

ANNUAL REPORT 2015



Together We Achieve

PEOPLE'S LEASING
And Financial Services Ltd.

ANNUAL REPORT 2015



20 Years of Journey | 20 Years of Togetherness
20 Years of Achievement

PEOPLE'S LEASING
And Financial Services Ltd.

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Letter Of Transmittal

All shareholders
Bangladesh Bank
Bangladesh Securities & Exchange Commission
Registrar of Joint Stock Companies & Firms
Dhaka Stock Exchange Ltd.
Chittagong Stock Exchange Ltd.

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2015

Dear Sir(s),

We are pleased to enclose a copy of the Annual Report together with the Audited Financial statements including Balance Sheet as at December 31, 2015 and Profit & Loss Accounts, Cash Flow Statement and Statement on Changes in Equity for the year ended December 31, 2015 along-with the notes thereon of People's Leasing And Financial Services Ltd. for your kind information and record.

Yours Sincerely,



MA Rahman FCS
Company Secretary

September 01, 2016

Notice of the 20th Annual General Meeting

Notice is hereby given to all members of People's Leasing And Financial Services Limited that the 20th (Twentieth) Annual General Meeting (AGM) of the members will be held on **September 22, 2016 Thursday at 09.30 a.m. at RAOWA Convention Hall, Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206** to transact the following businesses :

1. To receive, consider and adopt the Financial Statements of the company alongwith the Auditor's Reports & the Directors Report thereon for the year ended December 31, 2015.
2. Declaration of dividend for the year ended 31 December, 2015 as recommended by the Board of Directors.
3. Appointment/re-appointment of Directors.
4. To appoint the statutory Auditor for the year 2016 & to fix their remuneration.
5. To consider & approve appointment of Independent Directors of the Company
6. Misc, with the permission of the Chair

By Order of the Board of Directors-

Dhaka, September 01, 2016


M. A. Rahman FCS
Company Secretary

Notes :

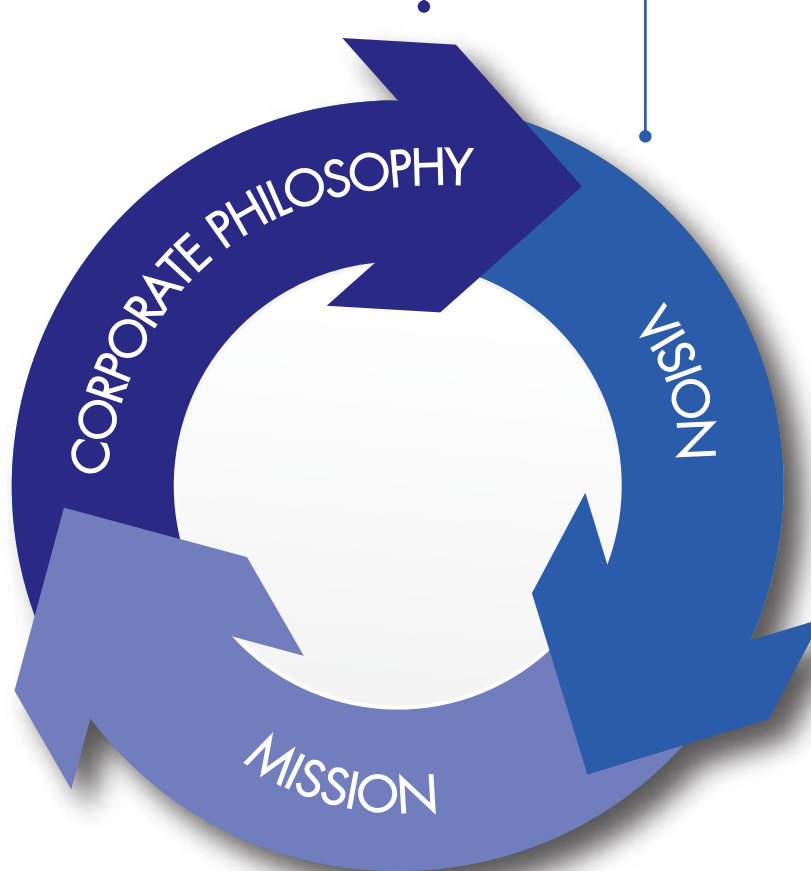
- a. The Record Date is Sunday, August 28, 2016. Members (Shareholders) whose names appear in the Register of Members on Record Date (Sunday August 28, 2016) will be eligible to attend in the meeting.
- b. A member of the Company, eligible to attend and vote in the Annual General Meeting, may appoint a proxy to attend the meeting and vote in his/her/their behalf. The proxy form duly stamped with **TK.20.00** (Revenue Stamp) must be submitted at the Registered Office of the Company at least **48 hours** before the time fixed for the A.G.M. Proxy form is available in company website.
- c. Notice of the Annual General Meeting, Annual report 2015 and Proxy Form are available at the company website- www.plfsbd.com. Change of address, if any, should be notified to the related Depository Participant.
- d. Entrance into the meeting hall is restricted only to the eligible shareholders on production of the attendance slip sent with the notice and Proxy Form duly Stamped and signed by the shareholders and Proxy holder(s) for attending in the AGM on Proxy.
- e. In compliance with the Bangladesh Securities and Exchange Commission's Circular No SEC/CMRRCD/2009-193/154 dated October 24, 2013, No Gift/Gift Coupon/Food Box shall be distributed to the Shareholders at the 20th AGM of the Company.

CORPORATE PHILOSOPHY

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

VISION

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



MISSION

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



PEOPLE'S LEASING
And Financial Services Ltd.

Core Values

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

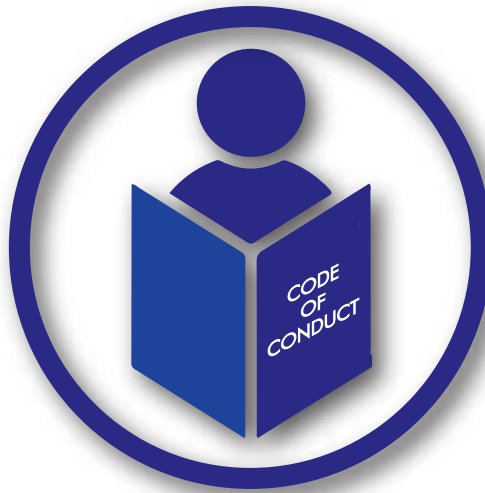
PLFS employees are trained to be good professionals and genuine development partners of the entrepreneurs and thus achieve organizational excellence.



Strategic Objectives

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

Code of Conduct & Professional Ethics



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

A. Objectivity and Independence

The principle of our objectivity imposes the obligation to be impartial, intellectually honest and free of conflicts of interest. Independence precludes relationships that may appear to impair a member's objectivity in rendering attestation services. Our members often serve multiple interests in many different capacities and must demonstrate their objectivity in varying circumstances. Members in public practice render attestation, tax, and management advisory services. Other members prepare financial statements in the employment of others, perform internal auditing services, and serve in financial and management capacities in industry, education and government. They also educate and train those who aspire to admission into the profession. Regardless of service or capacity, our members are protecting the integrity of their work, maintain objectivity and avoid any subordination of their judgment.

B. Due diligence

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

C. Integrity

To maintain and broaden public confidence, members of our company performs all professional responsibilities with the highest sense of integrity.

D. The Public Interest

The members of our company have accepted the obligation to act in a way that will serve the public interest, honor the public trust and demonstrate commitment to professionalism.

E. Scope and Nature of Services

Members of our company in public practice are observing the Principles of the Code of Professional Conduct in determining the scope and nature of services to be provided.

Our Extensive Range of Products & Services

Debt Products

- Lease Finance
- Syndicate Finance
- Home Loan
- Car / Vehicle Loan
- Finance for Real Estate Developers
- Short Term Loan
- Long Term Loan
- Agro Based Loan
- SME Loan
- Women Entrepreneurs Loan
- Working Capital
- Project Finance
- Factoring

Liability Products

- Short Term Deposit
- Term Deposit
- Annual Profit Term Deposit
- Cumulative Profit Term Deposit
- Monthly Earner Deposit
- Quarterly Earner Deposit
- Q-5 (Quarterly Profit for 5 Times)
- Double Money Scheme
- Triple Money Scheme
- Monthly Deposit Scheme

- SME Finance Scheme
- Women Entrepreneur Refinance Scheme
- Agro-based Industry Refinance Scheme
- Refinance Scheme under Green Banking
- Brick Kiln Energy Efficiency Project under ADB Fund

Refinance Scheme under Bangladesh Bank / ADB Fund

- Project Finance Appraisal
- Project Loan Syndication
- Syndication Agency Services
- Refinancing Arrangement
- Corporate Financial Advisory
- Securitization of Receivables
- Trusteeship Management
- Professional Supports to SMEs

Corporate Services

Corporate Information

Company Name	: People's Leasing And Financial Services Ltd.
Company Registration information	: Incorporated in Bangladesh on August 12, 1996 under the Companies Act 1994 bearing No. C-31162 (283)/96
Commencement of Business	: August 26, 1996
Bangladesh Bank license as Non-Banking Financial Institution	: November 24, 1997, No. 02067406
Legal status	: Public Limited Company Listed with Dhaka Stock Exchange Ltd & Chittagong Stock Exchange Ltd.
Registered/Corporate Office	: Paramount Heights, Level 12th & 13th 65/2/1, Box Culvert Road, Purana Paltan, Dhaka-1000, Bangladesh Phone: 88 02 47113826, 47117448, 47117828 Fax: 88 02 9562780
Gulshan Branch	: Rupayan Golden Age, Level 4 (C-4 & H-4), 99 Gulshan Avenue, Road 37, Gulshan, Dhaka-1212
Chittagong Branch	: Akhtaruzzaman Centre, Level 4, 21/22, Agrabad C/A, Chittagong.
Company E-mail	: email@plfsbd.com
Company website	: www.plfsbd.com
E-TIN	: 112718581076
VAT Registration No.	: 19081101959
Authorized Capital	: Tk 500, 00, 00,000/- (Five hundred crore)
Paid up Capital	: Tk 285,44,05,970/-
Face value per share	: Tk. 10.00
Board of Directors	: 11
Number of Employees	: 127
Number of shareholders as on Record Date	: 35,640 as on Record Date 28 August 2016.
Last AGM held	: June 25, 2015
Financial Year	: January - December
Auditor	: Rahman Mostafa Alam & Co. Chartered Accountants

Principal Bankers

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

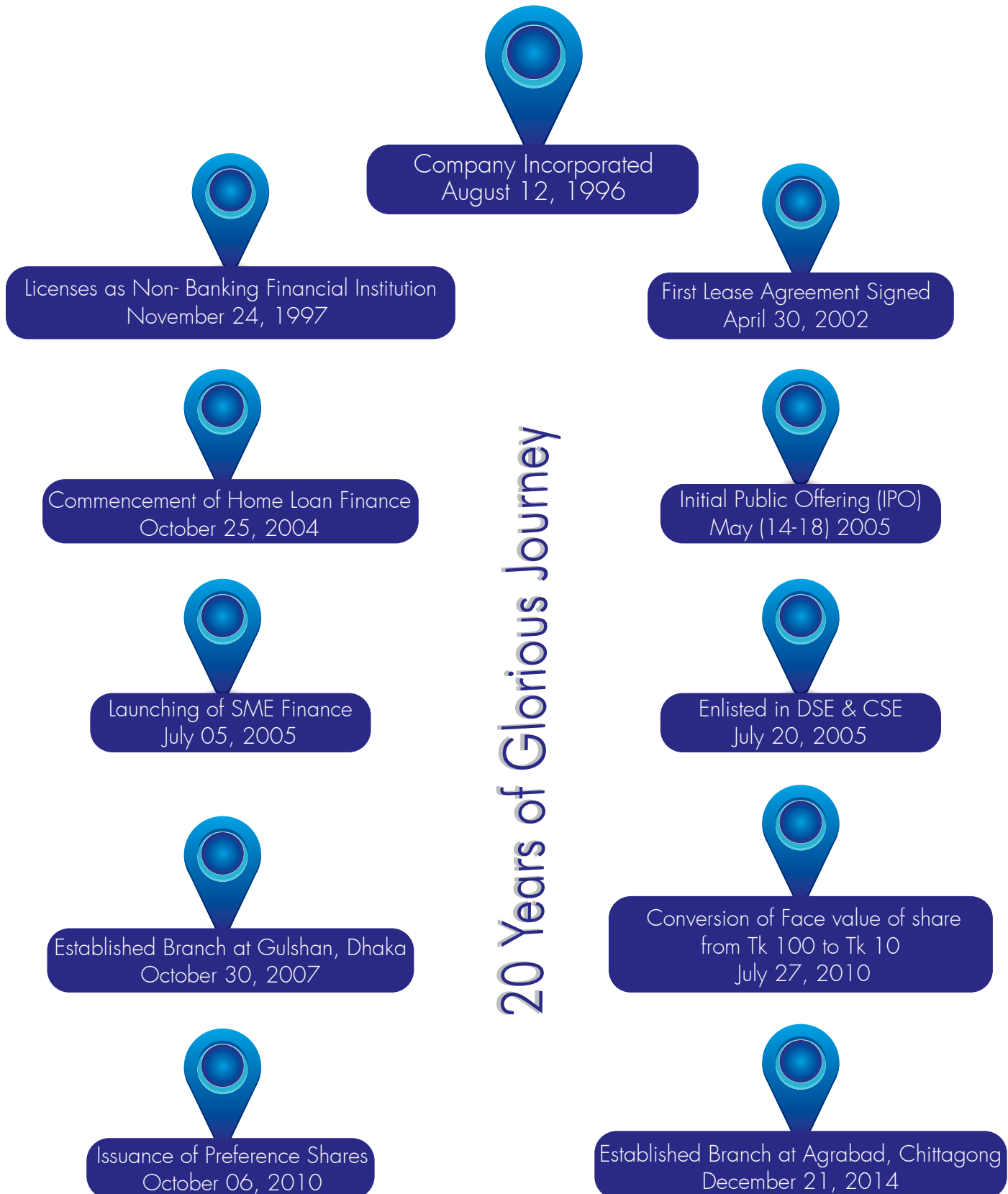
Membership

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

Subsidiary Company

PLFS Investments Ltd.

Company Chronicles



Board Of Directors & Its Committees

As on 31 December, 2015

BOARD OF DIRECTORS

Chairman	:	Mr. Uzzal Kumar Nandi FCA <i>(Nominated by Anan Chemical Industries Ltd.)</i>
Vice-Chairman	:	Mr. Nizamul Ahsan
Director	:	Ms. Sayma Islam
Director	:	Mr. Kazi Momrez Mahmud <i>(Nominated by Drinun Apparels Ltd.)</i>
Director	:	Mr. Nounng Chow Mong <i>(Nominated by Drinun Apparels Ltd.)</i>
Director	:	Dr. Afroza Suraya Majumder <i>(Nominated by Anan Chemical Industries Ltd.)</i>
Independent Director	:	Mr. A. Q. Siddiqui
Independent Director	:	Mr. Shekhar Kumar Halder, FCA
Independent Director	:	Mr. A H Ekbal Hossain
Independent Director	:	Mr. Md Iqbal Sayeed
Independent Director	:	Mr. Sukumar Mridha

EXECUTIVE COMMITTEE

Mr. Kazi Momrez Mahmud	Chairman
Mr. Uzzal Kumar Nandi, FCA	Member
Mr. Nounng Chow Mong	Member
Dr. Afroza Suraya Majumder, MBBS	Member
Mr. Sukumar Mridha	Member

AUDIT COMMITTEE

Mr. Shekhar Kumar Halder, FCA	Chairman
Mr. Nizamul Ahsan	Member
Mr. A.H. Ekbal Hossain	Member
Mr. A. Q. Siddiqui	Member
Mr. Md. Iqbal Sayeed	Member

Board Of Directors & Its Committees

As on 19th AGM: June 2015

BOARD OF DIRECTORS

Chairman	:	Capt. M. Moazzam Hossain
Vice-Chairman	:	Mr. Nizamul Ahsan
Vice-Chairman	:	Mrs. Humaira Alamin
Director	:	Ms. Sayma Islam
Director	:	Mr. Motiur Rahman
Director	:	Mr. Arafin Shamsul Alamin
Director	:	Mr. Khabir Uddin Miah
Director	:	Mrs. Nargis Alamin
Independent Director	:	Mr. A H Ekbal Hossain
Independent Director	:	Mr. Ehasn -E- Moazzam

EXECUTIVE COMMITTEE

Mr Arafin Shamsul Alamin	Chairman
Mr. Md Khabir Uddin Miah	Member
Mrs. Nargis Alamin	Member
Mr. Nizamul Ahsan	Member
Mr. Ehasn -E- Moazzam	Member
Dr. MA Yousuf Khan	Member

AUDIT COMMITTEE

Mr. A.H. Ekbal Hossain	Chairman
Mrs. Humaira Alamin	Member
Mr. Motiur Rahman	Member
Ms. Sayma Islam	Member

Profile of The Directors



Mr. Uzzal Kumar Nandi, FCA
 Chairman

Mr. Nandi is the Chairman of the Board of Directors of People's Leasing And Financial Services Limited since November, 2015. He is also the Chairman of Northern Jute Manufacturing Company Limited, Anan Chemical Industries Limited, Clewiston Foods & Accommodation Limited (Radisson Blu Cox's Bazar). He is an independent Director of Simtex Industries Ltd. and Chairman of PLFS Investment Ltd. Mr. Nandi is a Fellow of Chartered Accountant. He is the proprietor of M/S Uzzal Nandi & Co. Chartered Accountants.



Mr. Nizamul Ahsan
 Vice Chairman

Mr. Nizamul Ahsan was born on 1st December, 1955 in a respectable Muslim family of Dhaka. He completed his B.A. (Hons) and M.A. from Dhaka University in 1978. On completion of his academic education he started Import and Construction Business. Mr. Ahsan is the Director of Meghna Group, Siam Bangla Industries Ltd., Needle Drop (Garments) Ltd. and Proprietor of N. Ahsan & Co. Mr. Ahsan is actively associated with various social and religious activities in his native area and also in Dhaka. In conjugal life Mr. Ahsan is happily coupled with Mrs. Khaleda Yasmin and has been blessed with three daughters.



Ms. Sayma Islam
 Director

Ms. Sayma Islam was born in 1987. She completed her BBA from Independent University, Bangladesh (IUB). She is Director & CEO of China-Bangla Ceramic Industries Ltd., Director of Trustee Securities Ltd., Director of China-Bangla Engineering & Technology Services Ltd., Director of Azbal International Ltd. and Director of Dhaka Foshan Mould Co. Ltd. She is one of the emerging young women entrepreneurs of the country.

Profile of The Directors

Mr. A H Ekbal Hossain Independent Director

Mr. A H Ekbal Hossain was born on March 1st, 1948 in a respectable Muslim family of Chandpur. He completed his Master Degree in Commerce (M.Com) from Dhaka University and obtained PhD from University of New Castle, Portland, Oregon, USA. He obtained his Diploma-in- Banking and enriched his professional skills by attending different Training courses & Workshops on Banking.

He joined as Probationary, Grade II in the then United Bank Ltd. Pakistan, (Now Janata Bank) on 1st April, 1968. Mr Ekbal Hossain was a professional Banker for about 40 years in Banking Service. He holds different senior positions such as DGM, General Manager and Managing Director (Current Charge) in different Nationalized Banks. Finally, he retired as the Managing Director of BASIC Bank Ltd. on June 30, 2008.

He has also worked in the FIs such as Oman Bangladesh Leasing and Finance Company and GSP Finance Co. (Bangladesh) Ltd. as Managing Director. He retired from GSP Finance Co. (Bangladesh) Ltd. on May 30, 2012.



Mr. A. Q. Siddiqui Independent Director

Mr. A. Q. Siddiqui was born on 20 February, 1940 in a respectable Muslim family of Jheneidah. Mr. Siddiqui is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since October 20, 2015. He completed his B.A.(Hons) in economics from Rajshahi University and M.A. in economics from Dhaka University in 1960. He obtained his Diploma-in- Banking from Institute of Bankers in Pakistan and fellow of UNADI & IBB.

Mr. A. Q. Siddiqui was the chairman of Bangladesh Commerce Bank Ltd. From December 2007 to December 2012, Country Chief Representative of Habib Bank AG Zurich (an international bank incorporated in Switzerland from January 01, 2004 to July 31, 2014, the job is of advisory nature), Managing Director of Palli Daridro Bimochon Foundation (a micro finance institution with assistance from Canadian CIDA set-up by an Act of Parliament in 1999, from Aug. 2000- Dec.2003), Co-opted as a contributory member of the "Krishi Commission" (Agriculture Commission) set-up by the Government in 1997, Managing Director (Retired on Feb. 20, 1998) Sonali Bank, Country's largest Nationalized



Profile of The Directors

Commercial Bank (NCB), Managing Director, Agrani Bank, one of the three major NCBs, Director of Rural Credit Project Deptt, Bangladesh Bank, for implementation of World Bank financed Agricultural Credit Project (CL 1147 BD) under the Bangladesh Bank, General Manager of Bangladesh Krishi Bank (the loan Specialized Bank for the country's agriculture financing). Mr. Siddiqui was also Director of BRAC, the largest multi-disciplinary NGO of the world and MIDAS, a USAID-financed NGO in the field of credit to SMEs.

Mr. Siddiqui also involve with different organizations. He is an active Rotarian for the last 40 years, A permanent member of Dhaka Club Limited, A Charter member of the Senate (Jahangirnagar University from 1981 to 1984), A Charter member of CDRB, An honorary member of the Board of Director of Banker's Associates Limited.



Mr. Kazi Momrez Mahmud
Director

Mr. Kazi Momrez Mahmud was born on 03 June, 1972 in a respectable Muslim family of Comilla. Mr. Mahmud is the honorable Director of the Board of Directors of People's Leasing And Financial Services Limited since November 04, 2015. He completed his B.A. from Chittagong University and MBA from SouthEast University, Dhaka, Bangladesh. He obtained his Diploma-in- Apparel Management from BDJOBS, Dhaka, Bangladesh and enriched his professional skills by attending different Training courses & Workshops like UN staff Course, POL Manager Course with high standard Certificate of Excellence.

Mr. Mahmud was a proud member of the most reputed national organization –Bangladesh Army from 1990 to 2012 (last rank Lt Colonel). He also participated in two UN Peace Mission as an honorable member of the Blue Helmets. Mr. Mahmud is a popular media presenter. He is also the chairman of Drinun Apparels Ltd. Mr. Mahmud is a successful industrialist and business entrepreneur in the country.

Profile of The Directors

Mr. Shekhar Kumar Halder, FCA Independent Director

Mr. Shekhar Kumar Halder, FCA was born on 05 October, 1967 in a respectable family of Bagerhat. Mr. Halder is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since November 11, 2015. He completed his B.Com and M.Com in Accounting. He qualified as Chartered Accountant from the Institute of Chartered Accountants of Bangladesh. He developed his professional skills by attending different Training courses & Workshops with great success.

Mr. Halder is a Chief Financial Officer of a large International Chain Hotel named Radisson Blu, Cox's Bazar (from January 2015 to till now). He was also Chief Financial Officer in Robintex Group (May 2013 to September 2013), General Manager in Panna Group (July 2011 to April 2013), Chartered Accountant in Hoda Vasi Chowdhury & Co. (February 2009 to July 2011), Deputy Chief Accountants (Head of Accounts & Finance) in ICAB (2004 to 2009), Head of Finance & Accounts in Concord Garments Group (2001 to 2003) and Evaluation expert of Union Parishad Audit (World Bank project, 2007-2008).



Mr. Nong Chow Mong Director

Mr. Nong Chow Mong was born on 16 October, 1968 in a respectable family of Bandarban Hill Tract. Mr. Mong is the honorable Director of the Board of Directors of People's Leasing And Financial Services Limited since November 18, 2015. He completed his B.Sc. from Chittagong University, B.Sc. Engg (Civil) from BUET and MBA from SouthEast University. He is an ex-Cadet (Old Faujian) of the most reputed and traditional institution Fajdarhat Cadet College.

He enriched his professional skills by attending different Training courses & Workshops with high standard Certificate of Excellence. Mr. Mong was a proud member of the most reputed national organization –Bangladesh Army (last rank Major).



Profile of The Directors



Dr. Afroza Suraya Majumder, MBBS
 Director

Dr. Afroza Suraya Majumder was born on 1977 in a respectable family of Comilla. She is the Director of the Board of Directors of People's Leasing And Financial Services Limited since November 2015. She is a Doctor as a profession. She completed MBBS from Medical College for Women & Hospital in Uttara under Dhaka University. Dr. Majumder successfully completed PGT from Khulna Medical College & Hospital in 2004 and completed one year training for DLO from Sir Salimullah Medical College & Hospital in 2009. She is one of the emerging young women entrepreneurs of the country.



Mr. Iqbal Sayeed
 Independent Director

Mr. Iqbal Sayeed was born on 1st September, 1963 in a respectable Muslim family. Mr. Sayeed is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since November 18, 2015. He completed his LL.B. (Hons) and LL.M. from Dhaka University. He is a lawyer as a profession and length of his practice is 22 years in the High Court Division. Mr. Sayeed is well conversant in all branches of Civil, Criminal, Writ and Labour law affairs. He is also the Independent Director of Northern Jute Manufacturing Limited.



Mr. Sukumar Mridha
 Independent Director

Mr. Sukumar Mridha is the Independent Director of the Board of Directors of People's Leasing And Financial Services Limited since November 18, 2015. Mr. Mridha is an M. Com (Accounting). He is also the Chairperson of the Raj-Laxmi Shiksha and Swasthya Foundation (The Raj-Laxmi Education and Health Foundation), Nazirpur, Dist. Pirojpur, Editor and Publisher of the Alokito Sanbad, Income tax advisor (Since February 1996 to till now). Previously he was the Principal of Rupsha College in Khulna from November 1988 to February 1996, Finance officer of Palli Biddut Samitee (From August 8, 1984 to November 1988), Journalist of the Daily Tribune (From 1980 to 1984). Mr. Mridha is involved with various social organization. He is a Founder, Donor and Chairman of Raj-Laxmi College (Nazirpur, Pirojpur), Donor and Chairman of S S Sheikhmatia Secondary School (Nazirpur, Pirojpur), Founder and Donor Member of Raj-Laxmi Girls' High School (Nazirpur, Pirojpur), Donor and patronizing Member to Education of Bangamata Begum Fajilatunnessa Mujib Mahila College (Nazirpur, Pirojpur),

Profile of The Directors

Donor and Member of Daarus Salam Dakhil Madrasha (Nazirpur, Pirojpur), Founder and Donor of Raj-Laxmi Maa Sarada Shisu Tirtha Kinder Garden, Founder, Donor & Chairman of 16 Parchim Bakshi Govt. Primary School and Chairman of Sankalpo, Nazirpur, Pirojpur.

Dr. MA Yousuf Khan Managing Director & CEO

Dr. MA Yousuf Khan is a Banker by profession. He started his Banking career in the largest state-owned bank Sonali Bank in the year 1977 as Sr. Officer on probation. He worked in Sonali Exchange Company, USA as Chief Executive Officer from 1998 to 2001. Subsequently he joined Mercantile Bank Limited as Executive Vice President in 2004 and ended service over there in the year 2014 as Deputy Managing Director. He has 5(five) publications relating to the issues of foreign remittance, banking and economics. Besides this, a series of his articles have been published in different daily newspapers of the country.

Dr. Khan was born in a respectable family of Tangail district. He completed his school and college education successfully from Tangail and received his Honors and Master in Agri- Economics from Agricultural University, Mymensingh. He did his Ph.D from USA.



Mr Sami Huda Deputy Managing Director

Mr. Sami Huda has joined People's Leasing And Financial Services Limited on April 11, 2016 as Deputy Managing Director (DMD) & currently serving as Managing Director (Current Charge). He has completed his MBA (major in Finance) from University of Science and Technology, Chittagong (USTC) and BBA (major in Marketing) from Newport University, USA.

Mr. Sami Huda has long 16 years of experience in the financial sector. He started his career in United Finance Ltd. in June, 2001 as Management Trainee and later promoted to the position of Branch Manager of Chittagong Branch of the same company. He also worked in Standard Chartered Bank (SCB) in July 2005 as 'Acquiring Manger' in Medium Enterprise division. Later on he joined in Industrial and Infrastructure Development Finance Company Ltd (IIDFC) and served for long 11 years. Prior joining to PLFSL Mr Sami Huda was the Senior Vice President (SVP), Head of Corporate of IIDFC. He looked after corporate finance division, IT division and corporate recovery of IIDFC.



Management Team



Dr. MA Yousuf Khan
 Managing Director & CEO



Mr. Sami Huda
 Deputy Managing Director*



Mr. Manik Lal Samadder FCA
 Chief Financial Officer



Mr. MA Rahman FCS
 Company Secretary



Mr. Sohel Shams
 SVP & Head of Gulshan Branch



Mr. Sushil Kumar Saha
 Vice President, Credit & Marketing



Mr. Mukut Subal Cruz
 Senior Asst. Vice President



Mr. Harun ur Rashid
 Senior Asst. Vice President



Mr. Mofazzal Hossain Khan
 Asst. Vice President



Mr. Qumrul Hassan
 AVP & Head of Chittagong Branch



Mr. Tapan Day
 First Asst. Vice President

* Managing Director (Current Charge)

VARIOUS MANAGEMENT COMMITTEES

MANAGEMENT COMMITTEE (MANCOM)

Dr. MA Yousuf Khan, Managing Director & CEO	Chairman
Mr. Sami Huda, Deputy Managing Director	Member
Mr. Manik Lal Samaddar FCA, Chief Financial Officer	Member
Mr. MA Rahman FCS, Company Secretary	Member
Mr. Sohel Shams, SVP	Member
Mr. Sushil Kumar Saha, VP	Member
Mr. Mukut Subal Cruze, SAVP	Member
Mr. Harun ur Rashid, SAVP	Member
Mr. Mofazzal H. Khan, AVP	Member
Mr. Md. Qumrul Hassan, AVP	Member
Mr. Tapan Dey, FAVP	Member
Mr. Ismail Hossain Mazumder, Manager	Member
Ms. Abantika Baral, Manager	Member
Mr. Jamal Uddin, Assistant Manager	Member

CREDIT COMMITTEE

Dr. MA Yousuf Khan, Managing Director & CEO	Chairman
Mr. Sami Huda, Deputy Managing Director	Member
Mr. Sohel Shams, SVP	Member
Mr. Sushil Kumar Saha, VP	Member
Mr. Mukut Subal Cruze, SAVP	Member
Mr. Faisal Bin Naser Ahmed, Manager	Member
Mr. Azizur Rahman Sarker, Manager	Member

ASSET-LIABILITY COMMITTEE (ALCO)

Dr. MA Yousuf Khan, Managing Director & CEO	Chairman
Mr. Sami Huda, Deputy Managing Director	Member
Mr. Manik Lal Samaddar FCA, Chief Financial Officer	Member
Mr. Sohel Shams, SVP	Member
Mr. Mukut Subal Cruze, SAVP	Member
Mr. Harun ur Rashid, SAVP	Member
Mr. Tapan Dey, FAVP	Member
Mr. Ismail Hossain Mazumder, Manager	Member

VARIOUS MANAGEMENT COMMITTEES

RISK MANAGEMENT FORUM (RMF)

Mr. Sami Huda, Deputy Managing Director	Chairman
Mr. Manik Lal Samaddar FCA, Chief Financial Officer	Member
Mr. MA Rahman FCS, Company Secretary	Member
Mr. Sohel Shams, SVP	Member
Mr. Harun ur Rashid, SAVP	Member
Mr. Mukut Subal Cruze, SAVP	Member
Mr. Mofazzal H. Khan, AVP	Member
Mr. Tapan Dey, FAVP	Member

NATIONAL INTEGRITY STRATEGY (NIS) - INTEGRITY COMMITTEE

Mr. Sami Huda, Deputy Managing Director	Chairman
Mr. Manik Lal Samaddar FCA, Chief Financial Officer	Member
Mr. Mukut Subal Cruze, SAVP	Member
Mr. Harun ur Rashid, SAVP	Member
Mr. Mofazzal H. Khan, AVP	Focal Point

ANTI-MONEY LAUNDERING COMMITTEE

Mr. Manik Lal Samaddar FCA, Chief Financial Officer	CAMELCO
Mr. Mukut Subal Cruze, SAVP	Deputy CAMELCO
Mr. Sohel Shams, SVP	Member
Mr. Md. Qumrul Hassan, AVP	Member
Mr. Tapan Dey, FAVP	Member



Directors' Report 2015

Board of Directors' Report to the Shareholders

DEAR SHAREHOLDERS

Good Morning.

On behalf of the Board of Directors of People's Leasing and Financial Services Limited (PLFS), I am pleased to welcome you all again in the 20th Annual General Meeting (AGM) of the company for the year ended December 31, 2015.

The Board of Directors takes the pleasure in presenting the Annual Report for the year 2015. The annual Report includes- Auditors' Report, Directors Report and Audited Financial Statements. The report is prepared in compliance with the Companies Act, 1994, Financial Institutions Act, 1993 and the guidelines issued by Bangladesh Securities and Exchange Commission, Bangladesh Bank and other regulatory bodies.

Lease financing is one of the major fund based activity of PLFS. The company offers full payout financial lease for financing capital machinery, equipments, and vehicles. Term Finance, Bridge finance, Equity finance, Syndicating Finances with other financial institutions and banks are also made by PLFS.

World Economy

World economic activity remained dilatory in 2015. Growth in emerging market and developing economies declined for the fifth year. A modest recovery however continued in advanced economies. The gradual slowdown and rebalancing of economic activity in China, lower prices for energy and other commodities, and a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery affected the global economy. Manufacturing activity and trade remain weak globally. In addition, the dramatic decline in imports in a number of emerging market and developing economies is also weighing heavily on global trade.

Oil prices have declined noticeably since September 2015. Lower oil prices strain the fiscal positions of oil exporting countries and weigh on their growth prospects, while supporting household demand and lowering business energy costs in importing countries, especially in advanced economies, where price declines are fully passed on to end users. Prices of other commodities, especially metals, have fallen as well.

Present scenario of Bangladesh Economy

The Bangladesh economy has demonstrated a spectacular upturn in 2015 despite of weak global economy. Bangladesh has been characterized by political protests over the past two years. However, it is quite a paradox that despite the country's uncertain political scenario, its GDP has done well with 2015 projections stabilize a growth of 6.3 to 6.5%, which makes it among the top performing markets of the world. The all-important garments sector and remittances are once again prominent to constitute a large part of the country's GDP growth. Although Bangladesh's economic growth has been lingering around 6% for the last few years, it is still below the Bangladeshi government's target of over 7%.

Board of Directors' Report to the Shareholders

Financial System

The credit and risk management in the banking sector is not in the standard level. Unstable political situation, poor lending decision and change in loan classification status weaken asset quality across state owned banks (SCB) in the reporting year. Implementation of new provision relating to lending and the banks' exposure to stock market by Bangladesh Bank may prevent excessive risk taking characteristics of the banks. Private sector credit growth remained around 15%.

The financial system remained under stress and capital market activities continued to remain weak and pessimistic on account of a challenging political and economic environment and overall depressed values. 16 under fixed price method and 01 under book banding method IPO emerged in the reporting year. Overall stock market capitalization at the DSE in 2015 stood at BDT 3159.76 billion while turnover decreased by 3.05% as compared to last year.

DSE index stood at 4629.64 as on December 30, 2015 as compared to 4866 as on December 30, 2014. DSE index has increased a bit but still it was not enough to create confidence in the minds of the investors to encourage investment and trading activities.

Fiscal Policy

Budget for Fiscal Year 2015-16 is said to be an ambitious budget. Proposed size of the Budget is Tk. 2.95 trillion (Tk. 2,95,100 crore) with a deficit of Tk. 86,657 crore to attain economic growth at 7 per cent at the end of the 2015-16 fiscal. Of the total outlay of Tk. 2,95,100 crore, the revenue receipts for the upcoming fiscal have been estimated at Tk. 2,08,443 crore which is 12.1 per cent of the GDP. The National Board of Revenue (NBR) is expected to contribute Tk. 1,76,370 crore (10.3 per cent of GDP) to the exchequer. Overall budget deficit of Tk. 86,657 crore amounting to 5.0 percent of GDP, Tk. 30,134 crore is expected to be financed from external sources and Tk. 56,523 crore from domestic sources. For domestic financing, Tk. 38,523 crore will come from the banking sector and Tk. 18,000 crore from savings certificates and other non-banking sector.

PLFS's Performance in 2015

After starting business in 1996, PLFS reached in a landmark within 20 years of successful operation in Bangladesh, PLFS has diversified its business and emerged as one of the biggest multi-product non-banking financial institutions (NBFIs) of the country with a balanced focus on the Corporate, Retail and SME sectors, while being engaged in providing a diverse bouquet of capital market services through its associated company PLFS Investment Ltd.

Business Review

Total Business: In the year ended on December 31, 2015, the total exposure of the Balance Sheet stood at BDT 28,828.17 million as compared to BDT 22,469.26 million as at December 31, 2014.

Credit: PLFS has achieved moderate growth. As at the close of the year total credits stood at BDT 15,148 million as against BDT 19,085 million (restated) as at December 31, 2014.

Investment in Shares: Investment in shares were BDT 1,476 million (restated) as on December 31, 2014 which increased to BDT 2,120 million at the end of 2015. There was a growth of 30%.

Board of Directors' Report to the Shareholders

Deposits: Deposits stood at BDT 1,1717.30 million as on 31.12.2014 opposite to BDT 16,258.76 million as on 31.12.2015.

Borrowings: Borrowing increased by 42% from BDT 3519.28 million (restated) on 31.12.14 comparing to BDT 6046.41 million on 31.12.15.

Capital & Shareholders' Equity: Capital & Shareholders' equity stood at BDT 3,706.10 million as on December 31, 2015 as compared to BDT 4,545.70 million as on December 31, 2014.

Operating results: Figures of different income, operating expenses, loan provisions & net profit given below:

(Amount in BDT Million)

Particulars	2015	2014
Net Interest Income	(948)	404
Income from Investment	151	241
Other Operative Income	528	88
Operating Expenses	545	189
Loan & Lease Provisions	Nil	327
Net Profit Before Tax	(814)	217
Net Profit After Tax	(840)	197

SME Finance

As per guidelines and instructions of Bangladesh Bank the company has undertaken SME financing task very earnestly. During the previous year the company financed SME Loans amounting to BDT 574.00 million as against target of BDT 700.00 million. During the year under report the company disbursed BDT 126.60 million as SME Loans. The company has already opened a help desk named "Women Entrepreneurship Desk" and a dedicated team is working to boost up SME loans and loans to women entrepreneurs.

Housing Finance

As at December 31, 2015 our finance in Housing sector stood at BDT 377.27 million as against BDT 322.62 million as of previous year. Our finance extended to Real Estate and Housing Industry is experiencing a set back since 2011 due to fall in the sale of flats in the Housing Sector. But we continued to finance the Developer and Retail Customers selectively. However, we believe that this sector will continue to grow with increasing retail customer base in the coming years.

Money Market Operation

The money market remained overall liquid due to surplus of money in the hands of Commercial Banks, lower credit disbursements and high foreign exchange reserve due to rising export and remittance and declining import. BB in its last monetary policy gave indication of lower domestic rates ahead. During the year under report the company received Call Loan of BDT 115,860 million from different banks and FIs and refunded BDT 115,570 million to the lenders.

Banking arrangements

In 2015 the company obtained BDT 3,514 million from banks as term loans to finance its operations and re-paid BDT 1,755.25 million as per terms and conditions of contracts. The weighted average rate of borrowing was 12%.

Board of Directors' Report to the Shareholders

Going Concern

The financial statements of the company have been prepared on a going concern basis, which contemplates the realization of assets & satisfaction of the liabilities in the normal course of business. The Board of Directors has made annual assessment about whether there exists any material uncertainty which may cast significant doubt upon the company's ability to continue as a going concern, including review of budget & future outcome of inherent uncertainties in existence. Based on the different indications it is appropriate to adopt going concern assumptions and no material uncertainty exists in preparing the financial statements.

Deposit Mobilization

PLFS mobilizes term deposits from corporate and individuals through its wide range of deposits schemes with different maturity options, monthly/quarterly/half yearly/yearly income options, double/triple money options, monthly saving options etc. The deposit base of the company continued to register a steady growth and stood at BDT 16,258.76 million as on December 31, 2015 compared to BDT 11,717.30 million of previous year. The Board gave a policy decision to mobilize private deposits in order to minimize dependency on term loan and term deposits from banks and accordingly a cell was created with contractual staff to harness deposits from the market and the officers so recruited have shown brilliant performance in mobilizing term deposits from the market. The deposit growth is depicted in the chart below:

Human Resources

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

Staff Strength

Staff strength of the company as on December 31, 2015 was as under:

Permanent Management Staff & Executive Officer	: 85
Contractual Management Staff, Executive Officers	: 22
Support Services	: 20

PLFS is an equal opportunity employer. The company's policy is to ensure equal opportunity for all in selection, recruitment, development, training, promotion and rewards. PLFS always practices equal treatment to all employees irrespective of their age, race, religion, sect and gender. Our company has adopted the policy circulated by Govt. on 'National Integrity Strategy' and we are pursuing to implement the concepts and fundamentals as laid down in the policy in its fullest meaning.

Anti-Money Laundering

Anti-money laundering laws reflect the effort made by the government to stop money laundering methods that involve financial institutions. Under the guidelines set forth by Anti-Money Laundering, or "AML" financial institutions are required to verify large sums of money passing through the institution,

Board of Directors' Report to the Shareholders

are required to report suspicious transactions. To prevent money laundering, the management of PLFSL has formed following Anti-money laundering committee:

Sl.	Name	Designation	Position in Committee
01	Mr. Manik Lal Samadder FCA	Chief Financial Officer	CAMELCO
02	Mr. Mukut Subal Cruize	SAVP	Deputy CAMELCO
03	Mr. Md Sohel Shams	Head of Branch, Gulshan	Member
04	Mr. Mohammad Quamrul Hassan	Head of Branch, Agrabad, Chittagong	Member
05	Mr. Tapan Dey	Head of Accounts & FAVP	Member

Risk Management

Risks of the company may be defined as the possibility of losses financial or otherwise. The risk management of the company covers 05 core risks i.e. Credit Risk, Asset-Liability Management Risk (Balance Sheet Risk), Money Laundering and Terrorist Financing Risk, Information Technology Risk and Internal Control & Compliance Risk. Moreover Operational Risk, Market Risk, Liquidity Risk, Reputational Risk and Sustainability Risk etc. are also taken into consideration. The company strictly follows the guidelines of Bangladesh Bank and requirement of other regulatory bodies in all respects. A separate Risk Analysis Unit (RAU) and Risk Management Forum (RMF) are in place. In addition to those PLFS has different committees namely, MANCOM, ALCO, Credit Committee, Recovery Review Committee etc. We have a separate and independent Internal Control and Compliance Department under supervision of an Assistant General Manager. The company has also adopted the principles of Green Banking Activities as a part of its compliance.

Corporate Social Responsibility (CSR)

Our company is very careful about the compliance of Corporate Social Responsibility (CSR) as it means in letter and spirit. We not only look for congenial environment of our employees in which they work but also care for rendering high standard of services to our clients, encourage investments in environment friendly projects and we are also striving for upliftment of social environment to mitigate human sufferings and we lay emphasis on broadening higher education for the poor but meritorious students and accordingly we have been granting stipends to poor but meritorious students at university level.

With a view to promote CSR activities our company was involved in the following social programs:

- The Company extended stipends for H.S.C passed students for purchasing books and defraying monthly educational expenses during the year. The program will continue in the coming years depending on individual performance of the students basing on their results of 2015.
- Distributed 500 blankets to the poor people of different districts who were caught in unprecedented coldness during the winter in 2015.
- Contributed to National Day Supplements, Sports and Cultural Activities through profuse advertisements in the Souvenirs published for the purpose.

Board of Directors' Report to the Shareholders

Information Technology

In the world of globalization, Information system is such where data are collected, classified and put into process interpreting the result thereon in order to provide an integrated series of information for further communicating and analyzing. In a progressively more spirited worldwide atmosphere, Information System plays the role as 'enabler and facilitator', which endows with tactical values and step up to the excellence of administration. 'An Information System is a particular type of work system that uses information technology to detain, store, retrieve, analyze or display information, thereby partisan one or more other work structure. Information systems may also help managers and workers investigate problems, envisage complex subjects and generate new merchandise or services. PLFS is driving to upgrade its IT platform regularly and making required investment to bring about changes in technological infrastructures to bring efficiency to its operation and have more satisfied customers. As you may be aware the Company is procuring state-of-the-art & robust core operating systems to combine and integrate all the operations of the Company and to have efficient use of the information.

Appointment of Observer in the Board by Bangladesh Bank

This is for the information of the valued shareholders of People's Leasing & Financial Services Ltd. that due to some complains & irregularities, Bangladesh Bank appointed Observer in the Board of Directors vide their Letter no. DFIM(C)/1054/33/2015-1183, dated : 09-06-2015.

Removal of 05 nos. Directors of PLFSL by Bangladesh Bank Order

Mentionable that Bangladesh Bank performed a special inspection on the activities of PLFSL in early 2015 & observed several gross complains & irregularities over sanctioning loan and misuse of power. On ground of those irregularities on loan disbursement, Bangladesh Bank removed 05 nos. Directors of the company in July 2015. Bangladesh Bank (1) vide their Letters no. DFIM(S)/1055/01/2015-1389, dated : 09-07-15 removed Mr Arefin Shamsul Alamin, (2) Vide Letter no. DFIM(S)/1055/01/2015-1392, dated : 09-07-15 removed Mr Motiur Rahman (3) vide letter no. DFIM(S)/1055/01/2015-1404, dated : 13-07-15 removed Mrs Nargis Alamin (4) vide letter no. DFIM(S)/1055/01/2015-1407, dated : 13-07-15 removed Mrs Humaira Alamin & (5) vide letter no. DFIM(S)/1055/01/2015-1410, dated : 13-07-15 removed Mr Md Khabir Uddin Mia from the Board of Directors of the company respectively.

Reformation of Board of PLFSL

After removing abovementioned 05 nos. Directors by Bangladesh Bank in the middle of July, 2015, meeting of the Board of Directors were not possible to hold upto October 19, 2015 due to shortage of Quorum in the Board. After a long interval, with the permission of Bangladesh Bank company called a requisitioned meeting of the Board of Directors on October 20, 2015 and appointed adequate nos. of Directors in the Board. In November 2015 several numbers of Board meetings were held to appoint several other new Directors to reform the whole Board as per Bangladesh Bank instructions. Finally on November 18, 2015 Ex-Chairman of the Board Capt. (Retd.) M. Moazzam Hossain resigned from the Board & Mr Uzzal Kumar Nandi, FCA been elected as new Chairman of the Board.

The Pattern of Shareholdings

The Authorized Capital of People's Leasing & Financial Services Limited is Tk. 5,000,000,000 divided into 500,000,000 ordinary shares of Tk. 10 each. The paid-up Capital of the Company is

Board of Directors' Report to the Shareholders

Tk. 2,854,405,970 divided into 285,440,597 nos. ordinary shares of Tk. 10 each. The shareholding pattern of the Company as at December 31, 2015 is shown in this Annual Report as per clause 1.5 (xxi) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

Board Meeting & Attendance of Directors

During the year ended on December 31, 2015 a total number of 15 (Fifteen) Board Meetings were held and attendance of Directors are presented in this report and their remuneration paid during the year are given in Annexure - I of this Annual Report as per clause 1.5 (xx) of the BSEC Notification No. SEC/CMRRCD/2006-158/134/ Admin/44 dated August 07, 2012.

Corporate and Financial Reporting Framework

The Members of the Board, in accordance with the Bangladesh Securities & Exchange Commission's Notification no SEC/CMRRCD/2006-158/Admin/44 dated August 7, 2012; confirm compliance with the financial reporting framework for the following:

- a. The Financial Statements prepared by the Management of PLFSL, presents fairly its state of affairs the result of its operations, cash flows and changes in equity.
- b. Proper books of account of the issuer company have been maintained.
- c. Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- d. International Accounting Standards (IASs)/ Bangladesh Accounting Standards (BASs)/ International Financial Reporting Standards (IFRSs)/Bangladesh Financial Reporting Standards, BFRSs), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.
- e. The system of internal control is sound in design and has been effectively implemented and monitored.
- f. There are no significant doubts upon the issuer company's ability to continue as a going concern.

Appointment of External Auditor

The Financial Institutions Act, 1993 stipulated that an auditor of a Financial Institution cannot be appointed for more than 3(three) consecutive years. M/S Rahman Mostafa Alam & Co., Chartered Accountants carried out the audit of the Company for the first year in 2015. The Board of Directors considering the eligibility & willingness and proposal of Board Audit Committee recommended for appointment of M/S Rahman Mostafa Alam & Co., Chartered Accountants and an audit firm, registered office at 65/2/1 Box Culvert Road, Puran Paltan, Dhaka -to be the Auditor for the year 2016 to hold office from the conclusion of the 20th Annual General Meeting until the next Annual General Meeting of People's Leasing & Financial Services Limited. As per Section 210(10) of the Companies Act, 1994, remuneration of the Auditors' required to be approved by the Shareholders in the Annual General Meeting of the Company. As approved by the Shareholders in 19th Annual General Meeting held in 2015 the auditors' remuneration for audit services paid to the auditors for the financial year 2014, amounting to Tk. 250,000/- excluding VAT. As proposed by the Audit Committee, the Board in its 307th meeting held on August 18, 2016 recommended for appointment

Board of Directors' Report to the Shareholders

of M/S M/S Rahman Mostafa Alam & Co., Chartered Accountants at a remuneration of Tk.300,000/- excluding VAT for auditing financial statements of the year 2016.

Corporate Governance Compliance Report

In accordance with the Bangladesh Securities & Exchange Commission's Notification no. BSEC/CMRRCD/2006-1581 admin/134/44 dated August 7, 2012, the Directors are required to confirm compliance of certain conditions. The notification was issued for ensuring good governance practices in the listed companies. A statement on the compliance of the BSEC's conditions is given in this report in Annexure - iv.

Certification on compliance of Corporate Governance

Certificate from professional accountant on compliance with the conditions as per clause 7(i) of Corporate Governance guidelines is shown in Annexure - v.

Other Regulatory Disclosures

- a. The Company is aware of its various risks and concerns, mainly from the policy and regulatory parts, and is prepared to meet those by systematic control. Financial risk management has been disclosed under note of the Financial Statements as per BFRS.
- b. All transactions with related parties have been made on a commercial basis and the basis was the principle of "Arm's Length Trans-action". Details of related party and transactions have been disclosed under note of the financial statements as per BFRS.
- c. All significant deviations from the previous year in operating results of the Company have been highlighted and reasons thereof have been explained.
- d. The key operating and financial data for the last five years have been disclosed in the Directors' Report. The Company has declared final dividend for the year 2015.
- e. During 2015, a total of 15 (Fifteen) nos. meeting of Board of Directors were held, which met the regulatory requirements in this respect.
- f. The attendance records of the Directors are shown in this report.
- g. Shareholding patterns of the Company as on 31 December 2015 are shown in this report in Annexure - ii.

Dividend

Considering the present scenario of the financial sector and current strength of the company, the Board of Directors has recommended NO DIVIDEND for the year ended December 31, 2015, subject to the approval of the shareholders in the 20th AGM. With this No dividend, the paid-up Capital of the company would remain same i.e. BDT 2854.4 million.

Board of Directors' Report to the Shareholders

Director's retirement & re-appointment

In accordance with section 128 of the Article of Association of the company, the following Directors shall retire in the 20th Annual General Meeting and being eligible offered themselves for re-election:

01. Mr. Uzzal Kumar Nandi FCA
02. Mr. Nizamul Ahsan (Folio# 010)
03. Ms. Sayma Islam
04. Mr. Kazi Momrez Mahmud

Acknowledgement

The Board of Directors take the opportunity to express its appreciation and gratitude to the valued Shareholders, Clients, Bankers, Lenders, Depositors and Business partners for their continuous support and co-operation. The Board also expresses its deep gratitude to Bangladesh Bank, Securities & Exchange Commission (SEC), Dhaka Stock Exchange Limited (DSEL Chittagong Stock Exchange Limited (CSEL Registrar of Joint Stock Companies and Firms (RJSC), National Board of Revenue and other Regulatory Bodies for their assistance, valuable guidance and advices from time to time.

The Chairman of the Board of Directors takes the pleasure to thank his colleagues for their support and co-operation for persistent growth and standardization of the company in all spheres.

The board's sincere appreciation is due to the management and all members of the staff who worked with a sense of dedication, loyalty and cohesion under the leadership of Managing Director for upliftment and sustainability of the company.

Finally, the members of the Board sincerely thank the shareholders and assure them that the Board will work relentlessly and resolutely to come up to their expectation during the upcoming years.

For and on behalf of the Board of Directors-



Uzzal Kumar Nandi FCA
Chairman, Board of Directors

Directors' Report

ANNEXURE-I

A) BOARD OF DIRECTORS MEETING : YEAR 2015
Total Meeting held in 2015 : 15(Fifteen) Nos.

Sl.	Name of Directors	Status	Meeting Attended	Remarks
01.	Mr. Uzzal Kumar Nandi, FCA	Chairman	04	Appointed on 04.11.2015
02.	Mr. Nizamul Ahsan	Vice Chairman	14	Continuing
03.	Ms. Sayma Islam	Director	12	Continuing
04.	Mr. Kazi Momrez Mahmud	Director	04	Appointed on 04.11.2015
05.	Mr. Noung Chow Mong	Director	02	Appointed on 18.11.2015
06.	Dr. Afroza Suraya Majumder	Director	02	Appointed on 18.11.2015
07.	Mr. A. Q. Siddiqui	Director	05	Appointed on 20.10.2015
08.	Mr. Shekhar Kumar Halder, FCA	Director	03	Appointed on 11.11.2015
09.	Mr. A. H. Ekbal Hossain	Director	13	Continuing
10.	Mr. Md. Iqbal Sayeed	Director	02	Appointed on 18.11.2015
11.	Mr. Sukumar Mridha	Director	02	Appointed on 18.11.2015
12.	Capt. M. Moazzam Hossain	Ex-Chairman	13	Resigned from the post of chairman as well as Director on 18.11.2015
13.	Mr. Khabir Uddin Miah	Ex-Director	09	Removed from the office of the Director by Bangladesh bank letter dated 13.07.2015 w.e.f 13.07.2015
14.	Mr. Motiur Rahman	Ex-Director	08	Removed from the office of the Director by Bangladesh bank letter dated 09.07.2015 w.e.f 09.07.2015
15.	Mr. Arafin Shamsul Alamin	Ex-Director	09	Removed from the office of the Director by Bangladesh bank letter dated 09.07.2015 w.e.f 09.07.2015
16.	Mrs. Nargis Alamin	Ex-Director	08	Removed from the office of the Director by Bangladesh bank letter dated 13.07.2015 w.e.f 13.07.2015
17.	Mrs. Humaira Alamin	Ex-Director	08	Removed from the office of the Director by Bangladesh bank letter dated 13.07.2015 w.e.f 13.07.2015
18.	Mr. Ehsan-E-Moazzam	Ex-Director	04	Resigned on 08.03.2015
19.	Mr. Md. Zahirul Islam	Ex-Director	04	Resigned on 18.11.2015
20.	Mr. T.I.M. Nurul Kabir	Ex-Director	01	Resigned on 11.11.2015
21.	Mr. Milon Habibur Rahman	Ex-Director	03	Resigned on 18.11.2015

Directors' Report

ANNEXURE-I

B) EXECUTIVE COMMITTEE (EC) MEETINGS : YEAR 2015

Total Meetings held in 2015 : 04 (Four) Nos.

Sl.	Name of Directors	Status	Total EC Meeting	Meeting Attended
01.	Mr. Khabir Uddin Miah	Ex-Director	04	04
02.	Mrs. Nargis Alamin	Ex-Director	04	03
03.	Mr. Nizamul Ahsan	Vice Chairman	04	02
04.	Mr. Arafin Shamsul Alamin	Ex-Director	04	04
05.	Mr. Ehsan - E - Moazzam	Ex-Director	04	-
06.	Mr. Uzzal Kumar Nandi, FCA	Chairman	04	-
07.	Mr. Kazi Momrez Mahmud	Director	04	-
08.	Mr. Noug Chow Mong	Director	04	-
09.	Dr. Afroza Suraya Majumder	Director	04	-
10.	Mr. Sukumar Mridha	Director	04	-

C) AUDIT COMMITTEE MEETING : YEAR 2015

Total Meeting held in 2015 : 03(three) nos.

Sl	Name of Directors	Status	Meeting Attended
01.	Mr. Motiur Rahman	Ex-Director	02
02.	Mrs. Humaira Alamin	Ex-Director	02
03.	Ms. Sayma Islam	Director	02
04.	Mr. A. H. Ekbal Hossain	Director	03
05.	Mr. A. Q. Siddiqui	Director	01
06.	Mr. Shekhar Kumar Halder, FCA	Director	01
07.	Mr. Md. Iqbal Sayeed	Director	01

D) MEETING ATTENDANCE & REMUNERATION PAID TO THE DIRECTORS & EX-DIRECTORS. DURING -2015

Sl. NO.	Name of Directors	Board of Directors Meeting		Executive Committee Meeting		Audit Committee Meeting			Total remuneration paid for the year 2015	Remarks
		Total Board Meeting	Remuneration paid for attending the meeting (Taka)	Total EC Meeting	Remuneration paid for attending the meeting (Taka)	Total AC Meeting	Meeting Attended	Remuneration paid for attending the meeting (Taka)		
01.	Capt. M. Moazzam Hossain	15	13	04		03			65,000/=	Resigned from the post of chairman as well as Director on 18.11.2015
02.	Mr. Khabir Uddin Miah	15	09	04	20,000/=	03			65,000/=	Removed from the office of the Director by Bangladesh bank letter dated 13.07.2015 w.e.f 13.07.2015
03.	Mr. Motiur Rahman	15	08	04		03	02	10,000/=	50,000/=	Removed from the office of the Director by Bangladesh bank letter dated 09.07.2015 w.e.f 09.07.2015
04.	Mrs. Nargis Alamin	15	08	04	15,000/=	03			55,000/=	Removed from the office of the Director by Bangladesh bank letter dated 13.07.2015 w.e.f 13.07.2015
05.	Mr. Nizamul Ahsan	15	14	04	10,000/=	03	01	5,000/=	85,000/=	
06.	Mrs. Humaira Alamin	15	08	04		03	02	10,000/=	50,000/=	Removed from the office of the Director by Bangladesh bank letter dated 13.07.2015 w.e.f 13.07.2015
07.	Mr. Arafin Shamsul Alamin	15	09	04	20,000/=	03			65,000/=	Removed from the office of the Director by Bangladesh bank letter dated 09.07.2015 w.e.f 09.07.2015
08.	Ms. Sayma Islam	15	12	04		03	02	10,000/=	70,000/=	Continuing
09.	Mr. A. H. Ekbal Hossain	15	13	04		03	03	15,000/=	80,000/=	Continuing
10.	Mr. Ehsan - E-Moazzam	15	04	04		03			20,000/=	Retired on 08.03.2015
11.	Mr. Md. Zahirul Islam	15	04	04		03			20,000/=	Resigned on 18.11.2015
12.	Mr. A. Q. Siddiqui	15	05	04		03	01	5,000/=	30,000/=	Appointed on 20.10.2015
13.	Mr. T.I.M. Nurul Kabir	15	01	04		03			5,000/=	Resigned on 11.11.2015
14.	Mr. Milon Habibur Rahman	15	03	04		03			15,000/=	Resigned on 18.11.2015
15.	Mr. Uzzal Kumar Nandi, FCA	15	04	04		03			20,000/=	Appointed on 04.11.2015
16.	Mr. Kazi Momrez Mahmud	15	04	04		03			20,000/=	Appointed on 04.11.2015
17.	Mr. Shekhar Kumar Halder, FCA	15	03	04		03			20,000/=	Appointed on 11.11.2015
18.	Mr. Noung Chow Mong	15	02	04		03	01	5,000/=	10,000/=	Appointed on 18.11.2015
19.	Dr. Afroza Suraya Majumder	15	02	04		03			10,000/=	Appointed on 18.11.2015
20.	Mr. Md. Iqbal Sayeed	15	02	04		03	01	5,000/=	15,000/=	Appointed on 18.11.2015
21.	Mr. Sukumar Mridha	15	02	04		03			10,000/=	Appointed on 18.11.2015

A) SHAREHOLDING PATTERN OF BOARD OF DIRECTORS
as on 31 December, 2015

Sl.	Name of Directors	Status	Nos. of shares	% of shares	Name of Spouse	No. of shares held	% of shares
01	Mr. Uzzal Kumar Nandi, FCA	Chairman (Nominated by Anan Chemical Ind. Ltd.)	14,440,900	5.06%	Mrs. Anita Kar	Nil	Nil
02	Mr. Nizamul Ahsan	Vice Chairman	57,09,417	2.00%	Mrs. Khaleeda Yasmin	Nil	Nil
03	Ms. Sayma Islam	Director	67,52,131	2.37%	Mr. M Ishtaq Ahsan	Nil	Nil
04	Mr. Kazi Momrez Mahmud	Director (Nominated by Dinnun Apparels Ltd.)	1,43,17,522	5.02%	Dr. Afroza Suraya Majumder	Nil	Nil
05	Mr. Nounng Chow Mong	Director (Nominated by Dinnun Apparels Ltd.)	1,43,17,522	5.02%	Mrs. Nai Aye Ching	Nil	Nil
06	Dr. Afroza Suraya Majumder	Director (Nominated by Anan Chemical Ind. Ltd.)	14,440,900	5.06%	Mr. Kazi Momrez Mahmud	Nil	Nil
07	Mr. Shekhar Kumar Halder, FCA	Independent Director	-	-	Mrs. Sunanda Rani Biswas	Nil	Nil
08	Mr. A. H. Ekbal Hossain	Independent Director	-	-	Mrs. Saudia Begum	Nil	Nil
09	Mr. A. Q. Siddiqui	Independent Director	-	-	Mrs. Hosne Ara Siddiqui	Nil	Nil
10	Mr. Md. Iqbal Sayeed	Independent Director	-	-	Mrs. Ferdousi Haque	Nil	Nil
11	Mr. Sukumar Miridha	Independent Director	-	-	Mrs. Taposhi Rani Sikder	Nil	Nil

Directors' Report

ANNEXURE-II

B) SHAREHOLDERS HOLDING 10% OR MORE VOTING RIGHTS : AS ON 31 DECEMBER, 2015

Sl.	Name of Directors	Status	Nos. of shares	% of shares
01	Nil	Nil	Nil	Nil

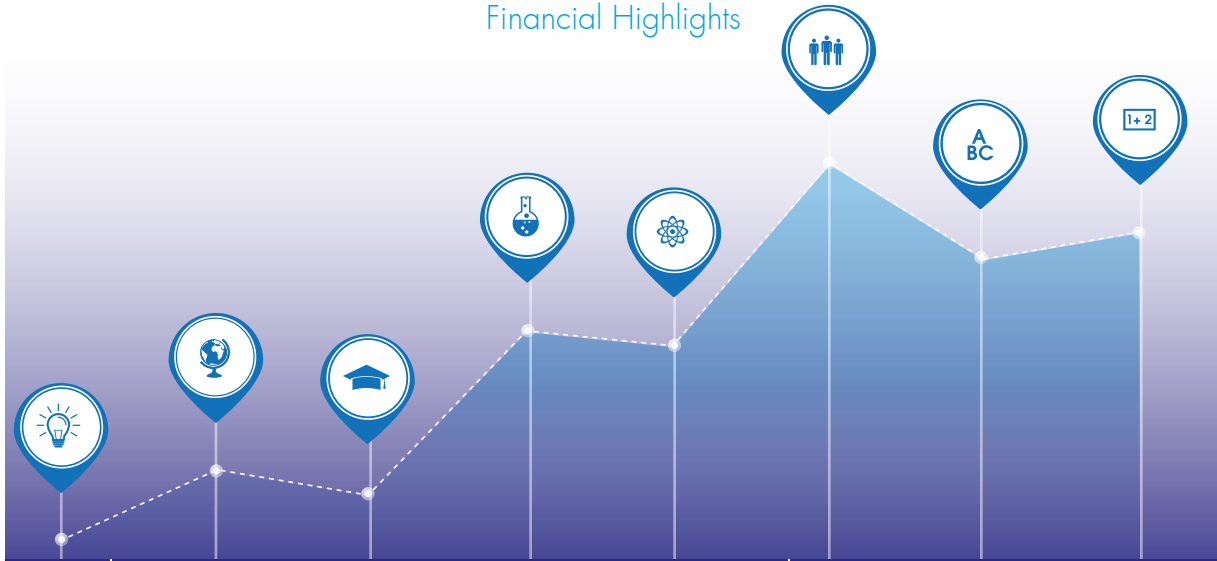
C) SHARES HELD BY CHIEF EXECUTIVE OFFICER, CFO, COMPANY SECRETARY & HEAD OF INTERNAL CONTROL

Sl	Name	Status	Shares held
01.	Dr. MA Yousuf Khan	Managing Director & CEO	Nil
02.	Mr. Sami Huda	Deputy Managing Director	Nil
03.	Mr. Manik Lal Sammadder FCA	CFO	Nil
04.	Mr. MA Rahman FCS	Company Secretary	Nil
05.	Mr. Mofazzal Hossain Khan	Head, Internal Control & Compliance Department	Nil

D) SHARES HELD BY TOP SALARIED EMPLOYEES OTHER THAN DIRECTORS, CEO, CFO, COMPANY SECRETARY & HEAD OF INTERNAL CONTROL

Sl	Name	Status	Shares held
01.	Mr. Sohel Shams	SVP	Nil
02.	Mr. Shushil Kumar Saha	Vice President, Credit & Marketing	Nil
03.	Mr. Md Harun Ur Rashid	SAVP	Nil
04.	Mr. Mukut Subal Cruise	SAVP	Nil
05.	Mr. Tapan Dey	FAVP	Nil
06.	Mr. Faisal Bin Nesar Ahmed	Manager	Nil

People's Leasing and Financial Services Ltd. Financial Highlights



Sl. No.	Particulars	Amount in Tk.	
		2015	2014
1	Paid-up Capital	2,854,405,970	2,594,914,520
2	Total Capital	3,706,098,151	4,545,698,937
3	Capital Surplus	851,692,181	1,950,784,417
4	Total Assets	28,828,167,960	22,469,260,516
5	Total Deposits	16,258,761,132	11,717,303,221
6	Total loans & advances	15,148,177,903	19,085,450,048
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	93.17%	162.88%
9	Percentage of classified loans against total loans & advances	34.35%	8.83%
10	Profit after tax and provision	(839,600,785)	196,695,746
11	Amount of classified loans during the year	3,517,963,000	332,810,000
12	Provision kept against clasified loans	419,056,635	681,031,390
13	Provision surplus against clasified loans	-	-
14	Cost of Fund	11.50%	12.81%
15	Interest Earning Assets	15,739,360,198	19,430,585,971
16	Non-interest Earning Assets	13,088,807,762	3,038,674,545
17	Return of Investments (ROI)	(4.86)	0.96
18	Return on Assets (ROA)	(3.27)	0.95
19	Income from loans & advances & investment	1,914,486,082	2,684,867,809
20	Earnings per share	(3.03)	0.76
21	Net Income Per Share	(3.03)	0.76
22	Price Earnings Ratio	(4.71)	30.47

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

Status of compliance with the conditions of Corporate Governance Guidelines as set by Bangladesh Securities & Exchange Commission (BSEC) by the notification # SEC/CMRRCD/2006-158/134 /Admin/44 dated 07 August 2012 and subsequently amended through their notification # SEC/CMRRCD/2006 158/147/Admin/48 dated 21 July 2013 issued Under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition # 7)

Condition No	Title	Compliance Status (Put (✓) in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors:			
1.1	Board Size: Board members shall not be less than 5 (Five) and more than 20 (Twenty).	✓		The Board of Directors of People's Leasing & Financial Services Limited (PLFS) consists of 11 Directors.
1.2	Independent Directors:			
1.2(i)	At least one fifth(1/5) of the total number of Director in the Company's Board shall be Independent directors.	✓		There are 5(five) Independent Directors in the PLFS's Board, namely: Mr. A.Q. Siddiui, Mr Shekhar Kumar Halder FCA, Mr AH Ekbal Hossain, Mr Iqbal Sayeed & Mr Sukumar Mridha.
1.2 (ii)	For the purpose of this clause "Independent Director" means	✓		Independent Directors have declared their compliances.
1.2 (ii) (a)	"Independent Director" means a director - who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid up shares of the Company	✓		-Do-
1.2 (ii) (b)	Who is not a sponsor of the Company and is not connected with the Company's any sponsor or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the company.	✓		-Do-
1.2 (ii) (c)	Who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated Companies.	✓		-Do-

People's Leasing and Financial Services Limited Statement of Compliance of Corporate Governance Guidelines

1.2 (ii) (d)	Who is not a member, Director, or officer of any stock exchange.	✓		-Do-
1.2 (ii) (e)	Who is not a shareholders, Director or officer of any member of stock exchange or any intermediary of the capital market.	✓		-Do-
1.2 (ii) (f)	Who is not a partner or an executive or was not a partner of an executive during the preceding 3(three) years of the concerned company's statutory audit firm.	✓		-Do-
1.2 (ii) (g)	Who shall not be an Independent Director in more than 3(three) listed Companies.	✓		-Do-
1.2 (ii) (h)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial institution (NBFI).	✓		-Do-
1.2 (ii) (i)	Who has not been convicted for a Criminal Offence involving moral turpitude.	✓		-Do-
1.2 (iii)	The Independent Director(s) shall be appointed by the Board of Directors and approved by the shareholders in the Annual General Meeting(AGM)	✓		01(one) Independent Director namely Mr. A.H. Ekbal Hossain have been appointed in Board meeting as on 19-08-2013 and been approved in the 18th AGM, held on 26/06/2014.
1.2 (iv)	The post of independent director (s) cannot remain vacant for more than 90 (ninety) days	✓		There was no vacancy In the position of independent directors
1.2 (v)	The Board shall lay down a Code of Conduct of all Board members and Annual compliance of the code to be recorded.	✓		The company has laid down a detailed code of conduct and every Director has signed a confirmation as to it's compliance.
1.2 (vi)	The tenure of office of an independent director shall be for a period of 3(three) years, which may be extended for 1(one) term only.	✓		The Independent Directors (IDs) are in their first term of office in PLFS.
1.3	Qualification of Independent Directors:			
1.3(i)	Independent Director shall be a knowledgeable Individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and cane make meaningful contribution to business.	✓		The qualification and background of IDs justify the ir abilities as such.

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

1.3(ii)	The person should be a Business leader /corporate leader /Bureaucrat /university teacher with economics or Business studies or law background /professional like Chartered Accountants, Cost & management Accounts ,Chartered Secretaries. The independent Director must have at least 12(twelve) years of corporate Management /professional experience.			Most of the Independent Directors are business studies background with more than 12 years of corporate as well as professional experiences
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	-		Not Applicable
1.4	The positions of the Chairman of the Board and Chief Executive Officer of the Company shall be filled by different individuals. The Chairman of the Company shall be elected from among the director of the Company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive officer	✓		Chairman of the Board and CEO are different individuals. The roles and responsibilities of the Chairman of the Board and CEO are approved in meeting
1.5	The Directors' Report to Shareholders:			
1.5 (i)	Industry outlook and possible future developments in the industry.	✓		The Directors report complies with the guideline.
1.5 (ii)	Segment-wise or product -wise performance.	✓		The Directors' report Complies with the guideline
1.5 (iii)	Risks and concerns	✓		Discussed at Directors Report
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	-	-	Not applicable.
1.5 (v)	Discussion on continuity of any Extra-Ordinary gain or loss.	✓		Discussed in the relevant note to the Audited Financial Statements for the year under review.
1.5 (vi)	Basis for related party transactions- a statement of all Related party transactions should be disclosed in the annual report.	✓		Discussed in Directors' report.
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments	-	-	Not Applicable

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

1.5 (viii)	An explanation if the financial results deteriorate after the company goes for initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc	✓	-	
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and annual financial statements, the management shall explain about the variance on their Annual Report.	✓		Discussed in Directors report.
1.5 (x)	Remuneration to directors including independent directors.	✓		Stated in Annexure - I (D) of Director report
1.5 (xi)	The financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		Complied
1.5 (xii)	Proper books of account of the issuer company have been maintained	✓		-Do-
1.5 (xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	✓		-Do-
1.5 (xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		-Do-
1.5 (xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	✓		-Do-
1.5 (xvi)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.	✓		Stated under "Going Concern" in the Directors Report.
1.5 (xvii)	Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained.	✓		Stated in the Directors Report.

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized.	✓		Stated in Annexure - III at Directors report
1.5 (xix)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.	✓		Described in Directors report
1.5 (xx)	The number of Board meetings held during the year and attendance by each director shall be disclosed.			Stated in Annexure - I (A) in Directors' report.
1.5 (xxi)	The pattern of Shareholding shall be reported to disclose the aggregate number of Shares (along with name wise details where stated below) held by:			
1.5 (xxi) (a)	Share held by Parent Subsidiary/Associated Companies and other related parties (name wise details);	✓		Stated in Annexure II (A) at Directors' report.
1.5 (xxi) (b)	Share held by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	✓		-Do-
1.5 (xxi) (c)	Share held by executives; (Top 5 salaried)	✓		-Do-
1.5 (xxi) (d)	Share held by shareholders holding ten percent (10%) or more voting interest in the company (name wise details)	✓		-Do-
1.5 (xxii)	In Case of Appointment/ Re-appointment of a Director the company shall disclose the following information to the Shareholders:			
1.5 (xxii) (a)	A brief resume of the director;	✓		Stated in Annual Report.
1.5 (xxii) (b)	Nature of his/her expertise in specific functional areas	✓		-Do-
1.5 (xxii) (c)	Names of companies in which the person also holds the directorship and the Membership of committees of the board.	✓		-Do-
2.	Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS):			
2.1	The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of internal Audit and the CS.	✓		The Company has appointed CFO, CS and Head of Internal Audit. Their roles responsibilities and duties, has been clearly defined by the company.

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

2.2	The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		In practice
3.	AUDIT COMMITTEE			
3 (i)	The company shall have an Audit Committee as a sub-committee of the Board of Directors.	✓		There are clearly defined an Audit Committee as a subcommittee of the Board which have been approved by Board
3 (ii)	The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		In practice
3 (iii)	The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		The TOR is available.
3.1	Constitution of the Audit Committee:			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		The Audit Committee is composed of 5(Five) members
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		The Independent Directors - Mr. Shekhar Kumar Halder FCA, Mr A.Q. Siddiqui, Mr Iqbal Sayeed & Mr AH Ekbal Hossain are the members of the Audit Committee.
3.1 (iii)	All members of the audit committee should be the "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		The Board reviewed and considered that all existing members of the Audit Committee are "financially literate" and they have "related financial management experience" as per BSEC notification.
3.1 (iv)	Filling of Casual Vacancy in Committee			The Board appointed Audit Committee members in due time

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

3.1 (v)	The company secretary shall act the secretary of the committee.	✓		In practice
3.1 (vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		In Practice
3.2	Chairman of the Audit Committee:			
3.2 (i)	The Board of Directors shall select 1 (one) member of the Audit Committee (AC) to be Chairman of the Audit Committee, who shall be an independent director	✓		Mr. Shekhar Kumar Halder FCA -an Independent Director of the company is also Chairman of the Audit Committee.
3.2 (ii)	Chairman of the audit committee shall remain present in the Annual General Meeting (AGM)	✓		In Practice
3.3	Role of Audit Committee:			
3.3 (i)	Oversee the financial reporting process.	✓		-Do-
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		-Do-
3.3 (iii)	Monitor Internal Control Risk management process	✓		-Do-
3.3 (iv)	Oversee hiring and performance of external auditors	✓		-Do-
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		-Do-
3.3 (vi)	Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.	✓		-Do-
3.3 (vii)	Review the adequacy of internal audit function.	✓		-Do-
3.3 (viii)	Review statement of significant related party transactions submitted by the management	✓		-Do-
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		-Do-

People's Leasing and Financial Services Limited Statement of Compliance of Corporate Governance Guidelines

3.3 (x)	When money is raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/ Rights Issue the company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus	✓		-Do-
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Director:			
3.4.1 (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		Audit Committee informs Board Periodically through it's minutes
3.4.1 (ii)	Immediate reporting of the Audit Committee to the Board on the following issues (if any):			
3.4.1 (ii) (a)	Report on conflicts of interests			No such instance arisen
3.4.1 (ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			-Do-
3.4.1 (ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations;			-Do-
3.4.1 (ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately			-Do-
3.4.2	Reporting to the Authorities	✓		Audit Committee report is inserted in the Annual Report with signature of the Chairman of the Audit Committee
3.5	Reporting to the Shareholders and General Investors	✓		
4.	External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		In practice
4 (ii)	Financial information systems design and implementation	✓		-Do-
4 (iii)	Book-keeping or other services related to the accounting records or financial statements	✓		-Do-

People's Leasing and Financial Services Limited

Statement of Compliance of Corporate Governance Guidelines

4 (iv)	Broker-dealer services	✓		-Do-
4 (v)	Actuarial services	✓		-Do-
4 (vi)	Internal audit services	✓		-Do-
4 (vii)	Any other service that the Audit Committee determines			-Do-
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		Existing Statutory Audit firm does not hold any shares of PLFS.
4 (ix)	Audit/certification service on compliance of Corporate Governance	✓		-
5.	Subsidiary Company:			
5 (i)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		PLFS owns a subsidiary company namely- PLFS Investments Limited.
5 (ii)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		The Independent director of Mr. Shekhar Kumar Halder, FCA is nominated in the Board of the subsidiary company.
5 (iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	✓		In Practice
5 (iv)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also.	✓		-Do-
5 (v)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.	✓		-Do-
6.	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO):			
6 (i)	(The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		In Practice
6 (i) (a)	These statement do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		-Do-

People's Leasing and Financial Services Limited Statement of Compliance of Corporate Governance Guidelines

6 (i) (b)	These statement together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.	✓		-Do-
6 (ii)	There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.	✓		-Do-
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	The company shall obtain a certificate from a Professional Accountant/ Secretary (Chartered Accountant/ Cost & Management Accountant/ Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis.	✓		Required certification has been obtained from M/S Arun & Anjan, Chartered Accountant for the year 2015 which is published as Annexure - V of Directors' Report
7 (ii)	The Directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions.	✓		Status of Compliance is published with the Directors' Report as required.

Certificate of Compliance

ANNEXURE-V



Head Office
Shah Ali Tower (13th floor), 33 Kawran Bazar, Dhaka-1215
Cell: +88 015-34001109, 018-19936291, 017-64484444
E-mail: arun.anjan2013@gmail.com, Web: www.arunanjan.com.bd


Certificate of Compliance of Conditions of Corporate Governance Guidelines to the Shareholders of People's Leasing and Financial Services Limited

We have examined the compliances of Corporate Governance Guidelines by People's Leasing & Financial Services Limited for the year ended on 31 December 2015 as required under clause 7(i) of the Bangladesh Securities & Exchange Commission (BSEC) notification SEC/CMRRCD/2006-158/134/ADMIN/44 dated on 7th August 2012 and SEC/CMRRCD/2006-158/147/Admin/48 dated 21 July 2013.

The compliance of conditions in the aforesaid notification and reporting the status of compliance is the responsibility of the Management of the Company. Our responsibility is to certify whether the company is in compliance with the said conditions of corporate governance based on our examination. For the purpose of issuing this certificate our examination was limited to the procedures as adopted by the Management of the Company for ensuring compliance to the conditions of Corporate Governance Guidelines and implementation status thereof.

To the best of our information and according to the explanations given to us, we certify that, the company has complied with conditions of corporate governance guidelines as stipulated in the above mentioned notification issued by BSEC.

Dated, Dhaka;
2016, August 24


Anjan Kumer Roy, FCA
Partner,
ARUN & ANJAN
Chartered Accountants

Report of the Audit Committee

The Audit Committee formed as a sub-committee of the Board of Directors of the Company as per Bangladesh Bank's DFIM Circular no.-13, dated October 26, 2011 & Corporate Governance Guidelines issued by Bangladesh Securities & Exchange Commission (BSEC) dated August 07, 2012. Audit Committee assists the Board of directors in ensuring that the financial statements reflects true & fair view of the of the state of the affairs of the company & in ensuring good monitoring system within the business.

Composition of the Committee

Members of the Audit Committee are Non-Executive Directors. The committee has total 05 nos. members out of which 3(three) members forms quorum for holding a meeting. The Chairman of the committee is an independent Director of the company. As on 31 December, 2015 Audit Committee comprised with the following Directors-

Audit Committee (formed on November 25, 2015)

Name	Position in the Committee	Position in the Board
Mr. Shekhar Kumar Halder FCA	Chairman	Independent Director
Mr. Nizamul Ahsan	Member	Vice Chairman
Mr. A.Q. Siddiqui	Member	Independent Director
Mr. Iqbal Sayeed	Member	Independent Director
Mr. A.H. Ekbal Hossain	Member	Independent Director

Audit Committee's meeting held during the year

During the year 2015 total 03(Three) nos. of meeting of the Audit Committee held, dated 15.01.2015, 26.04.2015 and 14.12.2015 respectively. Out of which only 1(one) meeting held during my tenure.

Scope of the work of the Audit Committee

The role & responsibilities of Audit Committee of PLFSL clearly defined by its terms of references. The committee has full authority to investigate all matters that fall within the terms of references. The committee is accountable to the Board and will report to the Board in all cases. It can't sub-delegate its power and authority to any other committee or officials. In discharging its duties it has unrestricted access to the information, data, books & records of the company as and when required. All employees will be bound to assists and cooperate the committee for any cases it deem necessary. The Audit Committee, as a committee of the Board also shall recommend the Board in appointing external auditor for auditing the financial statements of the company every year.

Report of the Audit Committee

The Audit Committee carried out the following activities during the year 2015-

- Reviewed the financial & other systems including internal control & its reporting procedure ;
- Reviewed the duties, responsibilities, functions, degree of independence with due care; objectivity & staffing of internal audit department ;
- Reviewed Bangladesh Bank Inspection reports on classification on loans & advances and management reply thereon ;
- Reviewed the management efforts to recover the classified investment & overdue investment from the defaulting borrowers within shortest possible time ;
- Reviewed all operational policies / manuals before approving by the Board ;
- Recommended to the Board regarding appointment of external auditors and their terms of references
- Reviewed the effectiveness & independences of the reports of the external auditor on yearly financial statement ;
- Reviewed various reports of Internal Control & compliance department, financial procedures & branch activities ;
- Reviewed the integrity of the quarterly & half yearly financial statements of the company and recommended to the Board for consideration ;
- Reviewed the administrative action taken by the management for detecting and preventing fraud & forgery made by the ex-officials of the company ;
- Strict adherence & compliance with the Bangladesh Accounting Standards & recommended the best accounting policies ;
- Reviewed the delinquent portfolio & provided suitable guidelines to the management.

Acknowledgement

On behalf of the Audit Committee I would like to express my thanks & gratitude to the members of the Board, Audit Committee, Management, Auditors and all employees for their dedication & sincere efforts during the year 2015.



Shekhar Kumar Halder FCA
Chairman, Audit Committee

Report on Internal Control

The aim of internal control is to provide reasonable assurance, by means of processes and procedures implemented by PLFSL, that the following objectives may be achieved.

- To determine whether compliance exists with policies, procedures, law and regulations.
- To determine if assets are safeguarded and verify the existence of those assets.
- To assist members of our organization in the effective and successful performance of their responsibilities by providing them with analyses, appraisals, recommendations and other pertinent information concerning the activities being reviewed.
- To determine the reliability and integrity of information; (i.e. evaluating the internal control systems and the integrity of financial and operating information produced by those systems)
- To reviews operations or programs' for consistency with established management goals and objectives.

As in the case with any control systems the company's internal system cannot guarantee that all risk of error or fraud is fully eliminated or controlled and safeguarded.

Internal Control Procedure

PLFSL believes on the principle of decentralization of authority and responsibility. Consequently responsibility for the implementation of appropriate internal control procedures governing risk management, financial control and complies with legislation is delegated to the managers of each department of the Company. To ensure the consistency of Company's procedures with each department, senior management relies on the functional department to draw up the procedures necessary for the proper operation of controls issue instructions regarding their implementation and ensure compliance with the said instructions. The key operations and the internal control procedures applicable to them are described below :

With View to ensure safe, secure, stable & effective transaction processing, finance and Accounts Department of PLFSL is working with utmost efficiency & Professionalism.

Reports are produced monthly and prepared in the following month to which they relate whereas full accounting consolidations are produced quarterly and prepared within the following month to which they relate. The preparation of the annual financial statement is the responsibility of the management.

Report on Internal Control

External Financial information:

Financial communication to external parties consists of financial statements prepared by the Management, submitted to the Board and reviewed and audited by the Auditors.

Procedures and inspections:

With the objectives of producing high quality financial and accounting information, PLFSL has introduced procedures and instructions tailored to every section. These procedures are grouped by topic and deal mainly with accounting, treasury, regulatory and reporting issues.

The internal control and compliance department is independent from management. It audits the activities and systems of different departments in accordance with the audit plan, particularly in order to assess and improve the accuracy and reliability of the accounting and financial information.

The internal control and compliance department coordinates relations with external auditors.

COMPLIANCE REPORT ON BANGLADESH BANK'S GUIDELINES ON CORPORATE GOVERNANCE

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

Con diti on No.	Title	Compliance Status
01	Responsibilities and Authorities of Board of Directors The responsibilities of the Board of Directors are mainly related to evaluation and developing strategy. Those are as-	Complied
A. Work-planning and Strategic Management:		
i	The Board shall determine the vision/mission of the Company. Board shall also determine the strategy and work planning for enhancement of institutional efficiency and other policy matters on annual basis. The Board shall make necessary amendments on the strategy on quarterly basis.	Complied Refer to the Directors Report on page 28 of this Annual Report.
ii	The Board shall have its analytical review to be incorporated in the Annual Report as regard to the success or failure in achieving the target as set out in the annual work plan and inform the same to the shareholders in the Annual General Meeting (AGM).	Complied
iii	The Board shall determine Key Performance Indicators for chief executive along with other top level executives and reassess on half yearly basis.	Complied
B. Formation of Sub -committee:		
	For making timely decision, executive committee can be formed. No alternative director shall be included in this committee.	Complied Refer to 'Board and its committee' in this Annual Report.
C. Financial Management:		
i	Annual budget and statutory financial reports shall be authorized by the Board of Directors	Complied
ii	The Board shall review company's statement of income and expenses, statement of loan/lease, liquidity requirement, and capital adequacy, adequacy of provision, action taken for legal cases and recovery of default loan.	Complied Refer to Director's Report of the Annual Report.
iii	The Board shall approve the procurement policy and shall accordingly approve the delegation of power for making such expenditure. The maximum delegation of power shall rest on the CEO and top management. However, decision relating to purchase of land, building, and vehicle shall remain with the Board.	Complied

COMPLIANCE REPORT ON BANGLADESH BANK'S GUIDELINES ON CORPORATE GOVERNANCE

iv	Bank account of the Company shall be operated by a group constituted from amongst the Management which must be approved by the Board and having dual signatures (As amended through circular number 09, dated October 08, 2007).	Complied
D. Loan/Lease/Investment Management:		
i	The policies, strategies, procedures etc. in respect of appraisal of loan/lease/investment proposal, sanction, disbursement, recovery, rescheduling, and write off shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically delegate the power of sanction of loan/lease/investment and such delegate should desirably be made among the CEO and other top management of the company.	Complied
ii	No Director shall interfere directly or indirectly in the process of loan approval.	Complied
iii	Core Risk Management Guidelines shall be approved by the Board of Directors of the Company.	Complied
E. Risk Management		
	Approval shall be taken from Board of Directors for syndicate loan/lease/investment Complied and large loan, lease or investment.	Complied
F. Internal Control & Compliance:		
	Audit Committee shall be formed for effective implementation of an integrated internal control system of the Company and for keeping loan/lease/investment quality at a desired level. Board Audit Committee shall review the report provided by the Internal Control & Compliance Department, the external auditor and the Bangladesh Bank shall make comments thereon.	Refer to Report on the Audit Committee of this Annual Report.
G. Human Resources Management (HRM):		
	Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, HR development etc. and service rule shall be framed and approved by the Board. The Chairman or the Board shall no way involve themselves or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the service rules. No member of the Board shall be included in the selection committees for recruitment and promotion of different levels except the positions MD, DMD and SEVP or equivalent.	Refer to the Directors' Report of this Annual Report.
H. Appointment of Managing Director and Increase of Salaries & Allowances:		
	Board of Directors shall appoint a competent Managing Director with approval of the Bangladesh Bank. Board shall approve any increment of salaries and allowance of the Managing Director	Complied
I. Benefit to Chairman:		
	Chairman may be offered an office room, a personal secretary, a telephone at the office, a vehicle in the business-interest of the company subject to the approval of the Board.	Complied

COMPLIANCE REPORT ON BANGLADESH BANK'S GUIDELINES ON CORPORATE GOVERNANCE

02. Responsibilities and Duties of Chairman :		
i	Chairman shall not personally possess the jurisdiction to apply policy making or executive or authority. He shall not participate in or interfere into the administrative or operational and routine affairs of the Company.	Complied
ii	The minutes of the Board meetings shall be signed by the Chairman	Complied
03. Responsibilities of Managing Director or Chief Executive:		
Officer of the company or whatever be called, shall work under the following area		
i	Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management.	Complied
ii	Managing Director shall ensure compliance of Financial Institutions Act 1993 and other relevant circulars of Bangladesh Bank and other regulatory authorities.	Complied
iii	All recruitment, promotion & training of employees, except DMD, SEVP & equivalents shall be vested upon the Managing Director. He shall act in accordance with the approved HR Policy of the Company.	Complied
iv	Managing Director may re-schedule job responsibilities of employees.	Complied
v	Managing Director may take disciplinary actions against the employees.	Complied
vi	Managing Director shall sign all the letters/statements relating to compliance of policies and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no.2 dated 06 January 2009, if so authorized.	Complied

Related Party Disclosure

Sl. No.#	Name of Directors	Status in the Board	Name of the firms/ companies in which interested in the proprietor, partner, director, managing agent, guarantor, employee etc.
01.	Mr. Uzzal Kumar Nandi, FCA	Chairman	1. Northern Jute Manufacturing Company Ltd. 2. Anan Chemical Industries Ltd. 3. Uzzal Nandi & Co. 4. Simtex Industries Limited 5. Clewiston Foods & Accommodation Limited
02.	Mr. Nizamul Ahsan	Vice Chairman	1. Meghna Group 2. Siam Bangia Industries Ltd. 3. Needle Drop (Garment) Ltd. 4. N. Ahsan & Co.
03.	Ms. Sayma Islam	Director	1. Trustee Securities Ltd. 2. China-Bangia Ceramics Industries Ltd. 3. Azbal International Ltd. 4. China-Bangia Engineering and Technology Services Ltd.
04.	Mr. Kazi Momrez Mahmud	Director (Nominated by Drinun Apparels Ltd.)	1. Design & Source Ltd. 2. Drinun Apparels Ltd.
05.	Mr. Nounng Chow Mong	Director (Nominated by Drinun Apparels Ltd.)	1. Drinun Apparels Ltd.
06.	Dr. Afroza Suraya Majumder, MBBS	Director (Nominated by Anan Chemical Industries Ltd.)	1. Anan Chemical Industries Ltd
07.	Mr. A.H. Ekbal Hossain	Independent Director	-
08.	Mr. Abdul Qader Siddiqui	Independent Director	-
09.	Mr. Shekhar Kumar Halder, FCA	Independent Director	-
10.	Mr. Md. Iqbal Sayeed	Independent Director	-
11.	Mr. Sukumar Mridha	Independent Director	-



People's Leasing And Financial Services Limited
For the Year Ended on December 31, 2015



Auditors' Report to the Shareholders of People's Leasing and Financial Services Limited.

We have audited the accompanying financial statements of People's Leasing and Financial Services Limited (the Company) which comprise the Statement of Financial Position as at December 31, 2015, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Shareholders equity, Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information disclosed in notes 1-46 and annexure A & B.

Management's responsibility

Management of People's Leasing and Financial Services Limited is responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with Bangladesh Financial Reporting Standards as explained in the relevant notes and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Financial Institution Act 1993, the Financial Institution Regulation rules 1994, the Companies Act 1994 and the Bangladesh Bank regulations require the management to ensure effective internal audit, internal control and risk management functions of the Company and other applicable laws. 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.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Bangladesh Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain a reasonable assurance about whether the financial statements of the Company are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements of the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.





Basis for qualified opinion:

01. In our audit period, we found a provision shortfall of Tk. 881,433,320 against loan and advance, Tk. 3,612,881,600 in margin loan account, Tk 345,594,108 in share A/C and Tk 195,978,600 in investment in placement of shares. The company got permission from Bangladesh Bank vide letter no DFIM (s)/1055/40/2016-1291 dated 10 July, 2016 to defer provision against loan and Advance A/C Tk 617,625,148 and Share A/C of Tk 345,594,108.
02. The company made the investment in Subsidiary – PLFS investment Ltd. Tk. 160,597,500 as paid up capital but this subsidiary company suffered losses in past few years due to capital market performance and equity of this company turned negative. As per FID circular No. 08 dated August 03, 2002 of Bangladesh Bank the company is required to make provision against this investment.
03. The company entered into an agreement with Paramount Properties Ltd. (Zenith holding Ltd. And Zephyr holdings Ltd.-owned by previous Directors of the company) to purchase a land measuring total 66.5 katha at green road at a cost of Tk.1,236,640,000. The same amount was adjusted earlier against Director's Loan but the Land has not been registered in the name of People's Leasing and Financial Services Ltd. in absence of regulatory approval. Provision is necessary in this account.
04. Consolidation of financial statements has not been made as per IFRS-10 and Companies Act 1994 although the company held 66.50% share of PLFS Investment Limited.
05. The company disclosed previous year's loss in note 09 under other assets and related Note 2.03, where previous year's loss is about 86% of other assets and 32% of total asset but details discloser note regarding the reason for such loss was not given. Moreover, restatement was not done as per BAS-8.
06. To comply with the policy directives of Bangladesh Securities and Exchange Commission (BSEC), margin loan accounts of the leasing companies were to be transferred to its subsidiary and the subsidiary to be so formed is to deal with the margin loan and share business. We observed that the company without transferring the margin loan to subsidiary has been dealing with the margin loan amount of Tk 4,744,349,000.

Opinion

In our opinion, except for the effects of the matter described in the basis for Qualified Opinion paragraph, the financial statements prepared in accordance with Bangladesh financial reporting standards (BFRS), give a true and fair view of the state of the company's affairs as at December 31, 2015 and of the result of its operations and cash flows for the year then ended and comply with the Financial Institutions ACT 1993, the rules and regulations issued by Bangladesh Bank, Company Act 1994, the Security and Exchange Rules 1987 and Other applicable laws and regulations.





Other matter:

We draw attention to the fact disclosed in note no.2.03.

Subject to our qualified opinion, we also report that:

- a) we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) in our opinion, proper books of the account as required by law have been kept by the company so far as it appeared from our examination of these books and proper returns adequate for the purpose of our audit have been received from branches visited by us;
- c) the statement of balance sheet and profit & loss accounts dealt by the report are in agreement with the books of account and returns ;
- d) the expenditure incurred during the year were for the purposes of the company;
- e) the financial position of the company as at December 31, 2015 and the profit for the year then ended have been properly reflected in the financial statements, and the financial statement have been prepared in accordance with the generally accepted accounting principles;
- f) adequate provisions have been made for leases and advances and other assets which are, in our opinion, doubtful of recovery;
- g) 80% of the risk weighted assets have been reviewed spending over 1462 man hours;
- h) the information and explanation required by us have been received and found satisfactory.

Dated: Dhaka
August 10, 2016

Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing and Financial Services Ltd.
Statement of Financial Position (Balance Sheet)
as at December 31, 2015

PARTICULARS	Notes	Amount in Taka	
		31-Dec-2015	31-Dec-2014
PROPERTY & ASSETS			
Cash & Cash Equivalents	3		
In Hand (including foreign currencies)		216,653	520,688
Balance with Bangladesh Bank and its Agent Banks (including foreign currencies)		78,227,143	44,603,713
		78,443,796	45,124,401
Balance with other Banks and Financial Institutions	4		
Inside Bangladesh		591,182,295	345,135,923
Outside Bangladesh		-	-
		591,182,295	345,135,923
Money at Call and Short Notice	5	-	-
Investments	6		
Government		-	-
Others		2,120,998,077	1,476,710,200
		2,120,998,077	1,476,710,200
Loans & Advances	7		
Lease Receivables		2,261,387,685	4,159,363,230
Advance for Lease Finance		434,202	26,824,675
Direct/ Term Finance		12,886,356,016	14,899,262,143
Secured Overdraft		-	-
Bills Discounted and Purchased		-	-
		15,148,177,903	19,085,450,048
Property, Plant & Equipment	8	62,130,176	63,010,997
Intangible Asset	8.1	-	-
Other Assets	9	10,774,668,210	1,453,828,947
Non-Banking Assets	10	52,567,503	-
Total Assets		28,828,167,960	22,469,260,516
LIABILITIES & CAPITAL			
Borrowings from Other Banks, Financial Institutions & Agents	10.1	6,046,413,448	3,519,283,637
Deposits & Other Accounts	11		
Current deposits & Other Accounts, etc		-	-
Bills Payable		-	-
Savings Bank Deposits		-	-
Term Deposits		16,156,891,871	11,607,212,883
Bearer Certificate of Deposits		-	-
Other Deposits		101,869,261	110,090,338
		16,258,761,132	11,717,303,221
Other Liabilities	12	2,816,895,229	2,686,974,721
Total Liabilities		25,122,069,809	17,923,561,579
Capital/ Shareholders' Equity			
Paid-up Capital	13	2,854,405,970	2,594,914,520
Statutory Reserve	14	645,578,147	645,578,147
General Reserve	15	-	-
Other Reserve	17	-	-
Share Premium	16	1,018,605,234	1,018,605,234
Stock Dividend	18	-	-
Retained Earnings	19	(812,491,200)	286,601,036
Total Shareholders' Equity		3,706,098,151	4,545,698,937
Total Liabilities & Shareholders' Equity		28,828,167,960	22,469,260,516

People's Leasing and Financial Services Ltd.
Statement of Financial Position (Balance Sheet)
as at December 31, 2015

PARTICULARS	Notes	Amount in Taka	
		31-Dec-2015	31-Dec-2014
OFF-BALANCE SHEET ITEMS			
Contingent liabilities	20		
Letters of guarantee		-	-
Letters of credit		-	-
Irrevocable letter of credit		-	-
Bills for collection		-	-
Other contingent liabilities		-	-
		-	-
Others commitments:			
Money at call and short notice		-	-
Forward assets purchased and forward deposits placed		-	-
Undrawn note issuance and revolving underwriting facilities		-	-
Undrawn formal standby facilities, credit lines and other commitments		-	-
		-	-
Total off-balance sheet items including contingent liabilities		-	-

The annexed notes 1 to 46 and Annexure - A & B form an integral part of these financial statements.

 Chairman
  Vice Chairman
  Director
  Managing Director (CC)
  CFO
  Company Secretary

Signed as per annexed report on even date.

Dated, Dhaka
August 10, 2016


 Rahman Mostafa Alam & Co.
 Chartered Accountants

People's Leasing and Financial Services Ltd.

Statement of Profit or Loss and Other Comprehensive Income (Profit & Loss Account)

 For the year ended 31 December, 2015

PARTICULARS	Notes	Amount in Taka	
		31-Dec-2015	31-Dec-2014
OPERATING INCOME			
Interest income	21	1,763,828,618	2,443,656,029
Interest paid on deposits, borrowings etc.	22	(2,711,473,712)	(2,039,569,809)
Net interest income		(947,645,094)	404,086,220
Income from investment	23	150,657,464	241,211,780
Commission, exchange and brokerage	24	-	-
Other operating income	25	527,999,849	87,904,475
Total operating income		(268,987,781)	733,202,475
OPERATING EXPENSES			
Salaries & allowances	26	80,652,573	87,295,675
Rent, taxes, insurance, electricity etc.	27	12,609,021	11,943,553
Legal expenses	28	410,956	591,954
Postage, stamp, telecommunications etc.	29	1,648,150	2,108,849
Stationery, printing, advertisement etc.	30	6,719,865	7,379,561
Managing director's salary and fees	31	4,200,000	5,235,191
Directors' fees	32	715,000	1,020,000
Audit fee	33	250,000	220,000
Loans & advances written-off expenses	34 & 12.1	387,320,141	-
Repair, depreciation and amortization of company's assets	35	17,714,206	11,344,478
Other expenses	36	32,736,999	61,833,415
Total operating expenses		544,976,911	188,972,676
Profit before provision		(813,964,692)	544,229,799
Provision for loans & advances			
Specific provision	37	-	83,386,000
General provision		-	243,530,000
Provision for diminution in value of investments	37 & 12.2	-	-
Other provision		-	-
Total provision		-	326,916,000
Profit before taxes		(813,964,692)	217,313,799
Provision for tax			
Current tax	38	7,216,943	21,223,714
Deferred tax	38.1	18,419,150	(605,661)
Total provision		25,636,093	20,618,053
Profit after tax		(839,600,785)	196,695,746
Retained earnings brought forward		286,601,036	365,145,759
Profit available for appropriations		(552,999,750)	561,841,505
Appropriations			
Statutory reserve		-	39,339,149
General reserve		-	-
Bonus shares		259,491,450	235,901,320
Cash dividend		-	-
		259,491,450	275,240,469
Retained surplus		(812,491,200)	286,601,036
Earnings per share (EPS)	39	(3.03)	0.76

The annexed notes 1 to 46 and Annexure - A & B form an integral part of these financial statements.








 Chairman Vice Chairman Director Managing Director (CC) CFO Company Secretary

Signed as per annexed report on even date

Dated, Dhaka
August 10, 2016



 Rahman Mostafa Alam & Co.
 Chartered Accountants

People's Leasing and Financial Services Ltd.

Statement of Cash Flows

For the year ended 31 December, 2015

PARTICULARS	Amount in Taka	
	31-Dec-2015	31-Dec-2014
A CASH FLOW FROM OPERATING ACTIVITIES:		
Interest receipts in cash	1,351,138,338	2,409,431,777
Interest payments in cash	(2,171,393,956)	(2,046,460,637)
Dividend receipts in cash	46,988,526	23,674,041
Cash payments to employees	(84,852,573)	(92,530,866)
Cash payments to suppliers	(6,719,865)	(7,379,561)
Income taxes paid	(22,251,493)	(36,031,819)
Receipts from other operating activities	220,386,029	330,032,851
Payments for other operating activities	(51,821,035)	(81,217,267)
Cash generated from operating activities	(718,526,029)	499,518,519
Increase/(decrease) in operating assets and liabilities		
Statutory deposits		
Loans and advances to other banks	-	-
Loans and advances to other customers	3,937,272,145	(1,251,568,877)
Other assets	(9,309,657,623)	(1,457,432,467)
Deposits from other Banks	1,670,000,000	1,616,107,292
Deposits from customers	2,871,457,911	285,195,405
Other liabilities	(115,514,877)	880,465,909
	(946,442,444)	72,767,262
Net Cash from Operating Activities	(1,664,968,473)	572,285,781
B CASH FLOW FROM INVESTING ACTIVITIES:		
Investments In Subsidiary	-	-
Proceeds from sale of securities	127,525,661	352,552,250
Investment in securities	(644,287,877)	(1,052,515,766)
Purchase of property, plant and equipment	(65,699,977)	(10,892,360)
Payment against lease obligation	-	-
Proceeds from sale of property, plant and equipment	-	-
Net cash used in investing activities	(582,462,193)	(710,855,876)
C CASH FLOW FROM FINANCING ACTIVITIES:		
Receipts of Term Loan	3,764,337,719	1,657,060,572
Re-payment of Term Loan	(1,237,207,908)	(1,287,544,386)
Issuance of shares	-	-
Dividend paid	(333,377)	(655,025)
Net cash from financing activities	2,526,796,434	368,861,161
D Net increase/(decrease) in cash and cash equivalents (A+B+C)	279,365,767	230,291,066
E Effects of exchange rate changes on cash and cash equivalents	-	-
F Cash and cash equivalents at beginning of the year	390,260,324	159,969,258
G Cash and cash equivalents at end of the year (D+E+F)	669,626,091	390,260,324
Cash and cash equivalents at end of the year		
Cash in hand	216,653	520,688
Balance with Bangladesh Bank and its agents bank(s)	78,227,143	44,603,713
Balance with other banks and financial institutions	591,182,295	345,135,923
Money at call and short notice	-	-
	669,626,091	390,260,324



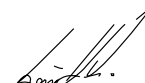
Chairman



Vice Chairman



Director



Managing Director (CC)



CFO



Company Secretary

Dated, Dhaka
August 10, 2016

Rahman M. A. Alam
Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing and Financial Services Ltd.


Statement of Changes in Equity

For the year ended 31 December, 2015

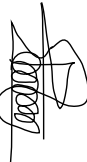
Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on 1 January, 2015	2,594,914,520	645,578,147	-	1,018,605,234	286,601,036	4,545,698,937
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,594,914,520	645,578,147	-	1,018,605,234	286,601,036	4,545,698,937
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	-	-	-	-	(839,600,785)	(839,600,785)
Dividend (bonus shares)	259,491,450	-	-	-	(259,491,450)	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on 31 December, 2015	2,854,405,970	645,578,147	-	1,018,605,234	(812,491,200)	3,706,098,151
Particulars	Paid-up Capital	Statutory Reserve	General Reserve	Share Premium	Retained Earnings	Total
Balance as on 1 January, 2014	2,359,013,200	606,238,998	-	1,018,605,234	365,145,759	4,349,003,192
Changes in accounting policy	-	-	-	-	-	-
Restated balance	2,359,013,200	606,238,998	-	1,018,605,234	365,145,759	4,349,003,192
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	-	-	-	-	196,695,745	196,695,745
Transfer to statutory reserve	-	39,339,149	-	-	(39,339,149)	-
Transfer to general reserve	-	-	-	-	-	-
Dividend (bonus shares)	235,901,320	-	-	-	(235,901,320)	-
Appropriations made during the year	-	-	-	-	-	-
Balance as on 31 December, 2014	2,594,914,520	645,578,147	-	1,018,605,234	286,601,035	4,545,698,937


Chairman


Vice Chairman


Director


Managing Director (CCI)


CFO


Company Secretary

Dated, Dhaka
August 10, 2016


Rahman Mostafa Alam & Co.
Chartered Accountants

People's Leasing and Financial Services Ltd.

Liquidity Statement

As at 31 December, 2015

Amount in Taka

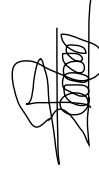
Particulars	Up to 1 month maturity	1-3 months maturity	3-12 months maturity	1-5 years maturity	More than 5 years maturity	2015	2014
ASSETS:							
Cash	216,653	-	-	-	-	216,653	520,688
Balances with Bangladesh bank	78,227,143	-	-	-	-	78,227,143	44,603,713
Balances with other banks	91,182,295	-	500,000,000	-	-	591,182,295	345,135,923
Money at call and on short notice	-	-	-	-	-	-	-
Investments	420,203,263	684,478,673	745,040,731	271,275,410	-	2,120,998,077	1,476,710,200
Loans and advances	-	980,751,170	5,601,609,650	4,205,902,050	4,359,915,033	15,148,177,903	19,085,450,048
Property, plant & equipment	-	-	8,172,462	40,862,312	13,095,402	62,130,176	63,010,997
Other assets	749,255,864	353,852,743	8,544,388,835	960,972,089	166,198,679	10,774,668,210	1,453,828,947
Non-banking assets	-	-	5,256,750	19,374,225	27,936,527	52,567,502	-
Total assets	1,339,085,218	2,019,082,586	15,404,468,428	5,498,386,086	4,567,145,641	28,828,167,960	22,469,260,516
LIABILITIES:							
Borrowing from other banks, Financial institutions & agents	590,000,000	273,277,351	1,548,561,658	1,138,655,631	2,495,918,808	6,046,413,448	3,519,283,637
Deposit and other accounts	162,587,611	812,938,057	13,332,184,129	1,300,700,891	650,350,444	16,258,761,132	11,717,303,221
Provision and other liabilities	343,070,386	472,681,768	60,264,400	1,918,213,561	22,665,114	2,816,895,229	2,686,974,721
Total liabilities	1,095,657,997	1,558,897,176	14,941,010,187	4,357,570,083	3,168,934,366	25,122,069,809	17,923,561,579
Net liquidity gap	243,427,221	460,185,410	463,458,241	1,140,816,003	1,398,211,275	3,706,098,151	4,545,698,937


Chairman


Vice Chairman


Director


Managing Director (CC)


CFO


Company Secretary


Rahman Mostafa Alam & Co.
Chartered Accountants

Dated, Dhaka
August 10, 2016

PEOPLE'S LEASING AND FINANCIAL SERVICES LTD.

Notes to the Financial Statements
For the year ended December 31, 2015

1.0 Reporting entity

1.01 Company's profile

People's Leasing and Financial Services Ltd. 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 26th August, 1996. The Company went for Public Issue in the year 2005 and its shares were listed at both Dhaka & Chittagong Stock Exchange on July 20, 2005.

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 3rd June, 1998. The Company obtained registration from Bangladesh Securities and Exchange Commission as a Merchant Bank on 31st August, 1999 and commenced its operation as a Merchant Bank from December, 2008. The PLFS Investments Ltd. has been created as a concern of People's Leasing and Financial Services to conduct merchant banking activities and play an active role in the Capital Market on Bangladesh. PLFS holds 66.50% shares of PLFS Investments Ltd.

2.0 Significant accounting policies and basis of preparation of financial statements

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) so far adopted in Bangladesh as Bangladesh Accounting Standards (BAS)/Bangladesh Financial Reporting Standards(BFRS) 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 BFRS 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 BFRSs in order to comply with the rules and regulations of Bangladesh Bank which are disclosed below:

Notes to the financial statements - continued

2.01.01 Investments in shares and securities

BFRS:

As per requirements of BAS 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.

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

BFRS:

As per BAS 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.

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 BAS 39. As such some disclosure and presentation requirements of BFRS 7 'Financial Instruments: Disclosures' and BAS 32 'Financial Instruments: Presentation' cannot be made in the accounts.

2.01.04 Financial guarantees

BFRS:

As per BAS 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.

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. No liability is recognized in this regard.

Notes to the financial statements - continued

2.01.05 Cash and cash equivalents

BFRS:

Cash and cash equivalents items should be reported as cash item as per BAS 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

BFRS:

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

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

BFRS:

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)

BFRS:

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

Bangladesh Bank:

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

2.01.09 Off-balance sheet items

BFRS:

There is no concept of off balance sheet items in any BFRS; 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).

Notes to the financial statements - continued

2.01.10 Disclosure of appropriation of profit

BFRS:

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

BFRS:

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. Statement of financial position (Balance Sheet) as on 31 December, 2015.
2. Statement of profit or loss and other comprehensive income (Profit and Loss A/C) for the year ended 31 December, 2015.
3. Statement of Cash Flows for the year ended 31 December, 2015.
4. Statement of Changes in Equity for the year ended 31 December, 2015.
5. Liquidity Statement as on 31 December, 2015.
6. Notes to the Financial Statements.

2.03 Going concern

The management has tested the going concern threats to the company and reliably estimates that there are no events that may cast significant doubt on the company's ability to run as a going concern. The company has identified Tk. 9,238,886,766 as previous years' loss and operating loss incurred during the year Tk 268,987,781 but the company has a plan and forecast to recover this loss in forthcoming years and there is no possibility to close of operation in foreseeable future. Moreover, Bangladesh Bank is closely monitoring the activities of the company and will help the company to come out of this type of situation 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.

Notes to the financial statements - continued

Provisions and accrued expenses are recognized in the Financial Statements in line with the Bangladesh Accounting Standard (BAS) No. 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 Bangladesh Accounting Standard 1 'Presentation of Financial Statements' and Bangladesh Accounting Standard 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 to December 31, 2015.

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, 2015. 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.

Notes to the financial statements - continued

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.

Notes to the financial statements - continued

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 Bangladesh Accounting Standard 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.

Notes to the financial statements - continued

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 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.

2.10.01.04 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. PLFS has recognized such assets in the year 2015. Details are shown in note no. 10 & Annexure # A.

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 Bangladesh Accounting Standard 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.

Notes to the financial statements - continued

The amount of deferred tax is determined at the effective income tax rate prevailing at the Balance Sheet date.

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. Details are shown in note no. 12 & 12.4.

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.

Notes to the financial statements - continued

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 financial position (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 un-guaranteed 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.

Notes to the financial statements - continued

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 Bangladesh Accounting Standard 33 'Earnings per Share' which has been shown in the profit and loss and computation is stated in Note no.38.

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 BFRS 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.

Notes to the financial statements - continued

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 financial position date are reflected in the financial statements in note no. 43 as per Bangladesh Accounting Standards BAS-10: 'Events after the reporting period'.

2.22 Compliance report on Bangladesh Accounting Standards (BAS) and Bangladesh Financial Reporting Standards (BFRS)

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

Sl. No.	Name of the BAS	BAS 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	Construction Contract	11	Not Applicable
07	Income Taxes	12	Applied
08	Property, Plant and Equipment	16	Applied
09	Leases	17	Applied
10	Revenue	18	Applied
11	Employee Benefits	19	Applied
12	Accounting for Government Grants and Disclosure of Government Assistance	20	Not Applicable
13	The Effects of Changes in Foreign Exchange Rates	21	Not Applicable

Notes to the financial statements - continued

Sl. No.	Name of the BAS	BAS No.	Status
14	Borrowing Costs	23	Not Applicable
15	Related Party Disclosures	24	Applied
16	Accounting and Reporting by Retirement Benefit Plans	26	Applied
17	Separate Financial Statements	27	Applied
18	Investments in Associates and Joint Ventures	28	Not Applicable
19	Financial Instruments: Presentation	32	Applied
20	Earnings per Share	33	Applied
21	Interim Financial Reporting	34	Applied
22	Impairment of Assets	36	Not Applied
23	Provision, Contingent Liabilities and Contingent Assets	37	Applied
24	Intangible Assets	38	Applied
25	Financial Instruments: Recognition and Measurement	39	Applied
26	Investment Property	40	Not Applicable
27	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 BFRS	BFRS 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	Exploration 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	Not Applied
11	Joint Arrangements	11	Not Applicable
12	Disclosure of interest in other entities	12	Applied
13	Fair value measurement	13	Applied

2.23 Address of head office & branch offices

Head office is located at Paramount Heights, Level 12th & 13th, 65/2/1 Box Culvert Road, Purana Paltan, Dhaka – 1000. 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.

Notes to the financial statements - continued

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-I.

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

Notes to the financial statements - continued

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.

People's Leasing and Financial Services Ltd.

Notes to the Financial Statements

For the year ended 31 December, 2015

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
3 Cash		
Cash in hand (Note 3.1)	216,653	520,688
Balance with Bangladesh Bank and its agent bank(s) (Note 3.2)	78,227,143	44,603,713
Total	78,443,796	45,124,401

3.1 Cash in hand

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

3.2 Balance with Bangladesh Bank

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

3.3 Cash Reserve Requirement (CRR)

CRR has been calculated at the rate of 2.5% on Total Term Deposits which is preserved in current account maintained with Bangladesh Bank in compliance with FID circular no. 6 dated 6th November, 2003 and FID Circular No. 02 dated 10th November, 2004. Total Term Deposits means Term or Fixed Deposits, Security Deposit against Lease/Loan and other Term Deposits received from individuals and institutions (except Banks and Financial Institutions).

Required reserve	70,028,000	50,414,000
Actual reserve held	72,521,000	53,997,000
Surplus / (Deficit)	2,493,000	3,583,000

3.4 Statutory Liquidity Reserve (SLR)

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

Required reserve	140,066,000	40,879,000
Actual reserve held (note-3.4.1)	563,570,000	236,010,000
Surplus / (Deficit)	423,504,000	195,131,000

4 Balance with other Banks and Financial Institutions in Bangladesh

Current Accounts & Short Term Deposits:

Al-Arafa Islami Bank Ltd.	304,524	21,226
Bank Al Falah Ltd.	-	1,025
Basic Bank	1,420	-
BDBL	154,366	155,996
Dhaka Bank Ltd.	377	1,527
Dutch Bangla Bank Ltd.	10,411,544	6,505,647
EXIM Bank Ltd	57,339	10,171,013
ICB Islamic Bank Ltd.	1,670,056	1,627,918
IFIC Bank Ltd.	-	12
Janata Bank Ltd	26,375	27,681
Mutual Trust Bank Ltd.	2,488,686	2,132,745

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
Midland Bank Ltd.	12,194	17,856
Modhumoti Bank Ltd	-	414
National Bank Ltd	2,461	1,907
NRB Commercial Bank Ltd.	6,384	6,384
NCC Bank Ltd.	198,747	200,397
One Bank Ltd.	17,213	18,363
Prime Bank Ltd.	40,339,346	33,628,353
Pubali Bank Ltd.	4	-
The Premier Bank Ltd.	-	564
Shahjalal Islami Bank Ltd.	205,446	250,557
Social Investment Bank Ltd.	10,613	11,523
Southeast Bank Ltd.	104,082	101,439
SouthBangla Agricultural Credit Bank Ltd.	35,060,963	52,062
Standard Bank Ltd.	1,122	91,730
The City Bank Ltd.	88,631	89,471
The Farmers Bank Ltd.	18,716	19,866
UCBL	1,686	248
Sub -Total	91,182,295	55,135,923
Fixed Deposits Receipts (FDR):		
Southbangla Agriculture & Commerce Bank Ltd.	200,000,000	-
First Finance Limited	100,000,000	-
Midland Bank Limited	-	80,000,000
NRB Commercial Bank Ltd.	200,000,000	10,000,000
Prime Bank Ltd.	-	200,000,000
Sub -Total	500,000,000	290,000,000
Grand Total	591,182,295	345,135,923
4.1 Maturity grouping of Balance with other Banks and Financial Institutions		
On demand	-	-
Less than 3 months	91,182,295	169,116,602
More than 3 months but less than 1 year	500,000,000	176,019,321
More than 1 year but less than 5 years	-	-
Above 5 years	-	-
Total	591,182,295	345,135,923
5 Money at Call and Short Notice		
Banking Companies	-	-
Non-Banking Financial Institutions	-	-
Total	-	-

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
6 Investments		
A. Government Securities		
Treasury Bill	-	-
National Investment Bond	-	-
Bangladesh Bank Bill	-	-
Government Notes/ Bond	-	-
Prize Bond	-	-
Others	-	-
Sub Total	-	-
B. Other Investments		
Preference Shares	-	-
Debenture and Bond	-	-
Other investments (Note 6.1)	2,120,998,077	1,476,710,200
Gold etc.	-	-
Sub Total	2,120,998,077	1,476,710,200
Total investments (A+B)	2,120,998,077	1,476,710,200
6.1 Other Investments		
Quoted:		
ABBANK	-	2,812,285
ALARABANK	58,052,333	58,471,255
APEXTANRY	2,876,779	-
BANGAS	17,037,536	-
BEACONPHAR	6,346,844	3,955,961
BEXIMCO	150,675,592	95,974,870
BRACBANK	-	132,419,349
BXPHARMA	-	2,293,553
BGIC	2,975,342	3,062,656
BSC	175,783,434	119,059,422
BSCCL	20,654,108	43,849,721
BSRMSTEL	-	6,051,610
CITYBANK	7,103,201	3,938,800
CONFIDCEM	19,465,338	2,567,990
DHAKAINS	6,197,452	4,951,440
DELTALIFE	-	6,532,460
GBBPOWER	4,645,024	5,147,570
GENNEXT	2,522,520	699,750
GHCL	45,231,535	-
GP	13,134,489	10,381,516
GPHISPAT	14,724,778	-
GRAMEEN1	-	2,479,680
GRAMEEN2	-	9,424,460
JAMUNABANK	34,802,954	43,685,338
JAMUNA OIL	-	1,289,195
KPPL	160,079,467	4,771,539
LAFSURCEML	503,028,556	337,188,401

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
MERCANBANK	-	4,785,200
MPETROLEUM	44,817,070	39,490,836
MTBL	-	5,537,393
NAVANACN	22,592,848	-
ONEBANKLTD	50,724,547	83,958,393
ORIONPHARM	11,785,902	12,208,285
PADMAOIL	38,325,622	36,287,583
PENINSULA	1,692,656	871,872
POPULAR IMF	2,806,115	6,916,950
RAKCERAMIC	64,847,121	-
RSRMSREEL	6,472,328	-
RUPALIBANK	5,060,793	1,655,420
SAIFPOWER	4,272,000	-
SAIHAMCOT	941,645	2,350,705
SPCERAMICS	7,236,555	5,806,155
SHURWID	19,240,797	-
SONARBAINS	30,026,692	-
SOUTHEASTB	55,054,506	-
STANDBANKL	26,442,668	15,051,245
SQURPHARMA	-	67,625,474
TITASGAS	24,451,798	-
TRUSTB IMF	3,609,339	3,604,353
UNIQUE HRL	19,872,586	20,702,058
UPGDCL	49,209,504	-
UTTARABANK	74,021,199	49,986,435
WMSHIPYARD	40,881,093	-
ZAHINTEX	-	3,087,612
Sub Total	1,849,722,667	1,260,934,790
Unquoted		
E-SECURITIES LTD	69,978,600	69,978,600
GMG Airlines Ltd.Placement	50,000,000	50,000,000
SAIF Power Ltd.Placement	-	7,000,000
S S Tech(Pvt.)	62,500,000	-
Energy prima Ltd. Placement	13,585,000	13,585,000
MEBPoly 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
Sandhani Life Unit Fund	56,000,000	56,000,000
Sub Total	271,275,410	215,775,410
Total (Quoted and Unquoted)	2,120,998,077	1,476,710,200

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
6.2 Maturity grouping of Investments		
On demand	-	-
Less than 3 months	1,104,681,936	818,653,850
More than 3 months but less than 1 year	745,040,731	494,325,580
More than 1 year but less than 5 years	271,275,410	163,730,770
Above 5 years	-	-
Total	2,120,998,077	1,476,710,200
7 Loans & Advances		
Inside Bangladesh:		
Gross Lease Receivables	2,925,506,691	4,960,451,947
Less: Unearned Lease Income	664,119,006	801,088,717
Net Lease Receivables	2,261,387,685	4,159,363,230
Advance for Lease Finance	434,202	26,824,675
Direct/ Term Finance	12,886,356,016	14,899,262,143
Secured Overdraft	-	-
Bills Discounted and Purchased	-	-
Sub Total	15,148,177,903	19,085,450,048
Outside Bangladesh:		
Gross Lease Receivables	-	-
Less: Unearned Lease Income	-	-
Net Investment	-	-
Advance for Lease Finance	-	-
Direct/ Term Finance	-	-
Secured Overdraft	-	-
Factoring Finance	-	-
Margin Loan	-	-
Sub Total	-	-
Total	15,148,177,903	19,085,450,048
7.1 Maturity grouping of loans & advances		
On demand	-	-
Less than 3 months	980,751,170	1,254,888,190
More than 3 months but less than 1 year	5,601,609,650	2,689,046,121
More than 1 year but less than 5 years	4,205,902,050	9,859,835,778
Above 5 years	4,359,915,033	4,123,204,054
Total	15,148,177,903	17,926,974,143

Notes to the financial statements - continued

	Amount in Taka		
	31-Dec-2015	31-Dec-2014	
7.2 Sector/ Industry-wise Loans & Advances			
Agricultural sector	4.27%	646,111,000	656,098,000
Industrial sector:			
Textiles	0.04%	6,057,000	15,233,000
Garments	2.96%	448,153,000	905,290,000
Jutes & jute related goods	1.03%	155,678,000	171,465,000
Food items producer/processing industry	0.86%	130,380,000	175,196,000
Plastic industries	0.00%	-	-
Lather and lather goods	0.33%	49,632,000	80,459,000
Iron, steel and engineering	2.35%	355,282,000	340,904,000
Chemicals and pharmaceuticals	2.30%	348,992,000	530,281,000
Cement/ clinker and allied industries	0.00%	-	-
Service sector (Hotel, hospital, clinic, tourism, etc.)	0.00%	-	-
Paper, printing and packaging	0.01%	1,416,000	3,142,000
Telecommunication and IT industries	0.89%	134,854,000	491,802,000
Glass and ceramic industries	0.00%	-	-
Shipping and ship building industries	0.00%	-	-
Electronics and electrical goods	0.01%	2,239,000	98,524,000
Power, gas, water and sanitary	3.48%	527,821,000	447,441,000
Transport and communication	4.59%	694,903,000	872,529,000
Real estate and housing	5.53%	837,846,000	1,060,829,000
Merchant banking	13.12%	1,987,635,016	1,444,577,000
Trade & Commerce	2.16%	326,650,800	3,561,764,000
Others	56.08%	8,494,528,087	8,229,916,048
Total	100.00%	15,148,177,903	19,085,450,048
7.3 Geographical Location-wise Loans & Advances			
Inside Bangladesh			
Dhaka Division	97.85%	14,822,586,421	18,788,072,238
Chittagong Division	2.03%	306,894,788	288,377,810
Barishal Division	0.00%	-	-
Rajshahi Division	0.00%	-	-
Sylhet Division	0.00%	-	-
Khulna Division	0.12%	18,696,694	9,000,000
Sub Total	100.00%	15,148,177,903	19,085,450,048
Outside Bangladesh	-	-	-
Total	100.00%	15,148,177,903	19,085,450,048

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. Total paid-up capital and reserve of the company was Tk 3,499,984,117.00 as on 31 December, 2015 where as Tk 3,240,492,667.00 as on 31 December, 2014.

Number of Clients	1	-
Outstanding Amount	629,010,151	-
Classified Amount	629,010,151	-
Measures taken for recovery	Filing of law suit - under process	-

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
7.5 Particulars of Loans & Advances		
1. Loans & advances considered good in respect of which the company is fully secured	3,969,634,960	4,312,735,999
2. Loans & advances considered good against which the company holds no security others than the debtor's personal guarantee	2,594,015,537	2,801,528,782
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	24,999,120	10,472,545
6. Loans & advances due from companies of firms in which the directors of the company have interest as directors, partners or managing agent or in case of private companies as members	-	-
7. Maximum total amount of loan & advances including temporary loans & advances made at any time during the year to directors of managers or officers of the company or any of them either separately or jointly with any other person	-	-
8. Maximum total amount of loans & advances including temporary loans & advances granted during the year to the companies of firms in which the directors of the company have interest as directors, partners of managing agents or in the case of private companies, as members	-	-
9. Due from banking companies	-	-
10. Amount of classified loans & advances on which interest has not been charged as follows:		
a. (Decrease)/ increase in provision	-	-
b. Amount of loans & advances written off	-	-
c. Amount of collection against written of loans & advances	-	-
d. Interest credited to interest suspense account	250,485,000	668,301,000
11. Loans & advances written off:		
a. Current year	737,892,579	-
b. Cumulative to date	737,892,579	-
c. Amount of written off loans for which law suits have been filed	590,498,114	-
7.6 Bills Discounted and Purchased		
Inside Bangladesh	-	-
Outside Bangladesh	-	-
Total	-	-

Notes to the financial statements - continued

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
7.7	Maturity grouping of Bills Discounted and Purchased		
	Within 1 month	-	-
	Over 1 month but within 3 months	-	-
	Over 3 months but within 6 months	-	-
	Over 6 months	-	-
	Total	-	-
8	Property, Plant & Equipment (Details in Annexure-1)		
	Own Finance		
	A. Cost		
	Company Premises	33,265,482	33,265,482
	Motor Car & Vehicle	30,554,404	25,891,404
	Computer	11,525,143	9,631,712
	Telephone System	1,480,915	1,390,315
	Air Cooler	5,168,254	5,082,454
	Refrigerator	386,899	356,999
	Generator	2,033,200	2,033,200
	Office Equipment	4,951,706	4,667,856
	Furniture & Fixtures	32,597,124	32,353,464
	Crockery	24,266	22,866
	Total	121,987,393	114,695,752
	B. Less: Accumulated Depreciation		
	Company Premises	17,354,705	15,586,841
	Motor Car & Vehicle	17,991,855	14,851,218
	Computer	6,451,456	5,183,034
	Telephone System	879,748	812,952
	Air Cooler	1,669,456	1,485,309
	Refrigerator	158,887	133,552
	Generator	1,060,727	952,674
	Office Equipment	2,999,719	2,511,722
	Furniture & Fixtures	11,269,142	10,146,617
	Crockery	21,522	20,836
	Total	59,857,217	51,684,755
	C. Written Down Value at the end of the year (A-B)	62,130,176	63,010,997
	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)	62,130,176	63,010,997

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
8.1 Intangible asset - computer softwares		
Cost	-	-
Less: Accumulated amortisation	-	-
Net book value at the end of the year	-	-
9 Other assets		
Investment in shares of subsidiary companies:		
In Bangladesh	160,597,500	160,597,500
Outside Bangladesh	-	-
Previous years' loss	9,238,886,766	-
Advance Vat/ Tax paid	11,792,053	-
Balance with BO account(s)	78,581,735	-
Interest receivable on FDR	25,370,139	14,188,499
Advance for office rent	4,340,662	6,088,958
Advance for land purchase	1,236,640,000	1,236,640,000
Stamp in hand	19,454	10,750
Other prepayment	1,703,267	1,147,456
Security deposit	223,200	223,200
Deffered tax assets (note 9.1)	16,513,434	34,932,584
Total	10,774,668,210	1,453,828,947
9.1 Deferred tax assets		
Opening Balance	34,932,584	34,326,923
Add: Addition during the year	-	605,661
Less: Adjustment during the year	18,419,150	-
Total	16,513,434	34,932,584
10 Non-Banking Assets		
This amount represents two units of flats located at Assign Monihar Legend, Plot no. 39, Road no. 15, Rabindra Sharani, Sector 03, Uttara, Dhaka, which have been registered in the name of PLFS as a settlement of loan against share of Mrs. Lafifs Ishaque and includes registration costs as well.		
A. Cost:		
Opening Balance	-	-
Add: Addition during the year	58,408,337	-
Less: Adjustment during the year	-	-
Total	58,408,337	-
B. Depreciation:		
Opening Balance	-	-
Add: Addition during the year	5,840,834	-
Less: Adjustment during the year	-	-
Total	5,840,834	-
C. Written down value at the end of the year (A-B)	52,567,502	-
10.1 Borrowings from other Banks, Financial Institutions & Agents		
Inside Bangladesh:		
Refinance against SME loan from Bangladesh Bank	125,829,808	128,450,253
From other scheduled Banks (note - 10.1)	5,920,583,640	3,390,833,384
Sub Total	6,046,413,448	3,519,283,637
Outside Bangladesh	-	-
Total	6,046,413,448	3,519,283,637

Notes to the financial statements - continued

10.2 From other scheduled Banks & Financial Institutions

Long term loan

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
Al-Arafa Islami Bank Ltd.	959,798,216	40,301,967
Basic Bank Ltd.	87,237,516	-
Bangladesh Commerce Bank Ltd.	-	63,425,954
Exim Bank Ltd.	172,155,019	137,981,375
Mutual Trust Bank Ltd.	499,452,386	158,634,491
National Bank Ltd.	-	76,884,254
Pubali Bank Ltd.	295,029,366	285,000,000
Shahjalal Islami Bank Ltd.	176,189,511	307,879,621
Social Islami Bank Ltd.	544,157,767	236,607,975
Standard Bank Ltd.	90,352,952	6,075,538
United Commercial Bank Ltd.	178,905,764	239,415,768
Uttara Bank Ltd.	292,426,829	27,046,069
Midland Bank Ltd.	-	85,442,380
NRB	373,890,780	373,999,620
Mercantile Bank Ltd.	79,595,426	92,763,281
Modhumoti Bank Ltd.	332,947,792	183,206,808
Premier Bank Ltd.	240,380,473	285,640,498
UAE	46,371,466	23,728,804
ICB Islami Bank	309,901,454	43,042,176
Sub-Total	4,678,792,717	2,667,076,579

Overdraft and money at call short notice

NRB Global Bank Ltd.	183,500,542	181,120,224
SBAC	185,556,361	-
Mutual Trust Bank Ltd.	282,734,020	242,636,581
The City Bank Ltd.	-	100,000,000
Janata Bank Ltd.	100,000,000	100,000,000
NRB Global Bank Ltd.	150,000,000	-
Rupali Bank Ltd.	190,000,000	-
Sonali Bank Ltd.	150,000,000	-
BDBL	-	100,000,000
Sub-Total	1,241,790,923	723,756,805

Grand Total

5,920,583,640 **3,390,833,384**

Security against borrowings from other banks, financial institutions and agents

Secured	5,456,413,448	3,219,283,637
Unsecured	590,000,000	300,000,000
Total	6,046,413,448	3,519,283,637

Maturity grouping of borrowings from other banks, financial institutions and agents

Payable on demand	590,000,000	300,000,000
Up to 1 month	91,092,567	209,664,512
Over 1 month but within 3 months	182,184,784	419,329,025
Over 3 month but within 6 months	1,002,006,955	801,152,927
Over 6 months but within 1 year	546,554,703	461,261,928
Over 1 year but within 5 years	1,138,655,631	1,244,009,440
Over 5 years	2,495,918,808	83,865,805
Total	6,046,413,448	3,519,283,637

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
11 Deposits & other accounts		
Deposits from banks and financial institutions (note-11.1)	9,585,000,000	7,915,000,000
Deposits from customers	6,571,891,871	3,692,212,883
Sub-Total	16,156,891,871	11,607,212,883
Other deposit	101,869,261	110,090,338
Grand Total	16,258,761,132	11,717,303,221
11.1 Deposits from banks and financial institutions		
Sonali Bank Ltd.	880,000,000	730,000,000
Janata Bank Ltd.	220,000,000	320,000,000
Agrani Bank Ltd.	670,000,000	700,000,000
Rupali Bank Ltd.	1,100,000,000	900,000,000
Eastern Bank Ltd.	650,000,000	650,000,000
Dhaka Bank Ltd.	15,000,000	115,000,000
United Commercial Bank Ltd.	300,000,000	300,000,000
Bangladesh Development Bank Ltd.	400,000,000	200,000,000
IFIC Bank Ltd.	150,000,000	200,000,000
Bangladesh Commerce Bank Ltd.	1,000,000,000	1,250,000,000
BRAC Bank Ltd.	300,000,000	300,000,000
Meghna Bank Ltd.	200,000,000	100,000,000
NRB Commercial Bank Ltd.	300,000,000	300,000,000
NRB Bank Ltd.	300,000,000	100,000,000
NRB Global Bank Ltd.	150,000,000	200,000,000
Midland Bank Ltd.	150,000,000	600,000,000
South Bangla Bank Ltd.	100,000,000	100,000,000
The Farmers Bank Ltd.	300,000,000	150,000,000
AB Bank Ltd.	200,000,000	100,000,000
Mutual Trust Bank Ltd.	-	100,000,000
The City Bank Ltd.	450,000,000	300,000,000
ICB Islamic Bank Ltd.	100,000,000	200,000,000
Jamuna Bank Ltd.	50,000,000	-
National Finance Ltd.	300,000,000	-
National Housing Ltd.	150,000,000	-
First Lease	600,000,000	-
Fareast Finance & Investment Ltd.	200,000,000	-
International Leasing Ltd.	100,000,000	-
GSP Finance Ltd.	250,000,000	-
	9,585,000,000	7,915,000,000
11.2 Maturity grouping of deposits & other accounts		
Payable on demand	-	-
Up to 1 month	162,587,611	410,105,613
Over 1 month but within 6 months	812,938,057	585,865,161
Over 6 months but within 1 year	13,332,184,129	2,343,460,644
Over 1 year but within 5 years	1,300,700,891	6,385,930,256
Over 5 years but within 10 years	650,350,444	1,991,941,547
Over 10 years	-	-
Total	16,258,761,132	11,717,303,221

Notes to the financial statements - continued

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
12	Other Liabilities		
	Provision for Lease, loans and advances (note 12.1)	575,656,852	924,561,000
	Provision for Investment Fluctuation in Shares (note 12.2)	69,225,257	69,225,257
	Provision for corporate income tax (note 12.3)	112,245,564	177,280,114
	Provision for Gratuity (note 12.4)	30,547,574	25,877,736
	Interest Suspense Account (note 12.5)	1,328,638,000	1,078,153,000
	Liabilities for financial expenses	540,079,756	294,560,995
	Liabilities for sundry creditors	133,661,514	87,813,361
	Liabilities for accrued expenses	250,000	1,071,597
	VAT payable	-	14,190
	Tax deducted at source(TDS) payable	4,494,389	6,525,791
	Dividend Payable	21,558,303	21,891,680
	Staff Incentive	538,020	-
	Total	2,816,895,229	2,686,974,721
12.1	Provision for Lease, loans and advances		
	Opening Balance	924,561,000	597,645,000
	Less: Provision fully provided loans & advances written-off during the year	348,904,148	-
	Add: Recoveries from previously written-off loans & advances	-	-
	Add: General provision provided during the year	-	243,530,000
	Add: Specific provision provided during the year	-	83,386,000
	Add: Net charge to profit and loss account	-	-
	Closing balance	575,656,852	924,561,000
12.2	Provision for diminution in value of Investments		
	Opening Balance	69,225,257	69,225,257
	Add: Provision during the year	-	-
	Less: Provision no longer required	-	-
	Closing Balance	69,225,257	69,225,257
12.3	Provision for corporate income tax		
	Opening Balance	344,304,061	413,080,347
	Add: Provision made during the year	7,216,943	21,223,714
	Less: Settlement during the year	50,000,000	90,000,000
	Closing Balance	301,521,004	344,304,061
	Advance Tax		
	Opening Balance	167,023,947	130,992,128
	Add: Addition during the year	22,251,493	36,031,819
	Less: Adjustment during the year	-	-
	Closing Balance	189,275,440	167,023,947
	Net provision	112,245,564	177,280,114
12.4	Provision for Gratuity		
	Opening Balance	25,877,736	20,069,090
	Add: Provision during the year	4,669,838	5,808,646
	Closing Balance	30,547,574	25,877,736
12.5	Interest Suspense Account		
	Opening Balance	1,078,153,000	409,852,000
	Add: Addition during the year	637,805,141	668,301,000
	Less: Adjustment during the year (for written-off)	387,320,141	-
	Closing Balance	1,328,638,000	1,078,153,000

Notes to the financial statements - continued

13 Share Capital

Authorized Capital

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

Issued, Subscribed & Paid-up Capital:

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

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

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

share in cash

Total numbers of Shares:

285,440,597

Amount in Taka	
31-Dec-2015	31-Dec-2014
5,000,000,000	5,000,000,000
426,627,330	426,627,330
2,336,612,000	2,077,120,550
91,166,640	91,166,640
2,854,405,970	2,594,914,520

Percentage of shareholding

Category	Number of share		Percentage (%)	
	31.12.15	31.12.14	31.12.15	31.12.14
Sponsors	102,865,415	99,379,341	36.04	38.30
General public including NRB	111,005,396	126,400,169	38.89	48.71
Financial Institutions	56,585,121	19,239,558	19.82	7.41
Investment companies	14,984,665	14,472,384	5.25	5.58
Foreigners	-	-	-	-
Total	285,440,597	259,491,452	100	100

Classification of shareholders by holding

Holding	Number of shareholders		Number of shares		Percentage (%)	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Less than 500	17,441	24,512	2,875,043	4,140,884	1.01	1.60
501 to 5,000	16,669	17,454	28,106,719	30,644,035	9.85	11.81
5,001 to 10,000	2,270	2,207	15,679,254	15,758,464	5.49	6.07
10,001 to 20,000	1,160	1,166	16,201,850	16,696,895	5.68	6.43
20,001 to 30,000	372	404	9,143,423	9,866,765	3.20	3.80
30,001 to 40,000	179	150	6,185,106	5,177,657	2.17	2.00
40,001 to 50,000	106	119	4,818,117	5,372,657	1.69	2.07
50,001 to 100,000	165	187	11,267,624	13,191,773	3.95	5.08
100,001 to 1000,000	153	158	38,964,716	39,962,838	13.65	15.40
Over 1000,000	30	34	152,198,745	118,679,484	53.32	45.74
Total	38,545	46,391	285,440,597	259,491,452	100.00	100.00

Name of Directors and their share holdings as on December 31, 2015

Sl. No.	Name of Directors	Status	31.12.2015	31.12.2014
1	Mr. Uzzal Kumar Nandi FCA	Chairman (Nominated by Anan Chemical Industries Ltd.)	14,440,900	-
2	Mr. Nizamul Ahsan	Vice Chairman	5,709,417	5,190,384
3	Ms. Sayma Islam	Director	6,752,131	6,138,302
4	Mr. Kazi Momrez Mahmud	Nominee Director (Nominated by Drinun Apparels Ltd.)	14,317,522	-
5	Mr. NOUNG Chow Mong	Nominee Director (Nominated by Drinun Apparels Ltd.)	14,317,522	-
6	Dr. Afroza Suraya Majumder	Nominee Director (Nominated by Anan Chemical Industries Ltd.)	14,440,900	-
7	Mr. Shekhar Kumar Halder FCA	Independent Director	-	-

Notes to the financial statements - continued

			Amount in Taka	
			31-Dec-2015	31-Dec-2014
8	Mr. A.H.Ekbal Hossain	Independent Director	-	-
9	Mr. Abdul Qader Siddiqui	Independent Director	-	-
10	Mr. Md. Iqbal Sayeed	Independent Director	-	-
11	Mr. Sukumar Mridha	Independent Director	-	-
12	Capt M. Moazzam Hossain	Ex. Chairman	-	5,241,003
13	Mr. Khabir Uddin Miah	Ex. Vice Chairman	-	5,608,951
14	Mr. Motiur Rahman	Ex. Director	-	5,941,063
15	Ms. Nargis Alamin	Ex. Director	-	5,313,900
16	Ms. Humaira Alamin	Ex. Director	-	5,685,632
17	Mr. Arafin Shamsul Alamin	Ex. Director	-	5,664,574
18	Mr. Ehsan-E-Moazzam	Ex. Independent Director	-	-

13.1 Capital adequacy

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

Paid up capital	2,854,405,970	2,594,914,520
Required capital as per Bangladesh Bank	1,000,000,000	1,000,000,000
Excess/(Shortage) capital	1,854,405,970	1,594,914,520

14 Statutory reserve

Opening balance	645,578,147	606,238,998
Add: Addition during the year	-	39,339,149
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, 1994.

15 General reserve

Opening Balance	-	-
Add: Addition during the year	-	-
Closing balance	-	-

16 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

17 Other reserve

Opening balance	-	-
Add: Addition during the year	-	-
Closing balance	-	-

18 Stock dividend

Opening balance	-	-
Add: Interim stock dividend for the year 2012	-	-
Less: Converted into paid up capital	-	-
Closing balance	-	-

Notes to the financial statements - continued

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
19	Retained earnings		
	Opening balance	286,601,036	365,145,759
	Add: Non-divisible profit	-	-
	Net profit during the year	(839,600,785)	196,695,746
	Less: Statutory reserve	-	39,339,149
	Less: General reserve	-	-
	Less: Issuance of bonus shares	259,491,450	235,901,320
	Closing balance	(812,491,200)	286,601,036
20	Contingent liabilities & capital expenditure commitments		
	Letter of guarantee:		
	Money for which the company is contingently liable in respect of guarantees given favoring:		
	Directors	-	-
	Government	-	-
	Banks and other financial institutions	-	-
	Others	-	-
	Sub Total	-	-
	Letter of credit:		
	For import of equipments under lease finance	-	-
	Sub-Total	-	-
	Total	-	-
20.1	Capital expenditure commitments		
	There was no capital expenditure contracted but not incurred or provided for as on 31 December, 2015. There was no capital expenditures authorized by the Board but not contracted as on 31 December, 2015.		
21	Interest income		
	Interest on Staff Loan	271,887	27,874
	Interest on Loan	700,312,516	1,269,400,629
	Income from Lease Finance	276,950,236	262,249,202
	Interest on advance for lease finance	4,132,867	2,408,113
	Interest on Home Loan	23,264,910	36,749,392
	Interest on Loan against Share	711,652,350	832,725,124
	Interest on Loan against MDS	240,348	34,063
	Interest on FDR	39,396,807	22,182,524
	Interest on Loan against TDR	7,606,698	17,879,107
	Total	1,763,828,618	2,443,656,029
22	Interest paid on deposits, borrowings etc.		
	Interest on deposits		
	Interest on Term Deposit	1,913,411,248	1,525,888,822
	Interest on MDS	3,361,187	6,354,735
		1,916,772,435	1,532,243,557
	Interest on borrowings		
	Interest on Call Loan	32,504,556	24,722,444
	Interest on Term Loan	703,062,477	450,993,524
	Interest on Overdraft	35,320,650	31,610,284
	Interest on Short Term Loan	23,813,595	-
		794,701,277	507,326,252
	Total	2,711,473,712	2,039,569,809

Notes to the financial statements - continued

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
23	Income from investment		
	Income from Investment/Capital gain	103,668,938	217,537,739
	Dividend income	46,988,526	23,674,041
	Total	150,657,464	241,211,780
24	Commission, exchange and brokerage		
	Commission on securities trading	-	-
	Total	-	-
25	Other operating income		
	Bank interest	707,147	864,261
	Documentation charge	225,809	682,157
	Service charge	597,711	2,289,095
	Application Fees	21,464	-
	CIB Charges	27,075	-
	Late Payment Interest	493,500,134	31,875,776
	Transfer Money	549,454	2,357,666
	Others	32,371,055	49,835,520
	Total	527,999,849	87,904,475
<p>Late payment charge Tk. 493,500,134. Out of which Tk. 82,217,376 was against case filed and the balance Tk. 411,282,758 was mostly from the Ex Directors loan and large loan which is highly expected to be realized.</p>			
26	Salaries & allowances		
	Salary	61,057,036	63,912,087
	Bonus to Staff	4,937,867	8,233,776
	Company's Contribution to Employees Provident Fund	2,006,200	2,054,376
	Gratuity Expenses	4,669,838	5,808,646
	Staff Incentive	7,981,632	7,286,790
	Total	80,652,573	87,295,675
27	Rent, taxes, insurance, electricity etc.		
	Office Rent	8,344,421	4,127,430
	Tax, Rates	210,917	3,650,937
	Insurance premium	2,397,857	2,721,730
	Electricity	1,655,826	1,443,456
	Total	12,609,021	11,943,553
28	Legal expenses		
	Legal fees	265,250	372,690
	Stamp & Court Fees	145,706	219,264
	Total	410,956	591,954
29	Postage, stamp, telecommunications etc.		
	Postage	87,906	204,574
	Telephone bill	1,033,429	1,108,008
	Fax & Internet	526,815	796,267
	Total	1,648,150	2,108,849

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
30 Stationery, printing, advertisement etc.		
Stationery & Printing	4,496,033	3,290,813
Advertisement	1,904,639	3,616,514
Computer expenses	319,193	472,234
Total	6,719,865	7,379,561
31 Managing director's salary and fees		
Salary	3,300,000	4,935,191
Festival Bonuses	300,000	
Other allowances	600,000	300,000
Total	4,200,000	5,235,191
32 Directors' Fees		
Directors' fees	715,000	1,020,000
Others Benefits	-	-
Total	715,000	1,020,000

Directors' fees for attending each board meeting are TK. 5,000.00(Five Thousand) as per Bangladesh Bank Circular. No. 03, dated 24 February, 2010. Directors have not been paid any fees/remuneration for any special services rendered.

33 Audit fee	250,000	220,000
34 Loans & advances written-off		
Loans & advances written-off	736,224,289	-
Less:provision	348,904,148	-
Interest waived	-	-
Total	387,320,141	-

Actual written-off amount was Tk. 736,224,289 against loans & advances. In this regard, specific provision was made Tk. 348,901,148. So, in Profit & Loss Account, it is shown as Tk. 387,320,141 after net-off.

35 Repair, depreciation and amortizations of company's assets		
Repair of company's assets:		
Machine/Furniture Repair & Maintenance	315,804	1,222,068
Generator Repair & Maintenance	-	166,056
Telephone Maintenance	-	86,900
Motor car Maintenance	3,385,105	2,024,472
Sub Total	3,700,909	3,499,496
Depreciation of company's assets		
Own assets	14,013,297	7,844,982
Sub Total	14,013,297	7,844,982
Amortisation of company's assets		
Computer software	-	-
Total repair and depreciation of company's assets	17,714,206	11,344,478

Notes to the financial statements - continued

		Amount in Taka	
		31-Dec-2015	31-Dec-2014
36	Other expenses		
	Traveling & Conveyance Expenses	796,275	1,107,553
	Entertainment	1,397,401	2,496,416
	Exp.A/C-Documentation Charge	-	37,130
	Exp.A/C-Processing Fee	-	21,100
	Exp.A/C-Service Charge	60,000	-
	Exp.A/C-Transfer Price	5,000	-
	Staff welfare	1,066,228	1,930,618
	Security Services	861,179	797,500
	Meeting Expenses	578,715	1,670,000
	Professional fee	701,571	401,050
	Fees & Subscription	2,256,873	1,924,046
	Office maintenance	378,417	1,380,271
	Office Exp.	1,627,827	4,149,218
	Office Supplier	17,328	-
	Miscellaneous	106,895	716,582
	Books & periodicals	152,291	1,264,980
	Business Promotion	15,022,265	32,144,249
	Fuel ,Oil & Lubricant	1,094,612	2,028,488
	Fuel ,Oil & Lubricant (Generator)	49,300	-
	Staff training	176,650	157,250
	Uniform & Leveris	120,880	108,570
	Bank charges & commission	366,640	497,396
	Excise duty	375,185	78,120
	Lease rental expenses	1,126,332	2,381,364
	Software Expenses	1,653,460	382,000
	Donation	537,000	500,000
	Donation (CSR)	1,984,020	5,300,600
	Wasa & Gas bill	47,869	7,276
	Car Exp. (TAX)	176,787	351,638
	Total	32,736,999	61,833,415
37	Provision for loans & advances		
	Provision for classified loans & advances (for written-off)	-	83,386,000
	Provision for unclassified loans & advances	-	243,530,000
	Provision for diminution in value of investments	-	-
	Provision for off-balance sheet items	-	-
	Total	-	326,916,000
38	Provision for tax		
	Provision for Current Tax is made on the basis of the profit for the period as adjusted for taxation purpose in accordance with the provision of Income Tax Ordinance, 1984 and amendments made thereof. The current tax rate for the Company is 40.00% on taxable income. As the company doesn't have any taxable income, the company provides minimum tax for the income year 2015.		
	Provision for current tax		
	Opening balance	344,304,061	413,080,347
	Add: Provision made during the year	7,216,943	21,223,714
	Add: Transferred from deferred tax	-	-
	Less: Settlement during the year	50,000,000	90,000,000
	Closing balance	301,521,004	344,304,061

Notes to the financial statements - continued

	Amount in Taka	
	31-Dec-2015	31-Dec-2014
38.1 Defered tax		
Defered Tax Liability	18,419,150	-
Defered Tax Asset	-	(605,661)
	<u>18,419,150</u>	<u>(605,661)</u>

39 Earnings per share (EPS)

Earnings Per Share (EPS) as shown in the face of Profit and Loss Account is calculated in accordance with Bangladesh Accounting Standards (BAS) No. 33 "Earnings Per Share".

Basic Earnings Per Share has been calculated as follows:

Earnings attributable to ordinary shareholders (Net Profit after Tax)	(839,600,785)	196,695,746
Weighted Average Number of ordinary shares outstanding during the year	276,718,801	259,491,452
Basic earnings per share (in Taka)	<u>(3.03)</u>	<u>0.76</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.

40 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 Bangladesh Accounting Standards 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	Relationship	Nature of Transactions	Outstanding Balance as on 31/12/2015 Taka	Outstanding Balance as on 31/12/2014 Taka
Ms. Humaira Alamin	Shareholder	Term Deposits Receipts	1,950,000	1,950,000
Mr. Arafin Shamsul Alamin	Shareholder	Term Deposits Receipts	9,503,651	500,000
Mr. Alamgir Shamsul Alamin	Shareholder	Term Deposits Receipts	7,922,908	18,102,501
Fuad Spinning Mills Ltd.	Sponsor Shareholder	Term Loan	53,704,854	78,341,157
S. A. Spinning Mills Ltd.	Sponsor Shareholder	Term Loan	161,337,580	134,505,780
S. A. Spinning Mills Ltd.	Sponsor Shareholder	Term Loan	19,369,162	15,526,514
Canadian Trillinium School Ltd	Sponsor Shareholder	Term Loan	73,772,293	19,373,710
Mrs. Shipli Rani Roy	Sponsor Shareholder	Term Loan	32,869,376	31,709,833
Mr. Biswajit Kumar Roy	Sponsor Shareholder	Lease Finance	2,012,190	1,981,134
Mr. Biswajit Kumar Roy	Sponsor Shareholder	Term Loan	29,631,239	28,425,666
			<u>392,073,253</u>	<u>330,416,295</u>

Notes to the financial statements - continued

41 Others

41.1 Pending cases as on 31.12.2015

Name of Court	No. of Suits	Suit Value/Claimed Amt. (in Lac)	Recovery against claim	Remarks
Artha Rin Adalat	23	5,767.51	167.79	-
Other Courts	55	3,455.74	425.80	-
Total	78	9,223.25	593.59	-

41.2 Unacknowledged debt

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

41.3 Employees' information

A total number of 85 permanent employees were employed in PLFS as of 31 December, 2015. All the employees received salary more than Tk. 36,000.00 p.a. during the period 2015.

42 Written-off of accounts

During the year under review, TK. 736,224,289.00 loans & advances have been written-off whereas nothing was written-off in the corresponding previous years as well.

43 Subsequent events

No subsequent events are occurred after the Balance Sheet date.

44 Directors' responsibility statement

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

45 Date of authorization for issue

The Financial Statements were authorized for issue by the Board of Directors on its 306 meeting held on August 03, 2016.

46 General

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

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

People's Leasing and Financial Services Ltd.

Fixed Assets Schedule

As at 31 December, 2015

Annexure - A

Property, plant & equipment

Figures in Taka

Sl No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2015
		Balance as on 1 Jan, 2015	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2015		Balance as on 1 Jan, 2015	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2015	
1	Company Premises	33,265,482	-	-	33,265,482	10%	15,586,841	1,767,864	-	17,354,705	15,910,777
2	Motor Car & Vehicle	25,891,404	4,663,000	-	30,554,404	20%	14,851,218	3,140,638	-	17,991,856	12,562,549
3	Computer	9,631,712	1,893,431	-	11,525,143	20%	5,183,034	1,268,422	-	6,451,456	5,073,687
4	Telephone System	1,390,315	90,600	-	1,480,915	10%	812,952	66,796	-	879,748	601,167
5	Air Cooler	5,082,454	85,800	-	5,168,254	5%	1,485,309	184,147	-	1,669,456	3,498,798
6	Refrigerator	356,999	29,900	-	386,899	10%	133,552	25,335	-	158,887	228,012
7	Generator	2,033,200	-	-	2,033,200	10%	952,674	108,053	-	1,060,727	972,473
8	Office Equipment	4,667,856	283,850	-	4,951,706	20%	2,511,722	487,997	-	2,999,719	1,951,987
9	Furniture & Fixtures	32,353,464	243,660	-	32,597,124	5%	10,146,617	1,122,525	-	11,269,142	21,327,982
10	Crockeries	22,866	1,400	-	24,266	20%	20,836	686	-	21,522	2,744
As on 31 December, 2015		114,695,752	7,291,641	-	121,987,393		51,684,755	8,172,462	-	59,857,217	62,130,176
As on 31 December, 2014		103,803,392	10,892,360	-	114,695,752		43,839,773	7,844,982	-	51,684,755	63,010,997

Non-Banking Assets

Figures in Taka

Serial No.	Particulars	COST				Rate	ACCUMULATED DEPRECIATION				Written Down Value as on 31 Dec, 2015
		Balance as on 1 Jan, 2015	Additions during the Year	Adjustment during the year	Balance as on 31 Dec, 2015		Balance as on 1 Jan, 2015	Charged during the year	Adjustment during the year	Balance as on 31 Dec, 2015	
1	Company Premises	-	58,408,336	-	58,408,336	10%	-	5,840,834	-	5,840,834	52,567,502
As on 31 December, 2015		-	58,408,336	-	58,408,336		-	5,840,834	-	5,840,834	52,567,502
As on 31 December, 2014		-	-	-	-		-	-	-	-	-

People's Leasing and Financial Services Ltd.
Financial Highlights

Sl. No.	Particulars	Amount in Tk.	
		2015	2014
1	Paid-up Capital	2,854,405,970	2,594,914,520
2	Total Capital	3,706,098,151	4,545,698,937
3	Capital Surplus	851,692,181	1,950,784,417
4	Total Assets	28,828,167,960	22,469,260,516
5	Total Deposits	16,258,761,132	11,717,303,221
6	Total loans & advances	15,148,177,903	19,085,450,048
7	Total contingent liabilities and commitments	-	-
8	Credit deposit ratio	93.17%	162.88%
9	Percentage of classified loans against total loans & advances	34.35%	8.83%
10	Profit after tax and provision	(839,600,785)	196,695,746
11	Amount of classified loans during the year	3,517,963,000	332,810,000
12	Provision kept against clasified loans	419,056,635	681,031,390
13	Provision surplus against clasified loans	-	-
14	Cost of Fund	11.50%	12.81%
15	Interest Earning Assets	15,739,360,198	19,430,585,971
16	Non-interest Earning Assets	13,088,807,762	3,038,674,545
17	Return of Investments (ROI)	(4.86)	0.96
18	Return on Assets (ROA)	(3.27)	0.95
19	Income from loans & advances & investment	1,914,486,082	2,684,867,809
20	Earnings per share	(3.03)	0.76
21	Net Income Per Share	(3.03)	0.76
22	Price Earnings Ratio	(4.71)	30.47



PEOPLE'S LEASING
And Financial Services Ltd.

Paramount Heights, Level 12 & 13, 65/2/1, Box Culvert Road, Purana Paltan, Dhaka 1000.

PROXY FORM

I/We.....
of.....
being a shareholder/member of **People's Leasing And Financial Services Limited** do hereby
appoint Mr./Mrs./Ms.....
of.....
as my/our Proxy, to vote for me/our behalf at the **20th Annual General Meeting (AGM)** of
the Company to be held on **September 22, 2016 Thursday at 09.30 a.m. at RAOWA
Convention Hall, Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206** and at any
adjournment thereof or any ballot to be taken in consequence thereof.

Signed this..... Day of.....September 2016.

Signature of Proxy.....

Tk. 20/-
Revenue
Stamp

Signature of Shareholder.....

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

No. of Shares.....

IMPORTANT NOTE:

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



PEOPLE'S LEASING
And Financial Services Ltd.

ATTENDANCE SLIP

I here record my attendance at the **20th Annual General Meeting (AGM)** of the Company to
be held on **September 22, 2016 Thursday at 09.30 a.m. at RAOWA Convention Hall,
Anchor, 3rd Floor, VIP Road, Mohakhali, Dhaka - 1206.**

Name of Shareholder/Member/Proxy.....Signature.....
Registered Folio/B.O. No.No. of Shares.....

N.B:

- a. Shareholders attending the meeting in person or by Proxy are requested to complete the attendance slip and deposit the same at the entrance of the meeting hall.
- b. In compliance with the Bangladesh Securities and Exchange Commission's Circular No. SEC/CMRRCD/2009-193/154 dated October 24, 2013 No Gift/Gift Coupon/Food Box/Cash or Kind shall be distributed to the Shareholders at **20th AGM** of the Company.



PLFS

Together We Achieve

Corporate Office

Paramount Heights, Level 12 & 13, 65/2/1,
Box Culvert Road, Purana Paltan, Dhaka 1000.
Tel: 88 02 47113826, 47117448, 47117828,
Fax: 88 02 9562780

Gulshan Branch

Rupayon Golden Age, Level 4 (C - 4 & H - 4), 99
Gulshan Avenue, Road 37, Gulshan, Dhaka 1212.
Tel: 58812283, 58812239, 9895094
Fax: 88 02 9849516

Chittagong Branch

Akhtaruzzaman Center, House No. 21/22,
Level 4, Agrabad Avenue, Chittagong,
Tel: 031710185, 031710186, Fax: 031710186