

# Auditors' Report



Name of Client

People's Leasing and Financial Services Limited  
for the year ended 31 December 2018

পিনাকী এণ্ড কোম্পানী  
**Pinaki & Company**

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## Independent Auditor's Report

To the Shareholders of People's Leasing and Financial Services Limited

Report on the Audit of the Consolidated and Separate Financial Statements

### Qualified Opinion

We have audited the consolidated financial statements of People's Leasing and Financial Services Limited and its subsidiary (the "Group") as well as the separate financial statements of People's Leasing and Financial Services Limited (the "Company"), which comprise the consolidated and separate Balance Sheets as at 31 December 2018 and the consolidated and separate profit and loss accounts, consolidated and separate statements of changes in equity and consolidated and separate cash flow statements for the year then ended and notes to the consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements of the Group and separate financial statements of the company give a true and fair view of the Consolidated Balance Sheet of the Group and the separate Balance Sheet of the Company as at 31 December 2018, and of its consolidated and separate financial performance and its consolidated and separate Cash Flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as explained in note 1 to 2.

### Basis for Qualified Opinion

1. The company incurred a net loss of Tk. 1,495,823,505 during the year ended December 31, 2018 which along with subsidiary unit's loss namely PLFS Investment Limited stood at a Consolidated figure of Tk. 1,591,406,828 during this year under reference. The total accumulated loss as on that date showed at Tk. 23,246,824,134 for the total group. Moreover, the current liabilities are 3.11 times higher than that of current assets. These conditions indicate the existence of material uncertainty that may cast significant doubt about the company's ability to continue as a going concern. Last year's figures have been restated as per instruction by the Bangladesh Bank resulting which an amount of Tk. 7,591,167,775 has been incurred as loss instead of previous year profit of Tk. 51,995,691 shown as per audited financial statement.
2. The cost value of the subsidiary company PLFS Investment Limited was Tk. 200,445,000. The equity of this subsidiary as on 31.12.2018 was Tk.106, 716,123 which ultimately reduced investment by Tk.93,728,877. Provision against these investments was not made as per FID circular no. 06, dated August 20, 2006.





3. There has been made huge adjustment entries which could not satisfy us resulting which there may appear certain misstatement in the Financial Statements because of the change in new software adoption.

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 Consolidated and Separate Financial Statements section of our report. We remained independent of the Group and 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.

#### Matter of Emphasis

Without qualifying our opinion, we draw attention to the matter disclosed in note-14.1.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. We summarize below the key audit matters in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for qualified Opinion section we have determined the matters described below to be the key audits matters to be communicated in our report.

The key audit matters are discussed below together with an explanation of how the risk and our audit response were tailored to address these specific areas.

All key audit matters are applicable to both the group and parent company.

Sl.	Particulars	Risks	Auditor's responses
I.	<p><b>Provision for loans and advances:</b> As of the reporting date, the Group reports loans &amp; advances BDT 1126.39 crore represents 74.84% of total assets, provisions regarding loan &amp; advances of BDT 566.85 crore.</p> <p>Refer to note no 7(a) &amp; 13.1 to the financial statements.</p>	<p>The financial statement risk arises particularly from estimation uncertainties in the calculation of individually assessed provision on loan which are, especially in these industries, based upon judgmental assumptions and scenarios i.e. probability of default, ability to repossess collateral, recovery scenario, going concern scenario etc.</p> <p>As part of our risk assessment, we identified the following significant judgments and estimates which could give rise to material misstatement or management bias:</p> <ul style="list-style-type: none"> <li>• Completeness and timing of recognition of provision of loans in accordance with criteria set out in FID circular no. 03, 06 &amp; 08.</li> <li>• For individually assessed provisions, the measurement of the provision may be dependent on the valuation of collateral, estimates of exit values and the timing of cash flows.</li> </ul>	<p>We established our audit approach over the individual provision including control and substantive testing:</p> <ul style="list-style-type: none"> <li>• The accuracy of data input into the system used for credit grading and the approval of credit facilities</li> <li>• The ongoing monitoring* and identification of loans displaying indicators of provision and whether they are migrating, on a timely basis including generation of days past due reports.</li> </ul> <p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>• Tested the credit appraisal, loan disbursement procedures, monitoring and provisioning process;</li> <li>• Identification of loss events, including early warning and default warning indicators;</li> </ul> <p>Our substantive procedures in relation to the provision for loans and advances portfolio comprised the following:</p> <ul style="list-style-type: none"> <li>• Reviewed the adequacy of the company's general and specific provisions; Assessed the methodologies on which the provision amounts based, recalculated the Provisions and tested the completeness and accuracy of the underlying information;</li> </ul> <p><b>Optimum results:</b> Finally assessed the appropriateness and presentation of disclosures against relevant accounting standards and Bangladesh Bank guidelines.</p>





Sl.	Particulars	Risks	Auditor's responses
ii	<p><b>Measurement of deferred tax liabilities:</b> The deferred tax liabilities amounting to BDT 82.30 Lac was shown in the financial statements as at 31 December 2018.</p> <p>For significant accounting policies and critical accounting estimates for the recognition and measurement of deferred tax liabilities.</p> <p>We refer to note number 9.1 of the consolidated financial statements.</p>	<p>Recognition and measurement of deferred tax liabilities contain judgment and objective estimates regarding future taxable profit and the usability of unused tax losses and tax credits.</p> <p>The significant risk arises from estimation of future usability of the benefits. Such estimation required in relation to deferred tax liabilities as their recoverability is dependent on forecasts of profitability available in near future.</p>	<p>We have conducted a risk assessment to obtain an understanding of the relevant tax laws and regulations considering the following:</p> <ul style="list-style-type: none"> <li>➤ Evaluation of the policies used for recognition and measurement of deferred tax liabilities in accordance with IAS 12,</li> <li>➤ Test of design, implementation and operating effectiveness of internal controls with respect to recognition of deferred tax liabilities,</li> <li>➤ The computation of deferred tax liabilities by applying appropriate provisions of tax law to scheduled reversals particularly the potential tax rates applicable at the time of expected reversals,</li> <li>➤ The strategy's compliance with the tax laws.</li> </ul> <p><b>Optimum results:</b> We considered recognition and measurement of deferred tax liabilities in particular regarding the assumptions and parameters to develop the taxable profit and usability of tax losses and credits to be reasonable.</p>



Sl.	Particulars	Risks	Auditor's responses
iii.	<p>Carrying value of investments in subsidiary by the Company: The Company has invested in equity shares of its subsidiary PLFS Investment Limited is BDT 20.04 crore.</p> <p>Refer to note no 9 to the consolidated financial statements.</p>	<p>Recoverability of the investment is considered a high risk of significant misstatement or subject to significant judgment. However, due to the materiality of the investment in the context of the parent company financial statements, this is considered to be the area that had the greatest focus of our overall parent company audit. Management has conducted impairment assessment and calculated recoverable value of its subsidiary PLFS Investment Limited in accordance with IAS 36.</p>	<p>Comparing the carrying amount of the total investment balance with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessing whether those subsidiaries have historically been profit-making.</p> <p>In particular, our discussions with the Management were focused on the continued appropriateness of the value in use model, the key assumptions used in the model, the reasonably possible alternative assumptions, particularly where they had the most impact on the value in use calculation.</p> <p><b>Optimum results:</b> We considered the Company's assessment of the recoverability of the investment in subsidiaries to be reasonable in the context.</p>

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements of the Group and also separate financial statements of the Company in accordance with IFRSs as explained in note 2.22, and for such internal control as management determines is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institution Act, 1993 and the Bangladesh Bank Regulations require the Management to ensure effective internal audit, internal control and risk management functions of the Company. The Management is also required to make a self-assessment on the effectiveness of anti-fraud internal controls and report to Bangladesh Bank on instances of fraud and forgeries.

In preparing the consolidated and separate financial statements, management is responsible for assessing the Group's and 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 Group and the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's and the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 consolidated and separate financial statements

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

#### We also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 Group's and 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 consolidated and separate 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 Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.





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

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 consolidated and separate 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 Institution Act, 1993 and the rules and regulations issued by Bangladesh Bank, 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 consolidated balance sheet and consolidated profit and loss account together with the annexed notes 1 to 50 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) 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;
- (x) 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;
- (xi) 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;
- (xii) We have reviewed over 80% of the risk weighted assets of the Company and we have spent around 915 person hours for the audit of the books and accounts of the Company;
- (xiii) The Company has complied with relevant instructions which were issued by Bangladesh Bank relevant to classification, provisioning and calculation of interest suspense;
- (xiv) The Company has complied with the 'First Schedule' of Bank Companies Act, 1991 in preparing these financial statements; and
- (xv) All other issues which in our opinion are important for the stakeholders of the Company have been adequately disclosed in the audit report.

*Pinak Das*  
Pinaki Das, FCA  
Pinaki & Company  
Chartered Accountants  
Dhaka- 27 June 2019

**People's Leasing and Financial Services Ltd.**  
**Consolidated Balance Sheet**  
As on December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>PROPERTY &amp; ASSETS</b>			
Cash & Cash Equivalents	3.a		
In Hand (including foreign currencies)		134,800	79,429
Balance with Bangladesh Bank and Its Agent Banks (including foreign currencies)		4,488,010	16,055,487
		<u>4,620,610</u>	<u>16,134,916</u>
Balance with other Banks and Financial Institutions	4.a		
Inside Bangladesh		1,191,733,080	2,078,021,301
Outside Bangladesh		-	-
		<u>1,191,733,080</u>	<u>2,078,021,301</u>
Money at Call and Short Notice	5	-	-
Investments	6.a		
Government		-	-
Others		449,199,157	1,687,641,917
		<u>449,199,157</u>	<u>1,687,641,917</u>
Loans & Advances	7.a		
Lease Receivables		845,928,000	1,079,477,898
Advance for Lease Finance		-	377,764
Direct/ Term Finance		10,348,693,355	11,769,144,804
Secured Overdraft		89,458,493	72,144,637
Bills Discounted and Purchased		-	-
		<u>11,283,979,848</u>	<u>12,921,144,823</u>
Property, Plant & Equipment	8.a	88,480,930	70,705,881
Intangible Asset	8.1	-	-
Other Assets	9.a	2,014,298,930	1,847,861,342
Non-Banking Assets	10	38,468,708	42,579,676
<b>Total Assets</b>		<u><b>15,050,737,244</b></u>	<u><b>18,664,090,057</b></u>
<b>LIABILITIES &amp; CAPITAL</b>			
Borrowings from Other Banks, Financial Institutions & Agents	11.a	5,278,324,971	6,067,977,668
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		20,342,289,010	19,117,047,549
Bearer Certificate of Deposits		-	-
Other Deposits		80,136,175	79,621,098
		<u>20,422,405,185</u>	<u>19,196,668,647</u>
Other Liabilities	13.a	8,048,905,528	10,508,935,367
<b>Total Liabilities</b>		<u><b>33,749,635,684</b></u>	<u><b>35,771,681,870</b></u>
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16.a	7,478,823	7,478,823
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18.a	(23,246,824,134)	(21,671,666,471)
<b>Total Shareholders' Equity</b>		<u><b>(18,720,755,960)</b></u>	<u><b>(17,145,680,297)</b></u>
Non-Controlling Interest	14.a	21,867,819	38,106,684
<b>Total Liabilities &amp; Shareholders' Equity</b>		<u><b>15,050,737,244</b></u>	<u><b>18,664,090,057</b></u>



People's Leasing and Financial Services Ltd.  
Consolidated Balance Sheet  
As on December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>OFF-BALANCE SHEET ITEMS</b>			
Contingent liabilities	19		
Letters of guarantee		325,000,000	325,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		<u>325,000,000</u>	<u>325,000,000</u>
<b>Other Commitments</b>			
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		-	-
		<u>-</u>	<u>-</u>
<b>Total off-balance sheet items including contingent liabilities</b>		<u>325,000,000</u>	<u>325,000,000</u>
<b>Net Assets Value (NAV) per share</b>		<b>(65.59)</b>	<b>(80.07)</b>

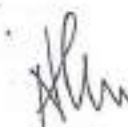
The annexed notes 1 to 50 and Annexure - A & B form an integral part of these consolidated financial statements.

  
Chairman

  
Vice Chairman

  
Director

  
Managing Director & CEO

  
Head of Accounts

  
Company secretary

Dated, Dhaka  
June 27, 2019

  
Pinaki & Company  
Chartered Accountants

**People's Leasing and Financial Services Ltd.**  
**Consolidated Profit and Loss Account**  
**For the Year ended December 31, 2018**

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>OPERATING INCOME</b>			
Interest income	20.a	908,073,001	876,890,962
Interest paid on deposits, borrowings etc.	21.a	(3,260,799,897)	(2,434,771,148)
Net interest income		(2,351,725,896)	(1,667,780,186)
Income from investment	22.a	(188,807,969)	296,358,212
Commission, exchange and brokerage	23	1,400,000	1,225,000
Other operating income	24.a	15,822,386	44,629,347
Total operating income		(2,523,311,479)	(1,218,557,627)
<b>OPERATING EXPENSES</b>			
Salaries & allowances	25.a	134,574,795	129,168,965
Rent, taxes, insurance, electricity etc.	26.a	26,384,647	23,896,263
Legal expenses	27.a	1,449,320	667,889
Postage, stamp, telecommunications etc.	28.a	1,359,222	2,889,567
Stationery, printing, advertisement etc.	29.a	6,055,487	8,172,253
Managing director's salary and fees	30	5,794,000	2,891,887
Directors' fees	31.a	587,683	1,266,305
Audit fee	32.a	442,500	475,250
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34.a	15,004,940	15,761,702
Other expenses	35.a	36,763,473	44,427,889
Total operating expenses		228,436,077	229,427,550
Profit before provision		(2,751,747,556)	(1,445,995,177)
Provision for loans & advances	36.a	(1,114,206,322)	6,082,156,000
Specific provision			
General provision		(45,107,583)	(13,645,130)
Provision for diminution in value of investments			
Other provision		(1,189,313,908)	6,068,510,870
Total provision		(1,592,433,651)	(7,614,506,047)
Profit before taxes			
Provision for tax			
Current tax	37.a	7,814,792	38,533,735
Deferred tax	38.a	(8,841,815)	38,127,993
Total provision		(1,026,823)	76,661,728
Profit after tax		(1,591,406,828)	(7,591,167,775)
Less: Appropriations			
Statutory reserve		-	-
General reserve		-	-
Retained surplus		(1,591,406,828)	(7,591,167,775)
Attributable to:			
Shareholders of the Company		(1,575,157,983)	(7,614,361,459)
Non-Controlling Interest		(16,248,845)	23,193,684
		(1,591,406,828)	(7,591,167,775)
Earnings per share (EPS)	38.a	(5.52)	(26.68)

The annexed notes 1 to 50 and Annexure - A & B form an integral part of these consolidated financial statements.

  
Chairman

  
Managing Director & CEO

  
Vice Chairman

  
Head of Accounts

  
Director

  
Company secretary

Signed as per annexed report on even date  
Dated, Dhaka  
June 27, 2019

  
Pinaki & Company  
Chartered Accountants



People's Leasing and Financial Services Ltd.  
Consolidated Statement of Cash Flows  
For the year ended December 31, 2018


Particulars	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Interest received	736,326,101	951,637,610
Interest paid	(3,477,352,245)	(2,578,435,379)
Dividend received	32,937,752	52,184,379
Payments to employees	(142,298,759)	(133,436,559)
Payments to suppliers	(22,716,615)	(22,102,168)
Payments of Income Tax	(106,406,442)	(51,842,748)
Received from other operating activities	(116,493,853)	287,823,180
Payments for other operating activities	(49,279,336)	(89,824,862)
Cash generated from operating activities	(3,147,283,497)	(1,553,818,347)
Increase/(decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances to other customers	1,927,733,595	(399,474,962)
Other assets	(167,406,855)	(232,402,638)
Deposits from other Banks	(397,756,407)	236,000,000
Deposits from customers	1,623,492,945	2,951,482,622
Other liabilities	(901,923,733)	842,017,823
	2,094,139,525	3,197,822,947
Net Cash from Operating Activities	(1,053,143,972)	1,643,804,600
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sales of investment in securities	1,238,442,780	172,997,469
Purchase of property, plant and equipment	(22,880,140)	(12,064,472)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	1,215,562,620	160,932,997
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Drawdown of Term loan, Overdraft and Money Market	(1,060,221,195)	(191,444,494)
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	(1,060,221,195)	(191,444,494)
<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	(897,802,547)	1,613,293,103
<b>E Effects of exchange rate changes on cash and cash equivalents</b>		
<b>F Cash and cash equivalents at beginning of the year</b>	2,094,158,217	480,863,114
<b>G Cash and cash equivalents at end of the year (D+E+F)</b>	1,196,355,670	2,094,158,217
Cash and cash equivalents at end of the year		
Cash in hand	134,600	79,429
Balance with Bangladesh Bank and its agents bank(s)	4,486,010	16,055,487
Balance with other banks and financial institutions	1,191,733,060	2,078,021,301
Money at call and short notice	-	-
	1,196,353,670	2,094,158,217
Net Operating Cash Flow per share	(3.66)	5.76

  
Chairman


  
Vice Chairman

  
Director



  
Managing Director & CEO

  
Head of Accounts

  
Company Secretary

People's Leasing and Financial Services Ltd.  
Consolidated Statement of Changes in Equity  
For the Year ended December 31, 2018


Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on January 01, 2018	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(21,671,666,471)	(17,145,598,297)	38,106,684	(17,107,491,613)
Changes in accounting policy	-	-	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(21,671,666,471)	(17,145,598,297)	38,106,684	(17,107,491,613)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	18,249,165	18,249,165	-	18,249,165
Non-Controlling Interest	-	-	-	-	-	-	-	-
Changes of Non-controlling Interest	-	-	-	-	-	-	-	-
Adjustments of Non-controlling Interest	-	-	-	-	-	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	-	-	-	-
Transfer to statutory reserve	-	-	-	-	(1,581,406,828)	(1,581,406,828)	-	(1,581,406,828)
Net profit for the year	-	-	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-	-	-
Balance as on December 31, 2018	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(23,246,824,134)	(18,720,755,960)	21,857,519	(18,696,398,441)
Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total Equity	Non-Controlling Interest	Total
Balance as on 1 January, 2017	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(1,417,620,314)	3,106,961,106	29,367,384	3,136,348,490
Adjustment for previous years loss	-	-	-	-	(12,612,824,828)	(12,612,824,828)	-	(12,612,824,828)
Restated balance	2,854,405,970	645,578,147	5,992,069	1,018,605,234	(14,030,445,140)	(9,505,863,720)	29,367,384	(9,476,475,336)
Surplus/(deficit) on account of revaluation of investments	-	-	-	-	(4,480,123)	(4,480,123)	-	(4,480,123)
Non-Controlling Interest	-	-	-	-	-	-	-	-
Changes of Non-controlling Interest	-	-	-	-	-	-	-	-
Adjustments of Non-controlling Interest	-	-	1,486,754	-	(1,486,754)	-	-	-
Net gains and losses not recognized in income statement	-	-	-	-	(45,573,432)	(45,573,432)	-	(45,573,432)
Transfer to statutory reserve	-	-	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(7,591,167,775)	(7,591,167,775)	-	(7,591,167,775)
Balance as on December 31, 2017	2,854,405,970	645,578,147	7,478,823	1,018,605,234	(21,671,666,471)	(17,145,598,297)	38,106,684	(17,107,491,612)

  
Chairman

  
Vice Chairman

  
Managing Director & CEO

  
Head of Accounts

  
Company Secretary



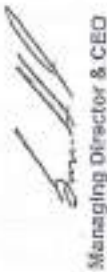
People's Leasing and Financial Services Ltd.  
Consolidated Liquidity Statement  
As on December 31, 2018

Particulars	Amount in Taka					
	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 Years maturity	More than 5 years maturity	2017
Cash	134,500	-	-	-	-	79,429
Balances with Bangladesh bank	4,488,010	-	-	-	-	16,055,487
Balances with other banks	(5,466,940)	20,000,000	1,177,200,000	-	-	2,078,021,301
Money at call and on short notice	-	-	-	-	-	-
Investments	139,679,274	-	113,954,883	195,585,000	-	1,687,641,917
Loans and advances	229,152,027	458,304,054	2,062,368,244	5,993,483,224	2,520,672,298	12,821,144,923
Property, plant & equipment	-	-	20,489,086	39,434,992	28,557,852	70,705,981
Other assets	439,747,054	399,192,365	487,030,838	427,394,780	260,901,895	1,847,861,342
Non-banking assets	-	-	-	38,468,708	-	42,579,676
<b>Total assets</b>	<b>807,732,025</b>	<b>877,495,419</b>	<b>3,861,022,051</b>	<b>6,694,354,705</b>	<b>2,810,132,045</b>	<b>18,664,090,067</b>
<b>LIABILITIES:</b>						
Borrowings from other Banks, Financial Institutions & Agents	552,900,000	2,653,240,122	605,434,361	1,458,750,468	-	6,067,977,666
Deposit and other accounts	648,659,487	1,945,378,462	9,729,892,312	6,324,430,003	1,773,444,921	19,198,868,647
Provision and other liabilities	708,112,334	234,801,936	156,010,879	5,329,500,000	620,080,579	10,508,935,357
<b>Total liabilities</b>	<b>1,919,671,822</b>	<b>4,834,020,520</b>	<b>10,491,337,551</b>	<b>14,111,680,471</b>	<b>2,393,525,500</b>	<b>35,771,581,670</b>
<b>Net Liquidity Gap</b>	<b>(1,111,939,797)</b>	<b>(3,956,524,101)</b>	<b>(6,630,315,320)</b>	<b>(7,416,725,766)</b>	<b>(416,606,545)</b>	<b>(17,107,491,613)</b>

  
Chairman

  
Vice Chairman

  
Director

  
Managing Director & CEO

  
Head of Accounts

  
Company Secretary



People's Leasing and Financial Services Ltd.  
Balance Sheet  
As on December 31, 2018

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>PROPERTY &amp; ASSETS</b>			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		104,600	49,429
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		4,486,010	16,055,487
		<b>4,590,610</b>	<b>16,104,916</b>
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		1,153,402,756	1,955,742,391
Outside Bangladesh		-	-
		<b>1,153,402,756</b>	<b>1,955,742,391</b>
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		271,275,830	1,017,458,206
		<b>271,275,830</b>	<b>1,017,458,206</b>
Loans & Advances	7		
Large Receivables		845,928,000	1,079,477,858
Advance for Lease Finance		-	377,784
Direct/ Term Finance		10,842,214,863	12,330,297,210
Secured Overdraft		69,458,493	72,144,637
Bills Discounted and Purchased		-	-
		<b>11,457,601,356</b>	<b>13,480,297,529</b>
Property, Plant & Equipment	8	84,022,110	69,034,025
Intangible Asset		-	-
Other Assets	9	2,053,343,265	1,660,996,144
Non-Banking Assets	10	36,456,700	42,579,676
<b>Total Assets</b>		<b>15,062,692,635</b>	<b>18,436,712,887</b>
<b>LIABILITIES &amp; CAPITAL</b>			
Borrowings from Other Banks, Financial Institutions & Agents	11	5,282,250,258	6,067,077,656
Deposits & Other Accounts	12		
Current deposits & Other Accounts, etc.		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		20,362,269,010	19,117,047,549
Bearer Certificate of Deposits		-	-
Other Deposits		60,136,175	79,621,098
		<b>20,442,405,185</b>	<b>19,196,668,647</b>
Other Liabilities	13	7,885,064,275	10,303,270,162
<b>Total Liabilities</b>		<b>33,689,719,718</b>	<b>35,567,916,465</b>
Capital/ Shareholders' Equity			
Paid-up Capital	14	2,854,405,970	2,854,405,970
Statutory Reserve	15	645,578,147	645,578,147
General Reserve	16	-	-
Share Premium	17	1,018,605,234	1,018,605,234
Retained Earnings	18	(23,145,616,434)	(21,649,792,929)
<b>Total Shareholders' Equity</b>		<b>(18,627,027,063)</b>	<b>(17,131,203,578)</b>
<b>Total Liabilities &amp; Shareholders' Equity</b>		<b>15,062,692,635</b>	<b>18,436,712,887</b>

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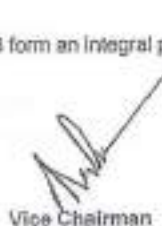


**People's Leasing and Financial Services Ltd.**  
**Balance Sheet**  
**As on December 31, 2018**

Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>OFF-BALANCE SHEET ITEMS</b>			
Contingent liabilities	19		
Letters of guarantee		325,000,000	325,000,000
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		325,000,000	325,000,000
<b>Other Commitments:</b>			
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		-	-
		-	-
<b>Total off-balance sheet items including contingent liabilities</b>		<b>325,000,000</b>	<b>325,000,000</b>
<b>Nat Assets Value (NAV) per share</b>		<b>(65.26)</b>	<b>(80.02)</b>

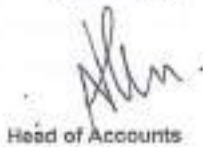
The annexed notes 1 to 50 and Annexure - A & B form an integral part of these financial statements.

  
Chairman

  
Vice Chairman

  
Director

  
Managing Director & CEO

  
Head of Accounts

  
Company secretary

Dated, Dhaka  
June 27, 2019

  
Pinaki & Company  
Chartered Accountants

People's Leasing and Financial Services Ltd.  
Profit & Loss Account  
For the Year ended December 31, 2018


Particulars	Notes	Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>OPERATING INCOME</b>			
Interest income	20	823,864,334	898,458,975
Interest paid on deposits, borrowings etc.	21	(3,250,559,252)	(2,434,771,148)
Net interest income		(2,336,664,918)	(1,536,312,173)
Income from investment	23	(108,552,850)	152,493,204
Commission, exchange and brokerage	23	1,400,000	1,225,000
Other operating income	24	3,571,695	6,378,447
<b>Total operating income</b>		<b>(2,440,246,173)</b>	<b>(1,378,215,522)</b>
<b>OPERATING EXPENSES</b>			
Salaries & allowances	25	124,092,611	120,220,811
Rent, taxes, insurance, electricity etc.	26	23,758,510	21,408,692
Legal Expenses	27	1,449,320	867,868
Postage, stamp, telecommunications etc.	28	1,104,245	2,510,235
Stationery, printing, advertisement etc.	29	5,674,948	7,987,219
Managing director's salary and fees	30	5,794,000	2,891,667
Directors' fees	31	577,683	1,201,306
Audit fee	32	402,500	402,500
Loans & advances written-off expenses	33 & 13.1	-	-
Repair, depreciation and amortization of company's assets	34	14,239,317	14,782,285
Other expenses	35	31,775,455	39,575,949
<b>Total operating expenses</b>		<b>208,868,492</b>	<b>211,648,532</b>
<b>Profit before provision</b>		<b>(2,649,114,665)</b>	<b>(1,587,064,054)</b>
Provision for loans & advances			
Specific provision	38	(1,114,206,322)	6,082,156,000
General provision			
Provision for diminution in value of investments	36	(45,241,947)	(2,221,551)
Other provision			
<b>Total provision</b>		<b>(1,159,448,269)</b>	<b>6,079,934,449</b>
<b>Profit before taxes</b>		<b>(1,489,666,396)</b>	<b>(7,607,129,605)</b>
Provision for tax			
Current tax	37	6,000,000	35,215,821
Deferred tax	38	157,109	24,586,883
<b>Total provision</b>		<b>6,157,109</b>	<b>59,802,704</b>
<b>Profit after tax</b>		<b>(1,495,823,505)</b>	<b>(7,727,601,207)</b>
<b>Profit available for appropriations</b>		<b>(1,495,823,505)</b>	<b>(7,727,601,207)</b>
Appropriations			
Statutory reserve			
General reserve			
<b>Retained surplus</b>		<b>(1,495,823,505)</b>	<b>(7,727,601,207)</b>
Earnings per share (EPS)	39	(5.24)	(27.07)

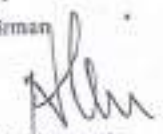
The annexed notes 1 to 39 and Annexure - A & B form an integral part of these financial statements.

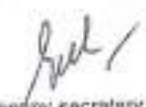
  
Chairman

  
Vice Chairman

  
Director

  
Managing Director & CEO

  
Head of Accounts

  
Company secretary

Signed as per annexed report on even date

Dated, Dhaka  
June 27, 2018

  
Pina & Company  
Chartered Accountants



People's Leasing and Financial Services Ltd.  
Statement of Cash Flows  
For the year ended December 31, 2018

Particulars	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>A CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Interest received	634,615,944	845,518,897
Interest paid	(3,380,581,110)	(2,450,848,453)
Dividend received	23,883,792	34,804,571
Payments to employees	(131,816,575)	(124,490,415)
Payments to suppliers	(17,728,601)	(17,250,418)
Payments of Income Tax	(18,977,403)	(25,403,582)
Received from other operating activities	(128,845,047)	124,057,080
Payments for other operating activities	(45,929,087)	(56,736,572)
Cash generated from operating activities	(3,045,398,147)	(1,670,339,072)
<b>Increase/(decrease) in operating assets and liabilities</b>		
Loans and advances to customers	2,030,695,173	(400,844,565)
Other assets	(202,347,121)	(172,440,482)
Deposits from Banks	(397,756,407)	236,000,000
Deposits from customers	1,643,492,945	2,951,482,622
Other liabilities	(760,150,223)	509,032,248
	2,313,936,367	3,123,129,804
<b>Net Cash from Operating Activities</b>	<b>(731,462,779)</b>	<b>1,452,790,732</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Sales of investment in securities	746,162,376	328,953,427
Purchase of property, plant and equipment	(22,846,140)	(7,820,809)
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	723,316,236	321,132,618
<b>C CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Drawdown of Term loan, Overdraft and Money Market	(805,727,396)	(188,031,420)
Issuance of shares	-	-
Dividend paid	-	-
Net cash from financing activities	(805,727,396)	(188,031,420)
<b>D Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(813,853,941)</b>	<b>1,574,801,930</b>
<b>E Effects of exchange rate changes on cash and cash equivalents</b>		
<b>F Cash and cash equivalents at beginning of the year</b>	<b>1,971,847,307</b>	<b>398,955,377</b>
<b>G Cash and cash equivalents at end of the year (D+E+F)</b>	<b>1,157,993,366</b>	<b>1,971,847,307</b>
<b>Cash and cash equivalents at end of the year</b>		
Cash in hand	104,600	48,429
Balance with Bangladesh Bank and its agents bank(s)	4,488,010	16,055,487
Balance with other banks and financial institutions	1,153,402,756	1,955,742,391
Money at call and short notice	-	-
	1,157,993,366	1,971,847,307
<b>Net Operating Cash Flow per share</b>	<b>(2.58)</b>	<b>6.09</b>

Net Operating Cash Flow per share

  
Chairman

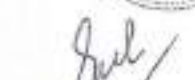
  
Vice Chairman

  
Director



  
Managing Director & CEO

  
Head of Accounts

  
Company Secretary

People's Leasing and Financial Services Ltd.  
Statement of Changes in Equity  
For the Year ended December 31, 2018

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2018	2,854,405,970	645,578,147	-	1,018,605,234	(21,649,792,929)	(17,131,203,578)
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(21,649,792,929)	(17,131,203,578)
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	-	-	-	-	(1,495,923,505)	(1,495,923,505)
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2018	2,854,405,970	645,578,147	-	1,018,605,234	(23,145,716,434)	(18,627,027,083)

Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on January 01, 2017	2,854,405,970	645,578,147	-	1,018,605,234	(1,309,366,896)	3,209,222,455
Adjustment for previous years loss	-	-	-	-	(12,612,824,826)	(12,612,824,826)
Restated balance	2,854,405,970	645,578,147	-	1,018,605,234	(13,922,191,722)	(9,403,602,371)
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	-	-	-	-	-	-
Net profit for the year	-	-	-	-	(7,727,601,207)	(7,727,601,207)
Transfer to statutory reserve	-	-	-	-	-	-
Transfer to general reserve	-	-	-	-	-	-
Dividend (bonus shares)	-	-	-	-	-	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on December 31, 2017	2,854,405,970	645,578,147	-	1,018,605,234	(21,549,792,929)	(17,131,203,578)

*[Signature]*  
Chairman

*[Signature]*  
Director

*[Signature]*  
Managing Director & CEO

*[Signature]*  
Head of Web@rms

*[Signature]*  
Company Secretary





People's Leasing and Financial Services Ltd.  
Liquidity Statement  
As on December 31, 2018

Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-3 Years maturity	More than 3 years maturity	2018	2017
Cash	104,600	-	-	-	-	104,600	40,429
Balances with Bangladesh bank	4,486,010	-	-	-	-	4,486,010	16,055,437
Balances with other banks	(43,797,244)	-	1,187,200,000	-	-	1,153,402,756	1,955,742,391
Money at call and on short notice	-	-	-	-	-	-	-
Investments	420	-	75,690,410	185,685,000	-	271,275,830	1,017,458,208
Loans and advances	229,152,027	458,304,054	2,032,368,244	8,187,104,732	2,520,872,285	11,457,001,358	13,488,297,329
Property, plant & equipment	-	-	18,488,088	36,376,172	28,357,852	84,022,110	65,334,024
Other assets	388,265,788	439,192,365	527,030,808	432,218,979	255,835,280	2,052,343,295	1,850,998,144
Non-banking assets	-	-	-	38,456,768	-	38,456,768	42,579,877
Total assets	589,211,599	897,496,419	3,800,777,670	8,890,341,592	2,804,855,448	15,062,692,635	18,436,712,887
LIABILITIES:							
Borrowings from other Banks, Financial Institutions & Agents	562,800,000	2,637,165,409	805,434,381	1,456,750,498	-	5,262,250,298	6,067,977,658
Deposit and other accounts	946,659,487	1,945,978,462	9,729,892,312	6,324,430,000	1,793,444,921	20,442,405,185	19,195,669,647
Provision and other liabilities	844,271,081	234,801,936	158,010,679	6,329,000,000	620,080,579	7,995,064,275	10,303,270,162
Total liabilities	1,856,830,569	4,817,945,807	10,491,337,371	14,111,080,477	2,413,525,500	33,689,719,718	35,567,916,465
Net Liquidity Gap	(1,268,618,970)	(3,920,449,388)	(6,610,559,701)	(7,220,738,879)	391,329,948	(18,627,027,083)	(17,131,203,578)

  
Chairman

  
Vice Chairman

  
Director

  
Managing Director & CEO

  
Head of Accounts

  
Company Secretary



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the year ended December 31, 2018

**1.0 Reporting entity**

**1.01 Company's profile**

People's Leasing and Financial Services Ltd. (hereinafter referred to as "PLFS" or "the company") is a leasing and financial company was registered as a Non-Banking Financial Institution (NBFI) under the Financial Institution Act 1993 and the Companies Act 1994 as Public Limited Company with the license from Bangladesh Bank to operate and transact all kinds businesses as provided under the relevant laws. This Company was authorized to commence business in Bangladesh as per Certificate of Commencement dated 26<sup>th</sup> August, 1996. The company went for public issue in the year 2005 and its shares were listed at both Dhaka & Chittagong Stock Exchange on July 20, 2005.

**1.02 Nature of business of the company**

The Company extends lease finance for all types of machinery, equipment and household durables including vehicles both for industrial, commercial and personal purpose use in Bangladesh and also allows temporary finance to clients within the purview of the law.

**1.03 Information regarding Subsidiary**

**PLFS Investments Limited**

PLFS Investment Ltd. was registered under the Companies Act 1994 as Private Limited Company on 3<sup>rd</sup> June, 1998. The Company obtained registration from Bangladesh Securities and Exchange Commission as a Merchant Bank on 31<sup>st</sup> August, 1999 and commenced its operation as a Merchant Bank from December, 2008. The PLFS Investments Ltd. has been formed as a concern of People's Leasing and Financial Services to conduct merchant banking activities and play an active role in the Capital Market of Bangladesh. PLFS holds 83.00% shares of PLFS Investments Ltd.

**2.0 Basis of preparation of financial statements and significant accounting policies**

**2.01 Basis of preparation**

The Financial Statements have been prepared on the basis of going concern concept and basically on accrual method under historical cost convention in accordance with Generally Accepted Accounting Principles (GAAP) and after due compliance with International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as adopted in Bangladesh by the Institute of Chartered Accountants of Bangladesh (ICAB), the Financial Institution Act 1993, the Companies Act 1994 and other applicable laws and regulations.



#### Statement of compliance

The financial statements of the company have been prepared in accordance with IFRSs as adopted by the ICAB and as per the requirements of DFIM circular No. 11 dated December 23, 2009 issued by the Department of Financial Institution and Markets of Bangladesh Bank. The Company has departed from those contradictory requirements of IFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

#### 2.01.01 Investments in shares and securities

##### IFRS:

As per requirements of IAS 39 'Financial Instruments: Recognition and Measurement' investments in shares and securities generally falls either under "at fair value through Profit and Loss Account" or under "available for sale" where any change in the fair value at the year-end is taken to Profit and Loss Account or Revaluation Reserve Account respectively. IFRS 9 'Financial Instrument' replaces IAS 39 'Financial Instruments: Recognition and Measurement' on or after 1 January 2018.

##### Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002 of Bangladesh Bank, Investments in quoted shares and unquoted shares are revalued at the year end at market price and as per book value of last audited statements of financial position (balance sheet) respectively. Provision should be made for any loss arising from diminution in value of investments.

#### 2.01.02 Provision on loans and advances

##### IFRS:

As per IAS 39 an entity should start the impairment assessment by considering whether objective evidence of impairment exists for financial assets that are individually significant. For financial assets which are not individually significant, the assessment can be performed on an individual or collective (portfolio) basis. IFRS 9 'Financial Instrument' replaces IAS 39 'Financial Instruments: Recognition and Measurement' on or after 1 January 2018.

##### Bangladesh Bank:

As per FID circular No. 08 dated 03 August 2002, FID circular No. 03, dated 03 May 2006 and FID circular No. 03, dated 29 April 2013 a general provision at 0.25% to 5% under different categories of unclassified loans (good/standard loans/special mention account) has to be maintained.

#### 2.01.03 Financial instruments - presentation and disclosure

In several cases Bangladesh Bank guidelines categorize, recognize, measure and present financial instruments differently from those prescribed in IAS 39. As such some disclosure and presentation requirements of IFRS 7 'Financial Instruments: Disclosures' and IAS 32 'Financial Instruments: Presentation' cannot be made in the accounts.



#### 2.01.04 Financial guarantees

**IFRS:**

As per IAS 39 financial guarantees are contracts that require an entity to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Financial guarantee liabilities are recognized initially at their fair value, and the initial fair value is amortized over the life of the financial guarantee. The financial guarantee liability is subsequently carried at the higher of this amortized amount and the present value of any expected payment when a payment under the guarantee has become probable. Financial guarantees are included within other liabilities. IFRS 9 'Financial Instrument' replaces IAS 39 'Financial Instruments: Recognition and Measurement' on or after 1 January 2018.

**Bangladesh Bank:**

As per the requirements of DFIM circular No. 11 dated December 23, 2009, financial guarantees such as L/C, L/G will be treated as off balance sheet items.

#### 2.01.05 Cash and cash equivalents

**IFRS:**

Cash and cash equivalents items should be reported as cash item as per IAS 7 'Statement of Cash Flows'.

**Bangladesh Bank:**

Some cash and cash equivalent items such as 'money at call and on short notice', T-bills, Prize bond are not shown as cash and cash equivalent. Money at call and on short notice is shown as face item in statement of financial position and T-bills, Prize bonds are shown in Investment.

#### 2.01.06 Non-Banking assets

**IFRS:**

No indication of non-banking assets is found in any IFRSs.

**Bangladesh Bank:**

As per the requirements of DFIM circular No. 11 dated December 23, 2009, there must exist a face item named non-banking asset.

#### 2.01.07 Statement of cash flows

**IFRS:**

Statement of cash flows can be prepared either in direct method or in 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.

**Bangladesh Bank:**

As per the requirements of DFIM circular No. 11 dated December 23, 2009, statement of cash flows is a mixture of direct and indirect method.



#### 2.01.08 Balance with Bangladesh Bank (CRR)

**IFRS:**

Balance with Bangladesh Bank should be treated as other assets as it is not available for use in day to day operations as per IAS 7.

**Bangladesh Bank:**

Balance with Bangladesh Bank is treated as cash and cash equivalents.

#### 2.01.09 Off-balance sheet items

**IFRS:**

There is no concept of off balance sheet items in any IFRS; hence there is no requirement of disclosure to off balance sheet items.

**Bangladesh Bank:**

As per the requirements of DFIM circular No. 11 dated December 23, 2009, off balance sheet items e.g. L/C, L/G must be disclosed separately in the face of the statement financial position (balance sheet).

#### 2.01.10 Disclosure of appropriation of profit

**IFRS:**

There is no requirement to show appropriation of profit in the face of the statement of comprehensive income.

**Bangladesh Bank:**

As per the requirements of DFIM circular No. 11 dated December 23, 2009, an appropriation of profit should be disclosed in the face of statement of comprehensive income (Profit & Loss Account).

#### 2.01.11 Loans and advance net of provision

**IFRS:**

Loans and advances should be presented as net of provisions.

**Bangladesh Bank:**

As per the requirements of DFIM circular No. 11 dated December 23, 2009, provision on loans and advances are presented separately as liability and cannot be netted off against loans and advances.

#### 2.02 Integral components of financial statements

The Financial Statements of the Company include the following components:

1. Consolidated and Separate Statement of Balance Sheet as on 31 December, 2018.
2. Consolidated and Separate Statement of Profit or Loss for the year ended 31 December, 2018.
3. Consolidated and Separate Statement of Cash Flows for the year ended 31 December, 2018.
4. Consolidated and Separate Statement of Changes in Equity for the year ended 31 December, 2018.
5. Consolidated and Separate Liquidity Statement as on 31 December, 2018.
6. Notes to the Consolidated and Separate Financial Statements for the year ended 31 December, 2018.



### 2.03 Going concern

The company has reported shareholders' equity negative of Tk. 18,627,027,083 which may be considered as alarming threat to continue the operation of the company as going concern. Management of PLFSL has prepared a bailout out plan for increasing its capital and submitted to Bangladesh Bank after detail discussion with higher authority of Central Bank. The plan is now under review and consideration of the regulatory authority. Moreover, Bangladesh Bank is monitoring the activities of the company closely and assisting the company to come out of this crisis like other Banks and Financial Institutions of the country as before.

### 2.04 Use of estimate & judgments

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. It also requires disclosures of contingent assets and liabilities at the date of the Financial Statements.

Provisions and accrued expenses are recognized in the Financial Statements in line with the International Accounting Standard (IAS) 37 'Provisions, Contingent Liabilities and Contingent Assets' when:

- a) the company has a present obligation, legal or constructive result of a past event,
- b) it is probable that an outflow of resources embodying economic benefits will be required to settle that obligation; and
- c) a reliable estimate can be made of the amount of the obligation.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. However, the estimates and underlying assumptions are reviewed on an ongoing basis and the revision is recognized in the period in which the estimates are revised.

### 2.05 Consistency

In accordance with the IFRS framework for the presentation of Financial Statements together with International Accounting Standard (IAS) 1 'Presentation of Financial Statements' and International Accounting Standard (IAS) 8 'Accounting Policies, Changes in Accounting Estimates and Errors', PLFS applies the accounting disclosure principles consistently from one period to the next.

### 2.06 Reporting period

These Financial Statements cover one calendar year from January 01, 2018 to December 31, 2018.

### 2.07 Presentation currencies

The figures of the financial statements are presented in Bangladeshi Currency (BDT) and have been rounded off to the nearest integer.

### 2.08 Books of accounts of branch

The Company has 2 (two) branches so far as on 31 December, 2018. Books of Accounts of the branch have been maintained in the respective branch as well as at the Head Office of the Company.





## 2.09 Assets and basis of their valuation

### 2.09.01 Cash and cash equivalents

Cash and cash equivalents include notes and coins on hand, unrestricted balances held with Bangladesh Bank highly liquid financial assets.

### 2.09.02 Investment in securities

Investments in marketable ordinary shares as well as investment in non-marketable shares have been shown at cost.

### 2.09.03 Loans, advances and provisions

Loans and advances are stated at gross amount. General provisions on unclassified loans and Off-Balance Sheet Items, specific provisions for classified loans and interest suspense account thereon are shown under other liabilities. Provision is made on the basis of quarter end against classified loans and advances review by the management and instruction contained in FID Circular no. 08 dated 3 August 2002, FID circular no. 03 and dated 3 May 2006.

#### a) Interest on loans and advances

Interest is calculated on a daily product basis but charged and accounted for on accrual basis. Interest is calculated on unclassified loans and advances and recognized as income during the year. Interest on classified loans and advances is kept in suspense account as per Bangladesh Bank instructions and such interest is not accounted for as income until realized from borrowers. Interest is not charged on bad and loss loans as per guidelines of Bangladesh Bank.

#### b) Provision for loans and advances

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. 03, dated 29 April issued by Bangladesh Bank. General Provision on unclassified loans and advances and specific provision on classified loans & advances are given below:

#### c) Rate of provision

Particulars	All loans/leases
Standard-other than SME	1%
Standard-SME	0.25%
Special mention account(SMA)	5%
Sub-standard (SS)	20%
Doubtful (DF)	50%
Bad/loss (BL)	100%



**d) Presentation of loans and advances**

Loans and advances are shown at gross amount as assets while interest suspense and loan loss provision against classified advances are shown as liabilities in the statement of financial position.

**e) Write-off loans and advances**

Write-off describes a reduction in recognized value. It refers to recognized or the zero value of an assets. Generally it refers to an investment for which a return on the investment is now impossible or unlikely. The items potential returns is thus calculated and removed (written-off) from the business balance sheet.

Loans and advances/investments are written off as per guidelines of Bangladesh Bank. These written off however will not undermine/affect the claim amount against the borrower. Detailed memorandum records for all such written off accounts are meticulously maintained and followed up.

**f) Securities against loan**

Working capital and trading loan: Goods are taken as security in the form of pledge and also goods are taken as security in the form of hypothecation along with land and building as mortgage.

Home loan: Land and building are taken as security in the form of mortgage.

Overdraft: FDRs are taken lien. The balance in DPS/MDS A/C's is also taken as lien.

**2.10 Property, plant and equipment**

**2.10.01 Owned assets**

Own property, plant and equipment are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs associated with bringing the assets to its working condition for its intended use as per International Accounting Standard (ISA) 16 'Property, Plant and Equipment'.

**2.10.01.01 Subsequent expenditure on property, plant and equipment**

Subsequent expenditure is capitalized only when it increases the future economic benefits from the assets. All other expenditures are recognized as an expense as and when they are incurred.

**2.10.01.02 Depreciation on property, plant & equipment**

Depreciation on fixed assets is charged consistently on diminishing balance method at following rates throughout the estimated useful life of the assets. On newly acquired assets depreciation is charged for the full year irrespective of date of acquisition while no depreciation is charged on the assets disposed of during the year.





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%

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the concerned asset and is recognized accordingly in the Statement of Comprehensive Income (Profit and Loss Account).

#### 2.10.01.03 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost and are carried at cost less accumulated amortization.

##### Amortization:

Amortization on intangible assets is calculated using diminishing balance method at the rate of 20% for the full year irrespective of date of acquisition while no amortization is calculated on the year of disposal throughout the estimated useful life of the 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. The company presented software as part of fixed assets and provide details in annexure-A as separate line item.

#### 2.10.01.04 other assets

Other assets include all other financial assets and fees and unrealized income receivable, advance for operating and capital expenditure and stocks of stationery and stamp. Details are shown in Note-9. Receivables are recognized when there is a contractual right to receive cash or another financial asset from another entity.

#### 2.10.01.05 Non-banking assets

Non-banking assets are acquired on account of the failure of a borrower to repay the loan in time after receiving the decree from the court regarding the right and title of the mortgage property. The company has recognized such assets in the year 2015. Details are shown in note no. 10 & Annexure # 1.

### 2.11 Basis for valuation of liabilities and provisions

#### 2.11.01 Provision for tax



#### a. Current 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.

#### b. Deferred tax

The company has adopted a policy of recognition of deferred tax in accordance with International Accounting Standard (ISA) 12 'Income Taxes'. Deferred tax is provided using the liability method for all temporary timing differences between the carrying amount of assets and liabilities for financial reporting purposes and the amount used for tax purposes. During the year 2018 the impact of changes in deferred tax has been recognized and presented in the financial statement.

#### 2.11.02 Employees' benefit obligation

##### Defined contribution plan

The Company operates an approved contributory provident fund scheme for its employees as per provident fund rules. The fund consists of subscription of all participatory employees and contribution from the company at a predetermined rate. The fund is administered by a Board of Trustees and invested separately from the Company's assets.

##### Defined benefit plan

The Company operates a gratuity fund scheme and accordingly provision has been made in the books of PLFS.

#### 2.12 Capital and shareholders' equity

##### 2.12.01 Capital management

The company has a capital management process for measuring, deploying and monitoring its available capital and assessing its adequacy. This capital management process aims to achieve four major objectives; exceed regulatory thresholds and meet long-term internal capital targets, maintain strong credit rating, manage capital levels commensurate with the risk profile of the company and provide the company's shareholder with acceptable returns.

Capital is managed in accordance with the board approved capital management planning from time to time. Senior management develops the capital strategy and oversees the capital management planning of the company. The company's finance and risk management department are keys to implementing the company's capital strategy and managing capital. Capital is managed using both regulatory control measure and internal matrix.

##### 2.12.02 Paid-up capital

Paid up share capital represents total amount of shareholder capital that has been paid in full by the shareholders. In the event of winding-up of the company ordinary shareholder(s) rank after all other shareholders and creditors are fully entitled to any residual proceeds of liquidation.

##### 2.12.03 Statutory reserve

As per the Financial Institution Regulations 1994 it is required for the company to transfer 20% of its current year's profit before tax to reserve until such reserve equals to its paid up capital.



#### 2.12.04 Dividends on ordinary shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by the Company's shareholders. Dividends for the year that are approved after the reporting date are disclosed as an event after the reporting date.

#### 2.13 Contingent liabilities and contingent assets

A contingent liability is –

Any possible obligation that arises from the past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or any present obligation that arises from past events but is not recognized because:

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities are not recognized but disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is reliably estimated.

Contingent assets are not recognized in the financial statements as this may result in the recognition of income which may never be realized.

#### 2.14 Materiality, aggregation and off setting

Each material item as considered by management significant has been displayed separately in the financial statements. No amount has been set off unless the Company has legal right to set off the amounts and intends to settle on net basis. Income and expenses are presented on a net basis only when permitted by the relevant accounting standards.

The values of any asset or liability as shown in the statement of balance sheet are not off-set by way of deduction from another liability or asset unless there exist a legal right therefore. No such incident existed during the year.

#### 2.15 Revenue recognition

##### 2.15.01 Income from lease finance

The lease transactions are accounted for under finance lease in line with IAS -17 as adopted by the Institute of Chartered Accountants of Bangladesh. The aggregate lease receivables including unguaranteed residual value throughout the lease term are recorded as gross receivables while excess of gross receivables over the total acquisition cost including interest during the period of acquiring the lease equipment constitutes the unearned lease income.

##### 2.15.02 Income from term finance

Direct finance operation consists of long term, short term and working capital finance, books of account for which are maintained based on the accrual method of accounting. Interest earnings from direct finance are recognized as operational revenue periodically.



#### 2.15.03 Income from treasury operations

Incomes from treasury operations are recognized on accrual basis.

#### 2.15.04 Income from margin loan

Income from margin loan is recognized on accrual basis. Such income is calculated considering daily margin loan balance of the respective parties.

#### 2.15.05 Dividend income

Dividend is recognized when the company right to receive the payment is established, which is generally when the shareholders approve the dividend.

#### 2.15.06 Other Operational income

Other operational income is recognized as and when received except late payment charges. Late payment charge is recognized as revenue when it is realized or realizable. Such income comprises of the following:

- a. Appraisal and documentation fees
- b. Commitment fees
- c. Supervision fees
- d. Transfer fees
- e. Bank interests
- f. Late Payment charges and
- g. Miscellaneous receipts

#### 2.16 Interest on company loans

Interest bearing company loans are recorded at the proceeds received from a particular company. Interest on company loan is accounted for on accrual basis to Profit and Loss Account.

#### 2.17 Earnings per share

Earnings per shares is calculated by dividing the profit or loss attributable to ordinary shares of the PLFS by the weighted average number of ordinary shares outstanding during the year. PLFS calculates EPS in accordance with International Accounting Standard (IAS) 33 'Earnings per Share' which has been shown in the profit and loss and computation is stated in Note no.39.

#### 2.18 Presentation of operating segments

There are no reportable operating segments of PLFS as on reporting date according to the definition of operating segments of IFRS 8.

#### 2.19 Contingent assets & liabilities

The Company does not recognize contingent liabilities and contingent assets but disclosed the existence of contingent liabilities and assets in the financial statements. A contingent liability is a probable 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 or a present obligation that is not recognized because outflow of resources is not likely or obligation cannot be measured reliably.



## 2.20 Liquidity statement

The liquidity statement has been prepared in accordance with remaining maturity grouping of Assets and Liabilities as of the close of the reporting period as per following bases:

- Balance with other company's and financial institutions are on the basis of their maturity term.
- Investments are on the basis of their residual maturity term.
- Loans and Advances are on the basis of their repayment /maturity schedule.
- Property, plant and equipments are on the basis of their useful lives.
- Other assets are on the basis of their adjustments terms.
- Borrowings from other company's and financial institutions are on the basis of their maturity/repayment schedule.
- Deposits and other accounts are on the basis of their maturity terms and past behavioral trends.
- Other liabilities are on the basis of their settlement terms.

## 2.21 Events after the reporting period-

Events after the reporting period that provide additional information about the company's position at the statement of Balance Sheet date are reflected in the financial statements in note no. 47 as per International Accounting Standards IAS-10: 'Events after the reporting period'.

## 2.22 Compliance report on International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS)

The following Accounting and Reporting Standards are applicable for PLPS and which are followed in preparing the Financial Statements of the Company:

Sl. No.	Name of the IAS	IAS No.	Status
01	Presentation of Financial Statements	01	Applied *
02	Inventories	02	Not Applicable
03	Statement of Cash Flows	07	Applied
04	Accounting Policies, Changes in Accounting estimates and Errors	08	Applied
05	Events after the Reporting Period	10	Applied
06	Income Taxes	12	Applied
07	Property, Plant and Equipment	16	Applied
08	Leases	17	Applied
09	Employee Benefits	19	Applied
10	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
11	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable
12	Borrowing Costs	23	Not Applicable
13	Related Party Disclosures	24	Applied
14	Accounting and Reporting by Retirement Benefit Plans	26	Applied
15	Separate Financial Statements	27	Applied
16	Investments in Associates and Joint Ventures	28	Not Applicable
17	Financial Reporting in Hyperinflationary Economies	29	Not Applicable
18	Financial Instruments: Presentation	32	Applied



19	Earnings per Share	33	Applied
20	Interim Financial Reporting	34	Applied
21	Impairment of Assets	36	Not Applied
22	Provision, Contingent Liabilities and Contingent Assets	37	Applied
23	Intangible Assets	38	Applied
24	Investment Property	40	Not Applicable
25	Agriculture	41	Not Applicable

\* As the regulatory requirements differ with the standards, relevant disclosures are made in accordance with Bangladesh Bank's requirements.

Sl. No.	Name of the IFRS	IFRS No	Status
01	First Time adoption of IFRS	1	Not Applicable
02	Share Based Payment	2	Not Applicable
03	Business Combinations	3	Not Applicable
04	Insurance Contracts	4	Not Applicable
05	Non-current Assets held for sales and discontinued operations	5	Not Applicable
06	Exploitation for and Evaluation of Mineral Resources	6	Not Applicable
07	Financial Instruments: Disclosures	7	Applied
08	Operating Segments	8	Not Applicable
09	Financial Instruments	9	Partly Applied
10	Consolidated financial statements	10	Applied
11	Joint Arrangements	11	Not Applicable
12	Disclosure of interest in other entities	12	Applied
13	Fair value measurement	13	Applied
14	Regulatory Deferral Accounts	14	Not Applicable
15	Revenue from Contract with Customers	15	Applied

#### 2.23 Address of head office & branch offices

Head office is located at City Centre, Level-17, 90/1 Motijheel C/A, Dhaka-1000, Bangladesh.

Gulshan Branch is located at Rupayan Golden Age, Level 4, C-4 & H-4, 99, Gulshan Avenue, Road # 37, Gulshan, Dhaka-- 1212.

Chittagong Branch is located at Akhtaruzzaman Centre, House # 21/22, Level 4, Agrabad Avenue, Chittagong.

#### 2.24 Capital adequacy and market discipline

To cope with the international best practices and to make up the capital more risks sensitive as well as more shock resilient, a road map was issued in August 2010 on implementation of Basel Accord in the FIs. Being well pursuant with the road map, prudential guidelines namely 'Capital Adequacy and Market Discipline for Financial Institutions' had been introduced by Bangladesh Bank from December, 2011. The guidelines came into force from 1 January, 2012 with necessary supplements/revisions. Instructions in respect of Minimum Capital Requirement, Adequate Capital and



Disclosures requirement as stated in the guidelines have been followed for the purpose of statutory compliance.

As per prudential guideline PLFS calculated Minimum Capital Requirement (MCR) by dividing the total capital by the sum of risk weighted assets against credit risk, market risk, and operational risk under pillar-1.

#### **Pillar – I: Minimum capital requirement**

##### **Credit Risk**

The calculation of capital requirement against credit risk is more elaborate and risk sensitive. The Accord gives a choice of some sophisticated approaches to address risks, and adoption of a Particular approach depends on the risk measurement capabilities and robustness of the systems in place in a Financial Institution. A Standardized Approach has been the preliminary choice of FIs for the credit risk calculation.

##### **Market risk**

Market risk is defined as the risk of losses in on and off-balance-sheet positions arising from movements in market prices. The risks subject to this requirement are:

- The risks pertaining to interest rate related instruments and equities in the trading book;
- Foreign exchange risk and commodities risk throughout the FI.

The capital charges for interest rate related instruments and equities applied to the current trading book items prudently valued by PLFS.

##### **Operational risk**

The accord introduces for the first time a capital charge for operational risk. The framework presents three methods for calculating operational risk capital charges in a continuum of increasing complexity and risk sensitivity. These methods are the Basic Indicator approach (a fixed percentage of gross income amount), Standardized approach (sum of a certain percentage of FI's income in each business line) and Internal Measurement approach (Statistical measure of FIs operational loss based on its historical loss data). But initially, Basic Indicator Approach has been applied for calculating the capital charge against operational risk.



### 2.25 Stress testing

Stress Testing is an important risk management tool that is used by the Financial Institutions as part of internal risk management and through the Basel II capital adequacy framework, is promoted by Bangladesh Bank. Stress Testing alerts Financial Institutions management to adverse unexpected outcomes related to a variety of risks and provides an Indication of how much capital might be needed to absorb losses should large shock occur. Stress Testing supplements other risk management approaches and measures playing particularly important role in:

- Providing forward-looking assessment of risk;
- Overcoming limitations of models and historical data;
- Supporting external and internal communication;
- Feeding into capital and liquidity planning procedures;
- Informing the setting of an FI's risk tolerance; and
- Facilitating the development of risk mitigation or contingency plans across a range of stressed conditions.

Stress Testing guideline have been issued by Bangladesh Bank to provide a structured way of assessing the vulnerability of financial institutions to extreme but plausible market conditions. The guidelines enable institutions to accurately assess risk and define the "risk appetite" of the organization and also provide critical information to senior management for decision around capital allocation and contingency planning.

PLFSL exercises stress testing on its portfolio on quarterly basis and submit its stress testing report as per format prescribed by Bangladesh Bank on regular basis.

### 2.26 Comparative figures

Comparative information has been disclosed in respect of the year ended 31 December 2018 for all numerical data in the financial statements and also the narrative and descriptive information when it is relevant for better understanding of the current year's financial statements. Figures of the year 2017 have been restated and rearranged whenever considered necessary to ensure fair presentation and comparability with the current year.

### 2.27 Date of authorization

The Board of Directors has authorized these financial statements for public issue on 27 June 2019.



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>3 Cash</b>		
Cash in hand (Note 3.1)	104,600	49,429
Balance with Bangladesh Bank and its agent banks (Note 3.2)	4,486,010	16,055,487
<b>Total</b>	<b>4,590,610</b>	<b>16,104,916</b>
<b>3.1 Cash in hand</b>		
Cash in hand represents the amount under imprest system of petty cash to meet petty cash expenses for head office.		
<b>3.2 Balance with Bangladesh Bank</b>		
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. 05 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004.		
<b>3.3 Cash Reserve Requirement (CRR)</b>		
CRR has been calculated at the rate of 2.5% on Total Term Deposits which is preserved in interest 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, Society Deposit against Lease/Loss and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).		
Required reserve	303,678,964	156,403,310
Actual reserve held	4,590,610	2,370,965
Surplus / (Deficit)	<u>(299,088,354)</u>	<u>(154,032,345)</u>
<b>3.4 Statutory Liquidity Reserve (SLR)</b>		
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, unamortized Treasury Bills, Price Bond, Savings Certificate & any other assets approved by Bangladesh Bank.		
Required reserve	626,376,016	324,098,221
Actual reserve held (note 3.4.1)	623,469,583	441,117,561
Surplus / (Deficit)	<u>2,906,433</u>	<u>117,023,340</u>
<b>3.4.1 Actual Reserve held for SLR</b>		
Cash in hand	104,600	49,429
Balance with Bangladesh Bank and its agent bank(s)	4,590,610	12,370,965
Balance with other banks and financial institutions	623,774,373	428,697,167
	<u>628,469,583</u>	<u>441,117,561</u>
<b>3.6 Consolidated Cash in hand</b>		
People's Leasing and Financial Services Ltd.	104,600	49,429
PLFS Investments Limited	30,000	30,000
	<u>134,600</u>	<u>79,429</u>



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>4 Balance with other Banks and Financial Institutions in Bangladesh</b>		
<b>Current Accounts &amp; Short Term Deposits:</b>		
Al-Azhar Islamic Bank Ltd.	16,000	16,371
Basic Bank	58	-
BDDBL	-	-
Bank Ajaib	(4,960,291)	682,133
Waka Bank Ltd.	-	-
Dutch Bangla Bank Ltd.	1,574,972	1,793,418
EMIM Bank Ltd.	63,261	48,508
ICB Islamic Bank Ltd.	1,625,275	1,621,275
Jaora Bank Ltd.	23,287	21,282
Masraf Trust Bank Ltd.	(10,459,947)	2,911,797
Madani Bank Ltd.	11,279	11,274
Mulhanani Bank Ltd.	-	-
National Bank Ltd.	47,401	47,401
NSB Commercial Bank Ltd.	(3,340,280)	3,889
NCC Bank Ltd.	195,797	195,797
One Bank Ltd.	1,215,106	2,378,187
Prime Bank Ltd.	(37,353,871)	13,836,763
Shahjalal Islamic Bank Ltd.	104,170	103,238
Social Investment Bank Ltd.	41,362,326	4,003,837
Sarafamat Bank Ltd.	100,383	109,283
Siddhanta Agricultural Credit Bank Ltd.	119,229	56,021
The City Bank Ltd.	-	-
The Finances Bank Ltd.	18,416	18,416
UCBL	(4,999,711)	603
Urbani Bank Ltd.	700	-
Sub-Total	(43,797,244)	29,797,733
<b>Fixed Deposits Receipts (FDR):</b>		
Siddhanta Agricultural & Commercial Bank Ltd.	-	219,864,038
NRI Bank	-	106,360,000
International Leasing	688,475,000	600,000,000
Transtar Leasing	428,721,000	400,000,000
Reliance Finance	80,000,000	400,000,000
Sub-Total	1,197,200,000	1,925,944,038
<b>Grand Total</b>	<b>1,153,403,756</b>	<b>1,955,742,331</b>
<b>4.1 Maturity grouping of Balance with other Banks and Financial Institutions</b>		
On demand	(43,797,244)	29,797,733
Less than 3 months	-	-
More than 3 months but less than 1 year	1,197,200,000	1,925,944,038
More than 1 year but less than 3 years	-	-
Above 3 years	-	-
Total	1,153,403,756	1,955,742,331
<b>4.2 Consolidated Balance with other Banks and Financial Institutions in Bangladesh</b>		
People's Leasing and Financial Services Ltd.	1,137,402,736	1,955,742,331
PLFS Investments Limited (note-4.1.1)	58,330,304	(23,278,918)
	1,211,733,060	2,078,021,201
Less: Intra company transactions	29,000,000	-
	1,181,733,060	2,078,021,201



People's Leasing and Financial Services Ltd.  
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Amount in Taka	
Dec 31, 2018	Dec 31, 2017

4.a.1 PLFS Investments Limited's Balance with other Banks and Financial Institutions in Bangladesh

Current Accounts & Short Term Deposits:

NRB Commercial Bank Ltd.	544,641	1,294,622
Prime Bank Ltd.	3,981,069	10,264,215
One Bank Limited	25,780,380	-
Standard Bank Ltd.	461,627	304,970
The City Bank Ltd.	7,622,567	110,325,303
	<u>38,330,284</u>	<u>122,278,910</u>
<b>Fixed Deposits Receipts (FDR):</b>		
Peoples Leasing and Financial Services Ltd.	<u>20,000,000</u>	<u>-</u>
<b>Sub-Total</b>	<u>58,330,284</u>	<u>122,278,910</u>
<b>Grand Total</b>	<u>58,330,284</u>	<u>122,278,910</u>

4.a.2 Maturity grouping of Consolidated Balances with other Banks and Financial Institutions

On demand	(5,456,940)	152,076,463
Less than 3 months	20,000,000	-
More than 3 months but less than 1 year	1,177,200,000	1,925,944,638
More than 1 year but less than 5 years	-	-
Above 5 years	-	-
<b>Total</b>	<u>1,151,733,060</u>	<u>2,078,021,301</u>

5 Money at Call and Short Notice

Banking Companies	-	-
Non-banking Financial Institutions	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

6 Investments

A. Government Securities

Treasury Bill	-	-
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Government Notice Bond	-	-
Prime Bond	-	-
Others	-	-
<b>Sub Total</b>	<u>-</u>	<u>-</u>

B. Other Investments

Preference Shares	-	-
Debture and Bond	-	-
Other investments (Note 6.1)	271,275,830	1,617,458,296
Gold etc.	-	-
<b>Sub Total</b>	<u>271,275,830</u>	<u>1,617,458,296</u>

Total investments (A+B)

	<u>271,275,830</u>	<u>1,617,458,296</u>
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6.1 Other Investments

Quoted Investments (Note 6.1.1)	420	746,182,796
Unquoted Investments (Note 6.1.2)	271,275,410	271,275,410
	<u>271,275,830</u>	<u>1,017,458,266</u>



Amount in Taka	
Dec 31, 2018	Dec 31, 2017

6.1.3 Quoted Investments

ABIBANK 1st Mutual Fund	-	10,778,779
ACTIVE FINE CHEMICALS LTD.	10	25,933,200
ACI FORMULATIONS LTD.	-	11,265,988
AIBL 1st ISLAMIC MUTUAL	-	2,701,108
AL-ARAFI ISLAMIC BANK	-	39,138,944
AMIAN FEED LTD.	-	58,668,454
APPOLLO ISPAT LTD.	14	10,507,490
BATA SHOE CO. LTD.	-	911,756
BANGAS	40	80
BDCOM ONLINE LTD.	-	161,034
BENGAL WINDSOR THERMOPLA	9	7,274,791
BEXIMCO	9	9
BSBMTEL	-	5,974,577
CVO PETROCHEMICAL REFINE	26	30,227
CENTRAL PHARMA	-	-
CONFIDCE CEMENT LTD.	-	103,560,439
DELTA SPINNERS LTD.	-	2,424,980
DELTA BRAC HOUSING	-	-
EASTLAND INSURANCE	-	397,999
EGL 1st MUTUAL FUND	-	4,098,587
EMITALD OIL INDUSTRIES LTD.	-	860,619
EMVOY TEXTILE	-	26
FIRST BANGLADESH FIXED IND.	-	12,885,512
FIRST JANATA BANK MUTUAL FUND	-	3,172,807
IFIC BANK 1st MUTUAL FUND	-	2
IDLC	-	16,857,330
IPAD AUTOS LTD.	76	7,629,851
IPAD ISLAMIC MUTUAL FUND	-	1,803,779
IIT LEASING AND FINANCIAL	32	49,351,760
IT	-	-
OPHSPAT	-	18,738,267
KPPL	-	2,187,924
LANKABANGLA FINANCE	21	69,190,629
LAFBURCEM	-	-
MACSONN SPINNING	24	9,566,130
MERCENTILE BANK LTD.	-	52,148,600
MOZAFFARS HOSSAIN SPINNING	55	9,885,153
MIDAS FINANCE LTD.	30	10,391,760
MIPETROCEUM	-	-
MJI BANGLADESH LTD.	-	-
NATIONAL BANK LTD.	3	54,467,405
NATIONAL LIFE INSURANCE LTD.	-	1,587,000
NCC BANK LTD.	-	4,407,418
ONEBANKLTD	-	12,981,734
ORIONPHARM	-	9,684,246
PRAGATI LIFE INSURANCE	-	670,303
PRIME BANK LTD.	-	11,661,013
PHOENIX INSURANCE	-	821,010
PADMAOIL	-	-
PNP 1st MUTUAL FUND	-	-
POPULAXIME	-	8,001,669
RATANPUR STEEL RE-ROLLING	-	14
RANATA LIMITED	-	113,816
RN SPINNING MILLS LTD.	24	18,103,393
RAKTSAMIC	-	-
RSRMSREEL	-	-
RUPALIBANK	8	8
SUMMIT ALLIANCE PORT LTD.	-	2,320,690
SUMMIT POWER LTD.	-	3,882,471
SHASHA DENIMS LTD.	-	1,218,260
SIBL	32	1,838,140
SAFFPOWER	-	-
SOUTHEAST	-	-
STANDBANK	-	-
SINTEX INDUSTRIES	-	-



People's Leasing and Financial Services Ltd.  
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	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
SHINEPIKUR CERAMICS	-	-
THE ACME LABORATORIES LTD.	-	21,133,535
THE CITY BANK LTD.	-	16,803,600
TITASGAS	-	14,556,649
TRUSTBIMP	-	10,015,473
UNITED POWER GENERATION LTD.	-	5,457,214
UNITED FINANCE	5	18,611,848
WMSHIPYARD	-	-
TASRIFA INDUSTRIES	-	-
Sub Total	420	748,182,796
<b>6.1.2 Unquoted Investments</b>		
E-SECURITIES LTD	69,978,600	69,978,600
GMG Airlines Ltd. Placement	50,000,000	50,000,000
S.S Tech(Pvt.)	62,500,000	62,500,000
Energy prima Ltd. Placement	15,585,000	13,585,000
MES Pay Ltd. Placement	5,000,000	5,000,000
Scholastica Ltd. Placement	3,400,000	3,400,000
CDBL	5,711,810	5,711,810
People's Investment Ltd.	5,100,000	5,100,000
Sanshari Life Unit Fund	56,000,000	56,000,000
Sub Total	271,275,410	271,275,410
<b>6.1 Maturity grouping of Investments</b>		
On demand	420	130,159,571
Less than 3 months	-	498,670,990
More than 3 months but less than 1 year	75,090,410	110,352,235
More than 1 year but less than 2 years	195,585,000	275,275,410
Above 2 years	-	-
Total	271,275,830	1,014,458,206
<b>6.a Consolidated Investments</b>		
People's Leasing and Financial Services Ltd.	271,275,830	1,014,458,206
PLFS Investments Limited (note-6.a.1)	177,923,327	670,183,711
	449,199,157	1,684,641,917
<b>6.a.1 Investments PLFSIL</b>		
Preference Shares	38,244,473	38,244,473
Other investments (Note 6.a.2)	139,678,854	631,939,238
Gold etc.	-	-
Total	177,923,327	670,183,711
<b>6.a.2 Other Investments</b>		
Distort:		
Haricng Sector	28,071,778	49,788,792
Cement Sector	11,159,609	53,726,181
Chemical Sector	-	14,826,507
Engineering Sector	134,920	131,369
Financial Institutions Sector	67,111,844	142,160,755
Food & Allied Sector	-	26,432,019
Fuel & Power Sector	14,047,313	92,993,948
IT Sector	-	534,360
Miscellaneous	50,410	31,570,365
Mutual Funds	-	144,713,165
Pharmaceuticals & Chemicals Sector	38,383,545	29,794,847
Telecommunication	104,679	-
Textile	614,763	51,256,148
	139,678,854	631,939,238



	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>6.a.1 Maturity grouping of Investments</b>		
On demand		
Less than 3 months	139,479,274	808,343,281
More than 3 months but less than 1 year	-	499,670,990
More than 1 year but less than 3 years	113,929,883	110,352,233
Above 3 years	199,585,000	271,273,410
Total	449,199,157	1,687,641,917
<b>7 Loans &amp; Advances</b>		
<b>Inside Bangladesh:</b>		
Gross Loans Receivables	1,088,689,256	1,371,423,228
Less: Unsettled Loans Income	238,561,256	391,953,320
Net Loans Receivables	848,928,000	1,079,477,898
Advances for Loans Finance	-	377,784
Direct Term Finance	10,342,316,883	12,336,297,216
Secured Overdraft	60,488,493	72,144,637
Bills Discounted and Purchased	-	-
Sub Total	11,457,601,356	13,488,297,525
<b>Outside Bangladesh:</b>		
Direct Term Finance	-	-
Secured Overdraft	-	-
Sub Total	-	-
Total	11,457,601,356	13,488,297,525

The amount of Direct Term Finance have been created by Taka 3,073,128,772.97 in the year 2017, while the amount are charge loan again which are shown/accrued held in BO account. The maximum amount of margin were shown under other asset in the year 2017, now the amount shown under loans and advances and classified accordingly as per advice of Bangladesh Bank by revising the amount of the financial statements of 2017.

<b>7.1 Maturity grouping of loans &amp; advances</b>		
On demand	229,152,023	151,204,943
Less than 3 months	458,204,056	302,599,920
More than 3 months but less than 1 year	2,962,368,344	1,361,694,167
More than 1 year but less than 3 years	4,187,104,732	4,808,273,235
Above 3 years	3,320,672,298	1,760,755,865
Total	11,457,601,356	10,414,548,725

<b>7.1 Sector/ Industry-wise Loans &amp; Advances</b>			
Agricultural sector	6.43%	736,493,310	739,329,320
Industrial sector:			
Texiles	0.03%	6,118,965	7,445,610
Garments	1.86%	132,754,672	123,125,760
Leas & jute related goods	0.97%	110,969,189	110,658,762
Food items production/processing industry	0.83%	97,856,942	93,708,671
Plastic industries	0.02%	-	-
Leather and leather goods	0.17%	19,319,387	28,781,522
Inst. steel and engineering	2.04%	235,721,577	475,632,575
Chemicals and pharmaceuticals	0.88%	100,420,785	183,862,481
Chemical, dyestuff and allied industries	0.03%	-	-
Service sector (Hotel, hospital, clinic, tourism, etc.)	0.02%	-	-
Print, printing and packaging	0.02%	-	-
Telecommunication and IT industries	0.02%	533,600	533,600
Glass and ceramic industries	0.02%	-	-
Shipping and ship building industries	0.02%	-	-
Electronics and electrical goods	0.04%	4,126,424	3,568,483
Power, gas, water and sanitary	2.22%	358,810,114	394,300,811
Transport and communication	7.33%	840,371,350	920,471,832
Real estate and housing	5.22%	598,426,818	627,320,094
Merchandise trading	11.21%	1,284,792,428	1,300,556,214
Trade & Commerce	9.00%	1,037,982,655	2,479,813,643
Others	21.38%	5,884,818,943	2,941,413,190
Total	100.00%	11,457,601,356	10,414,548,725



People's Leasing and Financial Services Ltd.  
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Amount in Taka	
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7.3 Geographical Location-wise Loans & Advances

Inside Bangladesh			
Dhaka Division	99.85%	11,445,428,596	10,393,246,180
Chittagang Division	0.01%	1,360,835	2,355,604
Barisal Division	0.00%	-	-
Rajshahi Division	0.00%	-	-
Sylhet Division	0.00%	-	-
Khulna Division	0.00%	18,811,953	13,956,960
Sub Total	100.00%	11,467,601,384	10,414,568,756
Outside Bangladesh	-	-	-
Total	100.00%	11,467,601,384	10,414,568,756

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	4,334,745,000	2,199,074,000
Outstanding Amount	2,128,168,000	839,610,151
Classified Amount	Filing of law suit - under process	Filing of law suit - under process

Measures taken for recovery

Loan given to subsidiary company (PLFS Investment Ltd.) amount in Tk. 1,055,332,974 on dated 26.05.2009 (Process outstanding on 31.12.2018 amount in Tk. 989,987,709 which was Tk. 1,268,994,215 on 31.12.2017)

7.5 Particulars of Loans & Advances

1. Loans & advances considered good in respect of which the company is fully secured	2,254,300,000	3,871,605,109
2. Loans & advances considered good against which the company holds no security other than the debtor's personal guarantee	9,373,301,000	6,341,953,847
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	9,426,191
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 or managers or officers of the company or any of them either separately or jointly with any other persons	-	-
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 or 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 provisions 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	730,392,579	727,892,579
a. Amount written-off during the year	-	-
b. Amount of collection from written-off during the year	7,510,000	7,308,000
c. Balance written-off loans and advances yet to be recovered	722,882,579	730,392,579
d. Amount of written off loans for which law suits have been filed	-	-



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<b>7.6 Bills Discounted and Purchased</b>		
Inside Bangladesh	-	-
Outside Bangladesh	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>7.7 Maturity grouping of Bills Discounted and Purchased</b>		
Within 1 month	-	-
Over 1 month but within 3 months	-	-
Over 3 months but within 6 months	-	-
Over 6 months	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>7.8 Consolidated Loans and Advances:</b>		
People's Leasing and Financial Services Ltd	11,457,001,396	13,488,207,529
PLFS Investments Limited (note 7.2.1)	795,366,197	693,403,609
	<b>12,252,367,593</b>	<b>14,181,611,138</b>
Less: Inter Company Loans and Advances	989,981,703	1,286,336,233
	<b>11,262,385,890</b>	<b>12,895,274,905</b>
<b>7.8.1 Loans and Advances of PLFS Investments Limited</b>		
Margin loans loanster	795,366,197	693,403,609
<b>7.8.2 Maturity grouping of Consolidated loans &amp; advances</b>		
Disbursed	329,171,827	181,394,923
Less than 3 months	437,304,924	300,349,924
More than 3 months but less than 1 year	3,062,363,294	1,361,734,000
More than 1 year but less than 5 years	3,951,483,224	6,241,126,320
Above 5 years	2,520,672,298	1,790,711,865
<b>Total</b>	<b>11,262,385,890</b>	<b>12,895,274,905</b>
<b>8 Property, Plant &amp; Equipment (Details of Assets-4)</b>		
<b>Own Property</b>		
<b>A. Cost</b>		
Company Premises	33,265,482	33,265,482
Motor Car & Vehicle	26,269,954	35,682,126
Computer	21,027,834	15,604,374
Telephone System	1,756,854	1,756,324
Air Cooler	12,345,664	5,533,414
Refrigerator	437,799	437,799
Generator	2,833,200	2,833,200
Office Equipment	3,558,302	5,554,302
Furniture & Fixtures	57,019,173	38,839,321
Clockery	29,106	29,106
Software	107,001	25,000
<b>Total</b>	<b>146,351,474</b>	<b>137,403,334</b>
<b>B. Less: Accumulated Depreciation</b>		
Company Premises	31,066,528	26,377,713
Motor Car & Vehicle	17,370,050	20,149,110
Computer	1,403,452	9,242,194
Telephone System	1,093,792	1,220,074
Air Cooler	2,542,183	2,039,219
Refrigerator	230,349	103,209
Generator	1,330,271	1,252,167
Office Equipment	4,163,733	3,892,614
Furniture & Fixtures	13,833,646	13,707,034
Clockery	39,103	23,852
Software	113,401	15,000
<b>Total</b>	<b>76,129,365</b>	<b>71,871,310</b>
<b>C. Written Down Value at the end of the year (A-B)</b>	<b>84,022,110</b>	<b>65,532,025</b>



People's Leasing and Financial Services Ltd.  
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Amount in Taka	
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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)	84,022,110	65,534,825
8.1 Intangible asset - computer software		
Cost		
Less: Accumulated amortization		
Net book value at the end of the year		
8.2 Consolidated Property, Plant & Equipment (Details in Annexure-2)		
People's Leasing and Financial Services Ltd.	84,022,110	65,534,825
PLFS Investments Limited (note-8.a.1)	6,458,820	5,171,956
	80,480,950	70,706,981
8.a.1 Property, Plant & Equipment of PLFS Investments Limited		

A. Cost		
Air Conditioner	1,228,000	1,228,000
Computer & Related	2,334,748	2,334,748
Furniture & Fixtures	330,631	330,631
Office Equipment	471,765	471,765
Office Renovation	5,336,745	5,336,745
Motor Car	1,880,000	1,880,000
Software	1,037,500	1,037,500
Total	12,751,469	12,717,469
B. Less: Accumulated Depreciation		
Air Conditioner	213,902	334,702
Computer & Related	1,888,239	1,776,112
Furniture & Fixtures	276,139	243,404
Office Equipment	368,105	399,883
Office Renovation	2,980,449	2,274,194
Motor Car	1,975,999	1,979,999
Software	892,207	347,109
Total	8,292,585	7,845,453
C. Written Down Value at the end of the year (A-B)	4,458,820	5,171,956
9. Other assets		
Investment in shares of subsidiary companies in Bangladesh		
Previous year's loss	300,443,000	300,443,000
Advance Tax paid		
Balance with BO account(s)	235,099,830	211,142,315
Interest receivable	464,300	109,985,824
Advance for office rent	2,218,658	52,940,278
Advance for land purchase	522,574	6,225,470
Deferred Expenses	256,640,000	1,236,640,000
Stamp in hand		
Other prepayment	26,853	20,468
Security deposit	29,722,631	33,369,539
Deferred tax assets (note 9.1)	223,200	223,200
Total	2,693,343,265	1,860,996,144



Amount in Taka	
Dec. 31, 2018	Dec. 31, 2017

Previous years loss amount of taka 11,686,553,599 were shown under Other Asset in the financial statements of 2017 which found out in 2017 through special audit/inspection by Bangladesh Bank, special audit conducted by Ikada vsc Chartered and Management of PLFS. Out of which Taka 2,013,724,772.97 was margin loan against which no shares/securities held in BO account. The remaining amount of margin loan has been shown under loans and advances and classified accordingly to per advice of Bangladesh Bank by restating the balance of the financial statements of 2017. Rest Taka 12,652,824,826 adjusted with retained earnings of the year 2017 as per recommendation of inspection team of Bangladesh Bank.

	Dec. 31, 2018	Dec. 31, 2017
9.1 Deferred tax assets/(liabilities)		
Opening Balance	(8,073,440)	16,313,434
Deferred Tax Expenses	157,189	24,588,883
Less: Adjustment during the year		
Total	(8,230,558)	(8,073,440)

As per calculation amount of deferred tax assets for the year 2017 decreased and arrived deferred tax liability for taxable temporary differences in the carrying amount of the assets and its tax base in accordance with the provision of IAS 12 "Income Taxes". Amount of the year 2017 has been restated through retrospective treatment and shown as deferred tax liability under other liabilities.

Deferred Tax Liability is arrived as follows:

Assets	Carrying amount at BS date (31 Dec 2017)	Tax base	Temporary Difference (Taxable/Deductible)
Fixed Assets net of depreciation	65,354,024	45,150,491	(20,183,623)
Deferred Tax Asset(Liability) as on 31 December 2017 @ 49.00%			(8,073,440)
Less: Deferred Tax Asset as on 31 December 2016			16,517,434
Deferred Tax Expense for the year 2017			24,588,883

Assets	Carrying amount at BS date (31 Dec 2018)	Tax base	Temporary Difference (Taxable/Deductible)
Fixed Assets net of depreciation	84,622,110	62,073,955	(22,548,155)
Deferred Tax Asset(Liability) as on 31 December 2018 @ 37.58%			(8,230,558)
Less: Deferred Tax Asset(Liability) as on 31 December 2017			(8,073,440)
Deferred Tax Expense for the year 2018			157,189

9.2 Consolidated Other assets	Dec. 31, 2018	Dec. 31, 2017
People's Leasing and Financial Services Ltd.	2,553,343,265	1,810,091,144
PLFS Investments Limited (now P.A.I)	161,368,665	197,310,759
	2,214,711,930	2,048,304,340
Less: Inter Company Transaction	200,445,000	200,445,000
	2,014,266,930	1,847,861,340

9.3 Other assets PLFS Investments Limited	Dec. 31, 2018	Dec. 31, 2017
Advance to Others party	83,788,770	83,788,770
T & T Phone Demand Note	9,000	9,000
Advance For Tax Deduction At Source	17,070,910	4,477,393
Other	-	3,910,281
Receivable From Brokerage House	40,481,208	96,323,813
Advance by LEADS Software	500,000	500,000
Advance to Express KSA	1,886,143	-
Adv to Runner Automobiles	1,080,823	-
ALPH Telecom	150,000	-
Advance to Modhura/Hussain Advocates	-	23,000
Advance for Huda Humayun & Co.	-	15,000
Advance for Zeren Consulting	-	1,255,845
Advance to AMAN Cotton	-	1,729,426
Advance for office rent	1,373,387	1,265,593
Deferred tax asset	14,265,721	-
Total	161,368,665	197,310,759



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the Year ended December 31, 2018

Amount in Taka	
Dec 31, 2018	Dec 31, 2017

**Advance for Land Purchase**

As per decision of the Board of Directors in its 301st meeting held on March 03, 2016, we were sent a legal notice to Captain M. Moazzam Hossain dated March 29, 2016 requesting him to make payment of Tk. 1,385,257,102.00. Later on, he replied our legal notice dated April 17, 2016, and made written communication on April 24, 2016 and May 19, 2016. Later on considering replies of Captain M. Moazzam Hossain, the present Chairman Mr. Uzzal Kumar Nandi FCA of PLFS, has sent a reply to Captain M. Moazzam Hossain on May 20, 2016 as per decision of the Board of Directors in its meeting held on May 4, 2016. Subsequently having no further response from Captain M. Moazzam Hossain, a money suit was filed on November 21, 2016 for an amount of BDT 2,030,207,375.00 and the case is pending in the Judge Court, Dhaka for disposal.

Whole amount of advance given against land purchase have been realized through amicable settlement with approval of the Board Directors in its 332nd meeting dated 10 February 2019.

**10 Non-Banking Assets**

This amount represents two units of flats located at Anvay Mariner Legend, Plot no. 39, Road no. 15, Rabindra Sharni, Sector 03, Uttara, Dhaka, which have been registered in the name of PLFS as a settlement of loan against shares of Mrs. Latifa Islam and includes registration costs as well.

**A. Cost:**

Opening Balance	58,408,336	58,408,336
Add: Addition during the year	150,000	-
Less: Adjustment during the year	-	-
<b>Total</b>	<b>58,558,336</b>	<b>58,408,336</b>

**B. Depreciation**

Opening Balance	11,828,660	11,997,908
Add: Addition during the year	4,272,968	4,751,876
Less: Adjustment during the year	-	-
<b>Total</b>	<b>20,101,628</b>	<b>15,824,660</b>

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

	<b>38,456,708</b>	<b>42,583,676</b>
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**11 Borrowings from other Banks, Financial Institutions & Agents**

**Inside Bangladesh:**

Refinance against SME loan from Bangladesh Bank	83,603,117	109,345,920
From other scheduled Banks (note - 11.1)	5,178,647,141	5,967,631,736
<b>Total</b>	<b>5,262,250,258</b>	<b>6,067,977,656</b>

**11.1 From other scheduled Banks & Financial Institutions**

**Long term loans**

Al-Arafah Islamic Bank Ltd.	599,336,746	247,298,436
Basic Bank Ltd.	16,681,694	18,581,806
Scim Bank Ltd.	79,143,326	78,840,739
Mutual Trust Bank Ltd.	212,362,116	232,336,519
Pubali Bank Ltd.	157,451,346	156,493,288
Shahjalal Islamic Bank Ltd.	-	-
Social Islami Bank Ltd.	132,573,227	127,485,809
Standard Bank Ltd.	56,618,525	52,556,228
United Commercial Bank Ltd.	79,742,243	93,653,431
Uttara Bank Ltd.	82,172,425	106,243,791
NRB	168,848,097	172,517,614
Mercantile Bank Ltd.	53,080,376	80,240,540
Modarresi Bank Ltd.	184,912,911	199,649,251
Prosler Bank Ltd.	137,936,719	131,635,045
UAE	17,781,871	24,581,899
<b>Sub-Total</b>	<b>1,978,581,732</b>	<b>2,818,114,602</b>

**Overdraft and money at call short notice**

NRB Commercial Bank Ltd.	-	97,880,523
SBAC	22,447,391	182,511,893
Mercantile Bank	636,335,852	602,881,687
BDCL	-	(18,579)
Mutual Trust Bank Ltd.	57,966,051	52,261,599
Short Term Loans	1,919,396,165	2,395,000,000
Jessur Bank Ltd.	162,900,000	190,000,000
Repali Bank Ltd.	-	-
Soxell Bank Ltd.	160,000,000	180,000,000
Agrani Bank Ltd.	240,000,000	250,000,000
<b>Sub-Total</b>	<b>3,208,068,499</b>	<b>3,549,517,134</b>

<b>Grand Total</b>	<b>5,178,647,141</b>	<b>5,967,631,736</b>
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People's Leasing and Financial Services Ltd.  
 Note to the Financial Statements  
 For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>Security against borrowings from other banks, financial institutions and agents</b>		
Secured	4,699,350,258	5,447,977,636
Unsecured	362,900,000	620,000,000
<b>Total</b>	<b>5,262,250,258</b>	<b>6,067,977,636</b>
<b>Maturity grouping of borrowings from other banks, financial institutions and agents</b>		
Payable on demand	362,900,000	620,000,000
Up to 1 month	1,919,996,165	1,849,731,741
Over 1 month but within 3 months	717,169,244	1,479,785,393
Over 3 months but within 6 months	201,811,460	483,622,920
Over 6 months but within 1 year	483,622,920	201,811,460
Over 1 year but within 3 years	1,436,750,468	1,513,026,541
Over 3 years	-	-
<b>Total</b>	<b>5,262,250,258</b>	<b>6,067,977,636</b>
<b>11.a Consolidated Borrowings from other Banks, Financial Institutions &amp; Agents</b>		
People's Leasing and Financial Services Ltd.	3,262,250,258	6,067,977,636
PLPS Investments Limited (note-11.a.1)	1,006,002,418	1,260,556,215
	6,268,312,676	7,328,533,871
Less: Inter Company Borrowings	989,987,705	1,260,556,215
	<b>5,278,324,971</b>	<b>6,067,977,656</b>
<b>11.a.1 Borrowings from other Banks, Financial Institutions &amp; Agents of PLPS Investments Limited</b>		
People's Leasing And Financial Service Ltd.	989,987,705	1,260,556,215
Loan From ICB (ASL)	16,074,713	-
<b>Total</b>	<b>1,006,062,418</b>	<b>1,260,556,215</b>
<b>12 Deposits &amp; other accounts</b>		
Deposits from banks and financial institutions (note-12.1)	8,108,243,593	8,506,000,000
Deposits from customers	12,256,025,417	10,611,047,549
Sub-Total	20,364,269,010	19,117,047,549
Other deposit	80,136,172	79,621,000
<b>Grand Total</b>	<b>20,444,405,182</b>	<b>19,196,668,647</b>
Less: Inter Company Borrowings	20,000,000	-
	<b>20,424,405,182</b>	<b>19,196,668,647</b>
<b>12.1 Deposits from banks and financial institutions</b>		
Suzuki Bank Ltd.	417,360,642	440,000,000
Jarota Bank Ltd.	382,215,000	380,000,000
Agensi Bank Ltd.	301,538,538	370,000,000
Rupali Bank Ltd.	1,293,466,255	1,204,000,000
United Commercial Bank Ltd.	290,800,000	258,000,000
Bangladesh Development Bank Ltd.	52,357,500	34,800,000
IFIC Bank Ltd.	150,000,000	138,000,000
Bangladesh Commerce Bank Ltd.	1,438,185,197	1,400,000,000
NRB Commercial Bank Ltd.	-	50,000,000
Premier Leasing	428,725,000	400,000,000
FAS Finance	-	180,000,000
First Lease	110,034,533	-
Tawar Finance & Investment Ltd.	280,000,000	280,000,000
International Leasing Ltd.	2,261,492,787	2,274,000,000
BIFFL	572,267,941	550,000,000
Reliance Finance	80,000,000	616,000,000
	<b>8,108,243,593</b>	<b>8,506,000,000</b>
<b>12.2 Maturity grouping of deposits &amp; other accounts</b>		
Payable on demand	-	-
Up to 1 month	648,650,487	423,300,000
Over 1 month but within 6 months	5,945,978,462	3,741,250,000
Over 6 months but within 1 year	6,729,892,312	4,463,670,000
Over 1 year but within 3 years	4,324,430,000	4,858,170,000
Over 3 years but within 10 years	793,444,921	325,380,000
Over 10 years	-	-
<b>Total</b>	<b>20,444,405,182</b>	<b>19,196,668,647</b>



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>13 Other Liabilities</b>		
Provision for Lease, loans and advances (note 13.1)	3,658,588,000	6,782,794,322
Provision for Investment Fluctuation in Shares (note 13.2)	50,000,000	95,241,947
Provision for corporate income tax (note 13.3)	131,097,494	126,117,442
Provision for Gratuity (note 13.4)	24,813,185	25,404,768
Interest Suspense Account (note 13.5)	1,222,624,000	1,773,649,349
Liabilities for financial expenses	437,293,615	537,315,475
Liabilities for sundry creditors	201,937,898	910,916,888
Liabilities for accrued expenses	3,019,571	482,500
Liabilities for TDS/VDS/ED	213,243,633	20,078,050
Dividend Payable	21,358,300	21,358,300
Deferred Tax Liabilities (note-9.1)	8,230,538	8,073,449
Collection A/C	-	379,031
Staff Incentive	538,020	538,020
<b>Total</b>	<b>7,985,064,275</b>	<b>18,303,270,162</b>
<b>13.1 Provision for Lease, loans and advances</b>		
Opening Balance	6,782,794,322	780,638,322
Less: Provision no longer required	(1,236,640,000)	-
Add: Recoveries from previously written-off loans & advances	-	-
Add: General provision provided during the year	-	-
Add: Specific provision provided during the year	43,241,947	30,000,000
Add: Specific provision for shortfall	77,191,731	6,052,156,000
Add: Net charge to profit and loss account	-	-
Closing balance	5,668,588,400	6,782,794,322
Shortfall of Specific provision of Tk. 6,052,156,000 of the year 2017 have been kept by restoring the provision amount of the year 2017. Those provision comprises for shortfall provision in loans and advances Tk. 4,815,516,000 and advance against land purchase Tk. 1,236,640,000.		
Provision kept against advances for land purchase of Tk. 1,236,640,000 are no longer required in the year 2018 since whole amount of advance have been realized through suitable settlement with approval of the Board Directors in its 332nd meeting dated 10 February 2018.		
<b>13.2 Provision for diminution in value of investments</b>		
Opening Balance	95,241,947	97,402,456
Add: Provision during the year	-	-
Less: Provision no longer required	45,241,947	2,221,551
Closing Balance	50,000,000	95,241,947
<b>13.3 Provision for corporate income tax</b>		
Opening Balance	136,117,442	151,521,004
Add: Provision made during the year	6,000,000	35,215,521
Less: Settlement during the year	1,019,948	60,619,383
Closing Balance	131,097,494	126,117,442
<b>13.4 Provision for Gratuity</b>		
Opening Balance	25,404,768	26,997,299
Add: Provision during the year	491,383	1,580,831
Less: Adjustment	24,813,185	25,404,768
Closing Balance	-	-
<b>13.5 Interest Suspense Account</b>		
Opening Balance	1,773,649,349	1,719,071,860
Add: Addition during the year	-	54,577,689
Less: Adjustment during the year	551,025,349	-
Closing Balance	1,222,624,000	1,773,649,349
<b>13.a Consolidated Other Liabilities</b>		
People's Leasing and Financial Services Ltd.	7,985,064,275	18,303,270,162
PLFS Investments Limited (note-13.a.1)	63,841,253	203,665,205
	<b>8,048,905,528</b>	<b>18,506,935,367</b>



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>13.a.1 Other Liabilities PLPS Investments Limited</b>		
Provision for diminution in value of Investments	40,317,835	40,183,471
Provision for corporate income tax	4,366,185	3,335,134
Received from Investor	18,519,113	158,570,081
Commission Payable	499,000	499,000
Professional Fees	40,000	34,900
Advance to suppliers	-	943,301
Adv. Taken Trade	-	-
Provision for Software	84,925	84,133
Provision for Tax deduction at sources	16,673	14,673
Closing balance	63,841,283	203,645,208
Provision for diminution in value of Investments		
Opening Balance	40,183,471	31,607,030
Add: Provision during the year	134,364	(11,423,579)
Closing Balance	40,317,835	40,183,471

**14 Share Capital**

Authorized Capital (500,000,000 shares of Tk. 10 each)	5,000,000,000	5,000,000,000
Issued, Subscribed & Paid-up Capital:		
42,662,333 Ordinary Shares of Tk. 10 each issued for cash	426,623,330	426,617,330
233,681,200 Ordinary Shares of Tk. 10 each issued for bonus share	2,336,812,000	2,336,812,000
9,116,064 Ordinary Shares of Tk. 10 each issued as preference share	91,160,640	91,160,640
Total number of Shares:	2,854,405,970	2,854,405,970

Percentage of shareholding

Category	Number of shares		Percentage (%)	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Sponsors	66,214,423	85,289,490	23.21%	29.88%
General public including NIKD	205,630,271	141,207,463	72.05%	49.47%
Financial institutions	1,978,609	30,427,068	0.69%	10.66%
Investment companies	11,822,616	25,694,022	3.85%	8.97%
Foreigners	544,677	2,921,404	0.19%	1.02%
Total	285,440,597	285,440,597	100.00%	100.00%

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Less than 500	11,835	12,256	2,031,819	2,276,611
501 to 5,000	13,488	14,136	24,834,372	23,611,765
5,001 to 10,000	2,239	2,405	18,512,671	17,692,048
10,001 to 20,000	1,471	1,329	21,320,984	19,332,340
20,001 to 30,000	543	488	13,099,226	12,172,627
30,001 to 40,000	264	323	9,212,656	8,144,934
40,001 to 50,000	198	164	8,900,095	7,648,667
50,001 to 100,000	328	255	23,742,077	18,621,094
100,001 to 1000,000	335	320	61,361,300	55,030,333
Over 1000,000	25	28	101,695,097	118,003,852
Total	20,838	31,514	285,440,597	285,440,597

Name of Directors and their share holdings

Sl. No.	Name of Directors	Status	31.12.2018	31.12.2017
1	Mr. Nourng Chow Nong	Chairman (Nominated by Asian Chemical Industries Ltd.)		
2	Mr. Uzair Kumar Nandi FCA	Non-exec Director (Nominated by Asian Chemical Industries Ltd.)	14,440,900	14,440,900
3	Ms. Nai Aye Ching	Non-exec Director (Nominated by Asian Chemical Industries Ltd.)		
4	Mr. Md. Nazmul Alam	Vice Chairman	57,697,417	5,709,417
5	Mr. Abdul Qader Siddiqui	Independent Director	-	-
6	Mr. Suckler Kumar Halder FCA	Independent Director	-	-
7	Mr. Md. Iqbal Sayeed	Independent Director	-	-
8	Mr. Sukumar Mishra	Independent Director	-	-
9	Eng. Armitay Arshady	Independent Director	-	-



Amount in Taka	
Dec 31, 2018	Dec 31, 2017

14.1 Capital adequacy

The company is subject to the regulatory capital requirement as enquired in DFPM circular no. 03 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 Institution 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

Capital Adequacy Ratio (CAR)

As per DFPM circular No. 14 dated December 28, 2011 and article no. 2.5 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 stated as follows:

Tier-1 (Core Capital)

Fully paid-up capital/ capital lien with BB	2,854,405,970	2,854,405,970
Statutory reserve	645,578,147	645,578,147
Non-repayable share premium account	1,018,605,234	1,018,605,234
General reserve	-	-
Retained earnings	(23,145,616,434)	(21,649,792,929)
Minority interest in subsidiaries	-	-
Non-cumulative irrevocable preference shares	-	-
Dividend equalization account	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	(18,827,827,083)	(17,131,203,578)

Deductions from Tier-1 (Core capital)

Book value of goodwill and any value of any contingent assets which are shown as assets	-	-
Shortfall in provisions required against classified assets	-	-
Shortfall in provisions required against investment in shares	-	-
Remaining deficit on account of revaluation of investments in securities after setting 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	(18,827,827,083)	(17,131,203,578)

2. Tier-2 (Supplementary capital)

General provision (Unsubscribed up to special limit+SMA+ off balance sheet exposure)	71,764,990	113,439,379
Assets revaluation reserves up to 50%	-	-
Revaluation reserves for securities up to 50%	-	-
All other preference shares	-	-
Other (if any item approved by Bangladesh Bank)	-	-
Sub-Total	71,764,990	113,439,379
Deductions, if any	-	-
Total eligible Tier-2 capital	71,764,990	113,439,379

A. Total capital	(18,555,282,093)	(17,017,764,199)
B. Total risk weighted asset	15,763,945,268	17,193,746,862
C. Required capital	1,576,394,536	1,719,374,688
D. Surplus / (Deficit)	(20,131,656,629)	(15,737,138,856)
Capital adequacy ratio (CAR)	-117.71%	-98.98%
On core capital (Tier-1)	-118.16%	-99.64%
On supplementary capital (Tier-2)	0.46%	0.66%



Amount in Taka	
Dec 31, 2018	Dec 31, 2017

14.a Non-controlling interest 17.05% 17.05%

Percentage of shareholding in PLFS Investments Limited			Amount in Taka	
Name of Shareholder	No. of Share	Percentage of share holding	31.12.2018	31.12.2017
People's Leasing And Financial Service Limited	20,041,500	83.00%	200,445,000	200,445,000
Arco Chemical Industries Limited	200,000	0.83%	2,000,000	2,000,000
Dirmax Apparel Limited	100,000	0.41%	1,000,000	1,000,000
Mr. Motiur Rahman	3,805,500	15.76%	38,055,000	38,055,000
Ms. Hironna Amin	-	0.00%	-	-
Ms. Nargis Alamir	-	0.00%	-	-
Ms. Shabida Alam	-	0.00%	-	-
	24,150,000	100.00%	241,500,000	241,500,000

	Total Amount		Non-controlling Portion	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Paid-up Capital	241,500,000	241,500,000	41,255,000	41,255,000
General Reserve	9,010,630	9,010,630	1,531,807	1,531,807
Retained Earnings	(121,936,987)	(26,353,664)	(20,729,288)	(4,480,121)
	128,573,643	224,156,966	21,057,519	38,306,686

15 Statutory reserve		
Opening balance	645,578,147	645,578,147
Add: Addition during the year	-	-
Closing balance	645,578,147	645,578,147

The company has to transfer 20% of net profit to statutory reserve as per the Financial Institutions Regulations, 2006.

16 General reserve		
Opening Balance	-	-
Add: Addition during the year	-	-
Closing balance	-	-

18.a Consolidated General Reserve		
People's Leasing and Financial Services Ltd.	-	-
PLFS Investments Limited	9,010,630	9,010,630
	9,010,630	9,010,630
Less: Non-controlling interest	1,531,807	1,531,807
	7,478,823	7,478,823

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	(21,649,792,929)	(1,309,366,856)
Net profit during the year	(1,455,823,103)	(7,727,601,207)
Adjustment for previous years Loss	-	(12,612,824,826)
Closing balance	(23,105,616,032)	(21,649,792,929)

Previous years loss amount of taka 13,080,553,399 were shown under Other Asset in the financial statements of 2017 which found out in 2018 through special audit/inspection by Bangladesh Bank, special audit conducted by Hashim Chowdhury and Management of PLFS. Out of which Taka 3,071,128,772.97 were margin loan against which no shares/securities held in BO account. The mentioned amount of margin loan was shown under loans and advances and classified accordingly as per advices of Bangladesh Bank by restating the amount of the financial statements of 2017. Rest Taka 12,612,824,826 adjusted with retained earnings of the year 2017 as per recommendation of inspection team of Bangladesh Bank.



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
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	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>18.a Consolidated Retained Earnings</b>		
People's Leasing and Financial Services Ltd.	(33,143,616,434)	(21,649,792,929)
PLFS Investments Limited	(121,936,987)	(26,302,664)
	(33,267,853,421)	(21,676,146,593)
Less: Non-controlling interest	(20,729,288)	(4,889,322)
	<u>(33,244,824,134)</u>	<u>(21,671,066,471)</u>
<b>19 Contingent liabilities &amp; capital expenditure commitments</b>		
<b>Letter of guarantee:</b>		
Money for which the company is contingently liable in respect of guarantees given favoring:		
Directors	-	-
Government	-	-
Banks and other financial institutions	-	-
Others	325,000,000	325,000,000
Sub-Total	<u>325,000,000</u>	<u>325,000,000</u>
<b>Letter of credit:</b>		
For import of equipments under lease finance	-	-
Sub-Total	<u>-</u>	<u>-</u>
<b>Total</b>	<u>325,000,000</u>	<u>325,000,000</u>
<b>19.1 Capital expenditure commitments</b>		
There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2018. There was no capital expenditure authorized by the Board but not contracted as on 31 December, 2018.		
<b>20 Interest income</b>		
Interest on Staff Loan	498,253	905,469
Interest on Loan	913,188,663	493,524,279
Income from Lease Finance	91,096,361	156,001,924
Interest on Home Loan	20,360,126	71,186,218
Interest on FDR	167,809,638	65,232,323
Interest On Margin Loan	104,968,836	91,006,000
Interest On STL	-	83,536
Interest on Loan against Deposit	26,973,255	20,523,000
<b>Total</b>	<u>923,894,334</u>	<u>801,458,975</u>
<b>20.a Consolidated Interest income</b>		
People's Leasing and Financial Services Ltd.	923,894,334	801,458,975
PLFS Investments Limited	101,718,157	106,118,912
	<u>1,025,694,491</u>	<u>1,004,577,886</u>
Less: Inter Company Transaction	(116,531,496)	(127,388,026)
	<u>909,073,091</u>	<u>876,950,962</u>
<b>21 Interest paid on deposits, borrowings etc.</b>		
<b>Interest on deposits</b>		
Interest on Term Deposit	1,505,021,820	1,703,380,559
Interest on MDS	-	1,540,387
	<u>1,505,021,820</u>	<u>1,705,121,146</u>
<b>Interest on borrowings</b>		
Interest on Call Loan	28,765,695	24,217,222
Interest on Term Loan	261,167,837	368,784,343
Interest on Overdraft	123,323,569	83,508,264
Interest on Short Term Loan	337,440,331	250,139,973
Other	-	-
	<u>750,537,432</u>	<u>726,650,002</u>
<b>Total</b>	<u>3,255,559,252</u>	<u>3,431,771,148</u>

Interest paid on deposits, borrowings against for the year 2017 have been restated by the amount of deferred expenses tk. 1,566,420,583 which were deferred and kept under other assets in the year 2017.



People's Leasing and Financial Services Ltd.  
 Notes to the Financial Statements  
 For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>21.a Consolidated Interest Expenses</b>		
People's Leasing and Financial Services Ltd	3,260,559,232	2,436,771,380
PLFS Investments Limited	116,771,133	127,384,000
	<u>3,377,330,367</u>	<u>2,564,155,380</u>
Less: Inter Company Transaction	116,521,490	127,384,000
	<u>3,260,808,877</u>	<u>2,436,771,380</u>
<b>22 Income From Investment</b>		
Income from Investment/Capital gain	(132,410,742)	117,880,000
Dividend income	23,863,702	26,880,000
Total	<u>(108,547,040)</u>	<u>144,760,000</u>
<b>22.a Consolidated Income from Investment</b>		
People's Leasing and Financial Services Ltd	(108,532,990)	132,880,000
PLFS Investments Limited (note-22.a.1)	(80,315,019)	112,880,000
	<u>(188,847,965)</u>	<u>245,760,000</u>
<b>22.a.1 Income from investment of PLFS Investments Limited</b>		
Income from Investment/Capital gain	(89,428,919)	122,380,000
Dividend income	9,073,960	17,500,000
Total	<u>(80,354,919)</u>	<u>142,880,000</u>
<b>23 Commission, exchange and brokerage</b>		
Commission on Bank Guarantees	1,400,000	1,200,000
Total	<u>1,400,000</u>	<u>1,200,000</u>
<b>24 Other operating income</b>		
Bank interest	201,171	330,700
Documentation charge	43,342	32,000
Service charge	71,475	22,000
Application Fees	43,640	1,000
CRS Charges	1,075	4,000
Late Payment Interest	1,147,547	6,700,000
Transfer Money	729,747	20,000
Others	613,488	1,023,800
Total	<u>3,571,695</u>	<u>8,373,600</u>
<b>24.a Consolidated Other Operating Income</b>		
People's Leasing and Financial Services Ltd	3,571,695	6,378,600
PLFS Investments Limited (note-24.a.1)	12,350,691	26,750,000
	<u>15,922,386</u>	<u>33,128,600</u>
<b>24.a.1 Other operating income of PLFS Investments Limited</b>		
Bank interest	2,514,504	6,300,700
Documentation charge	15,508	17,000
Management Fee	8,094,205	22,022,900
Transaction Settlement Charge	1,113,601	2,204,000
Underwriting Commission	-	313,700
Issue Management Fee	-	-
Transaction Charge	950,180	686,300
Closing Charge	18,590	243,400
Income from IPO Application	74,230	20,000
Other Income	17,790	51,200
Total	<u>12,890,691</u>	<u>28,250,000</u>
<b>25 Salaries &amp; allowances</b>		
Salary	109,572,223	104,110,280
Bonus to Staff	5,893,334	11,699,800
Company's Contribution to Employee Provident Fund	4,627,254	3,534,000
Gratuity Expenses	-	476,000
Total	<u>120,092,811</u>	<u>120,220,080</u>



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
For the Year ended December 31, 2018

	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>25.a Consolidated Salaries &amp; allowances</b>		
People's Leasing and Financial Services Ltd.	124,092,611	120,220,811
PLFS Investments Limited (note-25.a.1)	10,482,184	8,948,144
	<u>134,574,795</u>	<u>129,168,955</u>
<b>25.a.1 Salaries &amp; allowances of PLFS Investments Limited</b>		
Salary	8,412,662	7,615,804
Bonus to Staff	844,455	746,588
Company's Contribution to Employees Provident Fund	482,673	-
Gratuity Expenses	-	-
Staff Incentive	742,394	585,500
Total	<u>10,482,184</u>	<u>8,948,144</u>
<b>26 Rent, taxes, insurance, electricity etc.</b>		
Office Rent	19,427,034	17,101,643
Tax, Rates	-	1,008,481
Insurance premium	1,261,136	139,584
Electricity	2,070,340	3,158,580
Total	<u>23,758,510</u>	<u>21,408,692</u>
<b>26.a Consolidated Rent, taxes, insurance, electricity etc.</b>		
People's Leasing and Financial Services Ltd.	23,758,510	21,408,692
PLFS Investments Limited (note-26.a.1)	2,606,137	2,487,571
	<u>26,364,647</u>	<u>23,896,263</u>
<b>26.a.1 Rent, taxes, insurance, electricity etc. of PLFS Investments Limited</b>		
Office Rent	2,360,376	2,169,909
Electricity	295,361	317,662
Total	<u>2,655,737</u>	<u>2,487,571</u>
<b>27 Legal expenses</b>		
Legal fees	1,417,443	844,329
Stamp & Court Fees	21,875	23,540
Total	<u>1,439,318</u>	<u>867,869</u>
<b>27.a Consolidated Legal expenses</b>		
People's Leasing and Financial Services Ltd.	1,439,318	867,869
PLFS Investments Limited	-	-
	<u>1,439,318</u>	<u>867,869</u>
<b>28 Postage, stamp, telecommunications etc.</b>		
Postage	83,820	67,453
Telephone bill	329,246	1,763,894
Fax & Internet	711,539	678,488
Total	<u>1,104,245</u>	<u>2,510,235</u>
<b>28.a Consolidated Postage, stamp, telecommunications etc.</b>		
People's Leasing and Financial Services Ltd.	1,104,245	2,510,235
PLFS Investments Limited (note-28.a.1)	254,977	189,352
	<u>1,359,222</u>	<u>2,699,587</u>
<b>28.a.1 Postage, stamp, telecommunications etc. of PLFS Investments Limited</b>		
Postage	371	513
Telephone bill & Mobile	117,102	48,137
Fax & Internet	137,520	140,700
Total	<u>254,977</u>	<u>189,352</u>



People's Leasing and Financial Services Ltd.  
 Notes to the Financial Statements  
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	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
29 Stationery, printing, advertisement etc.		
Stationery & Printing	2,458,708	4,610,814
Advertisement	3,178,140	3,367,403
Computer expenses	-	-
Total	5,674,848	7,987,219
29.a Consolidated Stationery, printing, advertisement etc.		
People's Leasing and Financial Services Ltd.	5,674,848	7,987,219
PLFS Investments Limited (100%-29 a.1)	380,649	185,034
Total	6,055,497	8,172,253
29.a.1 Stationery, printing, advertisement etc. of PLFS Investments Limited		
Stationery & Printing	117,309	170,028
Advertisement	238,080	-
Computer & Accessories	25,340	14,102
Total	380,649	185,034
30 Managing director's salary and fees		
Salary	4,800,000	2,641,067
Festival Bonuses	514,000	250,000
Other allowances	480,000	-
Total	5,794,000	2,891,067
31 Directors' Fees		
Directors' fees	577,683	1,201,305
Others Benefits	-	-
Total	577,683	1,201,305
Directors' fees for attending each board meeting are TK. 8,000.00 (Eight Thousand) as per Bangladesh Bank (BPM) Circular, No. 13, dated 30 November, 2014. Directors have not been paid any remuneration for any special services rendered.		
31.a Consolidated Directors' Fees		
People's Leasing and Financial Services Ltd.	577,683	1,201,305
PLFS Investments Limited	20,000	65,000
Total	597,683	1,266,305
32 Audit fee	402,500	402,500
32.a Consolidated Audit fee		
People's Leasing and Financial Services Ltd.	402,500	402,500
PLFS Investments Limited	40,000	72,550
Total	442,500	475,250
33 Loans & advances written-off		
Loans & advances written-off	-	-
Loss provision	-	-
Interest waived	-	-
Total	-	-
34 Repair, depreciation and amortizations of company's assets		
Repair of company's assets:		
Machine/Furniture Repair & Maintenance	194,275	231,004
Generator Repair & Maintenance	-	-
Telephone Maintenance	-	-
Motor car Maintenance	650,812	1,380,134
Sub Total	845,087	1,611,138



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
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	Amount in Taka	
	Dec 31, 2013	Dec 31, 2012
Depreciation of company's assets		
Own assets	13,394,230	13,171,127
Sub Total	13,394,230	13,171,127
Amortization of company's assets		
Computer software	-	-
Total repair and depreciation of company's assets	14,239,317	14,782,285
<b>34.a Consolidated Repair, depreciation and amortizations of company's assets</b>		
People's Leasing and Financial Services Ltd.	14,239,317	14,782,285
PLFS Investments Limited (note-34.a.1)	765,623	979,417
	15,004,940	15,761,702
<b>34.a.1 Repair, depreciation and amortizations of company's assets of PLFS Investments Limited</b>		
Repair of company's assets		
Rep. & Maintenance Office Equipment	18,486	88,385
Generator Repair & Maintenance	-	-
Telephone Maintenance	-	-
Motor car Maintenance	-	-
Sub Total	18,486	88,385
Depreciation of company's assets		
Own assets	747,137	891,032
Sub Total	747,137	891,032
Amortization of company's assets		
Total repair and depreciation of company's assets	765,623	979,417
<b>35 Other expenses</b>		
Traveling & Conveyance Expenses	1,317,285	1,377,937
Entertainment	1,095,881	2,014,244
Exp. A/C-Service Charge	107,750	-
Staff welfare	-	61,833
Security Services	3,208,514	3,399,037
Meeting Expenses	2,102,404	2,176,118
Fees & Subscription	2,747,556	2,877,066
Office maintenance	4,398,833	4,556,846
Miscellaneous	533,454	723,675
Books & periodicals	36,832	51,364
Business Promotion	5,032,421	1,197,263
Fuel, Oil & Lubricant	712,679	1,323,619
Staff training	5,000	214,200
Uniform & Leavies	113,920	123,730
Bank charges & commission	827,942	359,369
Excise duty	1,416,120	792,963
Software Expenses	405,445	25,000
Operation (CSR)	175,000	311,200
Car Exp. (TAX)	-	261,239
CDOL charges	32,309	-
Annual picnic	1,443,336	1,194,941
Loss on sale of Goods	-	9,320
Other	-	101,256
BO Accounts Exp.	6,523,950	16,156,737
Total	31,775,458	39,675,949
<b>35.a Consolidated Other expenses</b>		
People's Leasing and Financial Services Ltd.	31,775,458	39,675,949
PLFS Investments Limited (note-35.a.1)	4,988,011	4,851,750
	36,763,473	44,627,699



People's Leasing and Financial Services Ltd.  
Notes to the Financial Statements  
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		Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
<b>35.a.1</b>	<b>Other expenses of PLFS Investments Limited</b>		
	Traveling & Conveyance Expenses	28,270	41,925
	Entertainment	465,522	332,380
	Security Services	111,320	82,200
	Office maintenance	476,171	488,416
	Miscellaneous	1,696,400	764,200
	Professional fees	292,050	-
	LFA	292,694	-
	Staff training	21,000	17,000
	Bank charges & commission	137,733	193,011
	Website Development Expenses	2,100	5,980
	Software Expenses	169,050	108,246
	Renewal & registration Fees	169,135	230,235
	Printing Fee	48,000	21,000
	Business Promotion	-	515,000
	Donation	-	50,000
	CDRL Charge	737,583	1,794,391
	Office Expenses	264,088	267,420
	<b>Total</b>	<b>4,984,815</b>	<b>4,851,750</b>
<b>36</b>	<b>Provision for loans &amp; advances</b>		
	Provision for classified loans & advances	(1,236,640,000)	80,000,000
	Provision for classified loans & advances req. by Bangladesh Bank	122,833,678	4,952,156,000
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	(91,241,947)	(2,221,551)
	Provision for off-balance sheet items	-	-
	<b>Total</b>	<b>(1,199,448,269)</b>	<b>4,679,534,449</b>
	Provision for advance against bond of taka 1,236,640,000 reversed in 2018 as advance amount realized in March 2018		
<b>36.a</b>	<b>Consolidated Provision for loans &amp; advances</b>		
	People's Leasing and Financial Services Ltd.	(1,159,448,269)	4,679,534,449
	PLFS Investments Limited (note-36.a.1)	134,364	(11,423,579)
	<b>Total</b>	<b>(1,159,313,905)</b>	<b>4,668,110,870</b>
<b>36.a.1</b>	<b>Provision for loans &amp; advances of PLFS Investments Limited</b>		
	Provision for classified loans & advances (for written-off)	-	-
	Provision for unclassified loans & advances	-	-
	Provision for diminution in value of investments	134,364	(11,423,579)
	Provision for off-balance sheet items	-	-
	<b>Total</b>	<b>134,364</b>	<b>(11,423,579)</b>
<b>37</b>	<b>Provision for tax</b>		
	Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provisions of Income Tax Ordinance, 1988 and amendments made thereof. The current tax rate for the Company is 37.50% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2018.		
	Provision for current tax	-	-
	Opening balance	-	-
	Add: Provision made during the year	6,000,000	33,215,821
	Less: Withheld during the year	-	-
	Closing balance	<b>6,000,000</b>	<b>33,215,821</b>
<b>37.a</b>	<b>Consolidated Provision for taxes</b>		
	People's Leasing and Financial Services Ltd.	6,000,000	33,215,821
	PLFS Investments Limited (note-37.a.1)	1,814,792	3,117,914
	<b>Total</b>	<b>7,814,792</b>	<b>36,333,735</b>



	Amount in Taka	
	Dec 31, 2018	Dec 31, 2017
<b>37.a.1 Provision for tax of PLFS Investments Limited</b>		
Provision for current tax		
Opening balance	-	-
Add: Provision made during the year	1,814,792	3,317,914
Add: Transferred from deferred tax	-	-
Less: Settlement during the year	-	-
Closing balance	<u>1,814,792</u>	<u>3,317,914</u>
<b>38 Provision for Deferred tax</b>		
Deferred Tax expense	157,109	24,586,883
Deferred Tax Income	-	-
	<u>157,109</u>	<u>24,586,883</u>
<b>38.a Consolidated Deferred tax</b>		
People's Leasing and Financial Services Ltd.	157,109	24,586,883
PLFS Investments Limited	(8,998,724)	13,341,110
	<u>(8,841,615)</u>	<u>38,127,993</u>
<b>39 Earnings per share (EPS)</b>		
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)	(1,495,823,505)	(7,727,661,207)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	<u>(5.24)</u>	<u>(27.07)</u>
No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
<b>39.a Consolidated Earnings per share (EPS)</b>		
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)	(2,575,197,665)	(7,614,361,659)
Weighted Average Number of ordinary shares outstanding during the year	285,440,597	285,440,597
Basic earnings per share (in Taka)	<u>(9.04)</u>	<u>(26.68)</u>
No diluted earnings per share is required to be calculated for the period, as there was no convertible securities for dilution during the period.		
<b>40 Net Assets Value (NAV) per share</b>		
Net Assets (Total assets less Total Liabilities)	(18,627,027,683)	(17,131,203,378)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Assets Value (NAV) per share	<u>(65.26)</u>	<u>(60.02)</u>
<b>40.a Consolidated Net Assets Value (NAV) per share</b>		
Net Assets (Total assets less Total Liabilities)	(18,720,755,968)	(17,145,958,297)
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Consolidated Net Assets Value (NAV) per share	<u>(65.59)</u>	<u>(60.07)</u>
<b>41 Net Operating Cash Flows Per Share (NOCFPS)</b>		
Net Cash flow from Operating Activities	(731,462,779)	1,452,750,732
Total Number of Ordinary shares outstanding	285,440,597	285,440,597
Net Operating Cash Flows Per Share (NOCFPS)	<u>(2.56)</u>	<u>5.09</u>



People's Lending and Financial Services Ltd.  
Notes to the Financial Statements  
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		Amount in Taka	
		Dec 31, 2018	Dec 31, 2017
41.a	<b>Consolidated Net Operating Cash Flows Per Share (NOCFPS)</b>		
	Net Cash flows from Operating Activities	(1,052,143,972)	1,645,804,600
	Total Number of Ordinary shares outstanding	285,440,977	285,440,977
	<b>Consolidated Net Operating Cash Flows Per Share (NOCFPS)</b>	<b>(3.69)</b>	<b>5.76</b>
42	<b>Reconciliation of Net Profit with Cash Flows from Operating Activities</b>		
	Net Profit after tax	(1,495,823,905)	(1,727,601,207)
	Items not involved in cash movement		
	Add: Depreciation	13,794,230	13,271,127
	Add: Provisions for loans and investments	(1,159,448,269)	6,079,954,640
	Add: Provisions for Taxation	6,157,100	10,802,706
	Add/(Less): Accrued expenses	462,313,166	557,717,973
	Add/(Less): Accrued income	(592,218,668)	(52,940,278)
		(2,515,625,917)	(1,089,915,252)
	Increases/(decrease) in operating assets and liabilities		
	Loans and advances to customers	2,932,690,173	(402,944,320)
	Other assets	(202,347,121)	(172,440,482)
	Deposits from customers and others	1,241,736,558	1,187,482,622
	Other liabilities	(1,269,922,482)	(71,391,391)
		1,894,152,138	2,542,705,954
	<b>Net Cash flows from/(used in) Operating Activities</b>	<b>(721,463,779)</b>	<b>1,452,790,732</b>

43 **Related party transactions**

Parties are considered to be related, if one party has the ability to control the other party or exercise significant influence over the other party, in making financial and operational decisions and include associated companies with or without common directors and key management positions. The Company has entered into transactions with other entities in the normal course of business that fall within the definition of related party as per International Accounting Standards (IAS) No. 24 'Related Party Disclosure'. Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time of comparable transactions with other customers of similar credentials and do not involve more than normal risk.

Name of the parties	Nature of Relationship	Nature of Transactions	Outstanding Balance	Outstanding Balance as
			as on 31/12/2018	on 31/12/2017
			Taka	Taka
Mr. Hassan Alam	Shareholder	Term Deposits Receipts	-	-
Mr. Anwar Shamsul Alam	Shareholder	Term Loan	724,780,075	724,780,075
Mr. Alarge Shamsul Alam	Shareholder	Term Loan	386,104,856	386,104,856
Fuad Spinning Mills Ltd.	Shareholder	Term Loan	-	-
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	-
S. A. Spinning Mills Ltd.	Shareholder	Term Loan	-	-
Canadian Trillium School Ltd.	Shareholder	Term Loan	-	-
Mrs. Shiqul Rani Roy	Shareholder	Term Loan	38,991,298	37,168,047
Mr. Biswajit Kumar Roy	Shareholder	Lease Finance	2,271,843	2,274,480
Mr. Biswajit Kumar Roy	Shareholder	Term Loan	34,885,922	-
			<b>1,187,034,293</b>	<b>1,169,347,488</b>



**People's Leasing and Financial Services Ltd.**  
**Notes to the Financial Statements**  
For the Year ended December 31, 2018

**44 Reasons for significant deviation and restatement of the accounts 2017**

- a) On the basis of detailed inspection conducted by Bangladesh Bank in the year 2015, 05 nos of Director of PLFSL have been removed due to their fraudulent activities and financial anomalies. An observer also appointed by Bangladesh Bank in the Board of PLFSL. After vacancy in the Board, new directors were appointed in the Board of Directors to running the business of the company.
- b) After resuming new BoD, a special management audit has been conducted by Hoda Vasi Chowdhury & co., an independent audit firm, to examine actual financial position and discrepancies. They found among others a financial gap of Taka 9,238,886,766.00 which arisen through understatement of Liabilities and overstatement of Assets in previous years financial statements (2009 to 2015) which were duly communicated to Bangladesh Bank. The above gap were recorded in the accounts of the year 2015 under 'other asset' category of the Balance Sheet as Previous Years Loss. Subsequently, in the year 2016, Previous Years Loss amount increased to Tk. 15,686,553,599.00. Out of which Tk. 3,073,728,773 were margin loan against which no share/securities held in the BO account, Fake loan were Tk. 1,860,354,640, Capital loss Tk. 546,024,202 and deferred interest expenses were Tk. 967,559,219.
- c) As per inspection report of Financial Institutions Inspection Department of Bangladesh Bank, for the year ended on December 31, 2015, Provision shortfall were Tk. 1,725.56 Crore and Capital shortfall were Tk. 1,354.94 Crore.
- d) As per detailed inspection report of Financial Institutions Inspection Department of Bangladesh Bank, for the year ended on December 31, 2017 which received on 22 January 2019, Provision has been kept by restating of provision of the year 2017 by shortfall of provision amount of Tk. 6,052,156,000. They also advised to restate retained earnings of the year 2017 by adjusting previous years loss of 12,612,824,826.
- e) Department of Financial Institutions and Market of Bangladesh Bank has advised to PLFS management to restate the financial statement of the year 2017 by incorporating all the shortfall provisions Tk. 6,052,156,000 & previous years loss of Tk.12,612,824,826 and prepare the financial statement for the year 2018 accordingly.

**f) Effects of Restatement in the year 2017**

Particulars	2017 (Restated)	2017 (Reported)	Changes	Explanation
Profit after tax	(7,727,601,207)	(84,437,741)	(7,643,163,466)	Additional Provision Tk. 6,052,156,000, Differed interest expenses for the year 2016 was Tk.1,566,420,583.00, Deferred tax Provision Tk. 24,586,883
EPS	(27.07)	(0.30)	(27)	Effects of restatement
Retained Earnings	(21,649,792,929)	(1,393,804,637)	(20,255,988,292)	Previous years loss taka 12,612,824,826 adjusted with retained earnings crore and additional loss for restatement Tk 7,643,163,466
Share holders equity	(17,131,203,578)	3,124,784,714	(20,255,988,292)	
No. of Share	285,440,597	285,440,597	-	
NAV per Share	(60.02)	10.95	(71)	effects of restatement
Loans and advance	13,488,297,529	10,414,568,756	3,073,728,773	Margin Loan amount (included in previous years loss) returned to Loans and advances as BL



**People's Leasing and Financial Services Ltd.**  
**Notes to the Financial Statements**  
For the Year ended December 31, 2018

Total Asset	18,436,712,887	32,632,471,731	(14,195,758,844)	Previous years loss taka 12,612,824,826, Deferred interest expenses for the year 2016 was Tk.1,566,420,583.00 and deferred tax asset Tk. 16,513,435 shifted to Deferred Tax Liability
Total Liabilities	35,567,916,465	29,507,687,016	6,060,229,449	Additional Provision Tk 6,052,156,000, and Deferred Tax Liability Tk. 8,073,449

45 Others

45.1 For the Year ended December 31, 2018

Name of Court	No. of Suits	Suit Value/Claimed Amt. (in Lac)	Recovery against claim Amt. (in Lac)	Remarks
Artha Rin Adalat	91	44,012.46	2,344.93	-
Other Courts	162	26,549.73	596.50	-
<b>Total</b>	<b>253</b>	<b>70,562.19</b>	<b>2,941.43</b>	<b>-</b>

45.2 Unacknowledged debt

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

45.3 Employees' Information

A total number of 261 employees were employed in PLFS as of 31 December, 2018. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2018.

46 Written-off of accounts

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

47 Subsequent Events

Advance for land purchase of Tk. 1,236,640,000 has been realized, Non-banking assets of Taka 38,456,708 (02 nos of Flat) has been sold out.

48 Directors' responsibility statement

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

49 Date of authorization for issue

The financial statements were authorized for issue by the Board of Directors on its 327th meeting held on June 27, 2018.

50 General

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

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



People's Leasing and Financial Services Ltd.  
Fixed Assets Schedule  
As on 31 December, 2018

Annexure - A

Figures in Taka

Sl No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2018	
		Balance as on 1 Jan, 2018	Additions during the Year	Adjustment during the year		Balance as on 1 Jan, 2018	Charged during the year	Adjustment during the year		Balance as on 31 Dec, 2018
1	Company Premises ✓	33,265,482	-	-	10%	20,377,753	1,268,773	-	21,646,526	11,582,955
2	Motor Car & Vehicle ✓	35,882,838	-	9,421,888	20%	20,148,110	2,170,250	4,739,410	17,679,950	8,681,000
3	Computer	15,004,508	6,043,888	20,460	20%	9,242,191	2,361,241	-	11,603,432	9,424,504
4	Telephone System	1,736,358	20,500	-	10%	1,020,073	73,679	-	1,093,752	663,107
5	Air Cooler ✓	5,533,414	6,816,250	4,000	5%	2,030,210	515,973	4,000	2,542,183	9,803,481
6	Refrigerator ✓	437,799	-	-	10%	267,299	23,060	-	290,349	207,450
7	Generator	2,033,200	-	-	10%	1,252,168	78,103	-	1,330,271	702,928
8	Office Equipment ✓	5,558,302	-	-	20%	3,842,616	343,137	-	4,185,753	1,372,549
9	Furniture & Fixtures ✓	38,039,327	18,550,846	20,000	5%	13,707,039	2,168,607	20,000	15,953,646	41,105,327
10	Crockeries	30,105	-	-	20%	27,852	2,251	-	30,103	9,003
11	Software ✓	75,000	432,004	-	20%	15,000	98,401	-	113,401	393,603
	As on 31 December, 2018	137,405,334	32,312,488	5,496,345		71,671,311	9,121,464	4,763,410	76,229,365	84,622,110
	As on 31 December, 2017	129,584,525	12,463,809	4,663,000		68,109,939	8,440,662	1,676,680	71,871,311	65,534,024

Non-Banking Assets

Serial No.	Particulars	COST			Rate	ACCUMULATED DEPRECIATION			Written Down Value as on 31 Dec, 2018	
		Balance as on 1 Jan, 2018	Additions during the Year	Adjustment during the year		Balance as on 1 Jan, 2018	Charged during the year	Adjustment during the year		Balance as on 31 Dec, 2018
1	Company Premises ✓	58,408,336	150,000	-	10%	15,828,659	4,272,958	-	20,101,617	38,456,709
	As on 31 December, 2018	58,408,336	150,000	-		15,828,659	4,272,958	-	20,101,617	38,456,709
	As on 31 December, 2017	58,408,336	-	-		11,067,594	4,731,675	-	15,803,269	42,579,677

People's Leasing and Financial Services Ltd.  
Consolidated Fixed Assets Schedule

As on December 31, 2018

## Property, plant &amp; equipment

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2018
		Balance as on Jan 01, 2018	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2018		Balance as on Jan 01, 2018	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2018	
1	Company Premises	33,265,482	-	-	33,265,482	10%	32,367,752	1,265,773	-	23,646,525	9,618,957
2	Motor Car & Vehicle	37,662,838	-	9,421,888	28,240,950	20%	20,149,110	2,170,250	4,739,410	17,579,950	10,661,000
3	Computer	17,307,256	6,077,888	20,460	23,384,884	20%	11,018,302	2,473,368	-	13,491,670	9,873,014
4	Telephone System	1,736,358	20,900	-	1,756,858	10%	1,020,073	73,679	-	1,093,752	653,106
5	Air Cooler	6,701,414	6,816,256	4,000	13,517,664	5%	2,364,863	894,623	4,000	3,055,283	10,518,079
6	Refrigerator	437,799	-	-	437,799	10%	207,286	23,050	-	230,349	207,450
7	Generator	2,033,200	-	-	2,033,200	10%	1,252,167	78,103	-	1,330,271	702,929
8	Office Equipment	6,030,067	-	-	6,030,067	20%	4,182,499	361,419	-	4,553,918	1,476,149
9	Furniture & Fixtures	49,706,723	18,099,948	20,000	62,896,699	5%	16,264,636	2,479,567	20,000	18,704,222	43,992,347
10	Crockeries	39,106	-	-	39,106	20%	27,852	2,251	-	30,103	9,003
11	Software	1,142,500	432,004	-	1,574,504	20%	582,109	223,498	-	805,607	768,899
	As on 31 December, 2018	150,122,743	32,345,488	9,466,348	173,063,583		78,416,761	9,858,000	4,763,410	84,521,951	88,499,530
	As on 31 December, 2017	138,033,271	16,727,472	4,883,000	150,122,743		71,784,357	6,131,084	1,678,680	79,416,761	70,705,980

## Non-Banking Assets

Serial No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2018
		Balance as on Jan 01, 2018	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2018		Balance as on Jan 01, 2018	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2018	
1	Company Premises	58,406,336	150,000	-	58,556,336	10%	15,828,659	4,272,969	-	20,101,628	38,456,705
	As on 31 December, 2018	58,406,336	150,000	-	58,556,336		15,828,659	4,272,969	-	20,101,628	38,456,705
	As on 31 December, 2017	58,406,336	-	-	58,406,336		11,097,584	4,731,075	-	15,828,659	42,579,677



