	21	8	42%	180000	14	3	21%	13,500	6	3	50%	13,500	3	50%	207000	
03.	Brigadier General (retd) Kazi Taufiqul Islam	21	15	76%	337500	14	7	50%	31500	6	3	50%	13,500	3	50%	382500	
04.	Mr. Mainuddin Hasan	21	7	38%	157500	14	3	21%	13500	-	-	-	-	-	-	171000	
05.	Mr. Azizul Islam Rana FCA	21	14	67%	315000	14	6	42%	27000	6	6	100%	27000	6	100%	369000	
06.	Mr. Md. Atiqur Rahaman Atiq	21	19	76%	9000	14	3	21%	13500	6	1	17%	4500	1	17%	27000	
07.	Barrister Reshad Imam	21	12	57%	256500	14	4	28%	18000	6	1	17%	4500	1	17%	279000	
08.	Dr. Kazi Anowarul Hoque	21	13	62%	279000	14	4	28%	18000	6	1	17%	4500	1	17%	301500	
09.	Barrister Prashanto Bhushan Barua	21	0	0	-	-	-	-	-	-	-	-	-	-	-	-	
10.	Barrister Muhammad Shafiqur Rahman	21	0	0	-	-	-	-	-	-	-	-	-	-	-	-	

ANNEXURE-III

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

ANNEXURE-IV

PLFS Investment Ltd.

Investment in Share Capital of PLFS Investment Ltd.

Loan & Advances

BO Accounts Balance

Interest on Loans & Advances

Excise Duty

	2023	2022
Investment in Share Capital of PLFS Investment Ltd.	200,445,000	200,445,000
Loan & Advances	1,662,343,115	1,503,939,424
BO Accounts Balance	(5,918,410)	(1,827,961)
Interest on Loans & Advances	158,378,688	187,870,899
Excise Duty	25,000	25,000

Note: Loan given to subsidiary company (PLFS Investment Ltd.) amount in Tk.1,055,332,974 from 2009 to 2015 (Present outstanding on 31.12.2023 amount Tk. 1,662,343,115.)

Key Operating Data

ANNEXURE-V

People's Leasing And Financial Services Ltd. Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2023	2022
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(38,733,219,601)	(35,554,553,009)
3	Capital Surplus	(41,587,625,571)	(38,408,958,979)
4	Total Assets	15,181,908,871	15,210,360,299
5	Total Deposits	32,210,023,880	29,226,380,808
6	Total loans & advances	12,181,687,300	12,310,185,592
7	Total contingent liabilities and commitments	150,000,000	150,000,000
8	Credit deposit ratio	37.82%	42.12%
9	Percentage of classified loans against total loans & advances	98.87%	98.87%
10	Profit after tax and provision	(3,178,666,592)	(3,163,308,753)
11	Amount of classified loans during the year	12,044,034,234	12,197,074,890
12	Provision kept against classified loans	8,276,526,580	9,007,200,324
13	Provision surplus against classified loans	-	886,557,024
14	Cost of fund	12.27%	12.00%
15	Interest earning assets	13,862,430,902	14,037,523,130
16	Non-interest earning assets	1,319,477,968	1,172,837,170
17	Return on Investments	(25.30)	(25.21)
18	Return on assets (ROA)	(20.92)	(18.79)
19	Income from loans & advances & investment	242,776,187	452,020,206
20	Earnings per share	(11.14)	(11.08)
21	Net income per share	(11.14)	(11.08)
22	Price earnings ratio	(0.27)	(0.27)

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: December 9, 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, 2023

Dear Sir,

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No.BSEC/CMRRCD/2006-158/207/Admin/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, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh and any departure there from has been adequately disclosed;
- 2) The estimates and judgments related to the financial statements were made on a 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;

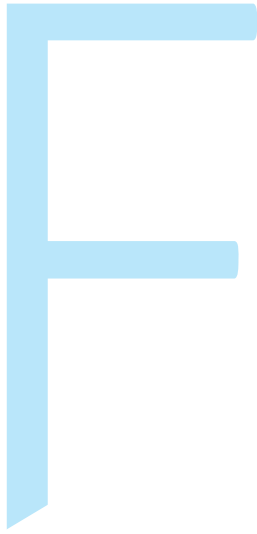
In this regard, we also certify that:

- 1) 1) We have reviewed the financial statements for the year ended on 31 December 2023 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. Sagir Hossain Khan
Managing Director



Financial Information

Auditors Report & Audited Financial Statements (Solo)

Auditors' Report	65
Balance Sheet (Solo)	71
Profit and Loss Account (Solo)	73
Statement of Cash Flows (Solo)	74
Statement of Changes in Equity (Solo)	75
Liquidity Statement (Solo)	76
Notes to the Financial Statements	77
Fixed Assets Schedule	113
Fixed Assets Schedule	114
Classification and Provisioning of Loan, Lease and Advance	115
Financial Highlights	116

2023

Auditors' Report and Financial Statements

People's Leasing And Financial Services Limited
For the Year Ended on December 31, 2023



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 2023 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 of 31 December 2023 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, that the company/group has not consolidated its subsidiary, PLFS Investments Limited, and has not prepared any 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 materially impact may elements of the company's financial statement which have not been incorporated in this financial statement.
2. The company reported a loan to a subsidiary of BDT 1,662,343,115, but in the financial statement of the subsidiary, there was no loan received from a 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 about whether this loan is an asset or liability of the company. On the other hand, the investment made to this company represent 62.6% of the subsidiary's capital which is noncompliance with section 14(1) of the Financial Institution Act 1993.
3. In note 9 and note 13.3 the company reported the Advance Income Tax of BDT 262,216,864 and the provision for corporate income tax of BDT 195,192,494 which have been carried for several years. However, the company didn't provide us with year-wise status of the unadjusted/unsettled tax. We have significant doubts about these balances, especially the excess asset of BDT 67,024,370 (262,216,864 - 195,192,494). Due to a lack of available information, we were unable to quantify the amount of discrepancy that has occurred due to this issue.



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

Ref.GKC/24-25/A/209



4. The company reduces 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 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
5. In note 7, the company reported loans & Advances BDT12,181,687,300. but in the CL, the company shows BDT10,715,435,012 which arise a difference of BDT1,466,252,288. 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. Based on our details recalculation of loans & Advances, we found a short provision of BDT 916,429,300, 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.
7. In note 9, the management was unable to provide us sufficient appropriate evidence regarding the Other Asset BDT302,973,558 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.
8. Every Financial Institution 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. However, 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 assets amounting to BDT 645,266,451 which was not recognized by the management.
9. While verifying the balance of the loan with other banks and financial institutions' loan statements, we found a difference of BDT 294,451,944 which was understated in the financial statement.
10. We draw attention to Note No. 04, where we could not find 19's bank account statements.
11. We draw attention to note no. 08 Property, plant, and equipment, management was unable to provide the disposal of different types of assets amount of BDT 17,343,104. For this reason we were unable to verify the adjustment of depreciation and corresponding gain/loss amount. 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.
12. We draw attention to note 12, regarding the Deposits & Other Accounts amount of BDT 32,210,023,880. Based on the company's internal records that we audited, the total balance of deposits and other accounts was BDT 31,972,261,095 which creates a difference of BDT 237,762,785.
13. During our audit, we found amount of BDT 553,383,279 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.
14. In note 13.12, the Company reported BDT 1,826,235,900 as unpaid TDS, VDS, and Excise duty collected and deducted by the company. As per section 143 of Income Tax Act 2023, 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 659,898,158 will be incurred, which the company has not recognized in the financial statement as on 31 December 2023.



15. 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.
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 (43,251,808,953) for the year ended 31st December 2023, and overall negative equity BDT (38,733,219,601). The capital adequacy ratio (CAR) stands negative 346.05% and SLR requirements could not be met and 99.39% 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 preparation and fair presentation of the financial statements 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.

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 1470 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: 01 December 2024
Dhaka, Bangladesh
DVC: 2412010392AS948963


A.K. Gulam Kibria, FCA (# 392)
Engagement Partner
G. KIBRIA & Co.
Chartered Accountants



People's Leasing And Financial Services Ltd.

Balance Sheet (Solo)

As on December 31, 2023

Particulars	Notes	Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		161,389	41,459
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		2,935,785	43,916
		3,097,174	85,375
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		1,680,743,602	1,727,337,538
Outside Bangladesh		-	-
		1,680,743,602	1,727,337,538
Money at Call and Short Notice	5	-	-
Investments	6		
Government		146,618,850	-
Other Investment		235,275,830	235,275,830
		381,894,680	235,275,830
Loans & Advances	7		
Lease Receivables		1,040,987,532	1,053,699,739
Advance for Lease Finance			
Direct/ Term Finance		11,140,699,768	11,256,485,853
Secured Overdraft		-	-
Bills Discounted and Purchased		-	-
		12,181,687,300	12,310,185,592
Property, Plant & Equipment	8	56,257,422	54,530,787
Intangible Asset		-	-
Other Assets	9	855,519,899	857,713,185
Non-Banking Assets	10	22,708,793	25,231,992
Total Assets		15,181,908,871	15,210,360,299
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	11	4,069,554,594	3,964,276,643
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		127,304,817	126,221,167
Bills Payable		514	514
Term Deposits		32,017,166,340	29,033,861,055
Other Deposits		65,552,209	66,298,072
		32,210,023,880	29,226,380,808
Other Liabilities	13	17,635,549,998	17,574,255,857
Total Liabilities		53,915,128,471	50,764,913,307
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,148	645,578,148
General Reserve	16	-	-
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18	(43,251,808,953)	(40,073,142,361)
Total Shareholders' Equity		(38,733,219,601)	(35,554,553,009)
Total Liabilities & Shareholders' Equity		15,181,908,871	15,210,360,299

Ref.GKC/24-25/A/209

People's Leasing And Financial Services Ltd.

Balance Sheet (Solo)

As on December 31, 2023

Particulars	Notes	Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
OFF-BALANCE SHEET ITEMS			
Contingent liabilities			
Letters of guarantee	19	-	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
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		-	-
Nat Assets Value (NAV) per share		(135.70)	(124.56)


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


Company Secretary


Head of Accounts


Managing Director


Director


Director


Chairman

Date: November 28, 2024
Dhaka, Bangladesh
DVC: 2412010392AS948963


A.K. Gulam Kibria, FCA (# 392)
Engagement Partner
G. KIBRIA & Co.
Chartered Accountants

People's Leasing And Financial Services Ltd.

Profit & Loss Account (Solo)

For the Year ended December 31, 2023

Particulars	Notes	Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
OPERATING INCOME			
Interest income	20	234,656,440	443,991,578
Interest paid on deposits, borrowings etc.	21	(3,810,852,443)	(3,507,567,599)
Net interest income		(3,576,196,003)	(3,063,576,021)
Income from investment	22	8,119,747	8,028,628
Commission, exchange and brokerage	23	-	-
Other operating income	24	53,350,538	39,978,142
Total operating income		(3,514,725,718)	(3,015,569,251)
OPERATING EXPENSES			
Salaries & allowances	25	21,888,848	14,767,323
Rent, taxes, insurance, electricity etc.	26	8,806,619	4,117,106
Legal Expenses	27	4,241,225	3,167,883
Postage, stamp, telecommunications etc.	28	593,707	653,675
Stationery, printing, advertisement etc.	29	2,488,118	1,561,443
Managing director's salary and fees	30	3,759,402	1,565,587
Directors' fees	31	5,687,000	7,045,500
Audit fee	32	431,250	1,035,000
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34	10,381,653	7,872,762
Other expenses	35	19,346,531	12,097,059
Total operating expenses		77,624,353	53,883,338
Profit before provision		(3,592,350,071)	(3,069,452,589)
Provision for loans & advances			
Specific provision	36	(727,942,992)	-
General provision	36	(2,730,752)	-
Provision for diminution in value of investments	36	-	75,078,600
Provision for Interest Receivable for Loans & Advances	36	283,056,936	-
Provision for Receivable Against Legal Expenses-Loan/Lease	36	6,139,336	-
Total provision		(441,477,472)	75,078,600
Profit before taxes		(3,150,872,599)	(3,144,531,189)
Provision for tax			
Current tax	37	27,533,000	18,562,000
Deferred tax	38	260,993	215,564
Total provision		27,793,993	18,777,564
Profit after tax		(3,178,666,592)	(3,163,308,753)
Profit available for appropriations		(3,178,666,592)	(3,163,308,753)
Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(3,178,666,592)	(3,163,308,753)
Earnings per share (EPS)	40	(11.14)	(11.08)

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


Company Secretary


Head of Accounts


Managing Director


Director


Director


Chairman

Date: November 28, 2024
Dhaka, Bangladesh
DVC: 2412010392AS948963


A.K. Gulam Kibria, FCA (# 392)
Engagement Partner
G. KIBRIA & Co.
Chartered Accountants

Ref.GKC/24-25/A/209

People's Leasing And Financial Services Ltd.

Statement of Cash Flows (Solo)

For the year ended December 31, 2023


Particulars	Amount in Taka	
	Dec 31,2023	Dec 31,2022
A CASH FLOW FROM OPERATING ACTIVITIES:		
Received (Interest+Principal) fom loans and advances	319,351,609	534,537,353
Paid (Interest+Principal) to depositors	(171,019,964)	(166,983,178)
Dividend received	8,119,747	8,028,628
Payments to employees	(25,648,250)	(16,332,910)
Payments to suppliers	(16,129,669)	(16,545,607)
Payments of Income Tax	-	-
Received from other operating activities	53,350,538	39,978,142
Payments for other operating activities	(24,112,281)	(12,097,059)
Cash generated from operating activities	143,911,730	370,585,368
Increase/(decrease) in operating assets and liabilities		
Loans and advances to customers	(6,000,000)	-
Other assets	8,111,696	(2,319,140)
Deposits from Banks	-	-
Deposits from customers	-	-
Other liabilities	(39,329,440)	(23,366,001)
	(37,217,744)	(25,685,141)
Net Cash from Operating Activities	106,693,986	344,900,227
B CASH FLOW FROM INVESTING ACTIVITIES:		
Sales of Investment in securities	(146,618,850)	-
Purchase of property, plant and equipment	(4,034,123)	(192,000)
Proceeds from sale of property, plant and equipment	376,850	15,753,840
Net cash used in investing activities	(150,276,123)	15,561,840
C CASH FLOW FROM FINANCING ACTIVITIES:		
Drawdown of Term loan, Overdraft and Money Market	-	-
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	-	-
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	(43,582,137)	360,462,068
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	1,727,422,913	1,366,960,845
G Cash and cash equivalents at end of the year (D+E+F)	1,683,840,776	1,727,422,913
Cash and cash equivalents at end of the year		
Cash in hand	161,389	41,459
Balance with Bangladesh Bank and its agents bank(s)	2,935,785	43,916
Balance with other banks and financial institutions	1,680,743,602	1,727,337,538
Money at call and short notice	-	-
	1,683,840,776	1,727,422,913
Net Operating Cash Flow per share	0.37	1.21


Company Secretary


Head of Accounts


Managing Director


Director


Director


Chairman

Date: November 28, 2024

Dhaka, Bangladesh

Ref.GKC/24-25/A/209

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

For the Year ended December 31, 2023

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2023	2,854,405,970	645,578,148	-	1,018,605,234	(40,073,142,361)	(35,554,553,009)
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,148	-	1,018,605,234	(40,073,142,361)	(35,554,553,009)
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	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	(3,178,666,592)	(3,178,666,592)
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2023	2,854,405,970	645,578,148	-	1,018,605,234	(43,251,808,953)	(38,733,219,601)
Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2022	2,854,405,970	645,578,148	-	1,018,605,234	(37,108,087,507)	(32,589,498,155)
Adjustment for previous years loss	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,148	-	1,018,605,234	(37,108,087,507)	(32,589,498,155)
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	-	-	-	-	(3,163,308,753)	(3,163,308,753)
Net profit for the year	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	198,253,899	198,253,899
Balance as on December 31, 2022	2,854,405,970	645,578,148	-	1,018,605,234	(40,073,142,361)	(35,554,553,009)

Date: November 28, 2024
 Dhaka, Bangladesh


 Company Secretary


 Head of Accounts


 Managing Director


 Director


 Chairman

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

As on December 31, 2023

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2023	2022
Cash	161,389	-	-	-	-	161,389	41,459
Balances with Bangladesh bank	2,935,785	-	-	-	-	2,935,785	43,916
Balances with other banks	93,246,204	408,039,002	350,000,000	829,458,396	-	1,680,743,602	1,727,337,538
Money at call and on short notice	-	-	-	-	-	-	-
Investments	31,300,420	146,618,850	75,690,410	128,285,000	-	381,894,680	235,275,830
Loans and advances	121,816,873	243,633,746	974,534,984	2,923,604,952	7,918,096,745	12,181,687,300	12,310,185,592
Property, plant & equipment	-	-	5,000,000	45,000,000	6,257,422	56,257,422	54,530,787
Other assets	105,000,000	100,000,000	200,000,000	250,000,000	200,519,899	855,519,899	857,713,184
Non-banking assets	-	-	-	22,708,793	-	22,708,793	25,231,992
Total assets	354,460,671	898,291,598	1,605,225,394	4,199,057,141	8,124,874,066	15,181,908,870	15,210,360,299
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	-	-	-	1,559,503,000	2,510,051,594	4,069,554,594	3,964,276,643
Deposit and other accounts	100,000,000	200,000,000	500,000,000	9,500,000,000	21,910,023,880	32,210,023,880	29,226,380,808
Provision and other liabilities	200,000,000	300,000,000	500,000,000	2,000,000,000	14,635,549,998	17,635,549,998	17,574,255,858
Total liabilities	300,000,000	500,000,000	1,000,000,000	13,059,503,000	39,055,625,472	53,915,128,472	50,764,913,309
Net Liquidity Gap	54,460,671	398,291,598	605,225,394	(8,860,445,859)	(30,930,751,405)	(38,733,219,601)	(35,554,553,010)

Date: November 28, 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, 2023

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 & 2023;
- 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:

Sl.	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.

Sl.	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 " i n v e s t m e n t activities-Balance with Bangladesh Bank (BB)" as per IAS is shown as cash & cash equivalent.

Sl.	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 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.	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% and 100% respectively for investments depending on the duration of overdue.	Provision maintained against loans, advances and leases as at 31 December 2021 amounts to BDT 7,154,904,451.

Ref.GKC/24-25/A/209

Sl.	Nature of Departure	Title of IFRS	Treatment of IFRS	Treatment Adopted as per Bangladesh Bank	Financial or Presentation Effect of the Departure
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 become credit-impaired, the entity shall apply the effective interest rate to the amortized cost of these loans and advances.	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 account like: interest suspense account.	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.
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 43,123,088,922 for the year ended 31 December 2023; Negative equity of BDT 38,604,499,570 as at 31 December 2023; Negative Capital adequacy ratio of 344.87% 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 on 15.11.2023 (sl no. 4332 dated 12.12.2023) 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 28/11/2024 of 72nd meeting.

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 asset	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. Because, the Company has not this type of lease agreement at the end of the year.

2.10.2 Comparatives and reclassification

Comparative information has been disclosed 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 (except Land) are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Land is stated under the revaluation model. 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 and charge depreciation of full year. 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. 7.10 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. However, claims to PLFS Investment Ltd. as on 31-12-2023 is Tk. 166,23,43,115 (One Hundred Sixty Six Crore Twenty Three Lac Forty Three Thousand One Hundred Fifteen) only.

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

People's Leasing And Financial Services Ltd.

Notes to the Financial Statements

For the year ended December 31, 2023

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

3 Cash

Cash in hand (Note 3.1)
Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)
Total

161,389	41,459
2,935,785	43,916
3,097,174	85,375

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	309,378,195	277,081,907
Actual reserve held	2,935,785	43,915
Surplus / (Deficit)	(306,442,410)	(277,037,992)

3.4 Statutory Liquidity Reserve (SLR)

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	1,067,821,490	940,511,391
Actual reserve held (note-3.4.1)	1,026,725,709	897,964,517
Surplus / (Deficit)	(41,095,781)	(42,546,874)

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

161,389	41,459
2,935,785	43,916
1,023,628,535	897,879,142
1,026,725,709	897,964,517

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

4 Balance with other Banks and Financial Institutions in Bangladesh

Current Accounts & Short Term Deposits:

Al-Arafa Islami Bank Ltd.	7,757	7,758
BDBL	15,465	15,465
Bank Asia	7,478	7,478
Dutch Bangla Bank Ltd.	33,216,265	207,433,950
EXIM Bank Ltd	46,425	47,140
ICB Islamic Bank Ltd.	277	277
Janata Bank Ltd	16,910	16,910
Mutual Trust Bank Ltd.	141,741	141,741
Midland Bank Ltd.	4,144	4,144
National Bank Ltd	49,238	49,238
NRB Commercial Bank Ltd.	1,434	1,434
NCC Bank Ltd.	193,053	193,053
One Bank Ltd.	58,111,717	338,523,772
Prime Bank Ltd.	824,050	825,101
Shahjalal Islami Bank Ltd.	99,546	99,546
Social Islami Bank Ltd.	83,039	83,039
Southeast Bank Ltd.	118,388	119,821
SouthBangla Agricultural Credit Bank Ltd.	234,602	234,602
The Farmers Bank Ltd.	14,345	14,346
UCBL	60,330	60,330
Sub-Total	93,246,204	547,879,142

Fixed Deposits Receipts (FDR):

Shimanto Bank Ltd.	258,039,003	150,000,000
Trust Bank Ltd	400,000,000	200,000,000
One Bank Ltd.	100,000,000	-
International Leasing	359,738,339	359,738,339
Premier Leasing	469,720,056	469,720,056
Sub-Total	1,587,497,398	1,179,458,395

Grand Total

1,680,743,602	1,727,337,538
----------------------	----------------------

Note: 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	100,000,000	547,879,142
Less than 3 months	401,258,383	-
More than 3 months but less than 1 year	350,000,000	350,000,000
More than 1 year but less than 5 years	469,720,056	-
Above 5 years	359,765,163	-
Total	1,680,743,602	897,879,142

5 Money at Call and Short Notice

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

	Amount in Taka	
	Dec 31, 2023	Dec 31, 2022
6 Investments		
A. Government Securities		
Treasury Bill	146,618,850	-
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Government Notes/ Bond	-	-
Prize Bond	-	-
Others	-	-
Sub Total	146,618,850	-
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)	381,894,680	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 in 2022.		
6.2 Maturity grouping of Investments		
On demand	31,300,420	31,300,420
Less than 3 months	146,618,850	-
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	381,894,680	235,275,830
7 Loans & Advances		
Inside Bangladesh:		
Net Lease Receivables	1,040,987,532	1,053,699,739
Direct/ Term Finance	11,140,699,768	11,256,485,853
Secured Overdraft	-	-
Sub Total	12,181,687,300	12,310,185,592
Outside Bangladesh:		
Direct/ Term Finance	-	-
Secured Overdraft	-	-
Sub Total	-	-
Total	12,181,687,300	12,310,185,592

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

7.1 Maturity grouping of loans & advances

On demand	121,816,873	123,037,859
Less than 3 months	243,633,746	246,075,718
More than 3 months but less than 1 year	974,534,984	984,302,871
More than 1 year but less than 5 years	2,923,604,952	2,952,908,614
Above 5 years	7,918,096,745	7,997,460,829
Total	12,181,687,300	12,303,785,891

7.2 Sector/ Industry-wise Loans & Advances

Agricultural sector	6.43%	783,282,493	791,133,433
Industrial sector:			
Textiles	0.05%	6,090,844	6,151,893
Garments	1.16%	141,307,573	142,723,916
Jutes & jute related goods	0.97%	118,162,367	119,346,723
Food items producer/processing industry	0.85%	103,544,342	104,582,180
Lather and lather goods	0.17%	20,708,868	20,916,436
Iron, steel and engineering	2.04%	248,506,421	250,997,232
Chemicals and pharmaceuticals	0.88%	107,198,848	108,273,316
Electronics and electrical goods	0.04%	4,872,675	4,921,514
Power, gas, water and sanitary	3.22%	392,250,331	396,181,906
Transport and communication	7.33%	892,917,679	901,867,506
Real estate and housing	5.22%	635,884,077	642,257,623
Merchant banking	11.21%	1,365,567,146	1,379,254,398
Trade & Commerce	9.06%	1,103,660,869	1,114,723,002
Others	51.37%	6,257,732,766	6,320,454,812
Total	100.00%	12,181,687,300	12,303,785,889

7.3 Geographical Location-wise Loans & Advances

Inside Bangladesh			
Dhaka Division	99.90%	12,168,896,528	12,290,866,915
Chittagong Division	0.01%	1,218,169	1,230,379
Khulna Division	0.10%	11,572,603	11,688,597
Sub Total	100.00%	12,181,687,300	12,303,785,890
Outside Bangladesh	-	-	-
Total	100.00%	12,181,687,300	12,111,931,693

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	5
Outstanding Amount	4,333,745,000	4,334,745,000
Classified Amount	2,127,168,000	2,128,168,000
Measures taken for recovery	Filing of law suit - under process	Filing of law suit - under process

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

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	-	-

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	-	-

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

7.8 (A) Grouping of Loans, Lease and Advance as per classification rules of Bangladesh Bank Unclassified

Standard	69,153,000	91,540,000
Special Mention Account(SMA)	4,552,000	15,171,000
	73,705,000	106,711,000
Classified		
Substandard(SS)	1,403,000	706,000
Doubtful (DF)	1,834,000	4,587,000
Bad & loss(BL)	12,104,745,300	12,191,781,890
	12,107,982,300	12,197,074,890
	12,181,687,300	12,303,785,890

(B) Classification and provisioning of Loan , Lease and Advance : See Annexure 2

7.9 List of Ex-Director Loan

1) Shumsul Alamin Group	1,179,009,690	1,217,918,857
2) Motiur Rahman	852,040,877	882,540,847
3) Biswajit Kumar Roy	145,142,563	147,036,768
4) KHB Securities Limited	4,806,773	6,700,978
	2,180,999,903	2,254,197,450

7.10 Related Party Transaction

PLFS Investment Ltd.

Investment in Share Capital of PLFS Investment Ltd.	200,445,000	200,445,000
Loan & Advances	1,662,343,115	1,503,939,424
BO Accounts Balance	(5,918,410)	(1,827,961)
Interest on Loans & Advances	158,378,688	187,870,899
Excise Duty	25,000	25,000

Note: Loan given to subsidiary company (PLFS Investment Ltd.) amount in Tk.1,055,332,974 from 2009 to 2015 (Present outstanding on 31.12.2023 amount Tk. 1,662,343,115.)

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	11,860,360
Computer	21,341,645	21,219,936
Telephone System	1,756,858	1,756,858
Air Cooler	7,558,314	10,880,664
Refrigerator	209,002	209,002
Generator	3,343,467	-
Office Equipment	5,031,481	4,779,581
Furniture & Fixtures	39,923,637	53,627,344
Crockery	39,106	39,106
Software	16,747,004	507,004
Total	141,076,356	138,145,337

	Amount in Taka	
	Dec 31, 2023	Dec 31, 2022
B. Less: Accumulated Depreciation		
Company Premises	26,416,415	25,655,408
Motor Car & Vehicle	10,300,291	9,910,274
Computer	17,839,977	17,206,069
Telephone System	1,365,305	1,321,797
Air Cooler	1,325,072	3,122,957
Refrigerator	136,228	128,142
Generator	334,347	-
Office Equipment	4,372,697	4,208,000
Furniture & Fixtures	19,066,746	21,681,114
Crockery	35,824	35,003
Software	3,626,032	345,786
Total	84,818,934	83,614,550
C. Written Down Value at the end of the year (A-B)	56,257,422	54,530,787
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)	56,257,422	54,530,787
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	262,216,864	249,842,423
Balance with BO account(s)	-	(1,827,961)
Interest receivable (FDR)	58,306,235	58,306,235
Advance for office rent	-	5,889,364
Advance for land purchase	30,121,907	30,121,907
Stationeries & Stamp in hand	30,550	19,750
Advance for Rent & Advertisement	1,202,584	686,811
Interest Receivable for loans & Advances	283,056,936	283,056,935
Receivable against legal expenses-Loan/Lease	12,278,672	12,278,672
Other prepayment	7,637,951	18,670,848
Security deposit	223,200	223,200
Deferred tax assets (note 9.1)	-	-
Total	855,519,899	857,713,184

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

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 incompleated 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 of the Company .

9.1 Deferred tax assets/(liabilities)

Opening Balance	(3,471,235)	(3,255,671)
Deferred Tax Expenses	260,993	215,564
Less: Adjustment during the year		
Total	(3,732,228)	(3,471,235)

Deferred Tax Liability is arrived at as follows:

Assets	Carrying amount at BS date (31 Dec 2023)	Tax base	Temporary Difference (Taxable)/Deductible
Fixed Assets net of depreciation	56,257,422	47,475,710	(8,781,712)
Deferred Tax Asset/(Liability) as on 31 December 2023@ 42.5%			(3,732,228)
Less: Deferred Tax Liabilities as on 31 December 2022			(3,471,235)
Deferred Tax Expense for the year 2023			260,993

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@ 42.50%			(3,471,235)
Less: Deferred Tax Asset/(liability) as on 31 December 2021			(3,255,671)
Deferred Tax Expense for the year 2022			215,564

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	33,326,344	28,965,258
Add: Addition during the year	2,523,199	5,061,975
Less: Adjustment during the year	-	700,889
Total	35,849,543	33,326,344

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

22,708,793	25,231,992
-------------------	-------------------

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. PLFS 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 .

		Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
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)	3,993,114,223	3,887,836,272
	Total	4,069,554,594	3,964,276,643
	Outside Bangladesh	-	-
	Total	4,069,554,594	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.	90,352,553	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.	87,519,740	85,461,469
	Uttara Bank Ltd.	87,666,276	87,666,276
	NRB Commercial Bank Ltd.	182,541,409	182,541,409
	Mercantile Bank Ltd.	84,335,902	57,249,046
	Modhumoti Bank Ltd.	195,047,427	195,047,427
	Premier Bank Ltd.	220,766,977	149,402,539
	UAE	19,132,308	19,021,295
	Sub-Total	2,223,938,922	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
	Sonali Bank Ltd.	160,288,889	160,288,889
	Agrani Bank Ltd.	240,433,333	240,433,333
	Sub-Total	1,769,175,301	1,769,175,302
	Grand Total	3,993,114,223	3,887,836,273
	Security against borrowings from other banks, financial institutions and agents		
	Secured	3,508,543,483	3,403,265,531
	Unsecured	561,011,111	561,011,112
	Total	4,069,554,594	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
	Over 1 month but within 3 months	-	741,490,934
	Over 3 month but within 6 months	-	211,866,097
	Over 6 months but within 1 year	-	423,732,194
	Over 1 year but within 5 years	1,559,503,000	1,559,503,050
	Over 5 years	2,510,051,594	-
	Total	4,069,554,594	3,964,276,643

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 uptoal liabilities. In this situation, stop of charging interest on deposite 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.

	Amount in Taka	
	Dec 31, 2023	Dec 31, 2022
12 Deposits & other accounts		
Deposits from banks and financial institutions (note-12.1)	11,341,346,660	10,342,274,288
Deposits from customers	20,675,819,680	18,691,586,767
Sub-Total	32,017,166,340	29,033,861,055
Other deposit	65,552,209	66,298,072
Grand Total	32,082,718,549	29,100,159,127

12.1 Deposits from banks and financial institutions

Sonali Bank Ltd.	631,835,985	583,014,264
Janata Bank Ltd.	589,469,872	542,334,932
Agrani Bank Ltd.	641,396,550	582,030,964
Rupali Bank Ltd.	2,074,995,024	1,904,198,004
United Commercial Bank Ltd.	7,623,156	6,912,945
Bangladesh Development Bank Ltd.	96,038,816	85,611,450
IFIC Bank Ltd.	275,500,237	243,491,418
Bangladesh Commerce Bank Ltd.	2,321,743,770	2,073,004,752
ICB	528,603,843	481,962,020
Premier Leasing & Finance Ltd.	620,001,915	578,359,995
First Finance Ltd.	116,125,899	116,125,899
Fareast Finance & Investment Ltd.	467,077,018	420,614,644
International Leasing Ltd.	2,077,170,704	1,905,661,196
BIFFL	893,763,871	818,951,805
	11,341,346,660	10,342,274,288

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	100,000,000	827,381,943
Over 1 month but within 6 months	200,000,000	6,482,145,830
Over 6 months but within 1 year	500,000,000	9,410,729,148
Over 1 year but within 5 years	9,500,000,000	8,066,973,946
Over 5 years but within 10 years	21,910,023,880	4,439,149,429
Over 10 years	-	-
Total	32,210,023,880	29,226,380,296

13 Other Liabilities

Provision for Lease, loans and advances (note 13.1)	8,276,526,580	9,007,200,324
Provision for Investment Fluctuation in Shares (note 13.2)	198,263,600	198,263,600
Provision for corporate income tax (note 13.3)	195,192,494	167,659,494
Provision for Gratuity (note 13.4)	25,997,623	25,510,708
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)	2,171,985,853	2,126,052,211
Liabilities for financial expenses (note13.9)	1,653,576,415	1,504,113,270
Liabilities for sundry creditors (note13.10)	626,310,472	716,144,828
Liabilities for accrued expenses(note13.11)	129,782,156	136,281,885
Liabilities for TDS/VDS/ED(note13.12)	1,826,235,900	1,452,260,483
Provision for Interest Receivable for Loans & Advances (note 13.13)	283,056,936	-
Provision for Receivable Against Legal Expenses-Loan/Lease (note 13.14)	6,139,336	-
Dividend Payable	21,558,303	21,558,303
Deffered Tax Liabilities (note-9.1)	3,732,228	3,471,235
Client Receipt Account	161,652,185	161,652,185
Current account	-	114,491
Receivable Suspense Account	938,000,009	943,022,342
Liab. For advance rent	851,000	180,000
Balance with BO accounts	5,918,410	-
Staff Incentive	538,020	538,020
Total	17,635,549,998	17,574,255,857

	Amount in Taka	
	Dec 31, 2023	Dec 31, 2022
13.1 Provision for Lease, loans and advances		
Opening Balance	9,007,200,324	9,007,200,324
Less: Provision no longer required	(730,673,744)	-
Add: Recoveries from previously written-off loans & advances	-	-
Add: General provision provided during the year	-	-
Add: Specific provision provided during the year	-	-
Add: Specific provision for shortfall	-	-
Add: Net charge to profit and loss account	-	-
Closing balance	8,276,526,580	9,007,200,324
13.2 Provision for diminution in value of Investments		
Opening Balance	198,263,600	123,185,000
Add: Provision during the year	-	75,078,600
Less: Provision no longer required	-	-
Closing Balance	198,263,600	198,263,600
13.3 Provision for corporate income tax		
Opening Balance	167,659,494	149,097,494
Add: Provision made during the year	27,533,000	18,562,000
Less: Settlement during the year	-	-
Closing Balance	195,192,494	167,659,494
Note: 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.		
13.4 Provision for Gratuity		
Opening Balance	25,510,708	24,950,849
Add: Provision during the year	486,915	559,859
Less: Adjustment	-	-
Closing Balance	25,997,623	25,510,708
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
13.6 Provision fro TDS		
Opening Balance	22,022,848	22,022,848
Add: Addition during the year	-	-
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	2,126,052,211	2,111,256,529
Add: Addition during the year	45,933,642	14,795,682
Less: Adjustment during the year	-	-
Closing Balance	2,171,985,853	2,126,052,211

Note: Amount is credited in 2024 for Tk. 12,77,86,867 due to excess amount was debited in 2023 as an interest suspense for 2020 and 2021.

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

13.09 Liabilities for financial expenses

Accrued Financial Expenses for Borrowings	148,471,505	120,082,616
Accrued Financial Expenses for Deposits & Other Accounts	894,998,896	798,402,625
Accrued Financial Expenses for Deposits from Banks/Financial Institutions	610,106,014	585,628,029
	1,653,576,415	1,504,113,270

13.10 Liabilities for sundry creditors

Liabilities for Sundry Deposit	92,135,555	110,672,562
Liability for Supplies	7,299,797	-
Liabilities for Sundry Deposit against Loan/Lease	42,040,928	45,980,532
Lease Obligations	473,060	473,060
Liabilities for Audit Fees	1,437,500	1,035,000
Loan/Lease Part Collection	23,165,088	98,225,130
Payable Suspense Account	419,197,998	419,197,998
Liab. Sundry Deposit against Non Banking Assets	25,880,000	25,880,000
Interest Receivable (Suspense) for loans & Advances	14,680,546	14,680,546
	626,310,472	716,144,828

13.11 Liabilities for accrued expenses

Provision for Suppliers/Creditors	104,106,176	114,377,595
Provision Utilities Expenses	161,328	-
Provision for Salaries & Allowances	10,910,158	-
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
	129,782,156	136,281,885

13.12 Liabilities for TDS/VDS/ED

Liability for AIT deducted at Source	1,734,254,389	1,374,787,830
Liability for VAT deducted at Source	275,016	236,332
Liability for Excise Duty Deduction	91,706,495	77,236,321
	1,826,235,900	1,452,260,483

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 upto 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. TDS is related with interest of deposit and this liability will reduce by not charging interest on deposits. Furthermore, we have been communicating with respective tax office about the issue.

13.13 Provision for Interest Receivable for Loans & Advances

Opening Balance	-	-
Add: Addition during the year	283,056,936	-
Less: Adjustment during the year	-	-
Closing Balance	283,056,936	-

13.14 Provision for Receivable Against Legal Expenses-Loan/Lease

Opening Balance	-	-
Add: Addition during the year	6,139,336	-
Less: Adjustment during the year	-	-
Closing Balance	6,139,336	-

14 Share Capital

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

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

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 (%)	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
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	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
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

Name of Directors and their share holdings as on December 31, 2023

Sl. No.	Name of Directors	Status	31.12.2023	31.12.2022
1	Mr. Hasan Shaheed Ferdous	Chairman (Appointed by the Hon'ble Court)	-	-
2	Dr. Kazi Anowarul Hoque	Director (Appointed by the Hon'ble Court)	-	-
3	Mr. Reshad Imam	Director (Appointed by the Hon'ble Court)	-	-
4	Mr. Prashanta Bhushan Barun	Director (Appointed by the Hon'ble Court)	-	-
5	Muhammad Shafiqur Rahman	Director (Appointed by the Hon'ble Court)	-	-
6	Mr. Md. Atiqur Rahman	Director (Appointed by the Hon'ble Court)	-	-

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**

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

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	645,578,148
Non-repayable share premium account	1,018,605,234	1,018,605,234
General reserve	-	-
Retained earnings	(43,251,808,953)	(40,073,142,361)
Minority interest in subsidiaries	-	-
Non- cumulative irredeemable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	(38,733,219,601)	(35,554,553,009)

Deductions from tier-1 (Core capital)

Book value of good will 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)	-	-
Sub-Total	-	-

Total eligible Tier-1 capital

(38,733,219,601)	(35,554,553,009)
-------------------------	-------------------------

2. Tier-2 (Supplementary capital)

General provision (Unclassified up to special limit+SMA+ off balance sheet exposure)	895,580	151,673,950
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)	-	-
Sub-Total	895,580	151,673,950
Deductions, if any	-	-
Total eligible Tier-2 capital	895,580	151,673,950

A Total capital	(38,732,324,021)	(35,402,879,059)
B Total risk weighted asset	11,192,800,000	9,040,500,000
C Required capital	1,119,280,000	1,000,000,000
D Surplus / (Deficit)	(39,851,604,021)	(36,402,879,059)
Capital adequacy ratio (CAR)	-346.05%	-391.60%
On core capital (Tier-1)	-346.05%	-393.28%
On supplementary capital (Tier-2)	0.01%	1.68%

		Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
15	Statutory reserve		
	Opening balance	645,578,148	645,578,148
	Add: Addition during the year	-	-
	Closing balance	645,578,148	645,578,148
	Note: The company has to transfer 20% of net profit to statutory reserve as per the Financial Institutions		
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	(40,073,142,361)	(37,108,087,507)
	Net profit during the year	(3,178,666,592)	(3,163,308,753)
	Adjustment for During the year	-	198,253,899
	Closing balance	(43,251,808,953)	(40,073,142,361)
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	-	-
	Letter of credit:		
	For import of equipments under lease finance	-	-
	Sub-Total	-	-
	Total	-	-
20	Interest income		
	Interest on Loan	61,376,684	232,743,173
	Income from Lease Finance	380,209	380,210
	Interest on Home Loan	3,654,144	6,942,721
	Interest On Margin Loan	10,866,714	16,054,573
	Interest On Short Term Loan	158,378,689	187,870,901
	Total	234,656,440	443,991,578
21	Interest paid on deposits, borrowings etc.		
	Interest on deposits		
	Interest on Term Deposit	3,677,185,603	3,479,178,710
	Interest on MDS	-	-
		3,677,185,603	3,479,178,710
	Interest on borrowings		
	Interest on Call Loan	28,388,889	28,388,889
	Interest on Term Loan	105,277,951	-
	Interest on Overdraft	-	-
	Interest on Short Term Loan	-	-
	Other	-	-
		133,666,840	28,388,889
	Interest adjustment	-	-
	Total	3,810,852,443	3,507,567,599

		Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
22	Income from investment		
	Income from Investment/Capital gain	-	-
	Dividend income	8,119,747	8,028,628
	Total	8,119,747	8,028,628
23	Commission, exchange and brokerage		
	Commission on Bank Gurantee	-	-
	Total	-	-
24	Other operating income		
	Bank interest (SND/STD)	13,478,056	26,493,000
	Interest on FDR	38,178,636	6,855,174
	Profit from sale of assets	376,850	6,106,349
	Rental income	1,096,000	300,000
	Miscellaneous income	220,996	223,619
	Total	53,350,538	39,978,142
25	Salaries & allowances		
	Salary	18,803,919	12,629,892
	Bonus to Staff	2,261,727	1,577,572
	Company's Contribution to Employees Provident Fund	-	-
	Gratuity Expenses	823,202	559,859
	Total	21,888,848	14,767,323
26	Rent, taxes, insurance, electricity etc.		
	Office Rent	7,545,428	3,184,121
	Tax, Rates	72,171	-
	Insurance premium	-	-
	Electricity	1,189,020	932,985
	Total	8,806,619	4,117,106
27	Legal expenses		
	Legal fees	4,241,225	3,167,883
	Stamp & Court Fees	-	-
	Total	4,241,225	3,167,883
28	Postage, stamp, telecommunications etc.		
	Postage	3,684	8,554
	Telephone bill	22,874	81,689
	Fax & Internet	567,149	563,432
	Total	593,707	653,675
29	Stationery, printing, advertisement etc.		
	Stationery & Printing	757,000	403,566
	Advertisement	1,731,118	1,157,877
	Total	2,488,118	1,561,443
30	Managing director's salary and fees		
	Salary	3,759,402	1,565,587
	Festival Bonuses	-	-
	Total	3,759,402	1,565,587
31	Directors' Fees		
	Directors' fees	5,687,000	7,045,500
	Others Benefits	-	-
	Total	5,687,000	7,045,500

Directors' fees for attending each board meeting are TK. 8,000.00 (Eight Thousand) as per Bangladesh Bank DFIM Circular. No. 13, dated 30 November, 2015. Directors have not been paid any fees/remuneration for any special services rendered. Directors' fees for attending each board meeting are TK. 10,000.00 (Ten Thousand) for Directors including Chairman as per court order dated 15.11.2023 FI Matter#1/2019.

		Amount in Taka	
		Dec 31, 2023	Dec 31, 2022
32	Audit fee	431,250	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	-	-
	Depreciation for Company Premises	761,007	845,564
	Depreciation for Motor Car & Vehicle	390,017	888,934
	Depreciation for Computer	890,528	1,003,471
	Depreciation for Telephone System	43,508	48,342
	Depreciation for Air Cooler	387,885	408,300
	Depreciation for Refrigerator	8,086	8,984
	Depreciation for Generator	334,347	-
	Depreciation for Office Equipment	164,697	142,896
	Depreciation for Furniture & Fixture	1,597,312	1,681,384
	Depreciation for Crockries	821	1,025
	Sub Total	4,578,208	5,028,900
	Depreciation of company's assets		
	Non-banking asset	2,523,199	2,803,555
	Sub Total	2,523,199	2,803,555
	Amortization of Software		
	Computer software	3,280,246	40,307
	Total repair and depreciation of company's assets	10,381,653	7,872,762
35	Other expenses		
	Traveling & Conveyance Expenses	381,402	181,676
	Entertainment	562,230	291,261
	Security Services	405,724	1,269,587
	Meeting Expenses	215,656	256,299
	Fees & Subscription	700,000	600,000
	Office Maintenance	2,452,589	3,695,941
	Fuel ,Oil & Lubricant	739,618	462,558
	Bank charges & commission	324,321	58,665
	Excise duty	729,972	699,150
	Donation (CSR)	-	100,000
	CDBL charges	219,100	9,600
	Trade Licence	27,870	131,770
	BO Accounts Charge	2,623,496	-
	AGM Expenses	1,375,866	-
	Miscellaneous	8,588,687	4,340,552
	Total	19,346,531	12,097,059
36	Provision for loans & advances		
	Provision for classified loans & advances	(727,942,992)	-
	Provision for classified loans & advances req. by Bangladesh Bank	-	-
	Provision for unclassified loans & advances	(2,730,752)	-
	Provision for diminution in value of investments	-	75,078,600
	Provision for FDR	-	-
	Provisipon for TDS	-	-
	Provision for Interest Receivable for Loans & Advances	283,056,936	-
	Provision for Receivable Against Legal Expenses-Loan/Lease	6,139,336	-
	Total	(441,477,472)	75,078,600

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

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 2023.

Provision for current tax**Opening balance**

Add: Provision made during the year

Less: Settlement during the year

Closing balance

-	-
27,533,000	18,562,000
-	-
27,533,000	18,562,000

38 Provision for Deferred tax

Deferred Tax expense

Deferred Tax Income

260,993	215,564
-	-
260,993	215,564

39 Other Comprehensive Income/(Loss) for the period

Unrealizable Gain/(Loss) for Own portfolio

-	-
---	---

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)

Weighted Average Number of ordinary shares outstanding during the year

(3,178,666,592)	(3,163,308,753)
285,440,597	285,440,597

Basic earnings per share (in Taka)

(11.14)	(11.08)
----------------	----------------

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)

Total Number of Ordinary shares outstanding

(38,733,219,601)	(35,554,553,009)
285,440,597	285,440,597

Net Assets Value (NAV) per share

(135.70)	(124.56)
-----------------	-----------------

42 Net Operating Cash Flows Per Share (NOCFPS)**Net Cash flows from Operating Activities**

Total Number of Ordinary shares outstanding

106,693,986	344,900,228
285,440,597	285,440,597

Net Operating Cash Flows Per Share (NOCFPS)

0.37	1.21
-------------	-------------

43 Reconciliation of Net Profit with Cash Flows from Operating Activities**Net Profit after tax****(3,178,666,592)****(3,163,308,753)****Items not involved in cash movement**

Add: Depreciation

10,381,652

7,872,762

Add: Provisions for loans and investments

289,196,272

75,078,600

Add: Provisions for Taxation

27,793,993

18,777,564

Add/(Less): Accrued expenses

921,250

1,035,000

Add/(Less): Accrued Income

-

64,650,835

Increase/decrease in operating assets and liabilities

(2,850,373,425)

(2,995,893,992)

Investment in shares/bond

(146,618,850)

-

Loans and advances to customers

128,498,292

(192,804,911)

Other assets

8,111,696

(2,319,141)

Borrowing from bank/FIs

105,277,951

-

Deposits from customers and others

2,901,127,762

3,559,284,273

Other liabilities

(39,329,440)

(23,366,001)

2,957,067,411

3,340,794,220

Net Cash flows from/(used in) Operating Activities

106,693,986

344,900,228

Ref.GKC/24-25/A/209

ANNUAL REPORT 2023

111

Amount in Taka	
Dec 31, 2023	Dec 31, 2022

44 Others

44.1 For the Year ended December 31, 2023

Name of Court	No. of Suits	Suit Value (in Lac)	Recovery (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 27 employees were employed in PLFS as of 31 December, 2023.

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 72nd meeting held on 28-11-2024.

48 Discloser of Quick Summary of Bangladesh Bank Inspection report

Bangladesh Bank performed inspection on Calcification Loan (CL) for the year ended 2023 and provide a quick summery report for finalization of Financial Statement for 2023. In this regards we prepared Financial Statement for 2023 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 14-7-2-19 under the Hon'ble Hige Court order and non -business period was late of 2023. So interest charge on any borrowing 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 borrowing 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 time higer than assests. Eventhough, assets quality is very poor and inadequate to meet up total liabilities.

Fixed Assets Schedule

As at December 31, 2023

Figures in Taka

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on December 31, 2023	
		Balance as on 1 Jan, 2023	Additions during the Year	Adjustment during the year		Balance as on December 31, 2023	Charged during the year	Adjustment during the year	Balance as on December 31, 2023		
1	Company Premises	33,265,482	-	-	33,265,482	10%	25,655,408	761,007	-	26,416,415	6,849,067
2	Motor Car & Vehicle	11,860,360	-	-	11,860,360	20%	9,910,274	390,017	-	10,300,291	1,560,069
3	Computer	21,219,936	438,756	317,047	21,341,645	20%	17,206,069	890,528	256,619	17,839,977	3,501,668
4	Telephone System	1,756,858	-	-	1,756,858	10%	1,321,797	43,508	-	1,365,305	391,553
5	Air Cooler	10,880,664	-	3,322,350	7,558,314	5%	3,122,957	387,885	2,185,771	1,323,072	6,233,242
6	Refrigerator	209,002	-	-	209,002	10%	128,142	8,086	-	136,228	72,774
7	Generator	-	3,343,467	-	3,343,467	10%	-	334,347	-	334,347	3,009,120
8	Office Equipment	4,779,581	251,900	-	5,031,481	20%	4,208,000	164,697	-	4,372,697	658,784
9	Furniture & Fixtures	53,627,344	-	13,703,707	39,923,637	5%	21,681,114	1,597,312	4,211,679	19,066,746	20,856,891
10	Crockeries	39,106	-	-	39,106	20%	35,003	821	-	35,823	3,283
11	Software	507,004	16,240,000	-	16,747,004	20%	345,786	3,280,246	-	3,626,032	13,120,972
For the year ended 31 December 2023:		138,145,337	20,274,123	17,343,104	141,076,356		83,614,550	7,858,453	6,654,069	84,818,934	56,257,423
As on 31 December, 2022		153,707,177	211,750	15,773,590	138,145,337		92,713,283	5,069,206	14,167,939	83,614,550	54,530,788

Non-Banking Assets

SI No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION				Written Down Value as on December 31, 2023	
		Balance as on 1 Jan, 2023	Additions during the Year	Adjustment during the year		Balance as on December 31, 2023	Charged during the year	Adjustment during the year	Balance as on December 31, 2023		
1	Company Premises	58,558,336	-	-	58,558,336	10%	33,326,344	2,523,199	-	35,849,543	22,708,793
As on 31 December, 2023		58,558,336	-	-	58,558,336		33,326,344	2,523,199	-	35,849,543	22,708,793
As on 31 December, 2022		58,558,336	-	-	58,558,336		30,522,789	2,803,555	-	33,326,344	25,231,992

Fixed Assets Schedule

As at December 31, 2022

Figures in Taka

SI 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 1 Jan, 2022	Charged during the year	Adjustment during the year		
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	53,980,594	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
For the year ended December 31, 2022		153,707,177	211,750	15,773,590		92,713,285	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

IAS 1.55

SI 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 1 Jan, 2022	Charged during the year	Adjustment during the year		
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

People's Leasing And Financial Services Ltd.
Classification and provisioning of Loan, Lease and Advance
As on 31/12/2023

ANNEXURE-B

Classification status of Loan, Lease & Advance as on 31/12/2023	Amount of outstanding Loan Lease and Advance as on 31/12/2023	Base for Provision	Percentage(%) of provision required as per Bangladesh bank directive	Provision Required 31/12/2023	Provision Required 31/12/2022
---	---	--------------------	--	-------------------------------	-------------------------------

Genarel Provision

Standered Non SME	69,153,000	69,153,000	1%	691,530	915,400
Standered SME	-	-	0%	-	-
Special Mention Account(SMA)	4,552,000	4,081,000	5%	204,050	36,300

Total A	73,705,000	73,234,000	-	895,580	951,700
----------------	-------------------	-------------------	----------	----------------	----------------

Specific Provision

Sub Standard (SS)	1,403,000	1,185,000	20%	237,000	24,600
Doubtful (DF)	1,834,000	406,000	50%	203,000	701,000
Bad and Loss (BL)	12,104,745,300	8,275,191,000	100%	8,275,191,000	8,118,966,000

Total B	12,107,982,300	8,276,782,000		8,275,631,000	8,119,691,600
----------------	-----------------------	----------------------	--	----------------------	----------------------

G.Total (A+B)	12,181,687,300	8,350,016,000		8,276,526,580	8,120,643,300
----------------------	-----------------------	----------------------	--	----------------------	----------------------

Provision Kept:

General	895,580	3,626,332
Specific	8,275,631,000	9,003,573,992
Total	8,276,526,580	9,007,200,324

Surplus/(Deficit)	-	886,557,024
--------------------------	----------	--------------------

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

ANNEXURE-C

Sl. No.	Particulars	Amount in Tk.	
		2023	2022
1	Paid-up Capital	2,854,405,970	2,854,405,970
2	Total Capital	(38,733,219,601)	(35,554,553,009)
3	Capital Surplus	(41,587,625,571)	(38,408,958,979)
4	Total Assets	15,181,908,871	15,210,360,299
5	Total Deposits	32,210,023,880	29,226,380,808
6	Total loans & advances	12,181,687,300	12,310,185,592
7	Total contingent liabilities and commitments	150,000,000	150,000,000
8	Credit deposit ratio	37.82%	42.12%
9	Percentage of classified loans against total loans & advances	98.87%	98.87%
10	Profit after tax and provision	(3,178,666,592)	(3,163,308,753)
11	Amount of classified loans during the year	12,044,034,234	12,197,074,890
12	Provision kept against classified loans	8,276,526,580	9,007,200,324
13	Provision surplus against classified loans	-	886,557,024
14	Cost of fund	12.27%	12.00%
15	Interest earning assets	13,862,430,902	14,037,523,130
16	Non-interest earning assets	1,319,477,968	1,172,837,170
17	Return on Investments	(25.30)	(25.21)
18	Return on assets (ROA)	(20.92)	(18.79)
19	Income from loans & advances & investment	242,776,187	452,020,206
20	Earnings per share	(11.14)	(11.08)
21	Net income per share	(11.14)	(11.08)
22	Price earnings ratio	(0.27)	(0.27)



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 **28th Annual General Meeting (AGM)** of the Company
to be held on **December 31, 2024, Tuesday at 11.30 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